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Return of Private Foundation

2013

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, and ending , 20

Name of foundation **THE KAPNICK FOUNDATION**

U/A/S 8/15/04

Number and street (or P O box number if mail is not delivered to street address) Room/suite
P.O. BOX 73
BOWLING GREEN STATION

City or town, state or province, country, and ZIP or foreign postal code
NEW YORK, NY 10274-0073

A Employer identification number
36-7434011

B Telephone number (see instructions)
(212) 902-5628

C If exemption application is pending, check here

D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

G Check all that apply: Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name change

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

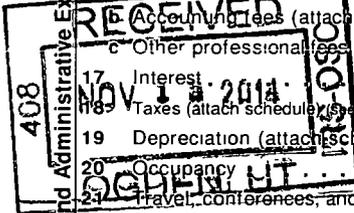
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 53,749,369.**

J Accounting method Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)		NONE			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		7,720.	7,720.		ATCH 1
4 Dividends and interest from securities		866,575.	866,575.		ATCH 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		2,017,567.			
b Gross sales price for all assets on line 6a		12,211,479.			
7 Capital gain net income (from Part IV, line 2)			2,003,716.		
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) ATCH 3		1,506,006.	1,465,243.		
12 Total. Add lines 1 through 11		4,397,868.	4,343,254.	0	
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule) ATCH 4		3,000.			3,000.
b Accounting fees (attach schedule) ATCH 5		10,200.	5,100.		5,100.
c Other professional fees (attach schedule) *		47,535.	47,535.		
17 Interest					
18 Taxes (attach schedule (see instructions) ATCH 7		155,000.			
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) ATCH 8		96,711.	58,102.		15.
24 Total operating and administrative expenses. Add lines 13 through 23		312,446.	110,737.		8,115.
25 Contributions, gifts, grants paid		7,825,849.			7,825,849.
26 Total expenses and disbursements Add lines 24 and 25		8,138,295.	110,737.	0	7,833,964.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		-3,740,427.			
b Net investment income (if negative, enter -0-)			4,232,517.		
c Adjusted net income (if negative, enter -0-)				0	

SCANNED NOV 17 2014

Operating and Administrative Expenses



GK 16

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	5,726,941.	133,659.	133,659.
	2	Savings and temporary cash investments	26,815.	7,399,318.	7,399,318.
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶				
12	Investments - mortgage loans				
13	Investments - other (attach schedule) ATCH 9	43,399,750.	35,881,221.	46,216,392.	
14	Land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) ▶				
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	49,153,506.	43,414,198.	53,749,369.	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	3,863,369.	0	ATCH 10
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
23	Total liabilities (add lines 17 through 22)	3,863,369.	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here . ▶ <input type="checkbox"/> 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, . . . ▶ <input checked="" type="checkbox"/> check here and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	45,290,137.	43,414,198.	
	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)	45,290,137.	43,414,198.	
31	Total liabilities and net assets/fund balances (see instructions)	49,153,506.	43,414,198.		

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 45,290,137.
2	Enter amount from Part I, line 27a	2 -3,740,427.
3	Other increases not included in line 2 (itemize) ▶ ATCH 11	3 1,864,488.
4	Add lines 1, 2, and 3	4 43,414,198.
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 43,414,198.

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	SEE PART IV SCHEDULE					
b						
c						
d						
e						
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)			
a						
b						
c						
d						
e						
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))			
(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				
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	2,003,716.	
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	0	

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	2,541,919.	53,237,305.	0.047747
2011	2,091,814.	47,858,547.	0.043708
2010	4,123,191.	46,052,557.	0.089532
2009	2,338,885.	36,222,488.	0.064570
2008	3,296,229.	44,882,587.	0.073441
2	Total of line 1, column (d)		2 0.318998
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 0.063800
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5		4 51,890,122.
5	Multiply line 4 by line 3		5 3,310,590.
6	Enter 1% of net investment income (1% of Part I, line 27b)		6 42,325.
7	Add lines 5 and 6		7 3,352,915.
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 7,833,964.

