



2022 Annual Report

# KOHLBERG

FOUNDATION

**Sponsors Inc.**

**\$2,500,000 – Legacy Gift for Permanent Reserve Fund**

**\$900,000 – General Support/Capital Program**

Sponsors, Inc. in Eugene, OR provides re-entry programs and services to formerly incarcerated men and women returning to the community. They provide housing, case management, assistance with employment and schooling, and practical support. They also collaborate with and coach other similar organizations, advancing the network of advocates and practitioners of criminal justice reform re-entry programs, and mental health services. These grants are for general support, capital programs and a legacy gift to establish a Permanent Reserve Fund.

**Brennan Center for Justice**

**\$3,005,000**

The Brennan Center focuses on issues of democracy, justice and reform. The center combines scholarship, legislative and legal advocacy, and communications to win meaningful, measureable 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 and criminal justice reform, holding those in public office accountable to facts and evidence. They champion the voting rights of all Americans and the fair and democratic principles of courts and the rule of law. A particular focus is their National Task Force on Rule of Law and Democracy.

**Hudson Link for Higher Education**

**\$700,000 – New Beginnings Transitional Housing Program**

**\$350,000 – Pilot Program for Community College Finish Line Scholarships**

**\$100,000 – College and Pre-college programs at Shawangunk Correctional Facility**

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 and their communities. They run college programs in New York State prisons and help clients to finish their degrees and find employment and transition after release. We support college and pre-college programs, their New Beginnings Program creating transitional housing, Shawangunk Correctional Facility, Finish Line Scholarships and provide general support for ongoing programs and services.



Taconic Graduation – Sean, Joel, Rebecca and Deb pose with fourteen women from our Taconic program who graduated with their associate and bachelor' degrees this June. (The photo can be accredited to Angela James).

**Schwab Charitable****\$1,000,000**

Schwab Charitable is an independent 501(c)(3) public charity with a mission to increase charitable giving in the U.S. by providing a tax-smart and simple giving solution to donors and their investment advisors.

**Indivisible Civic Engagement Photo****\$650,000– 501 (c)(3) Democracy Programs**

INDIVISIBLE CIVIC ENGAGEMENT, formed in 2017 in response to citizens' desire for action and civic engagement, focuses on local grassroots advocacy. They energize and organize local groups of constituents to make their voices heard with their own Members of Congress and state and local governments. 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 activities in capacity building and policy work in election integrity, voter engagement, and civil rights.



Indivisible New York – (Photo courtesy of staff).

**Civic Nation****\$350,000 – When We All Vote****\$250,000 – General Support**

When We All Vote works to increase participation in every election. Their innovative programs engage young people to close the race and age voting gap by changing the culture around voting, harnessing grassroots energy, and breaking down structural barriers to voting. This grant was for general support for engagement of young adults, voter education and work with grassroots local partners.

**Protect Democracy****\$600,000**

Protect Democracy is a national nonprofit group dedicated to strengthening and defending American democracy and the rule of law. This grant was awarded for 501 c 3 activities, including voter protection, voting integrity, defense of democracy, election protection, peaceful transition of power and the safety and support of local election officials.

### **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 Law (CPIL). The Legal Center, a clinical practice component of the UCSD Law School, focuses on strategies to support the best possible transitions for Veterans; particularly in securing quality higher education and best possible utilization of GI Bill benefits. The team also supports access to quality programs at community colleges and accredited post-secondary certifications to strengthen skills for veterans and vulnerable students focused on program integrity, educational accountability, accreditation, and value for tuition dollars. They monitor the efficacy of programs serving vulnerable students and represent students who have been defrauded by predatory unaccredited schools.



USD Law students who volunteer at the Veterans Legal Clinic operating an outreach program. Photo credit – unknown

### **Southern Poverty Law Center** **\$500,000**

The Southern Poverty Law Center is an American 501 (c)(3) nonprofit legal advocacy organization specializing in civil rights and public interest litigation. This grant was for the Voting Your Voice Program, Redistricting Litigation, Voting Rights, and Election Integrity.

### **The Gordon Parks Foundation** **\$400,000 – Gordon Parks Programming, Art and Activism Project**

This community of artists and activists preserves and advances the legacy of photographer Gordon Parks and supports young photographers and artists inspired by him. Focusing on The Gordon Parks Collection of photos, music and archives, they operate 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 is a renewal for current programming and the newly launched Art and Activism Project.

