Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation
The Eric D. & Steven D. Hovde Foundation

A Employer identification number
52-2107093

Number and street (or P O box number if mail is not delivered to street address)
122 West Washington Ave, Suite 350

Room/suite

B Telephone number
608-255-5175

City or town, state or province, country, and ZIP or foreign postal code
Madison, WI 53703

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)*
▶$ 15,033,569.

J Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received	50,160.		N/A	
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	130,501.	130,501.		Statement 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	805,948.			
	b	Gross sales price for all assets on line 6a 7,202,604.				
	7	Capital gain net income (from Part IV, line 2)		805,948.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income	469,885.	441,655.		Statement 2
	12	**Total.** Add lines 1 through 11	1,456,494.	1,378,104.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	88,141.	881.		87,260.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits	15,528.	155.		15,373.
	16a	Legal fees Stmt 3	1,160.	0.		1,160.
	b	Accounting fees Stmt 4	3,235.	0.		0.
	c	Other professional fees Stmt 5	132,295.	132,295.		0.
	17	Interest				
	18	Taxes Stmt 6	67,084.	381.		0.
	19	Depreciation and depletion	25,232.	0.		
	20	Occupancy	16,392.	0.		16,392.
	21	Travel, conferences, and meetings	57,099.	0.		57,099.
	22	Printing and publications				
	23	Other expenses Stmt 7	176,823.	193,663.		21,608.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	582,989.	327,375.		198,892.
	25	Contributions, gifts, grants paid	556,890.			556,890.
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,139,879.	327,375.		755,782.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	316,615.			
	b	**Net investment income** (if negative, enter -0-)		1,050,729.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

623501 11-23-16 LHA **For Paperwork Reduction Act Notice, see instructions.**

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	2,827,097.	4,417,523.	4,417,523.
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶	5,156.		
	4	Pledges receivable ▶ 1,500.			
		Less: allowance for doubtful accounts ▶	10,374.	1,500.	1,500.
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock			
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other Stmt 9	9,514,885.	9,660,469.	9,660,469.
	14	Land, buildings, and equipment: basis ▶ 1,176,404.			
		Less accumulated depreciation ▶ 222,327.	946,612.	954,077.	954,077.
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	13,304,124.	15,033,569.	15,033,569.
Liabilities	17	Accounts payable and accrued expenses	3,000.	3,050.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶ Statement 10)	880,623.	2,696,601.	
	23	**Total liabilities** (add lines 17 through 22)	883,623.	2,699,651.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	12,420,501.	12,333,918.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances**	12,420,501.	12,333,918.	
	31	**Total liabilities and net assets/fund balances**	13,304,124.	15,033,569.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	12,420,501.
2	Enter amount from Part I, line 27a	2	316,615.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	12,737,116.
5	Decreases not included in line 2 (itemize) ▶ See Statement 8	5	403,198.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,333,918.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Fidelity Traded Securities	P		
b	Schwab Publicly Traded Securities	P		
c	Midwest publicly traded securities	P		
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	427,327.		28,834.	398,493.
b	4,766,265.		4,601,555.	164,710.
c	2,009,012.		1,766,267.	242,745.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				398,493.
b				164,710.
c				242,745.
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	805,948.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	922,538.	11,395,304.	.080958
2014	799,172.	9,190,071.	.086960
2013	976,201.	10,362,748.	.094203
2012	1,159,261.	10,132,067.	.114415
2011	1,511,512.	10,255,745.	.147382

2 **Total** of line 1, column (d)	2	.523918
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.104784
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	11,256,231.
5 Multiply line 4 by line 3	5	1,179,473.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	10,507.
7 Add lines 5 and 6	7	1,189,980.
8 Enter qualifying distributions from Part XII, line 4	8	788,479.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ **(attach copy of letter if necessary-see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	21,015.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3	Add lines 1 and 2			3	21,015.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	21,015.
6	Credits/Payments:				
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	40,360.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	40,360.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	19,345.
11	Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶ 19,345. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? *If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DC,WI			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ www.hovdefoundation.org

