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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

2016

Department 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.

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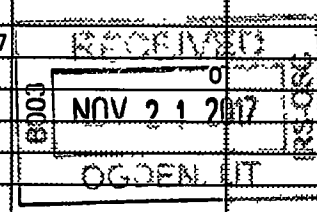
For calendar year 2016 or tax year beginning , and ending

Name of foundation FNZ Foundation Inc		A Employer identification number 66-0535017
Number and street (or P O box number if mail is not delivered to street address) 3611-B Wildflower Dr	Room/suite	B Telephone number (see instructions) 336-907-7116
City or town, state or province, country, and ZIP or foreign postal code Greensboro NC 27410		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 6,685,966	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	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 <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</small>	(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)				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	5,326	5,326	5,326	
4 Dividends and interest from securities	141,895	141,895	141,895	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	3,385,647			
b Gross sales price for all assets on line 6a	4,947,611			
7 Capital gain net income (from Part IV, line 2)		3,385,647		
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)				
12 Total. Add lines 1 through 11	3,532,868	3,532,868	147,221	
13 Compensation of officers, directors, trustees, etc	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See Stmt 1	380			
b Accounting fees (attach schedule) Stmt 2	1,950			
c Other professional fees (attach schedule) Stmt 3	67,489	67,489		
17 Interest				
18 Taxes (attach schedule) (see instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	3,343			
22 Printing and publications				
23 Other expenses (att. sch) Stmt 4	206			
24 Total operating and administrative expenses. Add lines 13 through 23	73,368	67,489	0	0
25 Contributions, gifts, grants paid	351,505			351,505
26 Total expenses and disbursements. Add lines 24 and 25	424,873	67,489	0	351,505
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	3,107,995			
b Net investment income (if negative, enter -0-)		3,465,379		
c Adjusted net income (if negative, enter -0-)			147,221	

SCANNED NOV 27 2017 Revenue

Operating and Administrative Expenses



For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2016)

DAA

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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	58,627	386,639	386,639
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (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) Stmt 5	474,366	798,964	799,759
	b Investments – corporate stock (attach schedule) See Stmt 6	1,696,501	3,823,728	4,980,235
	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)			
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
15 Other assets (describe ▶ See Statement 7)	80,628	484,498	519,333	
16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	2,310,122	5,493,829	6,685,966	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	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)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	2,310,122	5,493,829	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances (see instructions)	2,310,122	5,493,829		
31 Total liabilities and net assets/fund balances (see instructions)	2,310,122	5,493,829		

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	2,310,122
2 Enter amount from Part I, line 27a	2	3,107,995
3 Other increases not included in line 2 (itemize) ▶ See Statement 8	3	117,017
4 Add lines 1, 2, and 3	4	5,535,134
5 Decreases not included in line 2 (itemize) ▶ See Statement 9	5	41,305
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	5,493,829

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 short term holding	D	03/30/16	04/01/16
b Long term holding	P	04/02/09	03/10/16
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 809,297		850,602	-41,305
b 4,138,314		711,362	3,426,952
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))
			-41,305
			3,426,952
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	3,385,647
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2015	413,037	8,052,221	0.051295
2014	423,998	7,771,454	0.054558
2013	738,711	6,607,087	0.111806
2012	347,279	6,338,250	0.054791
2011	377,536	6,583,655	0.057344

2 Total of line 1, column (d)	2	0.329794
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	0.065959
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	8,991,969
5 Multiply line 4 by line 3	5	593,101
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	34,654
7 Add lines 5 and 6	7	627,755
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	351,505

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	69,308
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	69,308
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	69,308
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	72,000
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	72,000
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	2,074
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	618
11	Enter the amount of line 10 to be Credited to 2017 estimated tax 618 Refunded <input 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?		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 <input type="checkbox"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input 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>		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?		X
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) <input type="checkbox"/> 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

N/A

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 ▶ James D Klau 3611 B Wildflower Dr Located at ▶ Greensboro NC ZIP+4 ▶ 27410 Telephone no ▶ 336-907-7116		
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 <input type="checkbox"/>	
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 ▶	16	X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ▶ <input type="checkbox"/>		
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? N/A		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 , 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) N/A		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 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		
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)? Organizations relying on a current notice regarding disaster assistance check here **N/A** **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? **N/A** Yes No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** Yes No **X**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
James D Klau 3611 B Wildflower Dr Greensboro NC 27410	President 2.00	0	0	0
Susan L Klau 3611 B Wildflower Dr Greensboro NC 27410	Vice Preside 2.00	0	0	0

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

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

Total number of other employees paid over \$50,000 **0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 See attached list	
2	351,505
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	
3 All other program-related investments See instructions	

