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

2013

- Do not enter Social Security numbers on this form as it may be made public.
- Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2013, or tax year beginning

, 2013, and ending

Bob & Marie Gallo Foundation
P.O. Box 1130
Modesto, CA 95353

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) **J** Accounting method Cash Accrual
I **J** Other (specify) **(Part I, column (d) must be on cash basis)**

► \$ 9,831,402.

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	3.	3.		
	4 Dividends and interest from securities	201,003.	201,003.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	1,465,753.			
	b Gross sales price for all assets on line 6a	7,178,242.			
	7 Capital gain net income (from Part IV, line 2)		1,465,753.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	See Statement 1		24,000.		
	12 Total. Add lines 1 through 11	1,690,759.	1,666,759.	0.	
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc.	0.			
	14 Other employee salaries and wages	92,788.			92,788.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 2	15,081.			
	c Other prof fees (attach sch) See St 3	7,761.			7,761.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 4	31,262.	4,055.		7,775.
	19 Depreciation (attach sch) and depletion	16,571.			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 5	223,136.	40,729.		181,933.
	24 Total operating and administrative expenses. Add lines 13 through 23	386,599.	44,784.		290,257.
	25 Contributions, gifts, grants paid Part XV	214,250.			214,250.
	26 Total expenses and disbursements. Add lines 24 and 25	600,849.	44,784.	0.	504,507.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	1,089,910.			
	b Net investment income (if negative, enter 0)		1,621,975.		
	c Adjusted net income (if negative, enter -0-)			0.	

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	1 Cash – non-interest-bearing			
	2	2 Savings and temporary cash investments	257,339.	400,567.	400,567.
	3	3 Accounts receivable			
		Less allowance for doubtful accounts			
	4	4 Pledges receivable			
		Less allowance for doubtful accounts			
	5	5 Grants receivable			
	6	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	7 Other notes and loans receivable (attach sch)			
		Less allowance for doubtful accounts			
	8	8 Inventories for sale or use			
	9	9 Prepaid expenses and deferred charges			
	10a	10a Investments – U.S. and state government obligations (attach schedule)			
	b	10b Investments – corporate stock (attach schedule)	4,372,170.	5,230,070.	6,152,645.
	c	10c Investments – corporate bonds (attach schedule)	1,151,273.	1,304,502.	1,347,852.
	11	11 Investments – land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	12 Investments – mortgage loans				
13	13 Investments – other (attach schedule)	1,851,597.	1,803,721.	1,874,338.	
14	14 Land, buildings, and equipment basis	86,113.			
	Less accumulated depreciation (attach schedule)				
	See Stmt 6	48,500.	54,184.	37,613.	
15	15 Other assets (describe				
16	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	7,686,563.	8,776,473.	9,831,402.	
LIABILITIES	17	17 Accounts payable and accrued expenses			
	18	18 Grants payable			
	19	19 Deferred revenue			
	20	20 Loans from officers, directors, trustees, & other disqualified persons			
	21	21 Mortgages and other notes payable (attach schedule)			
	22	22 Other liabilities (describe			
		23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	<input type="checkbox"/>		
	24	24 Unrestricted			
	25	25 Temporarily restricted			
	26	26 Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>		
	27	27 Capital stock, trust principal, or current funds	7,909,000.	7,909,000.	
	28	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29	29 Retained earnings, accumulated income, endowment, or other funds	-222,437.	867,473.	
	30	30 Total net assets or fund balances (see instructions)	7,686,563.	8,776,473.	
	31	31 Total liabilities and net assets/fund balances (see instructions)	7,686,563.	8,776,473.	

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	7,686,563.
2	Enter amount from Part I, line 27a	2	1,089,910.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	8,776,473.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	8,776,473.

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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
a Publicly Traded Securities			P	Various	Various
b NTB Class Action Distribution			P	Various	Various
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 7,178,207.			5,712,489.	1,465,718.	
b 35.				35.	
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) Fair Market Value as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))	
a				1,465,718.	
b				35.	
c					
d					
e					
2 Capital gain net income or (net capital loss)		If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	1,465,753.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)				3	0.
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8					

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 (column (b) divided by column (c))
2012	491,953.	8,678,059.	0.056689
2011	266,821.	8,817,049.	0.030262
2010	772,782.	8,129,660.	0.095057
2009	625,919.	6,988,339.	0.089566
2008	675,715.	8,638,498.	0.078221

2 Total of line 1, column (d)

2 0.349795

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 0.069959

4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5

4 9,156,067.

