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

Department of the Treasury
Internal Revenue Service

▶ 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.

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

Name of foundation The Drum Foundation		A Employer identification number 94-6067469
Number and street (or P.O. box number if mail is not delivered to street address) 235 Montgomery Street	Room/suite 735	B Telephone number (see instructions) 415-651-1915
City or town, state or province, country, and ZIP or foreign postal code San Francisco, CA 94104		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 4,490,387.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

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) (see instructions))		(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 (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	178	178		
	4 Dividends and interest from securities	120,433.	120,433.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(46,646.)			
	b Gross sales price for all assets on line 6a 971,283.				
	7 Capital gain net income (from Part IV, line 2)			0	
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	73,965.	120,611.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	50,000.	12,500.		37,500.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) Stmt 1	21,090.	5,270.		15,820.
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule) Stmt 2	29,327.	29,327.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 3	23,336	0.		0.
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy	7,200.	1,800.		5,400.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) Stmt 4	5,918.	585.		5,333.
	24 Total operating and administrative expenses. Add lines 13 through 23	136,871	49,482		64,053.
	25 Contributions, gifts, grants paid	166,500.			166,500.
26 Total expenses and disbursements. Add lines 24 and 25	303,371.	49,482.		230,553.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(229,406.)				
b Net investment income (if negative, enter -0-)		71,129.			
c Adjusted net income (if negative, enter -0-)					

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22

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	41,928.	17,884.	17,884.	
	2	Savings and temporary cash investments	133,719.	111,083.	111,083.	
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		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 (attach schedule)				
	b	Investments—corporate stock (attach schedule) Stmt 5	2,732,906	2,659,438.	2,773,325.	
	c	Investments—corporate bonds (attach schedule) Stmt 6	1,472,824.	1,370,691.	1,365,890.	
	11	Investments—land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶					
12	Investments—mortgage loans					
13	Investments—other (attach schedule) Stmt 7	235,294	228,169	222,205		
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item l)	4,616,671.	4,387,265.	4,490,387.		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)	0	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	4,616,671	4,387,265.		
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
	29	Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30	Total net assets or fund balances (see instructions)					
31	Total liabilities and net assets/fund balances (see instructions)	4,616,671.	4,387,265.			

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	4,616,671.
2	Enter amount from Part I, line 27a	2	(229,406.)
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,387,265.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,387,265.

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				
b	See Statement 8			
c				
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				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
(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		
a				
b				
c				
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		(46,646.)
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) (see instructions). 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	235,010.	4,570,598.	.051418
2014	236,722	4,696,627.	.050403
2013	245,683.	4,686,119.	.052428
2012	293,621.	4,563,195.	.064345
2011	268,104.	4,459,269.	.060123
2	Total of line 1, column (d)	2	.278717
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	.055743
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	4,388,036.
5	Multiply line 4 by line 3	5	244,602.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	711.
7	Add lines 5 and 6	7	245,313.
8	Enter qualifying distributions from Part XII, line 4 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.	8	230,553.

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

Table with 11 rows for excise tax calculations. Includes sub-rows for credits/payments (6a-6d). Values include 1,423, 0, 22,000, 20,577.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes 'Yes' and 'No' columns. Values include N/A, 0, and checkmarks.

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)		<input checked="" type="checkbox"/>
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)		<input checked="" type="checkbox"/>
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	<input checked="" type="checkbox"/>	
14 The books are in care of ▶ The Drum Foundation Telephone no. ▶ 415-651-1915 Located at ▶ 235 Montgomery St., Ste. 735, San Francisco, CA ZIP+4 ▶ 94104-2917		
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		
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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		<input checked="" type="checkbox"/>

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Stmt 9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Stmt 9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 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 c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>

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**

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 (see instructions).

(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
Mrs. Janet Abbott 235 Montgomery St, #735, San Francisco, CA 94104	Director 5.00	25,000.	0.	0.
Mr. Phillip Hudner 235 Montgomery St, #735, San Francisco, CA 94104	Director 5.00	25,000.	0.	0.
Mrs. Janet Abbott 235 Montgomery St, #735, San Francisco, CA 94104	President 0.	0.	0.	0.
Mr. Phillip Hudner 235 Montgomery St, #735, San Francisco, CA 94104	Secretary-Treas. 0.	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). 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 (see instructions). 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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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	
3 All other program-related investments. See instructions	
Total. Add lines 1 through 3	0.

