**Kunhardt Film Foundation, Inc**  
$8,000,000

For over 20 years, The Kohlberg Foundation has supported the archival photography, preservation and filmmaking activities of the Pleasantville, NY based Kunhardt team, beginning with the preservation of the Meserve Collection of historic Lincoln and Civil War photography. The history series FREEDOM: A HISTORY OF US, followed and most recently a series of films telling the stories of iconic American leaders and examples of strong moral leadership. The current series, supported with a 2018 matching challenge grant of $1.2 million, underwrites films about Warren Buffett, Martin Luther King, Jr, Bryan Stevenson, Barak Obama, and Gordon Parks. The $8 million Legacy Grant to the new Kunhardt Film Foundation helps to launch and sustain both production and educational outreach programs for their library of films examining moral leadership. The new organizational structure also creates a new non-profit financial model to produce and distribute this multi-media material over the next decade and beyond.

**Institute for Integrative Health (TIIH)**  
$5,000,000

The Baltimore MD based Institute for Integrative Health 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 clinical service, and supporting leaders in the field. This grant represents the final Kohlberg contribution to their program. Their vision is to optimize health and well-being and shift the healthcare paradigm from its dominant focus on managing disease to a focus on promoting health across the lifespan. Through their leadership, advisors, and the support of a network of Scholars working in their home institutions, the Institute pursues frontier investigations, bringing integrative approaches to health organizations and disciplines, and supports the next generation of leaders, scholars and students. With key partners at the University of Maryland medical and professional schools, Walter Reed Medical Centers, Johns Hopkins medical and school of public health campuses, and Mercy, Bay View, and Harbor hospitals, the Institute supports scholarly work and research to translate integrative health into everyday community engagement. This Legacy Grant was awarded for their permanent reserve fund.

(Left to Right) Peter Kunhardt, Teddy Kunhardt, Bryan Stevenson, and George Kunhardt after completing a 2 hour interview with Bryan Stevenson.

Three years after the 2015 Baltimore Uprising sparked by the death of Freddie Gray, the Institute for Integrative Health collaborated with local social justice photographer Devin Allen and the Gordon Parks Foundation, using Allen’s work to engage the Baltimore community in a conversation on healing.
**Brennan Center for Justice**

$3,000,000

The Brennan Center focuses on issues of democracy, justice and reform. The center combines scholarship, legislative and legal advocacy, and communications to win meaningful, measurable change in the public sector. This grant supports their programs in

- democracy, (campaign finance reform, election integrity, voter protection, redistricting research, fair courts, rule of law)
- investigative reporting,
- criminal justice reform, holding government accountable to facts and evidence, and
- the rights and roles of journalists and free speech.

A particular focus is their National Task Force on Rule of Law and Democracy.

**Meserve Kunhardt Foundation Film Programs**

$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 documentary films and educational curriculum outreach materials profiling examples of moral leadership in American culture and social justice. This grant provides continuing support for filmmaking and educational outreach material including films featuring Martin Luther King, John McCain, James Foley, Bryan Stevenson, Warren Buffet, Barack Obama and Gordon Parks. In addition, a film narrated by Jon Meacham, author of *The Soul of America* will address the resiliency and historical context of challenges to American democracy.

**Craig Newmark Graduate School of Journalism City University of New York (CUNY) New Opportunities Fund**

$1,000,000

This grant provides renewed support for the New Opportunities Fund inspired by Dean Sarah Bartlett. It covers entrepreneurial programs for both young and midcareer journalists in community journalism, investigative reporting, continuing in-service education and a Spanish language journalism program. Ongoing marketing, digital design and branding work was also included.
University of San Diego School of Law $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 for Veterans; particularly in quality higher education and planning for best possible utilization of their GI Bill benefits.

Work at CPIL supports the design and implementation of quality programs at community colleges and post-secondary programs to strengthen skills for veterans and vulnerable students, focused on program integrity, educational accountability accreditation, and value for tuition dollars.

Indivisible Civic Engagement, Inc. $500,000

INDIVISIBLE was formed in 2017 in response to an outpouring of engagement with the Indivisible Guide, an open source “Google Doc” focused on local grassroots congressional advocacy. The guide outlined how local groups of constituents can make their voices heard with their own Members of Congress. The INDIVISIBLE’S mission is to fuel civic leaders at the community level nationwide. They (1) build strong local groups and effective group leaders, (2) demystify policy processes and support strategic civic engagement, and (3) develop a sense of shared identity and purpose through intentional community building. The Kohlberg Foundation support is for 501 c 3 non-partisan democracy-building activities, including a matching challenge grant for small donors.

