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Form

990-PF

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013, or tax year beginning 08-01-2013 , and ending 07-31-2014

Name of foundation THE KRANE FOUNDATION		A Employer identification number 36-3719492	
% HOWARD G KRANE		B Telephone number (see instructions)	
Number and street (or P O box number if mail is not delivered to street address) Room/suite 300 north lasalle street Suite			
City or town, state or province, country, and ZIP or foreign postal code CHICAGO, IL 60654		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change			
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☐ \$ 395,789		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	0			
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	4,569	4,569		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	43,674			
	b Gross sales price for all assets on line 6a 193,566				
	7 Capital gain net income (from Part IV , line 2) . . .		43,674		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	48,243	48,243		
	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1,953	977	0	976
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	250			
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,572	1,156		416
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	3,775	2,133	0	1,392
	25 Contributions, gifts, grants paid	0			0
	26 Total expenses and disbursements. Add lines 24 and 25	3,775	2,133	0	1,392
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	44,468			
	b Net investment income (if negative, enter -0-)		46,110		
	c Adjusted net income (if negative, enter -0-)				

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	2,515	24,056	24,056
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ 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 (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)	292,868	315,795	371,733
	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)	295,383	339,851	395,789	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	295,383	339,851	
	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 page 17 of the instructions)	295,383	339,851	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	295,383	339,851		

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	295,383
2	Enter amount from Part I, line 27a	2	44,468
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	339,851
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	339,851

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)
1 a	CHARLES SCHWAB ST - SEE ATTACHED	P	2013-01-01	2013-02-01
b	CHARLES SCHWAB LT - SEE ATTACHED	P	2011-01-01	2013-01-01
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 74,817		70,375	4,442
b 118,749		79,517	39,232
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			4,442
b			39,232
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	43,674
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of 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	5,912	302,043	0 019573
2011	25,394	306,287	0 082909
2010	25,956	335,481	0 07737
2009	26,005	282,608	0 092018
2008	26,576	350,051	0 07592

2	Total of line 1, column (d).	2	0 34779
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 069558
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	369,700
5	Multiply line 4 by line 3.	5	25,716
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	461
7	Add lines 5 and 6.	7	26,177
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	1,392

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)					
1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1		1	922		
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		2	922		
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)					
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)				2	
3 Add lines 1 and 2.				3	922
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	922		
6 Credits/Payments		7	0		
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a				
b Exempt foreign organizations—tax withheld at source	6b				
c Tax paid with application for extension of time to file (Form 8868)	6c				
d Backup withholding erroneously withheld	6d				
7 Total credits and payments. Add lines 6a through 6d.		7	0		
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached.		8	6		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	928		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10			
11 Enter the amount of line 10 to be Credited to 2014 estimated tax Refunded		11			

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?		Yes	No
	1a		No
	b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b	
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?	1c		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
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	3		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
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?	6	Yes	
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.	7	Yes	
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 .	8b	Yes	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		No
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses.	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶N/A				
14	The books are in care of ▶HOWARD G KRANE Telephone no ▶(312) 861-2000 Located at ▶KIRKLAND ELLIS 300 N LASALLE ST CHICAGO IL ZIP +4 ▶60654			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 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 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.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. ☐ Yes ☒ No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. ☐ Yes ☒ No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?.	1c		No
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 ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a

During the year did the foundation pay or incur any amount to

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

☐ 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)?

5b

Organizations relying on a current notice regarding disaster assistance check here.

☒

c

If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

☐ Yes ☐ No

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

6a

Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

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?

7b

Part VIII

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

1

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

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

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

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

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

[illegible]

Total number of others receiving over \$50,000 for professional services. 1

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3 

Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	360,412
b	Average of monthly cash balances.	1b	14,918
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	375,330
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	0
3	Subtract line 2 from line 1d.	3	375,330
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	5,630
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	369,700
6	Minimum investment return. Enter 5% of line 5.	6	18,485

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	18,485
2a	Tax on investment income for 2013 from Part VI, line 5.	2a	922
b	Income tax for 2013 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	922
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	17,563
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	17,563
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	17,563

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	1,392
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,392
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	1,392
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				17,563
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only.			0	
b Total for prior years 2011 , 2010 , 2009		0		
3 Excess distributions carryover, if any, to 2013				
a From 2008.				8,322
b From 2009.				12,741
c From 2010.				9,039
d From 2011.				10,942
e From 2012.				
f Total of lines 3a through e.	41,044			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 1,392				
a Applied to 2012, but not more than line 2a			0	
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.				1,392
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).)	16,171			16,171
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	24,873			
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.				
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 instructions			0	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				0
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). . .				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	24,873			
10 Analysis of line 9				
a Excess from 2009. . . .				4,892
b Excess from 2010. . . .				9,039
c Excess from 2011. . . .				10,942
d Excess from 2012. . . .				
e Excess from 2013. . . .				