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

Table with 11 rows and 2 columns. Row 1: Exempt operating foundations... 42,325. Row 2: Tax under section 511... 0. Row 3: Add lines 1 and 2... 42,325. Row 4: Subtitle A (income) tax... 0. Row 5: Tax based on investment income... 42,325. Row 6: Credits/Payments. Sub-rows 6a-6d. Row 7: Total credits and payments... 134,867. Row 8: Enter any penalty... 0. Row 9: Tax due... 0. Row 10: Overpayment... 92,542. Row 11: Enter the amount of line 10 to be Credited to 2014 estimated tax... 92,542. Refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows and 3 columns (Yes/No). Row 1a: During the tax year, did the foundation attempt to influence any national, state, or local legislation... No (X). Row 1b: Did it spend more than \$100 during the year... Yes (X). Row 1c: Did the foundation file Form 1120-POL for this year? No (X). Row 2: Has the foundation engaged in any activities that have not previously been reported to the IRS? No (X). Row 3: Has the foundation made any changes, not previously reported to the IRS... No (X). Row 4a: Did the foundation have unrelated business gross income of \$1,000 or more during the year? Yes (X). Row 4b: If "Yes," has it filed a tax return on Form 990-T for this year? Yes (X). Row 5: Was there a liquidation, termination, dissolution, or substantial contraction during the year? No (X). Row 6: Are the requirements of section 508(e) satisfied either... Yes (X). Row 7: Did the foundation have at least \$5,000 in assets at any time during the year? Yes (X). Row 8a: Enter the states to which the foundation reports or with which it is registered... IL. Row 8b: If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General... Yes (X). Row 9: Is the foundation claiming status as a private operating foundation... No (X). Row 10: Did any persons become substantial contributors during the tax year? No (X).

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions). 11 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
Website address N/A
14 The books are in care of BCRS ASSOCIATES, LLC Telephone no 212-440-0800
Located at 77 WATER STREET - 9TH FLOOR NEW YORK, NY ZIP+4 10005
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 15
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 X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country

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.

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)? 1b N/A
Organizations relying on a current notice regarding disaster assistance check here
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? 1c 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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? Yes X No
If "Yes," list the years
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) 2b 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? Yes X 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) 3b N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a 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? 4b 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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 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? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

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? Yes No
 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? Yes No

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
ATCH 12		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		0	0	0

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

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	NONE	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 PLEASE NOTE, THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS EXEMPT UNDER INTERNAL	NONE
2 REVENUE CODE SECTION 501(C)(3).	
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	NONE
2 N/A	
All other program-related investments See instructions	
3 N/A	
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	3,738,817.
b	Average of monthly cash balances	1b	9,221,077.
c	Fair market value of all other assets (see instructions)	1c	39,720,433.
d	Total (add lines 1a, b, and c)	1d	52,680,327.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	52,680,327.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	790,205.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	51,890,122.
6	Minimum investment return. Enter 5% of line 5	6	2,594,506.

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	2,594,506.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	42,325.
b	Income tax for 2013 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	42,325.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	2,552,181.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,552,181.
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	2,552,181.

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	7,833,964.
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	7,833,964.
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	42,325.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,791,639.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				2,552,181.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			NONE	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2013				
a From 2008	902,162.			
b From 2009	580,273.			
c From 2010	2,034,663.			
d From 2011	NONE			
e From 2012	16,696.			
f Total of lines 3a through e	3,533,794.			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$	7,833,964.			
a Applied to 2012, 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 2013 distributable amount				2,552,181.
e Remaining amount distributed out of corpus	5,281,783.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	8,815,577.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount - see instructions			NONE	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	902,162.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	7,913,415.			
10 Analysis of line 9				
a Excess from 2009	580,273.			
b Excess from 2010	2,034,663.			
c Excess from 2011	NONE			
d Excess from 2012	16,696.			
e Excess from 2013	5,281,783.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, 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) 2013	(b) 2012	(c) 2011	(d) 2010	
2 a 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))

ATTACHMENT 13

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

NONE

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

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

c Any submission deadlines

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

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
<p>a <i>Paid during the year</i> SEE STATEMENT ATTACHED</p>				7,825,849.
Total				7,825,849.
<p>b <i>Approved for future payment</i></p>				
Total				3b