A group photo from Indivisible’s Regional Institute in Minneapolis, where 49 Indivisible group leaders from seven different states came together for a weekend of training on organizing, racial justice and equity, and leadership development.
The Gordon Parks Foundation

$150,000

Working capital for programming including exhibitions, fellowships and operations.

$250,000

For endowment, completing a multi-year pledge.

This program preserves and advances the legacy of photographer Gordon Parks and encourages young photographers and artists inspired by him. Focusing on The Gordon Parks Collection of photos, music and archives, they have opened a small street level gallery space at their Pleasantville, NY headquarters to display the work of their scholarship and fellowship recipients, as well as the curated Gordon Parks exhibitions that tour worldwide. This grant supports these curated shows and the professional development of young artists, inspired by Gordon Parks, as they build their portfolios and launch their careers.

Hudson Link for Higher Education

$400,000

New Beginnings Programs

$70,000

College Programs at Shawangunk

Hudson Link for Higher Education in Prison provides college education, life skills and re-entry support to formerly incarcerated men and women to help them make a positive impact on their own lives. Hudson Link began by building stronger, healthier communities through the transformative power of education. They run college programs in New York State prisons and help clients to finish their degrees and find employment after release. New Beginnings is a new initiative designed to expand the scope of their re-entry support for formerly incarcerated men and women. The heart of this initiative is a program to purchase and renovate housing in the nearby Ossining area. After renovation of local homes (led by Hudson Link alumni), New Beginnings operates the properties as transitional housing for justice involved clients, giving priority to alumni of Hudson Link’s college programs. They will be the only program in the nation to utilize the efforts of the formerly incarcerated to construct and renovate transitional housing for other returning justice involved clients.

An additional grant of $70,000 renews support for Year 3 of the college program at the Shawangunk facility.
Sponsors Inc.  
$100,000

General Support

$250,000

Tiny House Project

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 new program initiatives at Sponsors, Inc., and the preparation phase for the Tiny House community and the technical assistance guidebook project as well as general operating support.

Young Invincibles  
$250,000

Young Invincibles, founded in 2009 by a group of civic minded law students at Georgetown University, are motivated by the recognition that young people’s voices are not being heard in the debate over health care reform, higher education issues, student debt, climate change and other next generation topics. The student co-founders designed a website asking young people to share their stories. One year later, Young Invincibles grew to a national organization. Their mission continues to be centered on three core issue areas - health care, higher education (particularly student debt), and economic security (jobs) – which uniquely affect young people, particularly those from underrepresented communities. This grant supports young voter engagement through the Students Learn, Students Vote Coalition.

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Sponsor’s Tiny House Project. The new housing community includes 10 affordable housing units and a community building for individuals with conviction histories who face barriers to obtaining stable housing post-incarceration.
Northern Westchester Hospital Foundation
$100,000

Integrative Medicine

$100,000

Magnet Nursing Continuing Education

Northern Westchester Community 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 continuing education, high quality patient care and best practices in nursing and patient outcomes.

Investigative Reporters and Editors (IRE)
$150,000

IRE located in Columbia, MO, is dedicated to improving the quality of investigative reporting. They create a forum through which journalists, nationally and throughout the world help each other by sharing ideas, newsgathering techniques, and news sources. IRE provides access to thousands of reporting tip sheets large scale data bases 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 is for renewed support of their Total Newsroom Training Program.

Filming for daily care process in new uniforms.

IRE trainers (Mark Walker and Denise Malan) conducting training program at WNPR, Hartford, CT, October 2018.
Westchester Community College Foundation
$135,000
Westchester Community College has consistently helped all students, particularly working students, Veterans and those re-entering the job market with affordable and easily accessible quality higher education. This grant was for “Education Instead of Incarceration” a path-breaking pilot program with the Westchester County Courts. This program hopes to direct first-time and low risk non-violent offenders in the criminal justice system to enter into or continue an educational program in lieu of serving time.

Dana Farber Cancer Institute/Jimmy Fund Walk
$130,000
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.

