Agenda
FFE Board of Directors – Finance Committee

Kalamazoo Foundation for Excellence

Monday, August 29, 2022 2:00 PM

City Hall – Community Room, Second Floor - 241 West South Street

A. CALL TO ORDER

B. APPROVAL OF MINUTES

1. Approve Minutes of April 25, 2022.

C. REPORTS AND COMMUNICATIONS

D. REGULAR AGENDA

1. 2021 Independent Audit and Tax Filing

2. Formation of Audit Subcommittee

3. 2022 Q1 and Q2 Endowment Reports

4. 2023 Draft Budget Review

E. PUBLIC COMMENTS

F. BOARD MEMBER COMMENTS

G. ADJOURNMENT

KALAMAZOO FOUNDATION OF EXCELLENCE

PUBLIC COMMENT RULES

General information about the Foundation for Excellence (FFE) including board meeting schedules, meeting agendas and minutes, bylaws, and much more can be accessed at: https://www.kalamazoocity.org/ffe.

Agendas and previous minutes and video streams for FFE meetings are available directly at: https://kalamazoomi.civicclerk.com/.

Questions regarding agenda items may be answered prior to the meeting by contacting the FFE Manager at 269.337.8047 or ffe@kalamazoocity.org.

Meetings are held in person in the Community Room on the second floor of City Hall at 241 W. South St. 49007. They are also streamed live and archived on the City's Facebook page (https://www.facebook.com/KalamazooCity/) and YouTube Channel (www.kalamazoocity.org/youtube).

Persons attending a regular or special meeting of the Board of Directors of the Kalamazoo Foundation for Excellence are permitted to address the Board at the noted time on the Agenda and in conformity with this rule and the Michigan Open Meetings Act.

An individual wishing to address the Board shall wait to be recognized by the presiding officer. A person addressing the Board shall provide their name and whether they are a resident of the City. Remarks by a speaker shall be confined to matters within the purview of the Board and FFE. An individual may comment once for up to three (3) minutes. No comment is permitted on secondary or procedural motions to a main motion. A speaker is not permitted to yield any unused portion of speaking time to other speakers. A speaker may be ruled out of order for conduct that interrupts or disrupts the meeting.

Individuals also have the option to provide public comments over the phone at 888.382.9556 during the public comment period announced by staff during the meeting. Callers will enter a queue and be prompted to offer comments in turn. Callers will be given three minutes to comment live.

Updated April 5, 2022.

KALAMAZOO FOUNDATION FOR EXCELLENCE
BOARD OF DIRECTORS
FINANCE COMMITTEE

MINUTES

Meeting of April 25, 2022

The meeting of the Kalamazoo Foundation for Excellence (KFFE) Finance Committee was called to order at 12:38 p.m. in the Community Room of City Hall by President Calderon-Huezo; Treasurer Carrel, and Chief Financial Officer Vicenzi were present. Directors Washington and Vice President Ritsema were not present.

A quorum was present.

Manager Brown read the current rules for public comment from the agenda packet.

Minutes of the December 20, 2021, and January 31, 2022, meetings were moved for approval by Treasurer Carrel and seconded by CFO Vicenzi. The motion was approved by unanimous voice vote.

Items of the annual independent financial compliance review were presented by Manager Brown and CFO Vicenzi. CFO Vicenzi moved, and Treasurer Carrel seconded, to approve the items. The motion was approved by unanimous voice vote.

The 2021 Q4 Draft Report of the FFE Investment Subcommittee was presented by CFO Vicenzi. Treasurer Carrel moved, and CFO Vicenzi seconded, to include the report in the Finance Committee's report to the Board of Directors at its next meeting. The motion was approved by unanimous voice vote.

The text meeting is scheduled for Monday, August 29, 2022, at 2 p.m.

No public comments.

No old business.

President Calderon-Huezo adjourned the meeting at 12:57 p.m.

Minutes Drafted: April 25, 2022.

Minutes Approved: _________

____
Steve Brown, Recording Secretary

Date: **8/29/2022**
FFE
Item: **D.1.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Steve Vicenzi, CFO

DATE: August 29, 2022

SUBJECT:

2021 Independent Audit and Tax Filing

RECOMMENDATION:

It is recommended that the Finance Committee approve the 2021 independent audit and FFE tax filing for inclusion in its report to the Board of Directors.

BACKGROUND:

At the Annual Meeting of 2022 staff presented draft versions of the 2021 independent audit. The document was completed in the ensuing months and the coproration's taxes were filed on time and without incident. Those final documents are attached for review and approval by the Finance Committee and, subsequently, Board of Directors.

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

KALAMAZOO FOUNDATION FOR EXCELLENCE

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Maner Costerisan

TABLE OF CONTENTS

Maner Costerisan

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Suite 1, Lansing, MI 48912
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Kalamazoo Foundation For Excellence
Kalamazoo, Michigan

Opinion

We have audited the accompanying financial statements of Kalamazoo Foundation For Excellence (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kalamazoo Foundation For Excellence as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kalamazoo Foundation For Excellence's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kalamazoo Foundation For Excellence's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kalamazoo Foundation For Excellence's ability to continue as a going concern for a reasonable period of time.

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

Maner Costerisan PC

May 9, 2022

KALAMAZOO FOUNDATION FOR EXCELLENCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS	
Current assets	
Current portion of cash and cash equivalents	$ 6,332
Current portion of contributions receivable, net	39,873,000
Total current assets	39,879,332
Noncurrent assets	
Investments	150,683,478
Contributions receivable, net (less current portion)	288,646,000
Total noncurrent assets	439,329,478
TOTAL ASSETS	$ 479,208,810
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	$ 21,832
Due to City of Kalamazoo	1,001
TOTAL LIABILITIES	22,833
NET ASSETS	
Without donor restrictions	151,231,485
With donor restrictions	
Purpose restrictions	58,492
Time-restricted for future periods	327,896,000
Total net assets with donor restrictions	327,954,492
TOTAL NET ASSETS	479,185,977
TOTAL LIABILITIES AND NET ASSETS	$ 479,208,810

See accompanying notes to financial statements.

KALAMAZOO FOUNDATION FOR EXCELLENCE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 39,254,900	$ 327,903,492	$ 367,158,392
Investment return, net	16,535,170	-	16,535,170
TOTAL SUPPORT AND REVENUE	55,790,070	327,903,492	383,693,562
EXPENSES			
Supporting services			
General and administrative	297,350	-	297,350
CHANGE IN NET ASSETS	55,492,720	327,903,492	383,396,212
Net assets, beginning of year	95,738,765	51,000	95,789,765
Net assets, end of year	$ 151,231,485	$ 327,954,492	$ 479,185,977

See accompanying notes to financial statements.

KALAMAZOO FOUNDATION FOR EXCELLENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services	
	Operational Assistance	Aspirational Projects	Total Program Services	General and Administrative	Total
Bank fees	$ -	$ -	$ -	$ 614	$ 614
Professional fees	-	-	-	187,500	187,500
Contractual services	-	-	-	109,236	109,236
TOTAL EXPENSES	$ -	$ -	$ -	$ 297,350	$ 297,350

See accompanying notes to financial statements.

KALAMAZOO FOUNDATION FOR EXCELLENCE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 383,396,212
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Contributed stock	(38,631,900)
Realized and unrealized (gain) on investments	(15,983,954)
Decrease in:	
Accounts payable	(5,072)
Increase in:	
Contributions receivable, net	(328,490,881)
NET CASH PROVIDED BY OPERATING ACTIVITIES	284,405
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(39,355,143)
Sales of investments	39,053,341
NET CASH USED BY INVESTING ACTIVITIES	(301,802)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,397)
Cash and cash equivalents, beginning of year	23,729
Cash and cash equivalents, end of year	$ 6,332

See accompanying notes to financial statements.

KALAMAZOO FOUNDATION FOR EXCELLENCE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF THE ORGANIZATION

The mission of Kalamazoo Foundation For Excellence (the Foundation) is to "support the goals of the City of Kalamazoo, fund aspirational investments in the City, and empower Kalamazoo residents to achieve the lives they want for themselves and their families."

The Foundation was created to help the City of Kalamazoo accomplish priorities established, from time to time, by the City Commission to set the course for the City of Kalamazoo's future direction, to provide budget stability to the City resulting from the City's reduction of the ad valorem tax rate on property in addition to the reduction of payments received from the State, to provide for aspirational projects which the City of Kalamazoo wishes to undertake, and to perform any activities that may assist in exploring budgetary savings of the City or assisting the City which would be the best way to utilize the grants transferred to the City from the Foundation. The majority of the Foundation's revenue is from donations received from the general public.

The Foundation will make annual distributions to the City authorized by majority vote of the Board of Directors in an amount that is:

a. Equal to the difference between the amount that the City would have received in property tax revenue for the fiscal year-in-question calculated using a millage rate of 19.2705 mills ($19.2705 per $1,000 of taxable value) and the property tax revenue the City is budgeted to receive for the fiscal year-in-question under the City's proposed millage rate, plus,

b. A budget stabilization payment of $4,000,000 for fiscal year 2019 and thereafter, adjusted annually by the Municipal Cost Index, and

c. Additional annual distributions may be approved and made by the Foundation if requests are consistent with the Foundation's purposes and consistent with donor intent.

The Foundation has not made any distributions to the City to date. The first distributions are not anticipated to be made until 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation's accounting policies conform to U.S. generally accepted accounting principles (GAAP) as applicable to nonprofit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing nonprofit accounting and financial reporting principles.

The following is a summary of the significant accounting policies of the Foundation:

Basis of Accounting

The Foundation utilizes the accrual method of accounting, which recognizes income when earned and expenses when incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash accounts and money market funds. The Foundation considers short-term highly liquid investments with maturities of three months or less as cash equivalents. Cash included in the investment category is not classified as a cash or cash equivalent.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are stated at fair value. Net investment return is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses. Investments are recorded as long-term as it is management's intent to hold for long-term purposes and not spend in the next 12 months. See Note 6 for discussion of fair value measurements.

Investments are managed by professional advisors subject to the Foundation's investment policy. The degree and concentration of market and credit risk vary by type of investment.

Contributions Receivable

Contributions receivable consists of amounts due for contributions that have been collected by the City of Kalamazoo but not yet remitted to the Foundation and unconditional promises. We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2021, the allowance was $0.

Beginning and ending balances for contributions receivable is reported as follows for the year ended December 31:

Contributions receivable, beginning of year	$ 28,119
Contributions receivable, end of year	$ 328,519,000

Net Assets

Net assets, revenues, gains and losses are classified on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished. At December 31, 2021, the Foundation reported net assets with donor restrictions totaling $58,492 for aspirational projects within the City of Kalamazoo.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Functional Expense Allocation

The costs of providing program and other activities will be reported in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the Foundation. Allocated expenses will primarily consist of personnel costs, professional fees, and general expenses based on an analysis of wages and management's estimated use of resources. For the year ended December 31, 2021, the Foundation did not report any functional expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Concentration of Risk

The Foundation is required to disclose significant concentrations of risk regardless of the degree of such risk. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and contributions receivable. The Foundation places its cash with FDIC insured financial institutions. Although such cash balances exceeded the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk. The Foundation has not experienced losses in any of these accounts.

Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations supportive of the Foundation's mission.

Investments are maintained with diversified investment managers whose performance is monitored by management of the Foundation and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

In preparing these financial statements, the Foundation's management has evaluated events and transactions for potential recognition or disclosure through May 9, 2022, the date the financial statements were available to be issued.

NOTE 3 - TAX STATUS

The Foundation is exempt from U.S. federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for tax on "unrelated business income", as defined. The Foundation is not classified as a private foundation. No provision for U.S. income taxes is required.

In preparation of tax returns, tax positions are taken based on interpretation of income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been recorded in the financial statements as uncertain positions. Tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at December 31, 2021**:**

Within one year	$ 40,000,000
In one to five years	200,000,000
Over five years	120,000,000
	360,000,000
Less discount to net present value at rate of 1.91%	(31,481,000)
Contributions receivable, net	$ 328,519,000

At December 31, 2021, one donor accounted for 100% of total promises to give.

During the year ended December 31, 2021, long-term residents of the community made an unconditional promise to give the Foundation $40,000,000 annually for ten consecutive years. The current year contributions were reported as contributions without donor restrictions, while the promise to give was reported as contributions with donor-imposed time restrictions.

NOTE 5 - LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following table reflects the Foundation's financial assets as of December 31, 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts appropriated from net assets with donor restrictions with one year of the date of the statement of financial position are considered available.

Financial assets available at year-end	
Cash	$ 6,332
Contributions receivable, net of discount	328,519,000
Investments	150,683,478
Total financial assets available at year-end	479,208,810
Donor imposed restrictions	
Less purpose restricted funds	(58,492)
Less time restricted funds until after 2022	(288,646,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 190,504,318

The overall investment goal of the management of the assets of the Foundation is to maximize the likelihood of meeting the Foundation's spending objectives in perpetuity as it relates to the Foundation's mission and to the disbursement of funds by the Foundation's Board of Directors.

In addition, the investment goals include:

- Maintaining the ability to pay all distributions and obligations when due.
- Maximizing return within reasonable and prudent levels of risk.
- Preserving the real (i.e., inflation adjusted) purchasing power of assets.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Investments that are considered long term on the statement of financial position are included in the financial assets available to meet cash needs for general expenditures and could be used to meet general expenditures.

NOTE 6 - FAIR VALUE MEASUREMENTS

GAAP have established a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements) when market prices are not readily available or reliable.

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

The three levels of the hierarchy under GAAP are described below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Debt Instruments - Corporate Bonds and U.S. Government Securities: The investment grade debt securities held by the Foundation often do not trade in active markets on the measurement date. If they do, they are measured at the closing price in that active market. In the absence of a trade on the measurement date for the identical security in an active market, corporate bonds and U.S. government securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is market value summary by the level of inputs used, as of December 31, 2021, in evaluating the Foundation's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

	Level 1	Level 2	Level 3	Total
U.S. equities				
Mutual funds	$ 116,141,289	$ -	$ -	$ 116,141,289
U.S. fixed income				
Corporate securities	-	10,652,743	-	10,652,743
Government and agencies	-	22,593,507	-	22,593,507
International fixed income				
Corporate securities	-	1,295,939	-	1,295,939
Total	$ 116,141,289	$ 34,542,189	$ -	$ 150,683,478

NOTE 7 - INVESTMENTS

The following table summarizes the cost basis and fair value (carrying value) of investments as of December 31, 2021.

	Cost	Fair Value
U.S. equities		
Mutual funds	$ 88,408,718	$ 116,141,289
U.S. fixed income		
Corporate securities	10,844,534	10,652,743
Government and agencies	22,704,702	22,593,507
International fixed income		
Corporate securities	1,310,077	1,295,939
Total	$ 123,268,031	$ 150,683,478

NOTE 8 - RELIANCE ON FUNDING SOURCES

The Foundation receives a substantial amount of their support from donations made by the general public. A significant reduction in the level of this support, if it were to occur, would have an effect on the Foundation's programs and activities.

NOTE 9 - UNCERTANTIES

The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

NOTE 10 - SUBSEQUENT EVENT

On February 24, 2022, the Foundation received the second installment of the unconditional promise to give that is detailed in Note 4. The fair value of the contribution as of that date was $40,356,800.

EXTENDED TO NOVEMBER 15, 2022

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047

2021

Open to Public Inspection

A For the 2021 calendar year, or tax year beginning and ending

B Check if applicable: Address change; Name change; Initial return; Final return/terminated; Amended return; Application pending

C Name of organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Doing business as

Number and street (or P.O. box if mail is not delivered to street address): 241 W. SOUTH STREET | Room/suite

City or town, state or province, country, and ZIP or foreign postal code: KALAMAZOO, MI 49007

D Employer identification number: 82-2587771

E Telephone number: 269-337-8047

G Gross receipts $ 407,323,929.

F Name and address of principal officer: STEVE VICENZI
SAME AS C ABOVE

H(a) Is this a group return for subordinates? Yes [ ] No [X]

H(b) Are all subordinates included? Yes No
If "No," attach a list. See instructions

I Tax-exempt status: [X] 501(c)(3) 501(c) ( )◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.KALAMAZOOCITY.ORG/FFE

H(c) Group exemption number ▶

K Form of organization: [X] Corporation Trust Association Other ▶

L Year of formation: 2017 **M** State of legal domicile: MI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO SUPPORT THE GOALS OF THE CITY OF KALAMAZOO, FUND INVESTMENTS, AND EMPOWER RESIDENTS.

2 Check this box ▶ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	15
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	90,010,302.	367,158,392.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-7,134,646.	2,384,094.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	82,875,656.	369,542,486.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	274,424.	416,961.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	274,424.	416,961.
	19	Revenue less expenses. Subtract line 18 from line 12	82,601,232.	369,125,525.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	95,817,670.	479,208,810.
	21	Total liabilities (Part X, line 26)	27,905.	22,833.
	22	Net assets or fund balances. Subtract line 21 from line 20	95,789,765.	479,185,977.

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer | Date

▶ STEVE VICENZI, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
BRANDY L. MIKULA, CPA	BRANDY L. MIKULA, CP	08/09/22		P00645694

Firm's name ▶ MANER COSTERISAN PC | Firm's EIN ▶ 38-2157642

Firm's address ▶ 2425 E. GRAND RIVER, SUITE 1
LANSING, MI 48912-3291 | Phone no. 517-323-7500

May the IRS discuss this return with the preparer shown above? See instructions [X] Yes No

Part III | Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:
THE MISSION OF THE KALAMAZOO FOUNDATION FOR EXCELLENCE IS TO SUPPORT THE GOALS OF THE CITY OF KALAMAZOO, FUND ASPIRATIONAL INVESTMENTS IN THE CITY, AND EMPOWER KALAMAZOO RESIDENTS TO ACHIEVE THE LIVES THEY WANT FOR THEMSELVES AND THEIR FAMILIES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ including grants of $) (Revenue $)
SPURRED THE EXPANSIONS OF SUCCESSFUL YOUTH PROGRAMS AND SUPPORTED RENOVATIONS OF PARKS, NEIGHBORHOOD ENHANCMENT PROJECTS, CREATION OF AFFORDABLE HOUSING, SUPPORT OF SMALL BUSINESS ACTIVITY, AND OFFERED COVID-19 RELATED RELIEF.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe on Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶

Part IV | Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*? See instructions	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		X
b	Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I.* See instructions	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*	28b		X
c	A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? **Note:** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

					Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	1			
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance *(continued)*

				Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b		
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* See instructions.				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation on Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note: See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation on Schedule O*		14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.		15		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		16		X
17	**Section 501(c)(21) organizations.** Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.		17		

Part VI Governance, Management, and Disclosure. *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	13		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b Enter the number of voting members included on line 1a, above, who are independent	1b	13		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6 Did the organization have members or stockholders?		6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?		8a	X	
b Each committee with authority to act on behalf of the governing body?		8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses on Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

		Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe on Schedule O how this was done*	12c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15a		X
b Other officers or key employees of the organization	15b		X
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶MI

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain on Schedule O)*

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶

STEVE VICENZI, CFO - 269-337-8020

241 W. SOUTH STREET, KALAMAZOO, MI 49007

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

[X] Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) DAVID ANDERSON DIRECTOR	1.00	X						0.	0.	0.
(2) JEANNE HESS DIRECTOR	1.00	X						0.	0.	0.
(3) RACHEL LONBERG DIRECTOR	1.00	X						0.	0.	0.
(4) ALICE TAYLOR DIRECTOR	1.00	X						0.	0.	0.
(5) CHARLENE TAYLOR DIRECTOR	1.00	X						0.	0.	0.
(6) JACK C URBAN DIRECTOR	1.00	X						0.	0.	0.
(7) VON WASHINGTON JR. DIRECTOR	1.00	X						0.	0.	0.
(8) BOBBY J. HOPEWELL DIRECTOR	2.00	X						0.	0.	0.
(9) NATHAN DANNISON DIRECTOR	1.00	X						0.	0.	0.
(10) BARBARA HAMILTON-MILLER SECRETARY	2.00	X		X				0.	0.	0.
(11) ADAM MCFARLIN TREASURER (ENDED 2/16/21)	2.00	X		X				0.	0.	0.
(12) ALISA CARREL TREASURER	2.00	X		X				0.	0.	0.
(13) JAMES K. RITSEMA VICE PRESIDENT	2.00	X		X				0.	0.	0.
(14) DR. ANGELA GRAHAM-WILLIAMS PRESIDENT (ENDED 7/1/21)	2.00	X		X				0.	0.	0.
(15) SANDRA CALDERON-HUEZO PRESIDENT	2.00	X		X				0.	0.	0.
(16) STEVE VICENZI CFO	1.00			X				0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Subtotal								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Form **990** (2021)

132008 12-09-21

Part VIII **Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	367,158,392.				
	g Noncash contributions included in lines 1a-1f	1g	$ 367,150,900.				
	h **Total.** Add lines 1a-1f		▶	367158392.			
Program Service Revenue			Business Code				
	2 a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g **Total.** Add lines 2a-2f		▶				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		▶	670,827.			670,827.
	4 Income from investment of tax-exempt bond proceeds		▶				
	5 Royalties		▶				
			(i) Real / (ii) Personal				
	6 a Gross rents	6a					
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)		▶				
			(i) Securities / (ii) Other				
	7 a Gross amount from sales of assets other than inventory	7a	39,494,710.				
	b Less: cost or other basis and sales expenses	7b	37,781,443.				
	c Gain or (loss)	7c	1,713,267.				
	d Net gain or (loss)		▶	1,713,267.			1713267.
	8 a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18	8a					
	b Less: direct expenses	8b					
	c Net income or (loss) from fundraising events		▶				
	9 a Gross income from gaming activities. See Part IV, line 19	9a					
	b Less: direct expenses	9b					
	c Net income or (loss) from gaming activities		▶				
	10 a Gross sales of inventory, less returns and allowances	10a					
	b Less: cost of goods sold	10b					
	c Net income or (loss) from sales of inventory		▶				
Miscellaneous Revenue			Business Code				
	11 a						
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a-11d		▶				
	12 **Total revenue.** See instructions		▶	369542486.	0.	0.	2384094.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX [X]

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting	7,500.		7,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	119,611.		119,611.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	289,236.		289,236.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a BANK FEES	614.		614.	
b				
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	416,961.	0.	416,961.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ [ ] if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	23,228.	1	5,831.
	2	Savings and temporary cash investments	72,338.	2	74,240.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments - publicly traded securities	95,693,985.	11	150,609,739.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	28,119.	15	328,519,000.
	16	**Total assets.** Add lines 1 through 15 (must equal line 33)	95,817,670.	16	479,208,810.
Liabilities	17	Accounts payable and accrued expenses	26,904.	17	21,832.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,001.	25	1,001.
	26	**Total liabilities.** Add lines 17 through 25	27,905.	26	22,833.
Net Assets or Fund Balances		**Organizations that follow FASB ASC 958, check here ▶ [X] and complete lines 27, 28, 32, and 33.**			
	27	Net assets without donor restrictions	95,738,765.	27	151,231,485.
	28	Net assets with donor restrictions	51,000.	28	327,954,492.
		Organizations that do not follow FASB ASC 958, check here ▶ [ ] and complete lines 29 through 33.			
	29	Capital stock or trust principal, or current funds		29	
	30	Paid-in or capital surplus, or land, building, or equipment fund		30	
	31	Retained earnings, endowment, accumulated income, or other funds		31	
	32	Total net assets or fund balances	95,789,765.	32	479,185,977.
	33	Total liabilities and net assets/fund balances	95,817,670.	33	479,208,810.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	369,542,486.
2	Total expenses (must equal Part IX, column (A), line 25)	2	416,961.
3	Revenue less expenses. Subtract line 2 from line 1	3	369,125,525.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	95,789,765.
5	Net unrealized gains (losses) on investments	5	14,270,687.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	479,185,977.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	3b		

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2021
Open to Public Inspection

Name of the organization KALAMAZOO FOUNDATION FOR EXCELLENCE
Employer identification number 82-2587771

Part I **Reason for Public Charity Status.** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 [ ] An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
10 [ ] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
11 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
12 [X] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

- **a** [ ] **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- **b** [ ] **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- **c** [X] **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- **d** [ ] **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- **e** [X] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- **f** Enter the number of supported organizations 1
- **g** Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
CITY OF KALAMAZOO, MICHIGAN	38-6004627	6	X		328,519,000.	
Total					328,519,000.	0.

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)) ..... 14 %

15 Public support percentage from 2020 Schedule A, Part II, line 14 ..... 15 %

16a **33 1/3% support test - 2021.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support test - 2020.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% -facts-and-circumstances test - 2021.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ▶

b **10% -facts-and-circumstances test - 2020.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ▶

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶

Schedule A (Form 990) 2021

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16	Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2021** (line 10c, column (f), divided by line 13, column (f))	17	%
18	Investment income percentage from **2020** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2021.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2020.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* **Part VI** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1	X	
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2	X	
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer lines 3b and 3c below.*	3a		X
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* **Part VI** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* **Part VI** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.*	4a		X
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* **Part VI** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in* **Part VI,** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		X
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* **Part VI.**	6		X
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990).*	7		X
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? *If "Yes," complete Part I of Schedule L (Form 990).*	8		X
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* **Part VI.**	9a		X
b	Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* **Part VI.**	9b		X
c	Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* **Part VI.**	9c		X
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer line 10b below.*	10a		X
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?	**11a**		X
b	A family member of a person described on line 11a above?	**11b**		X
c	A 35% controlled entity of a person described on line 11a or 11b above? *If "Yes" to line 11a, 11b, or 11c, provide detail in* **Part VI.**	**11c**		X

Section B. Type I Supporting Organizations

			Yes	No
1	Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? *If "No," describe in* **Part VI** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	**1**		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* **Part VI** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	**2**		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* **Part VI** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	**1**		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	**1**	X	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* **Part VI** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	**2**	X	
3	By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* **Part VI** *the role the organization's supported organizations played in this regard.*	**3**	X	

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* **(see instructions).**

a ☐ The organization satisfied the Activities Test. *Complete* **line 2** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* **line 3** *below.*

c ☒ The organization supported a governmental entity. *Describe in* **Part VI** *how you supported a governmental entity (see instructions).*

			Yes	No
2	Activities Test. **Answer lines 2a and 2b below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* **Part VI identify those supported organizations and explain** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	**2a**		
b	Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* **Part VI** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	**2b**		
3	Parent of Supported Organizations. **Answer lines 3a and 3b below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *If "Yes" or "No" provide details in* **Part VI.**	**3a**		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* **Part VI** *the role played by the organization in this regard.*	**3b**		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in* **Part VI**). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (*explain in detail in* **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by 0.035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, column A)	1		
2 Enter 0.85 of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions		**Current Year**
1 Amounts paid to supported organizations to accomplish exempt purposes	1	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4 Amounts paid to acquire exempt-use assets	4	
5 Qualified set-aside amounts (prior IRS approval required - *provide details in* **Part VI**)	5	
6 Other distributions (*describe in* **Part VI**). See instructions.	6	
7 **Total annual distributions.** Add lines 1 through 6.	7	
8 Distributions to attentive supported organizations to which the organization is responsive (*provide details in* **Part VI**). See instructions.	8	
9 Distributable amount for 2021 from Section C, line 6	9	
10 Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)	**(i)** **Excess Distributions**	**(ii)** **Underdistributions Pre-2021**	**(iii)** **Distributable Amount for 2021**
1 Distributable amount for 2021 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2021 (reasonable cause required - *explain in* **Part VI**). See instructions.			
3 Excess distributions carryover, if any, to 2021			
a From 2016			
b From 2017			
c From 2018			
d From 2019			
e From 2020			
f **Total** of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2021 distributable amount			
i Carryover from 2016 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2021 from Section D, line 7: $			
a Applied to underdistributions of prior years			
b Applied to 2021 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, *explain in* **Part VI.** See instructions.			
6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, *explain in* **Part VI**. See instructions.			
7 **Excess distributions carryover to 2022.** Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2017			
b Excess from 2018			
c Excess from 2019			
d Excess from 2020			
e Excess from 2021			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART IV, SECTION A, LINE 2

THE SUPPORTED ORGANIZATION IS A GOVERNMENTAL UNIT, WHICH AUTOMATICALLY QUALIFIES UNDER IRC SECTION 509(A)(1).

PART IV, SECTION E, LINE 1C

THE ORGANIZATION IS RESPONSIVE TO THE NEEDS OF THE CITY OF KALAMAZOO, MICHIGAN.

THIS REQUIRES THAT THE OFFICERS AND DIRECTORS OF THE ORGANIZATION MAINTAIN A CLOSE AND CONTINUOUS WORKING RELATIONSHIP WITH THE CITY COMMISSION, AS REQUIRED BY THE ARTICLES OF INCORPORATION. DIRECTOR POSITIONS SHALL BE FILLED BY VOTE OF THE BOARD OF DIRECTORS FOLLOWING NOMINATION BY THE CITY COMMISSION. THE CITY DIRECTORS CONSISTS OF THE MAYOR OF THE CITY OF KALAMAZOO AND THE CITY MANAGER OF THE CITY OF KALAMAZOO, TWO PERSONS WHO ARE CURRENT COMMISSIONERS ON THE CITY COMMISSION, AND ONE PERSON NOMINATED AND ELECTED BY THE CITY COMMISSION WHO SHALL BE CHOSEN FROM THE KALAMAZOO COMMUNITY.

THE ORGANIZATION OPERATES IN AN EXCLUSIVE FINANCIAL RELATIONSHIP WITH THE CITY OF KALAMAZOO IN A NATIONALLY UNIQUE MODEL. THE ORGANIZATION'S FUNDS DIRECTLY SUPPORT PROGRAMS AND PROJECTS OF CITY DEPARTMENTS IN THEIR WORK, OFTEN CONDUCTED WITH PARTNERS WHOSE MISSIONS ALIGN WITH THE GOALS AND OBJECTIVES OF THE IMAGINE KALAMAZOO 2025 STRATEGIC VISION AND OTHER ADOPTED CITY PLANS.

PART IV, SECTION D, LINE 3

A FINANCE COMMITTEE HAS BEEN ESTABLISHED, WHICH INCLUDES THE

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

ORGANIZATION'S TREASURER, THE CITY'S FINANCE DIRECTOR, OR A SIMILAR POSITION (OR A PERSON APPOINTED BY THE CITY'S FINANCE DIRECTOR), THE CITY MANAGER AND TWO STAKEHOLDER DIRECTORS.

Schedule B (Form 990)

Department of the Treasury Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (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 boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

[ ] For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

[ ] For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year .... ▶ $ ____________

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization	Employer identification number
KALAMAZOO FOUNDATION FOR EXCELLENCE	82-2587771

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 38,631,900.	Person Payroll Noncash [X] (Complete Part II for noncash contributions.)
2		$ 328,519,000.	Person Payroll Noncash [X] (Complete Part II for noncash contributions.)
		$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		$	Person Payroll Noncash (Complete Part II for noncash contributions.)

Name of organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	149,253 SHARES SHARES STRYKER CORPORATION (SYK)	$ 38,631,900.	08/12/21
2	PLEDGE OF CASH AND/OR SECURITIES OVER 10 YEARS	$ 328,519,000.	07/12/21
		$	
		$	
		$	
		$	

Name of organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

Part III **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor.** Complete columns **(a)** through **(e) and** the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this info. once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2021
Open to Public Inspection

Name of the organization: KALAMAZOO FOUNDATION FOR EXCELLENCE
Employer identification number: 82-2587771

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II **Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- Preservation of land for public use (for example, recreation or education)
- Protection of natural habitat
- Preservation of open space
- Preservation of a historically important land area
- Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a Public exhibition
b Scholarly research
c Preservation for future generations
d ☐ Loan or exchange program
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V **Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ______%
b Permanent endowment ▶ ______%
c Term endowment ▶ ______%

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) Unrelated organizations	3a(i)		
(ii) Related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI **Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶ 0.

Schedule D (Form 990) 2021

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM CITY OF KALAMAZOO	328,519,000.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	328,519,000.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO CITY OF KALAMAZOO	1,001.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	1,001.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... [X]

Schedule D (Form 990) 2021

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	383,693,562.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a	14,270,687.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	14,270,687.
3	Subtract line **2e** from line **1**			3	369,422,875.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	119,611.		
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	119,611.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	369,542,486.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	297,350.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	297,350.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	119,611.		
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	119,611.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	416,961.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

IN PREPARATION OF TAX RETURNS, TAX POSITIONS ARE TAKEN BASED ON INTERPRETATION OF INCOME TAX LAWS. MANAGEMENT PERIODICALLY REVIEWS AND EVALUATES THE STATUS OF UNCERTAIN TAX POSITIONS AND MAKES ESTIMATES OF AMOUNTS, INCLUDING INTEREST AND PENALTIES, ULTIMATELY DUE OR OWED. NO AMOUNTS HAVE BEEN RECORDED IN THE FINANCIAL STATEMENTS AS UNCERTAIN POSITIONS. TAX RETURNS GENERALLY REMAIN OPEN FOR EXAMINATION BY THE VARIOUS TAXING AUTHORITIES FOR A PERIOD OF THREE TO FOUR YEARS.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	1	367,150,900.	FAIR MARKET VALUE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( )				
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement 29

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?	30a		X
b If "Yes," describe the arrangement in Part II.			
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	31		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b If "Yes," describe in Part II.			
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule M (Form 990) 2021**

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047
2021
Open to Public Inspection

Name of the organization	Employer identification number
KALAMAZOO FOUNDATION FOR EXCELLENCE	82-2587771

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 IS REVIEWED BY AN OFFICER AND PROVIDED TO THE BOARD BEFORE FILING. AFTER ANY QUESTIONS OR CONCERNS ARE ADDRESSED, THE 990 IS SIGNED BY THE CFO AND FILED WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

POTENTIAL CONFLICTS OF INTEREST ARE REQUIRED TO BE BROUGHT TO AN OFFICER'S ATTENTION AS THEY ARISE. BOARD MEMBERS ARE TRAINED IN ALL KALAMAZOO FOUNDATION FOR EXCELLENCE POLICIES INCLUDING THE CONFLICT OF INTEREST FORM WITHIN 90 DAYS OF THEIR APPOINTMENT.