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
3,371.		STCG THRU GS VINTAGE V					3,371.	
433,535.		LTCG THRU GS VINTAGE V					433,535.	
1,138.		STCG THRU CRESTVIEW PTRS II					1,138.	
435,649.		LTCG THRU CRESTVIEW PTRS II					435,649.	
		LTCL THRU GS CAPITAL PTRS III 12,575.					-12,575.	
		STCL THRU GS EMPLOYEE FUNDS 6,085.					-6,085.	
		LTCL THRU GS EMPLOYEE FUNDS 19,515.					-19,515.	
247,925.		LOSS ON FULL DISP GOLDENTREE LEV LOAN PT 387,747.					-139,822.	
8,901,183.		LOSS ON FULL DISP HB IRISH SENIOR LOAN I 9,730,986.					-829,803.	
35,478.		LOSS ON PARTIAL SALE GS WEST ST PTRS II 37,004.					-1,526.	
1,074,287.		PFIC CAP GAINS GSCP V					1,074,287.	
953,073.		PFIC CAP GAINS SOROBAN CAYMAN					953,073.	

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
67,746.		PFIC CAP GAINS GOLDENTREE LEV LOAN PTRS					67,746.	
44,243.		PFIC CAP GAINS HB LEV LOAN PTRS III					44,243.	
TOTAL GAIN (LOSS)							<u>2,003,716.</u>	

THE KAPNICK FOUNDATION U/A/S 8/15/04

EIN: 36-7434011

SUPPLEMENTARY STATEMENTS

PART: XV

LINE: 2

SUPPLEMENTAL INFORMATION

THE ORGANIZATION'S PRIMARY ACTIVITY IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS QUALIFYING FOR EXEMPTION UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE THE TRUSTEES CHOOSE THESE ORGANIZATIONS BASED UPON THEIR KNOWLEDGE OF THE ORGANIZATIONS' ACTIVITIES NO CONTRIBUTIONS, GRANTS, GIFTS, LOANS OR SCHOLARSHIPS ARE MADE TO INDIVIDUALS THE ORGANIZATION DOES NOT PRESENTLY RECEIVE APPLICATIONS OR CONDUCT PROGRAMS FOR DONATIONS IN ITS ACTIVITIES

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
INTEREST ON CREDIT BALANCE - GS	158.	158.	
INTEREST ON BDA - GS	7,555.	7,555.	
INTEREST ON CREDIT BALANCE - JP MORGAN	7.	7.	
TOTAL	<u>7,720.</u>	<u>7,720.</u>	

ATTACHMENT 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
DIVIDENDS THRU GOLDMAN SACHS	48,990.	48,990.	
DIVIDENDS THRU GS CAP PARTNERS III K-1	452.	452.	
DIVIDENDS THRU GS EMPLOYEE FUNDS	894.	894.	
DIVIDENDS THRU GS MEZZ PARTNERS 2006	675,250.	675,250.	
INTEREST THRU CRESTVIEW PARTNERS II, LP	74,890.	74,890.	
INTEREST THRU GS EMPLOYEE FUNDS	22,219.	22,219.	
SHORT-TERM INTEREST THRU GS VINTAGE V	43,880.	43,880.	
TOTAL	<u>866,575.</u>	<u>866,575.</u>	

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
PFIC ORD INCOME THRU GS EMPLOYEE FUNDS	3,469.	3,469.	
RENTAL REAL ESTATE THRU GS EMPLOYEE FDS	616.	616.	
PORTFOLIO INCOME THRU GS VINTAGE V	89,448.	89,448.	
ORD INC THRU CRESTVIEW PTRS II LP - UBTI	40,763.		
ROYALTY INCOME THRU CRESTVIEW PTRS II	1,228.	1,228.	
PFIC ORD INC HPS CREDIT OPPORTUNITIES	138,651.	138,651.	
PFIC ORD INC HB IRISH SPECIALTY LOAN III	261,230.	261,230.	
PFIC ORD INC SOROBAN CAYMAN	356,249.	356,249.	
PFIC ORD INC CHAYTON SAVA PPTY FUND	220.	220.	
PFIC ORD INC HB LEV LOAN PARTNERS III	612,881.	612,881.	
SEC 988 THRU GS CAP PTRS III	-360.	-360.	
SEC 987 THRU GS CAP PTRS III	-54.	-54.	
ADD-BACK: SUSPENDED LOSS DUE TO "AT RISK" LIMITATIONS	1,665.	1,665.	
TOTALS	<u>1,506,006.</u>	<u>1,465,243.</u>	

ATTACHMENT 4

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
MCDERMOTT WILL & EMERY LLP	3,000.			3,000.
TOTALS	<u>3,000.</u>			<u>3,000.</u>

