Agenda
FFE Board of Directors – Finance Committee

Kalamazoo Foundation for Excellence

Monday, December 14, 2020 2:00 PM

This meeting will be streamed live on the City's Facebook page (https://www.facebook.com/KalamazooCity/) and YouTube Channel (https://www.youtube.com/channel/UCIgXSSXLSDxThVaaiRMsR5Q). Commenting instructions are contained in the public meeting notice.

A. CALL TO ORDER

B. APPROVAL OF MINUTES

1. Approval of August 31, 2020, minutes.

C. REPORTS AND COMMUNICATIONS

1. Quarterly Endowment Report

2. Foundation for Excellence Investment Subcommittee Membership

D. REGULAR AGENDA

1. Annual Reporting, Independent Audit, and Tax Filing

E. PUBLIC COMMENTS

F. BOARD MEMBER COMMENTS

G. ADJOURNMENT

KALAMAZOO FOUNDATION OF EXCELLENCE

PUBLIC COMMENT RULES

1. Persons attending a regular or special meeting of the Board of Directors of the Kalamazoo Foundation for Excellence shall be permitted to address the Board in conformity with this rule and the Michigan Open Meetings Act.

2. An individual wishing to address the Board shall wait to be recognized by the presiding officer.

3. A person addressing the Board shall provide their name and whether they are a resident of the City.

4. Remarks by a speaker shall be confined to matters within the preview of the Board and KFFE.

5. The chairperson of the meeting or a majority of the Board in attendance may permit individuals to speak once, for up to four (4) minutes, on specific matters being considered on the meeting agenda of the Board, except no comment is permitted on secondary or procedural motions to a main motion.

6. A speaker is permitted to address the Board once during the Public Comment portion of the meeting for up to four (4) minutes.

7. A speaker is not permitted to yield any unused portion of speaking time to other speakers.

8. A speaker may be ruled out of order for conduct that interrupts or disrupts the meeting.

KALAMAZOO FOUNDATION FOR EXCELLENCE
BOARD OF DIRECTORS
FINANCE COMMITTEE

MINUTES

Meeting of August 31, 2020

The meeting of the Kalamazoo Foundation for Excellence (KFFE) Finance Committee was called to order at 2:08 p.m. via Electronic Meeting at Zoom.us Webinar by President Graham-Williams; Directors Carrel, Director Washington, and Chief Financial Officer Vicenzi were present. Treasurer McFarlin and Director Ritsema were absent.

A quorum was present.

Minutes of the previous meeting were moved for approval by Director Washington and seconded by Director Carrel. The motion was approved by unanimous voice vote.

CFO Vicenzi presented the current endowment report dated June 30, 2020. This was the first full report of the endowment and use of the governance and accountability systems established over the preceding year. CFO Vicenzi moved to present the endowment report to the Board in the Finance Committee Report and seconded by Director Carrel. The motion was approved by unanimous voice vote.

Staff presented the draft 2021 Budget Transmittal Memo, which was approved by consent for inclusion in the Finance Committee Report to the Board of Directors on September 14.

Next meeting is scheduled for Monday, September 28, 2020.

No public comments.

No old business.

No board comments.

President Graham-Williams adjourned the meeting at 2:51 p.m.

Minutes Drafted: September 1, 2020.

Minutes Approved: _________

____

Steve Brown, Recording Secretary

Date: **12/14/2020 FFE**
Item: **C.1.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, Foundation for Excellence Manager

DATE: December 14, 2020

SUBJECT:

Quarterly Endowment Report

RECOMMENDATION:

It is recommended that the Finance Committee review the quarterly endowment report and approve it for inclusion in the Finance Committee Report to the Board at a subsequent meeting.

BACKGROUND:

The new quarterly Investment Subcommittee (FFEIS) meeting schedule and Finance Committee reporting processes began in the second quarter of 2020 as documented in previous minutes. The meetings and process are now being reported by the CFO regularly for Finance Committee approval and presentation to the Board.

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.

Discussion
Outstanding stewardship of the FFEIS and resources are the top priority of the Finance Committee and create an institution of financial integrity and sustainability.

