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Form **990-PF**

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

OMB No 1545-0052

2008Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2008, or tax year beginning **12/01/08**, and ending **11/30/09**G Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation A.H. Zeppa Family Foundation		A Employer identification number 20-6424699
	Number and street (or P.O. box number if mail is not delivered to street address) 222 East Superior St. - Suite 302	Room/suite	B Telephone number (see page 10 of the instructions) 218-726-5430
	City or town, state, and ZIP code Duluth MN 55802		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <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			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 9,196,684		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	

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 pg. 11 of the 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)	4,148,126			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	159,251	159,251	159,251	
	4 Dividends and interest from securities	18,752	18,752	18,752	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	-137,734			
	b Gross sales price for all assets on line 6a 34,933				
	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 & allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Stmt 2	-97,049	394	-97,049		
12 Total. Add lines 1 through 11	4,091,346	178,397	80,954		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	37,663	18,831		
	14 Other employee salaries and wages	546,164		74,292	372,473
	15 Pension plans, employee benefits	50,890		2,287	27,264
	16a Legal fees (attach schedule) See Stmt 3	7,518	3,567	86	298
	b Accounting fees (attach schedule) Stmt 4	4,232	1,903	88	337
	c Other professional fees (attach schedule) Stmt 5	6,424		1,096	3,788
	17 Interest	8,286		747	7,539
	18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 6	40,423		7,447	28,162
	19 Depreciation (attach schedule) and depletion Stmt 7	19,769		1,540	
	20 Occupancy	73,092		8,697	64,395
	21 Travel, conferences, and meetings	935		143	567
	22 Printing and publications				
	23 Other expenses (att. sch.) Stmt 8 Stmt 9	437,089	907	173,370	191,104
	24 Total operating and administrative expenses. Add lines 13 through 23	1,232,485	25,208	269,793	695,927
	25 Contributions, gifts, grants paid	988,569			988,569
26 Total expenses and disbursements. Add lines 24 and 25	2,221,054	25,208	269,793	1,684,496	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses & disbursements	1,870,292				
b Net investment income (if negative, enter -0-)		153,189			
c Adjusted net income (if negative, enter -0-)			0		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the 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 (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing		146,919	-22,448	-22,448
	2	Savings and temporary cash investments		520,464	127,975	127,975
	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 page 15 of the instructions)				
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		1,320	1,320	1,320
	10a	Investments—U S and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)				
	c	Investments—corporate bonds (attach schedule)				
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule) See Statement 10		6,912,999	9,073,286	9,073,286
Liabilities	14	Land, buildings, and equipment basis ▶ 30,708 Less accumulated depreciation (attach sch) ▶ Stmt 11 14,157		24,766	16,551	16,551
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		7,606,468	9,196,684	9,196,684
	17	Accounts payable and accrued expenses				
	18	Grants payable		25,000		
Net Assets or Fund Balances	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 ▶ See Statement 12)		5,294	506,384	
	23	Total liabilities (add lines 17 through 22)		30,294	506,384	
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 checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		7,576,174	8,690,300	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
Net Assets or Fund Balances	30	Total net assets or fund balances (see page 17 of the instructions)		7,576,174	8,690,300	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		7,606,468	9,196,684	

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	7,576,174
2	Enter amount from Part I, line 27a	2	1,870,292
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	9,446,466
5	Decreases not included in line 2 (itemize) ▶ See Statement 13	5	756,166
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	8,690,300

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 N/A				
b				
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) 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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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 page 18 of 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))
2007	2,030,726	6,500,236	0.312408
2006	4,707,417	4,662,973	1.009531
2005	2,008,158	4,836,461	0.415212
2004	40,000	716,614	0.055818
2003			

2 Total of line 1, column (d)	2	1.792969
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	0.448242
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	10,316,016
5 Multiply line 4 by line 3	5	4,624,072
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,532
7 Add lines 5 and 6	7	4,625,604
8 Enter qualifying distributions from Part XII, line 4	8	2,322,949

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter (attach copy of ruling letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	3,064
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	3,064
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	3,064
6	Credits/Payments		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	3,490
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	3,490
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	426
11	Enter the amount of line 10 to be Credited to 2009 estimated tax 426 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
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	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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) MN		
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	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 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

See Statement 14

N/A

Part VII-A Statements Regarding Activities (continued)