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	9,106,912
b	Average of monthly cash balances	1b	21,991
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	9,128,903
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	9,128,903
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	136,934
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,991,969
6	Minimum investment return. Enter 5% of line 5	6	449,598

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	449,598
2a	Tax on investment income for 2016 from Part VI, line 5	2a	69,308
b	Income tax for 2016 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	69,308
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	380,290
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	380,290
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	380,290

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	351,505
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	351,505
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	351,505

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				380,290
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				49,940
b From 2012				32,384
c From 2013				409,084
d From 2014				
e From 2015				
f Total of lines 3a through e	491,408			
4 Qualifying distributions for 2016 from Part XII, line 4: \$ 351,505				
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				351,505
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))	28,785			28,785
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	462,623			
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)	21,155			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	441,468			
10 Analysis of line 9:				
a Excess from 2012				32,384
b Excess from 2013				409,084
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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year		Prior 3 years		(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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
**FNZ Foundation c/o James Klau
3611 B Wildflower Drive Greensboro NC 27410**

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

c Any submission deadlines
N/A

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

Part XV Supplementary Information *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> see attached listing				351,505
Total			▶ 3a	351,505
b <i>Approved for future payment</i> N/A				
Total			▶ 3b	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Legal Fees	\$ 380	\$	\$	\$
Total	<u>\$ 380</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Accounting fees	\$ 1,950	\$	\$	\$
Total	<u>\$ 1,950</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
investment management	\$ 67,489	\$ 67,489	\$	\$
Total	<u>\$ 67,489</u>	<u>\$ 67,489</u>	<u>\$ 0</u>	<u>\$ 0</u>

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
Office expenses	206			
Total	<u>\$ 206</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
see listing	\$ 474,366	\$ 798,964	Cost	\$ 799,759
Total	\$ 474,366	\$ 798,964		\$ 799,759

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 listing	\$ 1,696,501	\$ 3,823,728	Cost	\$ 4,980,235
Total	\$ 1,696,501	\$ 3,823,728		\$ 4,980,235

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
Crown Castle Int	\$ 80,628	\$ 45,048	\$ 45,410
Crown Castle Int		80,628	86,770
SPDR 500		37,932	39,117
SPDR 500		320,890	348,036
Total	<u>\$ 80,628</u>	<u>\$ 484,498</u>	<u>\$ 519,333</u>

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
Gains reinvested	\$ 117,017
Total	<u>\$ 117,017</u>

Statement 9 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
Loss on sale of stocks	\$ 41,305
Total	<u>\$ 41,305</u>

FNZ Foundation, Inc
Summary of sale for 2016
Statement 1

Stocks	Shares	Purchase Date	Sales Date	Sales Price	Cost Basis	Gain/Loss
Short term sales						
Advansix	46.8	3/30/2016	10/4/2016	713	694	19
Gilead Science	620	3/30/2016	12/19/2016	46,278	56,891	(10,613)
Macy	3315	4/19/2019	11/10/2016	135,763	136,404	(641)
Sprd fund Consumer	1665	3/30/2016	4/19/2016	133,095	131,616	1,479
Spdr 500	1918	3/30/2016	7/6/2016	398,486	395,291	3,195
Teva Pharm	2385	3/30/2016	11/4/2016	94,962	129,706	(34,744)
				<u>809,297</u>	<u>850,602</u>	<u>(41,305)</u>

Stocks	Shares	Purchase Date	Sales Date	Sales Price	Cost Basis	Gain/Loss
Long term holdings						
ABB LTd	4000	4/2/2009	3/30/2016	78,069	59,578	18,491
American Express	4000	12/20/1996	3/30/2016	250,893	32,433	218,460
Berkshire Hathaway	2000	12/20/1996	3/30/2016	284,934	11,086	273,848
Comcast	845	1/10/1997	3/30/2016	51,190	4,862	46,328
Emerson Elec	2000	10/26/2006	3/30/2016	108,754	85,320	23,434
Fedex	395	7/22/2005	3/30/2016	63,917	33,599	30,318
General Elect	7061	12/20/1996	3/30/2016	224,603	8,621	215,982
Gilead Science	800	1/5/2015	12/19/2016	59,713	75,471	(15,758)
Johnson Johnson	2800	12/20/1996	3/30/2016	305,402	29,067	276,335
Pepsico	6710	12/20/1996	3/30/2016	686,891	12,042	674,849
Rockwell	1500	1/9/2008	3/30/2016	138,702	98,807	39,895
Royal Dutch Shell	9275	7/7/1997	3/30/2016	453,734	20,406	433,328
Union Pacific	760	12/18/2008	3/30/2016	61,045	18,034	43,011
United Parcel	1500	1/31/2007	3/30/2016	159,178	107,566	51,612
Unted Tech	190	8/18/2006	3/30/2016	19,017	11,758	7,259
Walt Disney	2000	1/4/1996	3/30/2016	991,884	10,370	981,514
3M Company	1200	4/19/2005	3/30/2016	200,388	92,342	108,046
				<u>4,138,314</u>	<u>711,362</u>	<u>3,426,952</u>