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	4,283,873.
b	Average of monthly cash balances	1b	170,986
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	4,454,859.
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	4,454,859
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	66,823
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,388,036.
6	Minimum investment return. Enter 5% of line 5	6	219,402.

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	219,402.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	1,423.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,423
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	217,979
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	217,979
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	217,979.

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	230,553.
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
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	230,553.
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 (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	230,553.

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.

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				217,979.
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	46,705.			
b From 2012	69,551			
c From 2013	15,323.			
d From 2014	21,725.			
e From 2015	27,982.			
f Total of lines 3a through e	181,286.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 230,553				
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				217,979.
e Remaining amount distributed out of corpus	12,574.			
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	193,860.			
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 instructions			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)				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	46,705.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	147,155.			
10 Analysis of line 9.				
a Excess from 2012	69,551.			
b Excess from 2013	15,323.			
c Excess from 2014	21,725.			
d Excess from 2015	27,982.			
e Excess from 2016	12,574.			

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

- 1a 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)

Table with 5 columns: (a) 2016, (b) 2015, (c) 2014, (d) 2013, (e) Total. Rows include 2a (net income), b (85% of line 2a), c (qualifying distributions), d (amounts not used), e (qualifying distributions made directly), 3 (alternative tests: Assets, Endowment, Support).

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).)
None

- 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 [X] 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:

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private
 Foundation
 Statements 1 through 4

Description	Legal Fees			Statement 1
	(a)	(b)	(c)	(d)
	Expenses Per Books	Net Invest- ment Income	Adjusted Net Income	Charitable Purposes
Botto Law Group, LLP	20,215.	5,051.		15,164.
Nyberg & Cassioppi, LLC	875.	219.		656.
	<u>21,090.</u>	<u>5,270.</u>		<u>15,820.</u>

Description	Other Professional Fees			Statement 2
	(a)	(b)	(c)	(d)
	Expenses Per Books	Net Invest- ment Income	Adjusted Net Income	Charitable Purposes
Northern Trust, investment fees	29,327.	29,327.		0.
	<u>29,327.</u>	<u>29,327.</u>		<u>0.</u>

Description	Taxes			Statement 3
	(a)	(b)	(c)	(d)
	Expenses Per Books	Net Invest- ment Income	Adjusted Net Income	Charitable Purposes
2015 excise tax	1,336.	0.		0.
2016 estimated excise tax	22,000.	0.		0.
	<u>23,336.</u>	<u>0.</u>		<u>0.</u>

Description	Other Expenses			Statement 4
	(a)	(b)	(c)	(d)
	Expenses Per Books	Net Invest- ment Income	Adjusted Net Income	Charitable Purposes
Attorney General's Registry of Charitable Trusts, filing fee	150.	0.		150.
Franchise Tax Board, filing fee	10.	0.		10.
Secretarial expense & postage	3,399.	0.		3,399.
Insurance	2,338.	585.		1,753.
Secretary of State fee	21.	0.		21.
	<u>5,918.</u>	<u>585.</u>		<u>5,333.</u>

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private
 Foundation
Statements 5 & 6

<u>Corporate Stocks:</u>	End of Year		
	Shares	Book Value	Fair Market Value
DFA US Core Equity	4,987.25	83,785.00	96,104.00
DFA US L/C Value Portfolio	5,349.71	182,779.00	187,721.00
SPDR S&P 500 ETF Trust	3,928.00	831,831.00	878,026.00
DFA US Small Cap Portfolio	4,663.48	138,769.00	157,812.00
Vanguard Index Small Cap Admiral (VSMAX)	3,419.38	97,694.00	211,215.00
Northern Int'l Equity Index	55,176.19	622,859.00	582,661.00
DFA Int'l Small Co Portfolio	20,894.97	367,436.00	360,856.00
DFA Int'l Value Portfolio	6,674.67	119,744.00	111,867.00
DFA Emerging Markets Core Equity	10,775.52	214,541.00	187,063.00
TOTAL		2,659,438.00	2,773,325.00

