

Return of Private Foundation
 or Section 4947(a)(1) Nonexempt Charitable Trust
 Treated as a Private Foundation

2001

Department of the Treasury
 Internal Revenue Service

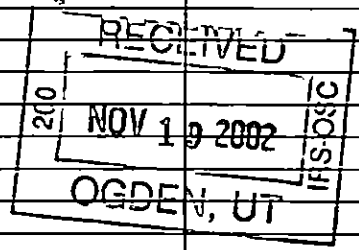
Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2001, or tax year beginning _____, 2001, and ending _____, 20

G Check all that apply Initial return Final return Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization THE KOVNER FOUNDATION		A Employer identification number 22-3468030
	Number and street (or PO box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 609-919-7600
	731 ALEXANDER ROAD, PRINCETON PLAZA, BLDG 2		
	City or town state and ZIP code PRINCETON, NJ 08540		
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			C If exemption application is pending check here <input type="checkbox"/> D 1 Foreign organizations check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A) check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B) check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 26,885,388	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		

	Part I Analysis of Revenue and Expenses (The total of amounts in columns (b) (c) and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule) Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	247,358	247,358		
	4 Dividends and interest from securities	54,581	54,581		
	5a Gross rents				
	b (Net rental income or (loss) _____)				
	6a Net gain or (loss) from sale of assets not on line 10	401,688			
	b Gross sales price for all assets on line 6a SEE PART IV *				
	7 Capital gain net income (from Part IV, line 2)		443,035		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) STMT 1	282,214	233,059			
12 Total Add lines 1 through 11	985,841	978,033			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	NONE	NONE		NONE
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 1	8,083	NONE		
	c Other professional fees (attach schedule)				
	17 Interest	191,045	191,045		
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 1	115,090	112,526		
	24 Total operating and administrative expenses Add lines 13 through 23	314,218	303,571		NONE
	25 Contributions, gifts, grants paid	3,983,900			3,983,900
26 Total expenses and disbursements Add lines 24 and 25	4,298,118	303,571		3,983,900	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	(3,312,277)				
b Net investment income (if negative, enter -0-)		674,462			
c Adjusted net income (if negative, enter -0-)					



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash — non-interest-bearing	362,535	41,496	41,496
	2 Savings and temporary cash investments	1,842,950	1,646,950	1,646,950
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	71,100	189,300	189,300
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) STMT 2	4,034,291	4,795,047	4,795,047
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) STMT 2	19,038,900	20,212,595	20,212,595	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers — see page 16 of the instructions Also, see page 1, item I)	25,349,776	26,885,388	26,885,388	
Liabilities	17 Accounts payable and accrued expenses	9,720	20	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	9,720	20	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	25,340,056	26,885,368	
30 Total net assets or fund balances (see page 17 of the instructions)	25,340,056	26,885,368		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	25,349,776	26,885,388		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	25,340,056
2 Enter amount from Part I, line 27a	2	(3,312,277)
3 Other increases not included in line 2 (itemize) ▶ CHANGE IN UNREALIZED GAIN ON INVESTMENTS	3	4,857,589
4 Add lines 1, 2, and 3	4	26,885,368
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	26,885,368

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2 story brick warehouse, or common stock 200 shs MLC Co)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo day, yr)	(d) Date sold (mo day yr)
1a				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k) but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j) if any		
a	.		** 443,035	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	443,035
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	{ If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 }		3	** FLOW THROUGH FROM PARTNERSHIP INVESTMENTS

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the organization does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of nonchangible-use assets	(d) Distribution ratio (col (b) divided by col (c))
2000	2,052,933	23,981,811	0.0856
1999	1,795,801	17,648,242	0.1018
1998	484,150	17,750,541	0.0273
1997	639,210	20,566,108	0.0311
1996	130,000	19,523,111	0.0067
2 Total of line 1, column (d)			2 0.2525
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.0505
4 Enter the net value of nonchangible-use assets for 2001 from Part X, line 5			4 25,751,525
5 Multiply line 4 by line 3			5 1,300,452
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 6,745
7 Add lines 5 and 6			7 1,307,197
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18			8 3,983,900

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see page 18 of the instructions)

Table with 11 rows for excise tax calculations. Line 1: 6,745; Line 2: 2; Line 3: 6,745; Line 4: 4; Line 5: 6,745; Line 6a: 49,580; Line 7: 49,580; Line 10: 42,835; Line 11: 42,835.

