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Form 990-PF

Return of Private Foundation

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

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► Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

2014

Open to Public
Inspection

For calendar year 2014, or tax year beginning 01-01-2014 , and ending 12-31-2014

| | | |
|---|--|--|
| Name of foundation AH 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 | | B Telephone number (see instructions) (218) 726-5430 |
| City or town, state or province, country, and ZIP or foreign postal code DULUTH, MN 55802 | | |
| 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 | | C If exemption application is pending, check here ► <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | | D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 15,326,840 | J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ | E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> |
| (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"/> |

| 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) | 553,673 | | | |
| 2 | Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B | | | | |
| 3 | Interest on savings and temporary cash investments | 12,633 | 12,633 | 12,633 | |
| 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 | 403,110 | | | |
| b | Gross sales price for all assets on line 6a 233,968 | | | | |
| 7 | Capital gain net income (from Part IV, line 2) | | | | |
| 8 | Net short-term capital gain | | | | |
| 9 | Income modifications | | | | |
| 10a | Gross sales less returns and allowances | | | | |
| b | Less Cost of goods sold | | | | |
| c | Gross profit or (loss) (attach schedule) | | | | |
| 11 | Other income (attach schedule) | 1,595,571 | 1,595,571 | | |
| 12 | Total. Add lines 1 through 11 | 1,758,767 | 12,633 | 1,608,204 | |
| 13 | Compensation of officers, directors, trustees, etc | 71,157 | 38,245 | 15,298 | 22,948 |
| 14 | Other employee salaries and wages | 826,084 | | 520,487 | 236,989 |
| 15 | Pension plans, employee benefits | 32,975 | | 8,547 | 10,685 |
| 16a | Legal fees (attach schedule) | 5,828 | 2,834 | 149 | 11 |
| b | Accounting fees (attach schedule) | 1,470 | 683 | 105 | |
| c | Other professional fees (attach schedule) | 9,525 | 4,763 | | |
| 17 | Interest | 98,920 | | 98,920 | |
| 18 | Taxes (attach schedule) (see instructions) | 92,688 | | 66,954 | 25,734 |
| 19 | Depreciation (attach schedule) and depletion | 313,886 | | 312,276 | |
| 20 | Occupancy | 185,592 | 1,132 | 134,566 | 49,894 |
| 21 | Travel, conferences, and meetings | 4,381 | | 1,300 | 3,081 |
| 22 | Printing and publications | | | | |
| 23 | Other expenses (attach schedule) | 941,715 | | 832,968 | 108,184 |
| 24 | Total operating and administrative expenses. | 2,584,221 | 47,657 | 1,991,570 | 457,526 |
| 25 | Contributions, gifts, grants paid | 333,423 | | | 333,423 |
| 26 | Total expenses and disbursements. Add lines 24 and 25 | 2,917,644 | 47,657 | 1,991,570 | 790,949 |
| 27 | Subtract line 26 from line 12 | | | | |
| a | Excess of revenue over expenses and disbursements | -1,158,877 | | | |
| b | Net investment income (if negative, enter -0-) | | 0 | | |
| c | Adjusted net income (if negative, enter -0-) | | | | |

| Assets | 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 |
| | 1 Cash—non-interest-bearing | | 254,816 | 263,831 | 263,831 |
| | 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 | | 6,088,477 | 6,088,477 | 2,451,527 |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) | | | | |
| | 7 Other notes and loans receivable (attach schedule) ► 196,032 | | | | |
| | Less allowance for doubtful accounts ► | | 1,379 | 196,032 | 196,032 |
| | 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) | | | | |
| | c Investments—corporate bonds (attach schedule) | | | | |
| | 11 Investments—land, buildings, and equipment basis ► | | | | |
| | Less accumulated depreciation (attach schedule) ► | | | | |
| | 12 Investments—mortgage loans | | | | |
| | 13 Investments—other (attach schedule) | | 12,949,111 | 10,846,410 | 4,565,905 |
| | 14 Land, buildings, and equipment basis ► 9,575,273 | | | | |
| | Less accumulated depreciation (attach schedule) ► 1,745,451 | | 2,527 | 7,829,822 | 7,831,431 |
| | 15 Other assets (describe ►) | | | 18,114 | 18,114 |
| | 16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) | | 19,296,310 | 25,242,686 | 15,326,840 |
| Liabilities | 17 Accounts payable and accrued expenses | | | 26,428 | |
| | 18 Grants payable | | | | |
| | 19 Deferred revenue | | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | | |
| | 21 Mortgages and other notes payable (attach schedule) | | | 2,009,497 | |
| | 22 Other liabilities (describe ►) | | 49,296 | | |
| | 23 Total liabilities (add lines 17 through 22) | | 49,296 | 2,035,925 | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ► | | | | |
| | and complete lines 24 through 26 and lines 30 and 31. | | | | |
| | 24 Unrestricted | | | | |
| | 25 Temporarily restricted | | | | |
| | 26 Permanently restricted | | | | |
| | Foundations that do not follow SFAS 117, check here ► | | | | |
| | and complete lines 27 through 31. | | | | |
| | 27 Capital stock, trust principal, or current funds | | 19,247,014 | 23,206,762 | |
| | 28 Paid-in or capital surplus, or land, bldg , and equipment fund | | | | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | | | -1 | |
| | 30 Total net assets or fund balances (see instructions) | | 19,247,014 | 23,206,761 | |
| | 31 Total liabilities and net assets/fund balances (see instructions) | | 19,296,310 | 25,242,686 | |

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 | 19,247,014 |
| 2 | Enter amount from Part I, line 27a | 2 | -1,158,877 |
| 3 | Other increases not included in line 2 (itemize) ► | 3 | 5,118,624 |
| 4 | Add lines 1, 2, and 3 | 4 | 23,206,761 |
| 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 | 23,206,761 |

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

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| (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) | If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 | 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 | | 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 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)) |
|--|--|--|---|
| 2013 | 215,449 | 10,532,535 | 0 020456 |
| 2012 | 522,332 | 12,426,531 | 0 042034 |
| 2011 | 719,857 | 11,231,172 | 0 064095 |
| 2010 | 32,646 | 12,840,010 | 0 002543 |
| 2009 | 533,617 | 10,198,328 | 0 052324 |
| 2 Total of line 1, column (d). | | | 2 0 181452 |
| 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 036290 |
| 4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5. | | | 4 12,892,404 |
| 5 Multiply line 4 by line 3. | | | 5 467,865 |
| 6 Enter 1% of net investment income (1% of Part I, line 27b). | | | 6 |
| 7 Add lines 5 and 6. | | | 7 467,865 |
| 8 Enter qualifying distributions from Part XII, line 4. | | | 8 790,949 |

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

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

| | | | |
|---|---|----|-------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here <input checked="" type="checkbox"/> and enter "N/A" on line 1 | | |
| Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions) | | 1 | 0 |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | | |
| 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 | |
| 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 | |
| 5 | Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- | 5 | |
| 6 | Credits/Payments | | |
| a | 2014 estimated tax payments and 2013 overpayment credited to 2014 | 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 2015 estimated tax <input checked="" type="checkbox"/> 2,919 Refunded <input checked="" type="checkbox"/> | 11 | |

Part VII-A Statements Regarding Activities

| | | Yes | No |
|--|---|------------|-----------|
| 1a | During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a | No |
| 1b | Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? | 1b | No |
| <i>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.</i> | | | |
| 1c | Did the foundation file Form 1120-POL for this year? | 1c | No |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____ | | |
| e | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____ | | |
| 2 | Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i> | 2 | No |
| 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? <i>If "Yes," attach a conformed copy of the changes</i> | 3 | No |
| 4a | Did the foundation have unrelated business gross income of \$1,000 or more during the year? | 4a | No |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | 4b | |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i> | 5 | No |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | Yes |
| 7 | Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i> | 7 | Yes |
| 8a | Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> 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? <i>If "No," attach explanation.</i> | 8b | Yes |
| 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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> | 9 | Yes |
| 10 | Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i> | 10 | No |

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) <input checked="" type="checkbox"/> | 11 | Yes |
| 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) <input type="checkbox"/> | 12 | No |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <input type="text" value="WWW ZEPPEA.ORG"/> | 13 | Yes |
| 14 | The books are in care of <input type="text" value="TONY CUNEO"/> Telephone no <input type="text" value="218) 726-5430"/> Located at <input type="text" value="222 EAST SUPERIOR STREET - 326 DULUTH MN"/> ZIP +4 <input type="text" value="55802"/> | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input type="text"/> | 15 | |
| 16 | At any time during calendar year 2014, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes", enter the name of the foreign country <input type="text"/> | 16 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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

| File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | | Yes | No |
|---|--|-----|----|
| 1a | During the year did the foundation (either directly or indirectly) | | |
| | (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| | (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| | (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| | (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| | (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| | (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> | 1b | |
| 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 2014? <input type="checkbox"/> | 1c | |
| 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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <input type="text"/> 20____, <input type="text"/> 20____, <input type="text"/> 20____, <input type="text"/> 20____ | | |
| 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) <input type="checkbox"/> | 2b | |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="text"/> 20____, <input type="text"/> 20____, <input type="text"/> 20____, <input type="text"/> 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 2014 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 2014.) <input type="checkbox"/> | 3b | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> | 4a | No |
| 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 2014? <input type="checkbox"/> | 4b | No |

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))? (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? (3) Provide a grant to an individual for travel, study, or other similar purposes? (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/> | | 5b |
| 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? <i>If "Yes," attach the statement required by Regulations section 53.4945-5(d).</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| b | Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i> | | 6b No |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? | | 7b |

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)

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 | | | | |
| | | | | |
| | | | | |
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| | | | | |

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 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) | 1,991,570 |
| 2 OPERATION OF THE HEALTHY COMMUNITY INITIATIVE, WORKING TO ENSURE ALL PEOPLE IN OUR COMMUNITY, REGARDLESS OF THEIR ZIPCODE, LIVE IN A PLACE THAT SUPPORTS THEIR PHYSICAL AND EMOTIONAL HEALTH AND WELL-BEING | 790,948 |
| 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 | ▶ |

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 304,618 |
| c | Fair market value of all other assets (see instructions). | 1c 12,784,117 |
| d | Total (add lines 1a, b, and c). | 1d 13,088,735 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). | 1e |
| 2 | Acquisition indebtedness applicable to line 1 assets. | 2 |
| 3 | Subtract line 2 from line 1d. | 3 13,088,735 |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). | 4 196,331 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 12,892,404 |
| 6 | Minimum investment return. Enter 5% of line 5. | 6 644,620 |

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 2014 from Part VI, line 5. | 2a | |
| b | Income tax for 2014 (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 790,949 | |
| b | Program-related investments—total from Part IX-B. | 1b | |
| 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 | 4 790,949 | |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions). | 5 | |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4. | 6 790,949 | |
| Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years | | | |

Part XIII Undistributed Income (see instructions)

