



Kalamazoo
Foundation for
Excellence

2023
Annual Report

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 aspirational 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 2023

The Foundation for Excellence fiscal year 2023 allocation to the City was set at \$23,865,732 following public presentations and discussion before City Commission in December 2022, and a vote of the City Commission on January 17, 2023. Of this sum, \$18,500,872 was directed to stabilization of the City's budget and lowering the City property taxes from 19.0275 mills to 12 mills. Furthermore, \$5,364,860 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.

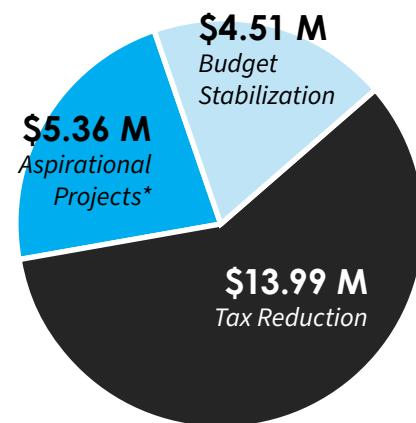
The Imagine Kalamazoo goals are derived from extensive community input, which focused the attention of City activities on five core neighborhoods with high levels of generational poverty and needed re-investment: Northside, Eastside, Edison, Vine, and Oakwood.

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.

2023 FFE Budget Allocation



*Includes operational costs

An interactive map of savings as well as aspirational investments is available at kalamazooffe.org.

Aspirational Project Budgets 2017 - 2023

Economic Vitality, Shared Prosperity
\$23.65 million

Complete Neighborhoods, Connected City, Inviting Public Places
\$19.03 million

Youth Development
\$8.44 million

Good Governance
\$4.09 million

Safe Community
\$2.91 million

→ **\$ 58,648,480 total**

Statement of Financial Position

December 31, 2023

ASSETS

Current assets	
Current portion of cash and cash equivalents	\$ 2,153
Current portion of contributions receivable, net	37,793,597
Total current assets	37,795,750
Noncurrent assets	
Investments	220,340,643
Contributions receivable, net (less current portion)	212,338,000
Total noncurrent assets	432,678,643
TOTAL ASSETS	\$ 470,474,393

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 49,690
Due to City of Kalamazoo	183,850
TOTAL LIABILITIES	233,540
NET ASSETS	
Without donor restrictions	222,109,853
With donor restrictions	
Time-restricted for future periods	250,131,000
TOTAL NET ASSETS	470,240,853
TOTAL LIABILITIES AND NET ASSETS	\$ 470,474,393

Statement of Activities

Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 4,005,169	\$ -	\$ 4,005,169
Investment return, net	35,982,623	-	35,982,623
Net assets release from restrictions	38,515,000	(38,515,000)	-
TOTAL SUPPORT AND REVENUE	78,502,792	(38,515,000)	39,987,792
EXPENSES			
Program Services			
Operational Assistance	18,500,872	-	18,500,872
Supporting services			
General and administrative	434,313	-	434,313
Fundraising	75,180	-	75,180
Total Supporting Services	509,493	-	509,493
TOTAL EXPENSES	19,010,365	-	\$ 19,010,365
CHANGE IN NET ASSETS	59,492,427	(38,515,000)	20,977,427
Net assets, beginning of year	160,617,426	288,646,000	449,263,426
Net assets, end of year	\$ 220,109,853	\$ 250,131,000	\$ 470,240,853