FISCAL IMPACT:

Kalamazoo Foundation for Excellence

September 30, 2020

Report to the

Investment Committee

Wednesday, December 2, 2020
11:00 am
Meeting to be conducted
virtually via Zoom

REPORT TO THE RETIREMENT INVESTMENT COMMITTEE

Performance of the

Kalamazoo Foundation for Excellence

September 30, 2020

The market value of portfolio assets increased from $85.5 to $89.6 million during the third quarter of 2020; an increase of $4.1 million or 4.80%.

The portfolio weighted average return for the quarter, net of manager fees, was 5.00%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 10.60%

Equities comprised 54.2% of the Kalamazoo Foundation For Excellence portfolio at the end of the quarter. The equity portion of the portfolio returned 8.93% during the third quarter. The return since May 1, 2020 for equity through the end of the quarter has been 19.22%

Fixed income comprised 45.7% of the Kalamazoo Foundation For Excellence portfolio at the end of the quarter. The fixed income portion of the portfolio returned 0.72% during the third quarter. The return since May 1, 2020 for fixed income through the end of the quarter has been 1.94%

Cash and equivalents were approximately $76,000 or 0.1% of the assets.

The portfolio finished the quarter with 54.2% in equities, 45.7% in fixed income, and 0.1% in cash. The portfolio target allocation is 50% equities, 50% fixed income, and 0% cash.

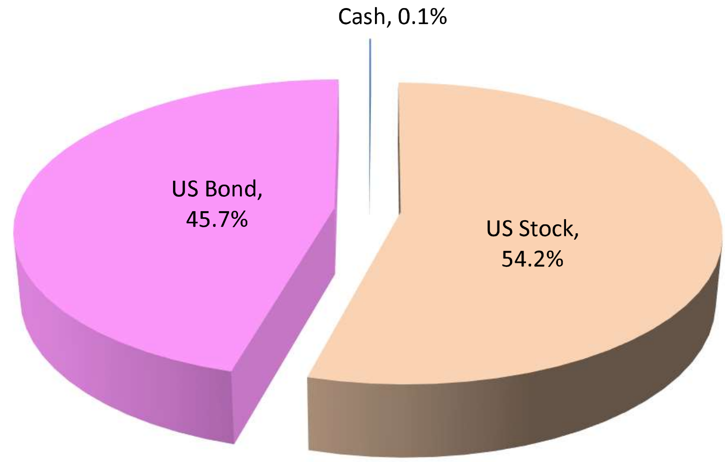
The inflation-adjusted, or real return, for the quarter was 4.03% as the inflation rate for the quarter was 0.96%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 10.60% nominal and 9.08% real.

Respectfully submitted,
December 2, 2020

Kalamazoo Foundation for Excellence

September 30, 2020

Kalamazoo Foundation for Excellence
Asset Allocation
September 30, 2020



Market Value $ $89,635,437

Since-Inception (5/1/2020)
Return 10.60

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	54.2%	50.0%	4.2%
Fixed	45.7%	50.0%	-4.3%
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	BBgBarc US Agg Bond TR USD
Coupon	2.57%	2.90%
Yield	1.21%	1.18%
Effective Duration (yrs)	6.30%	6.01
Convexity	0.74	0.43
Maturity (yrs)	8.42	8.09
Quality	AAA	AAA

Sector Allocation	Jennison	BBgBarc US Agg Bond TR USD	+/-
Treasury	13.3	37.1	(23.9)
Agency	0.9	1.6	(0.7)
Finance	15.0	8.2	6.7
Industrial	25.5	16.8	8.7
Utility	3.5	2.2	1.3
Non-Corporate	1.1	4.7	(3.6)
Mortgage	32.7	26.8	6.0
Asset Backed	7.6	0.3	7.2
CMBS	0.0	2.2	(2.2)
Cash	0.5	0.0	0.5
Total	100.0	100.0	0.0

