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 SEP 1, 2016 , and ending AUG 31, 2017

Name of foundation

THE M.S. GRUMBACHER FOUNDATION

A Employer identification number

23-2697348

Number and street (or P O box number if mail is not delivered to street address) Room/suite

C/O COZEN O'CONNOR 1650 MARKET STREET

B Telephone number

215-665-4117

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

PHILADELPHIA, PA 19103

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) ▶$ 6,957,959.

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			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,707.	1,707.		STATEMENT 1
	4 Dividends and interest from securities	173,467.	173,467.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	369,509.			
	b Gross sales price for all assets on line 6a 1,494,757.				
	7 Capital gain net income (from Part IV, line 2)		369,509.		
	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				
	12 **Total** Add lines 1 through 11	544,683.	544,683.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	19,200.	9,600.		9,600.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	8,500.	4,250.		4,250.
	b Accounting fees STMT 4	2,100.	1,050.		1,050.
	c Other professional fees STMT 5	24,722.	24,722.		0.
	17 Interest				
	18 Taxes STMT 6	1,288.	1,288.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	159.	84.		75.
	24 **Total operating and administrative expenses** Add lines 13 through 23	55,969.	40,994.		14,975.
	25 Contributions, gifts, grants paid	301,000.			301,000.
	26 **Total expenses and disbursements** Add lines 24 and 25	356,969.	40,994.		315,975.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	187,714.			
	b **Net investment income** (if negative, enter -0-)		503,689.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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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		2,445.	2,445.
	2 Savings and temporary cash investments	218,052.	97,062.	97,062.
	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			
	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 STMT 8	2,504,098.	2,767,464.	5,201,035.
	c Investments - corporate bonds STMT 9	1,617,952.	1,658,963.	1,657,417.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	4,340,102.	4,525,934.	6,957,959.
Liabilities	17 Accounts payable and accrued expenses	1,882.		
	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 ▶)			
	23 **Total liabilities** (add lines 17 through 22)	1,882.	0.	
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			
	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	4,338,220.	4,525,934.	
	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**	4,338,220.	4,525,934.	
	31 **Total liabilities and net assets/fund balances**	4,340,102.	4,525,934.	

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	4,338,220.
2	Enter amount from Part I, line 27a	2	187,714.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	4,525,934.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,525,934.

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	PUBLICLY TRADED SECURITIES			
b	CAPITAL GAINS DIVIDENDS			
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	1,485,521.		1,125,248.	360,273.
b	9,236.			9,236.
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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				360,273.
b				9,236.
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	369,509.
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	334,263.	6,438,754.	.051914
2014	316,830.	6,720,814.	.047142
2013	300,832.	6,618,773.	.045451
2012	286,119.	6,198,660.	.046158
2011	280,831.	5,829,175.	.048177

2	**Total** of line 1, column (d)	2	.238842
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	.047768
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	6,780,686.
5	Multiply line 4 by line 3	5	323,900.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,037.
7	Add lines 5 and 6	7	328,937.
8	Enter qualifying distributions from Part XII, line 4	8	315,975.

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	10,074.
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	10,074.
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	10,074.
6	Credits/Payments.		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a: 6,848.		
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	6,848.
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	3,226.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶ **Refunded** ▶	11	

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) ▶ PA			
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 ▶ N/A

14 The books are in care of ▶ THE FOUNDATION'S FIDUCIARY Telephone no. ▶ 215-665-4117
Located at ▶ 1650 MARKET STREET, PHILADELPHIA, PA ZIP+4 ▶ 19103

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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶	16		X

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? ☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b		X
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
SEE STATEMENT 10		19,200.	0.	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 N/A	
2	
3	
4	

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.

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	6,616,851.
b	Average of monthly cash balances		1b	267,094.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	6,883,945.
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	6,883,945.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	103,259.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	6,780,686.
6	**Minimum investment return** Enter 5% of line 5		6	339,034.

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	339,034.
2a	Tax on investment income for 2016 from Part VI, line 5	2a 10,074.		
b	Income tax for 2016 (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	10,074.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	328,960.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	328,960.
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	328,960.

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	315,975.
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	
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	315,975.
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	315,975.

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				328,960.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			300,573.	
b Total for prior years: _____, _____, _____		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4. ▶ $ 315,975.				
a Applied to 2015, but not more than line 2a			300,573.	
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				15,402.
e Remaining amount distributed out of corpus	0.			
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	0.			
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				313,558.
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	0.			
9 **Excess distributions carryover to 2017** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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).)

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 ▶ ☐ 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:

DAVID GLYN, 215-665-4117
C/O COZEN O'CONNOR 1650 MARKET STREET, PHILADELPHIA, PA 19103

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

IN LETTER FORM WITH ALL PERTINENT INFORMATION FURNISHED/INCLUDED

c Any submission deadlines

NOVEMBER 1 TO APRIL 30

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

NONE

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*				
SEE SCHEDULE ATTACHED				301,000.
Total			▶ **3a**	301,000.
b *Approved for future payment*				
NONE				
Total			▶ **3b**	0.