5 Multiply line 4 by line 3

5 640,549.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 16,220.

7 Add lines 5 and 6

7 656,769.

8 Enter qualifying distributions from Part XII, line 4

8 504,507.

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

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

1	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1	1	32,440.
2	Date of ruling or determination letter (attach copy of letter if necessary – see instrs)	2	0.
3	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	3	32,440.
4	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)	4	0.
5	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	5	32,440.
6	Add lines 1 and 2	6 a	20,501.
7	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	6 b	
8	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	6 c	
9	Credits/Payments	6 d	
10	a 2013 estimated tax pmts and 2012 overpayment credited to 2013	7	20,501.
11	b Exempt foreign organizations – tax withheld at source	8	
	c Tax paid with application for extension of time to file (Form 8868)	9	11,939.
	d Backup withholding erroneously withheld	10	
	7 Total credits and payments Add lines 6a through 6d	11	
	8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		
	9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed		
	10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
	11 Enter the amount of line 10 to be Credited to 2014 estimated tax ► Refunded		

Part VII-A Statements Regarding Activities

1 a 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?

	Yes	No
1 a	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

	X
--	---

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

	0.
--	----

(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

	0.
--	----

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

--	--

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

	X
--	---

If 'Yes,' attach a detailed description of the activities

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
--	---

4 a 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?

	N/A
--	-----

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

	X
--	---

If 'Yes,' attach the statement required by General Instruction T

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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?

--	--

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

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8 a Enter the states to which the foundation reports or with which it is registered (see instructions)

--	--

CA

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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

--	--

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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

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10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

	X
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Part VII-A | Statements Regarding Activities (continued)

11		X
12		X
13	X	
Website address ► <u>N/A</u>		
14	The books are in care of ► <u>Robert J. Gallo</u> Telephone no ► <u>(209) 341-3142</u> Located at ► <u>600 Yosemite Blvd. Modesto CA</u> ZIP + 4 ► <u>95354</u>	
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 ► <u>15</u> N/A ► <u>N/A</u>	
16	At any time during calendar year 2013, 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 ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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.		
1 a	During the year did the foundation (either directly or indirectly)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(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 ► <input type="checkbox"/>	1 b 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 2013?	1 c X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))	
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If 'Yes,' list the years ► <u>20 ___, 20 ___, 20 ___, 20 ___</u>	<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.)	2 b 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 ► <u>20 ___, 20 ___, 20 ___, 20 ___</u>	
3 a	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 2013 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 2013.)	3 b N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a 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 2013?	4 b X

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

5 a 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 Nob 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)?

5 b N/A

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)

6 a 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?

6 b X

If 'Yes' to 6b, file Form 8870

7 a 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

7 b

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
See Statement 7		0.	0.	0.

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

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

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

► 0

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

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

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

Part IX-A | Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 <u>Preservation of the wildlife habitat on the San Joaquin Federal Wildlife Reserve in the San Joaquin Valley of California.</u>	290,257.
2 <u>Provide grants to religious, charitable, educational, arts, and community organization to help provide for the betterment of the lives of the residents of Stanislaus County, CA and the surrounding areas.</u>	176,250.
3 <u>Provide for the advancement of the Roman Catholic Church and Catholic education in the United States by making grants to further the schools and programs of the Catholic Church, particularly in Stanislaus County</u>	38,000.
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 <u>N/A</u>	
2 -----	
All other program-related investments See instructions	
3 -----	
Total. Add lines 1 through 3	0.

BAA

Form 990-PF (2013)

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

1a	7,257,038.
1b	161,996.
1c	1,876,465.
1d	9,295,499.
1e	0.
2	0.
3	9,295,499.
4	139,432.
5	9,156,067.
6	457,803.

