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Form

990-PF

Department of the Treasury  
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot redact the information on the form.

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OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013, or tax year beginning 01-01-2013 , and ending 12-31-2013

Name of foundation THE SCHERMAN FOUNDATION INC		<b>A Employer identification number</b>  13-6098464	
% THE SCHERMAN FOUNDATION INC		<b>B Telephone number</b> (see instructions)  (212) 832-3086	
Number and street (or P O box number if mail is not delivered to street address) 16 EAST 52ND STREET Suite 601		Room/suite	
City or town, state or province, country, and ZIP or foreign postal code NEW YORK, NY 10022		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>	
<b>G</b> Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/> <b>2.</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
<b>H</b> 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		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) <input checked="" type="checkbox"/> \$ 121,038,255		<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
<b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)			

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 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)	0			
	2 Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B				
	3 Interest on savings and temporary cash investments	170	229		
	4 Dividends and interest from securities. . . . .	946,160	1,606,232		
	5a Gross rents . . . . .				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	2,223,262			
	b Gross sales price for all assets on line 6a 5,145,086				
	7 Capital gain net income (from Part IV, line 2) . . . .		3,838,824		
	8 Net short-term capital gain . . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold . . . . .				
	c Gross profit or (loss) (attach schedule) . . . . .				
	11 Other income (attach schedule) . . . . .	 14,294	-24,073		
	12 <b>Total.</b> Add lines 1 through 11 . . . . .	3,183,886	5,421,212		
	13 Compensation of officers, directors, trustees, etc	237,951	11,898		226,053
	14 Other employee salaries and wages . . . . .	250,941	12,547		238,394
	15 Pension plans, employee benefits . . . . .	77,783	3,889		73,894
	16a Legal fees (attach schedule). . . . .	3,500			3,500
	b Accounting fees (attach schedule). . . . .	 57,901	28,951	0	28,950
	c Other professional fees (attach schedule) . . . . .	 360,972	353,620		7,352
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see instructions)	 99,481	1,457		27,674
	19 Depreciation (attach schedule) and depletion . . . .	 7,224	361		
	20 Occupancy . . . . .	96,618	4,831		91,787
	21 Travel, conferences, and meetings . . . . .	16,794	840		15,954
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule). . . . .	 127,240	6,093		121,115
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23 . . . . .	1,336,405	424,487	0	834,673
	25 Contributions, gifts, grants paid . . . . .	4,239,425			4,239,425
	26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	5,575,830	424,487	0	5,074,098
	27 Subtract line 26 from line 12				
	a <b>Excess of revenue over expenses and disbursements</b>	-2,391,944			
	b <b>Net investment income</b> (if negative, enter -0-)		4,996,725		
	c <b>Adjusted net income</b> (if negative, enter -0-)				

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 . . . . .	118,246	117,331	117,331
	2	Savings and temporary cash investments . . . . .	603,315	2,322,823	2,322,823
	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 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 . . . . .			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) . . . . .	44,936,795	38,053,478	43,563,783
	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) . . . . .	50,627,966	53,317,769	74,912,362
	14	Land, buildings, and equipment basis ▶ _____ 155,288 Less accumulated depreciation (attach schedule) ▶ _____ 127,452	22,782	27,836	27,836
15	Other assets (describe ▶ _____)	12,664	94,120	94,120	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	96,321,768	93,933,357	121,038,255	
Liabilities	17	Accounts payable and accrued expenses . . . . .			
	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 ▶ _____)	1,622	5,155	
	23	Total liabilities (add lines 17 through 22) . . . . .	1,622	5,155	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .	96,320,146	93,928,202	
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, check here ▶ <input 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			
	30	Total net assets or fund balances (see page 17 of the instructions) . . . . .	96,320,146	93,928,202	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	96,321,768	93,933,357	

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 96,320,146
2	Enter amount from Part I, line 27a . . . . .	2 -2,391,944
3	Other increases not included in line 2 (itemize) ▶ _____	3
4	Add lines 1, 2, and 3 . . . . .	4 93,928,202
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 93,928,202

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 )
1 a	SEE PART IV SCHEDULE	P		
b	SEE PART IV SCHEDULE	P		
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 410,634		368,447	42,187
b 4,734,452		937,815	3,796,637
c			
d			
e			

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

(i) F M V 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			42,187
b			3,796,637
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	3,838,824
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 instructions) If (loss), enter -0- in Part I, line 8 . . . . .		3	

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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation 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 noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2012	3,196,835	100,942,364	0 03167
2011	3,157,842	98,227,963	0 032148
2010	3,133,402	91,511,355	0 034241
2009	2,418,970	61,023,113	0 03964
2008	4,686,955	73,002,982	0 064202

2 Total of line 1, column (d). . . . .	2	0 201901
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 04038
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5. . . . .	4	115,792,536
5 Multiply line 4 by line 3. . . . .	5	4,675,703
6 Enter 1% of net investment income (1% of Part I, line 27b). . . . .	6	49,967
7 Add lines 5 and 6. . . . .	7	4,725,670
8 Enter qualifying distributions from Part XII, line 4. . . . .	8	5,074,098

