



KOHLBERG

F O U N D A T I O N

2015 Annual Report

Jacob Burns Film Center

\$5,000,000

The Film Center, located in Pleasantville, NY is a leading national educational and cultural institution. The Center, through its Media Arts Lab provides opportunities for people of all ages to discover, explore, and learn through the power of film and media. Their virtual learning platform is interactive, resource rich, and will provide tools for filmmaking collaboration and production while leveraging their unique position as both film presenters and educators. The platform was created as a sustainable business model with both common source resources as well as a revenue generating element. This grant was awarded to help establish an endowment for their programs and facilities



Students at Ossining's Claremont School take part in *Minds in Motion*, the Center's animator-in-residence program for fourth graders, with animator Greg Nemeec.

Institute for Integrative Health

\$2,500,000

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



Baltimore City High School students harvest produce at Reach Food Farm to include in their lunch while participating in *Mission Thrive Summer*, a five-week experiential program created by the Institute. The program integrates farming, cooking, leadership, physical activity, and mindfulness in order to expose Baltimore City high school students to an array of healthy lifestyle choices.

Swarthmore College

\$2,100,000

The college located in Swarthmore, PA gives students the knowledge, insight, skills, and experience to become leaders for the common good. Offering a liberal arts and engineering curriculum, the College is private, yet open to all regardless of financial need. It is also decidedly global in outlook, drawing students from around the world and all 50 states. The diversity of perspectives represented by Swarthmore students, faculty, and staff - including different viewpoints, identities, and histories - contributes to the community's strong sense of open dialogue and engagement with ideas and issues. This grant was awarded as endowment support for the Evans Scholars Program. Philip Evans and Jerry Kohlberg were roommates at Swarthmore.

In addition, as part of Swarthmore's ongoing support to students interested in careers in business and entrepreneurship, a grant of \$100,000 has been provided for the program, *Educating Socially Responsible Leaders*.



Parrish Hall at Swarthmore College. This landmark campus building was built in 1868. As part of a major legacy grant to Swarthmore renovation of the infrastructure was completed with the roof being carefully repaired and strengthened and new energy efficient heating and air handling systems installed.

Brennan Center for Justice

\$2,000,000

The Brennan Center for Justice at NYU School of Law is a non-partisan public policy institute that focuses on issues of democracy and justice. The Center combines scholarships, legislative and legal advocacy, and communications to win meaningful, measurable change in the public sector. This grant was awarded to support their voter protection work, money in politics, and investigative journalism.



Vishal Agraharkar, Nicole Austin-Hillery, and DeNora Getachew representing the Brennan Center at the 50th anniversary of the march from Selma Montgomery.

Meserve-Kunhardt Foundation

\$1,600,000

The Foundation is dedicated to the preservation of photography and its use to inform, educate and inspire. The Foundation's holdings include: the Meserve-Kunhardt Collection, the Dorothy Kunhardt Collection, the Gordon Parks Collection, and the Ed Clark Collection. The Foundation preserves and disseminates its holdings through exhibitions, publications, and multi-media educational programs to illustrate the power of visual learning. This grant was awarded to support the next phase of growth and development of the Foundation.



In 2015 The Foundation moved to their new location where they host rotating exhibitions that are free and open to the public. It has been their great pleasure to introduce Gordon Parks to a wider audience in this new venue.

University of Maryland Baltimore, School of Medicine Center for Integrative Medicine

1,340,000

The Center for Integrative Medicine (CIM) is an inter-departmental center within the University of Maryland School of Medicine. A leading international center for research, patient care, education, and training in integrative medicine, the CIM is a National Institute of Health (NIH) Center of Excellence for research in complementary medicine. Presenting integrative techniques to their fellow medical school colleagues, they are developing projects that look at wellness and prevention, as well as continuing their focus on the practical uses of acupuncture and mind/body medicine. This grant provides general program support for their four-part program of informatics, research, education, and patient care.



