

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

2002

Department of the Treasury
Internal Revenue Service

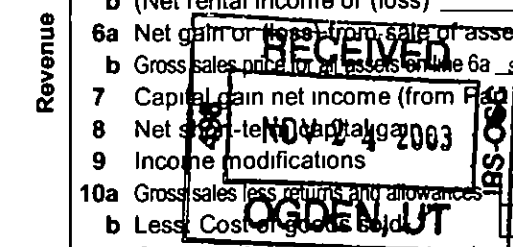
Note The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2002, or tax year beginning _____, 2002, 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 P.O. box number if mail is not delivered to street address) Room/suite 731 ALEXANDER ROAD, PRINCETON PLAZA, BLDG 2	B Telephone number (see page 10 of the instructions) 609-919-7600
	City or town, state, and ZIP code PRINCETON, NJ 08540	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"/>
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		
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 28,349,936	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>	

Part I Analysis of Revenue and Expenses <small>(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))</small>		(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 type="checkbox"/> if the foundation is not required to attach Sch B	1,778,900			
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	280,919	280,919		
	4 Dividends and interest from securities	140,849	140,849		
	5a Gross rents				
	b (Net rental income or (loss) _____)				
	6a Net gain or (loss) from sale of assets not on line 10	2,663,096			
	b Gross sales price for all assets on line 6a SEE PART IV *				
	7 Capital gain net income (from Part IV, line 2)		2,671,490		
	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	107,664	96,760			
12 Total Add lines 1 through 11	4,971,428	3,190,018			
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	2,725	NONE		
	c Other professional fees (attach schedule)				
	17 Interest	134,004	134,004		
	18 Taxes (attach schedule) (see page 13 of the instructions) STMT 1	26,570	NONE		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 1	279,318	276,242		
	24 Total operating and administrative expenses Add lines 13 through 23	442,617	410,246		NONE
	25 Contributions, gifts, grants paid	4,481,848			4,481,848
26 Total expenses and disbursements Add lines 24 and 25	4,924,465	410,246		4,481,848	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	46,963				
b Net investment income (if negative, enter -0-)		2,779,772			
c Adjusted net income (if negative, enter -0-)					



SCANNED DEC 1 2003
Operating and Administrative Expenses

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	41,496	1,050,901	1,050,901	
	2	Savings and temporary cash investments	1,646,950	1,044,571	1,044,571	
	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	189,300	163,500	163,500	
	10a	Investments — U S and state government obligations (attach schedule)				
	b	Investments — corporate stock (attach schedule) STMT 2	4,795,047	2,837,887	2,837,887	
	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	20,212,595	23,253,077	23,253,077	
	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)	26,885,388	28,349,936	28,349,936		
Liabilities	17	Accounts payable and accrued expenses	20	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)	20	20			
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31 <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>					
	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	26,885,368	28,349,916			
30	Total net assets or fund balances (see page 16 of the instructions)	26,885,368	28,349,916			
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)	26,885,388	28,349,936			

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	26,885,368
2	Enter amount from Part I, line 27a	2	46,963
3	Other increases not included in line 2 (itemize) ▶ CHANGE IN UNREALIZED GAIN ON INVESTMENTS	3	1,417,585
4	Add lines 1, 2, and 3	4	28,349,916
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	28,349,916

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 43,654 SHARES DELPHI FINANCIAL GROUP CL A	D	04/23/02	04/24/02
b 616 83 SHARES CAXTON EQUITY GROWTH (BVI) LTD	D	01/01/00	04/01/02
c 616 85 SHARES CAXTON EQUITY GROWTH (BVI) LTD	D	01/01/00	12/01/02
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 1,872,622		257,996	1,614,626
b 1,000,000		616,830	383,170
c 1,000,000		616,850	383,150
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			1,614,626
b			383,170
c			383,150
d			** 290,544
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	2,671,490
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 12 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 17 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 noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2001	3,977,155	25,751,525	0.1544
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
2 Total of line 1, column (d)			2 0.4002
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 0.08004
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5			4 27,144,311
5 Multiply line 4 by line 3			5 2,172,631
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 27,798
7 Add lines 5 and 6			7 2,200,429
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 17			8 4,481,848