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
- 2a Tax on investment income for 2013 from Part VI, line 5
- b Income tax for 2013 (This does not include the tax from Part VI)
- c Add lines 2a and 2b
- 3 Distributable amount before adjustments. Subtract line 2c from line 1
- 4 Recoveries of amounts treated as qualifying distributions
- 5 Add lines 3 and 4
- 6 Deduction from distributable amount (see instructions)
- 7 **Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1

2a	32,440.
2b	
2c	32,440.
3	425,363.
4	24,000.
5	449,363.
6	
7	449,363.

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
 - b Program-related investments – total from Part IX-B
- 2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes
- 3 Amounts set aside for specific charitable projects that satisfy the:
 - a Suitability test (prior IRS approval required)
 - b Cash distribution test (attach the required schedule)
- 4 Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4
- 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)
- 6 **Adjusted qualifying distributions.** Subtract line 5 from line 4

1a	504,507.
1b	
2	
3a	
3b	
4	504,507.
5	
6	504,507.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				449,363.
2 Undistributed income, if any, as of the end of 2013			0.	
a Enter amount for 2012 only		0.		
b Total for prior years 20 ___, 20 ___, 20 ___				
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010	33,777.			
d From 2011				
e From 2012	64,261.			
f Total of lines 3a through e	98,038.			
4 Qualifying distributions for 2013 from Part XII, line 4 ► \$ 504,507.			0.	
a Applied to 2012, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2013 distributable amount				449,363.
e Remaining amount distributed out of corpus	55,144.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	153,182.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	153,182.			
10 Analysis of line 9				
a Excess from 2009				
b Excess from 2010	33,777.			
c Excess from 2011				
d Excess from 2012	64,261.			
e Excess from 2013	55,144.			

BAA

Form 990-PF (2013)

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

N/A

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

1 Information Regarding Foundation Managers:

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

See Statement 8

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

None

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

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

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

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

c Any submission deadlines

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

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> Schedule Attached			Schedule Attached	214,250.
Total				► 3a 214,250.
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	3.	
4 Dividends and interest from securities			14	201,003.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			1	1,465,718.	35.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a <u>Federal Tax Refund</u>					
b <u>Program Reimbursement</u>					24,000.
c <u>Return of contribution</u>					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				1,666,724.	24,035.
13 Total Add line 12, columns (b), (d), and (e)				13	1,690,759.

(See worksheet in line 13 instructions to verify calculations)

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

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		X

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

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

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

Sign
Here

Signature of officer or trustee

4-24-2014
Date

Chairman
Title

May the IRS discuss this return with the preparer shown below (see instructions)? ..

Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Margaret Armstrong, CPA		Margaret Armstrong, CPA	4/23/14		P00022850
	Firm's name	► TAX AND FINANCIAL SERVICES			Firm's EIN ► 94-1009696	
Firm's address	► PO BOX 1130 MODESTO, CA 95353			Phone no	(209) 341-3395	

BAA

Form 990-PF (2013)

Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Program Reimbursement	\$ 24,000.	\$ 0.	\$ 0.
Total	<u>\$ 24,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	\$ 15,081.	\$ 0.	\$ 0.	\$ 0.
Total	<u>\$ 15,081.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Wildlife & habitat consulting	\$ 7,761.	\$ 0.	\$ 0.	\$ 7,761.
Total	<u>\$ 7,761.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 7,761.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise tax	\$ 19,432.			
Foreign taxes on investment income	4,055.	\$ 4,055.		
Payroll taxes	7,775.			
Total	<u>\$ 31,262.</u>	<u>\$ 4,055.</u>	<u>\$ 0.</u>	<u>\$ 7,775.</u>

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Filing & registration fees	\$ 178.			
Habitat restoration labor	64,984.			\$ 64,984.
Habitat restoration seeds/plants	5,224.			5,224.
Habitat restoration supplies	44,165.			44,165.
Insurance	1,934.			1,934.
Investment fees	40,729.	\$ 40,729.		
IRA - Employer Portion	2,165.			2,165.
Medical/Dental/Life/Disability	25,436.			25,436.
Office/Clerical Expense	321.			320.
Rental Expenses	587.			587.
Repair & Maintenance	18,269.			18,269.
Subscription/Dues	295.			
Supplies	2,500.			2,500.
Utilities	12,451.			12,451.
Workers comp insurance	3,898.			3,898.
Total	<u>\$ 223,136.</u>	<u>\$ 40,729.</u>	<u>\$ 0.</u>	<u>\$ 181,933.</u>