ATTACHMENT 5

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
BCRS ASSOCIATES, LLC	10,200.	5,100.	5,100.	5,100.
TOTALS	<u>10,200.</u>	<u>5,100.</u>	<u>5,100.</u>	<u>5,100.</u>

ATTACHMENT 6

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
MGMT FEES THRU GS VINTAGE V	47,535.	47,535.		
TOTALS	<u>47,535.</u>	<u>47,535.</u>		

ATTACHMENT 7

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
FEDERAL TAX PAID: -BAL DUE W/ EXT 990-PF 2012	155,000.			
TOTALS	<u>155,000.</u>			

ATTACHMENT 8

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INTEREST EXPENSE THRU:				
-CRESTVIEW PTRS II LP	57.	57.		
-CRESTVIEW PTRS II OUTBOUND	1,416.	1,416.		
PORTFOLIO DEDUCTIONS THRU:				
-GS CAP PARTNERS III LP	382.	382.		
-CRESTVIEW PTRS II LP	35,168.	35,168.		
-CRESTVIEW PTRS II LP - UBTI	4.			
-CRESTVIEW PTRS II (OUTBOUND)	249.	249.		
-GS EMPLOYEE FUNDS	20,726.	20,726.		
FOREIGN TAX PAID THRU GSCP III	104.	104.		
SEC 59(E)(2) EXPENDITURE THRU				
CRESTVIEW PARTNERS II - UBTI	35,275.			
NON-DED EXP THRU CRESTVIEW PTR	3,315.			
ILLINOIS FILING FEE	15.			15.
TOTALS	<u>96,711.</u>	<u>58,102.</u>		<u>15.</u>

ATTACHMENT 9FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE LONG POSITION ATTACHED	351,211.	206,322.	3,155,228.
GS CAPITAL PARTNERS III LP	-106,772.	-124,409.	2,763.
GS VINTAGE FUND V, LP	2,950,756.	2,797,829.	3,137,446.
GS CAPITAL PARTNERS 2000, LP	472,814.	470,746.	298,089.
GS CAPITAL PARTNERS V LP	1,011,533.	485,725.	2,376,630.
GS MEZZANINE PARTNERS 2006 LP	2,661,071.	2,661,071.	1,132,000.
GS MEZZANINE PARTNERS III LP	1,005,667.	785,716.	26,316.
GOLDENTREE LEVERAGE LOAN PTRS (FULLY DISPOSED IN 2013)	320,001.	NONE	NONE
CRESTVIEW PARTNERS II LP	3,229,221.	3,389,485.	5,084,551.
CRESTVIEW PTRS II (OUTBOUND)LP	NONE	NONE	NONE
CHAYTON SAVA PROPERTY FUND HIGHBRIDGE PRINCIPAL	1,621,904.	1,673,351.	698,371.
STRATEGIES INSTL MEZZ PTRS	5,056,055.	3,713,045.	8,678,854.
GS WEST STREET PARTNERS III HIGHBRIDGE PRINCIPAL STRAT	262,292.	225,288.	212,211.
IRISH SENIOR LOAN FUND II (FULLY DISPOSED IN 2013)	9,730,986.	NONE	NONE
SOROBAN CAYMAN FUND LTD HIGHBRIDGE PRINCIPAL STRAT	3,000,000.	4,309,322.	5,537,757.
CREDIT OPPORTUNITIES FUND HIGHBRIDGE IRISH SPECIALTY LOAN FUND III	2,000,000.	2,138,651.	2,439,537.
HIGHBRIDGE LEVERAGED LOAN PTRS	4,106,070.	4,278,884.	4,466,264.
OFFSHORE FUND III LP	5,726,941.	5,870,195.	5,977,275.
THS KINGSWAY FUND	NONE	3,000,000.	2,993,100.
TOTALS	<u>43,399,750.</u>	<u>35,881,221.</u>	<u>46,216,392.</u>

ATTACHMENT 10

FORM 990PF, PART II - LOANS FROM OFFICERS, DIRECTORS, ETC.

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
 ORIGINAL AMOUNT: 1,300,000.
 INTEREST RATE:
 DATE OF NOTE: 12/01/2011
 MATURITY DATE: 11/30/2014

BEGINNING BALANCE DUE 1,300,000.