### **National Redistricting Foundation** **\$400,000**

National Redistricting Foundation focuses on creating a redistricting system based on democratic values, representative of ALL communities and citizens. By helping to create more just and representative electoral districts across the country, they hope to restore the public's faith in a representative democracy. This grant was for general support for 501 c 3 work in litigation and public education, voting integrity, fair redistricting, policy work and public education.

**Fair Elections Center****\$350,000**

Fair Elections Center is a 501(c)(3) national, nonpartisan voting rights and election reform organization based in Washington, D.C. They use litigation and advocacy to remove barriers to registration and voting, particularly underrepresented and marginalized communities. This grant was for the Campus Vote Project, voter education and voting integrity, HBCU Voter Registration and Engagement, and Litigation Support.

**Public Citizen****\$350,000**

Public Citizen is a non-profit consumer and civil rights advocacy group and think tank based in Washington, D.C. They are active in support of campaign finance reform, voting integrity, voter engagement and education, and the fundamentals of American Democracy and civic participation. This grant was awarded for the Declaration for American Democracy (DAFD), voting advocacy, voting rights and redistricting reform.

**Southern Coalition for Social Justice****\$300,000**

Southern Coalition for Social Justice (SCSJ) partners with communities of color and economically disadvantaged communities in the South. Their programs defend and advance political, social, and economic rights through the combination of legal advocacy, research, organizing, and communications. This grant was for their voting rights program, Election Integrity, and Redistricting Reform.

**Bard College****\$100,00 – Fishkill Gardening Program****\$150,000 – Finish Line Scholarships**

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 and public health coursework in their college-in-prison programs. Focusing on public health and food justice, garden participation is integrated into the science curriculum, and donations to local food banks create ways for incarcerated people to make direct contributions to local communities. The graduates of these programs typically pursue careers in public health and social work. A grant was also provided for the Finish Line Scholarship Program.



BPI Alumni volunteered at a garden site in Newburgh, NY. The Sanctuary at Crystal Lake. (no photo credit needed).

**Black Voters Matter Capacity  
Building Institute****\$250,000**

This organization works to increase power in marginalized, predominantly Black communities. Their programs are based on:

- Effective civic engagement and community power understanding, respecting and supporting local infrastructure.
- Black voters matter not only on election day, but on the 364 days between election days as well.
- Black voters matter *\*everywhere\**, including rural counties and smaller cities/towns that are often ignored by candidates, elected officials, political parties and the media.
- In order for Black voters to matter, we must utilize authentic messaging which speaks to issues, connects with our hopes and affirms our humanity.
- The leadership, talent and commitment demonstrated by Black women in particular must receive recognition and, more importantly, *\*investment\** in order to flourish and multiply.

This grant was general support for their 501 c3 work.

**College and Community Fellowship**  
**\$250,000**

College & Community Fellowship (CCF) is a NYC based organization dedicated to helping women who have been incarcerated while they reorganize their lives and earn college degrees. They help these students and their families to thrive in their communities. CCF supports students and their families until graduation day and beyond, providing academic support, day care, health and mental health counseling, 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 for Community College Finish line Scholarships and general support.

**Common Cause Education Fund**  
**\$250,000**

In support of Common Cause's mission of promoting open, honest, and accountable government, the Common Cause Education Fund seeks to increase public understanding of the democratic process. They advocate for change to empower citizens and promote their effective participation in all aspects of democracy at the local, state and federal level. This grant was for Voting Rights, State Legislative Work, Accountability and Election Integrity and preventing election violence and sabotage.

### Investigative Reporters and Editors (IRE)

\$250,000

IRE 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.

### NAACP Legal Defense and Education Fund

\$250,000

The NAACP Legal Defense and Educational Fund, Inc. is one of America's premier legal organization fighting for racial and social justice. Through litigation, advocacy, and public education, LDF seeks structural changes to expand democracy, eliminate disparities, and achieve racial justice in a society that fulfills the promise of equality for all Americans. LDF also defends the gains and protections won over the past 80 years of civil rights struggle and works to improve the quality and diversity of judicial and executive appointments. This grant was awarded for their Democracy Programs, Voter Protection, Voting Integrity, and Community Mobilization for Voting Rights.