FNZ Foundation, Inc
 Summary of contributions for 2016
 Statement 3

Action Social			
	Give to Give	50	
	Child and Family Services	6,100	
	Backstoppers	250	
	Greensboro Urban Ministry	100	
	NCCJ of the Piedmont	2,500	
	Nationa Council for Comm & Justice	300	
	Martin Luther King Center	250	
	Smile Train	250	
	Interactive Resources Center	1,100	
	various other less than 200 each	875	11,725
Animals			
	Humane Society of Greater Miami and others	1,336	
	Potter League	3,180	
	ASPCA	500	
	Greensboro Science Center	100	5,116
Education			
	Robinson School	10,000	
	Salve Regina University	5,100	
	Sarah Lawrence College	2,000	
	The Lawrenceville School	5,000	
	Logos school	600	
	Friends of Arlington Public Library	250	22,950
Env			
	Bellevue Ave Neighborhood	250	250
Health			
	American Diabetes Society	500	
	Alzheimer's Assn	200	
	SCNZA Research Foundation	1,000	
	Newport Hospital Foundation	7,300	
	Planned Parenthood	1,000	
	Doctors without borders	500	
	St Judes	500	
	various small contributions	644	11,644
Children			
	Books are Wings		1,000
Cultural			
	Community Theatre of Greensboro	1,000	
	Newport Art Museum	5,060	
	Newport Music Festival	14,400	
	Newport Historical Society	100	
	Newport performing arts- Opera	4,000	

	Newport public Library	2,000	
	Preservation Society of Newport	2,500	
	Redwood Library	200	
	Terezin Chamber Music Foundation	300	
	Viscaya Museum	500	
	Fairchild Tropical Gardens	1,000	
	Greensboro Sympathy Orchestra	1,350	
	Linden Place	564	
	Touring Theater of NC	250	
	Perez Art Museum	1,000	
	Various smaller contributions	<u>685</u>	34,909
Jewish Groups			
Global	New Israel Fund	5,500	
	World Union for Progressive Judaism	59,500	
	IRAC	18,000	
	ARZA	1,000	
	American Friend of Neve Shalom	<u>1,000</u>	85,000
Local	Temple Beth Shalom		14,820
US	Jewish Community Services	1,000	
	Religious Action Center	1,800	
	Temple Emanuel	6,681	
	Crane Lake Camp	1,172	
	Greensboro Jewish Federation	2,312	
	Jewish Family and Children Services	1,000	
	Jewish Museum of Florida	500	
	JCC of Chesterfield	818	
	Temple Sinai	8,481	
	SURJ- Klau Library	50,000	
	US Holocaust Memorial Museum	1,000	
	United Hebrew Cong	6,600	
	Various other	<u>8,227</u>	88,591
World	Various other	500	
	World Union for Progressive Judaism	<u>75,000</u>	75,500
		Total Contributions	<u><u>351,505</u></u>