With 250 attendees, 20 workshop sessions, and many new sponsors, the University of Maryland Center for Integrative Medicine's third health and Wellness Conference was an exciting event. Health care providers from multiple professions as well as health conscious individuals gathered together for a day that included experiential learning, as well as scientific presentations about integrative approaches to pain related conditions and wellness promotion.

Northern Westchester Hospital Center \$1,200,000

The Hospital located in Mount Kisco, NY received funding to support the In-Hospital Integrative Medicine Program and the MAGNET nursing program. Throughout the medical departments staff receive training in integrative healing therapies and techniques appropriate to the care of their patients.

Through the MAGNET nursing program the Hospital has been able to drop their registered nurse vacancy rate to 4.6% from 7.0%, which is well below the national average of 8%. This designation recognizes the nursing staff for high quality patient care and best practices in nursing and patient outcomes. The hospital also received a capital grant to support their state-of-the-art operating suites and critical care unit.



Nurses from Northern Westchester Hospital's Integrative Medicine Program provide holistic care, such as massage and Reiki, to patients and their colleagues to reduce stress and promote well-being.

City University of New York (CUNY) School of Journalism - Journalist-in Residence \$1,150,000

CUNY's Graduate School of Journalism received support to establish a Journalist-in-Residence in Urban Reporting program. This program along with several entrepreneurial research projects will support the curriculum and emphasize sustainable business models. Additional funding was provided to support a Center for Community and Ethnic Media. This Center would serve as a hub for research, training, and professional support for community and ethnic publications in the NYC metropolitan region.

The new Dean, Sarah Bartlett, has outlined several new programs in New Media, Community Journalism and Spanish Language Media, with an emphasis on scholarship access. This agenda is supported by a Dean's Discretionary Fund.



Dean Sarah Bartlett (in blue) and (to her right) Graciela Mochkofsky, director of the new Spanish-language Journalism Program at the CUNY Graduate School of Journalism, greet guests at a reception to announce the programs.

University of San Diego**\$547,699**

This grant was provided to support their Initiative to Protect Student Veterans. Establishing a Veterans Legal Clinic at the Law School, USD combines strategies to support the best possible education and transition services for veterans and their families. This is a joint effort with the USD Center for Public Interest Law (CPIL).

Marlboro College**\$250,000**

The college is a small, coeducational, academically rigorous liberal-arts college located in Marlboro, Vermont. Students create an individualized course of study in collaboration with faculty members and participate in a self-governing community. Students pursue a self-designed, often inter-disciplinary thesis, the Plan of Concentration, based on their academic interests that culminates in a major body of scholarship. This grant was awarded as a presidential transition gift in honor of Kevin Quigley's selection as President.

Investigative Reporters & Editors**\$150,000**

IRE, located in Columbia, MO, is a grassroots nonprofit organization dedicated to improving the quality of investigative reporting. They create a forum in which journalists throughout the world help each other by sharing story ideas, newsgathering techniques, and news sources. IRE provides access to thousands of reporting tip sheets and other materials through its resource center and hosts conferences and specialized training throughout the country. This grant was awarded to support training programs for small to medium sized news organizations. This grant was awarded as renewed support for their *Total Newsroom Training Program* (TNT).

Sponsors, Inc.**\$150,000**

Sponsors, Inc., located 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 their capital and services for many women and families.

Dana-Farber Cancer Institute**\$115,000**

The Dana-Farber Cancer Institute located in Boston, MA, provides care and advances the diagnosis, treatment, and cure options for adult and pediatric cancers. Dana-Farber and its affiliate, The Jimmy Fund were awarded grants to support prostate cancer research by Dr. Philip Kantoff at the Lank Center for Genitourinary Oncology. This grant was awarded to support the Kohlberg family's annual participation in The Jimmy Fund Walk in memory of Amy Kohlberg Quinlan.

ProPublica, Inc.**\$100,000**

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

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

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



Their *Art Project* teaches children creativity techniques that keeps their minds strong.