### State Voices

\$250,000

State Voices strengthens democracy through the grassroots organizations in individual states. They guide and oversee collaborative programs, provide access to data and technology tools, and support state tables through capacity building programs. This grant was awarded for 501 (c) (3) activities, including GOTV, Voter Education, Voter Protection and Voting Integrity.



Throughout 2021, State Voices reinvested in their Emerging States Program. The Strategic Partnerships and State Capacity Building departments supported the emergence of 10 new civic engagement Tables in Alabama, Alaska, Arkansas, Iowa, New Jersey, North Dakota, South Dakota, Tennessee, West Virginia and Wyoming. In December 2021, the State Voices board of directors unanimously voted to welcome Alabama Forward and Civic TN into the SV Affiliated Network, expanding state-based infrastructure in the deep South and across the country. The Alabama and Tennessee civic engagement Tables have also been avid users of State Voices tools to drive collective impact programs focused on the Census, COVID response, and nonpartisan voter education programs. (Phot Credit – unknown).

**Alliance for Justice****\$200,000 – General Support**

Alliance for Justice (AFJ), located in Washington, DC, protects the integrity of the judicial selection and review process. We support their work on SCOTUS Review, the Judicial Selection Watchdog Project, “Build the Bench” activity, and general operating support. They involve the public, the legal community, peer jurists, legal scholars, advocates and the media in the process of judicial review and confirmation. They also actively support non-profit organizations in their roles as advocates for social change through their Bolder Advocacy Program.

**Campaign Legal Center****\$150,000**

Campaign Legal Center is a nonpartisan 501c3 organization that works to reduce the influence of money in politics and the integrity of the judicial system, rule of law unrestricted access to voting. CLC attorneys track and participate in a variety of cases around the country involving campaign finance law, voting integrity and voting rights advocacy at the federal, state and local level. This grant was awarded for their programs in voting integrity, vote by mail, elections process integrity, redistricting reform and the campaign finance reform program.

**Drive Change****\$150,000 – Working Capital**

Drive Change offers a Social Enterprise Fellowship Program and operates a food truck in NYC as a tool to empower young people coming home from jail and prison. Sales from their food truck recycle back into their organization to subsidize the cost of their annual Fellowship awards. In addition to the fellowship program, Drive Change has developed a unique partnership program with New York restaurants and food service providers to train and hire graduates of their program. This grant was for working capital, and cashflow support.



From a pop-up event, Table Meal, was hosted in the summer of 2021. Hunky Dory, a like-minded food business, invited Drive Change to take over the kitchen for the night. The Director of Culinary Education & Development, Mavis-Jay Sanders created a menu in collaboration with the fellows, (including Dupree Wilson, alumni and current Kitchen Assistant at DC) that told their food stories connected to their time being incarcerated. Each menu item shared the story behind the creation and ingredients. (Photo Courtesy of Janet Kim).



### **Leadership Conference Education Fund** \$250,000 – All Voting is Local

The Leadership Conference Education Fund creates public education campaigns that leverage a range of diverse voices to empower and mobilize advocates at the local, state, and federal levels.

This contribution was for general support and their All Voting is Local program.

### **Re-Think Media** \$150,000

ReThink Media builds public service and engagement capacity across civic participation movements. They provide in-depth media, messaging, and opinion research for Democracy advocates. They train advocates and provide communications tools, driving collaboration and innovation through shared data and learning. They connect experts to the reporters covering current political issues. This grant was awarded for democracy programs and media training for their 501c3 partners.

### **Rideshare2Vote Aware** \$150,000

Rideshare2Vote Aware is an organization that provides free round-trip transportation to polling places for voters in local and statewide elections. Its aim is to increase the chronic low level of eligible citizens exercising their right to vote. Rideshare2Vote helps by literally supplying the wheels of democracy. Rideshare2Vote utilizes state-of-the-art mobile apps that allow for scheduling rides on the voter's schedule. In addition, toll-free phone in service for voters is also available in some areas. This grant was for 501 (c)(3) capacity building, GOTV, and dispatch operations.

### **Westchester Community College Foundation** \$150,000

This grant was for the Finish Line Scholarships for Westchester students.

### **Dana Farber** \$135,000

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 supports the Kohlberg Family's annual participation in The Jimmy Fund Walk in memory of Amy Kohlberg Quinlan and Timmy Kohlberg.



Amy's Admirers – 2022 Family Walk in memory of Amy Kohlberg Quinlan and Timmy Kohlberg. Photo Credit – Peggy Grodd.