Part XIV

1a 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. . . .

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

Part XV **Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)**

1 Information Regarding Foundation Managers:

■ 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))

JANYS A KRANE HOWARD G KRANE

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

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

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

a The name, address, and telephone number 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

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

Form **990-PF** (2013)

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2013)

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
HOWARD G KRANE	PRESIDENT 0	0	0	0
310 WEST WILLOW STREET CHICAGO,IL 60614				
JANYS A KRANE	DIRECTOR 0	0	0	0
310 WEST WILLOW STREET CHICAGO,IL 60614				
HILARY K KRANE	DIRECTOR 0	0	0	0
4636 SW HUMPHREY CT PORTLAND,OR 97221				
MARIE C BERGMAN	DIRECTOR 0	0	0	0
4943 SOUTH WOODLAWN CHICAGO,IL 60615				
KAREN DALTON	SECRETARY 0	0	0	0
300 N LASALLE ST CHICAGO,IL 60654				

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

TY 2013 Depreciation Schedule

Name: THE KRANE FOUNDATION

EIN: 36-3719492

TY 2013 Investments - Land Schedule**Name:** THE KRANE FOUNDATION**EIN:** 36-3719492

TY 2013 Investments - Other Schedule

Name: THE KRANE FOUNDATION
EIN: 36-3719492

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
TELETECH	AT COST	0	0
TRINITY INDUSTRIES	AT COST	3,883	10,474
PLUM CREEK TIMBER CO REIT	AT COST	8,809	8,274
ALEXANDER & BALDWIN	AT COST	7,817	8,397
ENSTAR GROUP LTD	AT COST	3,901	8,280
ALLIED WORLD ASSURANCE	AT COST	7,134	8,642
CARRIZO OIL & GAS	AT COST	5,849	13,510
CORE MARK HOLDINGS	AT COST	5,002	11,328
FOOTLOCKER	AT COST	0	0
LEUCADIA NATIONAL PARK	AT COST	6,912	7,710
PIONEER NATURAL RESOURCES	AT COST	7,958	15,502
ORITANI FINANCIAL	AT COST	0	0
DELTIC TIMBER CORP	AT COST	0	0
HEALTHCASE SVC GROUP	AT COST	0	0
BANK UNITED INC	AT COST	0	0
GLATFELTER	AT COST	4,571	7,140
INTREPID POTASH INC	AT COST	8,971	6,961
GATX CORP	AT COST	5,900	9,300
MDC HOLDINGS	AT COST	9,600	8,361
SCHNITZER STL	AT COST	11,056	10,150
SUSSER HOLDINGS CORP	AT COST	0	0
GULFPORT ENERGY	AT COST	17,471	16,557
DESTINATION XL GROUP	AT COST	7,323	8,079
PENNY J C CO INC	AT COST	0	0
DOMINION DIAMOND CORP	AT COST	0	0
ALLEGHENY TECH INC	AT COST	5,603	7,154
MARCUS CORPORATION	AT COST	0	0
TESCO CORP	AT COST	8,456	12,883
TITAN MACHINERY INC	AT COST	0	0
SINCLAIR BROADCAST	AT COST	6,117	8,078

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ANDERSONS INC	AT COST	0	0
ENCORE CAPITAL GROUP	AT COST	8,101	9,346
MB FINANCIAL INC	AT COST	0	0
ASSOCIATED BANC CORP	AT COST	0	0
NAVIGATORS GROUP INC	AT COST	6,453	6,688
VIAD CORP	AT COST	7,781	6,366
TRIBUNE CO	AT COST	6,214	9,075
FORESTAR GROUP	AT COST	8,595	7,106
HORSEHEAD HOLDING CORP ZINC	AT COST	6,786	10,489
KENNEDY WILSON HLDGS INC KW	AT COST	6,436	8,190
NEWS CORP NEW CL A NWSA	AT COST	7,189	7,590
VISTEON	AT COST	7,078	8,595
TRAVEL CENTERS OF AMERICA	AT COST	4,050	4,315
OMEGA PROTEIN CORP	AT COST	7,261	9,534
ISTAR FINANCIAL INC	AT COST	7,398	6,759
CAPITAL SOUTHWEST CORP	AT COST	7,237	7,358
LEAPFROG ENTERPRISES INC	AT COST	7,548	7,364
TROPICANA ENTERTAINMENT	AT COST	7,601	7,667
INVESTORS BANCORP NEW ISBC	AT COST	9,525	9,483
ALLY FINANCIAL	AT COST	7,511	7,118
CST BRANDS INC	AT COST	7,386	8,023
CAPITAL BK FINL CP CL A	AT COST	7,880	7,517
DELEK US HOLDINGS	AT COST	7,648	7,597
INNOPHOS HOLDINGS	AT COST	7,500	8,460
SYMETRA FINANCIAL INC	AT COST	8,205	8,208
SUSSER PETROLEUM PTNR	AT COST	3,950	4,088
OPUS BANK	AT COST	8,129	8,017

TY 2013 Land, Etc. Schedule**Name:** THE KRANE FOUNDATION**EIN:** 36-3719492

TY 2013 Other Expenses Schedule

Name: THE KRANE FOUNDATION

EIN: 36-3719492

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	1,156	1,156		
IL SECRETARY OF STATE	10			10
FILING FEES	391			391
IL CHARITY BUREAU	15			15

TY 2013 Other Income Schedule

Name: THE KRANE FOUNDATION

EIN: 36-3719492

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS INCOME			
PASS-THROUGH INCOME			

TY 2013 Taxes Schedule

Name: THE KRANE FOUNDATION

EIN: 36-3719492

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAX	250			

Krane Foundation 36-3719492
Realized Gain/Loss Schedule
7/31/2014

Purchase Date	Security	Sale Date	Shares Sold	Proceeds	Cost
10/26/11	Carrizo Oil & Gas	04/01/14	(280 00)	14,623 88	7,444 19
02/17/12	Core Mark Hldgs	04/22/14	(120 00)	9,407 91	5,001 61
02/17/12	Footlocker	04/22/14	(230 00)	10,520 89	6,521 72
02/17/12	Leucadia Ntl Park	08/13/13	(160 00)	4,302 81	2,876 37
02/21/12	Pioneer Natural Res Co	06/17/14	(30 00)	6,766 44	3,410 42
03/16/12	Oritani Financial	08/20/13	(240 00)	3,888 17	3,255 51
03/26/12	Deltic Timber Corp	09/04/13	(150 00)	9,082 94	10,151 49
03/27/12	Healthcase SVC Group	05/20/14	(450 00)	13,249 06	9,869 46
05/31/12	Bank United Inc	05/20/14	(250 00)	7,880 33	5,909 50
05/31/12	Glatfelter	08/20/13	(100 00)	2,640 05	1,523 80
10/25/2012	Teletech	08/23/13	(520 00)	12,859 90	8,849 16
10/25/2012	Trinity Industries	06/17/14	(150 00)	12,590 12	4,853 70
3/21/2013	Susser Holdings Corp	07/17/14	(160 00)	12,766 81	7,437 14
5/8/2013	Penney J C Co Inc	09/25/13	(370 00)	3,988 90	6,403 41
5/17/2013,6/24/13	Dominion Diamond Corp	05/20/14	(540 00)	6,864 33	8,313 73
5/22/2013	Allegheny Tech Inc	06/17/14	(100 00)	4,165 51	2,948 70
5/22/2013	Marcus Corporation	12/24/13	(590 00)	7,747 15	8,278 88
5/22/2013	Titan Machinery Inc	09/04/13	(360 00)	6,106 21	8,141 76
6/11/2013	Andersons Inc	02/21/14	(225 00)	12,059 81	7,809 00
6/11/2013	MB Financial Inc	10/16/13	(310 00)	9,073 79	7,922 67
6/24/2013	Associated Banc Corp	05/15/14	(520 00)	8,716 36	7,887 36
12/12/13	Travelcenters of America	03/20/14	(820 00)	6,625 45	7,378 36
04/22/14	Northfield Bancorp New	07/23/14	(600 00)	7,639 81	7,704 00
				193,566 63	149,891 94
			Total ST Gain/Loss	<u>4,442 78</u>	
				Total LT Gain/Loss	<u>39,231 91</u>