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Return of Private Foundation

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

OMB No 1545-0052

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.

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

For calendar year 2013 or tax year beginning

, and ending

Name of foundation THE KARA FOUNDATION		A Employer identification number 36-3779796
Number and street (or P.O. box number if mail is not delivered to street address) 11700 WEST CHARLESTON BLVD		Room/suite 170-37
City or town, state or province, country, and ZIP or foreign postal code LAS VEGAS, NV 89135		B Telephone number 702-434-0192
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <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) \$ 9720595.	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"/> 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))		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		241316.	241316.		STATEMENT-1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		444388.			
b Gross sales price for all assets on line 6a		774724.			
7 Capital gain net income (from Part IV, line 2)			444388.		
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)					
11 Other income					
12 Total. Add lines 1 through 11		685704.	685704.		
13 Compensation of officers, directors, trustees, etc.		139721.	6986.		132735.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		2940.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes		20685.	534.		10155.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		17255.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		180601.	7520.		142890.
25 Contributions, gifts, grants paid		237100.			237100.
26 Total expenses and disbursements. Add lines 24 and 25		417701.	7520.		379990.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		268003.			
b Net investment income (if negative, enter -0-)			678184.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Beginning of year		End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing	50409.	32709.	32709.		
	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					
	7 Other notes and loans receivable					
	Less: allowance for doubtful accounts					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock					
	c Investments - corporate bonds					
	11 Investments - land, buildings, and equipment basis					
Less: accumulated depreciation						
12 Investments - mortgage loans						
13 Investments - other	STMT 6	7680414.	7966117.	9687886.		
14 Land, buildings, and equipment: basis	15144.					
Less: accumulated depreciation	STMT 7	15144.				
15 Other assets (describe)						
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)		7730823.	7998826.	9720595.		
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					
	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 type="checkbox"/>				
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds		0.	0.		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds		7730823.	7998826.	STATEMENT 5	
30 Total net assets or fund balances		7730823.	7998826.			
31 Total liabilities and net assets/fund balances		7730823.	7998826.			

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	7730823.
2 Enter amount from Part I, line 27a	2	268003.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	7998826.
5 Decreases not included in line 2 (itemize)	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7998826.

Part IV Capital Gains and Losses for Tax on Investment Income SEE ATTACHED STATEMENT

(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			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e	774724.	330336.	444388.

(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			
b			
c			
d			
e			444388.

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	444388.
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). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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))
2012	363227.	7634906.	.047575
2011	269227.	7691105.	.035005
2010	295854.	5337056.	.055434
2009	362038.	6416375.	.056424
2008	399300.	7310342.	.054621

2 Total of line 1, column (d)	2	.249059
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	.049812
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	7653949.
5 Multiply line 4 by line 3	5	381259.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6782.
7 Add lines 5 and 6	7	388041.
8 Enter qualifying distributions from Part XII, line 4	8	379990.

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

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

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2013 estimated tax payments and 2012 overpayment credited to 2013

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed**10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid**11 Enter the amount of line 10 to be: **Credited to 2014 estimated tax** ▶

3432. | Refunded ▶

Part VII-A Statements Regarding Activities

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?

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

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

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

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

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

If "Yes," attach a detailed description of the activities.

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

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?

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

• By language in the governing instrument, or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

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

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

IL

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV

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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ► N/A				
14	The books are in care of ► JUDITH DEMOON Telephone no. ► 702-434-0192			
Located at ► 11700 WEST CHARLESTON BLVD #170-37, LAS VEGAS, NV		ZIP+4	► 89135	
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	N/A	
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. 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?	<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input 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		X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	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. ►		
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 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)	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 2013?		X

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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 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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

☐**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?

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

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.

(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
PATRICK S DEMOON	PRESIDENT/TREASURER			
11700 WEST CHARLESTON BLVD #170-37				
LAS VEGAS, NV 89135	40.00	90796.	0.	0.
JUDITH A DEMOON	SECRETARY			
11700 WEST CHARLESTON BLVD #170-37				
LAS VEGAS, NV 89135	40.00	48925.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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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. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 GRANTS TO OTHER CHARITABLE ORGANIZATIONS	
	237100.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3

0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	7679895.
b	Average of monthly cash balances	1b	90612.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	7770507.
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	7770507.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	116558.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7653949.
6	Minimum investment return. Enter 5% of line 5	6	382697.

