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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

2011Department 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 2011 or tax year beginning

, and ending

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 326	Room/suite	B Telephone number (see 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"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 11,711,571 (Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
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 instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)	3,891,511			
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	5,127	5,127	5,127	
4	Dividends and interest from securities				
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	-110,280			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
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	1,161,475		1,161,475	
12	Total. Add lines 1 through 11	4,947,833	5,127	1,166,602	
13	Compensation of officers, directors, trustees, etc	97,830	31,250		32,250
14	Other employee salaries and wages	539,590		383,844	96,644
15	Pension plans, employee benefits	55,903		13,514	3,403
16a	Legal fees (attach schedule) See Stmt 3	6,640	2,762	893	224
b	Accounting fees (attach schedule) Stmt 4	5,390			
c	Other professional fees (attach schedule) Stmt 5	39,373	19,687		
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 6	45,901		36,668	9,233
19	Depreciation (attach schedule) and depletion Stmt 7	11,309		5,935	
20	Occupancy	217,775		163,030	41,047
21	Travel, conferences, and meetings	5,015		3,572	899
22	Printing and publications				
23	Other expenses (att sch) Stmt 8 Stmt 9	688,132	436	607,747	55,155
24	Total operating and administrative expenses. Add lines 13 through 23	1,712,858	54,135	1,215,203	238,855
25	Contributions, gifts, grants paid	45,467			45,467
26	Total expenses and disbursements. Add lines 24 and 25	1,758,325	54,135	1,215,203	284,322
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	3,189,508			
b	Net investment income (if negative, enter -0-)		0		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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Part II Balance Sheets

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

		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash—non-interest-bearing	249,967	68,816	68,816	
	2 Savings and temporary cash investments	19,520			
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5 Grants receivable	620,000	3,891,511	3,891,511	
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶				0
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges	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	13,657,969	13,779,850	7,743,395	
Liabilities	14 Land, buildings, and equipment basis ▶ 31,239 Less accumulated depreciation (attach sch) ▶ Stmt 11 23,390	11,728	7,849	7,849	
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	14,560,504	17,748,026	11,711,571	
	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
Net Assets or Fund Balances	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)	400,017	395,258		
	23 Total liabilities (add lines 17 through 22)	400,017	395,258		
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds	14,160,487	17,352,768		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see instructions)	14,160,487	17,352,768		
	31 Total liabilities and net assets/fund balances (see instructions)	14,560,504	17,748,026		

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	14,160,487
2 Enter amount from Part I, line 27a	2	3,189,508
3 Other increases not included in line 2 (itemize) ▶ See Statement 13	3	2,773
4 Add lines 1, 2, and 3	4	17,352,768
5 Decreases not included in line 2 (itemize) ▶ See Statement 14	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	17,352,768

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) FMV 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: 1px solid black; padding: 2px;"> 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 instructions) If (loss), enter -0- in Part I, line 8	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 </div>	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 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))
2010	32,646	12,840,010	0.002543
2009	533,617	10,198,328	0.052324
2008	2,322,949	10,316,016	0.225179
2007	2,030,726	6,500,236	0.312408
2006	4,707,417	4,662,973	1.009531

2 Total of line 1, column (d)	2	1.601985
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	0.320397
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	11,231,172
5 Multiply line 4 by line 3	5	3,598,434
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	3,598,434
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	719,857

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 <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b	1	
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	
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	0
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	2,919
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	2,919
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	2,919
11	Enter the amount of line 10 to be Credited to 2012 estimated tax 2,919 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 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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? 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

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 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? Website address ► www.zeppa.org	13	X	
14	The books are in care of ► Tony Cuneo 222 East Superior Street - #326 Located at ► Duluth MN ZIP+4 ► 55802 Telephone no ► 218-726-5430			
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		
16	At any time during calendar year 2011, 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 Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No 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?	<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 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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? 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 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 2011 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 2011)	N/A	
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 2011?	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 509(a)(1), (2), or (3), or section 4940(d)(2)? (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** ☐ Yes ☒ No **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 (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Alan H. Zeppa 222 E. Superior St. #326 Duluth MN 55802	Trustee 20.00	0	0	0
Anthony Cuneo 222 E. Superior St. #326 Duluth MN 55802	Co-Exec. Dir 40.00	62,500	12,393	0
Kathryn Eldred 222 E. Superior St. #326 Duluth MN 55802	Co-Exec. Dir 40.00	35,330	4,629	0

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

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

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		▶

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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 222 Arts Center equity	313,949
2 Duluth Festival Opera loan	96,145
All other program-related investments. See instructions.	
3 Zeitgeist Arts equity Vine mortgage	25,441
Total. Add lines 1 through 3	▶ 435,535

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	0
b	Average of monthly cash balances	1b	159,450
c	Fair market value of all other assets (see instructions)	1c	11,242,755
d	Total (add lines 1a, b, and c)	1d	11,402,205
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	11,402,205
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	171,033
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,231,172
6	Minimum investment return. Enter 5% of line 5	6	561,559