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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► www.zeppa.org	13	X	
14	The books are in care of ► Kat Eldred 222 East Superior Street - #302 Located at ► Duluth, MN	Telephone no ► 218-726-5430 ZIP+4 ► 55802		
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 <input 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" 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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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 2008?	N/A	
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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 page 20 of the 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		
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 2008 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 2008)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2008?		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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the 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 you answered "Yes" to 6b, also 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 page 22 of the 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
Alan H. Zeppa 222 E. Superior St. Duluth MN 55802	Trustee 20	0	0	0
KBA Management, Inc. 2507 Branch St. Duluth MN 55812	Manager 10	37,663	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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
Kathryn Eldred 222 E. Superior St. Duluth MN 55802	Dir. of Oper. 40	81,400	12,579	0

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 page 23 of the 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 ▶**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 15	
	717,541
2 Northern Theatrical Costumes, LLC is a rental resource for theatrical costumers and designers as well as individuals.	
	142,839
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 First Unitarian Church loan	
	541,883
2 222 Arts Center loan	
	90,000
All other program-related investments See page 24 of the instructions	
3 See Statement 16	
	6,570
Total. Add lines 1 through 3 ▶	638,453

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	294,429
b	Average of monthly cash balances	1b	37,795
c	Fair market value of all other assets (see page 24 of the instructions)	1c	10,140,889
d	Total (add lines 1a, b, and c)	1d	10,473,113
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	10,473,113
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	157,097
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,316,016
6	Minimum investment return. Enter 5% of line 5	6	515,801

Part XI Distributable Amount (see page 25 of the 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	
2a	Tax on investment income for 2008 from Part VI, line 5	2a	
b	Income tax for 2008 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see page 25 of the 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	1,684,496
b	Program-related investments—total from Part IX-B	1b	638,453
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	2,322,949
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 page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,322,949

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003				
b From 2004	10,075			
c From 2005	1,769,669			
d From 2006	4,478,102			
e From 2007	1,708,317			
f Total of lines 3a through e	7,966,163			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$				
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2008 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	7,966,163			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	7,966,163			
10 Analysis of line 9				
a Excess from 2004	10,075			
b Excess from 2005	1,769,669			
c Excess from 2006	4,478,102			
d Excess from 2007	1,708,317			
e Excess from 2008				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling **N/A**

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			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0				0
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed	2,322,949	2,030,726	4,709,334	2,009,825	11,072,834
d Amounts included in line 2c not used directly for active conduct of exempt activities	1,093,909	1,678,176	4,709,334	2,009,825	9,491,244
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	1,229,040	352,550			1,581,590
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	343,867	216,675	155,433	161,215	877,190
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 page 27 of the 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))

N/A

- 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

N/A**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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed

Tony Cuneo 218-726-5430**222 East Superior Street - #302 Duluth MN 55802**

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

Standard application form available from Foundation.

- c** Any submission deadlines

None.

- 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	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
Name and address (home or business)				
a Paid during the year See Statement 17				988,569
Total			▶ 3a	988,569
b Approved for future payment N/A				
Total			▶ 3b	

Schedule of Contributors
▶ Attach to Form 990, 990-EZ, and 990-PF.

2008

Name of the organization

Employer identification number

A.H. Zeppa Family Foundation

20-6424699

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 organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to 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. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

A.H. Zeppa Family Foundation

Employer identification number

20-6424699

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Hurlbut-Zeppa Charitable Trust A4 222 East Superior St. - Suite 302 Duluth MN 55802	\$ 256,615	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	Hurlbut-Zeppa Charitable Trust A7 222 East Superior St. - Suite 302 Duluth MN 55802	\$ 522,643	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	Hurlbut-Zeppa Charitable Trust A10 222 East Superior St. - Suite 302 Duluth MN 55802	\$ 1,033,562	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4	Hurlbut-Zeppa Charitable Trust A12 222 East Superior St. - Suite 302 Duluth MN 55802	\$ 2,335,306	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Form **4562**Department of the Treasury
Internal Revenue Service

(99)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2008Attachment
Sequence No **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

A.H. Zeppa Family Foundation

Identifying number

20-6424699

Business or activity to which this form relates

Indirect Depreciation**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	8,214
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ <input type="checkbox"/>		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr	22	8,214
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2008)

DAA

There are no amounts for Page 2

Form **4562**Department of the Treasury
Internal Revenue Service

(99)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2008Attachment
Sequence No **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

