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

2013

Department of the Treasury
Internal Revenue Service

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

For calendar year 2013, or tax year beginning 11/01, 2013, and ending 10/31, 2014

JULIO R GALLO FOUNDATION
PO BOX 1130
MODESTO, CA 95353

A Employer identification number
94-6061539

B Telephone number (see the instructions)
209-341-3375

G Check all that apply
☐ Initial return
☐ Final return
☐ Address change
☐ Initial return of a former public charity
☐ Amended return
☐ 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)
\$ 22,141,960.
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
 (Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here ☐
 D 1 Foreign organizations, check here ☐
 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
 E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
 F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	50.	95,318.		
	4 Dividends and interest from securities	443,016.	471,086.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-23,715.			
	b Gross sales price for all assets on line 6a	5,083,790.			
	7 Capital gain net income (from Part IV, line 2)		80,734.		
	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)					
12 Total. Add lines 1 through 11	419,351.	-102,852.	544,286.	0.	
ADMINISTRATIVE EXPENSES AND	13 Compensation of officers, directors, trustees, etc.	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 1	35,178.	35,178.		
	c Other prof fees (attach sch) See St 2	68,039.	93,231.		
	17 Interest		35,019.		
	18 Taxes (attach schedule) See Stm 3	36,012.	1,177.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses (attach schedule) See Statement 4	658.	21,049.			
24 Total operating and administrative expenses. Add lines 13 through 23	139,887.	185,654.			
25 Contributions, gifts, grants paid Part XV	901,850.			901,850.	
26 Total expenses and disbursements. Add lines 24 and 25	1,041,737.	185,654.	0.	901,850.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-622,386.				
b Net investment income (if negative, enter -0-)		358,632.			
c Adjusted net income (if negative, enter -0-)			0.		

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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
ASSETS	1 Cash — non-interest-bearing	2,173,843.	222,916.	222,916.
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	5,002,312.	5,806,267.	6,217,143.
	c Investments — corporate bonds (attach schedule)	3,050,022.	3,073,333.	3,007,099.
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less: accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule) Statement 5	13,515,699.	14,016,974.	12,694,802.
	14 Land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item i)	23,741,876.	23,119,490.	22,141,960.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. X			
	27 Capital stock, trust principal, or current funds	27,733,909.	27,733,909.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	-3,992,033.	-4,614,419.	
	30 Total net assets or fund balances (see instructions)	23,741,876.	23,119,490.	
	31 Total liabilities and net assets/fund balances (see instructions)	23,741,876.	23,119,490.	

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	23,741,876.
2 Enter amount from Part I, line 27a	2	-622,386.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	23,119,490.
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	23,119,490.

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)
1 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) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	80,734.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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	985,500.	21,034,313.	0.046852
2011	1,033,000.	19,319,524.	0.053469
2010	2,425,850.	20,085,431.	0.120777
2009	506,000.	18,783,652.	0.026938
2008	790,350.	18,125,909.	0.043603

2 Total of line 1, column (d)	2	0.291639
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	0.058328
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	21,904,660.
5 Multiply line 4 by line 3	5	1,277,655.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,586.
7 Add lines 5 and 6	7	1,281,241.
8 Enter qualifying distributions from Part XII, line 4	8	901,850.

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 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ☐ and enter 1% of Part I, line 27b		1	7,173.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	7,173.
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	7,173.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a	32,172.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	32,172.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	24,999.	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax	11	24,999.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
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?		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		
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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		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
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? 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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) CA		
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 2013 or the taxable year beginning in 2013 (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

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: <u>N/A</u>	13	X	
14	The books are in care of <u>TAX & FINANCIAL SERVICES</u> Telephone no. <u>209-341-6975</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 <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <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?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>				

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
1 a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	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? ☐ Yes ☒ No If 'Yes,' list the years <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u>		
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</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></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? ☐ Yes ☒ 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

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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 ☒ 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)?

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 6		0.	0.	0.

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

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

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

0

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	1 a	9,661,329.
b Average of monthly cash balances	1 b	694,876.
c Fair market value of all other assets (see instructions)	1 c	11,882,028.
d Total (add lines 1a, b, and c)	1 d	22,238,233.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	22,238,233.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	333,573.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	21,904,660.
6 Minimum investment return. Enter 5% of line 5	6	1,095,233.

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	1,095,233.
2 a Tax on investment income for 2013 from Part VI, line 5	2 a	7,173.
b Income tax for 2013 (This does not include the tax from Part VI)	2 b	
c Add lines 2a and 2b	2 c	7,173.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	1,088,060.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,088,060.
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	1,088,060.

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	1 a	901,850.
b Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	901,850.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	901,850.

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.				1,088,060.
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			0.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010	1,048,491.			
d From 2011	74,116.			
e From 2012.				
f Total of lines 3a through e	1,122,607.			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ 901,850.				
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				901,850.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	186,210.			186,210.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	936,397.			
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	936,397.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010	862,281.			
c Excess from 2011	74,116.			
d Excess from 2012				
e Excess from 2013				

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.)

See Statement for Line 2a

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year Schedule Attached ,			All contributions made during the year were for general use in carrying out charitable, religious, and educational activities.	901,850.
Total				3 a 901,850.
b Approved for future payment				
Total				3 b

JULIO R GALLO FOUNDATION

94-6061539

Statement 1
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	\$ 35,178.	\$ 35,178.		
Total	<u>\$ 35,178.</u>	<u>\$ 35,178.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 2
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
Investment Fees	\$ 68,039.	\$ 68,039.		
Passthru from K-1		25,192.		
Total	<u>\$ 68,039.</u>	<u>\$ 93,231.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Taxes	\$ 35,916.			
Foreign Taxes	96.	\$ 96.		
Passthru from K-1		1,081.		
Total	<u>\$ 36,012.</u>	<u>\$ 1,177.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
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	\$ 538.			
Office Expense	120.			
Passthru from K-1		\$ 21,049.		
Total	<u>\$ 658.</u>	<u>\$ 21,049.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

JULIO R GALLO FOUNDATION

94-6061539

Statement 5
Form 990-PF, Part II, Line 13
Investments - Other

	Valuation Method	Book Value	Fair Market Value
<u>Other Securities</u>			
Other Investments	Cost	\$ 14,016,974.	\$ 12,694,802.
	Total	<u>\$ 14,016,974.</u>	<u>\$ 12,694,802.</u>

Statement 6
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 PO BOX 1130 MODESTO, CA 95353	Co-President 0	\$ 0.	\$ 0.	\$ 0.
JAMES E COLEMAN PO BOX 1130 MODESTO, CA 95353	Co-President 0	0.	0.	0.
MATTHEW I FRIEDRICH PO BOX 1130 MODESTO, CA 95353	Secretary 0	0.	0.	0.
JOHN R GALLO PO BOX 1130 MODESTO, CA 95353	Director 0	0.	0.	0.
GREGORY J COLEMAN PO BOX 1130 MODESTO, CA 95353	Director 0	0.	0.	0.
DOUG VILAS 600 YOSEMITE BLVD MODESTO, CA 95354	Treasurer 0	0.	0.	0.
	Total	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 7
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
 Name: JESSIE NELSON
 Care Of:
 Street Address: PO BOX 1130
 City, State, Zip Code: MODESTO, CA 95353
 Telephone: 209-341-3375

JULIO R GALLO FOUNDATION

94-6061539

Statement 7 (continued)
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

E-Mail Address:

Form and Content:

Submission Deadlines:

Restrictions on Awards:

LETTER OF REQUEST, NAME OF APPLICANT AND PURPOSE OF GRANT

NONE

QUALIFIED PUBLIC CHARITIES ONLY

Other Income Producing Activities
Dividends/interest from securities.Bond Interest
Dividends

	\$	3,096.
		439,920.
Total	\$	<u>443,016.</u>

THE JULIO R. GALLO FOUNDATION
FYI 10/31/2014
FORM 990-PF, PART II, LINE 10b and 10c

	Security	Quantity	Total Adjusted Cost	Market Value
P	ARTISAN PARTNERS FDS INC INTL VALUE FD INSTL SH'	34,530.37	1,209,523	1,266,228
P	DELAWARE SMID CAP GROWTH FUND CL I	14,903.212	468,153	533,684
P	DIAMOND HILL FDS SMALL MID CAP FD CL I	44946.935	758,660	831,968
P	VIRTUS EMERGING MARKETS OPPORTUNITIES FUND	31,494.396	317,588	331,006
P	LAZARD US EQUITY CONCENTRATED PRF INSTL SHS	99,533.687	1,236,902	1,372,570
P	MATTHEWS INTL FDS PAC TIGER FD INSTL CL	22,207.064	280,319	316,725
P	MATTHEWS ASIAN FDS ASIA SMALL COS FD	14327.79	280,890	310,483
P	ISHARES CORE S&P 500 ETF	6180	1,254,232	1,254,478
P	TOTAL EQUITIES		5,806,267	6,217,143
P	DOUBLELINE FDS TR TOTAL RETURN BD FD CL I	57,043.264	643,906	625,765
P	HOTCHKIS & WILEY FDS HIGH YIELD FD CL I	41,821.419	548,408	538,242
P	TEMPLETON INCOME TR GLOBAL TOTAL RETURN FD ,	57138.366	806,170	769,082
P	CMG ULTRA SHORT TERM BOND	119427.668	1,074,849	1,074,010
	TOTAL FIXED		3,073,333	3,007,099

THE JULIO R. GALLO FOUNDATION
FYI 10/31/2014
FORM 990-PF, PART II, LINE 13

Security	Total Adjusted Cost	Market Value
P BHR MASTER FUND LTD	500,000	502,795
P CONTRARIAN EMERGING MARKET FUND	500,000	491,643
P OMEGA OVERSEAS PARTNERS LTD CLASS B	500,000	569,208
P SEER CAPITAL PARTNERS OFFSHORE FUND LTD	500,000	552,663
P SALIENT MLP TOTAL RETURN FUND LP	500,000	511,665
P SELECTINVEST MULTISTRATEGY LTD SPV	61,431	69,467
P MSREF VI OFFSHORE INVESTORS INT'L, LP	2,675,401	695,350
P MAKENA LIQUID ENDOWMENT FUND	8,780,142	9,302,012
TOTAL ALTERNATIVE INVESTMENTS	<u>14,016,974</u>	<u>12,694,802</u>

THE JULIO R. GALLO FOUNDATION

POST OFFICE BOX 1130

MODESTO, CA 95353

FISCAL YEAR ENDING OCTOBER 31, 2014

TID: 94-6061539

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

All contributions made during the year were for general use in carrying out charitable, religious and educational activities.
None of the recipients are private foundations.

RECIPIENT	ADDRESS	AMOUNT
Alzheimer's Association - Northern California/Nevada Chapter	1060 La Avenida Street, Mountain View, CA 94043	100
Bethany Christian Services	3048 Hahn Drive, Modesto, CA 95350	1,000
Bethlehem Inn, The	Post Office Box 8540, Bend, OR 97708	1,625
Boys and Girls Club of Stanislaus County	422 McHenry Avenue, Modesto, CA 95354	1,000
California Pacific Medical Center Foundation	2015 Steiner Street, San Francisco, CA 94115	100
California Rangeland Trust	1225 H Street, Sacramento, CA 95814	100
Catholic Social Service Guild	c/o Current Treasurer, Modesto, CA	6,000
Cedarville Volunteer Fire Department	Post Office Box 39, Cedarville, CA 96104	500
Central Oregon Environmental Center, Inc.	16 N.W. Kansas Avenue, Bend, OR 97701	250
Central Valley Sons of Italy Foundation	Post Office Box 579111, Modesto, CA 95357	500
Charity Global, Inc.	200 Varick Street, Suite 201, New York, NY 10014	250
Community Hospice, Inc.	4368 Spyres Way, Modesto, CA 95356	8,000
Community Hospital Foundation	40 Ryan Court, Suite 200, Monterey, CA 93940	100
Crazy Horse Memorial Foundation	12151 Avenue of the Chiefs, Crazy Horse, SD 57730-9506	1,500
Daughters of Charity Foundation	2131 West Third Street, Los Angeles, CA 90057	5,000
Del Rio C C Foundation	801 Stewart Road, Modesto, CA 95356	1,000
Deschutes Basin Land Trust	210 N.W. Irving Avenue, Suite 102, Bend, OR 97701	250
Deschutes River Conservancy	Post Office Box 1560, Bend, OR 97709	250
Deschutes United Way	Post Office Box 5969, Bend, OR 97708	1,625
Diocese of Santa Rosa - Catholic Charities	Post Office Box 4900, Santa Rosa, CA 95402	1,400
Doctors Without Borders USA	333 Seventh Avenue, Second Floor, New York, NY 10001	100
Focus on the Family	8605 Explorer Drive, Colorado Springs, CO 80995	2,500
Gallo Center for the Arts, Inc.	1000 I Street, Modesto, CA 95354	8,350
Great Valley Museum Foundation	1100 Stoddard Avenue, Modesto, CA 95350	500
JDRF International - Greater Bay Area Chapter	49 Stevenson Street, Suite 1200, San Francisco, CA 94105	500
Juline Foundation for Children, The	1700 McHenry Avenue, Suite 50-A, Modesto, CA 95350	2,000
Knight's Ferry History and Museum Associates	Post Office Box 861, Knights Ferry, CA 95361	1,000
Modesto Suzuki Association	Post Office Box 4332, Modesto, CA 95352	1,000

THE JULIO R. GALLO FOUNDATION

POST OFFICE BOX 1130

MODESTO, CA 95353

FISCAL YEAR ENDING: OCTOBER 31, 2014

TID 94-6061539

FORM 990-PF, PART XV, LINE 3 (a)

GRANTS AND CONTRIBUTIONS PAID DURING THE FISCAL YEAR

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RECIPIENT	ADDRESS	AMOUNT
Modesto Symphony Orchestra	911 - 13th Street, Modesto, CA 95354	2,500
Monterey County Youth Museum	425 Washington Street, Monterey, CA 93940	1,000
Napa Valley Hospice & Adult Day Services	414 South Jefferson Street, Napa, CA 94559	5,000
National Park Foundation	1201 Eye Street, N.W., Suite 55B, Washington, D.C. 20005	250
Peace Officer Memorial Group, Inc.	Post Office Box 577105, Modesto, CA 95357	500
Redwood Empire Food Bank	3990 Brickway Boulevard, Santa Rosa, CA 95403	1,200
Royal Oak Foundation, The	35 West 35th Street, Suite 1200, New York, NY 10001	1,000
Save the Children Federation, Inc.	501 Kings Highway East, Fairfield, CT 06825	1,000
Smile Train, Inc.	41 Madison Avenue, 28th Floor, New York, NY 10010	100
St. Madeleine Sophie's Center	2119 East Madison Avenue, El Cajon, CA 92019-1111	1,000
Stanislaus Family Justice Center	1625 I Street, Modesto, CA 95354	250
Surprise Valley Health Care District	Box 246, Cedarville, CA 96104	500
Team William McGill Youth Athletics Organization of Modesto	6737 Panorama Drive, Riverbank, CA 95367	300
United Way of Stanislaus County	422 McHenry Avenue, Modesto, CA 95354	5,000
Wags and Whiskers Rescue	1700 McHenry Avenue, Suite 65B #155, Modesto, CA 95350	1,000
TOTAL CHARITABLE CONTRIBUTIONS		67,100
Archdiocese of Los Angeles	3424 Wilshire Boulevard, Los Angeles, CA 90010-2241	5,000
Archdiocese of Philadelphia	222 North 17th Street, Philadelphia, PA 19103	10,000
Bishop's Ministry Appeal	212 North San Joaquin Street, Stockton, CA 95202	5,000
Carmel Mission	3080 Rio Road, Carmel, CA 92923	1,000
Catholic Daughters of the Americas - Modesto Court #1402	c/o Current Regent, Modesto, CA	1,000
Coming Home Network International	Department 1013A, Post Office Box 8290, Zanesville, OH 43702	100
Couple to Couple League International, Inc.	4290 Delhi Avenue, Cincinnati, OH 45238	5,000
Daughters of Charity Foundation - LaBoure Residence	2131 West Third Street, Los Angeles, CA 90057	5,500
Diocese of Stockton	212 North San Joaquin Street, Stockton, CA 95202	5,000
Diocesan Missionaries Society (Saint John Society)	Post Office Box 1004, Corvallis, OR 97339	5,000
Dominican Sisters of Mary Mother of the Eucharist	4597 Warren Road, Ann Arbor, MI 48105	5,000

THE JULIO R. GALLO FOUNDATION
 POST OFFICE BOX 1130
 MODESTO, CA 95353
 FISCAL YEAR ENDING OCTOBER 31, 2014

TID 94-6061539

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

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 None of the recipients are private foundations.

RECIPIENT	ADDRESS	AMOUNT
Equestrian Order of the Holy Sepulchre of Jerusalem/Northwest Lieutenantcy	Two Ashbury Terrace, San Francisco, CA 94117	5,000
Eternal Word Television Network	5817 Old Leeds Road, Irondale, AL 35210	20,000
Father Kolbe Missionaries of the Immaculata	531 East Merced Avenue, West Covina, CA 91790	1,000
Franciscan Renewal Ministries	427 East 155th Street, New York, NY 10455	25,000
IHR Educational Broadcasting - Immaculate Heart Radio	7956 California Avenue, Fair Oaks, CA 95628-9944	1,000
Lumen Christi Institute, The	1220 East 58th Street, Chicago, IL 60637	250
Mary, Mother of God Mission Society	1736 Milestone Circle, Modesto, CA 95357	100
Maryknoll Sisters	Post Office Box 311, Maryknoll, NY 10545	100
Monastery of Discalced Carmelites	949 North River Road, Des Plaines, IL 60016	3,000
Mount Angel Abbey & Seminary	One Abbey Drive, Saint Benedict, OR 97373	1,000
New Mount Carmel Foundation	Post Office Box 2507, Cody, WY 82414	5,000
NET Ministries, Inc.	110 Crusader Avenue West, West St. Paul, MN 55118	500
Sacred Heart Catholic Church	529 I Street, Patterson, CA 95363	250
Saint Patrick's Seminary & University	320 Middlefield Road, Menlo Park, CA 94025	5,000
Sisters of the Cross of the Sacred Heart of Jesus	1320 Maze Boulevard, Modesto, CA 95351	28,000
Sisters of the Holy Family	Post Office Box 3248, Fremont, CA 94539	100
Society of Jesus: Oregon Province	Post Office Box 86010, Portland, OR 97286	5,000
Star of the Sea Catholic Church (San Francisco Oratory)	4420 Geary Boulevard, San Francisco, CA 94118	15,000
St. Joseph's Catholic Church	1813 Oakdale Road, Modesto, CA 95355	27,500
St. Leo's Catholic Church	Post Office Box 666, Boyes Hot Springs, CA 95416	500
St. Stanislaus Catholic Church	709 J Street, Modesto, CA 95354	451,000
Young Ladies' Grand Institute - Modesto Chapter #110	c/o Current Treasurer, Modesto, CA	300
TOTAL RELIGIOUS CONTRIBUTIONS		642,200

Ave Maria University	5050 Ave Maria Boulevard, Ave Maria, FL 34142	100
California Polytechnic State University	Heron Hall, One Grand Avenue, San Luis Obispo, CA 93407-0381	1,000
Cascade School of Music	200 N. W. Pacific Park Lane, Bend, OR 97701	250
Central Catholic High School	200 South Carpenter Road, Modesto, CA 95351	63,250

THE JULIO R. GALLO FOUNDATION
 POST OFFICE BOX 1130
 MODESTO, CA 95353
 FISCAL YEAR ENDING: OCTOBER 31, 2014

TID: 94-6061539

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

All contributions made during the year were for general use in carrying out charitable, religious and educational activities.
 None of the recipients are private foundations.

RECEPIENT	ADDRESS	AMOUNT
Cornell University	130 East Seneca Street, Suite 400, Ithaca, NY 14850	2,500
Father John C. Silva Education Foundation	Post Office Box 4304, Modesto, CA 95352	1,000
Franciscan University	1235 University Boulevard, Steubenville, OH 43952	100
Holy Names University	3500 Mountain Boulevard, Oakland, Ca 94619	5,000
Instituto Tecnico Especializado Juan Pablo II, Inc. (Nicaragua)	14250 S.W. 72nd Avenue, Palmetto Bay, FL 33158	1,000
Kappa Alpha Theta Foundation	8740 Founders Road, Indianapolis, IN 46268-1300	100
Marin Country Day School	5221 Paradise Drive, Corte Madera, CA 94925	5,000
Modesto High School	18 H Street, Modesto, CA 95351	1,000
Oregon State University Foundation	850 S. W. 35th Street, Corvallis, OR 97333	65,250
Phi Delta Theta Foundation	Two South Campus Avenue, Oxford, OH 45056	100
Presentation School, The	Post Office Box 1220, Sonoma, CA 95476	4,000
Robert Louis Stevenson School	3152 Forest Lake Road, Pebble Beach, CA 93953	500
Santa Clara University	500 El Camino Real, Santa Clara, CA 95053	7,500
St. John the Baptist Catholic School	217 Fitch Street, Healdsburg, CA 95448	7,400
St. Stanislaus Catholic School	1416 Maze Boulevard, Modesto, CA 95351	12,000
Stayton Elementary School	875 North Third Avenue, Stayton, OR 97383	1,000
Stayton Middle/Intermediate School	1021 Shaff Road, Stayton, OR 97383	3,000
Thomas Aquinas College	10000 Ojai Road, Santa Paula, CA 93060	5,000
University of Southern California - Ethel Percy Andrus Gerontology Center	3715 McClintock Avenue, Los Angeles, CA 90089-0191	1,000
University of the Pacific	3601 Pacific Avenue, Stockton, CA 95211	500
Wyoming Catholic College	Post Office Box 750, Lander, WY 82520	5,000
TOTAL EDUCATIONAL CONTRIBUTIONS		192,550
FYE 2014 TOTAL GRANTS AND CONTRIBUTIONS		901,850