Statement 6
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Auto./Transportation Equip.	\$ 6,500.	\$ 6,175.	\$ 325.	\$ 3,000.
Machinery and Equipment	73,100.	39,233.	33,867.	50,000.
Improvements	6,513.	3,092.	3,421.	3,000.
Total	<u>\$ 86,113.</u>	<u>\$ 48,500.</u>	<u>\$ 37,613.</u>	<u>\$ 56,000.</u>

Statement 7
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Robert J. Gallo P.O. Box 1130 Modesto, CA 95353	CEO 2.00	\$ 0.	\$ 0.	\$ 0.
Marie D. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.

Statement 7 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contri-bution to EBP & DC	Expense Account/Other
Matthew I Friedrich P.O. Box 1130 Modesto, CA 95353	Secretary 2.00	\$ 0.	\$ 0.	\$ 0.
Julie G. Vander Wall P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
John R. Gallo P.O. Box 1130 Modesto, CA 95353	CFO 0	0.	0.	0.
Matthew J. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Thomas J. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Gina M. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Amy M. Gallo-Ballatore P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Mary E. Gallo P.O. Box 1130 Modesto, CA 95353	Director 0	0.	0.	0.
Total		\$ 0.	\$ 0.	\$ 0.

Statement 8
Form 990-PF, Part XV, Line 1a
Foundation Managers - 2% or More Contributors

Robert J. Gallo
Marie D. Gallo

BOB & MARIE GALLO FOUNDATION
91-2048972
DECEMBER 31, 2013
FORM 990, PART II, LINE 10(b), INVESTMENTS - CORPORATE STOCK

SHARES	EQUITY SECURITIES	COST	MARKET VALUE
13,091.89	MFO DFA INVT DIMENSIONS GROUP, INC LARGE CAP HIGH BOOK	366,966	413,966
150,647.28	MFO DFA INVT DIMENSIONS GROUP INC US CORE EQUITY 1 PORT	2,190,260	2,491,706
11,450.60	MFB NORTHERN MID CAP INDEX FUND	83,090	193,401
9,578.72	MFO DFA US SMALL CAP PORTFOLIO	245,982	296,940
72,897.21	MFB NORTHERN INTL EQUITY INDEX FUND	691,358	899,552
20,191.69	MFO DFA INTL SMALL CO PORTFOLIO FUND (DFISX)	357,991	387,882
30,143.08	MFO DIMENSIONAL FUND ADVISORS INTL VALUE PORTFOLIO	540,411	597,737
30,011.05	MFB NORTHERN FUNDS EMERGING MKTS EQUITY INDEX FUND	238,136	338,525
27,386.28	MFO DFA INVT DIMENSIONS GROUP INC EMERGING MKTS CORE	515,877	532,937
TOTAL EQUITY SECURITIES		<u>5,230,070</u>	<u>6,152,645</u>

**BOB & MARIE GALLO FOUNDATION
91-2048972
December 31 2013**

FORM 990-PF, PART II, LINE 10(c), INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	Cost	Market Value
FIXED INCOME SECURITIES		
MFB NORTHERN HIGH YIELD FIXED INCOME FUND	331,362	373,800
MFC ISHARES 1-3 YEAR CREDIT BOND ETF	493,200	495,662
MFO PIMCO FUNDS PAC INVT MGMT SER HIGH YIELD FUND INSTL CL	381,995	381,202
MFC FLEXSHARES TR IBOXX 3-YEAR TARGET DURATION TIPS INDEX	97,945	97,188
TOTAL FIXED INCOME SECURITIES	1,304,502	1,347,852