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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income
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			14	1,707.	
4 Dividends and interest from securities			14	173,467.	
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					
8 Gain or (loss) from sales of assets other than inventory			18	369,509.	
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.		544,683.	0.
13 **Total.** Add line 12, columns (b), (d), and (e)				13	544,683.

(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

▶ _____ 11/6/2017 ▶ _____

Signature of officer or trustee Date Title

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
JONATHAN HOFFMAN, CPA		11/2/17		P00236442

Firm's name ▶ ISDANER & COMPANY, LLC Firm's EIN ▶ 23-6410283

Firm's address ▶ THREE BALA PLAZA, SUITE 501 WEST BALA CYNWYD, PA 19004-3484 Phone no (610) 668-4200

Form **990-PF** (2016)

623622 11-23-16

The M.S. Grumbacher Foundation
EIN: 23-2697348
Form 990-PF, Part XV
Grants & Contributions Paid

Name & Address	Relationship	Status	Purpose	Amount
Alzheimer's Association Chicago, IL	None		General Fund	$10,000 00
American Civil Liberties Union New York, NY	None		General Fund	$10,000 00
Big City Mountaineers Golden, CO	None		General Fund	$25,000 00
Canal Alliance San Rafael, CA	None		General Fund	$15,000 00
Cancer Support Community Los Angeles, CA	None		General Fund	$6,000 00
Common Sense Media San Francisco, CA	None		General Fund	$25,000 00
Connected Berkeley, CA	None		General Fund	$15,000 00
Doctors Without Borders New York, NY	None		General Fund	$10,000 00
Education Through Music Burbank, CA	None		General Fund	$25,000 00
Heart of Los Angeles Youth Los Angeles, CA	None		General Fund	$5,000 00
Homeboy Industries Los Angeles, CA	None		General Fund	$50,000 00
Main Idea at Camp Walden Mamaroneck, NY	None		General Fund	$10,000 00
Mercersburg Academy Mercersburg, PA	None		General Fund	$5,000 00
Museum of Children's Art Oakland, CA	None		General Fund	$5,000 00
Outside the Lens San Diego, CA	None		General Fund	$5,000 00
Partnership for Children and Youth Oakland, CA	None		General Fund	$25,000 00
Social Advocates for Youth Santa Rosa, CA	None		General Fund	$25,000 00
The People Concern Santa Monica, CA	None		General Fund	$10,000 00
The Stride Center Oakland, CA	None		General Fund	$20,000 00
Total				$301,000 00

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
CUSTODY ACCOUNT - COZEN O'CONNOR	1,707.	1,707.	
TOTAL TO PART I, LINE 3	1,707.	1,707.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CUSTODY ACCOUNT - COZEN O'CONNOR	182,703.	9,236.	173,467.	173,467.	
TO PART I, LINE 4	182,703.	9,236.	173,467.	173,467.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COZEN O'CONNOR	8,500.	4,250.		4,250.
TO FM 990-PF, PG 1, LN 16A	8,500.	4,250.		4,250.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ISDANER & CO, LLC	2,100.	1,050.		1,050.
TO FORM 990-PF, PG 1, LN 16B	2,100.	1,050.		1,050.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PNC ADVISORS	24,722.	24,722.		0.
TO FORM 990-PF, PG 1, LN 16C	24,722.	24,722.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	1,288.	1,288.		0.
TO FORM 990-PF, PG 1, LN 18	1,288.	1,288.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	150.	75.		75.
ADR FEES	9.	9.		0.
TO FORM 990-PF, PG 1, LN 23	159.	84.		75.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED	2,767,464.	5,201,035.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,767,464.	5,201,035.

FORM 990-PF CORPORATE BONDS STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED	1,658,963.	1,657,417.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,658,963.	1,657,417.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JOSHUA G. SCHULTZ SEBASTOPOL, CA	PRESIDENT 0.00	10,200.	0.	0.
MARY JO GRUMBACHER SAN FRANCISCO, CA	DIRECTOR 0.00	0.	0.	0.
DAVID R. GLYN PHILADELPHIA, PA	DIRECTOR 0.00	3,000.	0.	0.
SUSAN GREGORY MALIBU, CA	DIRECTOR 0.00	3,000.	0.	0.
ROWAN SCHULTZ SAN FRANCISCO, CA	DIRECTOR 0.00	3,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		19,200.	0.	0.