Part VII-A Statements Regarding Activities

Table with 11 rows of activity questions. 1a: No; 1b: No; 1c: No; 2: No; 3: No; 4a: Yes; 4b: Yes; 5: No; 6: No; 7: No; 8a: No; 8b: No; 9: No; 10: No; 11: No.

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required		Yes	No
File Form 4720 if any item is checked in the "Yes" column, unless an exception applies			
1a During the year did the organization (either directly or indirectly)			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)?	N/A	1b	
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>			
c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2001?		1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a At the end of tax year 2001, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2001?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years <input type="checkbox"/> 20____, 19____, 19____, 19____			
b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement — see page 19 of the instructions)	N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/> 20____, 19____, 19____, 19____ N/A			
3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?			
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2001 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2001)		3b	X
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a	X
b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2001?		4b	X
5a During the year did the organization pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	N/A	5b	
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>			
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No		
If "Yes," attach the statement required by Regulations section 53.4945-5(d)			
6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If you answered "Yes" to 6b, also file Form 8870			

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions)

Table with 5 columns: (a) Name and address, (b) Title and average hours per week devoted to position, (c) Compensation (if not paid, enter -0-), (d) Contributions to employee benefit plans and deferred compensation, (e) Expense account other allowances. Rows include Bruce S. Kovner, Peter P. D'Angelo, Scott B. Bernstein, and Frank Wohl.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 21 of the instructions) If none, enter "NONE"

Table with 5 columns: (a) Name and address of each employee paid more than \$50,000, (b) Title and average hours per week devoted to position, (c) Compensation, (d) Contributions to employee benefit plans and deferred compensation, (e) Expense account other allowances.

Total number of other employees paid over \$50,000 NONE

3 Five highest-paid independent contractors for professional services (see page 21 of the instructions) If none, enter "NONE"

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation.

Total number of others receiving over \$50,000 for professional services NONE

Part IX-A Summary of Direct Charitable Activities N/A

Table with 2 columns: Description of activities (List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.) and Expenses.

Part IX-B Summary of Program-Related Investments (see page 21 of the instructions) N/A

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	----- ----- -----	
2	----- ----- -----	
3	All other program related investments See page 22 of the instructions ----- -----	
Total Add lines 1 through 3		

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 22 of the instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	4,504,957
b	Average of monthly cash balances	1b	2,012,976
c	Fair market value of all other assets (see page 22 of the instructions)	1c	19,625,747
d	Total (add lines 1a, b, and c)	1d	26,143,680
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	26,143,680
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4	392,155
5	Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	25,751,525
6	Minimum investment return Enter 5% of line 5	6	1,287,576

Part XI Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1	Minimum investment return from Part X, line 6	1	1,287,576
2a	Tax on investment income for 2001 from Part VI, line 5	2a	6,745
b	Income tax for 2001 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	6,745
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,280,831
4a	Recoveries of amounts treated as qualifying distributions	4a	
b	Income distributions from section 4947(a)(2) trusts	4b	
c	Add lines 4a and 4b	4c	
5	Add lines 3 and 4c	5	1,280,831
6	Deduction from distributable amount (see page 23 of the instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,280,831

Part XII Qualifying Distributions (see page 23 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	3,983,900
b	Program-related investments — Total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	3,983,900
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	6,745
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	3,977,155

