OUR VISION
A community where every person can reach full potential.

OUR MISSION
To make life better for all through leadership and stewardship of resources that last forever.

Give

GIVE ONLINE
kalfound.org/give

MAIL A CHECK
Kalamazoo Community Foundation
402 East Michigan Avenue
Kalamazoo, MI 49007-3888

ARRANGE A PLANNED GIFT
There are many ways for you to plan now for a gift later. To learn more, get in touch with our Donor Relations team at 269.381.4416 or donorrelations@kalfound.org.

Receive

WHAT WE FUND
We fund 501(c)(3) nonprofits for work that fits within our community investment priorities and will benefit residents of Kalamazoo County. We also provide Kalamazoo area students with scholarships for education beyond high school.

WHAT WE DON’T FUND
We don’t fund for-profit business development projects, private land purchases or private home purchases.

LEARN MORE at kalfound.org.

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In a time when our world is becoming increasingly divisive, we have an exceptional opportunity in Kalamazoo County to come together, support and care for one another, heal and work to help everyone reach their full potential. Thus, the theme of this year’s Annual Report: CommUnity.

Kalamazoo has always had the potential to be a place of unity and healing. To do this we all must keep moving forward in partnership with one another — regardless of real and perceived obstacles — on the most important issues related to education and equity in our community. We have to clearly identify the issues that we all care about, understand others’ points of view and then, one day at a time, make progress. This will require creativity, the willingness to be open to unusual and new partnerships, and an active search to find common ground where perhaps we thought nothing in common existed.

The best solutions to seemingly intractable problems will come from conversations among people who care, who want to deeply understand, and who are committed to goals that serve our common interests — especially those who are most vulnerable amongst us. To be a truly unified community, we in Kalamazoo must listen carefully to one another regardless of what is happening in the wider world. If we listen well and actively work to understand each other, we might find the problems are not quite so intractable.

For example, Kalamazoo was one of 14 sites in the country chosen in 2017 for Truth, Racial Healing & Transformation (TRHT). TRHT is a comprehensive process to bring about transformational and sustainable change, and to address the historic and contemporary effects of racism. You can read more about TRHT on pages 6 and 7.

Ultimately, the essence of a strong community is found in its relationships and how we all care for one another. In surveys we conducted during 2017, both donors and grantees let us know the importance of these relationships. Donors described how much they value the personalized services and information they receive from their KZCF Donor Relations staff member, making the issues they care about come alive and making their philanthropy more meaningful. Grantees told us that their relationship with the Community Foundation transcends the grant process. And because of these partnerships, we better understand the conditions of the individuals and families they serve.

In 2018, we will continue to reach out and strengthen our commitment to listening and building the strong relationships that lead to CommUnity.

LOVE WHERE YOU LIVE.

CARRIE PICKETT-ERWAY
PRESIDENT/CEO

SI JOHNSON
CHAIR, BOARD OF TRUSTEES
Amplifying Voices

In 2017, KZCF expanded its public policy efforts on issues related to equity and education in Kalamazoo County. Philanthropic dollars alone cannot sufficiently support all of the changes needed for everyone in our community to reach their full potential. So our involvement in public policy works hand-in-hand with philanthropy to create positive change.

KZCF has committed to an approach that includes a continuum of activities from education and building awareness to advocacy for specific legislation. Our efforts are coordinated with local nonprofits to determine how proposed and current public policies affect them and the clients they serve. Our goal is to help amplify the nonprofits’ voices when educating and advocating with elected officials.

During 2017, one of the major public policy efforts KZCF involved itself in was the development of the Kalamazoo County ID program. This program ensures that all residents — especially the most vulnerable populations — have access to civic, public safety and commercial services, such as filling prescriptions and using financial institutions.

Nelly Fuentes, Task Force & Advisory Board member for the program, says, “Kalamazoo County ID facilitates means of identification, but it also defines us as a caring, inclusive and welcoming community. It speaks of the commitment that Kalamazoo residents have to our community.”

KZCF staff played an active role in task force meetings, outreach for community endorsements, marketing campaigns and provided financial support for the program.

In addition, KZCF is actively involved in early childhood education and advocacy to reinstate the Michigan Community Foundation Tax Credit.

2017: KZCF’S PUBLIC POLICY ISSUES FOR MONITORING AND ADVOCACY
- Fully funding the 2020 Census
- Michigan Community Foundation Tax Credit
- Reauthorization of the Children’s Health Insurance Program (CHIP)
- Funding community health centers
- Changing Michigan laws that arbitrarily close the bottom 5% of schools
- Immigration reform

To accomplish this, KZCF reached out to agencies closest to the work so we were informed by the community. Then we used letters, emails, phone calls and meetings to build and strengthen relationships with legislative staff and elected officials at the city, county, state and federal levels. In addition, KZCF provided technical assistance and supported the efforts of community partners involved with public policy concerns.
EARLY CHILDHOOD EDUCATION

Research shows that 80 percent of a child’s development occurs in the first five years of life. Access to high-quality prekindergarten affects kindergarten readiness, third-grade reading and other key measures of success. Seeking funding and support at a public policy level for equitable access to preschool programs is critically important to Kalamazoo’s future.