14 The books are in care of ▶ Tess Unger Telephone no. ▶ 608-255-5157

Located at ▶ 122 West Washington Ave, Suite 350, Madison, WI ZIP+4 ▶ 53703

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______ , ______ , ______ , ______			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______ , ______ , ______ , ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2016 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Eric D. Hovde 122 West Washington Ave, Suite 350 Madison, WI 53703	Trustee 2.00	0.	0.	0.
Steven D. Hovde 122 West Washington Ave, Suite 350 Madison, WI 53703	Trustee 1.00	0.	0.	0.
Richard J. Perry Jr. 122 West Washington Ave, Suite 350 Madison, WI 53703	Trustee 1.00	0.	0.	0.
Nicole Bice 122 West Washington Ave, Suite 350 Madison, WI 53703	Executive Director 40.00	88,141.	8,187.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 See Statement 11	192,710.
2 See Statement 12	244,330.
3 See Statement 13	32,697.
4 See Statement 14	50,000.

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:				
a	Average monthly fair market value of securities			1a	7,437,415.
b	Average of monthly cash balances			1b	3,944,702.
c	Fair market value of all other assets			1c	45,529.
d	**Total** (add lines 1a, b, and c)			1d	11,427,646.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.		
2	Acquisition indebtedness applicable to line 1 assets			2	0.
3	Subtract line 2 from line 1d			3	11,427,646.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	171,415.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	11,256,231.
6	**Minimum investment return.** Enter 5% of line 5			6	562,812.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	562,812.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	21,015.		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	21,015.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	541,797.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	541,797.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	541,797.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	755,782.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	32,697.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	788,479.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	788,479.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Form **990-PF** (2016)

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7					541,797.
2 Undistributed income, if any, as of the end of 2016					
a Enter amount for 2015 only				0.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2016:					
a From 2011	1,003,719.				
b From 2012	660,885.				
c From 2013	465,270.				
d From 2014	353,668.				
e From 2015	393,116.				
f Total of lines 3a through e		2,876,658.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $	788,479.				
a Applied to 2015, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.			
d Applied to 2016 distributable amount					541,797.
e Remaining amount distributed out of corpus		246,682.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		3,123,340.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.				0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)		0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7		1,003,719.			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a		2,119,621.			
10 Analysis of line 9:					
a Excess from 2012	660,885.				
b Excess from 2013	465,270.				
c Excess from 2014	353,668.				
d Excess from 2015	393,116.				
e Excess from 2016	246,682.				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)**

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

See Statement 15

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
A Child's Place PO Box 33302 Charlotte, NC 28233	None	PC	General operations for homeless services in Charlotte.	5,000.
Aaron J. Meyer Foundation PO Box 45211 Madison, WI 53744	None	PC	Madison Collegiate Recovery Housing Consortium.	5,000.
American Cancer Society 8317 Elderberry Road Madison, WI 53717	None	PC	Coaches vs. Cancer sponsor.	1,000.
Boys & Girls Club of Dane County 2001 Taft Street Madison, WI 53713	None	PC	Hearts for Helping sponsorship.	5,250.
Center for Healthy Minds University of Wisconsin-Madison-Waisman Center, 1500 Highland Ave., Ste S119	None	PC	The World We Make sponsorship.	5,000.
Total See continuation sheet(s)			▶ 3a	556,890.
b *Approved for future payment* None				
Total			▶ 3b	0.