Drive Change
$100,000
Matching Grant for Working Capital
$250,000
Program Related Investment (PRI – Loan)

Drive Change offers a social enterprise Fellowship Program and 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 12 annual fellowship awards. This grant was for working capital for their transition from a single food truck operation to operating a larger training outreach and service program using social justice food trucks as a platform.

2018 Kohlberg family team at Dana Farber Jimmy Fund Walk.

Awareness Day in Union Square
YMCA of Martha’s Vineyard

$100,000

The Martha’s Vineyard YMCA, located in Vineyard Haven, MA, offers 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 general support grant supports their programs and services.

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 which links California Community Colleges to job training and higher education options for Veterans. Their on-campus support systems for military families set a high standard example nationally.

ProPublica, Inc.

$100,000

ProPublica, located in New York City, is a non-profit nonpartisan newsroom, conducting deep dive 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 serious questions about practices in key issue areas in health care, immigration, consumer protection, student financial aid, affordable housing and other timely topics. This grant provides general support for operations.

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. Their reporting addresses policy, individual practices and situations and personal stories about justice involved people, their families, and those working in the sector. They achieve tangible results and policy change 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 and they give a voice to incarcerated men and women who write from inside the prison system. This grant was awarded for general support.
College and Community Fellowship
$75,000
College & Community Fellowship (CCF) is a NYC based organization dedicated to helping women who have been incarcerated while they earn college degrees. They help these students and their families and communities to thrive. They advocate for equity and opportunity for the clients and communities they serve. CCF supports students and their families until graduation day and beyond, providing academic support, career coaching, financial development, and much more. They also approach systemic change through their national advocacy and technical assistance programs, training others to do this work. This grant was allocated for their core work, technical assistance outreach to partner organizations, and their career advancement program.

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 life education and health and human services of the highest quality. Their programs in mental health, counseling, family services, day care and substance abuse prevention are especially valuable. This grant is for general support.

Martha’s Vineyard Hospital
$75,000
Martha’s Vineyard Hospital in Oak Bluffs, MA, provides a modern community hospital facility offering medical services and a signature “high touch” approach. Working in partnership with MA General Hospital and Partners Healthcare, they offer Island residents a full and coordinated health care system. This grant was awarded to support their programs and services and high quality diagnostic equipment.

Swarthmore College
$75,000
This grant was awarded for Educating Socially Responsible Business Leaders, a signature initiative of the Career Services Office to support liberal arts students at Swarthmore who are interested in business careers.

Vet Voice Foundation
$75,000
The mission of Vet Voice Foundation is to mobilize veterans to become leaders in our nation’s democracy through participation in the civic and democratic process. VVF seeks to harness the energy and drive of the dedicated men and women who have fought for their country, and put it to work at home and in their communities on the important issues they face, such as health care, jobs, the environment and housing. This grant was issued for their 501 c3 project to strengthen Voting Rights and Voter Protection with pilot projects in New Jersey and Massachusetts.
**Bard Prison Initiative (BPI)**

$70,000

Bard College is the fiscal sponsor of the extraordinary Bard Prison Initiative. This grant supports community garden programs at Fishkill and Woodbourne Correctional Facilities and food systems coursework in their college-in-prison programs. Focusing on public health and food justice, the gardens at both Fishkill and Woodbourne Correctional Facility have been 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. The graduates of these programs typically pursue careers in public health and social work.

Bard Prison Initiative’s first organic garden at Woodbourne Correctional Facility, established over seven years ago and continues to thrive. It offers the opportunity to connect to the soil and nature, while complementing BPI’s reentry work focused on public health and food justice.

**Civic Nation**

$50,000

Civic Nation, based in Washington DC, provides national nonpartisan, local and state-led higher education initiatives with strong roots in America’s community colleges. They seek to build broad public support for state and localities to provide all responsible students with access to a free community college education. This grant was for strengthening the voter registration and engagement on Community College Campuses.

**Hospital for Special Surgery (HSS)**

$50,000

This NYC based speciality hospital is a leader in orthopedics and rheumatology nationally. The mission of the Academy of Rheumatology Medical Educators is to enhance education for the next generation of rheumatologists in order to prepare them to deliver the very best care to their patients. This grant supports the Academy of Rheumatology Medical Educators under the direction of Dr. Stephen Paget.

**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. Their recent efforts to bring together several farming groups and collaboratives into an interactive and connected network aims to create new efficiencies and opportunities for the Island’s local food system. This grant was for support of the administrative platform and strategic planning serving several farm programs on Martha’s Vineyard.