ENDING BALANCE DUE NONE

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
 ORIGINAL AMOUNT: 491,000.
 INTEREST RATE:
 DATE OF NOTE: 12/16/2011
 MATURITY DATE: 12/15/2014

BEGINNING BALANCE DUE 491,000.

ENDING BALANCE DUE NONE

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
 ORIGINAL AMOUNT: 34,869.
 INTEREST RATE:
 DATE OF NOTE: 01/12/2012
 MATURITY DATE: 01/11/2015

BEGINNING BALANCE DUE 34,869.

ENDING BALANCE DUE NONE

ATTACHMENT 10 (CONT'D)

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
ORIGINAL AMOUNT: 172,500.
INTEREST RATE:
DATE OF NOTE: 02/08/2012
MATURITY DATE: 02/07/2015

BEGINNING BALANCE DUE 172,500.

ENDING BALANCE DUE NONE

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
ORIGINAL AMOUNT: 1,140,000.
INTEREST RATE:
DATE OF NOTE: 09/28/2012
MATURITY DATE: 09/27/2015

BEGINNING BALANCE DUE 1,140,000.

ENDING BALANCE DUE NONE

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
ORIGINAL AMOUNT: 400,000.
INTEREST RATE:
DATE OF NOTE: 12/19/2012
MATURITY DATE: 12/18/2015

BEGINNING BALANCE DUE 400,000.

ENDING BALANCE DUE NONE

ATTACHMENT 10 (CONT'D)

LENDER: INT-FREE LOAN FROM SCOTT B. KAPNICK
ORIGINAL AMOUNT: 325,000.
INTEREST RATE:
DATE OF NOTE: 12/31/2012
MATURITY DATE: 12/30/2015

BEGINNING BALANCE DUE 325,000.

ENDING BALANCE DUE NONE

TOTAL BEGINNING LOANS FROM OFFICERS, DIRECTORS, ETC. 3,863,369.

TOTAL ENDING LOANS FROM OFFICERS, DIRECTORS, ETC. NONE

ATTACHMENT 11FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
ROUNDING	2.
EXCESS OF FMV OVER FOUNDATION'S COST BASIS OF SECURITIES GIFTED TO QUALIFYING PUBLIC CHARITY	1,864,486.
TOTAL	<u>1,864,488.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 12

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
RICHARD B. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TRUSTEE	0	0	0
KATHLEEN G. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TRUSTEE	0	0	0
SCOTT B. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TREASURER	0	0	0
GRAND TOTALS		0	0	0

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

SCOTT B. KAPNICK; P.O. BOX 73, BOWLING GREEN STATION
NEW YORK, NY 10274-0073

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 14

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
PFIC ORDINARY INCOME THRU GS EMPLOYEE FUNDS			01	3,469.	
RENTAL REAL ESTATE THRU GS EMPLOYEE FUNDS			01	616.	
PORTFOLIO INCOME THRU GS VINTAGE V			01	89,448.	
ORDINARY INC THRU CRESTVIEW PTRS II LP	523000	40,763.			
ROYALTY INCOME THRU CRESTVIEW PTRS II LP			01	1,228.	
PFIC ORD INCOME HPS CREDIT OPPORTUNITIES			01	138,651.	
PFIC ORD INCOME HB IRISH SPECIALTY LOAN FUND III			01	261,230.	
PFIC ORDINARY INCOME SOROBAN CAYMAN			01	356,249.	
PFIC ORDINARY INCOME CHAYTON SAVA PROPERTY FUND			01	220.	
PFIC ORDINARY INCOME HB LEV LOAN PARTNERS III			01	612,881.	
SEC 988 THRU GS CAP PARTNERS III LP			01	-360.	
SEC 987 THRU GS CAP PARTNERS III LP			01	-54.	
ADD-BACK: SUSPENDED LOSS DUE TO "AT RISK" LIMITATIONS			01	1,665.	
TOTALS		40,763.		1,465,243.	