Form **990-PF** (2016)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	130,501.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	469,885.	
8 Gain or (loss) from sales of assets other than inventory			18	805,948.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		1,406,334.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 1,406,334.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee

Date: 04/27/17

Title: Executive Director

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Deb Nelson, CPA	Deb Nelson, CPA	04/17/17		P01264758

Firm's name ▶ Eide Bailly LLP

Firm's EIN ▶ 45-0250958

Firm's address ▶ 800 Nicollet Mall, Ste. 1300
Minneapolis, MN 55402-7033

Phone no. 612-253-6500

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Challenging Heights P.O. Box: KN 1979 Kaneshie Accra, Kaneshie, GHANA	None	PC - Equivalency Determination	Hovde House Ghana - rescue operations.	50,000.
Children's Theatre of Madison 228 State Street Madison, WI 53703	None	PC	WI theatre program for low income kids.	2,500.
Clean Lakes Alliance 150 East Gilman St., Ste 2600 Madison, WI 53703	None	PC	Improve the water quality of the lakes, streams, and wetlands of the Yahara River watershed.	1,000.
Escuela de la Calle N/A Quetzaltenango, Quetzaltenango, GUATEMALA	None	PC - Equivalency Determination	Hovde House Guatemala.	5,400.
FLYY (Forward Learning Youth & Young Adults) 3 Marsh Court Madison, WI 53718	None	PC	General operations for young people who are underserved, overlooked, or seeking inspiration & hope.	3,000.
Friends of the Zoo 606 S. Randall Avenue Madison, WI 53715	None	PC	Zoo lights community night sponsorship.	2,000.
Girl Scouts of WI - Badgerland 2710 Ski Lane Madison, WI 53713	None	PC	Teach girls to take action for themselves, their communities & the world.	1,000.
Housing Initiatives 1110 Ruskin Street Madison, WI 53704	None	PC	Initiative to end homelessness for those suffering from severe mental illness.	5,000.
Junior Achievement of Wisconsin 2501 W. Beltline Hwy, c/o Wipfli, Ste 401 Madison, WI 53713	None	PC	Provide junior achievement programs.	1,000.
Maestro Cares 1459 W. Hubbard St. Chicago, IL 60642	None	PC	2016 Changing Lives Building Dreams Gala.	1,500.
Total from continuation sheets				535,640.

The Eric D. & Steven D. Hovde Foundation 52-2107093

Part XV **Supplementary Information**

3 **Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Many Hopes 67 Trotting Park Road East Falmouth, MA 2536	None	PC	Future Hovde House in Kenya.	244,330.
National Kidney Foundation of WI 10909 W. Greenfield Ave., Ste 201 West Allis, WI 53214	None	PC	Organ transplant awareness.	200.
Paz y Esperanza Jr. Hermilio Valdizn 681, Jess Mara Lima, Jesus Maria, PERU	None	PC - Equivalency Determination	Hovde House Peru.	192,710.
Red Caboose Child Care Center, Inc. 654 Williamson Street Madison, WI 53703	None	PC	Cover cost of tuition for 23 children.	3,000.
River Food Pantry 2201 Darwin Road Madison, WI 53704	None	PC	Fund the River Bakery job training program & put people back to work.	10,000.
The Global Orphan Project 6114 N. 9 Hwy Parkville, MO 64152	None	PC	International orphan care and education.	8,000.
The Road Home 128 E. Olin Avenue, Suite 202 Madison, WI 53713	None	PC	General operations for homeless services in WI.	5,000.
Total from continuation sheets				

623631
04-01-16

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990* .

OMB No 1545-0047

2016

Name of the organization	**Employer identification number**
The Eric D. & Steven D. Hovde Foundation	52-2107093

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor Complete Parts I and II. See instructions for determining a contributor's total contributions

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year ▶ $ ____________

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
The Eric D. & Steven D. Hovde Foundation	52-2107093

Part I **Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	International Association of Airport Duty Free Stores 2025 M Street, NW, Suite 800 Washington, DC 20036	$ 5,400.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
2	Yellow-Crowned Foundation 1629 W Colonial Parkway Inverness, IL 60067	$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
3	1st Source Corporation PO Box 1602 South Bend, IN 46634	$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
4	Metropolis International Group Limited Unit 101, 140 Wales Farm Road London, UNITED KINGDOM W3 8UG	$ 32,260.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
The Eric D. & Steven D. Hovde Foundation	52-2107093