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see page 17 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	27,798
c All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3 Add lines 1 and 2	3	27,798
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5 Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-	5	27,798
6 Credits/Payments		
a 2002 estimated tax payments and 2001 overpayment credited to 2002	6a	42,835
b Exempt foreign organizations — tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments Add lines 6a through 6d	7	42,835
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	15,037
11 Enter the amount of line 10 to be Credited to 2003 estimated tax 15,037 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities</i>		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the organization ▶ \$ <u>N/A</u> (2) On organization managers ▶ \$ <u>N/A</u>		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers ▶ \$ <u>N/A</u>		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
4b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>NEW YORK, DELAWARE</u>		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV on page 25)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address ▶ _____	X	
12 The books are in care of ▶ <u>ACCOUNTANT</u> Telephone no ▶ <u>609-919-7600</u> Located at ▶ <u>731 ALEXANDER ROAD, PRINCETON PLAZA, BLDG. 2, PRINCETON, NJ</u> ZIP+4 ▶ <u>08540</u>		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>N/A</u>		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

		Yes	No
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 Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
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 2002?	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 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20 _____, 20 _____, 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 ► 20 _____, 20 _____, 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 2002 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 2002)	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 2002?	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 Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	5b	
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? If you answered "Yes" to 6b, also file Form 8870	6b	X

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):

(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
BRUCE S KOVNER 1009 FIFTH AVENUE NEW YORK, NY 10028	DIRECTOR & PRESIDENT *	NONE	NONE	NONE
PETER P D'ANGELO, 90 THIRD STREET GARDEN CITY, NY 11530	DIRECTOR & TREASURER *	NONE	NONE	NONE
SCOTT B BERNSTEIN, 465 WEST END AVE NEW YORK, NY 10021	SECRETARY *	NONE	NONE	NONE
FRANK WOHL, 201 CONGRESS STREET BROOKLYN, NY 11201	DIRECTOR *	NONE	NONE	NONE

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 20 of the instructions) If none, enter "NONE"

(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 20 of the instructions). If none, enter "NONE"

(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

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.	Expenses
1 _____	

2 _____	

3 _____	

4 _____	

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

Table with 2 columns: Description and Amount. Rows 1, 2, 3 for program-related investments. Total Add lines 1 through 3.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 21 of the instructions)

Table with 2 columns: Description and Amount. Rows 1-6 for investment return calculations. Includes sub-rows 1a-1d and 1e.

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)

Table with 2 columns: Description and Amount. Rows 1-7 for distributable amount calculations. Includes sub-rows 2a-2c and 4a-4c.

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

Table with 2 columns: Description and Amount. Rows 1-6 for qualifying distributions. Includes sub-rows 3a-3b.

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 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				1,329,418
2 Undistributed income, if any, as of the end of 2001				
a Enter amount for 2001 only			NONE	
b Total for prior years 20 _____, 19 _____, 19 _____		NONE		
3 Excess distributions carryover, if any, to 2002				
a From 1997		NONE		
b From 1998		NONE		
c From 1999		102,029		
d From 2000		897,976		
e From 2001		2,703,069		
f Total of lines 3a through e	3,703,074			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ _____ 4,481,848				
a Applied to 2001, 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 2002 distributable amount				1,329,418
e Remaining amount distributed out of corpus	3,152,430			
5 Excess distributions carryover applied to 2002 (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	6,855,504			
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 24 of the instructions		N/A		
e Undistributed income for 2001 Subtract line 4a from line 2a Taxable amount — see page 24 of the instructions			NONE	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				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 24 of the instructions)	N/A			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see page 25 of the instructions)	N/A			
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	6,855,504			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999		102,029		
c Excess from 2000		897,976		
d Excess from 2001		2,703,069		
e Excess from 2002		3,152,430		

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 2002, 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				(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
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 25 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 25 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>				<p>3a 4,481,848 *</p>
<p>b Approved for future payment</p> <p>** SEE STATEMENT #4</p>				
<p>Total</p>				<p>3b 6,200,000 **</p>

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting organization to a noncharitable exempt organization of (1) Cash (2) Other assets b Other Transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule...

Table with 3 columns: Question, Yes, No. Rows include 1a(1), 1a(2), 1b(1) through 1b(6), and 1c.

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.

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, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary):

Signature of officer or trustee PETER D'ANGELO

Sign Here

Preparer's Use Only section containing fields for Preparer's signature and Firm's name (or yours if self-employed) address and ZIP code.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

12/31/02

OMB No 1545-0047

2002

Name of organization

THE KOVNER FOUNDATION

Employer identification number

22-3468030

Organization type (check one)

Filers of:

Section

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule** (Note. Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule — see instructions)

General Rule —

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules —

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year)
- ▶ \$ _____

Caution Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization THE KOVNER FOUNDATION	Employer identification number 22-3468030
--	---

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>BRUCE S. KOVNER</u> <u>1009 FIFTH AVENUE</u> <u>NEW YORK, NY 10028</u>	\$ <u>1,778,900</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization **THE KOVNER FOUNDATION** Employer Identification number **22-3468030**

Part II Noncash Property (See Specific Instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	43,654 SHARES DELPHI FINANCIAL GROUP CL A	\$ 1,778,900	04/23/2002
		\$	
		\$	
		\$	
		\$	
		\$	

PART 1, OTHER INCOME, LINE 11

FLOW THROUGH FROM PARTNERSHIP INVESTMENT	107,664
	<u>107,664</u>

PART 1, ACCOUNTING FEES, LINE 16b

TAX SERVICES AND CONSULTATIONS	<u>2,725</u>
--------------------------------	--------------

PART 1, TAXES, LINE 18

NEW YORK ANNUAL FEE	750
DELAWARE TAX	20
NYS UBT TAX	200
FEDERAL TAX - 990PF	25,600
	<u>26,570</u>

PART 1, OTHER EXPENSES, LINE 23

INSURANCE	3,076
ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED FOR THE PRODUCTION OF INCOME	276,242
	<u>279,318</u>

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 (BVI) LTD CLASS A SERIES 7	1,766	4,795,047	2,837,887	2,837,887

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	20,212,595	23,253,077	23,253,077

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	\$ 1,172,965
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
BRONX PREPARATORY CHARTER SCHOOL 1508 WEBSTER AVENUE BRONX, NY 10457	N/A	509(a)	EDUCATION	\$ 1,000,000
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	\$ 98,500
THE DALTON SCHOOL 108 EAST 89 STREET NEW YORK, NY 10128-1599	N/A	509(a)	EDUCATION	\$ 500,000
INSTITUTE FOR JUSTICE 1717 PENNSYLVANIA AVENUE, N W , SUITE 200 WASHINGTON, D C 20006	N/A	509(a)	SOCIAL REFORM	\$ 100,000
SCHOOL CHOICE SCHOLARSHIPS FOUNDATION, INC 250 W 34TH STREET SUITE 3600 ONE PENN PLAZA NEW YORK, NY 10119	N/A	509(a)	EDUCATION	\$ 360,383
THE JUILLIARD SCHOOL 60 LINCOLN CENTER PLAZA NEW YORK, NY 10023	N/A	509(a)	EDUCATION - FINE ARTS	\$ 1,000,000
			TOTAL	<u>\$ 4,481,848</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	\$ 1,000,000
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 500 FIFTH AVENUE, SUITE 2540 NEW YORK, NY 10110	N/A	509(a)	MUSEUM ACQUISITIONS	\$ 600,000
AMERICAN FRIENDS OF THE ALMEIDA THEATRE, INC 425 PARK AVENUE NEW YORK, NY 10022	N/A	509(a)	FINE ARTS	\$ 100,000
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH 1150 SEVENTEENTH STREET, N W WASHINGTON, D C 20036	N/A	509(a)	PUBLIC POLICY RESEARCH	\$ 3,000,000
THE DALTON SCHOOL 108 EAST 89 STREET NEW YORK, NY 10128-1599	N/A	509(a)	EDUCATION	\$ 1,500,000
				<hr/>
			TOTAL	<u>\$ 6,200,000</u>

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 P.O. 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 03, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶ calendar year 20 02 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 \$ 28,500

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 \$ 42,835

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 ▶ *David J. ...* Title ▶ CPA Date ▶ 5/8/03

- 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 File by the extended due date for filing the return See instructions	Name of Exempt Organization THE KOVNER FOUNDATION	Employer identification number 22-3468030
	Number, street, and room or suite no. If a P.O. box, see instructions 731 ALEXANDER ROAD, BUILDING 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)

Form 990
 Form 990-EZ
 Form 990-T (sec 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 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 17, 2003

5 For calendar year 2002, 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 COMPILE THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE FORM 990-PF. APPLICATION IS THEREFORE RESPECTFULLY MADE FOR AN EXTENSION OF TIME TO NOVEMBER 17, 2003 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 **\$ 28,500**

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 **\$ 42,835**

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 7/31/03

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 _____

EXTENSION APPROVED
AUG 1 12 003
 LINDA WEISKOPF, FIELD DIRECTOR,
 SUBMISSION PROCESSING, OGDEN

Director _____ By _____ Date _____

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

Type or print	Name
	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)