Martha's Vineyard Hospital**\$75,000**

Martha's Vineyard Hospital in Oak Bluffs, MA, provides a new state-of-the-art "green" hospital facility that offers first-class medical capabilities and a signature "high touch" approach. This grant was awarded to support their programs, services, and new diagnostic equipment.

Martha's Vineyard Shellfish Group**\$75,000**

The Martha's Vineyard Shellfish Group, located in Oak Bluffs, MA, is composed of shellfish departments across 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.



Alley Banks is holding an oyster toadfish that was living in one of the oyster cages.

Alliance for Justice**\$50,000**

Alliance for Justice, located in Washington, D.C., received support for their Judicial Selection Project. Through this project, the Alliance supports the Senate in its 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. Additional support for their programs to reform forced arbitration.

Great Pond Foundation**\$50,000**

The Foundation, located in Edgartown, MA, enhances the health and beauty of the Edgartown Great Pond by supporting solutions to environmental problems affecting it. This grant was awarded as general support for their conservation activities.

Mount Kisco Child Care Center**\$50,000**

Mount Kisco Child Care Center, located in Mount Kisco, NY, provides early childhood development and education programs to a diverse group of children in safe, healthy, and developmentally appropriate programs. This grant was awarded to support their scholarship fund.



Each week children prepare and eat food from the Center's year round curriculum of over 50 kid tested recipes. There are over 20 raised bed gardens in the playground and grounds of the Center. Both teachers and children enjoy planning, planting, weeding, watering, harvesting and seed saving from our garden beds. Their onsite composting system helps close the loop by transforming veggie and garden scraps into soil. Their greenhouse is a year round classroom for starting seedlings and following weather patterns.

Center for Biological Diversity**\$40,000**

The Center, located in Tucson, AZ, systematically uses biological data, legal expertise, and the citizen petition provision of the Endangered Species Act to obtain sweeping, legally binding new protections for animals, plants, and their habitat. This general support grant continues to secure the future of all species through the use of science, law, and creative media, with a focus on protecting lands, waters, and the climate.

Council on Foundations**\$34,500**

The Council, located in Washington, D.C., is a non-profit membership organization that supports grantmakers in various aspects of foundation management. This grant provides general support.

Hospital for Special Surgery**\$30,000**

The Hospital, located in New York City, received this grant to support the Academy of Rheumatology through education and research programs under the direction of Dr. Stephen Paget.



The Kohlberg Foundation's support of Hospital for Special Surgery's Academy of Medical Educators enabled HSS anesthesiologist Dr. Stephen Haskins (right) to pursue an innovative educational initiative to teach anesthesiologists in-training how to use ultrasound at the bedside like a stethoscope to improve patient evaluation, care and management.

Hazelden Betty Ford Foundation**\$25,000**

The Foundation, located in Center City, MN is a non-profit organization that works to raise awareness and mission critical funding to provide a comprehensive approach to addiction that includes treatment, prevention, research, education, and advocacy. The grant was provided to support their *CONNECTION Program* that helps Veterans overcome substance abuse.

Tenacity**\$25,000**

Tenacity, located 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 supports their After School Excellence Program and various summer programs.

Hampshire Country School**\$20,000**

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

My Second Home* - Family Services of Westchester*\$20,000**

My Second Home is located in a shared facility with Mt. Kisco Childcare, built with the help of The Kohlberg Foundation nearly 20 years ago. 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.

Neighbor's Link**\$20,000**

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



The Eco-Cleaning Training Program at Neighbors Link has now trained and certified more than 215 women to clean homes and businesses using organic cleaning products that are not harmful or toxic to themselves or the environments in which they work. Eco-Cleaning students also learn effective work habits, customer service and business management skills. Graduates of this vital economic program are starting their own businesses and successfully finding work through their programs.

