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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

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2018

Open to Public Inspection

For calendar year 2018, or tax year beginning 01-01-2018, and ending 12-31-2018

Name of foundation
KARUNA FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
3013 NE 9TH STREET

City or town, state or province, country, and ZIP or foreign postal code
PORTLAND, OR 97212

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

H Check type of organization

☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust

☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16)

\$ 17,475,169

J Accounting method

☒ Cash

☐ Accrual

☐ Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number
27-2831197

B Telephone number (see instructions)
(503) 805-5449

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))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	4,500		
	2 Check ☒ if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments	54,184	54,184	
	4 Dividends and interest from securities	230,979	230,979	
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain or (loss) from sale of assets not on line 10	23,728		
	b Gross sales price for all assets on line 6a			
		2,944,625		
	7 Capital gain net income (from Part IV, line 2)		23,728	
	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)	 303,797	303,797		
12 Total. Add lines 1 through 11	617,188	612,688		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0	0	0
	14 Other employee salaries and wages	68,629	10,294	58,335
	15 Pension plans, employee benefits	25,198	3,780	21,418
	16a Legal fees (attach schedule)	 5,492	0	5,492
	b Accounting fees (attach schedule)	 11,100	0	11,100
	c Other professional fees (attach schedule)	 674,741	61,719	613,022
	17 Interest			
	18 Taxes (attach schedule) (see instructions)	 12,157	5,802	0
	19 Depreciation (attach schedule) and depletion	 5,849	0	
	20 Occupancy			
	21 Travel, conferences, and meetings	25,052	8,938	16,114
	22 Printing and publications			
	23 Other expenses (attach schedule)	 16,642	746	8,230
	24 Total operating and administrative expenses. Add lines 13 through 23	844,860	91,279	733,711
	25 Contributions, gifts, grants paid	1,870,000		1,870,000
26 Total expenses and disbursements. Add lines 24 and 25	2,714,860	91,279	2,603,711	
	27 Subtract line 26 from line 12			
	a Excess of revenue over expenses and disbursements	-2,097,672		
	b Net investment income (if negative, enter -0-)		521,409	
	c Adjusted net income (if negative, enter -0-)			

For Paperwork Reduction Act Notice, see instructions.

Cat No 11289X

Form 990-PF (2018)

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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	16,235	8,947	8,947
	2	Savings and temporary cash investments	5,538,878	5,343,139	5,343,139
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	15,801,793	12,100,664	12,100,664
	14	Land, buildings, and equipment basis ▶ 29,243 Less accumulated depreciation (attach schedule) ▶ 6,824	28,268	22,419	22,419
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	21,385,174	17,475,169	17,475,169	
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 ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	21,385,174	17,475,169	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	0	0	
30	Total net assets or fund balances (see instructions)	21,385,174	17,475,169		
31	Total liabilities and net assets/fund balances (see instructions) .	21,385,174	17,475,169		

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	21,385,174
2	Enter amount from Part I, line 27a	2	-2,097,672
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	19,287,502
5	Decreases not included in line 2 (itemize) ▶ _____	5	1,812,333
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	17,475,169

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 PUBLICLY TRADED SECURITIES	P		
b CAPITAL GAIN DISTRIBUTIONS	P		
c CEDAR ROCK CAPITAL PARTNERS, LLC	P		
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 2,944,625		3,054,348	-109,723
b			86,689
c			46,762
d			
e			

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	(k) Excess of col (i) over col (j), if any	
a			-109,723
b			86,689
c			46,762
d			
e			

2 Capital gain net income or (net capital loss)	2	23,728
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

☐ Yes
 ☒ No

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

1 Enter the appropriate amount in each column for each year, see 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))
2017	524,304	20,038,924	0 026164
2016	327,005	13,106,319	0 024950
2015	376,501	6,186,721	0 060856
2014	324,277	5,675,896	0 057132
2013	325,549	5,387,084	0 060431

2 Total of line 1, column (d)	2	0 229533
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	0 045907
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	19,727,206
5 Multiply line 4 by line 3	5	905,617
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,214
7 Add lines 5 and 6	7	910,831
8 Enter qualifying distributions from Part XII, line 4	8	2,603,711