The M.S. Grumbacher Foundation
EIN: 23-2697348
990-PF, Part II, Line 10b

Corporate Stock

Valuation Metho for Book Value	Description of Investment	Ending Book Balance	FMV at Year-End
cost	AT&T Inc - 3,610 shs	34,584 48	135.230 60
cost	Apple Computer - 1200 shs	77,493 43	196,800 00
cost	Bank New York Mellon Corp - 1000 shs	29,118 00	52,280 00
cost	Boeing Co - 750 shs	55,691 38	179,745 00
cost	Celanese Corp- 1000 shs	39,919 01	97,020 00
cost	Chevron Corp - 998 shs	20,745 76	107,404 76
cost	Cisco Systems Inc - 4,300 shs	81,861 75	138,503 00
cost	Coca-Cola Co, Inc - 2,100 shs	4,882 50	95,655 00
cost	Colgate - Palmolive Co - 1,000 shs	9,481 25	71,640 00
cost	Conoco Phillips - 800 shs	39,254 00	34,928.00
cost	Diamond Hill Long-Short Fund - 6860 659 shs	135,000 00	178,034 37
cost	Walt Disney Corp - 600 shs	12,234 35	60,720 00
cost	Driehaus Active Income Fund - 5625 359 shs	59,784 35	55,184 78
cost	DowDupont Inc - 1,282 shs	45,492 33	83,930 00
cost	Eaton Vance Global Macro Absolute Return Fund - 7374 022 shs	68,974 01	67,177 34
cost	Exxon Mobil Corp - 1.200 shs	18,799 00	91,596 00
cost	Glaxo Holding PLC - 450 shs	21,546 50	18,103 50
cost	Goldman Sachs Group Pdf Ser B 6 2% - 900 shs	23,175 01	23,274 00
cost	Harding Loevner Emerging Markets Fund - 1335 623 shs	70,000 00	75,115 44
cost	Home Depot Inc - 200 shs	10,294 00	29.974 00
cost	Illinois Tool Works Inc - 1,000 shs	16,587 50	137,510 00
cost	Intel Corp - 3.500 shs	90,871 25	122,745 00
cost	International Business Machines Corp - 600 shs	53.014 00	85,818 00
cost	Ishares MSCI USA Minimum Volatility Fund - 1,300 shs	62,566 00	65,390 00
cost	Ishares MSCI USA Quality Factor Fund - 850 shs	62,878 47	64,158 00
cost	Ishares MSCI USA Value Factor Fund - 830 shs	62,184 64	62,407 70
cost	Ishares MSCI USA Momentum Factor Fund - 750 shs	61,254 03	69,997 50
cost	Ishares S&P Small Cap 600 Index Fund - 1,000 shs	34,090 00	69,070 00
cost	JP Morgan Chase & Co - 1,300 shs	48,626 50	118,157 00
cost	Johnson & Johnson - 1,200 shs	14,527 50	158,844 00
cost	McDonalds Corp - 400 shs	11,170 00	63,988 00
cost	Merck & Co, Inc - 2,000 shs	51,658 04	127,720 00
cost	Microsoft Corp - 2,100 shs	55.316 00	157,017 00
cost	Nextera Energy, Inc - 1,486 shs	44,401 68	223,657 86
cost	Oracle System Corporation - 2,300 shs	78,545.50	115.759 00
cost	Pepsico, Inc - 800 shs	36,630 15	92,584 00
cost	Pfizer, Inc - 4.181 shs	21,215 41	141,819 52
cost	Praxair Inc Common - 800 shs	23,028 56	105,232 00
cost	T Rowe Price Group Inc - 1,000 shs	17,437 50	84,360 00
cost	Ross Stores Inc - 350 shs	10,462 75	19,288 50
cost	T Rowe Price New Horizons Fund - 1,471 212 shs	66,894 57	76,591 30
cost	T Rowe Price Real Estate Fund - 4.170 636 shs	109,922 73	117,611 93
cost	Midcap SPDR Trust Series 1 ETF - 750 shs	148,775 00	236,685 00
cost	Teva Pharmaceutical Industries ADR - 1.300 shs	22,171 50	20,618 00
cost	U S Bancorp Del Common New - 2,000 shs	56,008 65	102,500 00
cost	Union Pacific Corp - 1,000 shs	60,595 00	105,300 00
cost	United Technologies Corp- 350 shs	32,425 90	41,902 00
cost	Vanguard FTSE Developed Markets ETF - 10,700 shs	446,093 00	454,964 00
cost	Verizon Communications Inc - 2,120 shs	47,313 39	101,696 40
cost	Wisdomtree US Quality Dividend ETF - 1,750 shs	62,467 50	65,327 50
Total		**2,767,463.83**	**5,201,035.00**

The M.S. Grumbacher Foundation
EIN: 23-2697348
990-PF, Part II, Line 10c

Corporate Bonds

Valuation Metho for Book Value	Description of Investment	Ending Book Balance	FMV at Year-End
cost	Alabama Power 3.375% 10/1/20	47,373.50	52,088.00
cost	Baird Aggregate Bond Fund	200,010.00	200,173.48
cost	Blackrock Strategic Inc Opp Fund	120,000.00	120,000.00
cost	Burlington Northern 4 7% 10/1/19	52,178.00	52,969.30
cost	Campbell Soup 4.5% 2/15/19	51,885.00	51,915 80
cost	Caterpillar Financial Services 5.85% 9/1/17	56,437.50	50,000.00
cost	Columbia Floating Rate Fund	38,000.00	38,340.42
cost	Ishares Barclarys Treasury TIPS Fund	119,290.00	120,351.00
cost	PNC Ultra Short Term Bond Fund	520,020.00	518,855.78
cost	Payden Low Duration Bond Fund	295,769.31	294,326.45
cost	Prudential High Yield Fund	120,000.00	120,000 00
cost	Ridgeworth Floating Rate Income Fund	38,000.00	38,396 29
Total		**1,658,963.31**	**1,657,416.52**