Open Door**\$20,000**

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

Teatown Lake Reservation, Inc.**\$20,000**

Teatown Lake Reservation, located 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 to provide operating support for their programs and services in Westchester County, NY.



Teatown's No Child Left Inside Program helps to instill critical thinking skills, self-esteem, and increases overall academic competency by providing children in disadvantaged school districts with access to nature based science programs.

Boston Med Flight/New England Life Flight**\$15,000**

Boston Med Flight/New England Life Flight, located at the Hanscom Air Force Base in Bedford, MA, is a critical care transport service. This grant was awarded to support their services for residents of Martha's Vineyard.

BiodiversityWorks**\$15,000**

BiodiversityWorks, located in Edgartown, MA was founded by Liz Baldwin and Luanne Johnson (members of the Martha's Vineyard Vision Fellowship) to promote conservation of biodiversity through wildlife research and mentoring. The Program provides opportunities for people to engage in hands-on nature study. This grant was awarded for organizational support.

Boys and Girls Club of Northern Westchester**\$10,000**

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



After School Fun Club - Club members attending their after school program participate in homework help, writing workshops, literacy support, physical education, art, community service and much more. In addition, each child receives a nutritious, hot meal at the Club each day (over 68,000 meals are served each year).

Environmental Defense Fund**\$10,000**

The Fund, located in New York City, sponsors the Climate Corps Program to help companies move past one-off initiatives toward a comprehensive energy management strategy, delivering systemic and lasting reductions in energy use and greenhouse gas emissions. This grant was awarded for Climate Corps programs for MBA interns.

Island Housing Trust Corporation**\$10,000**

The Trust, located in West Tisbury, MA, creates and sustains permanent housing solutions that bridge the gap between the Island's high property values and families in need on Martha's Vineyard. This grant was awarded as general operating support.

International Rule of Law Project, Inc.**\$10,000**

The Project, located in Wilmington, Delaware raises awareness for a wide range of areas where rule of law issues arise. This grant was awarded to support the activities of the Bingham Centre in London. The Centre has particular strengths in exploring issues comparatively and across multiple jurisdictions.

Vineyard House**\$10,000**

Vineyard House, located in Vineyard Haven, MA, provides housing for Island men and women in need of a safe living environment while they are in the early stages of recovery from alcohol and drug dependency. This grant provides general operating support.

Sheriff's Meadow Foundation**\$6,000**

The Foundation, located in Vineyard Haven, MA, conserves the natural, beautiful, rural landscape and character of Martha's Vineyard for present and future generations. This grant was awarded as operating support for their land stewardship program.

A-HOME**\$5,000**

A-HOME, located in Pleasantville, NY, is an organization that rehabilitates, 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.



A-HOME's *Green Energy Program* has been implemented to decrease energy use and energy costs at their aging housing. A-HOME was the recipient of the first PACE (Property Assessed Clean Energy) low interest loan to an affordable housing organization in New York State.

Gilda's Club of Westchester**\$5,000**

Gilda's Club, located in White Plains, NY, creates a welcoming community of free support for those living with cancer, along with their families and friends. This grant was awarded in memory of Amy Kohlberg Quinlan and Timmy Kohlberg to support their programs and services.

Vineyard Conservation Society**\$5,000**

The Society, located in Vineyard Haven, MA, received this grant as general support for the organization, whose mission includes advocacy and public education, as well as resource protection on Martha's Vineyard.

Hospice Care of Westchester & Putnam**\$5,000**

Hospice Care of Westchester & Putnam, located in Tarrytown, NY, focuses on the medical, emotional, and spiritual needs of individuals and families through the assistance and care by nurses, social workers, other professionals, and trained volunteers. This grant was awarded as general program support.

Animal Shelter of Martha's Vineyard**\$5,000**

General operating support to provide shelter, health care, love and support to most domestic animals until a permanent home is found.

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

General program support for services for terminally ill patients.

Island Elderly Housing, Inc.**\$5,000**

Island Elderly Housing, located in Vineyard Haven, MA, focuses on affordable rental housing for the low income elderly and the disabled. This grant was awarded as general operating support.

Martha's Vineyard Preservation Trust**\$5,000**

The Trust, located in Edgartown, MA, 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.

New Rochelle Fund for Educational Excellence**\$5,000**

The Fund, located in New Rochelle, NY, is committed to preserving the New Rochelle tradition of excellence in education. This grant was provided as general program support.



An ACT preparation class at New Rochelle High School. The New Rochelle Fund for Educational Excellence supports educational enrichment programs and programs that level the playing field for students in the New Rochelle public schools. They provide SAT and ACT preparation to all New Rochelle High School students regardless of ability to pay.

Riverkeeper**\$5,000**

Riverkeeper, located in Ossining, NY, is a member-supported watchdog organization dedicated to defending the Hudson River and its tributaries. This grant was awarded as general support.

The Polly Hill Arboretum**\$5,000**

The Arboretum, 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 operating support.



Collecting at Ox Pond Meadow, Edgartown. Botanical Surveys contribute to the Flora of Martha's Vineyard, Dukes County.

Two-East Sixty-Second Street**\$5,000**

The Foundation, located in New York City, maintains, restores, and preserves the architectural integrity and design of a New York historical landmark building located at Two East Sixty-Second Street. This grant was awarded to support their historical preservation efforts.

National Center of Family Philanthropy**\$3,000**

The Center, located in Washington, D.C., serves as a resource to philanthropic families and those who work with them. This grant was provided as general support.

Environmental Grantmakers (EGA)**\$2,042**

EGA, located in New York City, works with members and partners to promote effective environmental philanthropy by sharing knowledge, fostering debate, cultivating leadership, facilitating collaboration, and catalyzing action. This grant was provided as general support.

Bedford 2020 Coalition**\$2,020**

The Coalition, located in Katonah, NY, was created to address climate change and sustainability on a local level and to reduce greenhouse gas emissions. This grant was awarded as general support.

Ability Beyond Disability**\$2,000**

Ability Beyond Disability, located in Bethel, Connecticut has an active branch in Mount Kisco, NY which helps individuals with disabilities to find homes, provide reliable support and job training, and help the individuals find jobs. This grant was awarded to support their activities in Mount Kisco.

CHAD Relief Foundation**\$2,000**

The Foundation, located in Santa Barbara, CA, is dedicated to providing assistance and improving the lives and prospects of the people of south Chad. This grant was award as general support.

Chilmark Town Affairs Council, Inc.**\$2,000**

This grant was awarded as general support for the Center's daycare and youth programs on Martha's Vineyard. Additional support was also provided for the Martha's Vineyard Book Festival.

Lawyers' Committee for Civil Rights**Under Law****\$2,000**

The Committee, located in Washington, D.C. works to secure equal justice for all through the rule of law, targeting in particular the inequities confronting African Americans and other racial and ethnic minorities. This grant was awarded as general operating support.

Felix Neck Wildlife Sanctuary**\$1,000**

General support for Massachusetts Audubon in Vineyard Haven, Massachusetts.

The Foundation Center**\$1,000**

This grant provided general support to the Foundation Center, which is a national not-for-profit service agency that assists non-profits and grant makers.

Listening, The Barre Integrative Health Center**\$1,000**

Listening is a community center, located in Barre, MA. One of their programs is the East Quabbin Alliance (EQUAL). This grant was awarded as program support for EQUAL's composting and organic garden programs at the Quabbin Regional High School in Massachusetts.

Martha's Vineyard Film Festival**\$1,000**

Located in Chilmark, MA, the Film Festival's mission is to produce community events, educational programs, and films that spark discussion, debate, and action. The grant was provided as general support for their programs.

Waterkeeper**\$1,000**

Waterkeeper Alliance, located in Irvington, NY, promotes the model for watershed protection and advocates the advancement of ground-breaking clean water campaigns.