Part II **Noncash Property** (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		$	

Name of organization

The Eric D. & Steven D. Hovde Foundation

Employer identification number

52-2107093

Part III *Exclusively* religious, charitable, etc , contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc , contributions of $1,000 or less for the year (Enter this info once) ▶ $________

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Dividends - BNP Paribas	17,764.	0.	17,764.	17,764.	
Dividends - Charles Schwab	58,127.	0.	58,127.	58,127.	
Dividends - Fidelity	7,374.	0.	7,374.	7,374.	
Dividends - Midwest Advisors	47,236.	0.	47,236.	47,236.	
To Part I, line 4	130,501.	0.	130,501.	130,501.	

Form 990-PF Other Income Statement 2

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
M3 Partners Passthrough Investment	469,475.	441,245.	
Other Investment Income	378.	378.	
HealthX Ventures Passthrough Investment	32.	32.	
Total to Form 990-PF, Part I, line 11	469,885.	441,655.	

Form 990-PF Legal Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	1,160.	0.		1,160.
To Fm 990-PF, Pg 1, ln 16a	1,160.	0.		1,160.

Form 990-PF Accounting Fees Statement 4

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	3,235.	0.		0.
To Form 990-PF, Pg 1, ln 16b	3,235.	0.		0.

Form 990-PF Other Professional Fees Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment Management Fees	132,295.	132,295.		0.
To Form 990-PF, Pg 1, ln 16c	132,295.	132,295.		0.

Form 990-PF Taxes Statement 6

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise Tax	66,703.	0.		0.
Foreign Tax	381.	381.		0.
To Form 990-PF, Pg 1, ln 18	67,084.	381.		0.

Form 990-PF Other Expenses Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Insurance	3,254.	0.		3,254.
Office Expense	9,571.	0.		9,571.
Information Technology	4,285.	0.		4,285.
Workers Compensation Insurance	4,498.	0.		4,498.
Passthrough Expenses	0.	38,448.		0.

Other investment expenses	155,215.	155,215.		0.
To Form 990-PF, Pg 1, ln 23	176,823.	193,663.		21,608.

Form 990-PF Other Decreases in Net Assets or Fund Balances Statement 8

Description	Amount
Unrealized Loss	402,029.
Schwab Basis adjustment	1,169.
Total to Form 990-PF, Part III, line 5	403,198.

Form 990-PF Other Investments Statement 9

Description	Valuation Method	Book Value	Fair Market Value
Fidelity Securities - See attached statement	FMV	1,884,252.	1,884,252.
Charles Schwab Securities - See attached statement	FMV	937,854.	937,854.
Midwest LP Securities - See attached statement	FMV	1,963,043.	1,963,043.
M3 Partners, LP	FMV	4,829,791.	4,829,791.
HealthX Ventures	FMV	45,529.	45,529.
Total to Form 990-PF, Part II, line 13		9,660,469.	9,660,469.

Form 990-PF Other Liabilities Statement 10

Description	BOY Amount	EOY Amount
Midwest Advisors Securities	880,623.	2,696,601.
Total to Form 990-PF, Part II, line 22	880,623.	2,696,601.

Form 990-PF Summary of Direct Charitable Activities Statement 11

Activity One

Peru Hovde House - This facility comprised of 8 buildings houses 40-50 girls, all victims of sexual abuse. Several of them at any time are pregnant or bearing young children as a result of their abuse. This home is a safe house, or shelter, where the girls find refuge, love, education, healthcare, nutrition, and parenting skills while their aggressors face justice. The girls do not return home until their aggressors are in jail. The annual budget is around $200,000 and the Hovde Foundation donated $192,710 this year.