A.H. Zeppa Family Foundation

Identifying number

20-6424699

Business or activity to which this form relates

Northern Theatrical Costume**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	4,291

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	3,550
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr	22	7,841
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2008)

DAA

There are no amounts for Page 2

Form **4562**Department of the Treasury
Internal Revenue Service

(99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2008Attachment
Sequence No **67**

Name(s) shown on return

A.H. Zeppa Family Foundation

Identifying number

20-6424699

Business or activity to which this form relates

Zeitgeist Arts, LLC**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		18,568	5.0	HY	200DB	3,714
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	3,714
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2008)

DAA

There are no amounts for Page 2

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
H/Z Invest. Ptrsp. #1	Various	Various	Various	Purchase 34,933 \$					
H/Z Invest. Ptrsp. #1	Various	Various	Various	Purchase		32,639	\$	\$	34,933
H/Z Invest. Ptrsp. #2	Various	Various	Various	Purchase		116,941			-32,639
H/Z Invest. Ptrsp. #2	Various	Various	Various	Purchase		23,087			-116,941
Total				\$ 34,933	\$ 172,667	\$ 0	\$ 0	\$ 0	\$ -137,734

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
H/Z Invest. Ptrsp. #2	\$ 394	\$ 394	\$ 394
Northern Theatrical Costume	12,873		12,873
Zeitgeist Arts, LLC	256,920		256,920
Miscellaneous income	2,448		2,448
H/Z Invest. Ptrsp. #1	-348,374		-348,374
H/Z Invest. Ptrsp. #2	-21,310		-21,310
Total	\$ -97,049	\$ 394	\$ -97,049

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foundation	\$ 7,134	\$ 3,567	\$ 86	\$ 298
Zeitgeist Arts, LLC	384			
Total	\$ 7,518	\$ 3,567	\$ 86	\$ 298

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foundation Northern Theatrical Costume Zeitgeist Arts, LLC	\$ 3,807 55 370	\$ 1,903	\$ 5 83	\$ 50 287
Total	\$ 4,232	\$ 1,903	\$ 88	\$ 337

Statement 5 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Other	\$ 1,540	\$	\$	\$
Total	\$ 1,540	\$ 0	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Federal excise tax	\$ 4,814	\$	\$	\$
Northern Theatrical Costume Zeitgeist Arts, LLC	4,033 31,576		363 7,084	3,670 24,492
Total	\$ 40,423	\$ 0	\$ 7,447	\$ 28,162

Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Computer equipment 12/01/06	\$ 7,766	\$ 4,038	200DB		5	\$ 1,491	\$	\$ 1,491
Equipment - lift 1/16/07	4,577	2,380	200DB		5	879		879
Equipment - other 12/01/06	5,953	3,096	200DB		5	1,143		1,143

Federal Statements

Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Cash register 9/22/08	\$ 116	\$ 23	200DB	5	\$ 37	\$	37
Leasehold improvements 5/31/07	167,364	6,616	S/L	39	4,291		4,291
Audio/visual equipment 1/05/09	8,288		200DB	5	1,658		1,658
Splicer 3/24/09	400		200DB	5	80		80
Dell computer 8/28/09	873		200DB	5	175		175
Mac computers (2) 8/28/09	1,312		200DB	5	262		262
Apple laptop 9/05/09	2,712		200DB	5	542		542
Stage equipment 9/22/09	891		200DB	5	178		178
Shelving 9/24/09	1,774		200DB	5	355		355
Computer accessories & equip. 8/27/09	2,318		200DB	5	464		464
Furniture 12/01/06	850	330	200DB	7	148		
Computer 2/14/07	1,791	932	200DB	5	344		
Desk & chairs 1/11/08	1,837	262	200DB	7	450		
Office furniture 5/31/08	14,843	2,141	200DB	7	3,629		
Computer equipment 5/31/08	9,748	1,950	200DB	5	3,119		
Computer software - various 5/31/08	1,639	328	200DB	5	524		
Total	\$ 235,052	\$ 22,096			\$ 19,769	\$ 0	\$ 11,555

Federal Statements

Statement 8 - Form 990-PF, Part I, Line 23 - Amortization

Description	Date Acquired	Cost Basis	Prior Year Amortization	Life	Current Year Amortization	Net Investment Income	Adjusted Net Income	COGS
Liquor license	12/01/08	\$ 30,469	\$	15	\$ 2,031	\$	2,031	
Total		\$ 30,469	\$ 0		\$ 2,031	\$ 0	2,031	