Island Grown’s Gleaning Program reached a large milestone in 2018: 200,000 pounds of fresh, local produce recovered from island farms, donated free to islanders since 2009.
Mount Kisco Child Care Center
$50,000
Mount Kisco Child Care Center, located in Mount Kisco, NY, provides highest quality childcare, early childhood development and education programs to a diverse group of children in safe, healthy, and developmentally appropriate programs. Their “Feed Me Fresh” and intergenerational programs serving both youth and seniors is nationally recognized. This grant was awarded to support their scholarship fund.

Alliance for Justice
$50,000
Alliance for Justice, located in Washington, DC, 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.

Martha’s Vineyard Shellfish Group
$35,000
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.

Open Door
$30,000
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.
Boston Med Flight
$25,000
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.

Great Pond Foundation
$25,000
Great Pond, a grassroots non-profit environmental group located in Edgartown, MA, enhances the health and sustainable ecosystem of the Edgartown Great Pond. This grant was awarded for their ecological work, research, education, and conservation activity related to the Martha’s Vineyard “Great Ponds”.

Hour Children
$25,000
Based in Queens, NY, this organization’s vision is to end the cycle of intergenerational incarceration. Their mission is to help incarcerated and formerly incarcerated women and their children successfully rejoin the community, reunify with their families, and build healthy, independent and secure lives. They offer job training and placement day care, transitional housing, mental health services and life coaching to women of all ages. This grant was to help support partnership with Hudson Link and for general operating support.

Tenacity, Inc.
$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.
Neighbors Link
$25,000

Neighbor’s Link is a multi-cultural community center located in Mount Kisco, NY, serving immigrants and the day laborer community. 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 concerns. This grant provides general support.

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 partnering with The Mount Kisco Child Care Center.

The Council on Foundations
$21,600

The Council located in Washington, DC, is a non-profit membership organization that supports grantmakers and all aspects of foundation programs. This grant provides general support.

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.
Teatown Lake Reservation  
$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

Biodiversity Works, 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 unrestricted support.

Vineyard House, Inc.  
$15,000

General Support

$5,000

Renovation Project

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. These grants were awarded as general operating support, and for the Women’s House renovation project.

Island Housing Trust  
$15,000

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. They aim to promote personal, professional, and intellectual growth through goal-oriented programming and comprehensive social support services. This grant was awarded as general support.

Media Art Xploration, Inc. (MAX)
$10,000

MAX is an organization developing unique resources for STEAM (Science, Technology, Engineering, Art, and Mathematics) education in communities underrepresented in the arts AND the sciences. The first festival, 2019: A Space Festival focuses on space exploration and will include an installation about the intersection of micro and astrobiology.

Puppies Behind Bars
$10,000

Puppies Behind Bars (PBB) trains prison inmates to raise service dogs for veterans and canines for law enforcement. Puppies enter prison at the age of eight weeks and live with their inmate puppy-raisers for 24 months. The dogs bring hope and pride to their raisers, and independence and security to those they ultimately serve. This grant was awarded for programs at the Bedford Hills Correctional Facility.

Environmental Defense Fund (EDF)
$10,000

The EDF Climate Corps Program helps companies business and non-profits to move past one-off conservation initiatives toward a comprehensive energy management strategy, delivering systemic reductions in energy use and greenhouse gas emissions. This grant was awarded for the environmental defense fund climate corps program for MBA candidates.
Sheriff’s Meadow Foundation
$5,000
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 general operating support.

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

Boys and 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.

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.

Brooklyn Law School
$5,000
A contribution to the Herman Fagen Scholarship Fund for disadvantaged students.

Columbia Law School
$5,000
This grant was for unrestricted operating support.

Lawyer’s Committee for Civil Rights Under Law
$5,000
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.

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.

Kids bird count: In collaboration with Biodiversity Works and The Trustees, they do an annual “Kids bird count” where kids are given binoculars and a list of birds to see how many they can count of each.
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.

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.

Hospice of Westchester and Putnam
$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.

National Center for Family Philanthropy
$5,000
This national organization serves as a resource to philanthropic families and those who work with them. This grant was provided as general support.

Environmental Grantmakers Association
$2,027.25
This grant was awarded for general operating support.

Chad Relief
$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.

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.
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.