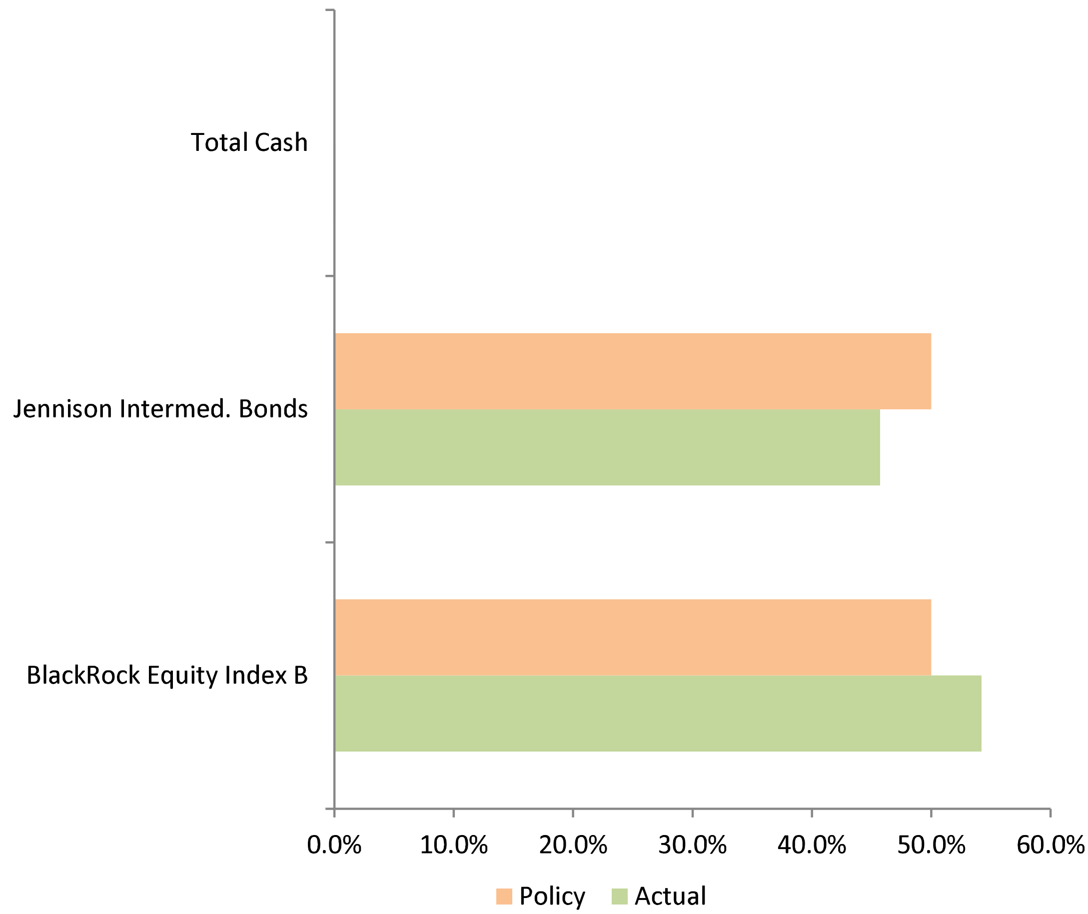
Performance Attribution[(1)]
Gross of Fees and versus the BBgBarc US Agg Bond TR USD

	3 Months (bps)
Yield Curve	4
Sector Allocation	14
Security Selection	(2)
Other	1
Total	17

(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
Policy Allocation vs. Actual
September 30, 2020



	Amount $	Actual	Policy	Variance %
BlackRock Equity Index B	48,579,955	54.2%	50.0%	4.20%
Jennison Intermed. Bonds	40,979,888	45.7%	50.0%	-4.28%
Total Cash	75,594	0.1%	0.0%	0.08%
	89,635,437	100.0%	100.0%	0.00%

Variance not to exceed 5% of target.

