



Kalamazoo
Foundation for
Excellence

2024

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 2024

The 2024 Foundation for Excellence budget of \$22,145,187 was approved by the Board of Directors on October 30, 2023, including \$1,002,854 for operation and investment expenses, and grants to the City of Kalamazoo of \$4,739,921 for budget stabilization, \$15,732,068 for a 2024 property tax reduction reimbursement and 2023 reconciliation, and \$670,344 for aspirational City programs, which The City Commission adopted on January 22, 2024.

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. City property tax rates in Kalamazoo have been reduced 38% for all payers because of FFE.

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.

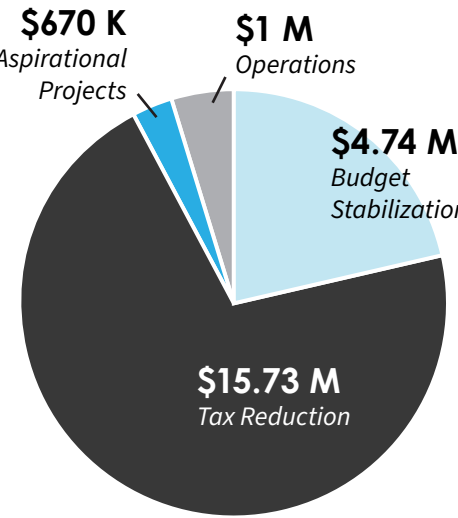
The Imagine Kalamazoo goals are derived from extensive community input, which focused the attention of City activities on five core neighborhoods with high levels of generational poverty and needed re-investment: Northside, Eastside, Edison, Vine, and Oakwood.

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.

2024 FFE Budget Allocation



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

Aspirational Project Budgets 2017 - 2024

Complete Neighborhoods, Connected City, Inviting Public Places
\$27.42 million

Economic Development, Shared Prosperity
\$11.14 million

Youth Development
\$8.95 million

Safe Community
\$3.53 million

Environmental Responsibility
\$1.14 million

Good Governance
\$1.01 million

\$ 53.19 million total

Statement of Financial Position

December 31, 2024

ASSETS		
Current assets		
Current portion of cash and cash equivalents	\$	4,443
Current portion of contributions receivable, net		37,085,000
Total current assets		37,089,443
Noncurrent assets		
Investments		304,558,835
Contributions receivable, net (less current portion)		175,253,000
Total noncurrent assets		479,841,835
TOTAL ASSETS		\$ 516,931,278
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$	39,760
Due to City of Kalamazoo		192,605
TOTAL LIABILITIES		232,365
NET ASSETS		
Without donor restrictions		304,360,913
With donor restrictions		212,338,000
Time-restricted for future periods		
TOTAL NET ASSETS		516,698,913
TOTAL LIABILITIES AND NET ASSETS		\$ 516,931,278

Statement of Activities

Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 22,768,518	\$ -	\$ 22,768,518
Investment return, net	44,740,921	-	44,740,921
Net assets release from restrictions	37,793,000	(37,793,000)	-
TOTAL SUPPORT AND REVENUE	105,302,439	(37,793,000)	67,509,439
EXPENSES			
Program Services			
Operational Assistance	20,471,989	-	20,471,989
Supporting services			
General and administrative	524,244	-	524,244
Fundraising	55,146	-	55,146
Total Supporting Services	579,390	-	579,390
TOTAL EXPENSES	\$ 21,051,379	-	\$ 21,051,379
CHANGE IN NET ASSETS	84,251,060	(37,793,000)	46,458,060
Net assets, beginning of year	220,109,853	250,131,000	470,240,853
Net assets, end of year	\$ 304,360,913	\$ 212,338,000	\$ 516,698,913

2024 FFE Board of Directors

Sandra Calderon-Huezo

President, Neighborhood Focus: Edison

James K. Ritsema

Vice President, City Manager

Mary Balkema

Treasurer, Housing Sector

Dr. Andrea Bostrom

Secretary, Healthcare Sector

David Anderson

Mayor

Jamauri Bogan

At-Large Member

Alisa Carrel

Arts Organizations

Jeanne Hess

City Commissioner

Stephanie Hoffman

City Commissioner

Rachel Lonberg

Faith-Based Organizations

Kelsey McKague

Neighborhood Focus: Oakwood

Ida Salas

Business Sector

Adrian Vazquez-Alatorre

Affinity Organizations

Alice Taylor

Neighborhood Focus: Northside

Dr. Karika Parker

Education

Bobby J. Hopewell

Founding Director Emeritus

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.

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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