Statement 9 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Northern Theatrical Costume		\$		\$
Bank charges	541		49	492
Communication	179		16	163
Shipping	12		1	11
Professional development	39		4	35
Insurance expense	4,043		364	3,679
Memberships, subscriptions, g	251		23	228
Office expense	861		78	783
Telephone	1,668		150	1,518
Supplies	1,858		167	1,691
Advertising	2,068		187	1,881
Zeitgeist Arts, LLC				
Administration	13,194		2,960	10,234
Bank charges	5,579		1,252	4,327
Business expenses - other	8,919		2,001	6,918
Clothing	7,600		1,705	5,895
Contract services	19,703		4,421	15,282
Equipment lease & repair & su	16,191		3,633	12,558
Event production	33,347		7,482	25,865
Insurance	7,840		1,759	6,081
Miscellaneous	1,358		305	1,053
Parking	1,240		278	962
Refundable tax	22		5	17
Research & development	1,353		304	1,049
Shipping	150		34	116
Telephone	7,091		1,591	5,500

Federal Statements

Statement 9 - Form 990-PF, Part I, Line 23 - Other Expenses (continued)

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Advertising	\$ 91,091		\$ 20,437	\$ 70,654
Bad Debts	128		-1,549	1,677
Cost of Goods Sold	123,682		123,682	
Expenses				
Advertising	3,891			
Bank service charges	1,815	907		
Business entertainment	740			
Communications & publicity	500			
Computer expense	13,141			
Dues & subscriptions	1,589			
Gifts	2,639			
Administrative operating expe	1,434			
Insurance	878			
Miscellaneous	145			
Office supplies	8,555			
Parking	925			
Postage & delivery	432			
Professional development/trav	2,268			
Repairs & maintenance	281			
Telephone	1,022			
Temporary labor	799			
Trustee meeting expense	1,578			
Gardner Building expenses	25,519			
Venue related expenses	4,464			
Travel & lodging - grant prog	5,846			5,846
Interns for grant program	3,358			3,358
Conferences & training - gran	635			635
Supplies & misc. - grant prog	2,596			2,596
Total	\$ 435,058	\$ 907	\$ 171,339	\$ 191,104

Federal Statements

Statement 10 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Brooklyn Hotel Partners, LLC	\$ 500,000	\$ 650,458	Market	\$ 650,458
Damiano Center loan	5,615	2,199	Market	2,199
Duluth Festival Opera loan	28,960	24,166	Market	24,166
First Unitarian Church loan	1,678,681	873,010	Market	873,010
Gardner building	637,078	637,078	Market	637,078
Hurlbut-Zeppa Investment Part. #1	1,503,810	875,908	Market	875,908
Hurlbut-Zeppa Investment Part. #2	1,632,738	5,033,128	Market	5,033,128
Neighborhood Housing loan fund	400,000	400,000	Market	400,000
Northern Theatrical Costumes, LLC	316,903	336,937	Market	336,937
Recoverable grant - West 4th Street	30,000		Market	
Vine mortgage	125,830	123,173	Market	123,173
Zeitgeist Arts, LLC	22,915	17,229	Market	17,229
Zooch of Duluth, LLC	30,469		Market	
222 Arts Center LLC member loan		90,000	Market	90,000
222 Arts Center LLC equity		10,000	Market	10,000
Total	\$ <u>6,912,999</u>	\$ <u>9,073,286</u>		\$ <u>9,073,286</u>

Federal Statements

Statement 11 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Furniture & equipment	\$ 24,766	\$ 30,708	\$ 14,157	\$ 16,551
Total	\$ 24,766	\$ 30,708	\$ 14,157	\$ 16,551

Federal Statements

Statement 12 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
Credit card liabilities	\$ 1,870	\$ 4,284
Payroll liabilities	3,424	1,483
Due to Hurlbut/Zeppe Trust A4		350,617
Loan from Hurlbut/Zeppe Trust A7		150,000
Total	\$ 5,294	\$ 506,384

Statement 13 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
Partnership book/tax difference	\$ 405,549
Correction of prior distributions - H/Z Trust A4	350,617
Total	\$ 756,166

Statement 14 - Form 990-PF, Part VII-A, Line 2 - Previously Unreported ActivitiesDescription

The Foundation now operates Zeitgeist Arts, LLC which is a philanthropic social venture that seeks to create socially responsible and environmentally sustainable enterprises that support and celebrate the arts. Zeitgeist Arts is presently comprised of Teatro Zuccone (a black-box theater and musical performance venue), Zinema 2 (an independent movie theater), and Zeitgeist Arts Cafe (contemporary American comfort cuisine).