Kalamazoo Foundation for Excellence
Actual Rates of Return by Manager and Asset Class
September 30, 2020

Custodian: State Street

	Ticker	Market Value $	% at Market	Policy %	July 2020 Return	Aug 2020 Return	Sept 2020 Return	3 Month Return	Since Inception (5.1.2020) 0.4 Yrs Return	*Years in Portfolio*
Beginning Market Value (Quarter)		*85,499,533*								
Equities										
BlackRock Equity Index B	CTF	48,579,955	54.2	50.0	5.64	7.19	(3.80)	8.93	19.22	*0.4*
Total Equity		48,579,955	54.2	50.0	5.64	7.19	(3.80)	8.93	19.22	
Fixed Income										
Jennison Intermed. Bonds	SepAcct	40,979,888	45.7	50.0	1.68	(0.88)	(0.07)	0.72	1.94	*0.4*
Total Fixed Income		40,979,888	45.7	50.0	1.68	(0.88)	(0.07)	0.72	1.94	
Cash	SSNXX	75,594	0.1	0.0	0.00	0.00	0.00	0.00	0.00	*0.5*
Total Cash		75,594	0.1	0.0	0.00	0.00	0.00	0.00	0.00	
Total Plan (Net)		**89,635,437**	**100.0**	**100.0**	**3.74**	**3.41**	**(2.12)**	**5.00**	**10.60**	*0.5*
Total Plan (Gross)					3.76	3.41	(2.11)	5.03	10.60	

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

Kalamazoo Foundation for Excellence
Manager Total Returns vs. Benchmarks
September 30, 2020

	Ticker	Policy Target %	Actual %	July 2020	Aug 2020	Sept 2020	3 Month	Since Inception (5.1.2020) 0.4 Yrs	Manager Fees	*Mgr IN / BM*
				Return	Return	Return	Return	Return	%	*Years*
BlackRock Equity Index B [1]	CTF	50.0	54.2	5.64	7.19	(3.80)	8.93	19.22	*0.02*	*0.4*
S&P 500 TR USD				5.64	7.19	(3.80)	8.93	19.73		
Manager Over/ (Under)				0.00	(0.00)	0.00	(0.00)	(0.52)		
Jennison Intermed. Bonds	SepAcct	50.0	45.7	1.68	(0.88)	(0.07)	0.72	1.94	*0.25*	*0.4*
BBgBarc US Agg Bond TR USD				1.49	(0.81)	(0.05)	0.62	1.72		
Manager Over/ (Under)				0.19	(0.07)	(0.02)	0.10	0.21		
Master Account (Cash)	SSNXX	0.0	0.1	0.00	0.00	0.00	0.00	0.00	*0.20*	*0.5*
USTREAS T-Bill Auction Ave 3 Mon				0.01	0.01	0.01	0.03	0.05		
Manager Over/ (Under)				(0.01)	(0.01)	(0.01)	(0.03)	(0.05)		

Weighted Average Manager Fee 0.13

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

Kalamazoo Foundation for Excellence
Portfolio Comparisons
September 30, 2020

Portfolio Inception 10/1/1982

	July 2020 Return	Aug 2020 Return	Sept 2020 Return	3 Month Return	Since Inception (5.1.2020) 0.4 Yrs Return	Manager Fee %
Total Plan--Actual (Net) [1]	3.74	3.41	(2.12)	5.00	10.60	0.13
KFFE Index Benchmark (Staged) [2]	3.56	3.18	(1.97)	4.75	10.21	
Manager Over/ (Under) Benchmark	0.18	0.23	(0.15)	0.25	0.39	
Total Plan--Actual (Net)	3.74	3.41	(2.12)	5.00	10.60	
US BLS CPI All Urban NSA 1982-1984	0.51	0.32	0.14	0.96	1.52	
Total Plan--Actual (Gross) (Real)	3.23	3.10	(2.26)	4.03	9.08	

(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 (50%)+BBgBarc US Agg Bond TR USD(50%)

Kalamazoo Foundation for Excellence

September 30, 2020

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. The S&P 500 TR USD Index is used as 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 positions sized below 2%. Jennison Intermediate Bond uses the Bloomberg Barclays US Aggregate Bond Index.
Cash	CmgId	