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

<b>Part VI    Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)</b>		
<b>1a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		
Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
<b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b . . . . .	<b>1</b>	49,967
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	
<b>3</b> Add lines 1 and 2. . . . .	<b>3</b>	49,967
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	
<b>5</b> <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	<b>5</b>	49,967
<b>6</b> Credits/Payments		
<b>a</b> 2013 estimated tax payments and 2012 overpayment credited to 2013	<b>6a</b>	53,547
<b>b</b> Exempt foreign organizations—tax withheld at source . . . . .	<b>6b</b>	
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	40,000
<b>d</b> Backup withholding erroneously withheld . . . . .	<b>6d</b>	
<b>7</b> Total credits and payments. Add lines 6a through 6d. . . . .	<b>7</b>	93,547
<b>8</b> Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b> <b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	<b>9</b>	
<b>10</b> <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . .	<b>10</b>	43,580
<b>11</b> Enter the amount of line 10 to be <b>Credited to 2014 estimated tax</b> 43,580 <b>Refunded</b>	<b>11</b>	

<b>Part VII-A    Statements Regarding Activities</b>			
<b>1a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	<b>1a</b>	Yes	No
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . .	<b>1b</b>		No
<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 foundation in connection with the activities.</i>			
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?. . . . .	<b>1c</b>		No
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: <b>(1)</b> On the foundation  \$ _____ 0 <b>(2)</b> On foundation managers  \$ _____ 0			
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers  \$ _____ 0			
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>	<b>2</b>		No
<b>3</b> Has the foundation 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>	<b>3</b>		No
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?. . . . .	<b>4a</b>	Yes	
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?. . . . .	<b>4b</b>	Yes	
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>	<b>5</b>		No
<b>6</b> 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? . . . . .	<b>6</b>	Yes	
<b>7</b> Did the foundation 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>	<b>7</b>	Yes	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) NY			
<b>b</b> If the answer is "Yes" to line 7, has the foundation 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>	<b>8b</b>	Yes	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> . . . . .	<b>9</b>		No
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	<b>10</b>		No

Part VII-A

Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶SCHERMAN ORG				
14	The books are in care of ▶THE SCHERMAN FOUNDATION INC Telephone no ▶(212) 832-3086			
	Located at ▶16 EAST 52ND STREET NEW YORK NY ZIP +4 ▶10022			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here . . . . . ▶	15		
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ▶ BD			

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 foundation (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 checked="" type="checkbox"/> Yes <input 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 foundation 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 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. . . . . ▶	1b		No
c	Did the foundation 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 2013?. . . . .	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation 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 instructions ). . . . .	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____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation 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 foundation had excess business holdings in 2013.). . . . .	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation 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 2013?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a

During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

Yes

No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

Yes

No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

Yes

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)? (see instructions).

Yes

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?

Yes

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 instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here.

c

If the answer is "Yes" to question 5a(4 ), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

Yes

No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a

Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes

No

b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

No

If "Yes" to 6b, file Form 8870.

7a

At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes

No

b

If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

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 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
See Additional Data Table				

2

Compensation of five highest-paid employees (other than those included on line 1—see 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
ALEXA M AVILES	PROGRAM OFFICER	118,266	17,627	0
C/O SCHERMAN FOUNDATION NEW YORK, NY 10022	40 0			
NANCY T HANDLER	ADMINISTRATOR	76,405	11,470	0
C/O SCHERMAN FOUNDATION NEW YORK, NY 10022	40 0			
Total number of other employees paid over \$50,000.				0

Form 990-PF (2013)

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
HECHT AND COMPANY PC 350 FIFTH AVENUE 68TH FL NEW YORK, NY 10118	ACCOUNTING SERVICES	57,901
CAMBRIDGE ASSOCIATES LLC 100 SUMMER STREET BOSTON, MA 02210		
WELLINGTON TRUST COMPANY NA 280 CONGRESS STREET BOSTON, MA 02210	INVESTMENT COUNSEL	133,992
FIRST STATE INVESTMENTS GLOBAL EMERG FD C/O NORTHERN TRUST 50 S LASALLE ST CHICAGO, IL 60675	INVESTMENT COUNSEL	63,842
	INVESTMENT COUNSEL	60,576
Total number of others receiving over \$50,000 for professional services.		0

Part IX-A

Summary of Direct Charitable 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.	Expenses
1 NO DIRECT CHARITABLE ACTIVITIES	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	



Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	115,301,082
b	Average of monthly cash balances. . . . .	1b	2,212,859
c	Fair market value of all other assets (see instructions). . . . .	1c	41,933
d	Total (add lines 1a, b, and c). . . . .	1d	117,555,874
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	0
3	Subtract line 2 from line 1d. . . . .	3	117,555,874
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	1,763,338
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	115,792,536
6	Minimum investment return. Enter 5% of line 5. . . . .	6	5,789,627