FORM 990, PART VI, SECTION C, LINE 19:

ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONSULTING FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	180,000.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	180,000.

OUTSIDE CONSULTING SERVICES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	109,236.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	109,236.

Name of the organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	289,236.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2021
Open to Public Inspection

Name of the organization: KALAMAZOO FOUNDATION FOR EXCELLENCE

Employer identification number: 82-2587771

Part I **Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
CITY OF KALAMAZOO - 39-6004627 241 W. SOUTH STREET KALAMAZOO, MI 49007	GOVERNMENTAL ENTITY	MICHIGAN			N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c	X	
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o Sharing of paid employees with related organization(s)	1o	X	
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	**(b)** Transaction type (a-s)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1)	CITY OF KALAMAZOO	C	328,519,000.	FMV
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor-tionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

Date: **8/29/2022**
FFE
Item: **D.2.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager.
Reviewed by: Clyde J. Robinson, FFE Legal Counsel

DATE: August 29, 2022

SUBJECT:

Formation of Audit Subcommittee

RECOMMENDATION:

It is recommended that the Finance Committee form an Audit Subcommittee to conduct the work outlined in its Board-approved description and that the President, at the next meeting of the Board, appoint three (3) volunteers or nominees with finance, management, assessment, or comparable experience, to serve for terms of office of one year or until removed by a vote of the Board, beginning and ending each April Board Meeting.

BACKGROUND:

In 2022, following the fourth independent audit of the FFE following its founding in 2017, the Board of Directors discussed the creation of an audit subcommittee. The FFE Bylaws establish (below) the proper method for creating an audit subcommittee in Sections 6.01 and 6.02. Furthermore, The FFE Board of Directors also approved a draft audit subcommittee description (attached) in October, 2018. Therefore, it is within the authority of the Finance Committee to establish and appoint membership to the audit subcommittee and to determine its scope and operations.

"Section 6.02 **Finance:** If it believes it is necessary, the Finance Committee may create an (...) audit subcommittee and establish their mission and purpose and rules of operation and assign to them various duties concerning (...) the work with the Corporation's auditor."

"Section 6.01 General: If a committee is created by the Board of Directors, the Board resolution that creates the committee shall state the purposes of the committee, the terms and qualifications of committee members, and the ways in which committee members are selected and removed. Membership on committees can include individuals who are and are not Directors or Officers of the Corporation. The President, with the consent of the Board of Directors, shall designate the persons to serve on each committee, fill vacancies on committees, and serve as Chairperson of the committee."

Alternative
The Finance Committee may alternatively conduct the scope of work outlined in the audit subcommittee description itself within its existing agendas and meetings per Section 6.02 of the Bylaws: "This committee shall (...) prepare annual audited financial statements, 990s and other reports and tax filings and meet with the auditor to review and discuss these." A resolution to this effect would be: "*It is recommended that the Finance Committee begin conducting the work outlined in its Board-approved audit subcommittee description as part of its standard operating scope and annual procedures.*"

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

Kalamazoo Foundation for Excellence
Board of Directors
Audit Subcommittee
Approved at the meeting of the Board of Directors on October 22, 2018.

STATUS: Optional Subcommittee

PURPOSE/FUNCTION: To assist Kalamazoo Foundation For Excellence (FFE) and its related entities with audit responsibilities and pertinent policy oversight.

1. Oversee the audit of annual financial statements in accordance with generally accepted accounting principles, and determine that financial controls are reasonable;
2. Participate in City's Purchasing Division process for bidding external auditing services;
3. Retain, compensate, and oversee the work of the FFE's external auditor;
    a. Review and provide input on external audit work plan,
    b. Review auditor's opinion and audited financial statements,
    c. Review auditor's report on all critical accounting policies and practices,
    d. Review and, where applicable, assure implementation of auditor's management letter and report results of same to the board of directors;

    Approve any non-audit related services, other than preparation of tax returns, that exceed 5% of audit fees;
6. Adopt internal accounting controls and practices recommended by City Administration to align with City that will facilitate the ability of the FFE Board and City Administration as the entity responsible for administering FFE accounting and financial reporting to certify FFE's financial statements;
7. Monitor and assure application of Conflict of Interest Policy, Record Retention Policy, Whistle Blower and other applicable policies;
8. Assess the relevancy of answers to any Form 990 questions addressing accounting practices and the veracity of information provided to the public;
9. Review and analyze other pertinent data brought by staff or the board of directors

DECISION-MAKING AUTHORITY: The subcommittee will formulate appropriate policies, procedures and make decisions as noted above.

QUORUM: The presence of a majority of the total number of committee members in office shall constitute a quorum for the transaction of business. A committee member may participate in a meeting by means of a conference call or similar communications equipment, by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence at the meeting. In the absence of a quorum, a majority of committee members present may choose to reschedule the meeting for a date certain or may choose to continue the meeting. If the committee chooses to continue the meeting without a quorum, the only action it may take is to make recommendations to the full board. Notice of a rescheduled meeting shall be given to each committee member.

MEMBERSHIP: The Committee shall consist of members of the board of directors.

a. Term of office: Term as Director
b. How appointed: Virtue of office

MEMBERSHIP CRITERIA: Member FFE board of directors

MEETING SCHEDULE: At least twice annually around the audit work plan and auditor's opinion and management letter, and as needed relative to other responsibilities.

MEMBERS:

Board Approval Date:

Date: **8/29/2022**
FFE
Item: **D.3.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Steve Vicenzi, CFO

DATE: August 29, 2022

SUBJECT:

2022 Q1 and Q2 Endowment Reports

RECOMMENDATION:

Approve the attached quarterly endowment reports for presentation in the Finance Committee's Report at the next Board meeting.

BACKGROUND:

The most recent two (2) Investment Reports of the FFE Investment Subcommittee (FFEIS) for quarters ending March 31, 2022, and June 30, 2022, are attached for review.

NOTE: Because two consecutive reports are included, the first report, dated March 31, 2022, has had redundant pages removed to cut down significantly on the agenda packet's length. All information contained in those pages, including cashflow and expenses, is included in the June 30 report.

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

Kalamazoo Foundation for Excellence

March 31, 2022

Report to the

Investment Subcommittee

Wednesday, Mary 25, 2022
11:00 am
3rd Floor Conference Room
Kalamazoo City Hall

REPORT TO THE RETIREMENT INVESTMENT COMMITTEE

Performance of the

Kalamazoo Foundation for Excellence

March 31, 2022

The market value of portfolio assets increased from $150.7 million to $185.1 million during the first quarter of 2022, an increase of $34.4 million or 22.83%. A contribution of shares of common stock was received on February 24, 2022 resulting in net proceeds of $41.0 million on February 28, 2022.

The portfolio weighted average return for the quarter, net of manager fees, was -4.44%. The 1-year return, net of manager fees, was 8.40%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 14.71%

Equities comprised 71.0% of the Kalamazoo Foundation for Excellence portfolio at the end of the first quarter. The equity portion of the portfolio returned -4.60% for the quarter and 15.62% over the last year.

Fixed income comprised 23.8% of the Kalamazoo Foundation for Excellence portfolio at the end of the first quarter. The fixed income portion of the portfolio returned -5.63% for the quarter and -4.56% over the last year.

Real Estate comprised 5.2% of the Kalamazoo Foundation for Excellence portfolio at the end of the first quarter. The real estate portion of the portfolio returned -6.25% for the quarter.

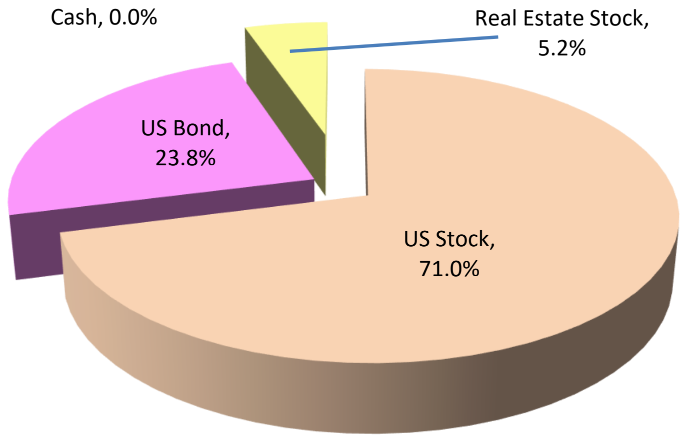
Cash and equivalents totaled $127,248, or less than 0.1% of the total assets.

The portfolio finished the quarter with 71.0% in equities, 23.8% in fixed income, 5.2% in real estate, and less than 0.1% in cash. The portfolio target allocation approved by the investment committee on August 25, 2021 is 70% equities, 25% fixed income, 5% real estate, and 0% cash.

The inflation-adjusted, or real return, for the quarter was -7.56% as the inflation rate for the quarter was 3.12%. With a year-on-year inflation rate of 8.54%, the one-year real return was -0.14%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 14.71% nominal and 8.51% real.