### **Martha's Vineyard Community Services** \$125,000

Martha's Vineyard Community Services serves individuals, families, and the community through a partnership of programs that provide life education, mental health and human services. Their programs in mental health, counseling, family services, day care and substance abuse prevention are especially valuable. This grant is for general support.

### **Equal Justice Initiative** \$100,000

The Equal Justice Initiative, a non-profit organization based in Montgomery, AL provides legal representation to prisoners wrongly convicted of crimes, prisoners without effective representation, and others who may have been denied a fair trial. It guarantees the defense of anyone in Alabama in a death penalty case. This grant was awarded for general support.



**Craig Newmark Graduate School of Journalism** – Picture portrays the first cohort of their Executive Program on News and Innovation. Participants spent a week at the Manhattan campus. The woman teaching and wearing a gray cape is Anita Zielina, the program director. (photo courtesy of Jessica Bal).

### **Free Speech for People** \$100,000

Founded on the day of the Supreme Court's Citizens United ruling, Free Speech For People envisions a democratic process in which all people have an equal voice and an equal vote.

- They develop and advocate for model laws and other tools to challenge big money in politics and to make corporations responsible to the public;
- They also challenge corruption at the highest levels of our government and lead bold campaigns for accountability under the law;
- They fight for free and fair elections, for reliable and secure voting systems, and for the bedrock principle that, in a democracy, all voters must have their votes properly counted.

This grant was for Advocacy and Court Cases to support Voting Rights, Voting Integrity and capacity building for the organization.

### **Lawyers Committee for Civil Rights Under Law** \$100,000

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 for Voter Protection, Voting Integrity, and Democracy Protections.

**The 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.

**New York University Just Security/Reiss Center on Law and Security****\$100,000 – Just Security**

The Reiss Center on Law and Security is a non-partisan multidisciplinary research institute fostering groundbreaking research on the vital legal, policy, and strategic questions that will shape the national security field. The Reiss Center is also home to Just Security, the online forum on law, rights, and national security.

**Neighbors Link****\$100,000 – General Operating Support**

Neighbor's Link, a multi-cultural community center in Mount Kisco, NY, serves immigrants and the day laborer community. They provide a Worker Center, classes and programs for adult education, employment, and financial literacy. They are the home base for Head Start child care services, and they offer on-site help and referrals for housing and homelessness, domestic violence, immigration issues, medical and mental health. This grant was for general operating support.



Family Center. The Bedford Hills Free Library presenting a story time workshop to the parents and children in their in-person Parent-Child Together program. (Photo Credits – Neighbors Link).

**Northern Westchester Hospital Foundation****\$100,000 – Integrative Medicine****\$100,000 - Magnet Nursing Continuing Education**

The Integrative Medicine Program at NWHC trains nurses throughout the medical departments in integrative healing therapies and techniques to support patient-centered care. In addition, the Foundation supports the MAGNET nursing program. MAGNET designation reinforces commitment of the nursing staff to continuing education, high quality patient care and best practices in nursing and patient outcomes.

**Open Door****\$100,000 – Support for the Mount Kisco Facility and General Support**

Open Door is a community health center serving as the health care home to more than 40,000 individuals in underserved communities in Westchester County. These grants were for support for the Mt. Kisco facility and general support.

**Open Source Election Technology Institute****\$100,000**

Established in 2007, their nonpartisan, nonprofit mission is to increase confidence in elections and civic engagement to preserve the operational continuity of democracy. This grant was for election integrity, fact checking and support for election officials.

**PROPUBLICA****\$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 in health care, immigration, consumer protection, student financial aid, affordable housing and other timely topics. This grant was for general support.

**Rethink Food****\$100,000**

Rethink Food NYC Inc, was founded to address hunger in the United States by contributing to a sustainable and equitable food system. This grant was for Strategic Partners, Restaurant Capacity Building and meals for Asylum seekers in NYC.



Ronald Cope from CBO Partner Childrens Aid. (Photo credits to Rethink Food).

**States United Democracy Center****\$100,000**

The States United Democracy Center is a nonpartisan organization advancing free, fair, and secure elections. They work with state and local officials, law enforcement leaders, and pro-democracy partners across America with the tools and expertise they need to safeguard democracy. Guided by a bipartisan Advisory Board of former state and federal officials and law enforcement leaders from both major political parties who are committed to a safe and secure election platform.

