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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 separate instructions is at www.irs.gov/form990pf.

OMB No. 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning

08/01, 2015, and ending

07/31, 2016

Name of foundation THE KRANE FOUNDATION		A Employer identification number 36-3719492
Number and street (or P O box number if mail is not delivered to street address) C/O K&E, 300 N LASALLE STR.		B Telephone number (see instructions) () -
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 ☐ Final return ☐ Address change ☐	D 1 Foreign organizations, check here. ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 481,391.	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)
1	Contributions, gifts, grants, etc. received (attach schedule)				
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	3,717.	3,717.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	36,088.			
b	Gross sales price for all assets on line 6a	370,251.			
7	Capital gain net income (from Part IV, line 2)		36,088.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	39,805.	39,805.		
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)	2,062.	1,031.		1,031.
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) [1]	187.	23.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ATCH 2.	2,596.	2,162.		435.
24	Total operating and administrative expenses. Add lines 13 through 23.	4,845.	3,216.		1,466.
25	Contributions, gifts, grants paid	45,000.			45,000.
26	Total expenses and disbursements. Add lines 24 and 25	49,845.	3,216.	0.	46,466.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-10,040.			
b	Net investment income (if negative, enter -0-)		36,589.		
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	143,834.	12,375.	12,375.
	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)			
	Liabilities	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)		
12		Investments - mortgage loans			
13		Investments - other (attach schedule) ATCH. 3	315,096.	436,515.	469,016.
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)	458,930.	448,890.	481,391.
17		Accounts payable and accrued expenses			
18		Grants payable			
19		Deferred revenue			
20		Loans from officers, directors, trustees, and other disqualified persons			
Net Assets or Fund Balances	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
		Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
Net Assets or Fund Balances	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	458,930.	448,890.	
	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)	458,930.	448,890.		
31	Total liabilities and net assets/fund balances (see instructions)	458,930.	448,890.		

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	458,930.
2	Enter amount from Part I, line 27a	2	-10,040.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	448,890.
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	448,890.

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** 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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

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	36,088.
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))
2014	31,231.	447,518.	0.069787
2013	1,392.	369,700.	0.003765
2012	5,912.	302,043.	0.019573
2011	25,394.	306,287.	0.082909
2010	25,956.	335,481.	0.077370

2 Total of line 1, column (d)	2	0.253404
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	0.050681
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	470,421.
5 Multiply line 4 by line 3	5	23,841.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	366.
7 Add lines 5 and 6	7	24,207.
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	46,466.

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)		1	366.
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-)		2	
3 Add lines 1 and 2		3	366.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	366.
6 Credits/Payments			
a 2015 estimated tax payments and 2014 overpayment credited to 2015		6a	
b Exempt foreign organizations - tax withheld at source		6b	
c Tax paid with application for extension of time to file (Form 8868)		6c	366.
d Backup withholding erroneously withheld		6d	
7 Total credits and payments. Add lines 6a through 6d		7	366.
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 Enter the amount of line 10 to be Credited to 2016 estimated tax ☐ Refunded ☐		11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ _____ (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? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X	
14 The books are in care of ▶ 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 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 ▶		X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ 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)? 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 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? ☐ Yes ☒ 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	
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 ☒ 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)	3b	
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 2015?	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 4945(d)(4)(A)? (see instructions). ☐ Yes ☒ No

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

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

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 4		0.	0.	0.

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

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

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

Form 990-PF (2015)

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
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 NONE	
2	
All other program-related investments. See instructions.	
3 NONE	

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	391,206.
b	Average of monthly cash balances	1b	86,379.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	477,585.
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	477,585.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	7,164.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	470,421.
6	Minimum investment return. Enter 5% of line 5	6	23,521.

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	23,521.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	366.
b	Income tax for 2015 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	366.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	23,155.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	23,155.
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	23,155.

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	46,466.
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	46,466.
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	366.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	46,100.