MICHIGAN COMMUNITY FOUNDATION TAX CREDIT

KZCF had 89 percent fewer first-time $200 to $400 donors in 2013 than we did in 2010 due to the repeal of the Michigan Charitable Tax Credit in 2012. While the $200 and $400 gifts we received were wonderful, it was the relationships we started as a result of these tax credit gifts that is the greatest loss. We won’t ever know the amount of permanent resources our community has lost since the repeal of the tax credit.

We have an incredibly generous community and we know that tax policy is not the primary reason people give. While we do not believe that changes at the federal level will stop people from giving to charity, we are concerned that people will give later and less. We will be advocating for this tax credit to be reinstated to help fuel KZCF’s efforts in building permanent resources.

HOW CAN YOU GET INVOLVED?

• Join our email list on our website at kalfound.org.
• To learn more about the Kalamazoo County ID, visit kalcounty.com/clerk/id/.
Creating Greater Equity Through TRHT

RACIAL HEALING:
… when we start to recognize our shared humanity and how racism has harmed us all collectively in different ways …

The effects of racism can be seen all around us, deeply embedded in the places where we live, learn, work and play every day. However, when we start to understand these dynamics, we begin to realize that, as a community, we are all collectively harmed by racism.

Truth, Racial Healing & Transformation (TRHT) is a comprehensive, national and community-based process developed by the W.K. Kellogg Foundation (WKKF) and 174 national partners to identify and address the historic and contemporary effects of racism — to help communities heal and produce actionable, sustainable change. The TRHT framework is inspired by truth and reconciliation processes that have taken place around the world, and it addresses issues ranging from cultural to more tangible transformations in institutions and policies.

In June 2017, WKKF awarded funds to support multisector collaborations in 14 communities across the United States. As one of the sites hosting this work, KZCF is receiving $865,000 over five years to facilitate local activities. A unique feature of the TRHT grant is the inclusion of an endowment fund strategy, which allows partners to truly think beyond the grant period. In Kalamazoo, $250,000 of the grant from WKKF has been earmarked for matching funds to grow a local endowment. In addition, WKKF and a number of national consultants will be supporting the locations by providing technical assistance and creating a national learning community.

Locally, 150 individuals and organizations have been engaged so far, and the 2018 work will focus on building partnerships and developing a shared vision and goals. One example of a TRHT partnership can already be seen in efforts related to fair housing. Kris Miller is the executive director of the Fair Housing Center of Southwest Michigan, a private nonprofit that works to ensure equal housing opportunities for area residents.

“Housing that is open to everyone is tied to safety and health, and those are tied to education and equity,” Miller says. “To understand fair housing is to affirm furthering fair housing. This obligation means communities have to take proactive steps to understand and overcome decades of residential segregation. Partnering with the Foundation to lift up this work through TRHT and other projects gives me so much hope for the work we are doing.”

THE TRHT GOAL
“… to unearth and jettison the deeply embedded belief in a hierarchy of human value that sustains racism, to recognize the history and continued trauma resulting from that belief, and to create policy solutions that will sustain healing and structural change …”
HOW CAN YOU GET INVOLVED?

• Learn more about TRHT by visiting healourcommunities.org.

• Join our email list to receive updates and learn more about opportunities to engage in TRHT activities: www.surveymonkey.com/r/TRHTsignup.
Joining In Collective Giving

Kalamazoo holds a special place in all of our hearts. It’s where we live, work and play, and have the opportunity to join with others to help positively shape the community in many ways. One of these is through charitable giving.

“Positive changes in our community are fueled by people who make the time to give back, no matter how big or small,” says Ean Hamilton, an estate attorney with DeMent & Marquardt and a member of KZCF’s Professional Advisor Council. “Giving back to our community sends a message that says, ‘I believe my community is valuable and worth it.’”

KZCF manages several core funds under the umbrella of Love Where You Live. Helping to address our community’s greatest needs, these funds also enable donors to give in areas they are most passionate about, including economic and community development, education and learning, environment, health, housing, youth development, individuals and families, and scholarship.

The Kalamazoo Literacy Council (KLC) is one recipient of Love Where You Live funds. The KLC is a nonprofit focused on increasing the literacy rate for adults in Kalamazoo County through Community Literacy Centers that deploy volunteer tutors. The 2011 illiteracy rate was 19 percent in Kalamazoo and nine percent in Portage, compared to 18 percent across the state.

Ultimately, adult learners are supported in reaching their personal goal: earning a GED, entering community college or entering the workforce. In addition, parents who increase their ability to read can foster literacy in their children and support their academic progress.