**Verified Voting****\$100,000**

Verified Voting is focused on the critical role technology plays in election administration. Their staff, Board, and Board of Advisors are nationally-recognized experts on the issue of election integrity and technology. The strength of our democracy relies on citizens' trust that each vote is counted as cast. They guide election officials toward greater accuracy, security, and verifiability. This grant was for the Election Protection Program.

**Whistleblower Aid****\$100,000**

Whistleblower Aid is a non-profit, legal organization in Washington, D.C. supporting individuals who lawfully report government and corporate law breaking. The organization provides assistance to individuals who come forward to disclose illegal conduct. Unless they eventually recover a monetary reward, they represent their clients ProBono. They also provide secure communications devices, mental health assistance, personal security in addition to legal representation. This grant was awarded for general support.

**YMCA of Martha's Vineyard****\$100,000**

The Martha's Vineyard YMCA 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 grant provides general support.



The Y of MV serves thousands of children each year, through direct programming including After School, Summer Camp, Alex's Place teen Center, Ice Arena programming and Swim which is pictured here. (staff photo).

### Martha's Vineyard Community Hospital \$75,000

Martha's Vineyard Hospital 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 provides general support for their programs and facilities.



Speech Pathologist and young patient –(Photo Credit – Ashley Tilton).

### Great Pond Foundation \$50,000

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".

### Hospital for Special Surgery \$50,000 – Academy of Rheumatology Educators

This NYC based specialty hospital is a leader in orthopedics and rheumatology nationally. The Academy of Rheumatology Medical Educators enhances education for the next generation of rheumatologists.

### 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 bring together farming groups and collaboratives into an interactive and connected network to create new efficiencies and opportunities for the Island's local food system. This grant, for general operating support, serves all collaborating farm programs on Martha's Vineyard.



Farm crew harvesting garlic from their regenerative fields at he Island Grown Farm (photo courtesy of Tim Connelly).

**Mount Kisco Child Care Center****\$50,000 – Scholarship Fund**

Mount Kisco Child Care Center, located in Mount Kisco, NY, provides 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 are nationally recognized. This grant is for their Scholarship program.

**Martha’s Vineyard Shellfish Group****\$40,000**

The Martha’s Vineyard Shellfish Group, works to strengthen the practices and environmental habitat for growing oysters throughout six Island towns on Martha’s Vineyard. 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.

**Tenacity****\$30,000**

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.

**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 with emphasis on access for residents of Martha’s Vineyard.

**Columbia Law School****\$20,000**

For the Leslie Gordon Fagen Endowed Scholarship and 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.

**Vineyard House, Inc.****\$20,000**

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 was awarded as 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.

**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.



The groundbreaking at Kuehn's Way. Kuehn's Way will have 20 affordable apartments and will be ready for tenants in the fall. (Photo Credit – Melissa Knowles for Randi Baird Photography).

**Yale University****\$15,000**

For the Les Fagen Scholarship Fund.

**Broadway Housing****\$10,000**

Since 1983, Broadway Housing Communities (BHC) has provided permanent homes for thousands of adults, children and families; high quality early childhood programs that improve outcomes for resident and community children; and opportunities for local artists to exhibit their work and engage the community.

**Brooklyn Law School****\$10,000**

This is a contribution to the Herman Fagen Scholarship Fund for disadvantaged students.

**The Council on Foundations****\$10,000**

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.

**Environmental Defense Fund (EDF)****\$10,000**

The EDF Climate Corps Program helps businesses 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 EDF Climate Corps program.

**National Center for Family Philanthropy****\$8,000**

This national organization serves as a resource to philanthropic families and those who work with them. This grant was provided for the Friends of the Family Program 2022.



**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 and Girls Club of Northern Westchester****\$5,000**

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

**Hospice of Martha's Vineyard****\$5,000**

General program support for services for terminally ill patients.

**Hospice Care in 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.

**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 (Vineyard 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. This grant was for general support.

**Olana Partnership****\$5,000**

Olana preserves and interprets the historic home and studio of Frederic Church, the nation's most celebrated landscape artist.

**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.

**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.

**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 support for legal defense fund for land preservation.

**Environmental Grantmakers Association****\$2,037.00**

This grant was awarded for general operating support.