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2000	(c) 2000	(d) 2001
1 Distributable amount for 2001 from Part XI, line 7				1,280,831
2 Undistributed income, if any, as of the end of 2000				
a Enter amount for 2000 only			NONE	
b Total for prior years 19____, 19____, 19____		NONE		
3 Excess distributions carryover, if any, to 2001				
a From 1996		NONE		
b From 1997		NONE		
c From 1998		NONE		
d From 1999		102,029		
e From 2000		897,976		
f Total of lines 3a through e	1,000,005			
4 Qualifying distributions for 2001 from Part XII, line 4 ▶ \$ <u>3,983,900</u>				
a Applied to 2000, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required — see page 24 of the instructions)		N/A		
c Treated as distributions out of corpus (Election required — see page 24 of the instructions)	N/A			
d Applied to 2001 distributable amount				1,280,831
e Remaining amount distributed out of corpus	2,703,069			
5 Excess distributions carryover applied to 2001 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,703,074			
b Prior years' undistributed income Subtract line 4b from line 2b		N/A		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		N/A		
d Subtract line 6c from line 6b Taxable amount — see page 25 of the instructions		N/A		
e Undistributed income for 2000 Subtract line 4a from line 2a Taxable amount — see page 25 of the instructions			NONE	
f Undistributed income for 2001 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2002				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)	N/A			
8 Excess distributions carryover from 1996 not applied on line 5 or line 7 (see page 25 of the instructions)	N/A			
9 Excess distributions carryover to 2002 Subtract lines 7 and 8 from line 6a	3,703,074			
10 Analysis of line 9				
a Excess from 1997				
b Excess from 1998				
c Excess from 1999		102,029		
d Excess from 2000		897,976		
e Excess from 2001		2,703,069		

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9) N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2001, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test — enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test — Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test — enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see page 26 of the instructions)

1 **Information Regarding Foundation Managers**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

BRUCE S. KOVNER

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc , Programs**

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc (see page 26 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a Paid during the year</p> <p>* SEE STATEMENT #3</p>				
<p>Total</p>			▶ 3a	3,983,900 *
<p>b Approved for future payment</p> <p>** SEE STATEMENT 4</p>				
<p>Total</p>			▶ 3b	7,900,000 **

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

Table with 3 columns: Question, Yes, No. Contains questions 1, a, b, c, d regarding transfers and transactions with noncharitable exempt organizations.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [] Yes [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Declaration section: Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary)...

THE KOVNER FOUNDATION

12/31/01

22-3468030

FORM 990-PF

STATEMENT 1

PART 1, OTHER INCOME, LINE 11

FLOW THROUGH FROM PARTNERSHIP INVESTMENT	259,121
RECOVERY OF TAXES ACCRUED IN PRIOR YEARS	<u>23,093</u>
	<u>282,214</u>

PART 1, ACCOUNTING FEES, LINE 16b

TAX SERVICES AND CONSULTATIONS	<u>8,083</u>
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PART 1, OTHER EXPENSES, LINE 23

INSURANCE	2,564
ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED FOR THE PRODUCTION OF INCOME	112,526
	<u>115,090</u>

THE KOVNER FOUNDATION

12/31/01

22-3468030

FORM 990-PF

STATEMENT 2

PART II, BALANCE SHEETS, LINE 10b

<u>STOCK</u>	<u>NUMBER OF SHARES</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FAIR MARKET VALUE</u>
CAXTON EQUITY GROWTH (BV1) LTD CLASS A SERIES 7	3,000	4,034,291	4,795,047	4,795,047

PART II, BALANCE SHEETS, LINE 13

	<u>TYPE OF INVESTMENT</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FAIR MARKET VALUE</u>
INVESTMENT IN LLC'S	PARTNERSHIP	19,038,900	20,212,595	20,212,595

PART XV. SUPPLEMENTARY INFORMATION, GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR.

<u>RECIPIENT</u>	<u>INDIVIDUAL</u>	<u>FOUNDATION STATUS</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH 1150 SEVENTEENTH STREET N W WASHINGTON D C 20036	N/A	509(a)	PUBLIC POLICY RESEARCH	\$ 1 300 000
AMERICAN FRIENDS OF THE ALMEIDA THEATRE INC 425 PARK AVENUE NEW YORK, NY 10022	N/A	509(a)	FINE ARTS	\$ 100 000
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 500 FIFTH AVENUE SUITE 2540 NEW YORK, NY 10110	N/A	509(a)	MUSEUM ACQUISITIONS	\$ 100 000
AMERICAN JEWISH COMMITTEE-COMMENTARY FUND 165 E 56TH STREET NEW YORK, NY 10022	N/A	509(a)	RELIGIOUS PUBLICATION	\$ 30 000
BEGINNING WITH CHILDREN FOUNDATION INC 900 THIRD AVENUE SUITE 1801 NEW YORK, NY 10022	N/A	509(a)	EDUCATION	\$ 10 000
BRONX PREPARATORY CHARTER SCHOOL 1508 WEBSTER AVENUE BRONX NY 10457	N/A	509(a)	EDUCATION	\$ 50 000
CABRINI MISSION FOUNDATION 701 FORT WASHINGTON AVENUE NEW YORK, NY 10040	N/A	509(a)	EDUCATION	\$ 30 000
THE CENTER FOR EDUCATION REFORM 1001 CONNECTICUT AVENUE N W SUITE 204 WASHINGTON D C 20036	N/A	509(a)	EDUCATION REFORM	\$ 10 000
CENTURION MINISTRIES 221 WITHERSPOON STREET PRINCETON NJ 08542	N/A	509(a)	FREE WRONGFULLY IMPRISONED INMATES	\$ 50 000
CHILDREN'S PROGRESS UNLIMITED INC ONE BETHANY ROAD SUITE 72 HAZLET NJ 07730	N/A	509(a)	HELPING DISADVANTAGED PRESCHOOLERS	\$ 63 900
EMPIRE FOUNDATION FOR POLICY RESEARCH P O BOX 825 CLIFTON PARK NY 12065-0801	N/A	509(a)	PUBLIC POLICY RESEARCH	\$ 125 000
INSTITUTE FOR JUSTICE 1717 PENNSYLVANIA AVENUE N W SUITE 200 WASHINGTON D C 20006	N/A	509(a)	SOCIAL REFORM	\$ 100 000
NEW YORK CHARTER SCHOOLS ASSOCIATION INC 18 CORPORATE WOODS BLVD ALBANY NY 12211	N/A	509(a)	EDUCATION	\$ 50 000
NEW YORK CHARTER SCHOOL RESOURCE CENTER, INC 250 W 34TH STREET ONE PENN PLAZA, SUITE 3600 NEW YORK NY 10119	N/A	509(a)	EDUCATION	\$ 50 000
SCHOOL CHOICE SCHOLARSHIPS FOUNDATION INC 250 W 34TH STREET SUITE 3600 ONE PENN PLAZA NEW YORK, NY 10119	N/A	509(a)	EDUCATION	\$ 890 000
THE JUILLIARD SCHOOL 60 LINCOLN CENTER PLAZA NEW YORK, NY 10023	N/A	509(a)	EDUCATION FINE ARTS	\$ 1 000 000
THOMAS B FORDHAM FOUNDATION 1627 K STREET NW SUITE 600 WASHINGTON DC 20006	N/A	509(a)	EDUCATION	\$ 25 000
TOTAL				<u>\$ 3 983 900</u>

PART XV, SUPPLEMENTARY INFORMATION, APPROVED FOR FUTURE PAYMENT

<u>RECIPIENT</u>	<u>INDIVIDUAL</u>	<u>FOUNDATION STATUS</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
THE JUILLIARD SCHOOL 60 LINCOLN CENTER PLAZA NEW YORK, NY 10023	N/A	509(a)	EDUCATION - FINE ARTS	\$ 2,000 000
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 500 FIFTH AVENUE, SUITE 2540 NEW YORK, NY 10110	N/A	509(a)	MUSEUM ACQUISITIONS	\$ 700,000
AMERICAN FRIENDS OF THE ALMEIDA THEATRE, INC 425 PARK AVENUE NEW YORK, NY 10022	N/A	509(a)	FINE ARTS	\$ 200 000
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH 1150 SEVENTEENTH STREET N W WASHINGTON, D C 20036	N/A	509(a)	PUBLIC POLICY RESEARCH	\$ 4 000,000
FRIENDS OF BRONX PREPARATORY CHARTER SCHOOL 1508 WEBSTER AVENUE BRONX, NY 10457	N/A	509(a)	EDUCATION	\$ 1,000,000
				<hr/>
			TOTAL	<u>\$ 7 900 000</u>

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868**
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.		
Type or print	Name of Exempt Organization THE KOVNER FOUNDATION	Employer identification number 22-3468030
File by the extended due date for filing the return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions 731 ALEXANDER ROAD, PRINCETON PLAZA, BLDG 2	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions PRINCETON, NJ 08540	

Check type of return to be filed (File a separate application for each return)

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-BL	<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 6069	

STOP. Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15, 2002.

5 For calendar year 2001, or other tax year beginning _____, 20____ and ending _____, 20____

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS REQUIRED TO COMPLETE THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE FORM 990-PF APPLICATION IS THEREFORE RESPECTFULLY MADE FOR AN EXTENSION OF TIME TO NOVEMBER 15, 2002 TO ENSURE PROPER PREPARATION OF THE FOUNDATION'S TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions **\$ 10,000**

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 **\$ 49,580**

c **Balance Due.** Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions **\$ NONE**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form including accompanying schedules and statements, and to the best of my knowledge and belief it is true correct, and complete, and that I am authorized to prepare this form

Signature  Title CPA Date 7-30-02

Notice to Applicant — To Be Completed by the IRS

- We have approved this application Please attach this form to the organization's return
- We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested
- Other _____

Director _____ By _____ Date EXTENSION APPROVED

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above **AUG 14 2002**

Type or print	Name	LINDA WEISKOPF, FIELD DIRECTOR SUBMISSION PROCESSING OGDEN
	Number and street (include suite, room, or apt. no.) Or a P.O. box number	
	City or town, province or state, and country (including postal or ZIP code)	

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only .

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization THE KOVNER FOUNDATION	Employer identification number 22-3468030
	Number, street, and room or suite no. If a PO box, see instructions 731 ALEXANDER ROAD, PRINCETON PLAZA, BLDG. 2	
	City, town or post office, state, and ZIP code For a foreign address, see instructions PRINCETON NJ 08540	

Check type of return to be filed (file a separate application for each return)

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole group**, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 15, 20 02, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶ calendar year 20 01 or

▶ tax year beginning _____, 20 _____, and ending _____, 20 _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ 10,000

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ 49,580

c **Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ NONE

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true correct, and complete and that I am authorized to prepare this form

Signature ▶  * Title ▶ **TREASURER** Date ▶ 5/2/02

For Paperwork Reduction Act Notice, see Instruction
* **PETER P. D'ANGELO**

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed) N/A

Note Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns
Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization THE KOVNER FOUNDATION	Employer identification number 22-3468030
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a PO box, see instructions 731 ALEXANDER ROAD, PRINCETON PLAZA, BUILDING 2	
	City, town or post office, state, and ZIP code For a foreign address, see instructions PRINCETON, NJ 08540	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--------------------------------------|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until _____, 20____, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶ calendar year 20____ or

▶ tax year beginning _____, 20____, and ending _____, 20____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

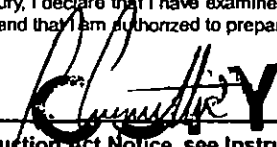
3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true correct and complete and that I am authorized to prepare this form.

Signature ▶  Title ▶ _____ Date ▶ **7-30-02**

For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)