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EXTENDED TO NOVEMBER 15, 2016

Return of Private Foundation

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

OMB No. 1545-0052

2015

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue Service► Do not enter social security numbers on this form as it may be made public.
► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

For calendar year 2015 or tax year beginning

, and ending

Name of foundation

KAENA FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

50 SOUTH SIXTH STREET

Room/suite

1500

City or town, state or province, country, and ZIP or foreign postal code

MINNEAPOLIS, MN 55402

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 foundationI Fair market value of all assets at end of year J Accounting method: Cash Accrual
(from Part II, col (c), line 16) Other (specify) _____

► \$ 110,809,666. (Part I, column (d) must be on cash basis)

		A Employer identification number
		46-2692867
		B Telephone number
		(612) 492-6813
	C If exemption application is pending, check here	<input type="checkbox"/>
	D 1. Foreign organizations, check here	<input type="checkbox"/>
	2. Foreign organizations meeting the 85% test, check here and attach computation	<input type="checkbox"/>
	E If private foundation status was terminated under section 507(b)(1)(A), check here	<input type="checkbox"/>
	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here	<input type="checkbox"/>
Part I	Analysis of Revenue and Expenses	
	(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	
		(a) Revenue and expenses per books (b) Net investment income
		(c) Adjusted net income (d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	91,065,484.
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B	
	Interest on savings and temporary cash investments	14,449.
	4 Dividends and interest from securities	1,704,657.
	5a Gross rents	
	b Net rental income or (loss)	
	6a Net gain or (loss) from sale of assets not on line 10	-1,872,291.
	b Gross sales price for all assets on line 6a	41,214.
	7 Capital gain net income (from Part IV, line 2)	0.
	8 Net short-term capital gain	
	9 Income modifications RECEIVED	
	10a Gross sales less returns and allowances	
Operating and Administrative Expenses	b Less Cost of goods sold	
	c Gross profit or (loss)	
	11 Other income	76,651.
	12 Total. Add lines 1 through 11.	90,988,950.
		1,795,757.
	13 Compensation of officers, directors, trustees, etc.	0.
	14 Other employee salaries and wages	0.
	15 Pension plans, employee benefits	
	16a Legal fees	271.
	b Accounting fees	4,554.
	c Other professional fees	
	17 Interest	2,196.
	18 Taxes	64,106.
	19 Depreciation and depletion	
	20 Occupancy	
	21 Travel, conferences, and meetings	
	22 Printing and publications	
	23 Other expenses	67,742.
	24 Total operating and administrative expenses. Add lines 13 through 23	138,869.
	25 Contributions, gifts, grants paid	2,000,000.
	26 Total expenses and disbursements. Add lines 24 and 25	2,138,869.
	27 Subtract line 26 from line 12:	
	a Excess of revenue over expenses and disbursements	88,850,081.
	b Net investment income (if negative, enter -0-)	1,684,259.
	c Adjusted net income (if negative, enter -0-)	N/A

Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		1,000.	550.	550.
	2 Savings and temporary cash investments		25,761,919.	478,652.	478,652.
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ►				
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock				
	c Investments - corporate bonds				
Liabilities	11 Investments - land, buildings, and equipment basis ►	STMT 9			
	Less accumulated depreciation ►				
	12 Investments - mortgage loans		0.	112,683,142.	110,330,464.
	13 Investments - other				
	14 Land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		25,762,919.	113,162,344.	110,809,666.
Net Assets or Fund Balances	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable				
	22 Other liabilities (describe ►)				
	23 Total liabilities (add lines 17 through 22)		0.	0.	
	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, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
Net Assets or Fund Balances	27 Capital stock, trust principal, or current funds		0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds		25,762,919.	113,162,344.	
	30 Total net assets or fund balances		25,762,919.	113,162,344.	
	31 Total liabilities and net assets/fund balances		25,762,919.	113,162,344.	

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	25,762,919.
2 Enter amount from Part I, line 27a	2	88,850,081.
3 Other increases not included in line 2 (itemize) ►	3	0.
4 Add lines 1, 2, and 3	4	114,613,000.
5 Decreases not included in line 2 (itemize) ►	5	1,450,656.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	113,162,344.

Form 990-PF (2015)

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 INTERNATIONAL EQUITY FUND II K-1		P	VARIOUS	VARIOUS
b TAXABLE BOND FUND K-1		P	VARIOUS	VARIOUS
c WELLS FARGO #5400		P	VARIOUS	VARIOUS
d INTERNATIONAL EQUITY FUND II K-1		P	VARIOUS	VARIOUS
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 6,253.		1,913,505.	-1,913,505. 6,253.	
b 11,614.			11,614.	
c 23,347.			23,347.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69		(l) 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			
a			-1,913,505. 6,253.	
b			11,614.	
c			23,347.	
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	-1,872,291.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			3	N/A

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

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

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

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

 Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	32,415.	2,609,692.	.012421
2013	0.	701,543.	.000000
2012			
2011			
2010			

2 Total of line 1, column (d)

2 .012421

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 .006211

4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5

4 90,980,036.