Westchester ARC**\$1,000**

Westchester ARC, located in Hawthorne, NY, offers programs and services to children and adults with intellectual or development disabilities.

Vineyard Committee on Hunger**\$1,000**

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

Westchester Land Trust**\$1,000**

Westchester Land Trust, located in Bedford, NY, works to protect land in partnership with private landowners. This grant was awarded as general support.

Per Scholas. Inc.**\$990**

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

Chilmark Public Library**\$500****Mount Kisco Volunteer Ambulance Corps****\$500****Mount Kisco Volunteer Fire Department****\$500****Edgartown Fire Department****\$300**

Directors

Jerome Kohlberg, *Chairman (through July, 2015)*

Jennifer Magnone

Nancy McCabe

Les Fagen

Officers

Jerome Kohlberg, *President (through July, 2015)*

Nancy McCabe, *Executive Vice President and Treasurer*

Jennifer Magnone, *Secretary*

Staff

Nancy McCabe, *Executive Director*

Amanda DeHaan, *Office Manager*

Rita Fragano, *Staff Accountant*

Pamela Franco, *Administrative Program Officer*

THE KOHLBERG FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

DYLEWSKY, GOLDBERG & BRENNER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

THE KOHLBERG FOUNDATION, INC.

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Dylewsky, Goldberg & Brenner, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Kohlberg Foundation, Inc.

We have audited the accompanying financial statements of The Kohlberg Foundation, Inc., which comprise the statements of assets, liabilities, and net assets – tax basis as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and other change in net assets – tax basis, and the statements of cash flows – tax basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The Kohlberg Foundation, Inc. as of December 31, 2015 and 2014, and its revenue and expenses for the years then ended, in accordance with the income tax basis of accounting as described in Note 1.

Basis of Accounting

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



Dylewsky, Goldberg & Brenner, LLC

October 18, 2016

THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – TAX BASIS
DECEMBER 31, 2015 AND 2014
(Thousands of Dollars)

ASSETS

	2015	2014
Equity investments, at quoted market value	\$ 148,131	\$ 166,434
Limited partnerships/limited liability companies/other investment vehicles	53,492	50,139
Cash and cash equivalents (including funds held by investment custodians)	21,534	22,876
Fixed income investments	47,772	54,920
Other assets	16	3,868
 Total Assets	\$ 270,945	\$ 298,237

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ -	\$ -
 Total Liabilities	-	-
 Unrestricted Net Assets	 270,945	 298,237
 Total Liabilities and Net Assets	\$ 270,945	\$ 298,237

See accompanying notes to financial statements.

THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF REVENUE, EXPENSES, AND OTHER CHANGE IN NET ASSETS – TAX BASIS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Thousands of Dollars)

	2015	2014
Contributions Received	\$ 4,500	\$ 4,500
Revenue and Gains (Losses)		
Dividends/interest/other	62	76
Income (loss) and appreciation (depreciation) on fixed income portfolio	(1,087)	9,457
Loss and depreciation of equity portfolio	(12,079)	(1,591)
Income and appreciation of limited partnerships/ limited liability companies/other investment vehicles	2,540	4,971
Other income	436	7
Total Revenue and Gains (Losses)	(10,128)	12,920
Grants and Other Expenses		
Grants authorized	19,675	24,426
Administrative expenses	1,712	1,468
Provision for taxes	277	222
Total Grants and Other Expenses	21,664	26,116
<u>DECREASE IN NET ASSETS</u>	(27,292)	(8,696)
Unrestricted Net Assets - beginning of year	298,237	306,933
Unrestricted Net Assets - end of year	\$ 270,945	\$ 298,237

See accompanying notes to financial statements.

