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Return of Private Foundation

2016

Department of the Treasury Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation Do not enter social security numbers on this form as it may be made public.

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

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

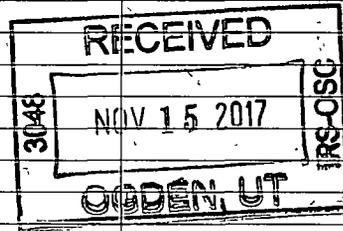
NOV 13 2017 ENVELOPE POSTMARK DATE

Name of foundation THE KAPNICK FOUNDATION U/A/S 8/15/04 Number and street (or P.O. box number if mail is not delivered to street address) Room/suite P.O. BOX 73 City or town, state or province, country, and ZIP or foreign postal code NEW YORK, NY 10274-0073

A Employer identification number 36-7434011 B Telephone number (see instructions) (212) 440-0800 C If exemption application is pending, check here. D 1 Foreign organizations, check here. 2 Foreign organizations meeting the 85% test check here and attach computation. E If private foundation status was terminated under section 507(b)(1)(A), check here. F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here.

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))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Expenses (13-26) sections.



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		123,128.	520,548.	520,548.
	2	Savings and temporary cash investments		13,397,016.	18,323,672.	18,323,672.
	3	Accounts receivable ▶				
		Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)				
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶				
12	Investments - mortgage loans					
13	Investments - other (attach schedule) ATCH 8			36,150,911.	34,496,523.	42,470,511.
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)			49,671,055.	53,340,743.	61,314,731.
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.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds			49,671,055.	53,340,743.
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)			49,671,055.	53,340,743.	
31	Total liabilities and net assets/fund balances (see instructions)			49,671,055.	53,340,743.	

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	49,671,055.
2	Enter amount from Part I, line 27a	2	13,188,396.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	62,859,451.
5	Decreases not included in line 2 (itemize) ▶ ATCH 9	5	9,518,708.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	53,340,743.

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 SEE PART IV SCHEDULE				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	7,022,577.
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))
2015	5,478,187.	54,910,920.	0.099765
2014	3,190,535.	55,002,142.	0.058007
2013	7,791,639.	51,890,122.	0.150156
2012	2,541,919.	53,237,305.	0.047747
2011	2,091,814.	47,858,547.	0.043708
2	Total of line 1, column (d)	2	0.399383
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	0.079877
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	51,926,978.
5	Multiply line 4 by line 3.	5	4,147,771.
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	87,627.
7	Add lines 5 and 6.	7	4,235,398.
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	5,594,075.

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

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic foundations', and 'Total credits and payments'. Values include 87,627, 43,516, 36,000, and 8,111.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity statements. Columns include question number, 'Yes', and 'No'. Includes questions about political influence, tax on political expenditures, and substantial contributors.

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 Yes No 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 Yes No 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 ERNST & YOUNG US LLP Telephone no 212-440-0800 Located at 77 WATER STREET - 9TH FLOOR NEW YORK, NY ZIP+4 10005
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 15
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 16 Yes No X
See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country

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

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

1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No X
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No X
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No X
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No X
(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 X
(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 X
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? 1b N/A
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? 1c N/A
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? Yes No X
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) 2b N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No X
b If "Yes," did it have excess business holdings in 2016 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 2016) 3b N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016? 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) **N/A**

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATCH 10		0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				0.

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

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE	NONE	NONE
Total number of others receiving over \$50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 PLEASE NOTE, THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS EXEMPT UNDER INTERNAL	NONE
2 REVENUE CODE SECTION 501(C)(3).	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2 N/A	NONE
All other program-related investments See instructions	
3 N/A	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,396,894.
b	Average of monthly cash balances	1b	14,589,375.
c	Fair market value of all other assets (see instructions).	1c	36,731,475.
d	Total (add lines 1a, b, and c)	1d	52,717,744.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	52,717,744.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	790,766.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	51,926,978.
6	Minimum investment return. Enter 5% of line 5	6	2,596,349.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1	Minimum investment return from Part X, line 6	1	2,596,349.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	87,627.
b	Income tax for 2016 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	87,627.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	2,508,722.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,508,722.
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	2,508,722.