FNZ.Foundation, Inc
Summary of Investment Holdings
Summary of 12/31/2016

Statement 4			2015	2016	2016
Fixed			Cost basis	Cost Basis	FMV
US T Bill due 02/16/17				299,318	299,837
US Treasury due 12/15/17			99,828	99,828	100,109
US Treasury due 10/31/2017			199,750	199,750	199,813
US Treasury due 02/18/2016			174,788		
US Treas due 11/15/17				200,068	200,000
Equities:			<u>474,366</u>	<u>798,964</u>	<u>799,759</u>
ABB LTB	4/2/2009	4000	59,578	sold	
Air Lease	8/12/2014	2000	71,276	71,276	68,660
	3/30/2016	2185		69,943	75,011
American Express	12/20/1996	6000			
	sold 2000	4000	32,433		
Alphabet	3/1/3016	170		130,888	134,717
American Intl Grp	3/30/2016	2455		133,891	160,336
Apple	1/28/2016	800		93,461	92,656
	3/1/3016	415		45,208	48,065
Bershire	12/20/1996	2000	11,086	sols	
Biogen Inc	8/26/2015	250	74,251	74,251	70,895
	3/30/2016	265		67,401	75,149
Broadcom LTD	7/6/2016	870		131,173	153,790
Celgene Corp	9/15/2015	600	74,210	74,210	69,450
	3/30/2016	710		70,496	82,183
Chevron	3/30/2016	1000		131,023	161,838
Chubbs LTD	3/30/2016	1095		130,879	144,671
Comcast Corp	12/20/1996	294			
	1/10/1997	3705			
	sold 705	3000	17,263		
	sold 845	2155		12,400	148,803
Disney Walt	12/20/1996	15000			
	sold 5000 shs	10000	10,370	sold	
Emerson Electric	10/26/2006	2000	85,320	sold	
Facbook	9/2/2015	800	70,856	70,856	92,040
	3/30/2016	330		37,927	37,967
Fedex	7/22/2005	1000	85,061	51,462	112,651
	5/28/2008	200	18,128	18,128	37,240
General Elect	12/20/1996	8000			
	spinoff	7061	8,621	sold	
Gilead Science	1/5/2015	800	75,471	sold	
Hess Corp	3/1/3016	2600		132,143	161,954
Honeywell	3/30/2016	1170		130,452	13,545
Johnson & Johnson	12/20/1996	4000	41,524		
	sold 2800	1200		12,457	138,252
Lab Cp of America	11/17/2014	800	80,267	80,267	102,704
	3/30/2016	330		38,995	42,365
Medtronic	3/30/2016	1735		130,972	123,584
Merck	3/30/2016	2455		130,641	144,526
Metlife	11/3/2010	1800	73,733	73,733	97,002
	3/30/2016	1285		57,402	69,249

Newell Brands	5/3/2016	2890			135,479	129,039
Newmont Mining	3/30/2016	4860			129,547	165,580
PayPal Holdings	7/29/2015	2000		75,999	75,999	78,940
	3/30/2016	1315			51,577	51,903
Pepsico	12/20/1996	8000		14,357		
	sold 6710		1200		2,315	134,973
Prizer	3/30/2016	4360			131,322	141,613
Procter & Gamble	8/1/2011	1200		73,781	73,781	100,896
	3/30/2016	380			31,509	441
Qualcomm	3/30/2016	1070			131,613	168,542
Raytheon	3/30/2016	2725			132,215	151,940
Rockwell Collins	1/9/2008	1200	80,420			
	5/28/2008	300	18,387	98,807		sold
Royal Dutch Shell	07/071997	12000		26,401		
	sold 9275	2725			5,995	148,185
SAP SE	2/26/2014	1000		79,531	79,531	86,430
	3/30/2016	635			51,273	54,883
Schlumberger	1/11/2007	1500		87,345	87,345	125,925
	3/30/2016	295			21,912	24,765
Synchrony Finan-GE	12/20/1996	986		1,146	1,146	35,762
	1/27/2016	1414			40,670	51,286
	3/30/2016	2215			62,989	80,338
Time Warner	2/22/2016	1200			78,558	115,836
	3/30/2016	615			44,120	59,366
Union Pacific	12/18/2008	2400		56,949		
	sold 760	1640			38,915	170,035
United Parcel Serv	1/31/2007	1200	86,459			
	5/2/2008	300	21,107	107,566		sold
United Tech	8/18/2006	1500		92,829		
	sold 190	1310			81,071	143,602
3M	4/19/2005	1000	77,049			
	5/28/2008	200	15,293	92,342		sold
Vodafone Gp	3/30/2016	4120			132,911	100,652
				1,696,501	3,823,728	4,980,235
Other Assets						
Spdr 500 eft	3/30/2015	1557			320,890	348,036
	11/14/2016	175			37,932	39,117
Crown Castle Intl	8/26/2015	1000		80,628	80,628	86,770
	3/30/2016	515			45,048	45,410
				80,628	484,498	519,333
Total				2,251,495	5,107,190	6,299,327
Cash at brokerage firm				1,135	364,991	364,991
Cash at Wells Fargo bank acct				57,492	21,648	21,648
				58,627	386,639	386,639
Grand Total				2,310,122	5,493,829	6,685,966

FNZ Foundation Inc
Summary of Expenses for 2016
Statement 6

Administration

	Bank charges and checks	98	
	various adm	<u>108</u>	
Line 23		<u>206</u>	
	Travel		
Line 21	Various	<u>3,343</u>	
Line 18	Taxes		
	Foreign taxes withheld	<u>-</u>	
		<u>-</u>	
Line 16a	Legal		
	CT Corp	<u>380</u>	
Line 16b	Accounting fee		
	Shahbaz Southern	<u>1,950</u>	<u>1,950</u>
	Investment Fees		
Line 16c	Advisor fee	<u>67,489</u>	