**Island Grown Initiative****\$2,000**

Vineyard Committee on Hunger, provides relief funds and food to Vineyard families. This grant was awarded as general operating support for the Island Food Pantry on Martha's Vineyard.

**Bedford 2030****\$1,000**

This grant was awarded for general support for local environmental projects and education.

**The Foundation Center (Candid)****\$1,000**

This grant provided general support to the Foundation Center/Candid, a national not-for-profit that assists non-profits and grant makers.

**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.

**Mount Kisco Volunteer Ambulance Corps.****\$500**

**THE KOHLBERG FOUNDATION, INC.**

**FINANCIAL STATEMENTS – INCOME TAX BASIS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**THE KOHLBERG FOUNDATION, INC.**  
**FINANCIAL STATEMENTS – INCOME TAX BASIS**  
**(Together with Independent Auditors’ Report)**  
  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Kohlberg Foundation, Inc.

### **Opinion**

We have audited the financial statements of The Kohlberg Foundation, Inc. (the "Foundation"), which comprise the statement of assets, liabilities and net assets - income tax basis as of December 31, 2022, 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 year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with the basis of accounting the Foundation uses for income tax purposes as described in Note 2.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Report on 2021 Financial Statements**

The financial statements of the Foundation, as of and for the year ended December 31, 2021 were audited by another auditor whose report dated November 3, 2022 expressed an unmodified opinion on those statements.

### **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 basis of accounting the Foundation uses for income tax purposes, 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 this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting described in Note 2, and for 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.

Mayer Hoffman McCann CPAs  
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### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Mayer Roffman McCann CPAs*

New York, NY  
July 19, 2023



**THE KOHLBERG FOUNDATION, INC.**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – INCOME TAX BASIS**  
**AS OF DECEMBER 31, 2022 AND 2021**  
(\$ Amounts in Thousands)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents (including funds held by investment custodians)	\$ 7,445	\$ 11,073
Equity investments, at quoted market value	101,351	129,814
Fixed income investments, at quoted market value	59,706	65,962
Limited partnerships/limited liability companies/other investment vehicles	32,311	47,652
Other assets	<u>9,676</u>	<u>8,804</u>
<b>Total Assets</b>	<u>\$ 210,489</u>	<u>\$ 263,305</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 8</u>
Total Liabilities	-	8
<b>Net Assets Without Donor Restrictions</b>	<u>210,489</u>	<u>263,297</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 210,489</u>	<u>\$ 263,305</u>

**THE KOHLBERG FOUNDATION, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – INCOME TAX BASIS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(\$ Amounts in Thousands)

	<u>2022</u>	<u>2021</u>
<b>Contributions Received</b>	\$ 2,113	\$ -
<b>Revenues and Gains</b>		
Dividends/interest/other	40	3
Income and appreciation on fixed income portfolio	(7,088)	61
Income and appreciation on equity portfolio	(27,081)	19,925
Income and appreciation of limited partnerships/ limited liability companies/other investment vehicles	(509)	12,740
Other income	-	4
Total Revenues and Gains	<u>(32,525)</u>	<u>32,733</u>
<b>Functional Expenses</b>		
Program expenses	19,467	11,407
Management and general expenses	816	737
Total Functional Expenses	<u>20,283</u>	<u>12,144</u>
<b><u>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>	(52,808)	20,589
Net Assets Without Donor Restrictions - Beginning of Year	<u>263,297</u>	<u>242,708</u>
Net Assets Without Donor Restrictions - End of Year	<u>\$ 210,489</u>	<u>\$ 263,297</u>



THE KOHLBERG FOUNDATION, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES – INCOME TAX BASIS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021  
 (\$ Amounts in Thousands)

	December 31, 2022			December 31, 2021		
	PROGRAM	MANAGEMENT AND GENERAL	TOTAL FUNCTIONAL EXPENSES	PROGRAM	MANAGEMENT AND GENERAL	TOTAL FUNCTIONAL EXPENSES
Grants authorized	\$ 18,777	\$ -	\$ 18,777	\$ 10,755	\$ -	\$ 10,755
Compensation	430	253	683	406	238	644
Payroll taxes and benefits	137	80	217	127	75	202
Professional fees	-	85	85	-	57	57
Occupancy	29	17	46	29	17	46
Travel	2	-	2	2	-	2
Office expense	37	22	59	33	19	52
Dues and subscriptions	9	-	9	7	-	7
Insurance	46	27	73	48	28	76
Licenses and fees	-	2	2	-	2	2
Provision for taxes	-	328	328	-	300	300
Annual report	-	2	2	-	1	1
	<u>19,467</u>	<u>816</u>	<u>20,283</u>	<u>11,407</u>	<u>737</u>	<u>12,144</u>
Total Expenses	<u>\$ 19,467</u>	<u>\$ 816</u>	<u>\$ 20,283</u>	<u>\$ 11,407</u>	<u>\$ 737</u>	<u>\$ 12,144</u>

See accompanying notes to financial statements.