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	5,594,075.
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	5,594,075.
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	87,627.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,506,448.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				2,508,722.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only,			NONE	
b Total for prior years 20 14, 20 13, 20 12		NONE		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				NONE
b From 2012				16,696.
c From 2013				5,281,783.
d From 2014				564,420.
e From 2015				2,862,709.
f Total of lines 3a through e	8,725,608.			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ 5,594,075.				
a Applied to 2015, 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 2016 distributable amount.				2,508,722.
e Remaining amount distributed out of corpus.	3,085,353.			
5 Excess distributions carryover applied to 2016 . (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	11,810,961.			
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 2015 Subtract line 4a from line 2a Taxable amount - see instructions			NONE	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017.				NONE
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 2011 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	11,810,961.			
10 Analysis of line 9				
a Excess from 2012				16,696.
b Excess from 2013				5,281,783.
c Excess from 2014				564,420.
d Excess from 2015				2,862,709.
e Excess from 2016				3,085,353.

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 2016, 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)

Table with 5 columns: Tax year (a) 2016, Prior 3 years (b) 2015, (c) 2014, (d) 2013, (e) Total. Rows include 2a-2e and 3a-3d with various financial and support-related descriptions.

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

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

ATTACHMENT 11

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 [X] 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 SEE STATEMENT ATTACHED				5,588,560.
Total				5,588,560.
b Approved for future payment				
Total				3b

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... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash... (2) Other assets... b Other transactions: (1) Sales of assets to a noncharitable exempt organization... (2) Purchases of assets from a noncharitable exempt organization... (3) Rental of facilities, equipment, or other assets... (4) Reimbursement arrangements... (5) Loans or loan guarantees... (6) Performance of services or membership or fundraising solicitations... c Sharing of facilities, equipment, mailing lists, other assets, or paid employees... d If the answer to any of the above is "Yes," complete the following schedule...

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A' for both (b) and (d).

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... [] Yes [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A' for (a).

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer or trustee: [Signature] Date: 11/12/17 Title: TRUSTEE

Paid Preparer Use Only Print/Type preparer's name: WILLIAM RABETZ Preparer's signature: [Signature] Date: 11/10/2017 Check [] if self-employed PTIN: P00963994 Firm's name: ERNST & YOUNG U.S. LLP Firm's address: 77 WATER STREET, 9TH FL NEW YORK, NY 10005 Firm's EIN: 34-6565596 Phone no: 212-440-0800

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ 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.

OMB No 1545-0047

2016

Name of the organization

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

Employer identification number

36-7434011

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. Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't 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 doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization THE KAPNICK FOUNDATION U/A/S 8/15/04	Employer identification number
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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	SCOTT B. KAPNICK P.O. BOX 73, BOWLING GREEN STATION NEW YORK, NY 10274-0073	\$ 9,997,687.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Name of organization **THE KAPNICK FOUNDATION**
U/A/S 8/15/04

Employer identification number

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
1	41,323 SHARES OF GOLDMAN SACH GROUP INC	\$ 9,997,687.	12/20/2016

Name of organization **THE KAPNICK FOUNDATION**
 U/A/S 8/15/04

Employer identification number

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 information once. See instructions) ► \$ _____
 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		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

**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)	
91,714.		DISTRIBUTION EXCESS BASIS THRU HB INTIL					91,714.	
14,444.		GAIN ON PARTIAL SALE OF WEST ST 18,147.					-3,703.	
119,151.		PFIC CAP GAINS SOROBAN (CAYMAN)LP					119,151.	
838.		PFIC CAP GAINS PROVIDENCE DEBT FUND III					838.	
74,483.		PFIC CAP GAINS GSCP V					74,483.	
1,398.		PFIC CAP GAINS HB IRISH SPECIALTY LOAN F					1,398.	
562,103.		PFIC CAP GAIN THRU GS VINTAGE V					562,103.	
1,289,058.		5600 SHS GOLDMAN SACHS GROUP INC 64,904.					1,224,154.	
1,996,790.		8300 SHS GOLDMAN SACHS GROUP INC 96,205.					1,900,585.	
3,152,981.		13081 SHS GOLDMAN SACHS GROUP INC 151,622.					3,001,359.	
56.		ST GAIN THRU CRESTVIEW PARTNERS III					56.	
		SEC 1231 G(L) THRU CRESTVIEW PTRS II 64.					-64.	