	Expenses
To Form 990-PF, Part IX-A, line 1	192,710.

Form 990-PF Summary of Direct Charitable Activities Statement 12

Activity Two

Kenya Hovde House - This facility is currently undergoing construction. Having partnered with the local grantee previously to build a loving home and family environment to homeless and abandoned girls, we decided to work with them again to build a second home, this time for 50-60 boys. In 2016, the Hovde Foundation provided $244,330 in funding to further the new home's construction.

	Expenses
To Form 990-PF, Part IX-A, line 2	244,330.

Form 990-PF Summary of Direct Charitable Activities Statement 13

Activity Three

Bolivia Hovde House - The Hovde Foundation purchased land and will construct a new home for the care of abandoned and abused girls working the streets of La Paz and El Alto. The local partner there provides medical and psychological care, education, and meets the basic needs of street children in Bolivia. Once completed, this facility will house 30 girls. This year, the Hovde Foundation provided $32,697 for the purchase of land and to begin the process of construction.

	Expenses
To Form 990-PF, Part IX-A, line 3	32,697.

Form 990-PF Summary of Direct Charitable Activities Statement 14

Activity Four

Ghana Hovde House - While the bulk of the funding for this project comes from another, related foundation, Hovde funded $50,000 this year in support of rescue operations and the rehabilitation shelter for children rescued from slavery/trafficking on Lake Volta. The children spend 3-6 months at this shelter on their way back to family integration.

	Expenses
To Form 990-PF, Part IX-A, line 4	50,000.

Form 990-PF Part XV - Line 1a Statement 15
List of Foundation Managers

Name of Manager

Eric D. Hovde
Steven D. Hovde

Holdings

Account
UNINCORPORATED ASSN

Core Account

Description	Beginning Market Value Dec 1, 2016	Quantity Dec 31, 2016	Price Per Unit Dec 31, 2016	Ending Market Value Dec 31, 2016	Total Cost Basis	Unrealized Gain/Loss Dec 31, 2016	EAI ($) / EY (%)
FIDELITY GOVERNMENT MONEY MARKET (SPAXX) – 7-day yield: 0.17%	$850,443.32	626,979.600	$1.0000	$626,979.60	not applicable	not applicable	$202.37 0.030%
Total Core Account (25% of account holdings)	**$850,443.32**			**$626,979.60**			**$202.37**

Stocks

Description	Beginning Market Value Dec 1, 2016	Quantity Dec 31, 2016	Price Per Unit Dec 31, 2016	Ending Market Value Dec 31, 2016	Total Cost Basis	Unrealized Gain/Loss Dec 31, 2016	EAI ($) / EY (%)
Common Stock							
EPLUS INC (PLUS)	$1,112,000.00	10,000.000	$115.2000	$1,152,000.00	$69,628.12[t]	$1,082,371.88	- -
M FIRST BUSINESS FINL SVCS WIS COM (FBIZ)	477,588.10	21,758.000	23.7200	516,099.76	129,067.03[t]	387,032.73	10,443.84 2.020
Total Common Stock (66% of account holdings)	$1,589,588.10			$1,668,099.76	$198,695.15	$1,469,404.61	$10,443.84 P
Preferred Stock							
M ANWORTH MTG ASSET 8.62500% PFD (ANHPRA)	$217,888.52	8,548.000	$25.2869	$216,152.42	$182,405.27[t]	$33,747.15	- -
Total Preferred Stock (9% of account holdings)	$217,888.52			$216,152.42	$182,405.27	$33,747.15	-
Total Stocks (75% of account holdings)	**$1,807,476.62**			**$1,884,252.18**	**$381,100.42** ✓	**$1,503,151.76** ✓	**$10,443.84**
Total Holdings				**$2,511,231.78**	**$381,100.42**	**$1,503,151.76**	**$10,646.21**

All remaining positions held in cash account.