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	382697.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	13564.
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	13564.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	369133.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	369133.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	369133.

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	379990.
b	Program-related investments - total from Part IX-B	1b	0.
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	379990.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	379990.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				369133.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			235230.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$ 379990.				
a Applied to 2012, but not more than line 2a			235230.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2013 distributable amount				144760.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				224373.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED SCHEDULE				237100.
Total			▶ 3a	237100.
b Approved for future payment NONE				
Total			▶ 3b	0.

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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

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

(1) Cash

(2) Other assets

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

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.

[illegible]

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

☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

**Sign
Here**

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.

Signature of officer or trustee

Date 8/6/2014

PRESIDENT
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

DANIEL C. FINNEGAN

Firm's name ► SASSETTI LLC

Firm's address ► 6611 NORTH AVENUE
OAK PARK, IL 60302

Preparer's signature

Date _____

06 2014

Check ☐ if
self-employed

PTIN

P00371253

Firm's EIN ► 36-2239746

Phone no. (708) 386-1433

Form **990-PF** (2013)

THE KARA FOUNDATION

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 337 SHS WELLINGTON FUND		P	12/10/10	01/02/13
b 329 SHS WELLINGTON FUND		P	12/10/10	02/01/13
c 327 SHS WELLINGTON FUND		P	12/10/10	03/01/13
d 322 SHS WELLINGTON FUND		P	12/10/10	04/01/13
e 316 SHS WELLINGTON FUND		P	12/10/10	05/01/13
f 312 SHS WELLINGTON FUND		P	12/10/10	05/31/13
g 318 SHS WELLINGTON FUND		P	12/10/10	07/01/13
h 306 SHS WELLINGTON FUND		P	12/10/10	08/01/13
i 315 SHS WELLINGTON FUND		P	12/10/10	08/30/13
j 308 SHS WELLINGTON FUND		P	12/10/10	10/01/13
k 301 SHS WELLINGTON FUND		P	12/10/10	11/01/13
l 2,366 SHS WELLINGTON FUND		P	12/10/10	11/26/13
m 296 SHS WELLINGTON FUND		P	12/10/10	11/29/13
n CAPITAL GAINS DIVIDENDS				
o				

(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 20000.		18059.	1941.
b 20000.		17619.	2381.
c 20000.		17512.	2488.
d 20000.		17278.	2722.
e 20000.		16953.	3047.
f 20000.		16741.	3259.
g 20000.		17056.	2944.
h 20000.		16420.	3580.
i 20000.		16895.	3105.
j 20000.		16578.	3422.
k 20000.		16184.	3816.
l 160000.		127154.	32846.
m 20000.		15887.	4113.
n 374724.			374724.
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1941.
b			2381.
c			2488.
d			2722.
e			3047.
f			3259.
g			2944.
h			3580.
i			3105.
j			3422.
k			3816.
l			32846.
m			4113.
n			374724.
o			

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	444388.
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF		DIVIDENDS AND INTEREST FROM SECURITIES			STATEMENT 1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DIVIDENDS-VANGUARD	616040.	374724.	241316.	241316.	
TO PART I, LINE 4	616040.	374724.	241316.	241316.	

FORM 990-PF		ACCOUNTING FEES		STATEMENT 2	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING	2940.	0.		0.	
TO FORM 990-PF, PG 1, LN 16B	2940.	0.		0.	

FORM 990-PF		TAXES		STATEMENT 3	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL	10689.	534.		10155.	
PRIVATE FOUNDATION EXCISE TAX	9996.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	20685.	534.		10155.	

FORM 990-PF

OTHER EXPENSES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSES	3353.	0.		0.
TELEPHONE	3846.	0.		0.
INSURANCE	6516.	0.		0.
DUES AND SUBSCRIPTIONS	1001.	0.		0.
POSTAGE	330.	0.		0.
MISC.	1495.	0.		0.
COMPUTER REPAIR	300.	0.		0.
TRAVEL	414.	0.		0.
TO FORM 990-PF, PG 1, LN 23	17255.	0.		0.