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10
▶ Information about Schedule D and its separate instructions is at www.irs.gov/form1041

OMB No 1545-0092

2013

Name of estate or trust **THE KAPNICK FOUNDATION** Employer identification number **36-7434011**
U/A/S 8/15/04

Note: Form 5227 filers need to complete *only* Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below This form may be easier to complete if you round off cents to whole dollars	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions) However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked	4,509.	6,085.		-1,576.
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts				5
6 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2012 Capital Loss Carryover Worksheet				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h) Enter here and on line 17, column (3) on the back ▶				7 -1,576.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below This form may be easier to complete if you round off cents to whole dollars	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions) However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked	12,206,970.	10,187,827.		2,019,143.
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts.				12
13 Capital gain distributions.				13
14 Gain from Form 4797, Part I.				14
15 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2012 Capital Loss Carryover Worksheet				15 ()
16 Net long-term capital gain or (loss). Combine lines 8a through 15 in column (h) Enter here and on line 18a, column (3) on the back ▶				16 2,019,143.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2013

Part III Summary of Parts I and II

Caution: Read the instructions before completing this part

Table with 4 columns: (1) Beneficiaries' (see instr), (2) Estate's or trust's, (3) Total. Rows include Net short-term gain or (loss), Net long-term gain or (loss), Total for year, Unrecaptured section 1250 gain, 28% rate gain, and Total net gain or (loss).

Note: If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 18a and 19, column (2), are net gains, go to Part V, and do not complete Part IV If line 19, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary

Part IV Capital Loss Limitation

Table with 2 columns: Description, Amount. Row 20: Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 19, column (3) or b \$3,000

Note: If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

Caution: Skip this part and complete the Schedule D Tax Worksheet in the instructions if

- Either line 18b, col (2) or line 18c, col (2) is more than zero, or
• Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the Schedule D Tax Worksheet in the instructions if either line 18b, col (2) or line 18c, col (2) is more than zero

Table with 4 columns: Description, Amount, Taxable Income, Tax. Rows 21-45: Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34), Subtract line 25 from line 24, Subtract line 26 from line 21, Enter the smaller of the amount on line 21 or \$2,450, Subtract line 29 from line 28, Enter the smaller of line 21 or line 26, Subtract line 30 from line 26, Enter the smaller of line 21 or \$11,950, Add lines 27 and 30, Subtract line 34 from line 33, Enter the smaller of line 32 or line 35, Multiply line 36 by 15%, Enter the amount from line 31, Add lines 30 and 36, Subtract line 39 from line 38, Multiply line 40 by 20%, Figure the tax on the amount on line 27, Add lines 37, 41, and 42, Figure the tax on the amount on line 21, Tax on all taxable income.

THE KAPNICK FOUNDATION
 CHARITABLE CONTRIBUTIONS [CASH]
 FYE 12/31/2013
 EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
1/14/2013	OVERLOOK FOUNDATION SUMMIT, NJ	\$5,000.00
2/13/2013	ROOM TO READ SAN FRANCISCO, CA	200,000.00
2/13/2013	COLLEGE SUMMIT, INC WASHINGTON, DC	400,000.00
3/21/2013	GULF STREAM COUNCIL - BOY SCOUTS OF AMERICA PALM BEACH GARDENS, FL	2,000.00
4/2/2013	THE METROPOLITAN OPERA NEW YORK, NY	200,000.00
4/2/2013	THE BREARLEY SCHOOL NEW YORK, NY	350,000 00
4/9/2013	NAPLES BOTANICAL GARDEN NAPLES, FL	500,000.00
4/15/2013	SEACHANGE CAPITAL PARTNERS NEW YORK, NY	69,784 00
5/6/2013	PENCIL, INC. NEW YORK, NY	10,000.00
5/17/2013	UNIVERSITY OF VIRGINIA CHARLOTTESVILLE, VA	1,800,000.00
5/20/2013	NAMI WALKS NYC (NATIONAL ALLIANCE ON MENTAL ILLNESS) NEW YORK, NY	5,000 00
5/22/2013	CHICAGO SYMPHONY ORCHESTRA CHICAGO, IL	100,000.00
6/3/2013	ROOM TO READ SAN FRANCISCO, CA	5,000.00