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	1	5,214
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	0
3	Add lines 1 and 2.	3	5,214
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	5,214
6	Credits/Payments		
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	6,800
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	0
7	Total credits and payments. Add lines 6a through 6d.	7	6,800
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	60
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	1,526
11	Enter the amount of line 10 to be Credited to 2019 estimated tax ☐ 1,526 Refunded ☐	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	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? (see Instructions for 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		No
c	Did the foundation file Form 1120-POL for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ 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		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ OR _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the taxable year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions.	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions.	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► WWW.KARUNAFUNDATION.ORG	13	Yes	
14	The books are in care of ► THE FOUNDATION Telephone no ► (503) 805-5449			

Located at ► 3013 NE 9TH STREET PORTLAND OR ZIP+4 ► 97212

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 2018, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See 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)		Yes	No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions.	1b		
	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 2018?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018?		☐ Yes ☒ No	
	If "Yes," list the years ► 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?		☐ Yes ☒ No	
b	If "Yes," did it have excess business holdings in 2018 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 2018).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?	4b		No

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

		Yes	No
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.	5b	
	Organizations relying on a current notice regarding disaster assistance check here.	☐	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945–5(d)	☐ Yes ☐ No	
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? If "Yes" to 6b, file Form 8870	6b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No	
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment during the year?	☐ 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
See Additional Data Table				
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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 (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
HOLST ARCHITECTURE 110 SE 8TH AVENUE PORTLAND, OR 97214	BUILDING CONSULTANT	297,413
ARCTIC SUN LLC 1050 DEERE STREET FAIRBANKS, AK 99709		

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	
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	
2	
All other program-related investments. See instructions.	

Total. Add lines 1 through 3. **0**

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	9,677,877
b	Average of monthly cash balances.	1b	4,460,107
c	Fair market value of all other assets (see instructions).	1c	5,889,636
d	Total (add lines 1a, b, and c).	1d	20,027,620
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	20,027,620
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	300,414
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	19,727,206
6	Minimum investment return. Enter 5% of line 5.	6	986,360

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	986,360
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	5,214
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	5,214
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	981,146
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	981,146
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	981,146

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	2,603,711
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	2,603,711
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	5,214
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	2,598,497

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				981,146
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			860,188	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2018				
a From 2013.				
b From 2014.				
c From 2015.				
d From 2016.				
e From 2017.				
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ <u>2,603,711</u>				
a Applied to 2017, but not more than line 2a			860,188	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2018 distributable amount.				981,146
e Remaining amount distributed out of corpus	762,377			
5 Excess distributions carryover applied to 2018 (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:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	762,377			
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 2017 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019				0
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 2013 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	762,377			
10 Analysis of line 9				
a Excess from 2014.				
b Excess from 2015.				
c Excess from 2016.				
d Excess from 2017.				
e Excess from 2018.	762,377			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling. ▶					
b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
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)) ERIC LEMELSON	
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	
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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.	
a The name, address, and telephone number or email 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 <i>Paid during the year</i> BHUTAN FOUNDATION 21 DUPONT CIRCLE NW SUITE 755 WASHINGTON, DC 20036		PC	LEGAL EDUCATION IN BHUTAN, BUILDING OF JSW LAW LIBRARY	1,800,000
BHUTAN FOUNDATION 21 DUPONT CIRCLE NW SUITE 755 WASHINGTON, DC 20036		PC	SUPPORT OF ENERGY EFFICIENT CONSTRUCTION IN BHUTAN	10,000
BHUTAN FOUNDATION 21 DUPONT CIRCLE NW SUITE 755 WASHINGTON, DC 20036		PC	OPERATIONAL SUPPORT	60,000
Total ► 3a				
b <i>Approved for future payment</i> BHUTAN FOUNDATION 21 DUPONT CIRCLE NW SUITE 755 WASHINGTON, DC 20036		PC	HIMALAYAN ENVIRONMENTAL RHYTHMS OBSERVATION AND EVALUTAIION SYSTEM	28,943
BHUTAN FOUNDATION 21 DUPONT CIRCLE NW SUITE 755 WASHINGTON, DC 20036		PC	BHUTAN ECOLOGICAL SOCIETY	69,900
Total ► 3b				

Enter gross amounts unless otherwise indicated

13 Total. Add line 12, columns (b), (d), and (e).	13	612,688
(See worksheet in line 13 instructions to verify calculations)		

[illegible]

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation				
(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
JENNIFER BRUML	DIRECTOR 2 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
LAFCADIO CORTESI	DIRECTOR 2 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
LISA DANZIG	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
ELIZABETH KAUFMAN	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
PATRICK MALONEY	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
JULIA NOVY-HILDESLEY	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
HOLLY PRUETT	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
AMY WONG	DIRECTOR 1 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				
ERIC LEMELSON	PRESIDENT 4 00	0	0	0
3013 NE 9TH AVE PORTLAND, OR 97212				

TY 2018 Accounting Fees Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
GARY MCGEE & CO LLP	6,100	0		6,100
REVOLUTION ACCOUNTING AND ADVISORY	5,000	0		5,000

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

TY 2018 Depreciation Schedule

Name: KARUNA FOUNDATION

EIN: 27-2831197

Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
AUTOMOBILE	2017-11-02	29,243	975	SL	5 000000000000	5,849	0		

TY 2018 Investments - Other Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197**Investments Other Schedule 2**

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
S&P 500 INDEX FUND (SPDR)	FMV	984,685	984,685
MSCI EMERGING MARKETS INDEX FUND (I SHARES)	FMV	458,760	458,760
CEDAR ROCK CAPITAL PARTNERS, LLC	FMV	5,386,254	5,386,254
FIDELITY EMERGING MKTS INDEX PREMIUM	FMV	1,122,805	1,122,805
FIDELITY 500 INDEX FUND	FMV	3,445,475	3,445,475
VANGUARD SHORT TERM TREASURY ADMIRAL	FMV	702,685	702,685

**TY 2018 Land, Etc.
Schedule****Name:** KARUNA FOUNDATION**EIN:** 27-2831197

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
AUTOMOBILE	29,243	6,824	22,419	

TY 2018 Legal Fees Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	5,492	0		5,492

TY 2018 Other Decreases Schedule

Name: KARUNA FOUNDATION

EIN: 27-2831197

Description	Amount
UNREALIZED LOSS ON INVESTMENTS	1,812,333

TY 2018 Other Expenses Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MISCELLANEOUS EXPENSES	3,755	0		0
DUES	2,775	0		0
OREGON DEPARTMENT OF JUSTICE REGISTRATION FEES	2,200	0		2,200
PAYROLL FEES	1,761	264		1,497
EQUIPMENT	1,569	0		1,569
RETIREMENT PLAN FEES	1,312	197		1,115
BANK FEES	1,136	0		0
WEBSITE COSTS	1,064	160		904
OFFICE SUPPLIES	833	125		708
RESEARCH MATERIALS	187	0		187

Other Expenses Schedule				
Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ANNUAL REPORT FEE	50	0		50

TY 2018 Other Income Schedule

Name: KARUNA FOUNDATION

EIN: 27-2831197

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
CEDAR ROCK CAPITAL PARTNERS, LLC	303,797	303,797	303,797

TY 2018 Other Professional Fees Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
HOLST ARCHITECTURE	297,413	0		297,413
ARCTIC SUN LLC	248,350	0		248,350
CEDAR ROCK CAPITAL PARTNERS, LLC - INVESTMENT ADVISORY SERVICES	58,279	58,279		0
THINLEY CHODEN	20,000	0		20,000
THOTPRO STRUCTURAL ENGINEERING	15,420	0		15,420
STAENGLE ENGINEERING	11,399	0		11,399
VAJRA BUILDER PVT LTD	6,995	0		6,995
PASSIV SCIENCE LLC	4,637	0		4,637
JIGME SINGYE WANGCHUCK	4,500	0		4,500
GOLDMAN SACHS - INVESTMENT ADVISORY SERVICES	3,440	3,440		0
INDICATOR LLC	3,035	0		3,035
RDH BUILDING SCIENCE	1,273	0		1,273

TY 2018 Taxes Schedule**Name:** KARUNA FOUNDATION**EIN:** 27-2831197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAXES	6,355	0		0
FOREIGN TAXES	5,802	5,802		0