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	
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011 (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 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 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	284,322
b	Program-related investments—total from Part IX-B	1b	435,535
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	719,857
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	719,857

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 719,857				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus	719,857			
5 Excess distributions carryover applied to 2011 (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:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	719,857			
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 instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XIV Private Operating Foundations (see 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 2011, 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) 2011	(b) 2010	(c) 2009	(d) 2008	
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	719,857	32,646	533,618	2,322,949	3,609,070
d Amounts included in line 2c not used directly for active conduct of exempt activities				1,093,909	1,093,909
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	719,857	32,646	533,618	1,229,040	2,515,161
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	374,373	36,351	339,944	343,867	1,094,535
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))
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 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 - #326 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 16				44,867
Total			► 3a	44,867
b Approved for future payment N/A				
Total			► 3b	

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

Schedule of Contributors

OMB No 1545-0047

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2011

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 an organization 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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 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 (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions 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 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total 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. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does 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) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Hurlbut-Zeppa Charitable Trust A7 222 East Superior St. - Suite 326 Duluth MN 55802	\$ 522,643	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	Hurlbut-Zeppa Charitable Trust A10 222 East Superior St. - #326 Duluth MN 55802	\$ 1,033,562	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	Hurlbut-Zeppa Charitable Trust A12 222 East Superior St. - #326 Duluth MN 55802	\$ 2,335,306	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

A.H. Zeppa Family Foundation

Employer identification number

20-6424699**Part II Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	Promissory Note	\$ 262,643	12/31/11
2	Promissory Note	\$ 863,562	12/31/11
3	Promissory Note	\$ 2,145,306	12/31/11
		\$	
		\$	
		\$	
		\$	

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2011Attachment
Sequence No **179**

▶ 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 instructions)	1	500,000
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	2,000,000
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 2010 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 2012 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 2011	17	3,879
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 2011 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	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2011 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	3,879
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** (2011)

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

2011Attachment
Sequence No **179**

▶ 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

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 instructions)	1	500,000
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	2,000,000
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 2010 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 2012 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 2011	17	7,430
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 2011 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 2011 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	7,430
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** (2011)

DAA

There are no amounts for Page **2**

Federal Statements

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

Description	Whom Sold	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
H/Z Invest Ptrsp No 1	Various	Various	Various	\$	Purchase	22,933	\$	\$	-22,933
H/Z Invest Ptrsp No 2	Various	Various	Various	\$	Purchase	87,347			-87,347
Total				\$		110,280	\$	0	-110,280

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Zeitgeist Arts, LLC	\$ 1,215,203		\$ 1,215,203
Portfolio management income	114,017		114,017
H/Z Invest. Partsp. #1	-5,520		-5,520
H/Z Invest. Partsp. #2	-34,794		-34,794
222 Arts Center R/E LLC	-27,061		-27,061
Brooklyn Hotel Partners LLC	-100,370		-100,370
Total	\$ 1,161,475	\$ 0	\$ 1,161,475

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foundation	\$ 5,523			
Zeitgeist Arts, LLC	1,117	2,762	893	224
Total	\$ 6,640	\$ 2,762	\$ 893	\$ 224

Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foundation	\$ 5,390	\$	\$	\$
Total	\$ 5,390	\$ 0	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CapRock	\$ 39,373	\$ 19,687	\$	\$
Total	\$ 39,373	\$ 19,687	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Federal excise tax	\$	\$	\$	\$
Other				
Zeitgeist Arts, LLC	45,901		36,668	9,233
Total	\$ 45,901	\$ 0	\$ 36,668	\$ 9,233

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
1/05/09	Audio/visual equipment	\$ 8,288	\$ 4,443	200DB	5	\$ 1,538	\$	\$ 1,229
3/24/09	Splicer	400	214	200DB	5	75		59

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
Dell computer 8/28/09	\$ 873	\$ 468	200DB	5	\$ 162	\$	130
Mac computers (2) 8/28/09	1,312	703	200DB	5	244		195
Apple laptop 9/05/09	2,712	1,454	200DB	5	503		402
Stage equipment 9/22/09	891	478	200DB	5	165		131
Shelving 9/24/09	1,774	951	200DB	5	329		263
Computer accessories & equip. 8/27/09	2,318	1,243	200DB	5	430		344
Teatro equipment - various 5/31/10	7,080	1,605	200DB	5	2,190		1,749
Zinema equipment - various 5/31/10	1,535	348	200DB	5	475		379
Overhead equipment - various 5/31/10	4,262	966	200DB	5	1,319		1,054
Computer 2/14/07	1,791	1,499	200DB	5	206		
Desk & chairs 1/11/08	1,837	1,053	200DB	7	224		
Office furniture 5/31/08	14,843	8,517	200DB	7	1,807		
Computer equipment 5/31/08	9,748	7,034	200DB	5	1,123		
Computer software - various 5/31/08	1,639	1,183	200DB	5	188		
Chairs 1/04/10	1,381	225	200DB	7	331		