Part XI

Distributable Amount (see 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	5,789,627
2a	Tax on investment income for 2013 from Part VI, line 5. . . . .	2a	49,967
b	Income tax for 2013 (This does not include the tax from Part VI ). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	49,967
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	5,739,660
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	5,739,660
6	Deduction from distributable amount (see instructions). . . . .	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	5,739,660

Part XII

Qualifying Distributions (see 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	5,074,098
b	Program-related investments—total from Part IX-B. . . . .	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes. . . . .	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required). . . . .	3a	0
b	Cash distribution test (attach the required schedule). . . . .	3b	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	5,074,098
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions). . . . .	5	49,967
6	Adjusted qualifying distributions. Subtract line 5 from line 4. . . . .	6	5,024,131
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 instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				5,739,660
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only. . . . .			0	
b Total for prior years 2011 , 2010 , 2009		0		
3 Excess distributions carryover, if any, to 2013				
a From 2008. . . . .	260,887			
b From 2009. . . . .	2,418,970			
c From 2010. . . . .	3,133,402			
d From 2011. . . . .	3,157,842			
e From 2012. . . . .	3,196,835			
f Total of lines 3a through e. . . . .	12,167,936			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 5,074,098				
a Applied to 2012, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions). . . . .		0		
c Treated as distributions out of corpus (Election required—see instructions). . . . .	5,074,098			
d Applied to 2013 distributable amount. . . . .				
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	5,739,660			5,739,660
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	11,502,374			
b Prior years' undistributed income Subtract line 4b from line 2b. . . . .		0		
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. . . . .				
d Subtract line 6c from line 6b Taxable amount—see instructions . . . . .		0		
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .			0	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014 . . . . .				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions). . . . .				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions). . .				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	11,502,374			
10 Analysis of line 9				
a Excess from 2009. . . .	0			
b Excess from 2010. . . .	73,599			
c Excess from 2011. . . .	3,157,842			
d Excess from 2012. . . .	3,196,835			
e Excess from 2013. . . .	5,074,098			

Part XIV

Private Operating Foundations (see instructions and Part VII-A, question 9)

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, 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)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .	Tax year	Prior 3 years			(e) Total
		(a) 2013	(b) 2012	(c) 2011	(d) 2010	
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 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) )

KAREN R SOLLINS

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

2

Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

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

a

The name, address, and telephone number or e-mail address of the person to whom applications should be addressed

MITCHELL PRATT  
C/O SCHERMAN FDN 16 EAST 52ND ST  
NEW YORK, NY 10022  
(212) 832-3086

b

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

ATTACHMENT 18

c

Any submission deadlines

ATTACHMENT 18

d

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

ATTACHMENT 18

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

Form **990-PF** (2013)

## Enter gross amounts unless otherwise indicated

## Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Form **990-PF** (2013)



Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(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
GORDON N LITWIN	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
KAREN R SOLLINS	CHAIRPERSON 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
MARCIA THOMPSON	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
JOHN J O'NEIL	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
SUSANNA BERGTOLD	SECRETARY 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
MITCHELL PRATT	PRESIDENT & TREASURER 40 0	237,951	36,077	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
HILLARY BROWN	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
JOHN WROCLAWSKI	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
DAVID R JONES	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				
MIRIAM BUHL	DIRECTOR 2 0	0	0	0
C/O THE SCHERMAN FOUNDATION INC NEW YORK,NY 10022				

**TY 2013 Accounting Fees Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
MAINTENANCE OF INVESTMENT				
RECORDS	28,951	28,951		
PREPARATION OF AUDITED				
FINANCIAL STATEMENTS,				
FORM 990PF AND STATE				
ATTORNEY GENERAL REPORTS	28,950	0		28,950



**TY 2013 All Other Program  
Related Investments Schedule**

**Name:** THE SCHERMAN FOUNDATION INC  
**EIN:** 13-6098464

Category	Amount
NONE	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2013 Depreciation Schedule