**THE KOHLBERG FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS – INCOME TAX BASIS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions received	\$ 2,113	\$ -
Investment income	40	3
Cash grants paid	(18,777)	(10,755)
Cash paid for operating expenses	(1,172)	(1,079)
Federal and state excise taxes paid	<u>(328)</u>	<u>(300)</u>
Net Cash Used in Operating Activities	<u>(18,124)</u>	<u>(12,131)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	16,117	17,418
Purchase of investments and other assets	<u>(1,621)</u>	<u>(2,593)</u>
Net Cash Provided by Investing Activities	<u>14,496</u>	<u>14,825</u>
 <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	 (3,628)	 2,694
Cash and cash equivalents - beginning of year	<u>11,073</u>	<u>8,379</u>
 Cash and cash equivalents - end of year	 <u>\$ 7,445</u>	 <u>\$ 11,073</u>

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**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.

The Foundation plans to file a Petition for Permission to Dissolve with the New York Attorney General in early fiscal year 2024. Subject to the necessary regulatory approvals, management expects distributions and dissolution in 2024.

**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 a financial reporting framework other than accounting principles generally accepted in the United States of America. Consequently, contributions are recognized when cash is received rather than when pledged or promised, 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 held in perpetuity 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 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.

The Foundation values all of its investments using Level 1 inputs and the net asset value (“NAV”) practical expedient. 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.

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Investments (Continued)***

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, are valued using the most recent valuation available by the respective external fund manager. The Foundation reviews and evaluates the values provided for alternative investments by the general partner or fund manager and assesses the valuation methods and assumptions used in determining the fair value of the investments. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The Foundation reports investment income and gains and losses as increases or decreases in net assets without donor restrictions in the statements of revenues, expenses and changes in net assets – income tax basis unless a donor or law 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 the income tax basis of accounting. As of December 31, 2022, 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.

***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 occupancy, insurance, compensation, office expenses and payroll taxes and benefits, 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 acquired to be cash equivalents.

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**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 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 statements of cash flows - income tax basis, which identify the sources and uses of the Foundation's cash and show negative cash used in operations for the years ended December 31, 2022 and 2021. As of December 31, financial assets were as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 7,445	\$ 11,073
Investments	193,368	243,428
Receivables (included in other assets)	<u>9,397</u>	<u>8,517</u>
	210,210	263,018
Less: amounts not available within one year:		
Illiquid investments	<u>(32,311)</u>	<u>(47,652)</u>
Total financial assets available for general use within one year	<u>\$ 177,899</u>	<u>\$ 215,366</u>

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:

	<u>December 31, 2022</u>		
	<u>Level 1</u>	<u>NAV Practical Expedient</u>	<u>Fair Value</u>
Financial assets:			
Equity investments	\$ 101,351	\$ -	\$ 101,351
Fixed income investments	59,706	-	59,706
Limited partnerships/limited liability companies/other investment vehicles	<u>-</u>	<u>32,311</u>	<u>32,311</u>
Total Investments at Fair Value	<u>\$ 161,057</u>	<u>\$ 32,311</u>	<u>\$ 193,368</u>
	<u>December 31, 2021</u>		
	<u>Level 1</u>	<u>NAV Practical Expedient</u>	<u>Fair Value</u>
Financial assets:			
Equity investments	\$ 129,814	\$ -	\$ 129,814
Fixed income investments	65,962	-	65,962
Limited partnerships/limited liability companies/other investment vehicles	<u>-</u>	<u>47,652</u>	<u>47,652</u>
Total Investments at Fair Value	<u>\$ 195,776</u>	<u>\$ 47,652</u>	<u>\$ 243,428</u>

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**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 (NAV) per share practical expedient as of December 31:

	<b><u>December 31, 2022</u></b>			
	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private equity (b)	\$ 31,218	\$ 3,344	Illiquid	
Real estate and real assets (b)	<u>1,093</u>	<u>-</u>	Illiquid	
Total	<u>\$ 32,311</u>	<u>\$ 3,344</u>		
	<b><u>December 31, 2021</u></b>			
	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge funds (a)	\$ 8,375	\$ -	Quarterly	90 days
Private equity (b)	38,092	5,866	Illiquid	
Real estate and real assets (b)	<u>1,185</u>	<u>-</u>	Illiquid	
Total	<u>\$ 47,652</u>	<u>\$ 5,866</u>		

(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.