Respectfully submitted,
May 25, 2022

Kalamazoo Foundation for Excellence
Asset Allocation
March 31, 2022



Market Value $ 185,073,061

Since-Inception (5/1/2020)
Return 14.71

PORTFOLIO EXPOSURE

Geographic Exposure

U.S	100.0%
Foreign	0.0%
	100.0%

Currency (Direct Exposure)

USD	100.0%
Non-USD	0.0%
	100.0%

Asset Classes	ACTUAL %	Policy%	+/-
Equity	71.0%	70.0%	1.0%
Fixed	23.8%	25.0%	-1.2%
Real Estate	5.2%	5.0%	0.2%
Cash	0.1%	0.0%	0.1%
	100.0%	100.0%	0.0%

Liquidity-Daily	100.0%
Liquidity> 1 day & < 90 days	0.0%
Liquidity> 91 days & < 2 years	0.0%
Liquidity> 2 years	0.0%
Total	100.0%

Fixed Income Risk	Jennison	Bloomberg US Agg Bond TR USD
Coupon	2.78%	2.44%
Yield	3.22%	2.92%
Effective Duration (yrs)	6.50%	6.49
Convexity	0.37	0.47
Maturity (yrs)	9.49	8.86
Quality	AAA	AAA

Sector Allocation	Jennison	Bloomberg US Agg Bond TR USD	+/-
Treasury	28.6	39.5	(10.9)
Agency	0.3	1.3	(1.1)
Finance	10.5	8.0	2.5
Industrial	15.6	15.1	0.5
Utility	3.7	2.0	1.6
Non-Corporate	0.8	4.1	(3.3)
Mortgage	27.8	27.7	0.1
CMO	5.1	0.0	5.1
Asset Backed	2.1	0.3	1.8
CMBS	4.7	2.0	2.7
Cash	0.8	0.0	0.8
Total	100.0	100.0	0.0

Performance Attribution[1]

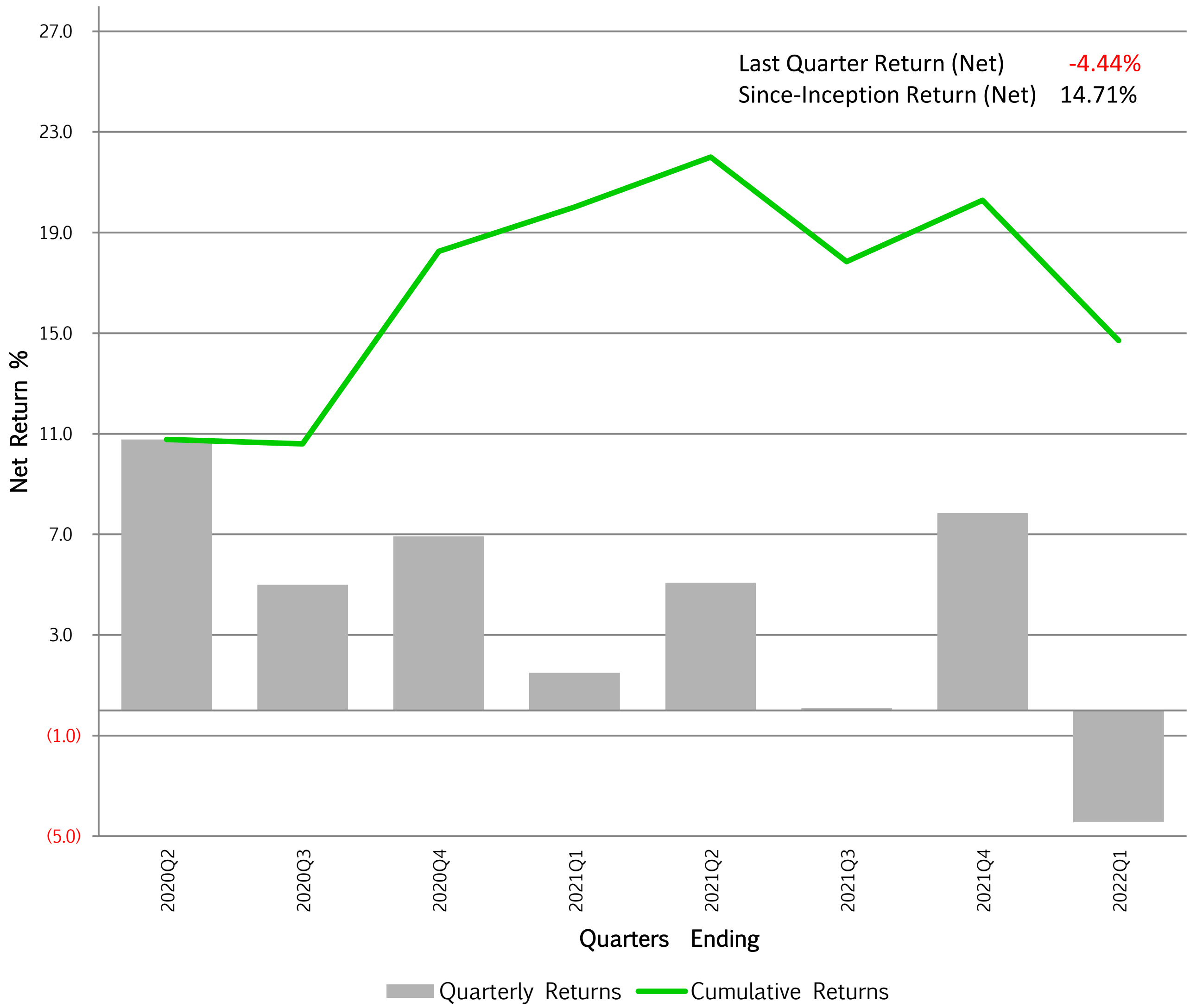
Gross of Fees and versus the BBgBarc US Agg Bond TR USD

	3 Months (bps)
Yield Curve	(1)
Sector Allocation	(8)
Security Selection	1
Other	0
Total	(8)

(1) Performance attribution may differ from performance shown due to rounding and other factors, such as Paydowns and interest on non-supported cash instruments.

Some figures may not sum to 100% due to rounding.

Kalamazoo Foundation for Excellence
Quarterly vs Since-Inception (5.1.2020) Net Returns
March 31, 2022



State Street Portfolio was funded on 4/8/2020 when 465,000 shares of Stryker Stock were gifted to the Foundation.

100% of Stryker liquidated on 4/15/2020 by State Street.

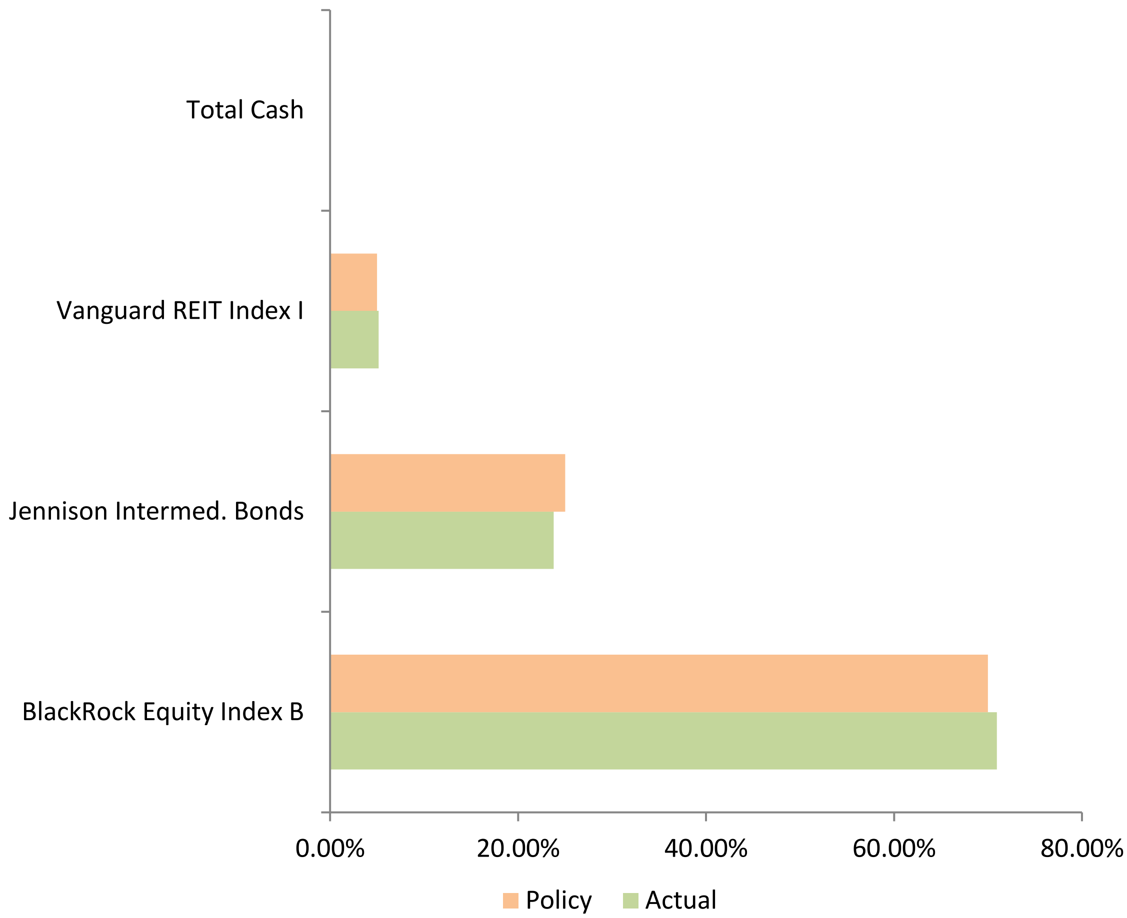
Jennison Intermed. Bonds purchased on 4/29/2020; $40.0MM at 50% allocation.

BlackRock Fund B purchased on 5/6/2020; $40.8MM at 50% allocation.

Gift of $38.1 million received on 8/12/2021.

Vanguard REIT purchased 11/5/2021; $7,300,000 at 5% allocation.

Kalamazoo Foundation for Excellence
Policy Allocation vs. Actual
March 31, 2022



	Amount $	Actual	Policy	Variance %
BlackRock Equity Index B	131,312,208	71.0%	70.0%	0.95%
Jennison Intermed. Bonds	44,045,045	23.8%	25.0%	-1.20%
Vanguard REIT Index I	9,588,561	5.2%	5.0%	0.18%
Total Cash	127,249	0.1%	0.0%	0.07%
	185,073,063	100.0%	100.0%	0.00%

The portfolio target allocation is 70% equities, 25% fixed income, 5% real estate, and 0% cash was approved on August 25th, 2021. Vanguard Real Estate was purchased on November 5th, 2021.

Kalamazoo Foundation for Excellence
Rates of Return by Manager and Asset Class-Net of Manager Fees
March 31, 2022

Custodian: State Street

	Ticker	Market Value $	% at Market	Policy %	3 Month Return	Year-to-Date Return	1 Year Return	3 Year Return	5 Year Return	Since Inception (5.1.2020) 1.9 Yrs Return	Years in Portfolio
Beginning Market Value (Quarter)		*150,683,479*									
Equities											
BlackRock Equity Index B	CTF	131,312,208	71.0	70.0	(4.60)	(4.60)	15.62	--	--	29.47	*1.92*
Total Equity		131,312,208	71.0	70.0	(4.60)	(4.60)	15.62	--	--	29.47	
Fixed Income											
Jennison Intermed. Bonds	SepAcct	44,045,045	23.8	25.0	(5.63)	(5.63)	(4.56)	--	--	(2.84)	*1.92*
Total Fixed Income		44,045,045	23.8	25.0	(5.63)	(5.63)	(4.56)	--	--	(2.84)	
Real Estate											
Vanguard REIT Index I	VGSNX	9,588,561	5.2	5.0	(6.25)	(6.25)	--	--	--	--	*0.40*
Total Real Estate		9,588,561	5.2	5.0	(6.25)	(6.25)	--	--	--	--	
Cash	SSNXX	127,248	0.1	0.0	0.00	0.00	0.00	--	--	0.00	*1.98*
Total Cash		127,248	0.1	0.0	0.00	0.00	0.00	--	--	0.00	
Total Plan (Net)		**185,073,062**	**100.0**	**100.0**	**(4.44)**	**(4.44)**	**8.40**	--	--	**14.71**	*1.98*
Total Plan (Gross)					(4.42)	(4.42)	8.51	--	--	14.82	

Past performance is no guarantee of future results
State Street Portfolio was funded on 4/8/2020 when 465,000 shares of Stryker Stock were gifted to the Foundation.
100% of Stryker liquidated on 4/15/2020 by State Street.
Jennison Intermed. Bonds purchased on 4/29/2020; $40.0MM at 50% allocation.
BlackRock Fund B purchased on 5/6/2020; $40.8MM at 50% allocation
Vanguard REIT purchased 11/5/2021; $7,300,000 at 5% allocation.

Kalamazoo Foundation for Excellence
Manager Total Returns (Net) vs. Benchmarks
March 31, 2022

	Ticker	Policy Target %	Actual %	3 Month Return	Year-to-Date Return	1 Year Return	3 Year Return	5 Year Return	Since Inception (5.1.2020) 1.9 Yrs Return	Manager Fees %	Mgr IN / BM Years
BlackRock Equity Index B [1]	CTF	70.0	71.0	(4.60)	(4.60)	15.62	--	--	29.47	0.02	1.92
S&P 500 TR USD				(4.60)	(4.60)	15.65	--	--	29.15		
Manager Over/ (Under)				(0.00)	(0.00)	(0.03)	--	--	0.32		
Jennison Intermed. Bonds	SepAcct	25.0	23.8	(5.63)	(5.63)	(4.56)	--	--	(2.84)	0.25	1.92
Bloomberg US Agg Bond TR USD				(5.93)	(5.93)	(4.15)	--	--	(2.62)		
Manager Over/ (Under)				0.30	0.30	(0.41)	--	--	(0.22)		
Vanguard REIT Index I	VGSNX	5.0	5.2	(6.25)	(6.25)	--	--	--	--	0.10	0.40
MSCI US IMI/Real Estate 25-50 NR USD				(6.16)	(6.16)	20.52	--	--	25.98		
Manager Over/ (Under)				(0.09)	(0.09)	--	--	--	--		
Master Account (Cash)	SSNXX	0.0	0.1	0.00	0.00	0.00	--	--	0.00	0.20	1.98
USTREAS T-Bill Auction Ave 3 Mon				0.08	0.08	0.12	--	--	0.11		
Manager Over/ (Under)				(0.08)	(0.08)	(0.12)	--	--	(0.11)		

Weighted Average Manager Fee 0.10

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

On August 25, 2021, RIC approved the asset allocation change to 70% Blackrock Index B; 25% Jennison Intermediate bonds, and 5% Vanguard REIT Index Institutional. As of the September 30, 2021 the assets were 69.3% Blackrock and 30.7% Jennison. The trade to invest in Vanguard REIT Index was processed on November 5th, 2021.

Kalamazoo Foundation for Excellence
Portfolio Comparisons
March 31, 2022

Portfolio Inception 5/1/2020

	3 Month	Year-to-Date	1 Year	3 Year	5 Year	Since Inception (5.1.2020) 1.9 Yrs	Manager Fee
	Return	Return	Return	Return	Return	Return	%
Total Plan--Actual (Net) [1]	(4.44)	(4.44)	8.40	--	--	14.71	0.10
KFFE Index Benchmark (Staged) [2]	(4.95)	(4.95)	7.57	--	--	13.61	
Manager Over/ (Under) Benchmark	0.51	0.51	0.83	--	--	1.10	
Total Plan--Actual (Net)	(4.44)	(4.44)	8.40	--	--	14.71	
US BLS CPI All Urban NSA 1982-1984	3.12	3.12	8.54	--	--	6.20	
Total Plan--Actual (Gross) (Real)	(7.56)	(7.56)	(0.14)	--	--	8.51	

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

(2) KFFE Index Benchmark is comprised of the follwing indices: S&P 500 TR USD (70%)+Bloomberg US Agg Bond TR USD(25%)+MSCI US IMI/Real Estate 25-50 NR USD(5%)

- KFFE Benchmark changed from 50/50 to 70/30 on August 25, 2021.

- KFFE Benchmark changed from 70/30 to 70/25/5 on November 5th, 2021.

FOUNDATION FOR EXCELLENCE
STATE STREET TRUST
PORTFOLIO PROFILE
June 30, 2022

Fund	Fund Name	Net Assets at Market	Percent of Total / Policy Compliance: Actual	Policy Max	Difference
KF30	BlackRock S&P 500 Index	$ 110,170,980	68.70%	70.0%	-1.30%
	TOTAL EQUITIES	110,170,980	68.70%	70%	-1.30%
KF20	Jennison Intermediate	42,036,513	26.21%	25.0%	1.21%
	TOTAL FIXED INCOME	42,036,513	26.21%	25.0%	1.21%
KF50	Vanguard REIT	8,104,088	5.05%	5.0%	0.05%
	TOTAL REAL ESTATE	8,104,088	5.05%	5.0%	0.1%
KFF1	FFE - Cash	48,759	0.03%	0.0%	0.03%
	TOTAL CASH	48,759	0.03%	0.0%	0.03%
	TOTAL ASSETS	$ 160,360,341	100%	100.0%	100.0%

*The asset allocation was changed from 50/50 split between BlackRock and Jennison to 70% BlackRock, 25% Jennison, 5% Vanguard REIT at the August 25, 2021 meeting.

Kalamazoo Foundation for Excellence

June 30, 2022

Report to the

Investment Subcommittee

Wednesday, August 24, 2022
11:00 2nd Floor Community
Room Kalamazoo City Hall

REPORT TO THE RETIREMENT INVESTMENT COMMITTEE

Performance of the

Kalamazoo Foundation for Excellence

June 30, 2022

The market value of portfolio assets decreased from $185.1 to $160.4 million to million during the second quarter of 2022, a decrease of $24.7 million or -13.34%. Interest and dividend income for the quarter amounted to $155,575.69.

The portfolio weighted average return for the quarter, net of manager fees, was -13.31%. The 1-year return, net of manager fees, was -10.58%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 5.71%.

Equities comprised 68.7% of the Kalamazoo Foundation for Excellence portfolio at the end of the second quarter. The equity portion of the portfolio returned -16.10% for the quarter, -19.96% year-to-date, and -10.63% over the last year.

Fixed income comprised 26.2% of the Kalamazoo Foundation for Excellence portfolio at the end of the second quarter. The fixed income portion of the portfolio returned -4.56% for the quarter, -9.93% year-to-date, and -10.29% over the last year.

Real Estate comprised 5.1% of the Kalamazoo Foundation for Excellence portfolio at the end of the second quarter. The real estate portion of the portfolio returned -15.48% for the quarter and -20.76% year-to-date.

Cash and equivalents totaled $48,760; less than 0.1% of the total assets.

The portfolio finished the quarter with 68.7% in equities, 26.2% in fixed income, 5.1% in real estate, and less than 0.1% in cash. The portfolio target allocation approved by the investment committee on August 25, 2021 is 70% equities, 25% fixed income, 5% real estate, and 0% cash.

The inflation-adjusted, or real return, for the quarter was –16.37% as the inflation rate for the quarter was 3.06%. With a year-on-year inflation rate of 9.06%, the one-year real return was -19.64%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 5.71% nominal and -1.25% real with a since-inception inflation rate of 6.96%.

Respectfully submitted,
August 24, 2022

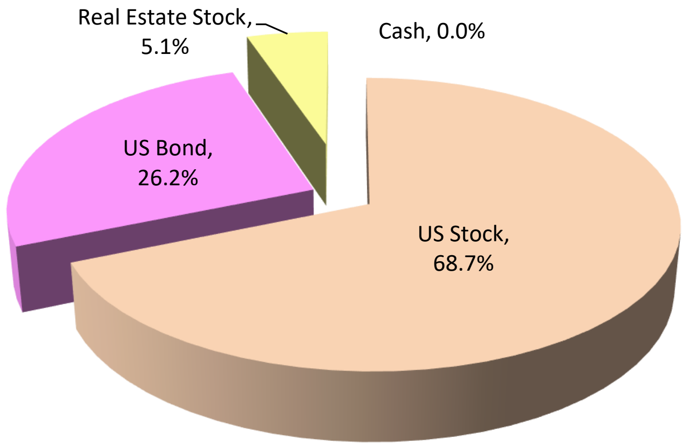
Kalamazoo Foundation for Excellence

June 30, 2022

Kalamazoo Foundation for Excellence

Asset Allocation

June 30, 2022



Market Value $ 160,360,341

Since-Inception (5/1/2020)
Return 5.71

PORTFOLIO EXPOSURE

Geographic Exposure

U.S	100.0%
Foreign	0.0%
	100.0%

Currency (Direct Exposure)

USD	100.0%
Non-USD	0.0%
	100.0%

Asset Classes	ACTUAL %	Policy%	+/-
Equity	68.7%	70.0%	-1.3%
Fixed	26.2%	25.0%	1.2%
Real Estate	5.1%	5.0%	0.1%
Cash	0.0%	0.0%	0.0%
	100.0%	100.0%	0.0%

Liquidity-Daily	100.0%
Liquidity> 1 day & < 90 days	0.0%
Liquidity> 91 days & < 2 years	0.0%
Liquidity> 2 years	0.0%
Total	100.0%

Fixed Income Risk	Jennison	Bloomberg US Agg Bond TR USD
Coupon	2.98%	2.49%
Yield	4.02%	3.70%
Effective Duration (yrs)	6.39%	6.41
Convexity	0.42	0.50
Maturity (yrs)	9.09	8.78
Quality	AAA	AAA

Sector Allocation	Jennison	Bloomberg US Agg Bond TR USD	+/-
Treasury	31.5	40.5	(9.1)
Agency	0.3	1.3	(1.0)
Finance	11.0	7.9	3.1
Industrial	14.0	14.1	(0.1)
Utility	3.2	2.0	1.2
Non-Corporate	0.7	4.0	(3.4)
Mortgage	26.7	27.8	(1.1)
CMO	4.3	0.0	4.3
Asset Backed	5.1	0.4	4.7
CMBS	2.4	2.0	0.5
Cash	0.8	0.0	0.8
Total	100.0	100.0	0.0

Performance Attribution[1]

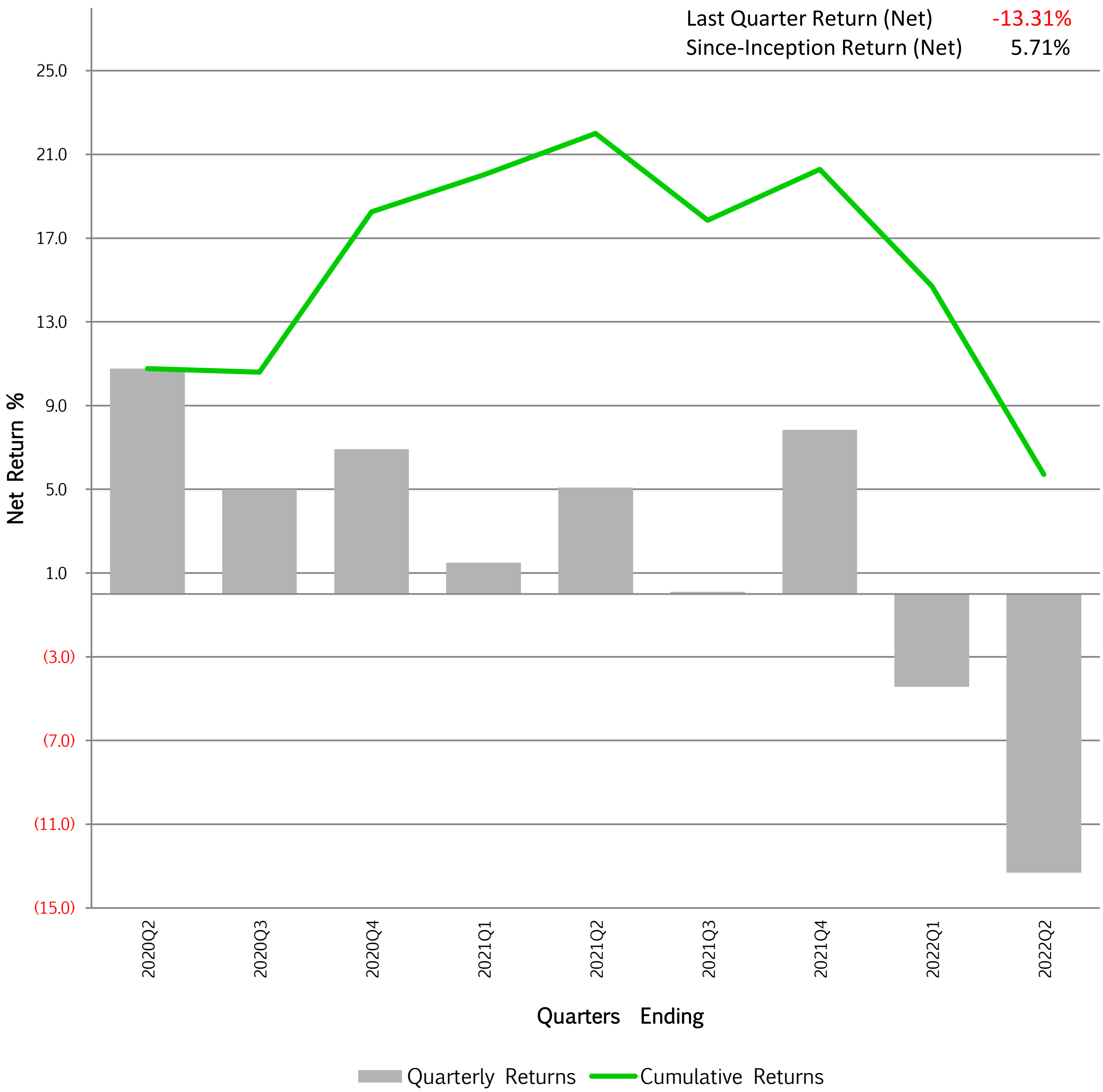
Gross of Fees and versus the BBgBarc US Agg Bond TR USD

	3 Months (bps)
Yield Curve	(7)
Sector Allocation	(11)
Security Selection	21
Other	1
Total	1

(1) Performance attribution may differ from performance shown due to rounding and other factors, such as Paydowns and interest on non-supported cash instruments.

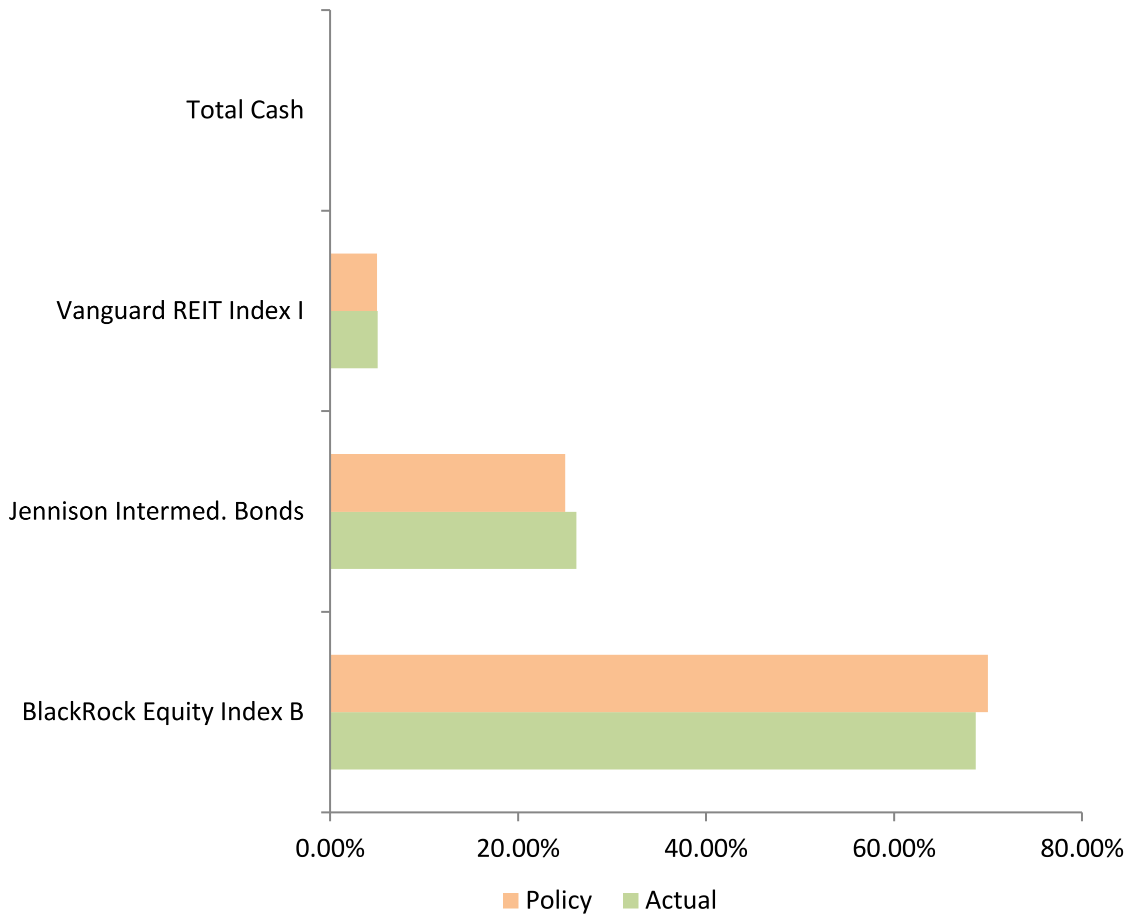
Some figures may not sum to 100% due to rounding.

Kalamazoo Foundation for Excellence
Quarterly vs Since-Inception (5.1.2020) Net Returns
June 30, 2022



State Street Portfolio was funded on 4/8/2020 when 465,000 shares of Stryker Stock were gifted to the Foundation.

Kalamazoo Foundation for Excellence
Policy Allocation vs. Actual
June 30, 2022



	Amount $	Actual	Policy	Variance %
BlackRock Equity Index B	110,170,980	68.7%	70.0%	-1.30%
Jennison Intermed. Bonds	42,036,513	26.2%	25.0%	1.21%
Vanguard REIT Index I	8,104,088	5.1%	5.0%	0.05%
Total Cash	48,760	0.0%	0.0%	0.03%
	160,360,341	100.0%	100.0%	0.00%

The portfolio target allocation is 70% equities, 25% fixed income, 5% real estate, and 0% cash was approved on August 25th, 2021. Vanguard Real Estate was purchased on November 5th, 2021.

Kalamazoo Foundation for Excellence
Rates of Return by Manager and Asset Class-Net of Manager Fees
June 30, 2022

Custodian: State Street

	Ticker	Market Value $	% at Market	Policy %	3 Month Return	Year-to-Date Return	1 Year Return	3 Year Return	5 Year Return	Since Inception (5.1.2020) 2.2 Yrs Return	*Years in Portfolio*
Beginning Market Value (Quarter)		*185,073,061*									
Equities											
BlackRock Equity Index B	CTF	110,170,980	68.7	70.0	(16.10)	(19.96)	(10.63)	--	--	15.90	*2.17*
Total Equity		110,170,980	68.7	70.0	(16.10)	(19.96)	(10.63)	--	--	15.90	
Fixed Income											
Jennison Intermed. Bonds	SepAcct	42,036,513	26.2	25.0	(4.56)	(9.93)	(10.29)	--	--	(4.59)	*2.17*
Total Fixed Income		42,036,513	26.2	25.0	(4.56)	(9.93)	(10.29)	--	--	(4.59)	
Real Estate											
Vanguard REIT Index I	VGSNX	8,104,088	5.1	5.0	(15.48)	(20.76)	--	--	--	--	*0.65*
Total Real Estate		8,104,088	5.1	5.0	(15.48)	(20.76)	--	--	--	--	
Cash	SSNXX	48,760	0.0	0.0	0.00	0.00	0.00	--	--	0.00	*2.23*
Total Cash		48,760	0.0	0.0	0.00	0.00	0.00	--	--	0.00	
Total Plan (Net)		**160,360,341**	**100.0**	**100.0**	**(13.31)**	**(17.16)**	**(10.58)**	--	--	**5.71**	*2.23*
Total Plan (Gross)					(13.30)	(17.13)	(10.49)	--	--	5.81	

Past performance is no guarantee of future results

State Street Portfolio was funded on 4/8/2020 when 465,000 shares of Stryker Stock were gifted to the Foundation.

100% of Stryker liquidated on 4/15/2020 by State Street.

Jennison Intermed. Bonds purchased on 4/29/2020; $40.0MM at 50% allocation.

BlackRock Fund B purchased on 5/6/2020; $40.8MM at 50% allocation

Vanguard REIT purchased 11/5/2021; $7,300,000 at 5% allocation.

Kalamazoo Foundation for Excellence
Manager Total Returns (Net) vs. Benchmarks
June 30, 2022

	Ticker	Policy Target %	Actual %	3 Month Return	Year-to-Date Return	1 Year Return	3 Year Return	5 Year Return	Since Inception (5.1.2020) 2.2 Yrs Return	Manager Fees %	Mgr IN / BM Years
BlackRock Equity Index B [1]	CTF	70.0	68.7	(16.10)	(19.96)	(10.63)	--	--	15.90	*0.05*	*2.17*
S&P 500 TR USD				(16.10)	(19.96)	(10.62)	--	--	15.56		
Manager Over/ (Under)				0.00	(0.00)	(0.01)	--	--	0.34		
Jennison Intermed. Bonds	SepAcct	25.0	26.2	(4.56)	(9.93)	(10.29)	--	--	(4.59)	*0.25*	*2.17*
Bloomberg US Agg Bond TR USD				(4.69)	(10.35)	(10.29)	--	--	(4.48)		
Manager Over/ (Under)				0.13	0.42	0.00	--	--	(0.11)		
Vanguard REIT Index I	VGSNX	5.0	5.1	(15.48)	(20.76)	--	--	--	--	*0.10*	*0.65*
MSCI US IMI/Real Estate 25-50 NR USD				(15.65)	(20.84)	(8.78)	--	--	13.33		
Manager Over/ (Under)				0.17	0.08	--	--	--	--		
Master Account (Cash)	SSNXX	0.0	0.0	0.00	0.00	0.00	--	--	0.00	*0.20*	*2.23*
USTREAS T-Bill Auction Ave 3 Mon				0.29	0.37	0.40	--	--	0.23		
Manager Over/ (Under)				(0.29)	(0.37)	(0.40)	--	--	(0.23)		

Weighted Average Manager Fee 0.10

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

On August 25, 2021, RIC approved the asset allocation change to 70% Blackrock Index B; 25% Jennison Intermediate bonds, and 5% Vanguard REIT Index Institutional. As of the September 30, 2021 the assets were 69.3% Blackrock and 30.7% Jennison. The trade to invest in Vanguard REIT Index was processed on November 5th, 2021.

Kalamazoo Foundation for Excellence
Portfolio Comparisons
June 30, 2022

Portfolio Inception 5/1/2020

	3 Month Return	Year-to-Date Return	1 Year Return	3 Year Return	5 Year Return	Since Inception (5.1.2020) 2.2 Yrs Return	Manager Fee %
Total Plan--Actual (Net) [1]	(13.31)	(17.16)	(10.58)	--	--	5.71	0.10
KFFE Index Benchmark (Staged) [2]	(13.28)	(17.57)	(11.30)	--	--	4.77	
Manager Over/ (Under) Benchmark	(0.03)	0.41	0.72	--	--	0.94	
Total Plan--Actual (Net)	(13.31)	(17.16)	(10.58)	--	--	5.71	
US BLS CPI All Urban NSA 1982-1984	3.06	6.28	9.06	--	--	6.96	
Total Plan--Actual (Gross) (Real)	(16.37)	(23.44)	(19.64)	--	--	(1.25)	

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

(2) KFFE Index Benchmark is comprised of the follwing indices: S&P 500 TR USD (70%)+Bloomberg US Agg Bond TR USD(25%)+MSCI US IMI/Real Estate 25-50 NR USD(5%)

- KFFE Benchmark changed from 50/50 to 70/30 on August 25, 2021.

- KFFE Benchmark changed from 70/30 to 70/25/5 on November 5th, 2021.

Kalamazoo Foundation for Excellence

June 30, 2022

Appendix 1

Manager and Benchmark Descriptions

Kalamazoo Foundation For Excellence

Name (Morningstar)		DESCRIPTION
BlackRock Equity Index B	CTF	The BlackRock Equity Index Fund B (start: 23Jan1997) is a passive public equity index fund that tracks the S&P 500. The BlackRock Equity Index Fund is a collective trust fund with an objective of closely replicating the S&P 500 Index. We believe the S&P 500 TR USD Index is the appropriate benchmark for BlackRock Equity Index B.
Jennison Intermediate Bond	SepAcct	Jennsion Intermediate Bond is a separately managed portfolio. Jennison Intermediate Bond's investment objective is to achieve above benchmark returns from a combination of security selection, yield curve management, sector rotation and active trading. Jennison does not make duration bets, and as a result the portfolio should have a duration within .25 years of its benchmark. Jennison Intermediate invests in only investment grade securities, typically holds 80 - 200 issues, and maintains position sized below 2%. JJennison Intermediate Bond prefers the usage of Bloomberg Barclays US Aggregate Bond Index, which we believe is appropriate.
Vanguard REIT Index Institutional	VGSNX	US:MF (Ticker VGSNX) (start: 2Dec2003). VGSNX employs an indexing investment approach designed to track the performance of the MSCI US Investable Market Real Estate 25/50 Index, an index that is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector. The prospectus benchmark is MSCI US IMI/ Real Estate 25/50 GR USD (start: 1Sept2016).
Cash	Cmgld	

Kalamazoo Foundation for Excellence
2022 State Street Expense Report

Foundation for Excellence Expenses	1Q	2Q	3Q	4Q	Total
Audit Fees - Maner	**7,100**	**2,200**	**-**	**-**	**9,300**
FFE Audit 2021	7,100	2,200	-	-	9,300
Consulting Fees - Merion Capital	**-**	**45,000**	-	-	**45,000**
Consulting - 1Q2022	-	45,000	-	-	45,000
Custody Fees - State Street	**8,981**	**29,110**	**-**	**-**	**38,092**
Custody - Nov 2021	8,981	-	-	-	8,981
Custody - Dec 2021	-	8,409	-	-	8,409
Custody - Jan 2022	-	11,182	-	-	11,182
Custody - Feb 2022	-	9,520	-	-	9,520
Due Diligence	**-**	**2,179**	**-**	**-**	**2,179**
DD - BlackRock/DFA/Loomis Sayles - Ruppel	-	1,213	-	-	1,213
DD - DFA Conf - Eberts	-	443	-	-	443
DD - DFA Conf - Bergy	-	523	-	-	523
Total Operating Expenses	**16,081**	**78,489**	**-**	**-**	**94,570**
Fund Manager Fees - BlackRock	**5,233**	**5,413**	**-**	**-**	**10,646**
Fees - 4Q2021	5,233	-	-	-	5,233
Fees - 1Q2022	-	5,413	-	-	5,413
Fund Manager Fees - Jennison	**20,924**	**25,034**	**-**	**-**	**45,957**
Fees - Dec 2021	7,058	-	-	-	7,058
Fees - Jan 2022	6,970	-	-	-	6,970
Fees - Feb 2022	6,896	-	-	-	6,896
Fees - Mar 2022	-	8,465	-	-	8,465
Fees - Apr 2022	-	8,279	-	-	8,279
Fees - May 2022	-	8,289	-	-	8,289
Total Fund Manager Fees	**26,157**	**30,447**	**-**	**-**	**56,603**
Total Foundation For Excellence Expenses	**42,238**	**108,935**	**-**	**-**	**151,174**

Kalamazoo Foundation for Excellence
2022 State Street Cash Flow Report

	Q1	Q2	Q3	Q4	Total
Cash Beginning Balance	73,739	127,248	48,759	48,759	73,739
Receipts					
Donations	40,358,400	-	-	-	40,358,400
Realized Gain/Loss	658,191	-	-	-	658,191
Total Receipts	41,016,591	-	-	-	41,016,591
Disbursements					
Audit Fees (Maner)	7,100	2,200	-	-	9,300
Consulting Fees (Merion Cap)	-	45,000	-	-	45,000
Custody Fees (State Street)	8,981	29,110	-	-	38,092
Due Diligence/Conferences	-	2,179	-	-	2,179
Total Disbursements	16,081	78,489	-	-	94,570
Net Cashflow	41,000,509	(78,489)	-	-	40,922,021
Investment Transfer	(40,947,000)	-	-	-	(40,947,000)
Cash Ending Balance	127,248	48,759	48,759	48,759	48,759
Investments Beginning Balance	150,609,740	184,945,813	160,311,581	160,311,581	150,609,740
Dividends	51,208	50,886	-	-	102,095
Interest	197,151	271,490	-	-	468,642
Realized Gain/Loss	(782,758)	(807,207)	-	-	(1,589,966)
Unrealized Gain/Loss	(6,050,372)	(24,118,954)	-	-	(30,169,326)
Fund Manager Fees	(26,157)	(30,447)	-	-	(56,603)
Net Investment Activity	(6,610,927)	(24,634,232)	-	-	(31,245,158)
Investment Transfer	40,947,000	-	-	-	40,947,000
Investments Ending Balance	184,945,813	160,311,581	160,311,581	160,311,581	160,311,581
Total Foundation for Excellence Balance	185,073,061	160,360,341	160,360,341	160,360,341	160,360,341

Date: **8/29/2022**
FFE
Item: **D.4.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Steve Vicenzi, CFO

DATE: August 29, 2022

SUBJECT:

2023 Draft Budget Review

RECOMMENDATION:

It is recommended that the Finance Committee approve the proposed 2023 FY budget presented by staff for inclusion in the Finance Committee's Report at the next Board meeting.

BACKGROUND:

The attached Draft 2023 Fiscal Year City FFE Budget contains currently available information regarding program and operations costs. The process of formally conveying the budget begins with this meeting and moves through an initial full presentation to the FFE Board on September 12, 2022. A similar presentation will subsequently take place at a City Commission meeting in October. Following both presentations, questions and concerns will be taken into account and reflected in an updated budget as needed. Adjustments will also be made to individual costs and the bottom line is based in part on updated information from City departments. The final budget will then be presented to the FFE Board on October 24, 2022, for formal recommendation to the City Commission. The recommended City FFE budget would then be included in the draft City budget for approval by the City Commission as part of its annual budgeting process in January, 2023. This budget follows the method of determining the amount of the annual distribution set forth in section 9.03 of the bylaws and supports the FFE's crucial mission to "support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families."

"Section 6.02 **Finance:** **(...)** meet prior to the September meeting of the Board of Directors to review the Corporation's finances and speak with representatives of the City of Kalamazoo to discuss its need for funding for the upcoming year and its plans for aspirational projects and make a recommendation to the Board of Directors on the amount of a grant that the Corporation shall make that year to the City of Kalamazoo (...)"

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

DRAFT 2023 Foundation for Excellence City Budget

For planning purposes only. Program and Operation categories and expenses are not final. *8.23.2022*

Category	IK2025 Goal Alignment	Commission Priority	Dept.	Request Name	Proposed 2023 FY Balance	Proposed 2023 FY Endowment	FFE Sources TOTAL
PROGRAMS							
	Youth Development	Youth	Parks	Summer Youth Employment	825,000		
	Youth Development	Youth	Parks	Super Rec Summer Camp	195,219		
	Youth Development	Youth	Parks	All Things Possible Summer Camp	135,725		
	Youth Development	Youth	Parks	Youth Development Stipend Payments	20,000		
	Youth Development	Youth	Parks	Youth Action Council	15,000		
	Shared Prosperity	Housing	CPED	Kalamazoo Continuum of Care	30,000		
	Safe Community	Other	CPED	Downtown Kalamazoo Ambassador Program	150,000		
	Environmental Responsibility	Economy	CPED	322 Stockbridge Continued Planning	100,548		
	Environmental Responsibility	Other	CPED	Kalamazoo Roots	50,000		
	Economic Vitality	Economy	CPED	BDF Technical Assistance Grants	300,000		
	Economic Vitality	Economy	CPED	BDF Capacity Building Training Program	50,000		
	Connected City	Infrastructure	Pub Serv	Sidewalk Projects - Compliance, Gaps, GIS Inventory	1,565,000		
	Connected City	Infrastructure	Pub Serv	Portage Street Shared Use Path Survey and Design	85,000		
	Complete Neighborhood	Housing	CPED	Site Acquisition	250,000		
	Complete Neighborhood	Infrastructure	Pub Serv	Traffic Calming	100,000		
OPERATIONS - FIXED COSTS							
	Personnel (5)		City	Five (5) full-time equivalent City positions	379,508	143,492	
	Legal Services Agreement		FFE	Retainer for one-year of contractual services		78,000	
	D&O Insurance		FFE	Director and Officer Insurance		25,000	
	Independent Audit		FFE	Independent Audit and Tax Services		6,000	
OPERATIONS - POTENTIAL*							
	Personnel (2)			Two (2) full-time equivalent FFE positions		240,000	
	Development services			One-year agreement for development planning		25,000	
				SUBTOTAL	4,251,000	517,492	
				TOTAL			**4,768,492**

** Certain Non-Fixed Operations Costs are contingent on Board actions at the September and October meetings but are included here to establish the anticipated maximum expense scenario given current information.*