Statement 6

<u>Corporate Bonds:</u>	End of Year		
	Shares	Book Value	Fair Market Value
Flexshares 3yr Target TIPS Intermediate Credit Bond (CIU)	9,051.00	222,628.00	223,560.00
1-3 Year Credit bond ETF (CSJ)	4,529.00	498,444.00	489,993.00
Pimco Fds Pac Invt High Yield	4,733.00	499,617.00	496,681.00
TOTAL		1,370,691.00	1,365,890.00

THE DRUM FOUNDATION
EIN: 94-6067469
2016 Return of Private
Foundation
Statement 7

<u>Other Investments:</u>	<u>End of Year</u>		
	<u>Shares</u>	<u>Book Value</u>	<u>Fair Market Value</u>
DFA Int'l Real Estate Secs Portfolio (DFITX)	10,477.17	55,783.00	49,243.00
DFA Real Estate Secs Portfolio (DFREX)	1,707.45	54,060.00	58,924.00
Flexshares Morningstar Global Nat Res Index Fund (GUNR)	3,979.00	118,326.00	114,038.00
TOTAL		228,169.00	222,205.00

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private
 Foundation
Statement 8

Description	P/D	Date		Gross Sales Price	Basis	Gain or Loss
		Acquired	Date Sold		Cost and Expense of Sale	
23,662.43 sh. Northern High Yield Fixed Income Fund	P	2014	6/10/2016	155,225.00	174,882.00	(19,657.00)
15,233.22 sh. DFA Int'l Small Cap	P	2014	6/10/2016	293,392.00	287,344.00	6,048.00
4125.99 sh. DFA Emerging Mkts Core Equity	P	2014	6/13/2016	69,069.00	82,148.00	(13,079.00)
12,233.03 sh. DFA Int'l Real Estate (DFITX)	P	2014	6/13/2016	67,404.00	65,691.00	1,713.00
4125.90 sh. DFA US Core Equity	P	2014	6/13/2016	73,276.00	69,250.00	4,026.00
2017.56 sh. DFA Real Estate Sec (DFREX)	P	2014	6/13/2016	70,897.00	60,285.00	10,612.00
251 sh. DFA L/C Value Portfolio	P	2015	6/13/2016	8,012.00	8,602.00	(590.00)
4370.56 sh. DFA Int'l Value Advisors	P	2014	6/13/2016	67,394.00	78,408.00	(11,014.00)
1100 Flexshares 3 year Target TIPS	P	2014	6/15/2016	27,327.00	27,313.00	14.00
3433 sh. Morningstar Global (GUNR)	P	2014	6/15/2016	88,878.00	113,683.00	(24,805.00)
250 sh. Int'l Credit Bond (CIV)	P	2014	6/15/2016	27,599.00	27,520.00	79.00
216 sh. MFC 1-3 Credit Bond (CSJ)		2014	6/15/2016	22,810.00	22,803.00	7.00
TOTALS				971,283.00	1,017,929.00	(46,646.00)

THE DRUM FOUNDATION
EIN: 94-6067469
2016 Return of Private Foundation
Statement 9

Part VII-B, Line 1a

In 2016, The Drum Foundation (the "foundation") maintained its offices at the offices of Botto Law Group LLP. The foundation paid below-market rent to Botto Law Group LLP for office space and use of office equipment including telephone, computer, copier and facsimile machines. The foundation also paid a reasonable rate to Botto Law Group LLP for secretarial services.

During 2016 the foundation engaged Botto Law Group LLP to render legal services to the foundation and paid Botto Law Group LLP reasonable compensation for the services. The compensation paid to Botto Law Group LLP was not excessive and the services rendered by Botto Law Group LLP were reasonable and necessary for carrying out the exempt purpose of the foundation.

During 2016 Philip Hudner, an officer and director of the foundation, was a salaried employee of Botto Law Group LLP. Mr. Hudner was not a partner of Botto Law Group LLP and did not share in the profits of Botto Law Group LLP. Mr. Hudner's daughter, Mollie Hudner Thompson, was a partner of Botto Law Group LLP but did not own more than 35 percent of the profit interests in Botto Law Group LLP.