Name: THE SCHERMAN FOUNDATION INC  
EIN: 13-6098464

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
OFFICE EQUIPMENT	1993-09-21	2,612	2,612	M5					
OFFICE FURNITURE	1994-07-01	8,037	8,037	M7					
OFFICE EQUIPMENT	1995-01-11	11,681	11,681	M5					
OFFICE EQUIPMENT	1996-02-22	3,719	3,718	M5					
FURNITURE	1996-03-26	2,313	2,313	M7					
OFFICE EQUPMENT	1997-09-10	5,504	5,504	M5					
OFFICE FURNITURE	1997-02-01	578	578	M7					
COMPUTER EQUIPMENT	1998-06-30	18,963	18,963	M5					
FURNITURE	1998-11-13	1,560	1,560	M7					
FURNITURE	1999-02-05	1,949	1,949	M7					
COMPUTER EQUIPMENT	1999-07-01	1,641	1,641	M5					
FURNITURE	2000-07-01	2,281	2,281	M7					
COMPUTER EQUIPMENT	2000-07-01	3,248	3,248	M5					
EQUIPMENT	2001-06-01	7,089	7,089	M5					
SOFTWARE	2002-06-01	12,678	12,678	M3	3				
COMPUTER EQUIPMENT	2003-06-01	2,038	2,038	M5					
COMPUTER EQUIPMENT	2004-06-30	6,663	6,663	M5					
EQUIPMENT	2005-07-16	4,616	4,616	M5					
COMPUTER EQUIPMENT	2007-07-15	3,770	3,770	M5					
EQUIPMENT	2008-12-31	6,168	6,168	SL	5				
COMPUTER	2009-07-13	1,593	1,593	SL	5				
COMPUTERS	2010-04-30	4,264	2,275	SL	5	853			
OFFICE FURNITURE	2011-02-25	2,324	852	SL	5	465			
OFFICE FURNITURE	2011-03-03	8,603	3,155	SL	5	1,721			
FIXTURES	2011-08-01	4,860	1,377	SL	5	972			
OFFICE FURNITURE	2011-08-02	2,211	626	SL	5	442			
FIXTURES	2011-05-15	7,952	2,451	SL	5	1,590			
PRINTER	2011-11-14	398	90	SL	5	80			
COMPUTER	2011-05-11	1,746	538	SL	5	349			
COMPUTER EQUIPMENT	2012-07-10	1,635	164	SL	5	327			
COMPUTER	2013-03-04	1,299		SL	5	217			
COMPUTER EQUIPMENT	2013-05-06	327		SL	5	44			
REFRIGERATOR	2013-06-04	499		SL	5	58			
FURNITURE	2013-08-26	140		SL	5	9			
COMPUTERS	2013-11-26	4,797		SL	5	80			
FIXTURES	2013-11-05	533		SL	5	17			
LEASEHOLD IMPROVE	2013-12-31	5,000		SL	27				

**TY 2013 Distribution from Corpus Election**

**Name:** THE SCHERMAN FOUNDATION INC

**EIN:** 13-6098464

**Election:** THE SCHERMAN FOUNDATION, INC. HEREBY ELECTS TO TREAT \$5,074,098 OF QUALIFYING DISTRIBUTIONS OF THE FOUNDATION FOR THE YEAR ENDED DECEMBER 31, 2013 AS BEING MADE OUT OF CORPUS IN ACCORDANCE WITH INTERNAL REVENUE REGULATION 53.4942(A) - 3(D) (2).

**TY 2013 Investments Corporate  
Stock Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
MUTUAL FUNDS:		
OAKMARK SELECT FUND	3,529,611	4,376,680
BRIDGEWAY BLUE CHIP 35 INDEX	4,350,161	6,180,136
VANGUARD DEVELOPED MARKETS	2,671,038	3,201,711
IVA WORLDWIDE FUND CLASS	4,998,598	6,231,224
MANNING & NAPIER OVERSEAS FD	5,650,146	6,111,683
VANGUARD INTERMEDIATE BOND	4,954,134	4,549,676
PIMCO TOTAL RETURN INSTITUT.	4,259,019	4,035,711
DSM LARGE CAP GROWTH FUND	4,602,125	5,975,702
VANGUARD EMERGING MARKETS FD	512,386	481,199
PIMCO UNCONSTRAINED BOND FD	2,526,260	2,420,061

**TY 2013 Investments - Land Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

TY 2013 Investments - Other Schedule

**Name:** THE SCHERMAN FOUNDATION INC  
**EIN:** 13-6098464

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ANCHORAGE CAPITAL PARTNERS		2,000,000	2,727,874
OFFSHORE, LTD.	AT COST		
AXIOM GLOBAL EQUITY FUND	AT COST	4,062,685	6,332,976
DAVIDSON KEMPNER INSTITUTIONAL			
PARTNERS LP	AT COST	2,700,000	4,993,164
ELLIOTT INTERNATIONAL LIMITED	AT COST	3,000,000	3,899,636
FIRST STATE INVESTMENTS GLOBAL			
EMERGING MARKETS LEADERS FD	AT COST	3,526,002	5,583,492
MASON CAPITAL LTD	AT COST	2,000,000	2,626,663
SSGA S&P 500 INDEX CTF	AT COST	7,172,478	10,819,168
WELLINGTON DIVERSIFIED			
INFLATION HEDGES PORTFOLIO	AT COST	5,710,805	7,011,609
PERMIT CAPITAL MORTGAGE FUND			
L.P. - SERIES K	AT COST	206,582	1,922,769
SOMERSET EMERGING MARKETS			
SMALL CAP FUND LLC	AT COST	1,000,000	1,070,543
SOMERSET SMALL MID CAP EM ALL			
COUNTRY FUND LLC	AT COST	1,100,000	1,305,321
THE HIGHCLERE INTERNATIONAL			
INVESTORS SMID FUND	AT COST	2,417,589	3,447,118
PERMIT CAPITAL MORTGAGE FUND			
L.P. - SERIES M	AT COST	493,700	478,633
POST LIMITED TERM HIGH YIELD	AT COST		
OFFSHORE FUND LTD	AT COST	3,500,000	3,957,055
STANDARD LIFE INVESTMENTS			
GLOBAL ABSOLUTE RETURN	AT COST	3,300,000	3,509,577
EATON VANCE INSTITUTIONAL			
SENIOR LOAN TRUST	AT COST	2,628,637	2,645,262
AETHER REAL ASSETS II, LP	AT COST	473,984	520,018
LL OPPORTUNISTIC MORTGAGE			