Kalamazoo Foundation for Excellence
2020 State Street Expense Report

Foundation for Excellence Expenses	1Q	2Q	3Q	4Q	Total
Consulting Fees - Merion Capital			**135,000**		**135,000**
Consulting - 1Q2020			45,000		45,000
Consulting - 2Q2020			45,000		45,000
Consulting - 3Q2020			45,000		45,000
Investment Management Fees - Jennison		**1,207**	**32,505**		**33,712**
Fees - Apr 2020			779 **1**		779
Fees - May 2020			7,841 **1**		7,841
Fees - Jun 2020		1,207 **2**	7,896 **1**		9,103
Fees - Jul 2020			8,025		8,025
Fees - Aug 2020			7,965		7,965
Total FFE Expenses		**1,207**	**167,505**		**168,712**

1 - Reported during August meeting as 2Q expenses. Transfer officially occurred in 3Q.
Revised request for expense approvals $152,196
2 - Not reported in 2Q meeting. Included in revised Q3 approvals amount.

Other notable items:

Custody Fees -State Street	State Street has not invoiced, is working on billing
Investment Management Fees -BlackRock	Setting up unit redemption with authorization process to pay invoices

Kalamazoo Foundation for Excellence
2020 State Street Cash Flow Report

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020 Total
Cash Beginning Balance	-	-	533,594	75,594	-
Receipts					
Donations	-	80,275,276	-	-	80,275,276
Dividend		4	-	-	4
Realized Gain/Loss	-	1,008,315	-	-	1,008,315
Total Receipts	-	81,283,594	-	-	81,283,594
Disbursements					
Aspirational Project Transfer to CoK	-	-	-	-	-
Audit Fees	-	-	-	-	-
Consulting Fees (Merion Cap)	-	-	135,000	-	135,000
Custody Fees (State Street)	-	-	-	-	-
Due Diligence/Conferences	-	-	-	-	-
Liability Insurance	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-
Total Disbursements	-	-	135,000	-	135,000
Net Cashflow	-	81,283,594	(135,000)	-	81,148,594
Investment Transfer	-	(80,750,000)	(323,000)	-	(81,073,000)
Cash Ending Balance	-	533,594	75,594	75,594	75,594
Investments Beginning Balance	-	-	84,965,939	89,559,843	-
Dividends	-	37	-	-	37
Interest	-	141,751	182,097	-	323,848
Realized Gain/Loss	-	(43,689)	68,544	-	24,855
Unrealized Gain/Loss	-	4,119,048	4,052,768	-	8,171,816
Fund Manager Fees	-	1,207	32,505	-	33,712
Net Investment Activity	-	4,215,939	4,270,904	-	8,486,843
Investment Transfer	-	80,750,000	323,000	-	81,073,000
Investments Ending Balance	-	84,965,939	89,559,843	89,559,843	89,559,843
Total Foundation for Excellence Fund Balance	-	85,499,533	89,635,437	89,635,437	89,635,437

Date: **12/14/2020 FFE**
Item: **C.2.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, Foundation for Excellence Manager

DATE: December 14, 2020

SUBJECT:

Foundation for Excellence Investment Subcommittee Membership

RECOMMENDATION:

It is recommended that the Finance Committee review the following two candidates for Foundation for Excellence Investment Subcommittee (FFEIS) membership, as well as their initial terms on the FFEIS, and schedule action to appoint them at their next meeting.

+ Joshua I. Sledge (Class A - May 1, 2021 to April 31, 2024)
+ Nick Griffith (Class B - May 1, 2021 to April 31, 2023)

BACKGROUND:

Background
In accordance with its duties outlined in Section 6 of the FFE Bylaws the Finance Committee established the FFE Investment Subcommittee on March 8, 2019, and set its membership and terms on April 20, 2020. Vacancies on the FFEIS have subsequently increased to two, causing the FFEIS to conduct a search of eligible candidates to fill both vacancies. Five eligible candidates were identified, from which the FFEIS is requesting consideration and appointment of two nominees by the Finance Committee.

Process and Eligibility
The Investment Subcommittee as it has been formed, serves the FFE Finance Committee and also the Kalamazoo Community Foundation, the Kalamazoo County Retirement System, and the City of Kalamazoo Retirement System. In order to serve, members must meet the criteria set by all entities. Some of those criteria include; the members must have a proven financial background, cannot be members of the Retirement System and, to avoid a conflict of interest, cannot be employed or associated with any organization that provides similar investment services to those retained or used by the Committee.

Moving Forward
2021 brings the first year of full FFEIS and FFE Endowment operations, as well as ongoing development of processes and building of relationships. At this time, staff is providing the resumes of Mr. Nick Griffith and Mr. Joshua Sledge to the Finance Committee for review. Official action will be requested at our February Finance Committee meeting.

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.

Discussion
Outstanding stewardship of the FFEIS and resources are the top priority of the Finance Committee and create an institution of financial integrity and sustainability.

FISCAL IMPACT:

	First Nam	Last Name	Term	Class	Original Appointment	Current Appointment	Expiration	Term Limit
Mr.	Dean	Bergy	3 year following 1st term	Class A	5/1/2020	5/1/2020	4/31/2022	None
Mr.	Daniel	DeMent	3 year	Class B	5/1/2020	5/1/2020	4/31/2023	None
Ms.	Sandi	Doctor	3 year following 1st term	Class A	5/1/2020	5/1/2020	4/31/2022	None
Mr.	Randall	Eberts	3 year	Class B	5/1/2020	5/1/2020	4/31/2023	None
Mr.	Robert	Salisbury	3 year	Class B	5/1/2020	5/1/2020	4/31/2023	None

Joshua I. Sledge

SUMMARY

Skilled professional with strategic development experience in the nonprofit and financial sectors and a passion for improving the financial health of underserved households. Nationally recognized expert on building financial capability and small-dollar credit. Specific expertise in project and talent management; excellent research, communication, and presentation skills.

EDUCATION

Northwestern University, School of Continuing Studies, Evanston, IL

Master of Arts in Liberal Studies, September 2013

Recipient of 2013-2014 Distinguished Thesis Award

University of Michigan, Stephen M. Ross School of Business, Ann Arbor, MI

Bachelor of Business Administration, May 2005

Concentrations: Finance and Accounting

EXPERIENCE

Center for Financial Services Innovation, Chicago, IL

Director, Programs May 2015 – Present

Manager, Nonprofit Investments, July 2012 – May 2015

Analyst, Innovation and Research, August 2009 – June 2012

- Managed high-impact projects and consulting engagements to help financial services providers develop strategies, programs, and products to improve the financial health of low-income families
- Developed and managed strategic relationships with a broad range of stakeholders in the financial services industry to identify and pursue opportunities for collaboration
- Developed CFSI's Fintech & Nonprofit Partnerships Working Group, an initiative to convene fintech providers and nonprofit service organizationsto explore and support collaborative solutions for improving the financial health of struggling households.
- Designed and managed a $2.5 million competitive grant fund to support innovative nonprofit-led projects aimed at building the financial capability of low-income households
- Managed intensive research projects to explore underserved consumers' use of financial services and identify effective strategies for building financial capability
- Presented at dozens of industry conferences and events to share expertise on promising financial capability strategies with business and nonprofit leaders
- Authored numerous white papers, industry briefs and editorial columns detailing findings from research efforts and offering strategic insights to the underserved financial services industry
- Served as a talent coach for five full-time employees and effectively led numerous project teams

Prudential Financial, Prudential Capital Group, Chicago, IL

Senior Investment Analyst, July 2005 - March 2009

- Analyzed the business strategy of middle market companies to support the investment of over $680 million in private debt and equity transactions
- Wrote detailed memoranda for members of senior management to present and discuss investment recommendations
- Critically reviewed financial statements to assess the credit profile of prospective clients
- Developed relationships with senior leaders at client companies to ensure effective communication and process requests for information