THE KOHLBERG FOUNDATION, INC.
STATEMENTS OF CASH FLOWS – TAX BASIS
DECEMBER 31, 2015 AND 2014
(Thousands of Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 4,500	\$ 4,500
Investment income	62	76
Cash grants paid	(19,029)	(24,426)
Cash paid for administrative expenses	(1,730)	(1,439)
Federal excise tax paid	(277)	(222)
Net Cash Used by Operating Activities	(16,474)	(21,511)
 CASH FLOWS FROM INVESTMENT ACTIVITIES		
Proceeds from life insurance policy	1,306	-
Proceeds from sale of investments	21,019	14,975
Purchase of investments and other assets	(7,193)	(21,953)
Net Cash Provided (Used) by Investment Activities	15,132	(6,978)
 <u>NET DECREASE IN CASH AND EQUIVALENTS</u>	 (1,342)	 (28,489)
Cash and cash equivalents - beginning of year	22,876	51,365
Cash and cash equivalents - end of year	\$ 21,534	\$ 22,876
 NON-CASH TRANSACTIONS		
Forgiveness of debt to grantee	\$ 646	\$ -

See accompanying notes to financial statements.

THE KOHLBERG FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(THOUSANDS OF DOLLARS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

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

Accounting Basis

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

Investments

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

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

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

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

THE KOHLBERG FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(THOUSANDS OF DOLLARS)

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Investments (continued)

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

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

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

Use of Estimates

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

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

THE KOHLBERG FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(THOUSANDS OF DOLLARS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainty in Income Taxes

The Foundation evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2015, the Foundation does not believe that it has taken any positions that would require recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

Cash Equivalents

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

NOTE 2 INVESTMENTS

The following tables present the Foundation's fair value hierarchy for those assets measured at fair value as of December 31, 2015 and 2014. At December 31, 2015 and 2014, Level 3 assets comprised approximately 21% and 18% of the Foundation's total investment portfolio fair value for the years ended December 31, 2015 and 2014, respectively.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
Financial Assets 2015:			
Equity investments	\$ 148,131	\$ 148,131	\$ -
Fixed income investments	47,772	47,772	-
Hedge funds/limited partnership interest	<u>53,492</u>	<u>-</u>	<u>53,492</u>
Total Investments	<u>\$ 249,395</u>	<u>\$ 195,903</u>	<u>\$ 53,492</u>
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
Financial Assets 2014:			
Equity investments	\$ 166,434	\$ 166,434	\$ -
Fixed income investments	54,920	54,920	-
Hedge funds/limited partnership interest	<u>50,139</u>	<u>-</u>	<u>50,139</u>
Total Investments	<u>\$ 271,493</u>	<u>\$ 221,354</u>	<u>\$ 50,139</u>

THE KOHLBERG FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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(THOUSANDS OF DOLLARS)

NOTE 2 INVESTMENTS (continued)

The following is a reconciliation of the beginning and ending balances for not readily marketable securities, all valued using Level 3 inputs, during the periods ended December 31, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Financial Assets:		
Beginning Balance	\$ 50,139	\$ 69,568
Interest and dividends	749	783
Net unrealized losses	(620)	(2,548)
Net realized gains	2,610	6,537
Purchases	7,145	6,946
Sales	(6,342)	(28,918)
Other income (losses) and expenses	(135)	182
Transfers in and/or out	<u>(54)</u>	<u>(2,411)</u>
Ending Balance	\$ <u>53,492</u>	\$ <u>50,139</u>

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

Total interest and dividend income for the years ended December 31, 2015 and 2014 was \$8,098 and \$7,351, respectively. Total investment gains for the years ended December 31, 2015 and 2014 were \$1,632 and \$10,167, respectively. Investment fee expenses, which are included with investment returns, were \$1,397 in 2015 and \$1,404 in 2014.