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
FUND, LP - 2014	AT COST	100,000	99,224
BARLOW PARTNERS OFFSHORE LTD	AT COST	3,500,000	4,994,463
GENERATION IM GLOBAL EQUITY FD	AT COST	4,187,886	6,740,975
MERCED PARTNERS IV, LP	AT COST	237,421	226,822

TY 2013 Land, Etc. Schedule

Name: THE SCHERMAN FOUNDATION INC

EIN: 13-6098464

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
OFFICE EQUIPMENT	2,612	2,612		
OFFICE FURNITURE	8,037	8,037		
OFFICE EQUIPMENT	11,681	11,681		
OFFICE EQUIPMENT	3,719	3,718	1	
FURNITURE	2,313	2,313		
OFFICE EQUIPMENT	5,504	5,504		
OFFICE FURNITURE	578	578		
COMPUTER EQUIPMENT	18,963	18,963		
FURNITURE	1,560	1,560		
FURNITURE	1,949	1,949		
COMPUTER EQUIPMENT	1,641	1,641		
FURNITURE	2,281	2,281		
COMPUTER EQUIPMENT	3,248	3,248		
EQUIPMENT	7,089	7,089		
SOFTWARE	12,678	12,678		
COMPUTER EQUIPMENT	2,038	2,038		
COMPUTER EQUIPMENT	6,663	6,663		
EQUIPMENT	4,616	4,616		
COMPUTER EQUIPMENT	3,770	3,770		
EQUIPMENT	6,168	6,168		
COMPUTER	1,593	1,593		
COMPUTERS	4,264	3,128	1,136	
OFFICE FURNITURE	2,324	1,317	1,007	
OFFICE FURNITURE	8,603	4,876	3,727	
FIXTURES	4,860	2,349	2,511	
OFFICE FURNITURE	2,211	1,068	1,143	
FIXTURES	7,952	4,041	3,911	
PRINTER	398	170	228	
COMPUTER	1,746	887	859	
COMPUTER EQUIPMENT	1,635	491	1,144	



Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
COMPUTER	1,299	217	1,082	
COMPUTER EQUIPMENT	327	44	283	
REFRIGERATOR	499	58	441	
FURNITURE	140	9	131	
COMPUTERS	4,797	80	4,717	
FIXTURES	533	17	516	
LEASEHOLD IMPROVE.	5,000		5,000	

**TY 2013 Other Assets Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
SECURITY DEPOSITS	12,664	12,664	12,664
DUE FROM BROKER	0	67,224	67,224
PAYROLL TAXES WITHHELD	0	14,132	14,132
403B PENSION PLAN	0	100	100

## TY 2013 Other Expenses Schedule

**Name:** THE SCHERMAN FOUNDATION INC

**EIN:** 13-6098464

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
STATIONERY, SUPPLIES & POSTAGE	2,793	140		2,653
COMPUTER/WEBSITE EXPENSE	7,702	385		7,317
TELEPHONE	4,352	218		4,134
EMPLOYEE BENEFITS	92,676	4,634		88,042
DUES AND PUBLICATIONS	3,732	0		3,732
MAINTENANCE & REPAIRS	2,185	109		2,076
SUNDRY	12,133	607		11,526
NYS FILING FEE	1,500	0		1,500
PUBLIC INSPECTION AD	135	0		135
PENALTIES	32	0		0

## TY 2013 Other Income Schedule

**Name:** THE SCHERMAN FOUNDATION INC

**EIN:** 13-6098464

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
EATON VANCE INSTITUTIONAL SENIOR LOAN TR	597	597	
INCOME (LOSS) FROM CTF/PARTNERSHIPS			
SSGA S&P 500 INDEX SL QP CTF		-491	
DAVIDSON KEMPNER INSTITUTIONAL PTNRS		-85,009	
WELLINGTON TRUST COMPANY		-41,036	
FIRST STATE INVESTMENTS GLOBAL			
EMERGING MARKETS LEADERS FUND		-24,493	
AXIOM GLOBAL EQUITY FUND		85,169	
SOMERSET EMERGING MARKETS SMALL			
CAP FUND LLC		-21,331	
THE HIGHCLERE INT'L INVESTORS SMID FD		12,890	
PERMIT CAPITAL MORTGAGE FD-SERIES K		-9,128	
SOMERSET SMALL MID CAP EM ALL COUNTRY		-10,467	
AETHER REAL ASSETS II, LP		61,039	
PERMIT CAPITAL MORTGAGE FD-SERIES M		-4,760	
LL OPPORTUNISTIC MORTGAGE FD, LP-2014		-750	
OTHER INCOME	13,697	13,697	

## TY 2013 Other Liabilities Schedule

**Name:** THE SCHERMAN FOUNDATION INC

**EIN:** 13-6098464

Description	Beginning of Year - Book Value	End of Year - Book Value
CAFETERIA PLAN FUNDS WITHHELD		3,036
FICA TAXES WITHHELD		2,119

**TY 2013 Other Professional Fees Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT ADVISORY FEES	219,101	219,101		0
INVESTMENT RELATED EXPENSES	134,132	134,132		0
CONSULTANTS	7,739	387		7,352

**TY 2013 Taxes Schedule****Name:** THE SCHERMAN FOUNDATION INC**EIN:** 13-6098464

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAX	70,000	0		0
FEDERAL INCOME TAX	16	0		0
NYS CORPORATE TAX	335	0		0
PAYROLL TAXES	29,130	1,457		27,674

THE SCHERMAN FOUNDATION INC.