5 Multiply line 4 by line 3

5 565,077.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 16,843.

7 Add lines 5 and 6

7 581,920.

8 Enter qualifying distributions from Part XII, line 4

8 2,006,637.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1.
 Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

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

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

6 Credits/Payments:

a 2015 estimated tax payments and 2014 overpayment credited to 2015
6a 18,000.

b Exempt foreign organizations - tax withheld at source
6b

c Tax paid with application for extension of time to file (Form 8868)
6c 7,500.

d Backup withholding erroneously withheld
6d 2,734.

7 Total credits and payments. Add lines 6a through 6d
7 28,234.

8 Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached
8

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed
9

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid
10 11,391.

11 Enter the amount of line 10 to be: Credited to 2016 estimated tax ► **11,391.** | Refunded ► **11** 0.

1	16,843.
2	0.
3	16,843.
4	0.
5	16,843.
7	28,234.
8	
9	
10	11,391.
11	0.

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?
1a **No**

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities
1b

c Did the foundation file Form 1120-POL for this year?
1c

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
 (1) On the foundation. ► \$ **0.** (2) On foundation managers. ► \$ **0.**

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

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities
2

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?
 b If "Yes," has it filed a tax return on Form 990-T for this year?
4a **N/A**

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T
5

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

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

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

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

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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If "Yes," complete Part XIV*
9

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

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 . At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	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? Website address ► N/A	13	X
14 The books are in care of ► SONNY MILLER Telephone no. ► (612) 492-6813 Located at ► 50 SOUTH SIXTH STREET, SUITE 1500, MINNEAPOLIS, M ZIP+4 ► 55402		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A
16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	Yes No X

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

	Yes	No
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	►
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 2015?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years ►	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2015 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 2015)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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 2015?	4a	X
	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))?

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

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

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

(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 Yes No Yes No Yes No Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here

N/A

5b

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

N/A

 Yes No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

6b

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

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes No

N/A

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JOHN OTTERLEI 101 FIFTH EAST STREET, SUITE 2400 MINNEAPOLIS, MN 55101	PRESIDENT/TREASURER 0.25	0.	0.	0.
SONNY MILLER 50 SOUTH SIXTH STREET, SUITE 1500 MINNEAPOLIS, MN 55402	VICE PRESIDENT/SECRETARY 0.25	0.	0.	0.

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

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

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

0

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

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

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

Total number of others receiving over \$50,000 for professional services ► 0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	► 0.

Form 990-PF (2015)

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 23,698,616.
b	Average of monthly cash balances	1b 24,445,567.
c	Fair market value of all other assets	1c 44,221,336.
d	Total (add lines 1a, b, and c)	1d 92,365,519.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.
2	Acquisition indebtedness applicable to line 1 assets	2 0.
3	Subtract line 2 from line 1d	3 92,365,519.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 1,385,483.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 90,980,036.
6	Minimum investment return. Enter 5% of line 5	6 4,549,002.

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 4,549,002.
2a	Tax on investment income for 2015 from Part VI, line 5	2a 16,843.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 16,843.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 4,532,159.
4	Recoveries of amounts treated as qualifying distributions	4 0.
5	Add lines 3 and 4	5 4,532,159.
6	Deduction from distributable amount (see instructions)	6 0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 4,532,159.

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 2,006,637.
b	Program-related investments - total from Part IX-B	1b 0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a
b	Cash distribution test (attach the required schedule)	3b
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 2,006,637.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5 16,843.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 1,989,794.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				4,532,159.
2 Undistributed income, if any, as of the end of 2015			127,764.	
a Enter amount for 2014 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2015 from Part XII, line 4: ► \$ 2,006,637.			127,764.	
a Applied to 2014, 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)	0.			
d Applied to 2015 distributable amount				1,878,873.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b			0.	
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.	
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.	
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				2,653,286.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

Part XV. Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
FIDELITY CHARITABLE P.O. BOX 770001 CINCINNATI, OH 45277-0053	N/A	PC	GENERAL OPERATIONS	2,000,000.
Total			► 3a	2,000,000.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
	(a) Business code	(b) Amount		
1 Program service revenue:				
a				
b				
c				
d				
e				
f				
g Fees and contracts from government agencies				
2 Membership dues and assessments				
3 Interest on savings and temporary cash investments			14	14,449.
4 Dividends and interest from securities			14	1,704,657.
5 Net rental income or (loss) from real estate:				
a Debt-financed property				
b Not debt-financed property				
6 Net rental income or (loss) from personal property				
7 Other investment income			14	76,651.
8 Gain or (loss) from sales of assets other than inventory			18	-1,872,291.
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue:				
a				
b				
c				
d				
e				
12 Subtotal. Add columns (b), (d), and (e)		0.	-76,534.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13 -76,534.
(See worksheet line 12 instructions to verify calculations.)				

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

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

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

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

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitation

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

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

Yes No

b If "Yes," complete the following schedule

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

**Sign
Here**

May the IRS discuss this return with the preparer shown below (see instr.)?

Signature of filer or trustee		Date	Date		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	ANNE FULTON	<i>Anne Fulton</i>	11-4-16		P00941863
	Firm's name ► DELOITTE TAX LLP			Firm's EIN ► 86-1065772	
Firm's address ► 50 SOUTH SIXTH STREET SUITE 2800 MINNEAPOLIS, MN 55402-1538			Phone no. (612) 397-4000		

Schedule B
(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No. 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.
► Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

2015**Name of the organization****KAENA FOUNDATION****Employer identification number****46-2692867****Organization type (check one):****Filers of:****Section:**

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation**Check if your organization is covered by the General Rule or a Special Rule.****Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ► \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization

Employer identification number

KAENA FOUNDATION

46-2692867

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution	
1	SK 401 EAST 8TH STREET, SUITE 319 SIOUX FALLS, SD 57103	\$ 30,368,843.	<input checked="" type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)
2	MKS TRUST 401 EAST 8TH STREET, SUITE 319 SIOUX FALLS, SD 57103	\$ 57,783,636.	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)
3	SK 401 EAST 8TH STREET, SUITE 319 SIOUX FALLS, SD 57103	\$ 2,913,005.	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash	(Complete Part II for noncash contributions.)

Name of organization

Employer identification number

KAENA FOUNDATION

46-2692867

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	4635.31553 UN OF TAXABLE BOND FD 2614.12795 UN OF INDEX EQUITY FD 6840.16180 UN OF INTL EQTY FD II	\$ 57,783,636.	04/01/15
3	233.73201 UN OF TAXABLE BOND FD 131.72529 UN OF INDEX EQUITY FD 344.90970 UN OF INTL EQTY FD II	\$ 2,913,005.	04/01/15
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization

Employer identification number

KAENA FOUNDATION

46-2692867

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ► \$ _____
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4 <hr/> <hr/> <hr/>		Relationship of transferor to transferee <hr/> <hr/> <hr/>
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4 <hr/> <hr/> <hr/>		Relationship of transferor to transferee <hr/> <hr/> <hr/>
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4 <hr/> <hr/> <hr/>		Relationship of transferor to transferee <hr/> <hr/> <hr/>
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4 <hr/> <hr/> <hr/>		Relationship of transferor to transferee <hr/> <hr/> <hr/>
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4 <hr/> <hr/> <hr/>		Relationship of transferor to transferee <hr/> <hr/> <hr/>

KAENA FOUNDATION

46-2692867

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
WELLS FARGO #3220	14,449.	14,449.	
TOTAL TO PART I, LINE 3	14,449.	14,449.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
INDEX EQUITY FUND K-1	320,036.	0.	320,036.	320,036.	
INTERNATIONAL EQUITY FUND II K-1	275,437.	0.	275,437.	275,437.	
TAXABLE BOND FUND K-1	457,249.	0.	457,249.	457,249.	
WELLS FARGO #5400	651,935.	0.	651,935.	651,935.	
TO PART I, LINE 4	1,704,657.	0.	1,704,657.	1,704,657.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
TAXABLE BOND FUND K-1	92.	92.	
INTERNATIONAL EQUITY FUND II K-1	76,559.	76,559.	
TOTAL TO FORM 990-PF, PART I, LINE 11	76,651.	76,651.	

KAENA FOUNDATION

46-2692867

FORM 990-PF LEGAL FEES STATEMENT 4

<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
LEGAL FEES	271.	135.		136.
TO FM 990-PF, PG 1, LN 16A	271.	135.		136.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
ACCOUNTING FEES	4,554.	2,277.		2,277.
TO FORM 990-PF, PG 1, LN 16B	4,554.	2,277.		2,277.

FORM 990-PF TAXES STATEMENT 6

<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
FEDERAL EXCISE TAX	20,734.	0.		0.
INTERNATIONAL EQUITY FUND II K-1 FOREIGN TAX PAID	43,372.	43,372.		0.
TO FORM 990-PF, PG 1, LN 18	64,106.	43,372.		0.

STATEMENT(S) 4, 5, 6

KAENA FOUNDATION

46-2692867

FORM 990-PF

OTHER EXPENSES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE	6,649.	3,325.		3,324.
WELLS FARGO INVESTMENT FEES	10,404.	10,404.		0.
TAXABLE BOND FUND K-1	12,016.	12,016.		0.
INDEX EQUITY FUND K-1	6,870.	6,870.		0.
INTERNATIONAL EQUITY FUND II K-1	30,003.	30,003.		0.
OTHER EXPENSES	1,800.	900.		900.
TO FORM 990-PF, PG 1, LN 23	67,742.	63,518.		4,224.

FORM 990-PF

OTHER DECREASES IN NET ASSETS OR FUND BALANCES

STATEMENT 8

DESCRIPTION	AMOUNT
DIFFERENCE IN BASIS VS. FAIR MARKET VALUE ON CONTRIBUTED PROPERTY	1,450,656.
TOTAL TO FORM 990-PF, PART III, LINE 5	1,450,656.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INDEX EQUITY FUND	COST	20,814,603.	21,102,899.
TAXABLE BOND FUND	COST	20,458,986.	19,626,522.
INTERNATIONAL EQUITY FUND II	COST	17,123,407.	18,178,562.
WELLS FARGO (SEE STATEMENT A)	COST	54,286,146.	51,422,481.
TOTAL TO FORM 990-PF, PART II, LINE 13		112,683,142.	110,330,464.

STATEMENT(S) 7, 8, 9

KAENA FOUNDATION

46-2692867

FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS
PART VII-A, LINE 10

STATEMENT 10

NAME OF CONTRIBUTOR

ADDRESS

SK

401 EAST 8TH STREET, SUITE 319
SIOUX FALLS, SD 57103

MKS TRUST

401 EAST 8TH STREET, SUITE 319
SIOUX FALLS, SD 57103

STATEMENT(S) 10

Account Statement For:
KAENA FOUNDATION - CUSTODY

**WELLIS
FARGO**

Period Covered: January 1, 2015 - December 31, 2015

Account Number

ASSET DETAIL

ASSET DESCRIPTION	QUANTITY	PRICE	MARKET VALUE AS OF 12/31/15	COST BASIS	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD
Cash & Equivalents							
MONEY MARKET							
BLACKROCK INSTITUTIONAL FUNDS TRUST FOR FEDERAL SECURITIES T-FUND #60	14,636.270		\$14,636.27	\$14,636.27	\$0.00	\$14.64	0.10%
Total Money Market			\$14,636.27	\$14,636.27	\$0.00	\$14.64	0.10%
Total Cash & Equivalents							

ASSET DESCRIPTION	QUANTITY	PRICE	MARKET VALUE AS OF 12/31/15	COST BASIS	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD
Fixed Income							
DOMESTIC MUTUAL FUNDS							
VANGUARD TOTAL BOND MARKET INDEX - ADMIRAL CLASS #584 SYMBOL: VBTIX CUSIP: 921937603	1,660,275.693	\$10.640	\$17,665,333.37	\$17,880,123.80	-\$214,790.43	\$438,312.78	2.48%
Total Domestic Mutual Funds			\$17,665,333.37	\$17,880,123.80	-\$214,790.43	\$438,312.78	2.48%
Total Fixed Income							

Statement A

THE PRIVATE BANK

5 of 14

Account Statement For:
KAENA FOUNDATION - CUSTODY

**WELLIS
FARGO**

Period Covered: January 1, 2015 - December 31, 2015

Account Number

ASSET DETAIL. (continued)

ASSET DESCRIPTION	QUANTITY	PRICE	MARKET VALUE AS OF 12/31/15	COST BASIS	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD
Equities							
DOMESTIC MUTUAL FUNDS							
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND ADMIRAL SHARES #569 SYMBOL: VTIAX CUSIP: 921909818	658,207.695	\$24.240	\$15,954,954.53	\$17,954,397.87	-\$1,999,443.34	\$452,846.89	2.84%
VANGUARD TOTAL STOCK MARKET INDEX FUND ADMIRAL SHARES SYMBOL: VTSAX CUSIP: 9222908728	350,217.690	50.790	17,787,556.48	18,436,988.49	-649,432.01	351,968.78	1.98
Total Domestic Mutual Funds							
Total Equities			\$33,742,511.01	\$36,391,386.36	-\$2,648,875.35	\$804,815.67	2.39%
ASSET DESCRIPTION	QUANTITY	PRICE	MARKET VALUE AS OF 12/31/15	COST BASIS	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD
TOTAL ASSETS			\$51,422,480.65	\$54,286,146.43	-\$2,863,665.78	\$1,243,143.09	

Statement A

THE PRIVATE BANK

6 of 14

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