Bedford 2020
$2,000
This grant was awarded for local environmental projects and education.

ARC of Westchester 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.

Massachusetts Audubon
$1,000
General support for Felix Neck Wildlife Sanctuary.

Westchester Land Trust
$1,000
Westchester Land Trust works to protect land in partnership with private landowners. This grant was awarded as general 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
$593
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.

Mount Kisco Volunteer Fire Department
$500

Mount Kisco Volunteer Ambulance Corps.
$500

Yorktown Heights Engine Company #1
$500

Hudson Valley Autism
$250

Individuals volunteering for the Northern Westchester Hospital in Mt. Kisco. This is just one of the ways their clients give back and remain active members of their community.
THE KOHLBERG FOUNDATION, INC.

Financial Statements – Income Tax Basis
(Together with Independent Auditors’ Report) For

the Years Ended December 31, 2018 and 2017
THE KOHLBERG FOUNDATION, INC. FINANCIAL STATEMENTS – INCOME TAX BASIS
(Together with Independent Auditors’ Report)

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITORS’ 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 – income tax basis as of December 31, 2018 and 2017, and the related statements of revenues, expenses and changes in net assets – income tax basis, functional expenses – income tax basis, and cash flows – income 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 income tax basis of accounting as described in Note 2; this includes determining that the income 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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, 2018 and 2017, and the results of its revenues, expenses and change in net assets for the years then ended in accordance with the income tax basis of accounting as described in Note 2.
Emphasis of a Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018, the Foundation adopted Accounting Standards Update ("ASU") 2016-14, "Not-for-Profit Entities." Our conclusion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 2 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.

Marcos Panetta LLP

Purchase, New York
October 30, 2019
## THE KOHLBERG FOUNDATION, INC.
### STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – INCOME TAX BASIS
#### DECEMBER 31, 2018 AND 2017
($ Amounts in Thousands)

<table>
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<th>2018</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (including funds held by investment custodians)</td>
<td>$14,098</td>
<td>$7,374</td>
</tr>
<tr>
<td>Equity investments, at quoted market value</td>
<td>94,823</td>
<td>117,801</td>
</tr>
<tr>
<td>Limited partnerships/limited liability companies/other investment vehicles</td>
<td>64,085</td>
<td>69,799</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>38,276</td>
<td>43,985</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,054</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$212,338</td>
<td>$238,974</td>
</tr>
</tbody>
</table>

| **Liabilities**      |        |        |
| Accounts payable and accrued expenses | $ -    | $ -    |

<table>
<thead>
<tr>
<th><strong>Net Assets Without Donor Restrictions</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>212,338</td>
<td>238,974</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Liabilities and Net Assets</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$212,338</td>
<td>$238,974</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and Gains (Losses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends/interest/other</td>
<td>$230</td>
<td>$105</td>
</tr>
<tr>
<td>Income (loss) and appreciation (depreciation) on fixed income portfolio</td>
<td>(128)</td>
<td>804</td>
</tr>
<tr>
<td>Income (loss) and appreciation (depreciation) of equity portfolio</td>
<td>(7,945)</td>
<td>26,809</td>
</tr>
<tr>
<td>Income and appreciation of limited partnerships/limited liability companies/other investment vehicles</td>
<td>5,624</td>
<td>10,349</td>
</tr>
<tr>
<td>Other income</td>
<td>13</td>
<td>117</td>
</tr>
<tr>
<td><strong>Total Revenues and Gains (Losses)</strong></td>
<td>(2,206)</td>
<td>38,184</td>
</tr>
</tbody>
</table>

| **Functional Expenses**       |           |           |
| Program expenses              | 23,502    | 80,347    |
| Administrative expenses       | 928       | 566       |
| **Total Expenses**            | 24,430    | 80,913    |

**DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

|                              |           |           |
| Net Assets Without Donor Restrictions - Beginning of Year | 238,974   | 281,703   |

|                              | 2018      | 2017      |
| Net Assets Without Donor Restrictions - End of Year | $212,338  | $238,974  |
### THE KOHLBERG FOUNDATION, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES – INCOME TAX BASIS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