EIN: 13-6098464

DECEMBER 31, 2013

PART IV SCHEDULE - CAPITAL GAINS AND LOSSES FOR  
TAX ON INVESTMENT INCOME

	Proceeds of Sales	Cost/ Basis	Gain or (Loss)
<u>Short-Term</u>			
<u>Thru Partnerships:</u>			
P Aether Real Assets II, LP	-	2	(2)
P Axiom Global Equity Fund	150,491	-	150,491
P Davidson Kempner Inst. Ptnrs.	45,767	-	45,767
P First State Investments Global Fund	61,779	-	61,779
P Permit Capital Mortgage Fund, LP - Series M	323	-	323
P Somerset Emerging Markets Small Cap Fd	-	1,879	(1,879)
P Somerset Small Mid Cap EM Fund	27,171	-	27,171
P SSGA S&P 500 Index CTF	5,276	-	5,276
P The Highclere International Investors Fund	98,509	-	98,509
P Wellington Diversified Portfolio	-	326,136	(326,136)
<u>Sec. 1256 Thru Partnerships:</u>			
P Davidson Kempner Institutional Ptnrs. LP	23	-	23
P SSGA S&P 500 Index CTF	21,295	-	21,295
P Wellington Diversified Portfolio	-	40,430	(40,430)
Total Short-Term	410,634	368,447	42,187



THE SCHERMAN FOUNDATION INC.

EIN: 13-6098464

DECEMBER 31, 2013

PART IV SCHEDULE - CAPITAL GAINS AND LOSSES FOR  
TAX ON INVESTMENT INCOME

	Proceeds of Sales	Cost/ Basis	Gain or (Loss)
<u>Long-Term</u>			
P Bridgeway Blue Chip 35 Index Fund	300,000	221,645	78,355
P Chilton Global Natural Resources Int'l II (BVI) Lt	-	655,526	(655,526)
P DSM Large Cap Growth Fund	187,873	-	187,873
P IVA Worldwide Fund Class	217,279	-	217,279
P Generation IM Global Equity Fund	170,520	-	170,520
P Oakmark Select Funds	254,318	-	254,318
P Manning & Napier Fund, Inc.	296,772	-	296,772
P PIMCO Total Return Institutional Fund	4,261	-	4,261
P PIMCO Unconstrained Bond Institutional Fund	9,283	-	9,283
P Vanguard Intermediate Term Bond Index	50,314	-	50,314
<u>Thru Partnerships:</u>			
P Aether Real Assets II, LP	651	-	651
P Axiom Global Equity Fund	809,069	-	809,069
P Davidson Kempner Inst. Ptnrs.	131,721	-	131,721
P First State Investments Global	533,460	-	533,460
P Permit Capital Mortgage Fund, LP - Series K	482,524	-	482,524
P Somerset Emerging Markets Small Cap Fd	19,156	-	19,156
P Somerset Small Mid Cap EM Fund	61,393	-	61,393
P SSGA S&P 500 Index CTF	751,432	-	751,432
P The Highclere International Investors Fund	142,488	-	142,488
P Wellington Diversified Portfolio	278,579	-	278,579
<u>Sec. 1231 Thru Partnerships:</u>			
P Aether Real Assets II, LP	1,382	-	1,382
<u>Sec. 1256 Thru Partnerships:</u>			
P Davidson Kempner Institutional Ptnrs. LP	35	-	35
P SSGA S&P 500 Index CTF	31,942	-	31,942
P Wellington Diversified Portfolio	-	60,644	(60,644)
Total Long-Term	4,734,452	937,815	3,796,637
Total Sales	5,145,086	1,306,262	3,838,824
P Purchased assets			
D Donated asset			

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PART XV - SUPPLEMENTARY INFORMATION

**Question 2 - Information Regarding Contributions, Grants, Etc. Programs:**

- (B) Program policy statement and grant application guidelines are as follows:

The Scherman Foundation nurtures excellent nonprofit organizations and leaders in the fields of community development, environment, reproductive justice, human rights, the arts, and governmental accountability by providing long-term general operating support. It particularly values policy advocacy and grassroots organizing, believing that an engaged population creates multiple paths to equitable, sustainable, and structural social change. The Foundation has a special commitment to New York City, while also funding nationally and, in limited instances, internationally.

The Scherman Foundation's core program focuses on six issue areas: Arts, Environment, Governmental Transparency and Accountability, Human Rights and Liberties, Reproductive Rights and Justice, and Strengthening New York Communities.