BOB & MARIE GALLO FOUNDATION
91-2048972
December 31 2013

FORM 990-PF PART II, LINE 13, OTHER INVESTMENTS

OTHER INVESTMENTS	Cost	Market Value
HEDGE FUNDS		
CF AURORA OFFSHORE LTD II CLASS A SERIES	1,000,000	1,088,239
TOTAL HEDGE FUNDS	1,000,000	1,088,239
REAL ESTATE		
MFO DFA INVT DIMENSIONS GROUP INC INTL REAL ESTATE SECS	158,152	152,678
MFO DFA INVT DIMENSIONS GROUP INC REAL ESTATE SECS	158,152	142,788
TOTAL REAL ESTATE	316,304	295,466
COMMODITIES		
MFC FLEXSHARES TR MORNINGSTAR GLOBAL UPSTREAM NAT RES	487,417	490,633
TOTAL COMMODITIES	487,417	490,633
TOTAL OTHER INVESTMENTS	1,803,721	1,874,338

BOB AND MARIE GALLO FOUNDATION

POST OFFICE BOX 1130, MODESTO, CA 95353

FISCAL YEAR ENDING DECEMBER 31, 2013

TID: 91-2048972

FORM 990-PF, PART XV, LINE 3 (a)
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

*All contributions made during the year were for general use in carrying out charitable, religious and educational activities.

RECIPIENT	ADDRESS	AMOUNT
Best Buddies International, Inc	100 S E Second Street, Suite 2200, Miami, FL 33131	1,000
American Cancer Society, Stanislaus Unit	1101 Sylvan Avenue, Suite C-105, Modesto, CA 95350	1,500
Angus Foundation	3201 Frederick Avenue, Saint Joseph, MO 64506	500
Boys and Girls Clubs of Stanislaus County, Inc	422 McHenry Avenue, Modesto, CA 95354	1,500
Catholic Social Service Guild	c/o Treasurer, 939 John Roos Avenue, Ripon, CA 95366	800
Central Valley Sons of Italy Foundation, Inc	Post Office Box 579111, Modesto, CA 95357	500
Christopher P. Walker Foundation - Cricket's House	7441 River Nine Drive, Modesto, CA 95356	2,500
Community Hospice, Inc	4368 Spyres Way, Modesto, CA 95356	12,050
Diabetic Youth Foundation	5167 Clayton Road, Suite F, Concord, CA 94521	1,000
Diocese of Santa Rosa - Catholic Charities	Post Office Box 4900, Santa Rosa, CA 95402	1,000
Friends of the Calaveras County Fair & Frog Jumping Jubilee Foundation	Post Office Box 489, Angels Camp, CA 95222	500
Gallo Center for the Arts	1000 I Street, Modesto, CA 95354	2,400
Howard Training Center	1424 Stonum Road, Modesto, CA 95351	1,000
JDRF International, Northern California Inland Chapter	1333 Howe Avenue, Suite 113, Sacramento, CA 95825	1,000
McHenry Mansion Foundation	924 - 15th Street, Modesto, CA 95354	500
McHenry Museum and Historical Society	1402 I Street, Modesto, CA 95354	500
Modesto Magic Basketball Association	Post Office Box 577492, Modesto, CA 95357	400
Modesto Suzuki Association, Inc	Post Office Box 4332, Modesto, CA 95352	500
Modesto Symphony Orchestra	911 - 13th Street, Modesto, CA 95354	10,000
Modesto Union Gospel Mission	Post Office Box 1203, Modesto, CA 95353	6,000
Modesto Youth Soccer Association	Post Office Box 577229, Modesto, CA 95357	2,500
Napa Emergency Women's Services	1141 Pear Tree Lane, Suite 220, Napa, CA 94558	1,500
Napa Sheriff's Activity League	2100 Napa Vallejo Highway, Napa, CA 94558	1,500
Oakdale Cowboy Museum	Post Office Box 1155, Oakdale, CA 95361	1,000
Pollinator Partnership	423 Washington Street, 5th Floor, San Francisco, CA 94111	500
Redwood Empire Food Bank	3320 Industrial Drive, Santa Rosa, CA 95403	2,000
Redwood Gospel Mission	Post Office Box 493, Santa Rosa, CA 95402	2,000
Rotary Club of Roseville Foundation	Post Office Box 57, Roseville, CA 95678	250
Society of St. Vincent de Paul of Sonoma County	Post Office Box 1095, Rohnert Park, CA 94927	1,000
Sonoma Community Center	276 East Napa Street, Sonoma, CA 95476	2,000
Sonoma League for Historic Preservation	Post Office Box 766, Sonoma, CA 95476	2,000
Sonoma Valley Museum of Art	Post Office Box 322, Sonoma, CA 95476	2,000
Sonoma Valley Vintners & Growers Foundation	783 Broadway, Sonoma, CA 95476	5,000
St. Vincent Senior Citizen Nutrition Program, Inc	2131 West Third Street, Los Angeles, CA 90057	500
Team McGill, Inc	6737 Panorama Drive, Riverbank, CA 95357	500
The Salvation Army, Modesto Citadel Corps	Post Office Box 1663, Modesto, CA 95353	4,500
The Trumpeter Swan Society	12615 County Road 9, Plymouth, MN 55441	1,000
University of California/San Francisco Foundation	220 Montgomery Street, 5th Floor, San Francisco, CA 94104	16,500
TOTAL CHARITABLE CONTRIBUTIONS		91,400