| | (a) Corpus | (b) Years prior to 2013 | (c) 2013 | (d) 2014 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2014 from Part XI, line 7 | | | | |
| 2 Undistributed income, if any, as of the end of 2014 | | | | |
| a Enter amount for 2013 only. | | | | |
| b Total for prior years 20____, 20____, 20____ | | | | |
| 3 Excess distributions carryover, if any, to 2014 | | | | |
| a From 2009. | | | | |
| b From 2010. | | | | |
| c From 2011. | | | | |
| d From 2012. | | | | |
| e From 2013. | | | | |
| f Total of lines 3a through e. | | | | |
| 4 Qualifying distributions for 2014 from Part XII, line 4 ► \$ _____ 790,949 | | | | |
| a Applied to 2013, 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 2014 distributable amount. | | | | |
| e Remaining amount distributed out of corpus | 790,949 | | | |
| 5 Excess distributions carryover applied to 2014 (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: | 790,949 | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | | | | |
| b Prior years' undistributed income Subtract line 4b from line 2b. | | | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. | | | | |
| d Subtract line 6c from line 6b Taxable amount—see instructions | | | | |
| e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount—see instructions | | | | |
| f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015. | | | | |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions). | | | | |
| 8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) | | | | |
| 9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a | | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2010. | | | | |
| b Excess from 2011. | | | | |
| c Excess from 2012. | | | | |
| d Excess from 2013. | | | | |
| e Excess from 2014. | | | | |

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 2014, enter the date of the ruling. <input type="text"/> | | | | |
| b | Check box to indicate whether the organization is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5) | | | | |
| 2a | Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed. | | | | |
| b | 85% of line 2a. | | | | |
| c | Qualifying distributions from Part XII, line 4 for each year listed. | | | | |
| d | Amounts included in line 2c not used directly for active conduct of exempt activities. | | | | |
| e | Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c. | | | | |
| 3 | Complete 3a, b, or c for the alternative test relied upon | | | | |
| a | "Assets" alternative test—enter | | | | |
| (1) | Value of all assets. | | | | |
| (2) | Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | |
| b | "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. | | | | |
| c | "Support" alternative test—enter | | | | |
| (1) | Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties). | | | | |
| (2) | Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(III). | | | | |
| (3) | Largest amount of support from an exempt organization | | | | |
| (4) | Gross investment income | | | | |

Part XV Supplementary Information (Complete this part only if the organization 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))

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

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

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

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

TONY CUNEO
222 EAST SUPERIOR STREET - 326
DULUTH, MN 55802
(218) 726-5430

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 Additional Data Table | | | | |
| Total | | | ► 3a | 333,423 |
| b Approved for future payment | | | | |
| Total | | | ► 3b | |

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

| 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) Exclusion code | (d) Amount |
| 1 Program service revenue | | | | | |
| a <u>ZEITGEIST ARTS, LLC</u> | | | | | 1,530,800 |
| b <u>222 ARTS CENTER</u> | | | | | 69,326 |
| 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 | 9,239 |
| 4 Dividends and interest from securities. | | | | 14 | 3,394 |
| 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 | -403,110 |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory. | | | | | |
| 11 Other revenue | a <u>PORTFOLIO MANAGEMENT INCOME</u> | | | 41 | 49,372 |
| | b <u>FISCAL AGENT INCOME</u> | | | 1 | 300 |
| | c <u>BROOKLYN HOTEL PARTNERS LLC</u> | | | 14 | -18,898 |
| | d <u>H/Z INVEST PARTSP 1</u> | | | 14 | -23,284 |
| | e <u>H/Z INVEST PARTSP 2</u> | | | 14 | -12,045 |
| 12 Subtotal Add columns (b), (d), and (e). | | | | | -398,426 |
| 13 Total. Add line 12, columns (b), (d), and (e). | | | | | 1,603,520 |
| | | | | | 1,205,094 |

(See [worksheet](#) in line 13 instructions to verify calculations)

| Line No. ▼ | Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions.) |
|---------------|--|
| 1A | PHILANTHROPIC SOCIAL VENTURE SUPPORTING THE ARTS |
| 1B | PHILANTHROPIC SOCIAL VENTURE SUPPORTING THE ARTS |
| | |
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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? | Yes | No |
|---|-------|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of | | |
| (1) Cash. | 1a(1) | No |
| (2) Other assets. | 1a(2) | No |
| b Other transactions | | |
| (1) Sales of assets to a noncharitable exempt organization. | 1b(1) | No |
| (2) Purchases of assets from a noncharitable exempt organization. | 1b(2) | No |
| (3) Rental of facilities, equipment, or other assets. | 1b(3) | No |
| (4) Reimbursement arrangements. | 1b(4) | No |
| (5) Loans or loan guarantees. | 1b(5) | No |
| (6) Performance of services or membership or fundraising solicitations. | 1b(6) | No |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. | 1c | No |

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.

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 |
|--------------------------|--------------------------|---------------------------------|
| | | |
| | | |
| | | |
| | | |

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.

* * * * *

2015-11-16

* * * * *

Signature of officer or trustee

Date

Title

May the IRS discuss this
return
with the preparer shown
below
(see instr.)? Yes No

| | | | | | |
|---|--|----------------------|--------------------|--|-------------------|
| Paid Preparer Use Only | Print/Type preparer's name MICHAEL A PEDERSON | Preparer's Signature | Date 2015-11-16 | Check if self-employed <input checked="" type="checkbox"/> | PTIN P00454472 |
| | Firm's name ► ESTERBROOKS SCOTT SIGNORELLI ETAL LTD | | | Firm's EIN ► 41-1414667 | |
| | Firm's address ► 302 W SUPERIOR ST STE200 DULUTH, MN 55802 | | | Phone no (218) 727-6846 | |
| | (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | |

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|--|--|--|--|
| ANTHONY CUNEO 222 E SUPERIOR ST 326 DULUTH, MN 55802 | EXECUTIVE DI 40 00 | 71,157 | 5,334 | 0 |
| ALAN H ZEPPA 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |
| BILL PAYNE 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |
| FRANCIS HEID 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |
| MICKEY PEARSON 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |
| GEIGER YOUNT 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |
| SARAH SEIDELMANN 222 E SUPERIOR ST 326 DULUTH, MN 55802 | TRUSTEE 2 00 | 0 | 0 | 0 |

Form 990PF Part XV Line 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 | | | | |
| RENEGADE THEATRE 222 E SUPERIOR ST DULUTH, MN 55802 | NONE | PC | OPERATIONS | 30,000 |
| EAST HILLSIDE PATCH 1406 E 2ND ST DULUTH, MN 55805 | NONE | PC | PROGRAM SERVICE | 100 |
| DULUTH AREA FAMILY YMCA 302 W 1ST ST DULUTH, MN 55802 | NONE | PC | PROGRAM SUPPORT | 54,749 |
| PAVSA 32 E 1ST ST SUITE 200 DULUTH, MN 55802 | NONE | PC | PROGRAM SUPPORT | 100 |
| CHURCHES UNITED IN MINISTRY 102 W 2ND ST DULUTH, MN 55802 | NONE | PC | PROGRAM SUPPORT | 38,054 |
| COMMUNITY ACTION DULUTH 2424 W 5TH ST 102 DULUTH, MN 55806 | NONE | PC | PROGRAM SUPPORT | 104,244 |
| DULUTH COMMUNITY GARDEN PROGRAM 206 WEST FOURTH ST SUITE 214 DULUTH, MN 55806 | NONE | PC | PROGRAM SUPPORT | 84,814 |
| LOCAL INITIATIVES SUPPORT CORP 202 W SUPERIOR ST 401 DULUTH, MN 55802 | NONE | PC | PROGRAM SUPPORT | 21,362 |
| Total. | | | ► 3a | 333,423 |

TY 2014 Accounting Fees Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------|--------|-----------------------|---------------------|---------------------------------------|
| FOUNDATION | 1,365 | 683 | | |
| 222 ARTS CENTER | 105 | | 105 | |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Amortization Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Description of Amortized Expenses | Date Acquired, Completed, or Expended | Amount Amortized | Deduction for Prior Years | Amortization Method | Current Year Amortization | Net Investment Income | Adjusted Net Income | Total Amount of Amortization |
|-----------------------------------|---------------------------------------|------------------|---------------------------|---------------------|---------------------------|-----------------------|---------------------|------------------------------|
| LIQUOR LICENSE | 2008-12-01 | 30,469 | 10,324 | 15 0000 | 2,031 | | 1,468 | 12,355 |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Depreciation Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Description of Property | Date Acquired | Cost or Other Basis | Prior Years' Depreciation | Computation Method | Rate / Life (# of years) | Current Year's Depreciation Expense | Net Investment Income | Adjusted Net Income | Cost of Goods Sold Not Included |
|-------------------------|---------------|---------------------|---------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------|
| DEPRECIATION | | | | | | 312,276 | | 312,276 | |
| | | | | | | 1,610 | | | |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Gain/Loss from Sale of Other Assets Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Name | Date Acquired | How Acquired | Date Sold | Purchaser Name | Gross Sales Price | Basis | Basis Method | Sales Expenses | Total (net) | Accumulated Depreciation |
|-----------------------------|---------------|--------------|-----------|----------------|-------------------|---------|--------------|----------------|-------------|--------------------------|
| SALE OF GARNDER BUILDING | 2007-05 | PURCHASE | 2014-05 | | 233,968 | 637,078 | | | -403,110 | |

TY 2014 Investments - Other Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Category / Item | Listed at Cost or FMV | Book Value | End of Year Fair Market Value |
|----------------------------------|------------------------------|-------------------|--------------------------------------|
| BROOKLYN HOTEL PARTNERS, LLC | AT COST | 292,093 | 733,808 |
| DAMIANO CENTER LOAN | AT COST | 302 | 302 |
| DULUTH FESTIVAL OPERA LOAN | AT COST | 2,777 | 2,777 |
| GARDNER BUILDING | AT COST | | |
| HURLBUT-ZEPPA INVESTMENT PART. 1 | AT COST | 412,360 | 196,888 |
| HURLBUT-ZEPPA INVESTMENT PART. 2 | AT COST | 10,050,840 | 3,544,092 |
| VINE MORTGAGE | AT COST | 88,038 | 88,038 |
| ZEITGEIST ARTS, LLC | AT COST | | |
| 222 ARTS CENTER LLC MEMBER LOAN | AT COST | | |
| 222 ARTS CENTER LLC EQUITY | AT COST | | |

TY 2014 Land, Etc. Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Category / Item | Cost / Other Basis | Accumulated Depreciation | Book Value | End of Year Fair Market Value |
|------------------------------------|--------------------|--------------------------|------------|-------------------------------|
| FURNITURE & EQUIPMENT - FOUNDATION | 31,239 | 30,321 | 918 | 2,527 |
| FURNITURE & EQUIPMENT - ZA | 31,456 | 30,827 | 629 | 629 |
| PROPERTY & EQUIPMENT - 222 ARTS | 9,212,578 | 1,684,303 | 7,528,275 | 7,528,275 |
| LAND - 222 ARTS | 300,000 | | 300,000 | 300,000 |

TY 2014 Legal Fees Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---------------------|--------|-----------------------|---------------------|---------------------------------------|
| ZEITGEIST ARTS, LLC | 40 | | 29 | 11 |
| 222 ARTS CENTER | 120 | | 120 | |
| INDIRECT LEGAL FEES | 5,668 | 2,834 | | |

TY 2014 Mortgages and Notes Payable Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699**Total Mortgage Amount:**

| | |
|--|--------------------------|
| Item No. | 1 |
| Lender's Name | BEACON BANK 222 BUILDING |
| Lender's Title | |
| Relationship to Insider | |
| Original Amount of Loan | |
| Balance Due | 1,943,740 |
| Date of Note | |
| Maturity Date | |
| Repayment Terms | |
| Interest Rate | |
| Security Provided by Borrower | |
| Purpose of Loan | |
| Description of Lender Consideration | |
| Consideration FMV | |

| | |
|--|----------------------------|
| Item No. | 2 |
| Lender's Name | BEACON BANK PROJECTOR LOAN |
| Lender's Title | |
| Relationship to Insider | |
| Original Amount of Loan | |
| Balance Due | 49,912 |
| Date of Note | |
| Maturity Date | |
| Repayment Terms | |
| Interest Rate | |
| Security Provided by Borrower | |
| Purpose of Loan | |
| Description of Lender Consideration | |
| Consideration FMV | |

| | |
|--|-------------------------------------|
| Item No. | 3 |
| Lender's Name | NORTHLAND FOUNDATION PROJECTOR LOAN |
| Lender's Title | |
| Relationship to Insider | |
| Original Amount of Loan | |
| Balance Due | 15,845 |
| Date of Note | |
| Maturity Date | |
| Repayment Terms | |
| Interest Rate | |
| Security Provided by Borrower | |
| Purpose of Loan | |
| Description of Lender Consideration | |
| Consideration FMV | |

TY 2014 Other Assets Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Description | Beginning of Year - Book Value | End of Year - Book Value | End of Year - Fair Market Value |
|-------------|-----------------------------------|-----------------------------|------------------------------------|
| LICENSE | | 18,114 | 18,114 |

TY 2014 Other Expenses Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Description | Revenue and Expenses per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---------------------------|--------------------------------|-----------------------|---------------------|---------------------------------------|
| ZEITGEIST ARTS, LLC | | | | |
| ARTIST FEES | 10,390 | | 7,505 | 2,885 |
| BANK CHARGES | 37,867 | | 27,354 | 10,513 |
| INSURANCE | 25,981 | | 18,768 | 7,213 |
| IT EXPENSES | 17,632 | | 12,737 | 4,895 |
| MISCELLANEOUS | 11,029 | | 7,967 | 3,062 |
| SUPPLIES | 10,282 | | 7,427 | 2,855 |
| ADVERTISING | 66,355 | | 47,932 | 18,423 |
| COST OF GOODS SOLD | 689,209 | | 689,209 | |
| 222 ARTS CENTER | | | | |
| INSURANCE | 12,477 | | 12,477 | |
| MISCELLANEOUS | 124 | | 124 | |
| EXPENSES | | | | |
| INSURANCE | 6,800 | | | 6,800 |
| IT EXPENSES | 2,273 | | | 2,273 |
| MARKETING | 351 | | | 351 |
| MISCELLANEOUS | 3,281 | | | 3,281 |
| OTHER CONTRACTED SERVICES | 544 | | | 544 |
| PROGRAM EXPENSE | 36,359 | | | 36,359 |
| REPAIRS & MAINTENANCE | 704 | | | 704 |
| SUPPLIES | 8,026 | | | 8,026 |

TY 2014 Other Income Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Description | Revenue And Expenses Per Books | Net Investment Income | Adjusted Net Income |
|-----------------------------|--------------------------------|-----------------------|---------------------|
| ZEITGEIST ARTS, LLC | 1,530,800 | | 1,530,800 |
| 222 ARTS CENTER | 69,326 | | 69,326 |
| PORTFOLIO MANAGEMENT INCOME | 49,372 | | 49,372 |
| FISCAL AGENT INCOME | 300 | | 300 |
| BROOKLYN HOTEL PARTNERS LLC | -18,898 | | -18,898 |
| H/Z INVEST PARTSP 1 | -23,284 | | -23,284 |
| H/Z INVEST PARTSP 2 | -12,045 | | -12,045 |

TY 2014 Other Increases Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Description | Amount |
|--|-----------|
| PPA - EXCESS COST OF ASSETS OVER INVESTMENT ON LLC | 5,118,624 |

TY 2014 Other Liabilities Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Description | Beginning of Year - Book Value | End of Year - Book Value |
|----------------------------------|-----------------------------------|-----------------------------|
| CREDIT CARD LIABILITIES | 1,052 | |
| PAYROLL LIABILITIES | -3,884 | |
| FISCAL AGENT LIABILITY ACCOUNT | 3,000 | |
| GRANT CLEARING LIABILITY ACCOUNT | 49,128 | |

**TY 2014 Other Notes/Loans
Receivable Short Schedule****Name:** AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Name of 501(c)(3) Organization | Balance Due |
|---------------------------------------|--------------------|
| DUE FROM PARTNERSHIP | 1,379 |
| CONTRACT FOR DEED | 194,653 |

TY 2014 Other Professional Fees Schedule

Name: AH ZEPPA FAMILY FOUNDATION

EIN: 20-6424699

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-------------------|--------|-----------------------|---------------------|---------------------------------------|
| CAPROCK | 8,044 | 4,022 | | |
| GOLDLEAF PARTNERS | 1,481 | 741 | | |

TY 2014 Taxes Schedule

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---------------------|--------|-----------------------|---------------------|---------------------------------------|
| ZEITGEIST ARTS, LLC | 92,688 | | 66,954 | 25,734 |

TY 2014

TransfersFrmControlledEntities

Name: AH ZEPPA FAMILY FOUNDATION**EIN:** 20-6424699

| Name | US / Foreign Address | EIN | Description | Amount |
|---|---|------------|----------------------------|---------------|
| HURLBUT-ZEPPA INVESTMENT PARTNERSHIP NO 2 | 222 EAST SUPERIOR ST SUITE 326 DULUTH, MN 55802 | 20-3218974 | DISTRIBUTION OF CAPITAL | 196,921 |
| Total | | | | 196,921 |

Schedule of Contributors

OMB No 1545-0047

2014

- Attach to Form 990, 990-EZ, or 990-PF.
- Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

AH ZEPPA FAMILY FOUNDATION

Employer identification number

20-6424699

Organization type (check one)

Filers of:

Section:

| | |
|--------------------|--|
| Form 990 or 990-EZ | <input type="checkbox"/> 501(c)() (enter number) organization <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation <input type="checkbox"/> 527 political organization |
| Form 990-PF | <input checked="" type="checkbox"/> 501(c)(3) exempt private foundation <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation <input type="checkbox"/> 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, contributions totaling \$5,000 or more (in money or other property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled 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 totaling \$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 its Form 990PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

| Name of organization AH 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 |
| | See Additional Data Table | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |
| | | | |
| | | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |
| | | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| | | | |

Name of organization

AH 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 |
|---------------------------|--|--|----------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | | |
| | | | |

Additional Data

Software ID:
Software Version:
EIN: 20-6424699
Name: AH ZEPPA FAMILY FOUNDATION

Form 990 Schedule B, 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 | WHOLE FOOS CO-OP 610 E 4TH ST DULUTH, MN 55805 | \$ 9,996 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| 7 | BLUE CROSS BLUE SHIELD OF MINNESOTA 3535 BLUE CROSS ROAD EAGAN, MN 55122 | \$ 387,646 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| 2 | NORDIC WASTE SERVICES INC 306 W SUPERIOR ST DULUTH, MN 55802 | \$ 10,021 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| 3 | CASEY KNUTSON-CARBERT 2200 WATER ST DULUTH, MN 55812 | \$ 7,330 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| 4 | CARTIER AGENCY INC 2631 W SUPERIOR ST DULUTH, MN 55806 | \$ 8,330 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |
| 5 | HTK MARKETING COMMUNICATIONS 1511 E SUPERIOR ST DULUTH, MN 55812 | \$ 7,497 | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contribution) |

Form 990 Schedule B, 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 |
|------------|--|----------------------------|--|
| 6 | <p>DULUTH SUPERIOR AREA COMMUNITY 222 E SUPERIOR ST 302 DULUTH, MN 55802</p> | \$ 36,500 | <p>Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/></p> <p>(Complete Part II for noncash contribution)</p> |