FORM 990-PF

OTHER FUNDS

STATEMENT 5

DESCRIPTION	(A) BEGINNING OF YEAR	(B) END OF YEAR
ENDOWMENT FUND	7730823.	7998826.
TOTAL TO FORM 990-PF, PART II, LINE 29	7730823.	7998826.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 6

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	COST	7966117.	9687886.
TOTAL TO FORM 990-PF, PART II, LINE 13		7966117.	9687886.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
EQUIPMENT	4753.	4753.	0.
COMPUTER	2739.	2739.	0.
OFFICE FURNITURE	1103.	1103.	0.
OFFICE EQUIPMENT	541.	541.	0.
OFFICE EQUIPMENT	3473.	3473.	0.
OFFICE EQUIPMENT	949.	949.	0.
COMPUTER	1586.	1586.	0.
TOTAL TO FM 990-PF, PART II, LN 14	15144.	15144.	0.

990-066

FORM 990-PF PAGE 1

328111
05-01-13

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

**The Kara Foundation
Grant Distribution List
2013**

GRANTEE	GRANT AMT.	TYPE OF SUPPORT
Association of Small Foundations 1720 N Street, NW Washington, DC 20036	2,000 ✓	Operational
Bloomington Church 264 Glen Ellyn Road Bloomington, Illinois 60108	1,000 ✓	Operational
Bloomington Public Library 101 Fairfield Way Bloomington, Illinois 60108	1,000 ✓	Operational
Bloomington Township Volunteer Council 123 North Rosedale Road Annex Building Bloomington, Illinois 60108	1,000 ✓	Food pantry
Brookfield Zoo Brookfield, IL 60513-0719	2,000 ✓	Operational
Burlington Library 166 East Jefferson Burlington, Wisconsin 53105	1,000 ✓	Operational
Candlelighters for Childhood Cancer 8990 Spanish Ridge Avenue, #100 Las Vegas, Nevada 89148	3,000 ✓	Operational
Canine Companions for Independence 4989 State Route 37 East Delaware, Ohio 43015-9682	8,000 ✓	Assistance dog for disabled vet
Central DuPage Hospital Cancer Center 4405 Weaver Parkway, Ste. 101 Warrenville, IL 60555	3,000 ✓	Patient support
Channel 10 Vegas PBS 3050 East Flamingo Las Vegas, NV 89121	5,000 ✓	Keeping Kids Fit

Child's Voice 180 Hansen Court Wood Dale, Illinois 60191	10,000 ✓	Early intervention program
Christian Outreach of Lutherans COOL Food Pantry 127 West Water Street Waukegan, Illinois 60085	1,000 ✓	Food pantry
Community Health 2611 West Chicago Avenue Chicago, Illinois 60622	1,000 ✓	Operational
DayOne Network 1551 East Fabyan Parkway Geneva, Illinois 60134	5,000 ✓	Operational , serving developmentally dis- abled children
Donka, Inc. 400 North County Farm Road Wheaton, Illinois 60187	8,000 ✓	Teaching computer skills to people with visual disabilities
Family Shelter Service 605 East Roosevelt Road Wheaton, Illinois 60187	5,000 ✓	Operational
Foundation for Blind Children 1235 East Harmont Phoenix, Arizona 85020	15,000 ✓	Early intervention program
Fox Valley Volunteer Hospice 200 Whitfield Drive Geneva, Illinois 60134	5,000 ✓	Operational
GiGi's Playhouse 1069 W. Golf Road Hoffman Estates, IL 60169	1,000 ✓	Operational
Harmony Theater 47 Highland Avenue Lansdale, PA 19446	1,000 ✓	Programs for special needs kids
Inspiration Ministries P. O. Box 948 Walworth, Wisconsin 53184	5,000 ✓	Programs for special needs people