October 2018

SKILLS & OTHER

- Board Member at CASA of Oregon, a community development corporation specializing in developing housing for farmworkers and improving the financial health of low-income Oregonians (2018 – Present)
- Conference MC at 2016-2017 CFSI EMERGE Forums (800+ in attendance)
- Keynote speaker at 2015 Association for Financial Counseling and Planning Education Annual Conference
- Volunteer tax preparer for the Center for Economic Progress' Voluntary Income Tax Assistance program (2015)
- Member of Advisory Board for Mission Economic Development Agency's Adelante Fund initiative (2015)
- Proficient in Microsoft Word, Excel, Outlook and PowerPoint; SalesForce; Google Suite

NOTABLE PUBLICATIONS

White Papers

- "Leveraging Innovation to Support the Financial Health of LMI Families with Children," CFSI, November 2015
- "Stretch Time: Continuing to Reach for Financial Capability- Trends from the Financial Capability Innovation Fund II," CFSI, April 2013
- "A Complex Portrait: An Examination of Small-Dollar Credit Consumers," CFSI, August 2012
- "Financial First Encounters: The Fractured Financial Services Landscape Facing Youth Today," CFSI, February 2011

Editorials

- "Innovation is the Key to Promoting Financial Capability," American Banker, April 30, 2013
- "Role for Banks in Financial Capability," BAI Banking Strategies, April 22, 2011

Academic Journals

- "From Financial Education to Financial Capability," Journal of Consumer Education, Vol. 27, 2010

NICK GRIFFITH

EDUCATION:

Bachelor of Business Administration Degree in Finance
Western Michigan University, 2003
Minors: Communication and General Business

PROFESSIONAL EXPERIENCE:

Investment Officer, Investments and Endowment Management Department, Western Michigan University, Kalamazoo MI, 2015-present.

Investment Analyst, Investments and Endowment Management Department, Western Michigan University, Kalamazoo MI, 2011-2015.

Grants Accountant, Grants and Contracts Department, Western Michigan University, Kalamazoo MI, 2006-2011.

Financial Analyst, Kalamazoo County Health and Community Services Department, Kalamazoo County Government, Kalamazoo MI, 2005-2006.

Financial Coordinator/Materials Coordinator, Summit Polymers, Inc., Vicksburg MI, 2003-2005.

Assistant to the Vice President of Cash Management (Internship), Irwin Union Bank and Trust, Kalamazoo MI, 2002.

UNIVERSITY SERVICE:

- United Way Representative for Business and Finance (2017-present)
- University/Foundation Investment Advisor Selection Subcommittee Member (2018-2019)
- University Employees' Retirement Project Committee Member (2017-2018)
- Fossil Fuel Investment Strategy Committee Member (2015-2016)

Date: **12/14/2020 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, Foundation for Excellence Manager

DATE: December 14, 2020

SUBJECT:

Annual Reporting, Independent Audit, and Tax Filing

RECOMMENDATION:

It is recommended that the Finance Committee begin the annual financial reporting, independent audit, and tax filing processes.

BACKGROUND:

Under Section 6 of the Bylaws the Finance Committee is charged with annual financial reporting, independent audit, and tax filing processes as described in Section 4.18.

This shall include an:

+ income statement;
+ year-end balance sheet, including trust funds and funds restricted by donors or the Board;
+ statement of source and application of funds, if the Corporation prepared that statement;
+ a written notice addressed to the City Manager and Mayor of the City of Kalamazoo describing the type and amount of all of the support the Corporation provided to the City during the Corporation's taxable year immediately preceding the taxable year in which the written notice is provided;
+ a copy of the Corporation's Form 990;
+ an annual report from the City Manager of the City of Kalamazoo to reflect its use of funds received from the Corporation for the previous fiscal year and a report regarding projects and initiatives undertaken with the funds distributed by the Corporation.

City FFE Staff conduct this activity and present it to the Committees and Board as appropriate including for approval and adoption of the final materials at the annual meeting of the board held each April.

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.

<u>Discussion:</u>
Consistent and transparent fulfillment of the fiscal duties of the FFE as a non-profit is among the most important things Board leadership can do to create an institution of integrity and sustainability.

FISCAL IMPACT: