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Form **990-PF**

Return of Private Foundation

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

OMB No 1545-0052

2016Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation MICHAEL FRANCIS ZALLA MEMORIAL FOUN		A Employer identification number 61-1124767
Number and street (or P O box number if mail is not delivered to street address) 3343 STONEWOOD DRIVE	Room/suite	B Telephone number (see instructions) 859-781-9500
City or town, state or province, country, and ZIP or foreign postal code EDGEWOOD KY 41018		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 1,234,764	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)	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 (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	32	32		
	4 Dividends and interest from securities	27,405	27,405		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-27,451			
	b Gross sales price for all assets on line 6a 456,052				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) STMT 1	11,472	11,472			
12 Total. Add lines 1 through 11	11,458	38,909	0		
Operating and Administrative Expenses	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 schedule) STMT 2	2,625			
	c Other professional fees (attach schedule) STMT 3	8,080	8,080		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 4	243	191		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) STMT 5	15			
	24 Total operating and administrative expenses. Add lines 13 through 23	10,963	8,271	0	0
	25 Contributions, gifts, grants paid	45,000			45,000
26 Total expenses and disbursements. Add lines 24 and 25	55,963	8,271	0	45,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-44,505				
b Net investment income (if negative, enter -0-)		30,638			
c Adjusted net income (if negative, enter -0-)			0		

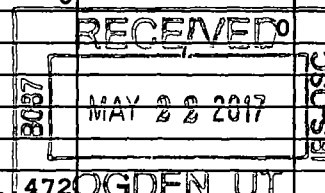
For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2016)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash – non-interest-bearing			1	
	2	Savings and temporary cash investments	116,184	178,119	178,119	
	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 (att. schedule) ▶ Less: allowance for doubtful accounts ▶	0			
	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) SEE STMT 6	864,956	693,991	763,624	
	c	Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach sch.) ▶				
	12	Investments – mortgage loans				
	13	Investments – other (attach schedule) SEE STATEMENT 7	214,511	279,682	293,021	
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach sch.) ▶				
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	1,195,651	1,151,793	1,234,764		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue SEE STATEMENT 8	2,050	2,697		
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)	2,050	2,697			
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	1,042,563	1,042,563		
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds	151,038	106,533		
	30	Total net assets or fund balances (see instructions)	1,193,601	1,149,096		
	31	Total liabilities and net assets/fund balances (see instructions)	1,195,651	1,151,793		

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	1,193,601
2	Enter amount from Part I, line 27a	2	-44,505
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,149,096
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	1,149,096

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	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
d	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
e	CAPITAL GAINS DIST			

	(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	122,080		112,377	9,703
b	11,640		18,511	-6,871
c	272,528		308,228	-35,700
d	45,532		44,387	1,145
e	4,272			4,272

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				9,703
b				-6,871
c				-35,700
d				1,145
e				4,272

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	-27,451
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	2,832

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	61,000	1,299,220	0.046951
2014	63,000	1,357,497	0.046409
2013	80,000	1,304,102	0.061345
2012	82,500	1,275,537	0.064679
2011	64,000	1,254,215	0.051028

2	Total of line 1, column (d)	2	0.270412
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	0.054082
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,199,985
5	Multiply line 4 by line 3	5	64,898
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	306
7	Add lines 5 and 6	7	65,204
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	8	45,000

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	613
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	613
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	613
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	500
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	500
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	113
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2017 estimated tax ☐ Refunded ☐	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ _____ (2) On foundation managers. \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) NONE		
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>	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X	
14 The books are in care of ▶ A. MARTIN ZALLA 3343 STONEWOOD DRIVE Located at ▶ EDGEWOOD KY ZIP+4 ▶ 41018 Telephone no. ▶ 859-781-9500		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	15	
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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	N/A	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 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ▶ 20 , 20 , 20 , 20	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)	N/A	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. ▶ 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2016 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 2016)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?**6b****X**

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9				

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

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

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

**0**

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 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	

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	1,039,119
b	Average of monthly cash balances	1b	179,140
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,218,259
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,218,259
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	18,274
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,199,985
6	Minimum investment return. Enter 5% of line 5	6	59,999

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	59,999
2a	Tax on investment income for 2016 from Part VI, line 5	2a	613
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	613
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	59,386
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	59,386
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	59,386

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	45,000
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	45,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	45,000

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				59,386
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	22,403			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 45,000				
a Applied to 2015, 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 2016 distributable amount				45,000
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	14,386			14,386
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	8,017			
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 2015. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0
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 2011 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	8,017			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013	8,017			
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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 2016, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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 foundation had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

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

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

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:
A. MARTIN ZALLA 859-781-9500
3343 STONEWOOD DRIVE EDGEWOOD KY 41018

b The form in which applications should be submitted and information and materials they should include:
SEE STATEMENT 10

c Any submission deadlines:
SUBMISSION DEADLINES HAVE NOT BEEN ESTABLISHED

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors.
RESTRICTION AND LIMITATIONS HAVE NOT BEEN ESTABLISHED

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					
NKU HONORS PROGRAM NUNN DRIVE - SUITE 221 HIGHLAND HEIGHTS KY 41099				EDUCATION	10,000
THE POINT 104 W. PIKE STREET COVINGTON KY 41011				SOCIAL SERVICES	5,000
ST. BARBARA CONFERENCE SVDP 4042 TURKEYFOOT RD ERLANGER KY 41018				RELIGIOUS	2,500
COVINGTON CATHOLIC HIGH SCHOOL 1600 DIXIE HIGHWAY PARK HILLS KY 41011				EDUCATION	10,000
PARISH KITCHEN P.O. BOX 1234 COVINGTON KY 41012				SOCIAL SERVICES	2,500
THE ALLIANCE FOR CATHOLIC URBAN EDU 1125 MADISON AVENUE COVINGTON KY 41011				EDUCATION	2,500
CATHOLIC CHARITIES 3629 CHURCH STREET LATONIA KY 41015				SOCIAL SERVICES	2,500
REDWOOD SCHOOL 71 ORPHANAGE ROAD FORT MITCHELL KY 41017				SOCIAL SERVICES	10,000
Total				► 3a	45,000
b Approved for future payment N/A					
Total				► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Part XVI-A Analysis of Income-Producing Activities					
Enter gross amounts unless otherwise indicated.					
	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	32	
4 Dividends and interest from securities			14	27,405	
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			18	11,472	
8 Gain or (loss) from sales of assets other than inventory			18	-27,451	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0		11,458	0
13 Total. Add line 12, columns (b), (d), and (e)				13	11,458

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Federal Statements

5/8/2017 5:29 PM

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
LOSSES RELATED TO K-1'S	\$ -393	-393	\$
L-T ORDINARY GAIN SALE K-1	11,865	11,865	
TOTAL	\$ 11,472	\$ 11,472	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 2,625		\$	\$
TOTAL	\$ 2,625	\$ 0	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT FEE	\$ 8,080	\$ 8,080	\$	\$
TOTAL	\$ 8,080	\$ 8,080	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAX PAID	\$ 191	\$ 191	\$	\$
FEDERAL TAX	52			
TOTAL	\$ 243	\$ 191	\$ 0	\$ 0

Federal Statements

5/8/2017 5:29 PM

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
LICENSE	15			
TOTAL	15	0	0	0

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED SCHEDULE	\$ 864,956	\$ 693,991	COST	\$ 763,624
TOTAL	\$ 864,956	\$ 693,991		\$ 763,624

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
INVESTMENTS - OTHER	\$ 214,511	\$ 279,682	COST	\$ 293,021
TOTAL	\$ 214,511	\$ 279,682		\$ 293,021

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 19 - Deferred Revenue**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DEFERRED REVENUE #1031C	\$ <u>2,050</u>	\$ <u>2,697</u>
TOTAL	\$ <u><u>2,050</u></u>	\$ <u><u>2,697</u></u>

Federal Statements

Statement 9 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
A. MARTIN ZALLA 3343 STONEWOOD DRIVE EDGEWOOD KY 41018	PRESIDENT/TR	0.00	0	0	0
SHEILA K. ZALLA 3343 STONEWOOD DRIVE EDGEWOOD KY 41018	VP/SECRETARY	0.00	0	0	0
MARY ZALLA FORGIEL 513 GARRARD STREET COVINGTON KY 41011	TRUSTEE	0.00	0	0	0
K. ELLEN ENGELMAN 1009 POINT OF ROCK RD. MONTEREY KY 40359	TRUSTEE	0.00	0	0	0
M. KATHRYN GARTNER 3353 STONEWOOD DRIVE ERLANGER KY 41018	TRUSTEE	0.00	0	0	0

Federal Statements**Statement 10 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents****Description**

THE FORM IN WHICH APPLICATIONS SHOULD BE SUBMITTED AND THE INFORMATION AND MATERIALS THEY SHOULD INCLUDE HAVE NOT BEEN DETERMINED.

Form 990-PF, Part XV, Line 2c - Submission Deadlines**Description**

SUBMISSION DEADLINES HAVE NOT BEEN ESTABLISHED

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**Description**

RESTRICTION AND LIMITATIONS HAVE NOT BEEN ESTABLISHED

**ATTACHMENT TO FORM 990-PF
2016**

**MICHAEL FRANCIS ZALLA MEMORIAL FOUNDATION
61-1124767**

STATEMENT 6

PART II, LINE 10b, COLUMN C - INVESTMENTS - CORPORATE STOCK

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>SYMBOL</u>	<u>COST</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>
4,892	ALERIAN MLP ETF	AMLP	57,720	12.60	61,639
200	AMGEN INC	AMGN	30,937	146.21	29,242
560	APPLE INC	AAPL	38,094	115.82	64,859
400	CITIGROUP INC	C	19,966	59.43	23,772
300	CROWN INTL CORP NEW COM	CCI	22,205	86.77	26,031
235	DUKE ENERGY CORP NEW	DUK	17,529	77.62	18,241
1,198	DEUTSCHE X-TRACKERS MSCI EAF	DBEF	32,320	28.06	33,616
600	ENERGY TRANSFER PARTNERS L.P.	ETP	9,670	35.81	21,486
500	FIRST TRUST SENIOR LOAN FUND	FTSL	24,869	48.55	24,275
120	GENERAL ELECTRIC CO	GE	37,022	31.60	37,920
1,000	GOLDMAN SACHS MLP INC OPPTY FD	GMZ	15,163	9.72	9,720
300	INTERNATIONAL PAPER CO	IP	14,215	53.06	15,918
1,976	ISHARES CORE MODERATE ALLOCA	AOM	64,964	35.23	69,614
420	ISHARES MSCI EAFE ETF	EFA	27,644	67.73	24,247
300	ISHARES SELECT DIVIDEND ETF	DVY	24,545	88.58	26,571
50	JOHNSON & JOHNSON	JNJ	4,927	115.21	5,761
800	KROGER CO	KR	26,090	34.51	27,608
1	LAMB WESTON HLDGS INC COM	LW	28	37.85	38
6	MEDTRONIC PLC SHS	MDT	470	71.23	427
400	MICROSOFT CORP	MSFT	19,952	62.14	24,856
300	PEPSICO INC	PEP	26,227	104.63	31,389
1,000	PFIZER INC	PFE	30,109	32.48	32,480
150	PHILLIP MORRIS INTL INC	PM	12,630	91.49	13,723
1,000	PWERSHARES FNDMTL H/Y CORP	PHB	18,725	18.79	18,790
500	PROCTER & GAMBLE	PG	36,754	84.08	42,040
200	PRUDENTIAL FINANCIAL INC	PRU	16,398	104.06	20,812
105	SPECTRA ENERGY CORP	SE	2,520	41.09	4,314
300	SPDR GOLD TR GOLD SHS	GLD	43,736	109.61	32,883
400	VERIZON COMMUNICATIONS	VZ	18,562	53.38	21,352
TOTAL - STOCKS			693,991		763,624
LESS SHORT POSITION			-		-
TOTAL ACCOUNT			693,991		763,624

PART II, LINE 13, COLUMN C - INVESTMENTS - OTHER

2071.25	FIRST EAGLE GLB INC BUILDER I	FEBIX	25,000	10.990	22,763
1205.482	FIRST EAGLE GLOBAL FUND	SGIIX	61,086	54.490	65,687
10287.249	FRANKLIN INCOME ADV	FRIAX	21,247	2.290	23,558
3504.889	BLACKROCK FLOATING RT INC	BFRIX	35,436	10.240	35,890
1171.016	INVESTCO BALANCED-RISK ALLOCY	ABRYX	12,354	10.640	12,460
1069.98	JP MORGAN STRAT INC OPP SEL	JSOSX	12,433	11.590	12,401
4865.244	MFS TOTAL RETURN I	MATRIX	83,686	18.040	87,769
1725.37	PIMCO INCOME P	PONPX	20,452	12.060	20,808
833.483	TORTOISE MLP & PIPELINE INST	TORIX	7,988	14.020	11,685
			279,682		293,021