($ Amounts in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MANAGEMENT AND GENERAL</td>
<td>FUNCTIONAL EXPENSES</td>
</tr>
<tr>
<td>Grants authorized</td>
<td>$ 22,924</td>
<td>$ -</td>
</tr>
<tr>
<td>Distributions to affiliated foundations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compensation</td>
<td>371</td>
<td>223</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>106</td>
<td>64</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td>Occupancy</td>
<td>34</td>
<td>20</td>
</tr>
<tr>
<td>Travel</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Office expense</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Provision for taxes</td>
<td>-</td>
<td>533</td>
</tr>
<tr>
<td>Annual report</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 23,502</strong></td>
<td><strong>$ 928</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF CASH FLOWS – INCOME TAX BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017
($ Amounts in Thousands)

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$ 230</td>
<td>$ 105</td>
</tr>
<tr>
<td>Cash grants paid</td>
<td>(22,924)</td>
<td>(15,788)</td>
</tr>
<tr>
<td>Distributions to affiliated foundations</td>
<td>-</td>
<td>(64,000)</td>
</tr>
<tr>
<td>Cash paid for operating expenses</td>
<td>(1,380)</td>
<td>(1,366)</td>
</tr>
<tr>
<td>Federal and state excise taxes paid</td>
<td>(533)</td>
<td>(153)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Operating Activities</strong></td>
<td>(24,607)</td>
<td>(81,203)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
<td>35,448</td>
<td>78,805</td>
</tr>
<tr>
<td>Purchase of investments and other assets</td>
<td>(4,117)</td>
<td>(8,624)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Investing Activities</strong></td>
<td>31,331</td>
<td>70,181</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>7,373</td>
<td>18,395</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of year</strong></td>
<td>$ 14,098</td>
<td>$ 7,373</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
NOTE 1 – NATURE OF ACTIVITIES

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis
The Foundation’s policy is to prepare its financial statements on the basis of accounting used for income tax reporting which is similar to the modified cash basis. Consequently, certain revenue is recognized when received rather than when earned, and certain expenses and grants are recognized when cash is disbursed rather than when the obligation is incurred. The Foundation’s financial statements are prepared in accordance with reporting formats consistent with guidance on reporting information regarding 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 two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets
The Foundation’s net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

• Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

• With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Foundation or the passage of time, stipulations that they be maintained permanently by the Foundation, and unappropriated endowment earnings. The Foundation has no net assets with donor restrictions.

Investments
The Foundation follows the Financial Accounting Standards Board (“FASB”) guidance on fair value, which, among other things, defines fair value, establishes a hierarchical 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 2 – 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 changes in net assets – income 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 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 Foundation reports investment income and gains and losses as increases and decreases in net assets without donor restrictions in the statements of revenues, expenses and change in net assets – income tax basis unless a donor or law temporarily or permanently restricts their use.

 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.

 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.

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.

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, 2018, the Foundation does not believe that it has taken any tax 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.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses – income tax basis. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, and other, which are allocated on the basis of estimates of time and effort.

Cash Equivalents
For purposes of the statements of cash flows – income tax basis, the Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Reclassification
Certain reclassifications were made to the presentation of the 2017 financial statements to conform to the 2018 financial statement presentation, including the reclassification and allocation of functional expense items.

Recent Accounting Pronouncements
FASB Accounting Standards Update (“ASU”) 2016-14, “Not-for-Profit Entities” was adopted for the year ended December 31, 2018. The Foundation has adjusted the presentation of its financial statements, accordingly, applying the changes to the periods presented. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation. The changes had no impact on the net asset balances or change in net assets for the year ended December 31, 2017. The unrestricted net asset class has been renamed assets without donor restrictions.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES
The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and marketable equity securities. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as services undertaken to support those activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation anticipates collecting sufficient revenue to cover expenditures through investment activities. Refer to the statement of cash flows which identifies the sources and uses of the Foundation’s cash and shows positive cash generated by operations for the year ended December 31, 2018.
NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

(Continued)

As of December 31, 2018, financial assets were as follows:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$14,098</td>
</tr>
<tr>
<td>Investments</td>
<td>$197,186</td>
</tr>
<tr>
<td>Receivables (included in other assets)</td>
<td>$787</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>$212,071</strong></td>
</tr>
</tbody>
</table>

Less amounts not available within one year:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiquid investments</td>
<td>$(64,085)</td>
</tr>
<tr>
<td><strong>Total financial assets available for general use within one year</strong></td>
<td><strong>$147,986</strong></td>
</tr>
</tbody>
</table>

As part of the Foundation’s liquidity management plan, the Foundation invests cash in excess of daily requirements in money market and other funds.

