

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 2014 or tax year beginning, 2014, and ending, 20

Name of foundation THE KAPHAN FOUNDATION C/O KING & OLIASON PLLC
Number and street (or P O box number if mail is not delivered to street address) 514 SECOND AVENUE WEST
City or town, state or province, country, and ZIP or foreign postal code SEATTLE, WA 98119
A Employer identification number 65-1211107
B Telephone number (see instructions) (206) 285-7242
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 (cash basis only). Rows include Revenue (1-12) and Operating and Administrative Expenses (13-27).

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	3,377,886.	4,231,318.	4,231,318.
	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) ATCH 6	21,312,329.	23,000,196.	41,024,889.
	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 7	4,028,681.	4,257,217.	3,540,436.
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)			
15	Other assets (describe ▶ ATCH 8)	4,065,345.	3,501,270.	4,499,839.	
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	32,784,241.	34,990,001.	53,296,482.	
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, . . . ▶ <input checked="" type="checkbox"/> check here and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	32,784,241.	34,990,001.	
	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)	32,784,241.	34,990,001.		
31	Total liabilities and net assets/fund balances (see instructions)	32,784,241.	34,990,001.		

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)	32,784,241.
2	Enter amount from Part I, line 27a	2,142,423.
3	Other increases not included in line 2 (itemize) ▶ ATCH 9	63,337.
4	Add lines 1, 2, and 3	34,990,001.
5	Decreases not included in line 2 (itemize) ▶	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	34,990,001.

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) 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	1,950,271.
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	{ 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))
2013	999,808.	41,125,550.	0.024311
2012	1,624,050.	33,145,006.	0.048998
2011	4,846,360.	31,178,992.	0.155437
2010	974,932.	27,266,100.	0.035756
2009	836,812.	21,347,620.	0.039199
2 Total of line 1, column (d)			2 0.303701
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 0.060740
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4 45,540,174.
5 Multiply line 4 by line 3			5 2,766,110.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 27,745.
7 Add lines 5 and 6			7 2,793,855.
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 3,202,691.

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 fields for exempt foundations, tax under section 511, add lines 1 and 2, subtitle A tax, tax based on investment income, credits/payments, total credits, penalty, tax due, overpayment, and refunded amount.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about influencing legislation, political purposes, Form 1120-POL filing, tax on political expenditures, reimbursement, unreported activities, changes in governing instruments, unrelated business income, liquidation, requirements of section 508(e), assets, states reported to, Form 990-PF distribution, private operating foundation status, 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 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A 13 X
14 The books are in care of KING & OLIASON PLLC Telephone no. 206-285-7242 Located at 514 SECOND AVE. WEST SEATTLE, WA ZIP+4 98119-3928
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A and enter the amount of tax-exempt interest received or accrued during the year 15
16 At any time during calendar year 2014, 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, (formerly TD F 90-221) 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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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). 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 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 2014? 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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? 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) 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? b If "Yes," did it have excess business holdings in 2014 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 2014) 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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 2014?

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 propoganda, 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

5b N/A

6b X

7b N/A

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	0	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		0

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 DONOR-GUARANTOR PARTICIPATION FOR GRAMEEN FOUNDATION USA OFFERING LOAN GUARANTEE TO ENABLE THE FURTHERANCE OF GFUSA MICROFINANCE ACTIVITIES FOR PURPOSES OF ERADICATING POVERTY.	112,928.
2 LIMITED RECOURSE LOAN TO GLOBAL PARTNERSHIPS TO ENABLE THE LAUNCH OF SOCIAL INVESTMENT FUND 5.0, WHICH WORKS TO EXPAND OPPORTUNITY FOR PEOPLE LIVING IN POVERTY	167,828.
All other program-related investments See instructions	
3 NONE	

Total. Add lines 1 through 3	▶ 280,756.

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	42,212,610.
b	Average of monthly cash balances	1b	3,125,688.
c	Fair market value of all other assets (see instructions)	1c	895,381.
d	Total (add lines 1a, b, and c)	1d	46,233,679.
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	46,233,679.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	693,505.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	45,540,174.
6	Minimum investment return. Enter 5% of line 5	6	2,277,009.

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	2,277,009.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	27,745.
b	Income tax for 2014 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	27,745.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	2,249,264.
4	Recoveries of amounts treated as qualifying distributions	4	844,830.
5	Add lines 3 and 4	5	3,094,094.
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	3,094,094.

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	2,921,935.
b	Program-related investments - total from Part IX-B	1b	280,756.
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	3,202,691.
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	27,745.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,174,946.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				3,094,094.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only				
b Total for prior years 20 12, 20 11, 20 10				
3 Excess distributions carryover, if any, to 2014				
a From 2009				
b From 2010				
c From 2011	995,912.			
d From 2012	13,532.			
e From 2013				
f Total of lines 3a through e	1,009,444.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 3,202,691.				
a Applied to 2013, 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 2014 distributable amount				3,094,094.
e Remaining amount distributed out of corpus	108,597.			
5 Excess distributions carryover applied to 2014 (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	1,118,041.			
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 2013 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				
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 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	1,118,041.			
10 Analysis of line 9				
a Excess from 2010				
b Excess from 2011	995,912.			
c Excess from 2012	13,532.			
d Excess from 2013				
e Excess from 2014	108,597.			

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

NOT APPLICABLE

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, 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: (a) 2014, (b) 2013, (c) 2012, (d) 2011, (e) Total. Rows include 2a (Adjusted net income), 2b (85% of line 2a), 2c (Qualifying distributions), 2d (Amounts included in line 2c), 2e (Qualifying distributions made directly), 3 (Alternative tests: Assets, Endowment, Support), and 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))

SHELDON J KAPHAN

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

N/A

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	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
<p>a <i>Paid during the year</i></p> <p>ATCH 11</p>				
Total ▶ 3a				2,867,500.
<p>b <i>Approved for future payment</i></p> <p>NONE</p>				
Total ▶ 3b				0

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'.

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 [X]

b If "Yes," complete the following schedule

Table with 3 columns: (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

Signature of officer or trustee: [Handwritten Signature] Date: 5/8/2015

Paid Preparer Use Only

Print/Type preparer's name: COLLEEN C. LOUGHRAN Preparer's signature: [Handwritten Signature] Firm's name: KING & OLIASON PLLC Firm's address: 514 SECOND AVE. WEST SEATTLE, WA

Schedule of Contributors

2014

▶ **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.

Name of the organization THE KAPHAN FOUNDATION C/O KING & OLIASON PLLC	Employer identification number 65-1211107
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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 the prevention of cruelty to children or animals. Complete Parts I, II, and III.

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

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

Name of organization THE KAPHAN FOUNDATION C/O KING & OLIASON PLLC	Employer identification number 65-1211107
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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	SHELDON J KAPHAN ----- C/O KING & OLIASON, 514 SECOND AVE W ----- SEATTLE, WA 98119 -----	\$ 2,774,701.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions)
2	SHELDON J KAPHAN ----- C/O KING & OLIASON, 514 SECOND AVE W ----- SEATTLE, WA 98119 -----	\$ 1,900,000.	Person <input checked="" 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 KAPHAN FOUNDATION C/O KING & OLIASON PLLC	Employer identification number 65-1211107
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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	ATTACHMENT A ----- ----- -----	\$ 2,774,701.	12/18/2014
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Name of organization THE KAPHAN FOUNDATION
C/O KING & OLIASON PLLC

Employer identification number
65-1211107

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
----- ----- -----	----- ----- -----

(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
----- ----- -----	----- ----- -----

(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
----- ----- -----	----- ----- -----

(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
----- ----- -----	----- ----- -----

THE KAPHAN FOUNDATION
 CONTRIBUTION OF STOCK - 12/18/2014
 2014 FORM 990-PF

65-1211107

Symbol	Security Name	Quantity	Amount
ABBV	Abbvie Inc	669.0000	\$ 45,231.09
ABT	ABBOTT LABS	669.0000	\$ 30,185.28
AGN	ALLERGAN INC	400.0000	\$ 84,632.00
AIG	AMERICAN INTL GROUP INC COM NEW	309.0000	\$ 16,899.21
ALK	ALASKA AIR GROUP INC	1,132.0000	\$ 63,414.64
BF.B	BROWN FORMAN CORP	750.0000	\$ 66,255.00
CBRL	CRACKER BARREL OLD CTRY STO COM	200.0000	\$ 26,802.00
CCK	CROWN HOLDINGS INC	200.0000	\$ 9,966.00
CI	CIGNA CORP	400.0000	\$ 41,388.00
CI	CIGNA CORP	200.0000	\$ 20,694.00
CMG	CHIPOTLE MEXICAN GRILL INC	50.0000	\$ 32,609.00
CSCO	CISCO SYS INC	1,800.0000	\$ 49,230.00
CSX	CSX CORP	1,200.0000	\$ 43,536.00
CSX	CSX CORP	600.0000	\$ 21,768.00
CSX	CSX CORP	600.0000	\$ 21,768.00
CVS	CVS CORP	1,000.0000	\$ 94,840.00
CVS	CVS CORP	501.0000	\$ 47,514.84
CVS	CVS CORP	322.0000	\$ 30,538.48
CVS	CVS CORP	167.0000	\$ 15,838.28
DFS	DISCOVER FINL SVCS COM	1,034.0000	\$ 66,331.10
DISCA	Discovery Communications In COM SER A	208.0000	\$ 7,271.68
DISCK	Discovery Communications	416.0000	\$ 14,189.76
DISCK	Discovery Communications	208.0000	\$ 7,094.88
DLX	DELUXE CORP	500.0000	\$ 30,430.00
DOW	DOW CHEMICAL COMPANY	1,800.0000	\$ 81,846.00
EL	LAUDER ESTEE COS INC	232.0000	\$ 17,437.12
FBHS	Fortune Brands and Security	500.0000	\$ 22,635.00
FFIV	F5 NETWORKS INC	263.0000	\$ 34,668.66
HBAN	HUNTINGTON BANCSHARES	1,216.0000	\$ 12,609.92
HP	HELMERICH & PAYNE INC	600.0000	\$ 39,840.00
HUM	HUMANA INC	78.0000	\$ 11,405.94
INTU	INTUIT	214.0000	\$ 19,964.06
IP	INTL PAPER CO	1,050.0000	\$ 56,794.50
JAH	JARDEN CORP	1,350.0000	\$ 63,760.50
KRFT	KRAFT FOODS GROUP INC COM	389.2579	\$ 24,098.96
KRFT	KRAFT FOODS GROUP INC COM	253.7421	\$ 15,709.17
LB	LIMITED INC	800.0000	\$ 67,096.00
M	MACYS INC COM	700.0000	\$ 44,506.00
M	MACYS INC COM	191.0000	\$ 12,143.78
MAC	MACERICH CO	398.0000	\$ 32,767.34
MCD	MCDONALDS CORP	401.0000	\$ 37,172.70
MDLZ	MONDELEZ INTERNATIONAL INC	1,176.4407	\$ 42,893.03
MDLZ	MONDELEZ INTERNATIONAL INC	761.2263	\$ 27,754.31

THE KAPHAN FOUNDATION
 CONTRIBUTION OF STOCK - 12/18/2014
 2014 FORM 990-PF

65-1211107

Symbol	Security Name	Quantity	Amount
MDLZ	MONDELEZ INTERNATIONAL INC	0.3330	\$ 12.14
MO	ALTRIA GROUP INC	1,306.0000	\$ 66,161.96
MO	ALTRIA GROUP INC	202.0000	\$ 10,233.32
MRK	MERCK & CO INC	185.0000	\$ 10,829.90
MSG	Madison Square Garden Inc	137.0000	\$ 9,892.77
MSI	Motorola Solutions Inc COM	363.0000	\$ 23,507.88
MSTR	MICROSTRATEGY INC	210.0000	\$ 34,666.80
MTB	M & T BANK CORP	350.0000	\$ 43,326.50
NKE	NIKE INC	400.0000	\$ 38,428.00
NKE	NIKE INC	400.0000	\$ 38,428.00
NSC	NORFOLK SOUTHERN CORP	500.0000	\$ 53,920.00
PETM	PETSMART INC	400.0000	\$ 32,616.00
PNC	PNC BANK CORP	193.0000	\$ 17,644.06
PPG	PPG INDS INC	350.0000	\$ 78,753.50
PSA	PUBLIC STORAGE INC	342.0000	\$ 62,924.58
PXD	PIONEER NAT RES CO	400.0000	\$ 58,956.00
QVCA	LIBERTY INTERACTIVE CORP INT COM SER A	1,900.0000	\$ 53,789.00
ROK	ROCKWELL INTL CORP NEW	300.0000	\$ 33,120.00
SNDK	SANDISK CORP	600.0000	\$ 59,370.00
STX	SEAGATE TECHNOLOGIES	900.0000	\$ 60,120.00
SYMC	SYMANTEC CORP	538.0000	\$ 13,735.14
TASR	TASER INTERNATIONAL INC. CO COM	3,953.0000	\$ 96,413.67
TQNT	TRIQUINT SEMICONDUCTOR	300.0000	\$ 7,986.00
TROW	T ROWE PRICE GROUP INC	550.0000	\$ 47,052.50
TWC	TIME WARNER CABLE INC CL A	85.1380	\$ 12,333.09
TWC	TIME WARNER CABLE INC CL A	83.6700	\$ 12,120.44
TWC	TIME WARNER CABLE INC CL A	1.1920	\$ 172.67
TWX	TIME WARNER INC COM	433.6667	\$ 36,198.16
TWX	TIME WARNER INC COM	333.3333	\$ 27,823.33
TYC	TYCO INTERNATIONAL LTD SHS	1,000.0000	\$ 42,680.00
UNH	UNITEDHEALTH GROUP INC	463.0000	\$ 46,804.67
USB	US BANCORP	373.0000	\$ 16,736.51
VAC	Marriot Vacations Worldwide	141.0000	\$ 10,154.82
WMB	WILLIAMS COS INC DEL	700.0000	\$ 31,220.00
XOM	EXXON MOBIL	368.0000	\$ 33,039.04
TOTAL			\$ 2,774,700.68

THE KAPHAN FOUNDATION
FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

65-1211107

Recipient Name	Relationship to substantial contributor and foundation status of recipient	Amount	Purpose of Grant
A Jewish Voice For Peace	Public Charity	20,000.00	General Support
Belleveue College Foundation	Public Charity	2,500 00	General Support
Center for Constitutional Rights	Public Charity	150,000 00	General Support
Center for Constitutional Rights	Public Charity	150,000 00	General Support
Chances for Children	Public Charity	25,000.00	General Support
Chances for Children	Public Charity	25,000.00	General Support
Code for America	Public Charity	50,000 00	General Support
Code for America	Public Charity	75,000.00	General Support
College Access Now	Public Charity	5,000 00	General Support
Democracy Now ¹	Public Charity	150,000 00	General Support
Democracy Now ¹	Public Charity	200,000 00	General Support
Downtown Emergency Service Center	Public Charity	20,000 00	General Support
Downtown Emergency Services Center	Public Charity	15,000.00	General Support
Earth Economics	Public Charity	50,000.00	General Support
Earth Economics	Public Charity	25,000 00	General Support
Electronic Frontier Foundation	Public Charity	50,000 00	General Support
Electronic Frontier Foundation	Public Charity	50,000 00	General Support
Fairvote	Public Charity	10,000 00	General Support
Fairvote	Public Charity	20,000 00	General Support
Famm Foundation	Public Charity	20,000 00	General Support
Free Press	Public Charity	20,000 00	General Support
FUSE Innovation Fund	Public Charity	20,000 00	General Support
Fuse Innovation Fund	Public Charity	25,000 00	General Support
Global Partnerships	Public Charity	75,000 00	General Support
Global Partnerships	Public Charity	100,000 00	General Support
Long Now Foundation	Public Charity	40,000 00	General Support
Long Now Foundation	Public Charity	40,000 00	General Support
Maplight	Public Charity	300,000 00	General Support
Natural Resource Defense Council	Public Charity	50,000 00	General Support
Natural Resource Defense Council	Public Charity	50,000 00	General Support
Oxfam America	Public Charity	75,000 00	General Support
Oxfam America	Public Charity	75,000 00	General Support
Progress Alliance	Public Charity	30,000 00	General Support
Seattle Cancer Care Alliance	Public Charity	50,000 00	General Support
Seattle Tilth	Public Charity	10,000 00	General Support
Seattle Tilth	Public Charity	10,000 00	General Support
Sunlight Foundation	Public Charity	50,000 00	General Support
The Innocence Project	Public Charity	20,000 00	General Support
The Sunlight Foundation	Public Charity	50,000 00	General Support
Town Hall Seattle	Public Charity	50,000 00	General Support
Town Hall Seattle	Public Charity	50,000 00	General Support
Washington Progress Fund	Public Charity	35,000 00	General Support
Wikimedia Foundation	Public Charity	100,000.00	General Support
Wikimedia Foundation	Public Charity	75,000 00	General Support
Worldreader	Public Charity	350,000 00	General Support
Year Up	Public Charity	5,000 00	General Support
TOTAL		<u>2,867,500.00</u>	

**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)	
2,830,808.		PUBLICLY TRADED SECURITIES PROPERTY TYPE: SECURITIES 436,397.				D	VARIOUS 2,394,411.	VARIOUS
6,090,791.		PUBLICLY TRADED SECURITIES PROPERTY TYPE: SECURITIES 6,562,944.				P	VARIOUS -472,153.	VARIOUS
50,457.		FLAG INTERNATIONAL PARTNERS II PROPERTY TYPE: SECURITIES 36,903.				P	VARIOUS 13,554.	VARIOUS
35,090.		FLAG INTERNATIONAL PARTNERS IV PROPERTY TYPE: SECURITIES 30,562.				P	VARIOUS 4,528.	VARIOUS
28,733.		FLAG INTERNATIONAL PARTNERS VII PROPERTY TYPE: SECURITIES 18,802.				P	VARIOUS 9,931.	VARIOUS
TOTAL GAIN (LOSS)					<u>1,950,271.</u>	

ATTACHMENT 1FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
CHARLES SCHWAB	744,921.	744,921.
MORGAN STANLEY	115,253.	115,253.
GLOBAL PARTNERSIPS ACCRUED INTEREST	12,828.	12,828.
TOTAL	<u>873,002.</u>	<u>873,002.</u>

ATTACHMENT 2

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
BLACKROCK LIQUIDATION PROCEEDS	4,926.	4,926.
TOTALS	<u>4,926.</u>	<u>4,926.</u>

ATTACHMENT 3

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>
ACCOUNTING FEES	14,160.	7,080.		7,080.
TOTALS	<u>14,160.</u>	<u>7,080.</u>		<u>7,080.</u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FOREIGN TAXES PAID	12,569.	12,569.
FEDERAL EXCISE TAX	46,532.	
TOTALS	<u>59,101.</u>	<u>12,569.</u>

ATTACHMENT 5FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
INVESTMENT MGMT FEES	34,058.	34,058.	
LICENSES & PERMITS	25.		25.
GRAMEEN LOAN DEFAULT PAYMENT	47,330.		47,330.
TOTALS	<u>81,413.</u>	<u>34,058.</u>	<u>47,355.</u>

ATTACHMENT 6FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
AMAZON.COM	3,209,173.	18,155,475.
BLACKROCK FUND	5,649,203.	5,883,404.
VANGUARD FUND	7,108,748.	8,824,484.
TEMPLETON FUND	5,772,109.	5,379,950.
SECURITIES	1,260,963.	2,781,576.
TOTALS	<u>23,000,196.</u>	<u>41,024,889.</u>

ATTACHMENT 7FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FLAG INT'L PARTNERS II (OFS)	287,300.	468,013.
FLAG PRIVATE EQUITY IV (OFS)	227,727.	309,209.
FLAG VENTURE PTNRS VII (OFS)	133,834.	246,736.
BARCLAYS BANK IPATH ETN	3,608,356.	2,516,478.
TOTALS	<u>4,257,217.</u>	<u>3,540,436.</u>

ATTACHMENT 8FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PRI ASSETS - GRAMEEN	2,988,442.	3,987,011.
PRI ASSETS-GLOBAL PARTNERSHIPS	512,828.	512,828.
TOTALS	<u>3,501,270.</u>	<u>4,499,839.</u>

ATTACHMENT 9FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
DIFFERENCE BETWEEN FMV AND BOOK BASIS ON RELEASE OF PROGRAM RELATED INVESTMENT	63,337.
TOTAL	<u>63,337.</u>

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

ATTACHMENT 10

<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>
SHELDON J KAPHAN 514 SECOND AVENUE WEST SEATTLE, WA 98119	PRES, VP, TREAS 1.00	0	0	0
MATTHEW B. MCCUTCHEN 514 SECOND AVENUE WEST SEATTLE, WA 98119	SECRETARY 1.00	0	0	0
	GRAND TOTALS	<u>0</u>	<u>0</u>	<u>0</u>

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

ATTACHMENT 11

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
SEE ATTACHMENT B ADDRESSES AVAILABLE UPON REQUEST	N/A PC	SEE ATTACHMENT B	2,867,500.
<u>TOTAL CONTRIBUTIONS PAID</u>			<u>2,867,500.</u>