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

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NOTE 2 INVESTMENTS (continued)

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

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

NOTE 3 CHARITABLE LEAD TRUST

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

NOTE 4 TAXES

The Foundation is exempt from federal income taxes and qualifies as a private foundation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax of one or two percent of net investment income as defined by the Internal Revenue Code. If the average payout ratio of the past five years plus one percent of net investment income in the current year, as defined, is less than the current year's charitable distributions, federal excise tax is payable at one percent of net investment income, as defined. The Foundation paid federal excise tax of one percent in each of the years ended December 31, 2015 and 2014. The Foundation is also subject to the unrelated business income tax ("UBIT") on certain income from pass-through investments. Taxes paid in 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Federal excise and UBIT taxes	\$ 250	\$ 175
State UBIT taxes and filing fees	<u>27</u>	<u>47</u>
Total Taxes Paid	\$ <u>277</u>	\$ <u>222</u>

THE KOHLBERG FOUNDATION, INC.
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NOTE 5 GRANT COMMITMENTS

The Foundation has authorized but unpaid grants outstanding as of December 31, 2015 as follows:

2016	\$ 11,915
2017	9,665
2018	<u>1,700</u>
	\$ <u>23,280</u>

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

NOTE 6 RETIREMENT PLANS

The Foundation participates in two defined contribution retirement plans. The plans cover substantially all employees. The salary deferral plan allows employees to defer a portion of their salary into the plan. The plan contains a matching contribution provision where the Foundation may match the participants' contributions up to two percent of compensation. The money purchase plan requires the Foundation to contribute eight percent of annual eligible compensation, as defined, and is integrated with Social Security. Total pension expense, under both plans, for the years ended December 31, 2015 and 2014 was \$51 and \$50, respectively.

NOTE 7 RELATED PARTIES

The Foundation shares personnel with other related not-for-profit entities. The associated costs have not been allocated to the other entities and are approximately \$195 per year.

NOTE 8 CONCENTRATIONS OF CREDIT RISKS

The Foundation maintains its cash in bank deposit accounts at high-credit, quality financial institutions. Efforts are made to keep balances within federally insured limits; however, due to timing differences the balances, at times, may exceed federally insured limits. At December 31, 2015, the Foundation's uninsured cash and cash equivalents balance totaled \$20,786. Additionally, the Foundation maintains money market accounts at major investment firms.

THE KOHLBERG FOUNDATION, INC.
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NOTE 9 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 18, 2016, the date that the financial statements were available to be issued.

Jacob Burns Film Center (Photo Courtesy of Karolina Manko)

Institute for Integrative Health (Photo Courtesy of Staff Member)

Swarthmore College (Photo Courtesy of Laurence Kesterson)

Brennan Center for Justice (Photo Courtesy of staff member)

Meserve-Kunhardt Foundation (Photo Courtesy of James Jordan)

University of Maryland School of Medicine Center for Integrative Medicine (Photo Courtesy of Doug Kapustin)

Northern Westchester Hospital Center (Photo Courtesy of John Vechiolla)

City University of New York (CUNY) School of Journalism (Photo Courtesy of Kara Chin)

YMCA of Martha's Vineyard (Photo Courtesy of Elizabeth Cecil)

Martha's Vineyard Shellfish Group (Photo Courtesy of Kelly Felder)

Mount Kisco Child Care Center (Photo Courtesy of Staff)

Hospital of Special Surgery (Photo Courtesy of George Go, Hospital for Special Surgery Research Assistant)

Neighbors Link (Photo Courtesy of Randy Matusow)

Teatown Lake Reservation (Photo Courtesy of Julie Sootin)

Boys and Girls Club of Northerns Westchester (Photo Courtesy of Club Staff)

A-Home (Photo Courtesy of Heather Flourney)

New Rochelle Fund for Educational Excellence (Photo Courtesy of Susan Weisman, Executive Director of the New Rochelle Fund for Educational Excellence)

The Polly Hill Arboretum (Photo Courtesy of Tim Boland)

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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 111 Radio Circle Drive, Mount Kisco, NY 10549. Requests for a copy may be made in writing to the Executive Director by mail, or email at info@kohlbergfoundation.org or in person during business hours.

The Kohlberg Foundation is not currently accepting unsolicited proposals.