In 2012, through the generosity of a bequest from Katharine Scherman Rosin, the Foundation established a new giving program, The Katharine S. and Axel G. Rosin Fund, which provides support for a limited number of innovative, short-term and high-impact projects that address critical issues in the Arts, Strengthening New York Communities and the Environment.

Grants are made only to tax-exempt 501(c)(3) organizations.

New Requests for support from the Scherman Foundation's Core or Rosin funds must be made by first submitting a Letter of Intent (LOI) through the Foundation's online application system at [www.scherman.org](http://www.scherman.org).

For the Core Fund programs, the Foundation will accept new LOIs on a rolling basis throughout the year through its online application system. Invited applicants will then be asked to submit a full proposal online to be considered at one of the Foundation's quarterly (March, June, September and November) Board of Directors meetings.

LOIs for both the Core and Rosin funds should be no more than three pages and include the following information - a description of the organization's mission and work and a brief, yet compelling, summary of the purpose of the

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PART XV - SUPPLEMENTARY INFORMATION

**Question 2 - Information Regarding Contributions, Grants, Etc. Programs (continued):**

request and activities to be supported. Additional documents necessary to accompany the LOI are described on the website's application system.

The Foundation does not accept proposals via mail or fax. It does not maintain a mailing list, nor does it issue publications other than an annual report, which may be viewed on the Foundation's website, [www.scherman.org](http://www.scherman.org).

**THE SCHERMAN FOUNDATION, INC.**

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**Part XV, 3, - Grants and Contributions Paid During the Year**

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All contributions were made to public charities and  
unless otherwise indicated, grants are for general support

\* Represents a two-year grant

^ Represents a three-year grant

**Katharine S. and Axel G. Rosin Fund Grants**

**Arts**

Alliance of Resident Theatres/New York New York, NY for ArtsPool	\$ 200,000	^
New Dramatists New York, NY for New Plays/More Ways	75,000	^
Queens Museum of Arts Queens, NY for Open A.I.R.	125,000	^

<b>Total Arts</b>	<u>400,000</u>
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**Environment**

Charles River Watershed Boston, MA for Smart Sewering Infrastructure for Water Sustainability	240,000	^
Green Light New York New York, NY for Accelerating Daylight's Efficiency Potential	150,000	*
Rainforest Alliance New York, NY for Lessons Learned in Sustainable Water Practices	124,966	^

<b>Total Environment</b>	<u>514,966</u>
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**Part XV, 3, - Grants and Contributions Paid During the Year**

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**Strengthening New York Communities**

Center for Popular Democracy Brooklyn, NY for Worker Community Justice Initiative	\$ 250,000	^
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Legal Aid Society New York, NY for Alliance for Tenant Power	250,000	^
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<b>Total Strengthening New York Communities</b>	<u>500,000</u>
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**Special Grants**

**Sandy Rebuilding and Resiliency**

New York City Environmental Justice Alliance Brooklyn, NY for Waterfront Justice Project	50,000
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Pratt Center for Community Development Brooklyn, NY for Planning for an Inclusive and Equitable Recovery	50,000
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Good Jobs New York New York, NY for Eye on Sandy Money Project	50,000
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Natural Resources Defense Council New York, NY for Post-Sandy Advocacy Project	50,000
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Alliance for a Greater New York (ALIGN) New York, NY for the Queensway Project	50,000
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<b>Total Sandy Rebuilding and Resiliency</b>	<u>250,000</u>
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**THE SCHERMAN FOUNDATION, INC.**

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**Part XV, 3, - Grants and Contributions Paid During the Year**

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**Core Grants**

**Arts**

Atlantic Theater Company New York, NY	\$ 20,000	*
Ballet Hispanico New York, NY	20,000	*
Bronx Museum of the Arts Bronx, NY	25,000	*
Brooklyn Youth Chorus Academy Brooklyn, NY	20,000	*
Center for Traditional Music and Dance New York, NY	20,000	*
City Lore New York, NY	30,000	*
Dancing in the Streets Bronx, NY	25,000	*
Harlem Stage New York, New York	20,000	*
HERE New York, NY	20,000	*
Manhattan Graphics Center New York, NY	20,000	*

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**Part XV, 3, - Grants and Contributions Paid During the Year**

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**Arts (continued)**

New York Festival of Song New York, NY	\$ 20,000	*
New York Foundation for the Arts New York, NY	30,000	*
New York Shakespeare Festival New York, NY	35,000	*
New York Theatre Workshop New York, NY	20,000	*
Playwrights Horizons New York, NY	25,000	*
Queens Museum of Art Queens, NY	25,000	*
School of American Ballet New York, NY	15,000	*
Signature Theatre Company New York, NY	25,000	*
St. Ann's Warehouse Brooklyn, NY	35,000	*
The Harlem School of the Arts New York, NY	30,000	*
Third Street Music School Settlement New York, NY	20,000	*

**Total Arts** 500,000

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**Environment**

Alaska Conservation Foundation Anchorage, AK	\$ 50,000	*
American Littoral Society Highlands, NJ	35,000	*
Blue Green Alliance Minneapolis, MN	50,000	*
City Parks New York, NY	20,000	
Conservation Law Foundation Boston, MA	40,000	*
Earthjustice New York, NY	50,000	
Energy Action Coalition Washington, DC	50,000	*
Environmental Advocates of New York Albany, NY	20,000	*
Environmental Grantmakers Association New York, NY	4,000	
Fund for the City of New York Rider's Alliance New York, NY	40,000	*
Green Corps San Francisco, CA	40,000	*



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**Part XV, 3, - Grants and Contributions Paid During the Year**

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**Environment (continued)**

Greenpeace Fund/Quit Coal-Duke Utility Campaign Washington, DC for Quit Coal Campaign	\$ 60,000	*
Metropolitan Waterfront Alliance New York, NY	30,000	*
New York Public Interest Research Group Fund/Straphangers Campaign New York, NY	20,000	*
Oceana Washington, DC	30,000	*
Rainforest Action Network San Francisco, CA for Climate Change Activities	25,000	
Transportation Alternatives New York, NY	50,000	*
Union of Concerned Scientists/Climate and Clean Energy Solutions Campaign Cambridge, MA	45,000	*

**Total Environment** 659,000

**Governmental Transparency and Accountability**

EPIC Washington, DC	40,000	*
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**Total Governmental Transparency and Accountability** 40,000

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**Human Rights and Liberties**

American Civil Liberties Union Foundation New York, NY	\$ 45,000	*
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Center for Constitutional Rights New York, New York	50,000	*
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<b>Total Human Rights and Liberties</b>	<u>95,000</u>	
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**Reproductive Rights and Justice**

Advocates for Youth Washington, DC	40,000	*
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American Civil Liberties Union Foundation New York, NY for Reproductive Freedom Project	45,000	*
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Forward Together (formerly Asian Communities for Reproductive Justice) Oakland, CA	40,000	*
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Choice USA Washington, DC	40,000	*
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Faith Aloud St. Louis, MO	25,000	
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Funders Network on Population, Reproductive Health and Rights Rockville, MD	2,500	
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Law Students for Reproductive Justice Oakland, CA	50,000	*
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**Reproductive Rights and Justice (continued)**

National Advocates for Pregnant Women New York, NY	\$ 50,000	*
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Physicians for Reproductive Choice and Health New York, NY	30,000	*
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RH Reality Check Silver Spring, MD	30,000	*
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<b>Total Reproductive Rights and Justice</b>	<u>352,500</u>	
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**Strengthening New York Communities**

Association for Neighborhood & Housing Development New York, NY for INCO, organizing, and advocacy	50,000	*
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Association for Neighborhood & Housing Development/Neighborhood Opportunities Fund New York, NY for Change Capital Fund	30,000	
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Brooklyn Community Foundation Brooklyn, NY for Convergence Innovation Fund	40,000	*
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Community Voices Heard New York, NY	40,000	*
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Community Voices Heard/Participatory Budgeting New York, NY for Participatory Budgeting	40,000	*
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El Puente New York, NY	40,000	*
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**Strengthening New York Communities (continued)**

Families United for Racial & Economic Equality/Emergency Fund Brooklyn, NY	\$ 5,000	
Good Old Lower East Side New York, NY	2,500	
Good Old Lower East Side New York, NY	50,000	*
Legal Aid Society New York, NY for Civil Division	50,000	*
Legal Services for New York City New York, NY	50,000	*
National Center for Law and Economic Justice/Project Fair Play New York New York, NY for Project Fair Play New York	20,000	
Neighborhood Economic Development Advocacy Project New York, NY for New Economy Project	50,000	*
New York Communities Organizing Fund, Inc. Brooklyn, NY for New York City Activities	40,000	*
New York Lawyers for the Public Interest/Environmental Justice and Community Development New York, NY for Activities in New York City	50,000	*

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**Strengthening New York Communities (continued)**

Northwest Bronx Community & Clergy Coalition Bronx, NY	\$ 20,000	
Pratt Center for Community Development Brooklyn, NY	60,000	*
Sustainable South Bronx Bronx, NY	30,000	*
The Center for Urban Pedagogy Brooklyn, NY	30,000	*
The Osborne Association Bronx, NY for the honor of Tony Schulte	1,000	
The Point Community Development Corporation Bronx, NY	40,000	*
UPROSE Brooklyn, NY	40,000	*
Urban Justice Center New York, NY for Community Development Project	40,000	*
Youth Ministries for Peace and Justice Bronx, NY for Southern Bronx River Water Alliance	50,000	

<b>Total Strengthening New York Communities</b>	<u>868,500</u>
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**Miscellaneous**

Alliance for Justice Washington, DC	\$ 30,000 *
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Philanthropy New York New York, NY	5,250
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<b>Total Miscellaneous</b>	<u>35,250</u>
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<b>Employee Matching Gifts</b>	<u>16,500</u>
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<b>Other Contributions</b>	<u>7,709</u>
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<b>Total</b>	<u><u>\$ 4,239,425</u></u>
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