Long Open Positions

NRE	11,091	1	10.1499924	112,573.57	12.5700	139,413.87	26,840.30	7.10	SY
ORM	11,694	1	15.3381648	179,364.50	18.5200	216,572.88	37,208.38	11.03	SY
QTS	2,546	1	48.266095	122,885.48	49.6500	126,408.90	3,523.42	6.44	SY
RLH	20,772	1	7.3448936	152,568.13	8.3500	173,446.20	20,878.07	8.84	SY
RMR	2,833	1	31.7592703	89,974.01	39.5000	111,903.50	21,929.49	5.70	SY
RPT	9,225	1	18.7030556	172,535.69	16.5800	152,950.50	-19,585.19	7.79	
Total				1,845,909.65		1,963,043.47	117,133.82	100.00	

Short Open Positions

Symbol	Quantity	Mult	Cost Price	Cost Basis	Close Price	Value	Unrealized P/L	% of NAV	Code
Stocks									
USD									
APTS	-11,392	1	12.7717376	-145,495.64	14.9100	-169,854.72	-24,359.08	6.30	
ARI	-9,031	1	16.4864376	-148,889.02	16.6200	-150,095.22	-1,206.20	5.57	
CBL	-10,770	1	11.1748456	-120,353.09	11.5000	-123,855.00	-3,501.91	4.59	
CHSP	-4,203	1	24.0067716	-100,900.46	25.8600	-108,689.58	-7,789.12	4.03	
CLI	-4,318	1	22.6688492	-97,884.09	29.0200	-125,308.36	-27,424.27	4.65	
CVCO	-1,312	1	78.9365162	-103,564.71	99.8500	-131,003.20	-27,438.49	4.86	
CXP	-4	1	23.0206698	-92.08	21.6000	-86.40	5.68	0.00	
ESRT	-5,274	1	18.8762887	-99,553.55	20.1900	-106,482.06	-6,928.51	3.95	
FSP	-10,698	1	12.1977906	-130,491.96	12.9600	-138,646.08	-8,154.12	5.14	
GOOD	-9,242	1	15.0548833	-139,137.23	20.1000	-185,764.20	-46,626.97	6.89	
HHC	-1,183	1	111.8235865	-132,287.30	114.1000	-134,980.30	-2,693.00	5.01	
HT	-7,160	1	19.4226596	-139,066.24	21.5000	-153,940.00	-14,873.76	5.71	
LHO	-3,763	1	24.2560595	-91,275.55	30.4700	-114,658.61	-23,383.06	4.25	
MAA	-1,080	1	76.2820986	-82,384.67	97.9200	-105,753.60	-23,368.93	3.92	
PEB	-3,485	1	27.5475168	-96,003.10	29.7500	-103,678.75	-7,675.65	3.84	
RHP	-1,833	1	50.7444649	-93,014.60	63.0100	-115,497.33	-22,482.73	4.28	
SLG	-1,187	1	107.9823363	-128,175.03	107.5500	-127,661.85	513.18	4.73	
SRG	-1,742	1	44.7825492	-78,011.20	42.7100	-74,400.82	3,610.38	2.76	
STAR	-15,607	1	9.8198592	-153,258.54	12.3700	-193,058.59	-39,800.05	7.16	
TOL	-3,439	1	25.6507548	-88,212.95	31.0000	-106,609.00	-18,396.05	3.95	
UMH	-15,055	1	10.8911113	-163,965.68	15.0500	-226,577.75	-62,612.07	8.40	
Total				-2,332,016.69		-2,696,601.42	-364,584.73	100.00	

Forex Balances

Description	Quantity	Cost Price	Cost Basis in USD	Close Price	Value in USD	Unrealized P/L in USD	Code
Forex							
USD							
CAD	1,436.72	0.7386428	-1,061.23	0.74446	1,069.58	8.36	
USD	3,733,911.68	0.0000	0.00	1.0000	3,733,911.68	0.00	
Total			-1,061.23		3,734,981.26	8.36	