NOTE 4 – INVESTMENTS

The following tables present the Foundation’s fair value hierarchy for those assets measured at fair value as of December 31, 2018 and 2017.

<table>
<thead>
<tr>
<th><strong>December 31, 2018</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV Practical</td>
</tr>
<tr>
<td>Financial assets:</td>
</tr>
<tr>
<td>Equity investments</td>
</tr>
<tr>
<td>Fixed income investments</td>
</tr>
<tr>
<td>Limited partnerships/limited liability companies/other investment vehicles</td>
</tr>
<tr>
<td><strong>Total Investments at Fair Value</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>December 31, 2017</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV Practical</td>
</tr>
<tr>
<td>Financial assets:</td>
</tr>
<tr>
<td>Equity investments</td>
</tr>
<tr>
<td>Fixed income investments</td>
</tr>
<tr>
<td>Limited partnerships/limited liability companies/other investment vehicles</td>
</tr>
<tr>
<td><strong>Total Investments at Fair Value</strong></td>
</tr>
</tbody>
</table>
# THE KOHLBERG FOUNDATION, INC.
## NOTES TO FINANCIAL STATEMENTS-Income Tax Basis
### December 31, 2018 and 2017
(Thousands of Dollars)

### NOTE 4 – INVESTMENTS (Continued)

**Fair Value of Investments in Entities that Use Net Asset Value**

The following table summarizes investments for which fair value is measured using the net asset value (NAVs) per share practical expedient as of December 31, 2018 and 2017.

<table>
<thead>
<tr>
<th>December 31, 2018</th>
<th>Fair Value</th>
<th>Unfunded Commitment</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge funds (a)</td>
<td>$16,254</td>
<td>-</td>
<td>Quarterly</td>
<td>90 days*</td>
</tr>
<tr>
<td>Hedge funds (a) (side pocket)</td>
<td>226</td>
<td>-</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td>Private equity (b)</td>
<td>45,865</td>
<td>7,350</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td>Real estate and real assets (b)</td>
<td>1,740</td>
<td>-</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$64,085</strong></td>
<td><strong>$7,350</strong></td>
<td></td>
<td><em>(redemption in four equal quarterly payments over 12 months)</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2017</th>
<th>Fair Value</th>
<th>Unfunded Commitment</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge funds (a)</td>
<td>$16,243</td>
<td>-</td>
<td>Quarterly</td>
<td>90 days*</td>
</tr>
<tr>
<td>Hedge funds (a) (side pocket)</td>
<td>280</td>
<td>-</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td>Private equity (b)</td>
<td>51,495</td>
<td>9,636</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td>Real estate and real assets (b)</td>
<td>1,781</td>
<td>-</td>
<td>Illiquid</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$69,799</strong></td>
<td><strong>$9,636</strong></td>
<td></td>
<td><em>(redemption in four equal quarterly payments over 12 months)</em></td>
</tr>
</tbody>
</table>

(a) Hedge Fund Investments. Hedge fund strategies include: relative value and event driven strategies. Some funds may invest in side pockets, which are a separate share class and are not available for redemption until the investment is liquidated by the manager.

(b) Non-Marketable Investment Strategies. Private equity strategies include: leveraged buyout, growth equity, venture capital, real estate, and distressed debt. Non-marketable funds do not permit redemptions; capital is returned to investors at the discretion of the investment manager and in accordance with limited partnership terms. Interim distributions of interest and dividends can be made; however, capital and realized gains are generally distributed when underlying investments are liquidated. Funds are able to recall distributions. It is expected that the majority of the non-marketable investments will be liquidated over the next ten years.
NOTE 4 – INVESTMENTS (Continued)

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 basis of income used for income tax reporting 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 change in net assets — income tax basis.

Interest and dividend income for the years ended December 31, 2018 and 2017 was $5,018 and $7,016, respectively. Total investment (losses) gains for the years ended December 31, 2018 and 2017 were $12,279 and $18,646, respectively. Investment fee expenses, which are included with investment returns, were $581 in 2018 and $1,007 in 2017.