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
Total	\$ 62,684	\$ 32,384			\$ 11,309	\$ 0
						\$ 5,935

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

Description		Prior Year		Life	Current Year	Net Investment	Adjusted Net	COGS
Date	Acquired	Cost	Amortization		Amortization	Income	Income	
12/01/08	\$	30,469	\$ 2,200	15	\$ 2,031	\$	1,623	
Total	\$	30,469	\$ 2,200		\$ 2,031	\$ 0	1,623	

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Zeitgeist Arts, LLC				\$
Administration	3,788		3,026	762
Bank charges	40,336		32,223	8,113
Business expenses - other	5,009		4,002	1,007
Equipment lease & repair & su	15,367		12,276	3,091
Event production	106,912		85,408	21,504
Miscellaneous				
Office	656		524	132
Research & development	1,133		905	228
Telephone	5,696		4,550	1,146
Utilities	3,662		2,925	737
Uniforms	1,645		1,314	331
Insurance	18,307		14,625	3,682
Special Events	1,191		951	240

Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Contracted service	\$ 3,427		\$ 2,738	\$ 689
Reimbursed expenses	-31,968		-25,538	-6,430
Advertising	99,053		79,130	19,923
Cost of Goods Sold	387,065		387,065	
Expenses				
Bank service charges	875	436		
Business entertainment	939			
Communications & publicity	127			
Telecommunications	13,766			
Contract services	3,600			
Dues & subscriptions	809			
Employee appreciation	1,167			
Insurance	1,717			
Miscellaneous	3,632			
Office supplies	2,746			
Gardner Building expenses	30,168			
Parking	1,560			
Reimbursed expenses	-37,038			
Gifts	754			
Total	\$ 686,101	\$ 436	\$ 606,124	\$ 55,155

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	\$ 337,642	\$ 277,274	Cost	\$ 277,274
Damiano Center loan	302	302	Cost	302
Duluth Festival Opera loan	12,872	6,698	Cost	6,698
Gardner building	637,078	637,078	Cost	250,000
Hurlbut-Zeppa Investment Part. #1	472,330	444,105	Cost	444,105
Hurlbut-Zeppa Investment Part. #2	10,913,183	10,790,452	Cost	5,675,420
Neighborhood Housing loan fund	400,000	400,000	Cost	400,000
Vine mortgage	117,999	112,654	Cost	112,654
Zeitgeist Arts, LLC	16,618	47,403	Cost	
222 Arts Center LLC member loan	90,000	90,000	Cost	90,000
222 Arts Center LLC equity	659,945	973,884	Cost	486,942
Total	\$ 13,657,969	\$ 13,779,850		\$ 7,743,395

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	\$ 11,728	\$ 31,239	\$ 23,390	\$ 7,849
Total	\$ 11,728	\$ 31,239	\$ 23,390	\$ 7,849

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Credit card liabilities	\$ 438	\$ 1,315
Payroll liabilities	-421	-6,057
Loan from Hurlbut/Zepa Trust A7	400,000	400,000
Total	<u>\$ 400,017</u>	<u>\$ 395,258</u>

Statement 13 - Form 990-PF, Part III, Line 3 - Other Increases

<u>Description</u>	<u>Amount</u>
Partnership book/tax differences	\$ 2,773
Total	<u>\$ 2,773</u>

Statement 14 - Form 990-PF, Part III, Line 5 - Other Decreases

<u>Description</u>	<u>Amount</u>
Partnership book/tax difference	\$
Total	<u>\$ 0</u>

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).

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 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During theYear

Name		Address		Status	Purpose	Amount
Address	Relationship					
Zeitgeist Arts Cafe Duluth MN 55802		Charity	Operations			988
Renegade Theatre Duluth MN 55802		Charity	Operations			30,782
Duluth Festival Opera Duluth MN 55802		Charity	Operations			1,100
Institute for a Sustainable Future Duluth MN 55802		Charity	Operations			100
Spirit Lake Poetry Series Duluth MN 55802		Charity	Operations			100
Life House Duluth MN 55802		Charity	Operations			100
Choice Unlimited Duluth MN 55802		Charity	Operations			100
CHUM Duluth MN 55802		Charity	Operations			100
Woodland Hills Duluth MN 55802		Charity	Operations			100
Duluth Sustainable Summit 2010		Charity	Operations			100
Community Action Duluth Duluth MN 55802		Charity	Operations			-500
Fit City of Duluth Duluth MN 55802		Charity	Operations			7,724
Total						4,173
						44,867

Federal Statements**Statement 17 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue**

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
Portfolio management income		\$	41	\$ 114,017	\$
H/Z Invest. Partsp. #1			14	-5,520	
H/Z Invest. Partsp. #2			14	-34,794	
222 Arts Center R/E LLC			14	-27,061	
Brooklyn Hotel Partners LLC			14	-100,370	
Total		\$ <u>0</u>		\$ <u>-53,728</u>	\$ <u>0</u>