	This Period		Year to Date	
Income Summary	Federally Tax-Exempt	Federally Taxable	Federally Tax-Exempt	Federally Taxable
Money Funds Dividends	0.00	0.46	0.00	11.49
Cash Dividends	0.00	4,740.58	0.00	56,535.19
Total Income	**0.00**	**4,741.04**	**0.00**	**56,546.68**

Investment Detail - Cash and Money Market Funds [Sweep]

Cash	Market Value
Cash ⁿ	(2,017.05)
Total Cash	**(2,017.05)**

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCHWAB US TREAS MONEY FD: SWUXX	28,194.5700	1.0000	28,194.57	0.01%
Total Money Market Funds [Sweep]			**28,194.57**	
Total Cash & Money Market [Sweep]			**26,177.52**	

Investment Detail - Other Assets

Other Assets	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
ISHARES EDGE MSCI MIN	308.0000	61.2200	18,855.76		170.63	4.60%	869.10
VOL EAFE ETF	308.0000	60.6660	18,685.13	10/03/13	170.63	1185	Long-Term
SYMBOL: EFAV							

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Other Assets (continued)

Other Assets (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
ISHARES GOLD ETF	3,993.0000	11.0800	44,242.44		(21,961.38)	N/A	N/A
SYMBOL: IAU	989.0000	16.7451	16,560.95	12/08/11	(5,602.83)	1850	Long-Term
	3,004.0000	16.5255	49,642.87	12/08/11	(16,358.55)	1850	Long-Term
Cost Basis			*66,203.82*				
ISHARES IBOXX HIGH YIELD	891.0000	86.5500	77,116.05		1,252.52	3.95%	3,053.55
BOND ETF	158.0000	86.0500	13,595.91	11/08/16	78.99	53	Short-Term
SYMBOL: HYG	733.0000	84.9490	62,267.62	11/16/16	1,173.53	45	Short-Term
Cost Basis			*75,863.53*				
ISHARES IBOXX INVT GRADE	323.0000	117.1800	37,849.14		203.49	3.25%	1,231.36
BOND ETF	323.0000	116.5500	37,645.65	10/07/15	203.49	451	Long-Term
SYMBOL: LQD							
ISHARES JPMORGAN USD MTS	517.0000	110.2200	56,983.74		(2,550.52)	2.86%	1,631.65
BOND ETF	517.0000	115.1533	59,534.26	06/30/16	(2,550.52)	184	Short-Term
SYMBOL: EMB							
ISHARES MSCI HONG KONG	948.0000	19.4800	18,467.04		(1,576.71)	2.15%	397.63
ETF	948.0000	21.1431	20,043.75	08/30/16	(1,576.71)	123	Short-Term
SYMBOL: EWH							
ISHARES RUSSELL 2000	112.0000	134.8500	15,103.20		624.40	1.66%	252.20
ETF	112.0000	129.2750	14,478.80	11/16/16	624.40	45	Short-Term
SYMBOL: IWM							
ISHARES TIPS BOND ETF	714.0000	113.1700	80,803.38		924.40	2.58%	2,088.21
SYMBOL: TIP	424.0000	112.0308	47,501.06	02/11/16	483.02	324	Short-Term
	290.0000	111.6480	32,377.92	12/20/16	441.38	11	Short-Term
Cost Basis			*79,878.98*				

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Investment Detail - Other Assets (continued)