THE KAPNICK FOUNDATION
 CHARITABLE CONTRIBUTIONS [CASH]
 FYE 12/31/2013
 EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
6/3/2013	MELANOMA RESEARCH ALLIANCE FOUNDATION WASHINGTON, DC	6,250 00
6/11/2013	BIRCH WATHEN LENOX SCHOOL NEW YORK, NY	25,000.00
6/18/2013	STANFORD INSTITUTE FOR ECONOMIC POLICY RESEARCH STANFORD, CA	75,000 00
6/20/2013	COLLEGE FOUNDATION OF THE UNIVERSITY OF VIRGINIA CHARLOTTESVILLE, VA	5,000 00
6/25/2013	HARLEM RBI NEW YORK, NY	200,000.00
6/27/2013	PIEDMONT OPERA WINSTON-SALEM, NC	10,000.00
7/1/2013	UNIVERSITY OF CHICAGO CHICAGO, IL	400,000 00
7/2/2013	DUKE UNIVERSITY DURHAM, NC	40,000.00
7/2/2013	ROOM TO READ SAN FRANCISCO, CA	200,000.00
7/2/2013	THE BREARLEY SCHOOL NEW YORK, NY	216,000 00
7/2/2013	NORTHWESTERN UNIVERSITY EVANSTON, IL	500,000.00
7/8/2013	VANDERBILT UNIVERSITY NASHVILLE, TN	25,000.00
10/3/2013	JUVENILE DIABETES RESEARCH FOUNDATION NEW YORK, NY	2,000.00

THE KAPNICK FOUNDATION
CHARITABLE CONTRIBUTIONS [CASH]
FYE 12/31/2013
EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
12/30/2013	CONSTITUTIONAL RIGHTS FOUNDATION CHICAGO, IL	25,000 00
12/30/2013	DUKE UNIVERSITY DURHAM, NC	40,000.00
12/31/2013	COLLEGE SUMMIT, INC. WASHINGTON, DC	400,000.00
	THRU CRESTVIEW PARTNERS II, LP	440.00
	SUBTOTAL I *	<u>\$5,816,474.00</u>

THE KAPNICK FOUNDATION
 CHARITABLE CONTRIBUTIONS [NON-CASH]
 FYE 12/31/2013
 EIN: 36-7434011

DATE	DONEE, DONATED	LOCATION	FMV
7/17/2013	NAPLES BOTANICAL GARDEN 12,500 SHS THE GOLDMAN SACHS GROUP, INC CMN	NAPLES, FL	\$2,009,375.00 *
SUBTOTAL II			<u><u>\$2,009,375.00</u></u>

* THE FAIR MARKET VALUE OF THE STOCKS LISTED ABOVE HAS BEEN DETERMINED
 BY AVERAGING THE STOCK'S HIGH AND LOW FROM THE NEW YORK COMPOSITE
 PRICE QUOTATIONS AT THE DATES STATED ABOVE

SUBTOTAL I	\$5,816,474.00
SUBTOTAL II	2,009,375.00
TOTAL CONTRIBUTIONS PAID **	<u><u>\$7,825,849.00</u></u>

** ALL CONTRIBUTIONS WERE MADE TO THE GENERAL PURPOSE
 FUND OF PUBLIC CHARITABLE ORGANIZATIONS THAT WERE
 CLASSIFIED UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
 CODE



Statement Detail
KAPNICK FDN
Holdings

Period Ended December 31, 2013

The alternative investment(s) described below may not be owned by the account holder(s) for this brokerage account. Instead, the investments may be owned by one of the account holders or a related party to the account holder(s).

PUBLIC EQUITY

US EQUITY	Quantity	Market Price	Market Value / Accrued Income	Unit Cost	Cost Basis	Unrealized Gain (Loss)	Dividend Yield	Estimated Annual Income
US STOCKS								
GOLDMAN SACHS GROUP, INC (THE) CMN (GS)	17,800.00	177.2600	3,155,228.00	11.59	206,322.18	2,948,905.82	1.2411	39,160.00

At-Risk Limitations

OMB No 1545-0712

▶ **Attach to your tax return.**
 ▶ **See separate instructions.**

Attachment
 Sequence No **31**

Name(s) shown on return

THE KAPNICK FOUNDATION

Identifying number

36-7434011

Description of activity (see page 2 of the instructions)

CRESTVIEW PARTNERS II (OUTBOUND), LP

Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts.
 See page 2 of the instructions.

1	Ordinary income (loss) from the activity (see page 2 of the instructions)	1	
2	Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on.	2	
a	Schedule D	2a	
b	Form 4797	2b	
c	Other form or schedule	2c	
3	Other income and gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c	3	
4	Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c	4	(1,665.00)
5	Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form	5	(1,665.00)

Part II Simplified Computation of Amount At Risk. See page 3 of the instructions before completing this part.