International Museum of Surgical Science 1524 North Lake Shore Drive Chicago, Illinois 60610-1607	1,000	✓	Operational
Kathy's House 600 North 103rd Street Milwaukee, Wisconsin 53226	3,000	✓	Operational
Lake County Farm Bureau 70 US Hwy 45 Grayslake, Illinois 60030	1,000	✓	AITC program
Lakeland School W3905 County Road NN Elkhorn, Wisconsin 53121	5,000	✓	Special needs school programs
Lambs Farm 14245 Rockland Road Libertyville, Illinois 60048	5,000 6,000		Operational
Lazarus House 214 Walnut Street St. Charles, Illinois 60174	3,000	✓	Operational-- homeless shelter
LGBTQ 401 South Maryland Parkway Las Vegas, Nevada 89101	3,000	✓	Support groups
Lincoln Memorial Shrine 125 West Vine Street Redlands, California 92373	5,000	✓	Operational
Literacy Volunteers Fox Valley One South Sixth Avenue St. Charles, Illinois 60174	3,000	✓	Operational
Livestrong Foundation 2201 East 6th Street Austin, Texas 78702	5,000	✓	Operational
Living Well Cancer Resource Ctr. 442 Williamsburg Avenue Geneva, Illinois 60134	10,000	✓	Cancer survivor support
Lutheran Church Charities 233 West Lake Street	5,000	✓	Comfort Dog program

Addison, Illinois 60101

Nevada Childhood Cancer Foundation
6070 South Eastern Avenue
Las Vegas, Nevada 89119

~~10,000~~

13,000

Project SAM

Northern IL. Food Bank
600 Industrial Drive
St. Charles, Illinois 60174

7,000

✓

Operational

Opportunity Village
6300 West Oakley Blvd.
Las Vegas, Nevada 89146

10,000

✓

Operational

Order of St. John
150 East 55th Street, 3rd Floor
New York, NY 10022

1,000

✓

Operational--St.
John Eye
Hospital

Peoples Resource Center
201 South Naperville Road
Wheaton, Illinois 60187

5,000

✓

Operational

Philanthropy Roundtable
1150 17th Street, NW, #503
Washington, DC 20036

1,000

✓

Operational

Positively Kids
3535 West Reno Avenue, Suite F
Las Vegas, Nevada 89118

10,000

✓

Operational--
care of medical-
ly fragile kids

Primavera
151 West 40th Street
Tucson, Arizona 85713

5,000

✓

Operational

Salvation Army
1710 South 7th Avenue
St. Charles, Illinois 60174

1,000

✓

Operational

Southern Lakes Area Love, Inc.
480 Pine Street
Burlington, Wisconsin 53105

3,000

✓

Operational

Spinal Cord Injury Association of Illinois
1032 South LaGrange Road
LaGrange, Illinois 60525-2865

10,000

✓

Operational

Street Teens P.O. Box 70478 Las Vegas, Nevada 89170-0478	3,000 41,000	Operational
Teen Parent Connection 739 Roosevelt Road, Bldg. 8, #306 Glen Ellyn, Illinois 60137-9937	3,000 ✓	Operational
The Caring Place 4425 S. Jones Blvd. Las Vegas, Nevada 89103	3,000 N/A	Operational
Charles Tillman Cornerstone Foundation 4 East Ogden Avenue, #801 Westmont, Illinois 60559	2,000 ✓	Operational
The Gateway for Cancer research 1336 Basswood Schaumburg, Illinois 60173	100 ✓	Operational
Town of Burlington Volunteer FD 32288 Bushnell Road Burlington, Wisconsin 53105	1,000 ✓	Operational
Town of Randall Fire Department P. O. Box 8 Bassett, Wisconsin 53101	1,000 ✓	Operational
Tri City Health Partnership 318 Walnut Street St. Charles, Illinois 60174	10,000 ✓	Operational
Twin Lakes Volunteer Fire Dept. 236 East Main Street Twin Lakes, Wisconsin 53181	1,000 ✓	Operational
University of California, Riverside School of Medicine 900 University Avenue Riverside, California 92521	2,000 ✓	Operational
Volunteers in Medicine of Southern Nevada 4770 Harrison Drive, #105 Las Vegas, Nevada 89121	10,000 ✓	Operational

Wellness House 131 North County Line Road Hinsdale, Illinois 60521-2401	2,000 ✓	Operational
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Wheatland Volunteer Fire Department P. O. Box 797 New Munster, Wisconsin 53152-0797	1,000 ✓	Operational
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Number of grants: 56

Total amount of grants: ~~\$236,100~~ 237,100

Geographical Distribution:

East	4	Midwest	38
South	0	West	14

Categorical Distribution:

Education	11	Cultural	1
Religion	1	Health/welfare	43