BOB AND MARIE GALLO FOUNDATION

POST OFFICE BOX 1130, MODESTO, CA 95353

FISCAL YEAR ENDING. DECEMBER 31, 2013

TID: 91-2048972

FORM 990-PF, PART XV, LINE 3 (a)
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	ADDRESS	AMOUNT
RELIGIOUS CONTRIBUTIONS		
Diocese of Stockton	212 North San Joaquin Street, Stockton, CA 95202	6,500
Greek Orthodox Church of the Annunciation	313 Tokay Avenue, Modesto, CA 95350	250
Jesuit School of Theology of Santa Clara University	500 El Camino Real, Santa Clara, CA 95053	250
Missionaries of the Holy Spirit	St. Matthew Catholic Church, 475 S E. Third Avenue, Hillsboro, OR 97123	1,000
New Mount Carmel Foundation, Inc.	Post Office Box 2507, Cody, WY 82414	1,000
Sisters of Notre Dame de Namur, California Province	1520 Ralston Avenue, Belmont, CA 94002	500
Sisters of the Cross of the Sacred Heart of Jesus	1320 Maze Boulevard, Modesto, CA 95351	6,000
St. John the Baptist Catholic Church	208 Matheson Street, Healdsburg, CA 05448	1,500
St Stanislaus Catholic Church	709 J Street, Modesto, CA 95354	21,000
TOTAL RELIGIOUS CONTRIBUTIONS		38,000

EDUCATIONAL CONTRIBUTIONS

California Polytechnic State University	San Luis Obispo, CA 93407	2,000
California State University/Stanislaus	One University Circle, Turlock, CA 95382	500
Cardinal Newman High School	50 Ursuline Road, Santa Rosa, CA 95403	20,000
Central Catholic High School	200 South Carpenter Road, Modesto, CA 95351	7,500
De Marillac Academy of San Francisco	175 Golden Gate Avenue, San Francisco, CA 94102	1,000
Education Foundation of Stanislaus County	1100 H Street, Modesto, CA 95354	1,000
Father John C. Silva Education Foundation	Post Office Box 4304, Modesto, CA 95352	6,250
Loyola University-Chicago	Gift Processing, Department 4336, Carol Stream, IL 60122	1,000
Modesto High School	18 H Street, Modesto, CA 95354	3,000
Modesto Junior College	435 College Avenue, Modesto, CA 95350	500
Notre Dame de Namur University	1500 Ralston Avenue, Belmont, CA 94002	10,000
Sacred Heart Catholic School	505 M Street, Patterson, CA 95363	100
Santa Clara University	500 El Camino Real, Santa Clara, CA 95053	10,000
Sigma Chi Foundation	1714 Hinman Avenue, Evanston, IL 60201	1,000
St. John the Baptist Catholic School	217 Fitch Street, Healdsburg, CA 95448	5,000
St. Stanislaus Catholic School	1416 Maze Boulevard, Modesto, CA 95351	1,000
University of San Francisco	2130 Fulton Street, San Francisco, CA 94117	5,000
Washington University in St. Louis	7425 Forsyth Boulevard, Suite 2300, Saint Louis, MO 63105	10,000
TOTAL EDUCATIONAL CONTRIBUTIONS		84,850

2013 TOTAL GRANTS AND CONTRIBUTIONS	214,250
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