



Kalamazoo  
Foundation for  
Excellence

Annual Report | 2021



The heart of FFE is a commitment to a better future for all residents in Kalamazoo. FFE is built on a legacy of philanthropy that gives Kalamazoo a historic opportunity to shape a strong and resilient future. Our track record—nearly \$150 million invested to date— shows we are on our way to doing just that. I am proud to call Kalamazoo home and to serve as FFE Board President.

*Calderon*  
Sandra Calderon-Huezo  
FFE Board President



Photo: Cea Green, owner of Diamonds & Pearls Special Events, cuts a ribbon to celebrate improvements at her business in the Northside neighborhood

# A Proven Partnership for Everyone in Kalamazoo

The Foundation for Excellence (FFE) is an innovative 501(c)3 non-profit support corporation that was created in 2017 to address systemic challenges to the prosperity of Kalamazoo. The FFE was originally announced alongside a commitment of \$70.3 million to support its creation, and to stabilize the City's budget, lower the property tax rate, and invest in aspirational community projects.

To-date, the FFE has supported many City projects and programs that have the potential to impact the lives of all residents, including infrastructure, affordable housing, economic development, and youth development.

## Fiscal Year 2021

The Foundation for Excellence fiscal year 2021 allocation to the City was set at \$25,798,714 following public presentations and discussion before City Commission on November 2, 2020, and a vote of the City Commission on January 19, 2021. Of this sum, \$17,259,624 was directed to stabilization of the City's budget and lowering the City property taxes from 19.0275 mills to 12 mills. Furthermore, \$8,539,090 was allocated for aspirational City programs.

## Budget Stabilization

A stable City budget reduces challenges to operating and helps to ensure that highly impactful

and equitable aspirational projects are possible.

## Tax Reduction

The significant investment in tax reduction for all City properties is intended to result in improved prosperity for our community. The average taxpayer's savings because of FFE is 11% on City property tax.

## Aspirational Support, by Project and Goal

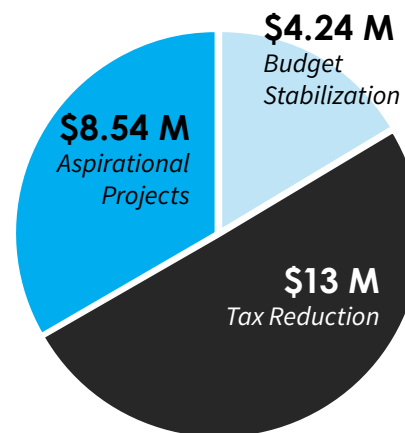
Residents are the beginning and the end of FFE's cycle of impact. All community goals funded by FFE were outlined by residents as part of the award-winning Imagine Kalamazoo 2025 planning process. This work builds on the City's deep investment in broad community involvement and collaboration.

The Imagine Kalamazoo goals are derived from extensive community input, which focused the attention of City activities on five core neighborhoods with high levels of generational poverty and needed re-investment: Northside, Eastside, Edison, Vine, and Oakwood.

The FFE's founding documents guide programming choices to

address generational poverty, youth development, remove barriers to under-employed and unemployed people, and improve infrastructure and neighborhoods, which align with the ten goals of Imagine Kalamazoo. City of Kalamazoo staff currently use a scoring process to ensure that projects proposed by City departments align with FFE and Imagine Kalamazoo goals, and have conducted the appropriate planning work to be successful. These projects are proposed to the FFE Board of Directors and City Commission in alternating public meetings for review, discussion, and final approval.

The FFE's online Investment Map documents that aspirational investments have overwhelmingly been made in city core neighborhoods and shows that the Imagine Kalamazoo plan is working where it is needed most.



An interactive map of savings as well as aspirational investments is available at [kalamazooffe.org](http://kalamazooffe.org).

## Aspirational Project Budgets 2017 - 2021

Economic Vitality, Shared Prosperity  
**\$18.75 million**

Complete Neighborhoods, Connected City, Inviting Public Places  
**\$14.82 million**

Youth Development  
**\$6.04 million**

Safe Community  
**\$2.5 million**

Good Governance  
**\$2.18 million**

**\$ 44,676,120 total**

## 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	<u>39,879,332</u>
Noncurrent assets	
Investments	150,683,478
Contributions receivable, net (less current portion)	288,646,000
Total noncurrent assets	439,329,478
<b>TOTAL ASSETS</b>	<b><u>\$ 479,208,810</u></b>

### LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 21,832
Due to City of Kalamazoo	1,001
TOTAL LIABILITIES	<u>22,833</u>

### NET ASSETS

Without donor restrictions	151,231,485
With donor restrictions - purpose restricted	58,492
Time-restricted for future periods	327,896,000
Total net assets with donor restrictions	<u>327,954,492</u>
<b>TOTAL NET ASSETS</b>	<b><u>479,185,977</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 479,208,810</u></b>

## Statement of Activities

Year Ended December 31, 2021

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

# 2021 Foundation for Excellence Board of Directors

## **Sandra Calderon-Huezo**

President, Neighborhood Focus:  
Edison

## **James K. Ritsema**

Vice President, City Manager

## **Alisa Carrel, Treasurer**

Arts Organizations

## **Barbara Hamilton-Miller**

Secretary, Neighborhood  
Focus: Oakland-Winchell

## **David Anderson**

Mayor

## **Jeanne Hess**

City Commissioner

## **Stephanie Hoffman**

Housing

## **Rachel Lonberg**

Faith-Based Organizations

## **Alice Taylor**

Neighborhood Focus: Northside

## **Charlene Taylor**

Affinity Organizations

## **Von Washington, Jr.**

Education

## **Bobby J. Hopewell**

Founding Director Emeritus

Business Sector, Vacant

Healthcare Sector, Vacant

At-Large Member, Vacant

City Commissioner, Vacant

## How does FFE work?

Donations to the Foundation for Excellence are invested in an endowment to ensure it will last for generations to come. Every year, the endowment earnings provide millions of dollars to fund projects and programs to realize our community's vision, stabilize the city budget, and reduce taxes. Annual grants are approved by the FFE Board of Directors before final approval by Kalamazoo's elected representatives, the City Commission.

## Governance and Policies

The FFE strives to maintain the highest ethical standards and maximum transparency in everything it does. All meetings are announced in advance and open to the public subject to the Open Meetings Act. In 2018, the Board of Directors unanimously approved core governance policies, including those regarding conflicts of interest, diversity and equal opportunity, financial accountability, and whistle-blower protections. An open document library including all policies is available online at [www.kalamazooffe.org](http://www.kalamazooffe.org).

## Who is on the FFE Board of Directors?

The FFE bylaws establish a 15-member Board of Directors. Ten members are stakeholder directors, each representing a community interest such as healthcare, education, or business. Five are City Directors, representing the City of Kalamazoo generally.

These members include the Mayor, City Manager, two City Commissioners, and one At-Large city representative. Stakeholder and At-Large terms rotate every three years while City Directors serve for the duration of their employment or elected service. An effort is made to cultivate a Board that is largely representative of the community and that will add unique insights about every facet of Kalamazoo.

One-third of board positions expire each year, meaning there are opportunities annually for community members to participate. Board members are responsible for attending at least three meetings per year and contributing to the responsible and transparent operation of the foundation. There are no requirements on previous board membership or restrictions on who can apply, (though an overall percentage of city residents is required). Positions expire on May 31 each year and vacancies are announced along with application instructions in December.

## Questions or Comments?

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[www.kalamazoocity.org](http://www.kalamazoocity.org)



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