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				23,155.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only.				
b Total for prior years 20 <u>13</u> , 20 <u>12</u> , 20 <u>11</u>				
3 Excess distributions carryover, if any, to 2015				
a From 2010	9,039.			
b From 2011	10,942.			
c From 2012				
d From 2013				
e From 2014	9,183.			
f Total of lines 3a through e	29,164.			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ \$ <u>46,466.</u>				
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)				
d Applied to 2015 distributable amount.				23,155.
e Remaining amount distributed out of corpus.	23,311.			
5 Excess distributions carryover applied to 2015 (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:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	52,475.			
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 2014 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2015 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2016.				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	9,039.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	43,436.			
10 Analysis of line 9				
a Excess from 2011	10,942.			
b Excess from 2012				
c Excess from 2013				
d Excess from 2014	9,183.			
e Excess from 2015	23,311.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, 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)
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	Tax year	Prior 3 years			(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
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))

JANYS A. KRANE, HOWARD G. KRANE

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
a Paid during the year ATCH 5				
Total			3a	45,000.
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) 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 .						
4 Dividends and interest from securities			14	3,717.		
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						
8 Gain or (loss) from sales of assets other than inventory			18	36,088.		
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)				39,805.		
13 Total. Add line 12, columns (b), (d), and (e)					13	39,805.

(See worksheet in line 13 instructions to verify calculations)

[illegible]

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

- | | | | |
|---|--|-----|----|
| <p>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?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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</p> | | Yes | No |
| | | | |
| 1a(1) | | | X |
| 1a(2) | | | X |
| | | | |
| 1b(1) | | | X |
| 1b(2) | | | X |
| 1b(3) | | | X |
| 1b(4) | | | X |
| 1b(5) | | | X |
| 1b(6) | | | X |
| 1c | | | X |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign
Here**

HOWARD G. KRANE

Signature of officer or trustee

Date _____

► PRESIDENT

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

THOMAS DRENNAN

Preparer's signature

THOMAS DRENNAN

Date _____

12/19/2016

Check

self-employed

PTIN

P00071232

Firm's name

► TOPEL FORMAN L.L.C.

Firm's FIM

▶ 36-2469413

Firm's address

► 500 NORTH MICHIGAN AVE., SUITE 1700

CHICAGO, IL

60611

Phone no

312-642-0006

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)	
144,150.		CHARLES SCHWAB ST - SEE ATTACHED PROPERTY TYPE: SECURITIES 131,164.				P	VARIOUS 12,986.	VARIOUS
226,101.		CHARLES SCHWAB LT - SEE ATTACHED PROPERTY TYPE: SECURITIES 202,999.				P	VARIOUS 23,102.	VARIOUS
TOTAL GAIN (LOSS)							<u>36,088.</u>	

ATTACHMENT 1

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FEDERAL EXCISE TAX	164.	23.
FOREIGN TAX	23.	
TOTALS	<u>187.</u>	<u>23.</u>

ATTACHMENT 2FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT FEES	2,162.	2,162.	10.
IL SECRETARY OF STATE	10.		410.
FILING FEES	409.		15.
IL CHARITY BUREAU	15.		
TOTALS	<u>2,596.</u>	<u>2,162.</u>	<u>435.</u>

ATTACHMENT 3FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ADDUS HOMECARE CORP	4,714.		
AFFILIATED MANAGERS		24,139.	22,017.
AMERICAN EXPRESS CO		22,936.	19,338.
ALEXANDER & BALDWIN	7,817.		
AMETEK INC		23,090.	23,515.
ALLIED WORLD ASSURANCE	7,134.		
CARRIZO OIL & GAS	3,456.		
CORE MARK HOLDINGS	2,918.		
AMPHENOL CORP		26,479.	29,760.
LYDALL INC	9,594.		
PIONEER NATURAL RESOURCES	4,547.		
AMERCO	5,857.		
ANALOGIC CORP	10,799.		
ATLANTIC TELE NETWORK	6,949.		
BANK UNITED	6,982.		
BERKSHIRE HATHAWAY	8,971.	22,714.	24,526.
INTREPID POTASH INC		26,126.	26,212.
CANADIAN PAC RAILWAY		18,515.	21,375.
FASTENAL CO		30,371.	38,927.
HEICO CORP			
BROOKDALE SENIOR LIVING	7,705.		
GULFPORT ENERGY	8,454.		
HEXCEL CORP		22,142.	21,585.
CDW CORP	11,828.		
FEDERAL AGRI MTG	9,946.		
IDEX CORP		9,390.	11,224.
FINISH LINE INC	9,525.		
INTERCONTINENTAL EXC		12,031.	13,210.
HEALTH SOUTH CORP	4,832.		
KIRBY CORP		19,382.	16,347.
HRG GROUP INC	4,932.		
ENCORE CAPITAL GROUP	8,101.		
KCG HOLDINGS INC	11,515.		