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private Foundation

Statement 10

Part XV, Line 3a, Grants Paid During the Year:

Recipient Name & Address	Status	Purpose	Amount
Acton Institute 161 Ottawa N.W., Suite 301 Grand Rapids, MI 49503	N/A 501 (c) (3)	Support educational outreach	1,000
Carmelite Monastery of St. Joseph 1101 North River Road Des Plaines, IL 60016	N/A 501 (c) (3)	General support for monastery	30,000
Daughters of St. Paul 3079 Oak Knoll Drive Redwood City, CA 94062	N/A 501 (c) (3)	General support for charitable projects	2,500
De Marillac Academy 175 Golden Gate Avenue San Francisco, CA 94102	N/A 501 (c) (3)	General support for 4th to 8th grade school	7,500
Dominican Sisters of Mission San Jose 43326 Mission Boulevard Fremont, CA 94539-5829	N/A 501 (c) (3)	Support Office of School Development	10,000
Franciscan Missionary Sisters of Our Lady of Sorrows 2381 Laurel Glen Road Soquel, CA 95073-9776	N/A 501 (c) (3)	Support St. Clare's Retreat and Convent	15,000
Immaculate Conception Academy 3625 24th Street San Francisco, CA 94110-3607	N/A 501 (c) (3)	Contribution to scholarship fund for high school	15,000

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private Foundation

Statement 10

Part XV, Line 3a, Grants Paid During the Year:

Recipient Name & Address	Status	Purpose	Amount
Junipero Serra High School 451 West 20th Avenue San Mateo, CA 94403-1385	N/A 501 (c) (3)	Support tuition assistance program for high school	10,000
Keep the Faith, Inc. 70 Lake Street Ramsey, NJ 07446-2546	N/A 501 (c) (3)	Support Latin Mass printing project	5,000
Lasallian Christian Brothers Foundation Inc. 4401 Redwood Road Napa, CA 94558	N/A 501 (c) (3)	Support Scholarships	2,500
The Lumen Christi Institute 1220 East 58th Street Chicago, IL 60637	N/A 501 (c) (3)	General support for academic center	1,000
Marin Catholic High School 675 Sir Francis Drake Blvd. Kentfield, CA 94904	N/A 501 (c) (3)	General support for high school	2,500
Mercy High School 2750 Adeline Drive Burlingame, CA 94010	N/A 501 (c) (3)	Support tuition assistance program for high school	7,500
Mission Dolores Academy 3371 16th Street San Francisco, CA 94114	N/A 501 (c) (3)	General support for K-8th grade school	5,000
Our Lady of Lourdes Convent 77 Locust Avenue San Rafael, CA 94901	N/A 501 (c) (3)	Support infirmary	1,000

THE DRUM FOUNDATION
 EIN: 94-6067469
 2016 Return of Private Foundation

Statement 10

Part XV, Line 3a, Grants Paid During the Year:

Recipient Name & Address	Status	Purpose	Amount
St. Anthony-Immaculate Conception School 299 Precita Avenue San Francisco, CA 94110	N/A	501 (c) (3)	General support for K to 8th grade school 10,000
St. Catherine of Siena School 1300 Bayswater Avenue Burlingame, CA 94010-4313	N/A	501 (c) (3)	Support tuition assistance program for K-8 grade school 2,500
Saint James School 321 Fair Oaks Street San Francisco, CA 94110	N/A	501 (c) (3)	General support for K to 8th grade school 12,500
St. Paul of the Shipwreck Church 1122 Jamestown Avenue San Francisco, CA 94124	N/A	501 (c) (3)	Support religious education program 5,000
St. Peter's School 1266 Florida Street San Francisco, CA 94110	N/A	501 (c) (3)	General support for K to 8th grade school 10,000
St. Vincent de Paul Society of San Francisco 1237 Van Ness Avenue Suite 200 San Francisco, CA 94109	N/A	501 (c) (3)	Support the Help Desk program 1,000
Sacred Heart Cathedral Preparatory 1055 Ellis Street San Francisco, CA 94109-7795	N/A	501 (c) (3)	General support for high school 2,500

THE DRUM FOUNDATION
EIN: 94-6067469
2016 Return of Private Foundation

Statement 10

Part XV, Line 3a, Grants Paid During the Year:

<u>Recipient Name & Address</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Thomas Aquinas College 10000 North Ojai Road Santa Paula, CA 93060	N/A 501 (c) (3)	Support scholarship fund	5,000
Woodside Priory 302 Portola Road Portola Valley, CA 94028	N/A 501 (c) (3)	Support scholarship fund	2,500
Total Grants Paid in 2016			<u>166,500</u>