**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)	
		LT LOSS THRU CRESTVIEW PARTNERS II 178,968.					-178,968.	
4,966.		LT GAIN THRU CRESTVIEW (OUTBOUND)					4,966.	
82,260.		PFIC CAP GAINS GS MEZZANINE 2006					82,260.	
142,245.		PFIC CAP GAINS GS EMPLOYEE FUND 2000					142,245.	
TOTAL GAIN (LOSS)					<u>7,022,577.</u>	

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

EIN: 36-7434011

SUPPLEMENTARY STATEMENTS

PART: XV

LINE: 2

SUPPLEMENTAL INFORMATION

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

ATTACHMENT 1

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
INTEREST ON CREDIT BALANCE - GS	28.		
INTEREST ON BDA - GS	56,942.	56,942.	
INTEREST ON CREDIT BALANCE - JP MORGAN	17.	17.	
TOTAL	<u>56,987.</u>	<u>56,987.</u>	

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
DIVIDENDS THRU GOLDMAN SACHS	14,560.	14,560.	
DIVIDENDS THRU CRESTVIEW PARTNERS II, LP	9,963.	9,963.	
DIVIDENDS THRU PETERSHILL II OFFSHORE	28,441.	28,441.	
DIVIDENDS THRU WATFORD HOLDINGS LTD	255,000.	255,000.	
INTEREST THRU CRESTVIEW PARTNERS II, LP	3,834.	3,834.	
INTEREST THRU PETERSHILL II OFFSHORE	48,115.	48,115.	
INTEREST THRU CRESTVIEW PTRS III TE	1,944.	1,944.	
SHORT-TERM INTEREST THRU GS VINTAGE V	7,115.	7,115.	
INTEREST THRU YOUR VOICE SPA	19,505.	19,505.	
TOTAL	<u>388,477.</u>	<u>388,477.</u>	

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
PFIC ORD INCOME THRU GS EMPLOYEE FUNDS	90.	90.	
PFIC ORD INCOME THRU GS MEZZANINE 2006	20,520.	20,520.	
PORTFOLIO INCOME THRU GS VINTAGE V	20,958.	20,958.	
PORTFOLIO INCOME THRU CRESTVIEW II	28.	28.	
ORD INC THRU CRESTVIEW PTRS II LP - UBTI	104,912.		
CHINA EQUITY PORTFOLIO INCOME	19,129.	19,129.	
ROYALTY INCOME THRU CRESTVIEW PTRS II	464.	464.	
PFIC ORD INC HPS CREDIT OPPORTUNITIES	11,914.	11,914.	
PFIC ORD INC HB IRISH SPECIALTY LOAN III	1,231,804.	1,231,804.	
SEC. 987 - FX	21.	21.	
PFIC ORD INC PROVIDENCE DEBT FUND III	65,648.	65,648.	
PFIC ORD INC KINGSWAY FUND/FRONTIER	12,468.	12,468.	
PFIC ORD INC SOROBAN CAYMAN FUND	6,621.	6,621.	
GUARANTEED PMT THRU CRESTVIEW II - UBTI	12,570.		
PFIC ORD INC HPS LOAM MGMT 9-2016 LTD	33,988.	33,988.	
TOTALS	<u>1,541,135.</u>	<u>1,423,653.</u>	

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ERNST & YOUNG US LLP	11,000.	5,500.	5,500.	5,500.
TOTALS	<u>11,000.</u>	<u>5,500.</u>	<u>5,500.</u>	<u>5,500.</u>

ATTACHMENT 5

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
MGMT FEES THRU GS VINTAGE V	64,837.	64,837.		
TOTALS	<u>64,837.</u>	<u>64,837.</u>		

ATTACHMENT 6

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
FEDERAL TAX PAID: EST 2015 / EST 2016 - PF 2015	74,434.			
TOTALS	<u>74,434.</u>			

ATTACHMENT 7

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ROYALTY DEDUCTIONS THRU -CRESTVIEW II	44.		44.	
INTEREST EXPENSE THRU: -PETERSHILL II OFFSHORE	2,966.		2,966.	
PORTFOLIO DEDUCTIONS THRU: -CRESTVIEW PTRS II LP	24,124.		24,124.	
-CRESTVIEW PARTNERS II - UBTTI	4,066.			
-CRESTVIEW PTRS II (OUTBOUND)	799.		799.	
-CRESTVIEW PTRS III TE	14,910.		14,910.	
-PETERSHILL II OFFSHORE	9,700.		9,700.	
SEC 59(E)(2) EXPENDITURE THRU CRESTVIEW PARTNERS II - UBTTI	4,308.			
ILLINOIS FILING FEE	15.			15.
ILLINOIS TAX - UBTTI	2,741.			
SEC.179 THRU CRESTVIEW II-UBTTI ALLOWABLE DEPLETION	96.			
-CRESTVIEW II	70.		70.	
ALLOWABLE DEPLETION - UBT				
-CRESTVIEW II	6,602.			
INT EXP THRU CRESTVIEW II	1,975.		1,975.	
OTHER DEDUCTION THRU -CRESTVIEW II	4,066.		4,066.	
NON-DEDUCTIBLE EXPENSE	3,179.			
TOTALS	79,661.	58,654.		15.

ATTACHMENT 8FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE LONG POSITION ATTACHED	93,793.	679,565.	5,222,275.
GS VINTAGE FUND V, LP	2,111,833.	1,770,159.	1,358,765.
GS CAPITAL PARTNERS 2000, LP	315,019.	213,999.	
GS CAPITAL PARTNERS V LP			857,000.
GS MEZZANINE PARTNERS 2006 LP	2,479,321.	2,186,076.	107,425.
CRESTVIEW PARTNERS II LP	3,041,334.	2,455,737.	5,128,469.
CRESTVIEW PTRS II (OUTBOUND)LP	6,174.	10,341.	8,046.
CRESTVIEW PTRS III (TE) LP	358,438.	433,843.	421,039.
CHAYTON SAVA PROPERTY FUND	1,662,125.	1,668,746.	300,627.
HIGHBRIDGE PRINCIPAL			
STRATEGIES INSTL MEZZ PTRS			2,405,375.
GS WEST STREET PARTNERS II	104,943.	86,795.	28,379.
SOROBAN CAYMAN FUND LTD	4,996,283.	5,115,434.	6,357,841.
HIGHBRIDGE PRINCIPAL STRAT			
CREDIT OPPORTUNITIES FUND	2,631,793.	2,643,707.	2,901,718.
HIGHBRIDGE IRISH SPECIALTY			
LOAN FUND III	9,363,556.	7,659,222.	7,480,217.
GS VINTAGE FUND VIII			
OFFSHORE HOLDINGS		20,000.	19,813.
HIGHBRIDGE STRATEGIC CAPITAL			
PTRS TFO FUND LP	47,105.	47,888.	56,658.
THE KINGSWAY FUND FRONTIER	3,009,548.	3,022,016.	3,580,500.
CONSUMER FRANCHISES			
PETERSHILL II OFFSHORE LP	909,640.	782,108.	810,533.
PROVIDENCE DEBT FUND III	712,831.	1,007,045.	1,033,648.
YOUR VOICE SPA ITALY	307,175.	307,175.	263,390.
WATFORD HOLDINGS FED FUNDS	3,000,000.	3,000,000.	2,915,675.
FOLGER HILL PARTNERS(CAYMAN)	1,000,000.	1,000,000.	791,076.
CREDIT VALUE OFFSHORE FD 2016		386,667.	422,042.
TOTALS	<u>36,150,911.</u>	<u>34,496,523.</u>	<u>42,470,511.</u>

ATTACHMENT 9

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION

AMOUNT

EXCESS OF FMV OVER DONOR'S COST BASIS
OF SECURITIES GIFTED TO FDN

9,518,708.

TOTAL

9,518,708.

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

ATTACHMENT 10

CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS

EXPENSE ACCT AND OTHER ALLOWANCES

NAME AND ADDRESS

TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION

COMPENSATION

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

TRUSTEE

KATHLEEN G. KAPNICK
P.O. BOX 73
BOWLING GREEN STATION
NEW YORK, NY 10274-0073

TRUSTEE

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

TREASURER

GRAND TOTALS

0. 0. 0.

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

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

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

ATTACHMENT 12

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	RELATED OR EXEMPT FUNCTION INCOME	
				AMOUNT	FUNCTION INCOME
PFIC ORDINARY INCOME THRU GS EMPLOYEE FUNDS			01	90.	
PORTFOLIO INCOME THRU GS VINTAGE V			01	20,958.	
PORTFOLIO INC THRU CRESTVIEW PTRS II LP			01	28.	
ROYALTY INCOME THRU CRESTVIEW PTRS II LP			01	464.	
ORDINARY INCOME	523000	104,912.			
PFIC ORD INCOME HPS CREDIT OPPORTUNITIES			01	11,914.	
PFIC ORD INCOME HB IRISH SPECIALTY LOAN FUND III			01	1,231,804.	
PFIC ORD INCOME GS MEZZANINE 2006 FUND			01	20,520.	
PFIC ORD INCOME PROVIDENCE DEBT FUND III			01	65,648.	
PFIC ORD INCOME THS KINGSWAY FUND			01	12,468.	
PFIC ORD INCOME SOROBAN CAYMAN FUND			01	6,621.	
CHINA EQUITY PORTFOLIO INCOME			01	19,129.	
SEC.987 - FX			01	21.	
GUARANTEED PAYMENTS TO PARTNERS	523000	12,570.			
PFIC ORD INC HPS LOAN MGMT 9-2016 LTD			01	33,988.	
TOTALS		<u>117,482.</u>		<u>1,423,653.</u>	