Other Assets (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
ISHARES 20 PLS YEAR	**141.0000**	**119.1300**	**16,797.33**		**(1,533.43)**	**3.10%**	**522.09**
TREASURY BND ETF	141.0000	130.0053	18,330.76	02/12/15	(1,533.43)	688	Long-Term
SYMBOL: TLT							
ISHARES 7-10 YEAR TRSURY	**524.0000**	**104.8200**	**54,925.68**		**(2,462.80)**	**1.88%**	**1,035.79**
BOND ETF	524.0000	109.5200	57,388.48	02/04/16	(2,462.80)	331	Short-Term
SYMBOL: IEF							
PIMCO ENHANCED SHRT	**822.0000**	**101.3300**	**83,293.26**		**66.19**	**1.57%**	**1,311.91**
MATURTY ACTV ETF	492.0000	101.1200	49,751.04	11/18/10	103.32	2235	Long-Term
SYMBOL: MINT	330.0000	101.4425	33,476.03	11/08/16	(37.13)	53	Short-Term
Cost Basis			*83,227.07*				
PIMCO 0-5 YEAR HIGH YLD	**193.0000**	**99.8600**	**19,272.98**		**329.60**	**4.92%**	**949.56**
BND IDX ETF	193.0000	98.1522	18,943.38	11/16/16	329.60	45	Short-Term
SYMBOL: HYS							
POWERSHARES QQQ TRUST	**165.0000**	**118.4800**	**19,549.20**		**351.76**	**1.19%**	**234.26**
SRS 1 ETF IV	165.0000	116.3481	19,197.44	11/16/16	351.76	45	Short-Term
SYMBOL: QQQ							
VANGUARD DIVIDEND	**469.0000**	**85.1800**	**39,949.42**		**1,793.77**	**2.70%**	**1,082.45**
APPRECIATION ETF	245.0000	77.8775	19,079.99	06/06/14	1,789.11	939	Long-Term
SYMBOL: VIG	224.0000	85.1591	19,075.66	08/01/16	4.66	152	Short-Term
Cost Basis			*38,155.65*				
VANGUARD FTSE DEVELOPED	**270.0000**	**36.5400**	**9,865.80**		**223.51**	**3.28%**	**324.00**
MARKETS ETF	270.0000	35.7121	9,642.29	11/16/16	223.51	45	Short-Term
SYMBOL: VEA							
VANGUARD FTSE EMERGING	**1,031.0000**	**35.7800**	**36,889.18**		**(2,228.61)**	**1.90%**	**701.08**
MARKETS ETF	1,031.0000	37.9416	39,117.79	11/08/16	(2,228.61)	53	Short-Term
SYMBOL: VWO							

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Investment Detail - Other Assets (continued)

Other Assets (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
VANGUARD INTERMEDIATE	**509.0000**	**85.7000**	**43,621.30**		**130.51**	**3.64%**	**1,588.08**
TERM COR ETF	509.0000	85.4435	43,490.79	10/07/15	130.51	451	Long-Term
SYMBOL: VCIT							
VANGUARD TOTAL BOND	**2,476.0000**	**80.7900**	**200,036.04**		**(2,891.12)**	**3.05%**	**6,104.89**
MARKET ETF	210.0000	81.7390	17,165.19	05/31/11	(199.29)	2041	Long-Term
SYMBOL: BND	1,610.0000	82.5300	132,873.30	10/09/14	(2,801.40)	814	Long-Term
	196.0000	81.3000	15,934.80	06/18/15	(99.96)	562	Long-Term
	460.0000	80.3345	36,953.87	12/20/16	209.53	11	Short-Term
Cost Basis			*202,927.16*				
VANGUARD TOTAL STOCK	**557.0000**	**115.3200**	**64,233.24**		**10,985.24**	**2.52%**	**1,619.76**
MARKET ETF	375.0000	87.5024	32,813.40	10/03/13	10,431.60	1185	Long-Term
SYMBOL: VTI	182.0000	112.2780	20,434.60	11/16/16	553.64	45	Short-Term
Cost Basis			*53,248.00*				
Total Other Assets	**14,963.0000**		**937,854.18**		**(18,146.55)**		**24,897.67**
		Total Cost Basis	*956,002.73*				

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Total Investment Detail	**964,031.70**
Total Account Value	**964,031.70**
Total Cost Basis	*956,002.73*

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