The primary emphasis of the investment policy is to safeguard and preserve the principal of the investments 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 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 5 – 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 and two percent for the years ended December 31, 2018 and 2017, respectively. The Foundation is also subject to the unrelated business income tax ("UBIT") on certain income from pass-through investments.
THE KOHLBERG FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS
DECEMBER 31, 2018 AND 2017
(THOUSANDS OF DOLLARS)

NOTE 5 – TAXES (Continued)

Taxes paid in 2018 and 2017 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal excise and UBIT taxes</td>
<td>$ 533</td>
<td>$ 150</td>
</tr>
<tr>
<td>State UBIT taxes and filing fees</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total Taxes Paid</td>
<td>$ 533</td>
<td>$ 153</td>
</tr>
</tbody>
</table>

NOTE 6 – GRANT COMMITMENTS

The Foundation has authorized but unpaid grants outstanding as of December 31, 2018 as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 20,355</td>
<td>1,980</td>
</tr>
<tr>
<td>Total</td>
<td>$ 22,335</td>
<td></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 7 – DISTRIBUTIONS TO AFFILIATED FOUNDATIONS

During 2017, the Kohlberg Foundation made a one-time special distribution of $16 million to each of the following related entities: Cardinal Brook Trust, Kovin Foundation, Camalotte Foundation, and Kisco Cares Foundation. These foundations were created by the children of the founders of the Foundation. The distributions to the charitable foundations are approved as consistent with donors’ intent and in furtherance of the general charitable purposes of the Kohlberg Foundation.

NOTE 8 – 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, 2018 and 2017 was $55 and $53, respectively.
NOTE 9 – 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 $183 and $192 for the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2017, the Foundation distributed $64 million to four foundations created by the four children of the founders of the Foundation.

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

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, 2018, the Foundation’s uninsured cash and cash equivalents balance totaled $13,362. Additionally, the Foundation maintains money market accounts at major investment firms.

NOTE 11 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 30, 2019, the date that the financial statements were available to be issued.
Directors
Nancy Kohlberg, Chairman
Jennifer Magnone
Nancy McCabe
Les Fagen

Officers
Nancy Kohlberg, President
Nancy McCabe, Executive Vice President and Treasurer
Jennifer Magnone, Secretary

Staff
Nancy McCabe, Executive Director
Amanda DeHaan, Office Manager
Rita Fragano, Controller
Institute for Integrative Health (Unknown)
Brennan Center for Justice (Photo courtesy of Saskia Kabn)
Kunhardt Film Foundation (Photo courtesy of Clair Popkin)
Family Services of Westchester (Photo courtesy of Margaret DeRose)
Sponsors, Inc. (photo courtesy of Nir Pearson Architect, Artist Rendering by Mark Hopper)
Indivisible Fund (photo courtesy of Devin Hollomon)
Northern Westchester Hospital (photo courtesy of staff)
Investigative Reporters and Editors (IRE) (Unknown)
Dana Farber Cancer Institute/Jimmy Fund Walk (Unknown)
Drive Change (photo courtesy of Kirk Archibald)
YMCA of Martha’s Vineyard (photo courtesy of YMCA of Martha’s Vineyard)
ProPublica (Photo courtesy of Erin Lefevre)
Alliance for Justice (Photo courtesy of Heather Burke)
College and Community Fellowship (photo courtesy of Lee Wexler)
Ability Beyond Disability (photo courtesy of Sarah Hauser)
Island Elderly Housing (Unknown)
Bard Prison Initiative (photo courtesy of Karen Pearson)
Great Pond Foundation (photo courtesy of Great Pond Foundation)
Island Grown Initiative (photo courtesy of Randi Baird)
Mount Kisco Child Care Center/Family Services of Westchester (photo courtesy of MKCCC teachers and staff)
Martha’s Vineyard Shellfish Group (photo courtesy of Amandine Surier Hall)
Polly Hill Arboretum (photo courtesy of Ann Quigley)
Biodiversity Works (photo courtesy of Kayla Smith)
Neighbors Link (photo courtesy of Randy Matusow)
Puppies Behind Bars (photo courtesy of Peggy Vance)
Teatown (photo courtesy of Austin Schatz)
Hour Children (unknown)
Getting Out and Staying Out (photo courtesy of Pamela Flores)
Boston Med Flight (photo courtesy of Keneth Panciocco, Jr.)
Vineyard Conservation (photo courtesy of Signe Benjamin)
University of San Diego (photo courtesy of clinic staff)
Cover Photo: Great Pond Foundation, (photo by Vineyard Colors)
Designer Tamarack Media