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 changes in net assets – income tax basis.

Investments are subject to market volatility which could substantially change their fair values in the near term. Interest and dividend income for the years ended December 31, 2022 and 2021 was \$4,414 and \$4,447, respectively. Total investment gains (losses) for the years ended December 31, 2022 and 2021 were \$12,135 and \$17,173, respectively. Investment fee expenses, which are included with investment returns, were \$388 in 2022 and \$454 in 2021. These amounts are included in income and appreciation on the statements of revenues, expenses and changes in net assets – income tax basis.

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**NOTE 4 – INVESTMENTS (Continued)**

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 private foundation excise tax, which private foundations pay on net investment income annually, is currently a flat rate of 1.39 percent. This percentage took effect in the 2020 tax year after legislation simplified the two-tiered system to a flat rate. The Foundation paid federal excise tax of 1.39% on its investment income as defined for tax purposes, for each of the years ended December 31, 2022 and 2021. The Foundation is also subject to the unrelated business income tax ("UBIT") on certain income from pass-through investments.

Taxes paid in the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Federal excise and UBIT taxes	\$ 328	\$ 300
State UBIT taxes and filing fees	<u>-</u>	<u>-</u>
Total Taxes Paid	<u>\$ 328</u>	<u>\$ 300</u>

**NOTE 6 – GRANT COMMITMENTS**

The Foundation has authorized, but unpaid grants outstanding of \$4,900 as of December 31, 2022. 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 – 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, 2022 and 2021 was \$66 and \$62, respectively.

**THE KOHLBERG FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS-INCOME TAX BASIS**  
**DECEMBER 31, 2022 AND 2021**  
**(\$ Amounts in Thousands)**

**NOTE 8 – 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 \$148 and \$153 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 9 – 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. As of December 31, 2022, the Foundation's uninsured cash and cash equivalents balance totaled \$6,625. Additionally, the Foundation maintains money market accounts at major investment firms.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 19, 2023, the date 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 – 914-415-4143*

Rita Fragano, *Controller*

Matthew Boulay, *Consultant – 503-991-9519*

*\*Nancy Kohlberg served as President through August 2022*

*Nancy McCabe was elected President on September 22, 2022*

Indivisible Civics (staff photo)

Bard Prison Initiative (No photo credit needed)

Neighbors Link (Photo courtesy of Neighbors Link)

Martha's Vineyard Hospital (Photo Courtesy of Ashley Tilton Photography)

Hudson Link (Photo Courtesy of Angela James)

Island Grown Initiative (Photo Courtesy of Tim Connelly)

Island Housing Trust (Photo Courtesy of Melissa Knowles for Randi Baird Photography)

Puppies Behind Bars (Photo Courtesy of Peggy Vance)

Rethink Food (staff photo)

Craig Newmark Graduate School of Journalism (Photo Courtesy of Jessica Bal)

Drive Change (Photo Courtesy of Janet Kim)

YMCA of Martha's Vineyard (staff photo)

University of San Diego School of Law (staff photo)

State Voices (Photographer Unknown)

Dana Farber Cancer Center (Photo Courtesy of Peggy Grodd)

Cover Photo: Drive Change (Photo Courtesy of Tom Gorelik)

Designer: Tamarack Media

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[www.kohlbergfoundation.org](http://www.kohlbergfoundation.org)

#### NOTICE

The Kohlberg Foundation, Inc. – The annual report and copy of the IRS Form 990 (return of a private foundation) are available for inspection at our principal office at 84 Business Park Drive, Suite # 304, Armonk, NY 10504. Requests for a copy may be made in writing to the Executive Director by mail, or email at [info@kohlbergfoundation.org](mailto:info@kohlbergfoundation.org) or in person during business hours.

**The Kohlberg Foundation is not currently accepting unsolicited proposals.**