ATTACHMENT 3 (CONT'D)FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
MADISON SQUARE GARDEN	6,851.		
NAVIGATORS GROUP INC	6,453.		
VIAD CORP	7,781.		
TRIBUNE CO	6,214.	9,857.	14,260.
LEGACYTEXAS FINANCIAL		25,554.	28,463.
MARKEL CORP			
KENNEDY WILSON HLDGS INC KW	6,436.	4,434.	4,762.
MASTERCARD INC			
VISTEON	7,078.		
TRAVEL CENTERS OF AMERICA	4,050.		
OMEGA PROTEIN CORP	7,261.		
M&T BANK CORP		19,441.	19,475.
CAPITAL SOUTHWEST CORP	7,237.		
NEWMARKET CORP		15,172.	17,118.
TROPICANA ENTERTAINMENT	7,601.		
INVESTORS BANCORP NEW ISBC	9,525.		
ALLY FINANCIAL	7,511.		
CST BRANDS INC	4,616.		
CAPITAL BK FINL CP CL A	7,880.		
DELEK US HOLDINGS	3,236.		
INNOPHOS HOLDINGS	7,500.		
SYMETRA FINANCIAL INC	8,205.		
SUSSER PETROLEUM PTNR	6,969.		
OPUS BANK	8,131.		
SCHOLASTIC CORP	8,654.		
TECH DATA CORP	14,118.		
TELETECH HOLDINGS	5,213.		
RBC BEARINGS INC		18,896.	22,809.
PRAXAIR INC		22,317.	23,308.
TELEDYNE TECHNOLOGIES		23,231.	28,875.
THERMON GROUP HOLDINGS		16,387.	16,144.
VISA INC		5,599.	5,854.
VERISK ANALYTICS INC		8,403.	10,233.

ATTACHMENT 3 (CONT'D)FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
WMIH CORP		9,909.	9,679.
TOTALS	<u>315,096.</u>	<u>436,515.</u>	<u>469,016.</u>

THE KRANE FOUNDATION

36-3719492

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 4

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
HOWARD G. KRANE 77 E WALTON STREET, APT. 25D CHICAGO, IL 60611	PRESIDENT .50	0.	0.	0.
JANYS A. KRANE 77 E WALTON STREET, APT. 25D CHICAGO, IL 60611	DIRECTOR .50	0.	0.	0.
HILARY K. KRANE 4636 SW HUMPHREY CT PORTLAND, OR 97221	DIRECTOR .50	0.	0.	0.
MARIE C. BERGMAN 4943 SOUTH WOODLAWN CHICAGO, IL 60615	DIRECTOR .50	0.	0.	0.
KAREN DALTON 300 N. LASALLE ST. CHICAGO, IL 60654	SECRETARY .50	0.	0.	0.
GRAND TOTALS		0.	0.	0.

THE KRANE FOUNDATION

36-3719492

FORM 990FF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 5

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
UNIVERSITY OF CHICAGO MEDICAL CENTER 5841 S MARYLAND AVENUE CHICAGO, IL 60637	NONE PC		PROVIDING EDUCATIONAL OPPORTUNITIES	5,000
UNIVERSITY OF CHICAGO LAW SCHOOL 1111 E 60TH STREET CHICAGO, IL 60637	NONE PC		PROVIDING EDUCATIONAL OPPORTUNITIES	25,000
THE INSTITUTE FOR ETHNOMEDICINE 240 EAST DELONEY AVENUE, BOX 3464 JACKSON HOLE, WY 83001	NONE PC		PROVIDING HEALTH AND HUMAN SERVICES	15,000

TOTAL CONTRIBUTIONS PAID

45,000

ATTACHMENT 5

Krane Foundation 36-3719492
Realized Gain/Loss Schedule
7/31/2016

Purchase Date	Security	Sale Date	Shares Sold	Proceeds	Cost	
6/9/2015	ADDUS HOMECARE CORP	10/22/2015	170	5,988 06	4,713 93	ST
3/21/2013	ALEXANDER & BALDWIN	10/22/2015	220	8,147 99	7,817 44	LT
3/21/2013	ALLIED WORLD ASSURANCE	10/22/2015	240	9,395 83	7,133 60	LT
5/15/2014	ALLY FINANCIAL INC	10/22/2015	310	6,298 88	7,510 68	LT
1/28/2015	AMERCO	10/22/2015	20	7,912 30	5,857 18	ST
1/26/2015	ANALOGIC CORP	10/22/2015	130	11,123 56	10,799 21	ST
10/15/2014	ATLANTIC TELE NETWORK	10/22/2015	120	9,529 62	6,949 43	LT
12/17/2014	BANKUNITED INC	10/22/2015	250	9,182 88	6,981 83	ST
1/26/2015	BROOKDALE SENIOR LIVING	10/22/2015	230	5,324 91	7,704 77	ST
10/1/2015	C S W INDUSTRIES	10/30/2015	210	2,976 90	-	ST
5/27/2014	CAPITAL BK FINL	10/22/2015	330	10,486 64	7,879 74	LT
4/1/2014	CAPITAL SOUTHWEST CORP	10/22/2015	210	7,174 12	7,237 33	LT
10/26/2011	CARRIZO OIL &	10/22/2015	130	5,079 00	3,456 23	LT
1/26/2015	CDW CORP	12/23/2015	330	13,972 83	11,828 22	ST
2/17/2012	CORE MARK HOLDING	10/30/2016	140	10,850 41	2,917 61	LT
5/15/2014	CST BRANDS INC	10/22/2015	150	5,255 40	4,616 10	LT
5/27/2014	DELEK US HOLDINGS	10/22/2015	110	2,846 39	3,235 56	LT
6/11/2013	ENCORE CAPITAL GROUP	10/22/2015	220	8,643 10	8,100 62	LT
2/13/2015	FEDERAL AGRICULTURE	10/22/2015	310	9,078 66	9,945 95	ST
11/5/2014	FINISH LINE INC	10/22/2015	360	8,704 30	9,525 38	ST
4/5/2013	GULFPORT ENERGY CO	10/22/2015	150	5,044 50	8,453 86	LT
6/9/2015	HEALTHSOUTH CORP 42297	10/22/2015	110	4,238 11	4,831 86	ST
6/9/2015	H R G GROUP INC	10/22/2015	380	4,840 95	4,932 02	ST
5/27/2014	INNOPHOS HOLDINGS 42297	10/22/2015	140	6,101 86	7,500 08	LT
5/31/2012	INTREPID POTASH INC	10/22/2015	470	3,866 43	8,970 76	LT
5/8/2014	INVESTORS BANCORP NEW	2/4/2016	918	10,621 62	9,525 46	LT
8/23/2013	KENNEDY WILSON HLDGS INC	3/16/2016	350	7,573 95	6,435 69	LT
11/30/2015	KIRBY CORPORATION KEX	4/19/2015	200	12,700 77	12,921 25	ST
11/3/2014	KCG HOLDINGS INC	10/22/2015	1070	13,299 59	11,514 73	ST
12/17/2014	LYDALL INC 42297	10/22/2015	330	10,624 14	9,594 42	ST
10/14/2014	M S G	10/22/2015	110	2,205 27	6,850 89	LT
10/1/2015	MADISON SQUARE GARDE	10/22/2015	36	6,321 32	-	ST
6/24/2013	Navigators Group Inc	10/22/2015	110	9,225 24	6,453 04	LT
2/10/2013	OMEGA PROTEIN CORP	10/22/2015	680	12,995 58	7,260 90	LT
7/23/2014	OPUS BANK 42297	10/22/2015	270	10,052 87	8,131 16	LT
2/21/2012	PIONEER NATURAL RES 42297	10/22/2015	40	5,342 75	4,547 23	LT
5/7/2015	SCHOLASTIC CORP 42297	10/22/2015	200	8,155 36	8,653 88	ST
7/10/2014	SUNOCO LP SUN	10/22/2015	140	5,083 39	6,969 34	LT
6/20/2014	SYMETRA FINANCIAL 42297	10/22/2015	360	11,400 09	8,205 41	LT
10/15/2014	TECH DATA CORP	10/22/2015	250	18,344 64	14,117 82	LT
7/17/2015	TELETECH HOLDINGS 42297	10/22/2015	190	5,410 32	5,214 27	ST
10/22/2015	THERMON GROUP HLDGS INC	5/31/2016	300	6,295 23	6,145 27	ST
6/17/2014	TRAVELCENTERS AMERICA	10/22/2015	480	5,085 05	4,050 24	LT
6/27/2013	TRIBUNE MEDIA CO	10/22/2015	110	4,349 56	6,213 90	LT
4/1/2014	TROPICANA ENTERTAINMENT	10/22/2015	410	6,328 48	7,600 54	LT
6/24/2013	VIADCORP 42297 42299	10/22/2015	300	9,118 08	7,780 80	LT
10/22/2013	VISTEON	10/22/2015	90	9,654 27	7,077 51	LT
				370,251 20	334,163 14	

Total ST Gain/Loss 12,986 02

Total LT Gain/Loss 23,102 04