6	Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero	6	0.00
7	Increases for the tax year (see page 3 of the instructions)	7	0.00
8	Add lines 6 and 7	8	0.00
9	Decreases for the tax year (see page 4 of the instructions)	9	0.00
10a	Subtract line 9 from line 8	10a	0.00
b	If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	10b	0.00

Part III Detailed Computation of Amount At Risk. If you completed Part III of Form 6198 for the prior year, see page 4 of the instructions.

11	Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero	11	
12	Increases at effective date	12	
13	Add lines 11 and 12	13	
14	Decreases at effective date	14	
15	Amount at risk (check box that applies):	15	
a	<input type="checkbox"/> At effective date. Subtract line 14 from line 13. Do not enter less than zero	}	
b	<input type="checkbox"/> From your prior year Form 6198, line 19b. Do not enter the amount from line 10b of your prior year form.		
16	Increases since (check box that applies):	16	
a	<input type="checkbox"/> Effective date	}	
b	<input type="checkbox"/> The end of your prior year		
17	Add lines 15 and 16	17	
18	Decreases since (check box that applies):	18	
a	<input type="checkbox"/> Effective date	}	
b	<input type="checkbox"/> The end of your prior year		
19a	Subtract line 18 from line 17	19a	
b	If line 19a is more than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	19b	

Part IV Deductible Loss

20	Amount at risk. Enter the larger of line 10b or line 19b	20	0.00
21	Deductible loss. Enter the smaller of the line 5 loss (treated as a positive number) or line 20. See page 8 of the instructions to find out how to report any deductible loss and any carryover.	21	0.00

Note: If the loss is from a passive activity, see the Instructions for Form 8582, Passive Activity Loss Limitations, or the Instructions for Form 8810, Corporate Passive Activity Loss and Credit Limitations, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, report only that part on Form 8582 or Form 8810, whichever applies.

THE KAPNICK FOUNDATION
EIN: 36-7434011
2013 AT RISK CARRY OVER ANALYSIS
CRESTVIEW PARTNERS II (OUTBOUND), LP

REGULAR	PER 2013 K-1	2012 AT RISK LOSSES C/O	Total Losses	2013 REPORTED INCOME AND LOSSES	2013 DISALLOWED AT RISK LOSSES
OTHER INCOME	0			0	
TOTAL INTEREST/OTHER	0			0	
TOTAL 2013 INCOME	0			0	
PORTFOLIO DEDUCTIONS-2%	(249)	0	(249)	0	(249)
INVESTMENT INT EXPENSE	(1,416)	0	(1,416)	0	(1,416)
TOTAL 2013 LOSSES	(1,665)	0	(1,665)	0	(1,665)
NET 2013 INCOME (LOSS)	(1,665)			0	

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the due date for filing your return See instructions	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	KAPNICK FOUNDATION	36-7434011
	Number, street, and room or suite no. If a P O box, see instructions	Social security number (SSN)
C/O BCRS ASSOCIATES, LLC; 77 WATER ST - 9T FL		
City, town or post office, state, and ZIP code For a foreign address, see instructions.		
NEW YORK, NY 10005		

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **BCRS ASSOCIATES, LLC**
 Telephone No. **212-440-0811** Fax No **N/A**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until NOVEMBER 17, 20 14
- For calendar year 2013, or other tax year beginning _____, 20 _____, and ending _____, 20 _____
- If the tax year entered in line 5 is for less than 12 months, check reason. Initial return Final return
 Change in accounting period
- State in detail why you need the extension ALL INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN IS NOT YET AVAILABLE.

8a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$ 134,967.00
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$ 134,967.00
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$ 0.00

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **CPA** Date **8/13/2014**
 Form **8868** (Rev 1-2014)

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ Information about Form 8868 and its instructions is at www.irs.gov/form8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. KAPNICK FOUNDATION	Employer identification number (EIN) or 36-7434011
	Number, street, and room or suite no. If a P.O. box, see instructions C/O BCRS ASSOCIATES, LLC; 77 WATER ST - 9TH FL	Social security number (SSN)
File by the due date for filing your return. See Instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10005	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ BCRS ASSOCIATES, LLC

Telephone No. ▶ 212-440-0811 Fax No. ▶ N/A

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 20 14, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year 20 13 or

▶ tax year beginning _____, 20 _____, and ending _____, 20 _____

- 2** If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See Instructions.	3a	\$ 134,967
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 84,967
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See Instructions	3c	\$ 50,000

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions