KOHLBERG FOUNDATION

2016 Annual Report
Institute for Integrative Health
$2,550,000

The Institute, located in Baltimore, led by Dr. Brian Berman, M.D., and Sue Berman, is committed to building the evidence base for integrative medicine, advancing the science with new research methods, and supporting leaders in the field. Their vision is to optimize health and well-being and shift the healthcare system from its dominant focus on managing disease to a focus on promoting health across the lifespan. Through its leadership, advisors, and the support of a network of Scholars working in their home institutions, the Institute pursues frontier investigations, bringing integrative approaches to organizations and disciplines, and mentoring the next generation of leaders, scholars, and students. Strategically located near the University of Maryland medical and professional schools campus, Johns Hopkins medical and school of public health campuses, and Mercy, Bay View, and Harbor hospitals, the Institute supports not only scholarly work and research, but also well-planned translation into real-world community engagement and collaborative models. This grant was awarded to build their working capital.

Brennan Center for Justice
$2,500,000

The Brennan Center for Justice at NYU School of Law focuses on issues of democracy and justice. The Center combines scholarship, legislative and legal advocacy, and communications to win meaningful, measurable change in the public sector. This grant was awarded to support their programs in criminal justice reform, democracy and investigative journalism. This includes voter protection, election integrity, campaign finance reform, holding government accountable to facts and evidence, and the rights and roles of journalists and free speech.

Brennan Center testified before the House Oversight Subcommittee on how to improve voting machine technology and ensure the integrity of our elections.

Five Times a Feast Spices - A grandmother and granddaughter prepare Dijon Chicken Quinoa during a session of Five Times a Feast, a program developed by the Institute for Integrative Health to help members of underserved communities overcome barriers to healthy eating. Participants come away from Five Times a Feast empowered to make sustainable dietary changes.
University of Maryland Baltimore, School of Medicine Center for Integrative Medicine
$1,350,000
The Center for Integrative Medicine (CIM) is an inter-departmental center within the University of Maryland School of Medicine. A leading international center for research, patient care, education, and training in integrative medicine, the CIM is a National Institute of Health (NIH) Center of Excellence for research in complementary medicine. Presenting integrative techniques to their fellow medical school colleagues, they are developing projects that look at wellness and prevention, as well as continuing their focus on the practical uses of acupuncture and mind/body medicine. This grant provides continuing support of the Integrative Medicine programs at the University.

Meserve-Kunhardt Foundation
Film Programs American Leaders ‘In Their Own Words’
$1,200,000
Capturing the stories of key contemporary leaders in fields of social justice, journalism, arts and business, the Kunhardt team is producing a series of educational documentary films and curriculum outreach materials profiling examples of leadership in American culture and social justice. In 2016, they released Jim: The James Foley Story, the story of Foley’s inspiring moral courage as a freelance conflict journalist. In conjunction with the film, journalism schools, colleges, high schools, libraries and professional journalists participated in screenings and discussions. Simultaneously, production of the film, Becoming Warren Buffett was underway, with the launch and release of education components to colleges, libraries and business schools forthcoming.

Meserve-Kunhardt Foundation
The Gordon Parks Foundation
Programming and Working Capital Support
$400,000
Focusing on The Gordon Parks Collection of photos, music and archives, MKF has opened a small street level gallery space at their Pleasantville headquarters to display the work of their scholarship and fellowship recipients, as well as the curated Gordon Parks shows that tour worldwide. This grant supports these curated shows and the professional development of these young artists, inspired by Gordon Parks, as they build their portfolios and launch their careers. A portion of this grant is dedicated to creating a long-term working capital reserve.

Artist LaToya Ruby Frazier discussing her work with Foundation executive director Peter W. Kunhardt, Jr.
City University of New York (CUNY) Graduate School of Journalism New Opportunities Fund
$1,000,000

Based on a new strategic plan developed under the leadership of Dean Sarah Bartlett, this fund has helped the CUNY Journalism School to launch the first Spanish language journalism program, to create a unique in-service continuing education program for mid-career journalists, and to launch a new Masters’ Program in Community Journalism, emphasizing digital skills and local investigative reporting. The Fund also supports one-year Journalists in Residence, including social justice writer Ta-Nehesi Coates, and experienced digital specialists.

George Washington’s Mount Vernon Livestock and Heritage Breeds Facility
$500,000

Recreating the heritage breeds of farm animals is a key component of the Mount Vernon education center. Staff not only care for the animals, but they preserve the breeds and demonstrate shearing, plowing and treading, helping visitors and other rare breeds experts to understand the process and the context for the animals in the 18th century plantation setting. The grant is a contribution to their livestock facility.

University of San Diego Law School Veterans Legal Center
$500,000

This grant supports the ongoing work of the Veterans Legal Center and the Initiative to Protect Student Veterans, in partnership with USD’s Center for Public Interest (CPIL). The Legal Center, a clinical practice component of the UCSD Law School, combines strategies to support the best possible transitions; particularly in quality higher education, as Veterans and their families access their GI Bill benefits.

Sponsors, Inc.
$350,000

Sponsors, Inc. in Eugene, OR provides re-entry programs and services to formerly incarcerated men and women who are on parole and probation. They provide housing, case management, assistance with employment and schooling, and practical support. This grant supports the Oaks project and provides general operating support.

Manhattanville College Strategic Opportunities Fund
$1,000,000

This grant represents the final installment of a multi-year capital pledge. In recognition of the strategic plan developed by new President Dr. Michael Geisler, the grant will support curriculum and faculty development to launch a new initiative in design based thinking and learning.
Investigative Reporters and Editors, Inc. (IRE)  
$150,000
IRE, located in Columbia, MO, is a nonprofit organization dedicated to improving the quality of investigative reporting. They create a forum in which journalists throughout the world help each other by sharing ideas, newsgathering techniques, and news sources. IRE provides access to thousands of reporting tip sheets and other materials through its resource center, and hosts conferences and specialized training throughout the country for their Total Newsroom Training (TNT) Program. This grant supports an intensive training program for small to medium sized news organizations.

Dana Farber Cancer Institute/Jimmy Fund Walk  
$115,000
The Dana Farber Cancer Institute in Boston, MA, provides care and advances the diagnosis, treatment, and cure options for adult and pediatric cancers. This grant was awarded to support the Kohlberg Family's annual participation in The Jimmy Fund Walk in memory of Amy Kohlberg Quinlan and Timmy Kohlberg.

Marlboro College  
$100,000
Marlboro is a small liberal-arts college in Vermont. Students create an individualized course of study in collaboration with faculty members and participate in a self-governing community. This grant was awarded for their program supporting veterans and those transferring from community colleges.

Marshall Project  
$100,000
The Marshall Project is a nonpartisan, nonprofit news organization that seeks to create and sustain a sense of national urgency about the U.S. criminal justice system. They achieve this through award-winning journalism, partnerships with other news outlets and public forums. They educate and enlarge the audience of people who care about the state of criminal justice. This grant was awarded for general support.

ProPublica, Inc.  
$100,000
ProPublica, located in New York City, is a non-profit newsroom, conducting investigative journalism in the public interest. They work to shine a light on the exploitation of the vulnerable by government, business, and other institutions through investigative reporting. In addition, they spark reform through the sustained spotlighting of wrongdoing. This grant provides general support for operations.

ProPublica and the CUNY Journalism School organized Electionland, a national reporting initiative that revealed voters’ experiences during the presidential election in real time.
United States Veterans Initiative
$100,000
U.S. VETS continues to advance its mission of ensuring that no man or woman who has worn the uniform of our country is living on the street. As the nation’s largest nonprofit provider of comprehensive services to homeless and at-risk veterans, U.S. VETS provides vital services including case management, employment assistance, job placement and counseling to over 3,000 veterans each day through their eleven sites in five states, the District of Columbia and Guam. This grant was to support their Outside the Wire Community College Program.

Northern Westchester Hospital Center
$200,000
The Hospital, located in Mount Kisco, NY, received support for two signature programs. The Integrative Medicine Program trains nurses throughout the medical departments in integrative healing therapies and techniques to support their mission of patient-centered care. In addition, the Foundation supports the MAGNET nursing program. This designation reinforces the nursing staff commitment to high quality patient care and best practices in nursing and patient outcomes.

Swarthmore College
$100,000
This grant was awarded for Educating Socially Responsible Business Leaders, an initiative of the Career Services Office to support liberal arts students interested in business careers.

YMCA of Martha’s Vineyard
$100,000
The YMCA, located in Vineyard Haven, MA, offers a variety of programs to serve families, youth, individuals, seniors and teens. Their programs encompass a wide range of activities from aquatics, health and fitness, sports, nutrition, after school programs, activities and a cafe for seniors. This grant supports their programs and services.

Martha’s Vineyard Community Services
$75,000
Martha’s Vineyard Community Services serves individuals, families, and the community through a partnership of programs that provides accessible education and health and human services of the highest quality. This grant is for general support.

Martha’s Vineyard Hospital
$75,000
Martha’s Vineyard Hospital in Oak Bluffs, MA, provides a modern hospital facility offering first-class medical capabilities and a signature “high touch” approach. This grant was awarded to support their programs and services.
Hudson Link for Higher Education
$70,000
Hudson Link for Higher Education in Prison provides college education, life skills and re-entry support to incarcerated men and women to help them make a positive impact on their own lives, their families and communities, resulting in lower rates of recidivism, incarceration and poverty. Since 1998, Hudson Link has helped build stronger, healthier communities through the transformative power of education. This grant was awarded for college programs at Shawangunk Correctional Facility and for general support.

Bard College, The Bard Prison Initiative (BPI) Gardening, Horticulture and Food Justice Programs
$70,000
Focusing on public health and food justice, the gardens at both Fishkill and Woodbourne Correctional Facility have become central parts of the college program at these locations. Garden participation is fully integrated into the science curriculum, and donations to local food banks create ways for incarcerated people to make direct contributions to local communities. Leaving prison, BPI alumni who have worked in the garden bring their expertise home with them to communities establishing healthier ways of living and eating. This grant supports Gardens Programs at Fishkill and Woodbourne Facilities, and food systems coursework.

Graduation for College Programs in correctional facilities are very special occasions.

The fully organic garden offers BPI students more than an opportunity to connect with the soil. It anchors BPI’s reentry work focused on public health and food justice, and is fully integrated into the academic curriculum.
Just Leadership USA
$60,000
JustLeadership USA Inc. (JLUSA) is dedicated to cutting the U.S. correctional population in half by 2030. JLUSA empowers people most affected by incarceration to drive policy reform, on the principle that those closest to the problem are closest to the solution. JLUSA founded by Glenn E. Martin, a national criminal justice reform advocate, represents countless interactions with stakeholders and people and families directly impacted by mass incarceration. This grant was awarded for their membership and continuing education network.

Great Pond Foundation
$50,000
The Fundation, located in Edgartown, MA, enhances the health and sustainable ecosystem of the Edgartown Great Pond. This grant was awarded for their ecological work, education, and interns related to the Martha’s Vineyard “Great Ponds”.

Island Grown Initiative
$50,000
Island Grown Initiative supports a resilient and equitable food system on Martha’s Vineyard by providing food and agriculture education and developing infrastructure to make a year-round local food system viable. This grant was for support of the new administrative platform serving several farm programs on Martha’s Vineyard.

Island Grown’s community education programs work with students from preschool through high school and families to encourage healthy eating habits, teach people how to grow their own food and connect with local farmers.
Alliance for Justice
$50,000
Alliance for Justice, located in Washington, D.C., received support for their Judicial Selection Watchdog Project. Through this project, the Alliance supports the advice and consent role in the confirmation process for the selection of judges, and involves the public and the media in the process of judicial review and confirmation.

Mount Kisco Child Care Center
$50,000
Mount Kisco Child Care Center, located in Mount Kisco, NY, provides early childhood development and education programs to a diverse group of children in safe, healthy, and developmentally appropriate programs. This grant was awarded to support their scholarship fund. Their “Feed Me Fresh” and intergenerational programs with seniors are nationally recognized.

Marymount Manhattan College, College Program at Bedford Hills Correctional Facility
$50,000
Since 1997, Marymount has conferred more than 200 college degrees through the Bedford Hills Correctional Facility program. The students that stay in contact with them after release indicate that computer skills are vital to the strength of their careers, and help them overcome the challenges of finding employment after incarceration. This grant was awarded for the computer lab at the Bedford Hills Correctional Facility.

Hospital for Special Surgery
$50,000
The Hospital, located in New York City, received this grant to support the Academy of Rheumatology for education and research programs under the direction of Dr. Stephen Page.

Center for Biological Diversity
$40,000
The Center, located in Tucson, AZ, uses biological data, legal expertise, and the citizen petition provision of the Endangered Species Act to obtain sweeping, legally binding new protections for animals, plants, and their habitat. This general support grant continues to secure the future of all species through the use of science, law, and creative media, with a focus on protecting lands, waters, and climate.
Martha’s Vineyard Shellfish Group
$33,000
The Martha’s Vineyard Shellfish Group, located in Oak Bluffs, MA, serves six Island towns. The Group’s community-based resource management program preserves and expands the Island’s traditional shellfisheries. This grant supports their Edgartown Great Pond Oyster Restoration Project.

Drive Change
$25,000
Drive Change runs a social enterprise food truck in NYC as a tool for empowering young people coming home from jail and prison. Sales from their food truck recycle back into their organization to subsidize the cost of their Fellowship. This grant was for working capital and Food Truck Fellowships for post-incarcerated men and women.

Tenacity
$25,000
Tenacity in Boston, MA, focuses on improving the scholastic, character, and physical development of urban youth by combining tennis instruction and academic support with a focus on life skills. This grant was for general operating support.

Council on Foundations
$21,600
The Council located in Washington, DC, is a non-profit membership organization that supports grantmakers in all aspects of foundation programs. This grant provides general support.
**My Second Home (Family Services of Westchester)**  
$20,000  
Family Services of Westchester serves clients in Westchester County, New York. This grant was awarded to support scholarships for their adult day care programs at My Second Home located in Mount Kisco, NY, part of an intergenerational day care center for seniors and children.

**Hampshire Country School**  
$20,000  
Hampshire Country School, in Rindge, NH, is a small boarding school for students with nonverbal learning disabilities. This grant was awarded for general support.

**Neighbors Link**  
$20,000  
Neighbors Link is a multi-cultural community center located in Mount Kisco, NY, serving immigrants and the day laborer population. In addition to providing a Worker Center for both skilled and unskilled workers, they provide classes and programs for adult education, employment, and economic development. The center offers on-site help and referrals for housing and homelessness, domestic violence, immigration issues, medical and mental health as well as alcohol and drug dependency. This grant provides general support.

**Open Door**  
$20,000  
Open Door is a federally qualified community health center serving as the health care home to more than 40,000 individuals in underserved communities in Westchester County. This grant was awarded for their Mount Kisco facility, and for general operating support.

**Teatown Lake Reservation, Inc.**  
$20,000  
Teatown Lake Reservation, in Ossining, NY, is an environmental organization with an 875-acre nature preserve and education center. They conserve open space and educate and involve the regional community to sustain the diversity of wildlife, plants, and habitats. This grant was awarded for general operating support.

**Biodiversity Works**  
$15,000  
BiodiversityWorks, located in Edgartown, MA was founded by Liz Baldwin and Luanne Johnson (members of the Martha’s Vineyard Vision Fellowship) to promote conservation of biodiversity through wildlife research and mentoring. The Program provides opportunities for people to engage in hands-on nature study. This grant was awarded for general operating support.
Boston Med Flight
$15,000
Boston Med Flight/New England Life Flight, located at the Hanscom Air Force Base in Bedford, MA, is a critical care transport service. This grant was awarded to support their programs and services for residents of Martha’s Vineyard.

Island Housing Trust
$10,000
The Trust, located in West Tisbury, MA, creates and sustains permanent affordable housing solutions to assist families who live and work year-round on Martha’s Vineyard. This grant was awarded as general operating support.

Getting Out and Staying Out
$10,000
Getting Out and Staying Out (GOSO), a New York City based organization, empowers young men to avoid further involvement in the criminal justice system, reshaping their futures through educational achievement, meaningful employment, and financial independence. The aim is to promote personal, professional, and intellectual growth through goal-oriented programming and comprehensive social support services. This grant was awarded as general support.

Grind Arts Company
$10,000
Grind Arts Company is dedicated to breaking down the expectations of where and how theater takes place to reach new audiences. Under the Grind umbrella, theater, film, dance, and music collaborate to create bold, innovative theatrical experiences that stimulate connection, empathy, and awareness within contemporary culture. This grant was awarded for working capital.

Hands Up for Haiti
$10,000
Hands Up for Haiti is a medical humanitarian organization committed to making a sustainable and positive impact on the health of the people of northern Haiti. They collaborate with the Haitian medical community, delivering direct care and educational programs to the community partnering with allied organizations. This grant supports an Opthamology Clinic.

Environmental Defense Fund
$10,000
Their Climate Corps Program helps companies move past one-off initiatives toward a comprehensive energy management strategy, delivering systemic reductions in energy use and greenhouse gas emissions. This grant was awarded for program support.

Vineyard House
$10,000
Vineyard House provides housing for men and women on Martha’s Vineyard in need of a safe living environment while they are in the early stages of recovery from alcohol and drug dependency. This grant provides general operating support.

Puppies Behind Bars
$10,000
Puppies Behind Bars (PBB) trains prison inmates to raise service dogs for veterans and explosive detection canines for law enforcement. Puppies enter prison at the age of eight weeks and live with their inmate puppy-raisers for approximately 24 months. The dogs bring hope and pride to their raisers, and independence and security to those they serve. This grant was awarded for programs at the Bedford Hills Correctional Facility.
Sheriff’s Meadow Foundation
$6,000
Located in Vineyard Haven, MA, Sheriff’s Meadow conserves the rural landscape and character of Martha’s Vineyard for present and future generations. This grant was awarded as operating support for their land stewardship program.

A Home
$5,000
A-HOME, in Pleasantville, NY, is an organization that renovates, builds, and manages affordable rental housing in northern Westchester County, NY for older adults, disabled individuals, and single parent families. This grant was awarded as general operating support.

Boys & Girls Club of Northern Westchester
$5,000
The Boys and Girls Club of Northern Westchester, in Mount Kisco, NY, provides recreation and educational, cultural, and social programs for all youth in Northern Westchester County. This grant was awarded for general program support.

Hospice Care Westchester & Putnam, Inc.
$5,000
Hospice Care of Westchester & Putnam, focuses on the medical, emotional, and spiritual needs of individuals and families at the end of their life. This grant was awarded as general program support.

Hospice of Martha’s Vineyard
$5,000
General program support for services for terminally ill patients.

Island Elderly Housing
$5,000
Island Elderly Housing, a Martha’s Vineyard non-profit, focuses on affordable rental housing for elderly and disabled clients. This grant was awarded as general operating support.

Martha’s Vineyard Preservation Trust
$5,000
The Trust acquires, preserves, and manages the historic landmarks of Martha’s Vineyard. This grant was awarded as general operating support to keep the Vineyard’s definitive landmarks in the mainstream of community life.

Vineyard Conservation Society
$5,000
This longstanding environmental group on Martha’s Vineyard has a mission that includes advocacy and public education, legal defense of conservation issues as well as resource protection on Martha’s Vineyard. This grant provides general support.

Polly Hill Arboretum
$5,000
Polly Hill, located in West Tisbury, MA is devoted to the cultivation and study of native plants and the preservation of the character of the landscape on Martha’s Vineyard. This grant was awarded for general support.

National Center for Family Philanthropy
$3,000
This national organization serves as a resource to philanthropic families and those who work with them. This grant was provided as general support.
Columbia Law School
$2,500
This grant provides unrestricted support.

Lawyer’s Committee for Civil Rights Under Law
$2,500
As a leading national voice, The Lawyers Committee for Civil Rights works to secure equal justice through the rule of law. This grant was awarded as general operating support.

Environmental Grantmakers Association
$2,200
As a national environmental organization, EGA works with members and partners to promote effective environmental philanthropy by sharing knowledge, fostering debate, cultivating leadership, facilitating collaboration, and catalyzing action. This grant was provided as general support.

Ability Beyond Disability
$2,000
Ability Beyond Disability, with an active branch in Mount Kisco, NY helps individuals with disabilities to find homes, provide reliable support and job training, and jobs. This grant was awarded to support their activities in Mount Kisco.

Animal Shelter of Martha’s Vineyard
$2,000
General operating support to provide shelter, health care, and support to most domestic animals until a permanent home is found.

Chad Relief Foundation
$2,000
The Foundation, based in Santa Barbara, CA, is dedicated to providing assistance and improving the lives and prospects of the people of south Chad. This grant was awarded as general support.

Chilmark Town Affairs Council, Inc.
$1,000
This grant was awarded as general support for the Center’s daycare and youth programs on Martha’s Vineyard.

Felix Neck Wildlife Sanctuary
MA Audubon Society
$1,000
General support for community programs.

Westchester Land Trust
$1,000
Westchester Land Trust works to protect land in partnership with private landowners. This grant was awarded as general support.

Vineyard Committee on Hunger
$1,000
Vineyard Committee on Hunger, provides relief funds and food to Vineyard families temporarily in need. This grant was awarded as general operating support for the Island Food Pantry on Martha’s Vineyard.

Westchester ARC Foundation
$1,000
Westchester ARC, offers programs and services to children and adults with intellectual or development disabilities. This grant was awarded as general program support.
The Foundation Center
$1,000
This grant provided general support to the Foundation Center, a national not-for-profit service agency that assists non-profits and grant makers.

Per Scholas
$546
Per Scholas, a South Bronx and Miami based organization provides environmentally sound electronic recycling services while offering vocational training for disadvantaged communities. This grant was awarded to support an e-waste recycling project.

Chilmark Public Library
$500

Mount Kisco Volunteer Ambulance Corps
$500

Mount Kisco Volunteer Fire Department
$500

Yorktown Heights Engine Company # 1
$500

Edgartown Fire Department
$300
Directors
Nancy Kohlberg, Chairman (as of 12/2016)
Jennifer Magnone
Nancy McCabe
Les Fagen

Officers
Nancy Kohlberg, President (as of 12/2016)
Nancy McCabe, Executive Vice President and Treasurer
Jennifer Magnone, Secretary

Staff
Nancy McCabe, Executive Director
Amanda DeHaan, Office Manager
Rita Fragano, Controller
Pamela Franco, Administrative Program Officer (through 7/2016)
## THE KOHLBERG FOUNDATION, INC.

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor’s Report</td>
<td>1</td>
</tr>
<tr>
<td>Statements of Assets, Liabilities, and Net Assets – Tax Basis</td>
<td>3</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses, and Other Change in Net Assets – Tax Basis</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Cash Flows – Tax Basis</td>
<td>5</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>6</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
The Kohlberg Foundation, Inc.

We have audited the accompanying financial statements of The Kohlberg Foundation, Inc., which comprise the statements of assets, liabilities, and net assets – tax basis as of December 31, 2016 and 2015, and the related statements of revenues, expenses, and other change in net assets – tax basis, and the statements of cash flows – tax basis for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the tax basis of accounting as described in Note 1; this includes determining that the tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The Kohlberg Foundation, Inc. as of December 31, 2016 and 2015, and its revenue and expenses for the years then ended in accordance with the income tax basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the income tax basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Dylewsky, Goldberg & Brenner, LLC
Stamford, Connecticut

October 10, 2017
THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – TAX BASIS
DECEMBER 31, 2016 AND 2015
(Thousands of Dollars)

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments, at quoted market value</td>
<td>$159,920</td>
<td>$148,131</td>
</tr>
<tr>
<td>Limited partnerships/limited liability companies/other investment vehicles</td>
<td>57,152</td>
<td>53,492</td>
</tr>
<tr>
<td>Cash and cash equivalents (including funds held by investment custodians)</td>
<td>18,395</td>
<td>21,534</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>46,218</td>
<td>47,772</td>
</tr>
<tr>
<td>Other assets</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$281,703</strong></td>
<td><strong>$270,945</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Unrestricted Net Assets**

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$281,703</strong></td>
<td><strong>$270,945</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## THE KOHLBERG FOUNDATION, INC.
### STATEMENTS OF REVENUE, EXPENSES, AND OTHER CHANGE IN NET ASSETS – TAX BASIS
#### YEARS ENDED DECEMBER 31, 2016 AND 2015
(Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions Received</strong></td>
<td>$1,800</td>
<td>$4,500</td>
</tr>
<tr>
<td><strong>Revenue and Gains (Losses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends/interest/other</td>
<td>40</td>
<td>02</td>
</tr>
<tr>
<td>Loss and depreciation on fixed income portfolio</td>
<td>(115)</td>
<td>(1,087)</td>
</tr>
<tr>
<td>Income (loss) and appreciation (depreciation) of equity portfolio</td>
<td>15,116</td>
<td>(12,079)</td>
</tr>
<tr>
<td>Income and appreciation of limited partnerships/limited liability companies/other investment vehicles</td>
<td>9,072</td>
<td>2,540</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>430</td>
</tr>
<tr>
<td><strong>Total Revenue and Gains (Losses)</strong></td>
<td>24,115</td>
<td>(10,128)</td>
</tr>
<tr>
<td><strong>Grants and Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants authorized</td>
<td>13,481</td>
<td>19,075</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>1,434</td>
<td>1,712</td>
</tr>
<tr>
<td>Provision for taxes</td>
<td>311</td>
<td>277</td>
</tr>
<tr>
<td><strong>Total Grants and Other Expenses</strong></td>
<td>15,226</td>
<td>21,044</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN NET ASSETS</strong></td>
<td>10,758</td>
<td>(27,202)</td>
</tr>
<tr>
<td>Unrestricted Net Assets - beginning of year</td>
<td>270,045</td>
<td>208,227</td>
</tr>
<tr>
<td><strong>Unrestricted Net Assets - end of year</strong></td>
<td>$281,703</td>
<td>$270,045</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF CASH FLOWS – TAX BASIS
DECEMBER 31, 2016 AND 2015
(Thousands of Dollars)

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Contribution received</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,869</td>
<td>$4,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment income</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40</td>
<td>62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash grants paid</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(13,481)</td>
<td>(19,029)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash paid for administrative expenses</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,359)</td>
<td>(1,730)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal excise tax paid</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(311)</td>
<td>(277)</td>
</tr>
</tbody>
</table>

Net Cash Used by Operating Activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(13,242)</td>
<td>(16,474)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTMENT ACTIVITIES

<table>
<thead>
<tr>
<th>Proceeds from life insurance policy</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>1,306</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proceeds from sale of investments</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,786</td>
<td>21,019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase of investments and other assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6,683)</td>
<td>(7,193)</td>
</tr>
</tbody>
</table>

Net Cash Provided by Investment Activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,103</td>
<td>15,132</td>
</tr>
</tbody>
</table>

NET DECREASE IN CASH AND EQUIVALENTS

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,139)</td>
<td>(1,342)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents - beginning of year

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,534</td>
<td>22,876</td>
</tr>
</tbody>
</table>

Cash and cash equivalents - end of year

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,395</td>
<td>$21,534</td>
</tr>
</tbody>
</table>

NONCASH TRANSACTIONS

<table>
<thead>
<tr>
<th>Forgiveness of debt to grantee</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$646</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose
The Kohlberg Foundation, Inc. (the “Foundation”) is a private family foundation. The Foundation’s primary focus is to provide support for health and medical research, education, and the environment.

Accounting Basis
The Foundation’s policy is to prepare its financial statements on the tax basis of accounting which is similar to modified cash basis. Consequently, certain revenue is recognized when received rather than earned, and certain expenses and grants recognized when cash is disbursed rather than when the obligation is incurred. The Foundation’s financial statements are prepared in accordance with Financial Accounting Standards Board (“FASB”) guidance on reporting information regarding its financial position and activities for not-for-profit organizations. Under that guidance, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Further, contributions are recognized as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Foundation has no temporarily or permanently restricted net assets.

Investments
The Foundation follows FASB guidance on fair value, which, among other things, defines fair value, establishes a hierarchal framework for measuring fair value, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability, as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies.

Level 3: Inputs are unobservable inputs for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Investments** (continued)
The Foundation values all of its investments using Level 1 and Level 3 inputs. Investments are presented at fair value as determined by methodologies relevant to each asset class with any related gain or loss reported in the Statements of Revenues, Expenses, and Other Change in Net Assets – Tax Basis. Equities and fixed income securities listed or traded on a securities exchange are valued at the last sale price on the primary exchange where the security is traded. Money market accounts are valued as determined by the bank or money market manager.

Marketable securities held by a custodian, either in the Foundation’s name or held for the Foundation’s account in a street name, are valued by the custodian using a valuation methodology similar to above. Marketable securities held by mutual funds, pooled investment funds, and hedge funds are valued by the fund manager using a valuation methodology similar to the above. Alternative investments including private equity interests and hedge funds are valued using the most recent valuation available by the respective external fund manager. The Foundation reports investment income and gains and losses as increases and decreases in unrestricted net assets in the Statements of Revenues, Expenses, and Other Change in Net Assets – Tax Basis unless a donor or law temporarily or permanently restricts their use.

The Foundation reviews and evaluates the values provided by the general partner or fund manager and assesses the valuation methods and assumptions used in determining the fair value of the investments. The asset allocation of the Foundation’s portfolio is intended to provide exposure to a diverse set of markets. These markets are subject to various risks such as interest rate, market, sovereign, and credit. The Foundation anticipates that the value of its investments may, from time to time, fluctuate as a result of these risks and anticipates that the structured diversification will mitigate market risks. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value.

**Use of Estimates**
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Foundation regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

The accounting policy concerning investment valuations relies on data from fund managers that cannot be substantiated by third parties and it is considered to have the largest potential for significant financial impact. Valuations for investments, principally alternative investments, are subjective and require judgment regarding significant matters such as the comparability of similar investments, liquidity, interest rates, and the determination of external events adequate to quantify changes in value. Changes in assumptions could have a significant effect on the fair value of these instruments.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainty in Income Taxes
The Foundation evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2016, the Foundation does not believe that it has taken any positions that would require recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

Cash Equivalents
For purposes of the Statements of Cash Flows – Tax Basis, the Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

NOTE 2  INVESTMENTS

The following tables present the Foundation’s fair value hierarchy for those assets measured at fair value as of December 31, 2016 and 2015. At December 31, 2016 and 2015, Level 3 assets comprised approximately 22% and 21% of the Foundation’s total investment portfolio fair value for the years ended December 31, 2016 and 2015, respectively.

<table>
<thead>
<tr>
<th>Financial Assets 2016:</th>
<th>Fair Value</th>
<th>Level 1</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>$ 159,920</td>
<td>$ 159,920</td>
<td>$ -</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>46,218</td>
<td>46,218</td>
<td>-</td>
</tr>
<tr>
<td>Hedge funds/limited partnership interest</td>
<td>57,152</td>
<td>-</td>
<td>57,152</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 263,290</td>
<td>$ 206,138</td>
<td>$ 57,152</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Assets 2015:</th>
<th>Fair Value</th>
<th>Level 1</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>$ 148,131</td>
<td>$ 148,131</td>
<td>$ -</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>47,772</td>
<td>47,772</td>
<td>-</td>
</tr>
<tr>
<td>Hedge funds/limited partnership interest</td>
<td>53,492</td>
<td>-</td>
<td>53,492</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 249,395</td>
<td>$ 195,903</td>
<td>$ 53,492</td>
</tr>
</tbody>
</table>
NOTE 2 INVESTMENTS (continued)

The following is a reconciliation of the beginning and ending balances for not readily marketable securities, all valued using Level 3 inputs, during the periods ended December 31, 2016 and 2015.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$53,492</td>
<td>$50,139</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>532</td>
<td>749</td>
</tr>
<tr>
<td>Net unrealized gains (losses)</td>
<td>6,099</td>
<td>(620)</td>
</tr>
<tr>
<td>Net realized gains</td>
<td>2,642</td>
<td>2,610</td>
</tr>
<tr>
<td>Purchases</td>
<td>6,680</td>
<td>7,145</td>
</tr>
<tr>
<td>Sales</td>
<td>(11,960)</td>
<td>(6,342)</td>
</tr>
<tr>
<td>Other losses and expenses</td>
<td>(177)</td>
<td>(135)</td>
</tr>
<tr>
<td>Transfers in/out</td>
<td>(156)</td>
<td>(54)</td>
</tr>
</tbody>
</table>

Ending Balance $57,152 $53,492

Quoted market values are used to value investments other than index funds which are carried based on fair values provided by fund managers. Limited partnership/limited liability companies/other investment vehicles use market values established by their managers where quoted market values are not available. The investment’s tax basis has been used for certain investments where market values were not available. Realized gains or losses are determined by comparison of cost, determined on a first-in, first-out basis, to proceeds from sales. Investment transactions are recorded in the accounts on the trade date. The cost of investment securities represents the amount paid for securities purchased, adjusted for accretion of discount or amortization of premium on bonds purchased. Investment income related to each investment vehicle is included within the income and appreciation on that investment in the Statements of Revenues, Expenses, and Other Change in Net Assets – Tax Basis.

Total interest and dividend income for the years ended December 31, 2016 and 2015 was $6,286 and $8,098, respectively. Total investment (losses) gains for the years ended December 31, 2016 and 2015 were $(73) and $1,632, respectively. Investment fee expenses, which are included with investment returns, were $1,055 in 2016 and $1,397 in 2015.

The primary emphasis of the investment policy is to safeguard and preserve the principal of the endowment after inflation. Accordingly, the investment process seeks to achieve a total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Portfolio assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution in accordance with the spending policy (currently 5.5%), while growing the funds. Therefore, the Foundation’s goal is
NOTE 2  INVESTMENTS (continued)

for its investment assets, over time, to produce a long-term real rate of return, after inflation and net of fees, of approximately 6-7% annually.

Actual returns in any given year may vary. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. In light of current market conditions, the Foundation annually reassesses its investment and spending policies.

NOTE 3  CHARITABLE LEAD TRUST

In 1996, a member of the Kohlberg family established a charitable lead trust. Under the terms of the trust agreement, the trust shall make annuity payments to the Foundation annually for a period of twenty years commencing in 1996. After the trust term ends, the Foundation has no remainder interest in the assets of the trust. The trust was terminated and final payment from the trust of $1,869 was received in March 2016.

NOTE 4  TAXES

The Foundation is exempt from federal income taxes and qualifies as a private foundation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax of one or two percent of net investment income as defined by the Internal Revenue Code. If the average payout ratio of the past five years plus one percent of net investment income in the current year, as defined, is less than the current year’s charitable distributions, federal excise tax is payable at one percent of net investment income, as defined. The Foundation paid federal excise tax of one percent in each of the years ended December 31, 2016 and 2015. The Foundation is also subject to the unrelated business income tax (“UBIT”) on certain income from pass-through investments. Taxes paid in 2016 and 2015 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal excise and UBIT taxes</td>
<td>$ 250</td>
<td>$ 250</td>
</tr>
<tr>
<td>State UBIT taxes and filing fees</td>
<td>$   61</td>
<td>$   27</td>
</tr>
<tr>
<td><strong>Total Taxes Paid</strong></td>
<td><strong>$ 311</strong></td>
<td><strong>$ 277</strong></td>
</tr>
</tbody>
</table>
NOTE 5  GRANT COMMITMENTS

The Foundation has authorized but unpaid grants outstanding as of December 31, 2016 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$12,015</td>
</tr>
<tr>
<td>2018</td>
<td>12,015</td>
</tr>
<tr>
<td></td>
<td>$24,030</td>
</tr>
</tbody>
</table>

Payments on authorized but unpaid grants may be accelerated upon mutual agreement between the Foundation and the grantees. Additionally, the grants are conditional based on the grantees’ meeting certain performance criteria.

NOTE 6  RETIREMENT PLANS

The Foundation participates in two defined contribution retirement plans. The plans cover substantially all employees. The salary deferral plan allows employees to defer a portion of their salary into the plan. The plan contains a matching contribution provision where the Foundation may match the participants’ contributions up to two percent of compensation. The money purchase plan requires the Foundation to contribute eight percent of annual eligible compensation, as defined, and is integrated with Social Security. Total pension expense, under both plans, for the years ended December 31, 2016 and 2015 was $52 and $51, respectively.

NOTE 7  RELATED PARTIES

The Foundation shares personnel with other related not-for-profit entities. The associated costs have not been allocated to the other entities and are approximately $192 per year.

NOTE 8  CONCENTRATIONS OF CREDIT RISKS

The Foundation maintains its cash in bank deposit accounts at high-credit, quality financial institutions. Efforts are made to keep balances within federally insured limits; however, due to timing differences the balances, at times, may exceed federally insured limits. At December 31, 2016, the Foundation’s uninsured cash and cash equivalents balance totaled $17,728. Additionally, the Foundation maintains money market accounts at major investment firms.

NOTE 9  SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 10, 2017, the date that the financial statements were available to be issued.
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Designer

Tamarack Media
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The Kohlberg Foundation is not currently accepting unsolicited proposals.