The Foundation also operates Northern Theatrical Costumes, LLC which is a rental resource for theatrical costumers and designers as well as individuals.

Statement 15 - Form 990-PF, Part IX-A, Line 1 - Summary of Direct Charitable Activities**Description**

Zeitgeist Arts, LLC is a philanthropic social venture that seeks to create socially responsible and environmentally sustainable enterprises that support and celebrate the arts. Zeitgeist Arts is presently comprised of Teatro Zuccone (a black-box theater and musical performance venue), Zinema 2 (an independent movie theater), and Zeitgeist Arts Cafe (contemporary American comfort cuisine).

Statement 16 - Form 990-PF, Part IX-B, Line 3 - Summary of Program-Related Investments**Description****Amount**

Gardner Building	\$ 36,454
222 Arts Center equity	10,000
Duluth Festival Opera loan	1,804
Vine mortgage	-4,953
Damiano Center loan	-6,735
Recoverable grant - West 4th Street	-30,000

Federal Statements**Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description

Standard application form available from Foundation.

Form 990-PF, Part XV, Line 2c - Submission DeadlinesDescription

None.

Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

None.

Federal Statements

Statement 17 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name	Address	Relationship	Status	Purpose	Amount
Commonweal Institute, Inc					
Duluth MN		None	Charity	Operations	94,000
Duluth LIISC		None	Charity	Operations	20,000
Duluth MN		None	Charity	Operations	5,000
Harbor Friends		None	Charity	Operations	10,000
Duluth MN		None	Charity	Operations	25,000
Duluth Superior Symphony		None	Charity	Operations	775
Duluth MN		None	Charity	Operations	10,000
Duluth Sup. Area Comm. Fd		None	Charity	Operations	25,000
Duluth MN		None	Charity	Operations	775
Lake Superior Writers		None	Charity	Operations	10,000
Duluth MN		None	Charity	Operations	20,000
Men as Peacemakers		None	Charity	Operations	720
Duluth MN		None	Charity	Operations	-25,000
Minnesota Environ. Part.		None	Charity	Operations	35,000
St. Paul MN		None	Charity	Operations	20,000
Nettleton School		None	Charity	Operations	100
Duluth MN		None	Charity	Operations	58,100
Oxfam - returned		None	Charity	Operations	684,874
Boston MA		None	Charity	Operations	30,000
Renegade Comedy Theater		None	Charity	Operations	988,569
Duluth MN		None	Charity	Operations	
Summit School		None	Charity	Operations	
Duluth MN		None	Charity	Operations	
UMD Ctr. Econ. Devel.		None	Charity	Operations	
Duluth MN		None	Charity	Operations	
UW Superior		None	Charity	Operations	
Superior WI		None	Charity	Operations	
First Unitarian Church		None	Charity	Operations	
Duluth MN		None	Charity	Operations	
Neighborhood Housing Serv		None	Charity	Operations	
Duluth MN		None	Charity	Operations	
Total					

Year Ended: November 30, 2009

20-6424699

A.H. Zeppa Family Foundation
222 East Superior St. - Suite 302
Duluth, MN 55802

**Electing out of the 50% Bonus Depreciation Allowance for
All Eligible Depreciable Property**

The taxpayer elects out of the 50% first-year bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after December 31, 2007. This election applies to all eligible depreciable property placed in service after December 31, 2007.

Federal Statements**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
Wells Fargo Bank	\$ 3,596		14	
Damiano Center note	145		14	
DFO	664		14	
Vine mortgage	3,744		14	
Other	111		14	
H/Z Invest. Ptrsp. #1	116,407		14	
H/Z Invest. Ptrsp. #2	34,584		14	
Total	<u>\$ 159,251</u>			

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
H/Z Invest. Ptrsp. #1	\$ 10,469		14	
H/Z Invest. Ptrsp. #2	8,283		14	
Total	<u>\$ 18,752</u>			