Another initiative fueled by Love Where You Live funds is coordinated by WMU’s Homer Stryker School of Medicine. A new, innovative educational...
curriculum is being designed to train medical students in caring for the Lesbian, Gay, Bisexual and Transgender (LGBT) community. This project will create a transgender patient education program and related medical education, delivered each year to all undergraduate medical students and graduate/residents in primary care training.

This project directly addresses a longstanding health care need. The transgender community, in particular, is vastly underserved due to a lack of specific medical knowledge and cultural competency. Because most medical schools and residency programs have minimal training for LGBT health care issues in their curricula, this project is positioned to become a sought-after model in the medical profession.

“Positive changes like these that come from giving back show future generations that we care about them and the future of our community,” Hamilton adds. “It’s not about how big a gift a person makes. It’s about giving what you can to show that you care about your community and that we’re all in this together.”

HOW CAN YOU GET INVOLVED?

• Join us for the next Giving Tuesday on November 27, 2018.
• Follow us on Facebook for the latest updates about KZCF news and events.
• Contact a Donor Relations representative to learn more.

“Positive changes in our community are fueled by people who make the time to give back, no matter how big or small.” — EAN HAMILTON
Making Dreams Come True

As KZCF scholarship recipient Matt Carl was growing up, he always wanted to help others. “My dad taught me that you always help others because it’s the right thing to do,” he says.

Matt decided on a career in law enforcement early on, but needed college to make that dream come true.

Unfortunately, it turned out that the first people needing his help would be his own family. His mother was diagnosed with cancer during his sophomore year at Hackett Catholic Prep.

During this time, Matt learned from his mother that “you must keep going no matter what.” He knew he would have to step up and carry some additional loads while he and his father cared for his mother.

By 2014, his senior year at Hackett, Matt decided to study psychology and criminal justice at Western Michigan University so he could stay in the area due to his mother’s illness. He applied for a variety of scholarships, including KZCF’s Love Where You Live Scholarship.

Meeting the scholarship requirements for school and community involvement, leadership, a strong work ethic — and financial need because of family medical bills — Matt received the Love Where You Live Scholarship. During his college years, he worked at Kingdom Indoor Soccer Center and also as a security guard.

His scholarship was renewed each year while he was in college. Matt’s jobs equaled a full-time work schedule, but he also maintained a 3.7 GPA with a full class load.

Matt’s mother passed away during the fall semester of 2017.

ABOUT KZCF SCHOLARSHIPS
The Kalamazoo Community Foundation administers a variety of scholarships for students who live or go to school in Kalamazoo County. This includes college or a trade/technical school after high school. To learn more or to view the complete list of scholarships, visit kalfound.org/scholarships.
“She knew I was going to finish college, because I promised her I would,” Matt says with a smile. “The KZCF scholarship gave my parents a sense of security, that I was going to be financially stable through college.

“I know what it’s like to struggle, but I also know there’s always a light at the end of the tunnel,” he reflects.

“The scholarship meant more than I can explain — more than I can put into words — that my mom knew I was going to be finishing my degree.”

Matt graduates this April 2018 debt-free. He hopes to land a job with Kalamazoo Public Safety and get further training at Kalamazoo Valley Community College’s Police Academy. All to make his dreams of helping others come true.

HOW CAN YOU GET INVOLVED?
• Donate to the Love Where You Live Scholarship Fund or another scholarship. Visit kalfound.org/give-now.
• Establish a named scholarship fund. Contact Donor Relations at 269.381.4416.
• Volunteer to serve on a scholarship committee. Contact Scholarship Manager Nancy Timmons at ntimmons@kalfound.org.
• Share your journey as a past KZCF scholarship recipient. Contact us at info@kalfound.org.
Investing In Our Community

The Grandmother and CIG Endowment Fund, a designated fund at the Kalamazoo Community Foundation, was established by a local family looking for a way to pay a lasting tribute to their parents — who were avid library users — and also ensure expanded library resources would last forever for the youth in our community.

Over the past 20 years, the Grandmother and CIG Endowment Fund’s investment performance has grown an average of 6.9 percent annually. Thanks to the outstanding investment return, this growth has enabled the Portage District Library to creatively supplement programming for youth in the Portage area.

“Proceeds from the endowment fund enabled us to offer special activities, projects, programs and learning opportunities that the library is unable to fund within its regular operating budget,” says Christy Klien, library director at the Portage District Library. “The [local family’s] tribute to their loved ones benefits children and teens who use the library.”

In 2017, the team added a philanthropic option for participants in the reading program beyond the traditional toy or coupon reward — an option made possible by the Grandmother and CIG Endowment Fund.

“Readers would be offered this option at each benchmark, which was after five hours of reading, until the funding for this prize option was exhausted,” Klien adds. “The designated recipient of the 2017 funds was Heifer International, a charity organization working to end hunger and poverty around the world by providing livestock and training to struggling communities.”

According to Klien, both professional studies and comments by patrons have indicated that external motivators such as toys do not improve reading achievement for some youth. In fact, Klien notes that philanthropic reading incentive programs at other libraries have proven successful and enjoyable motivators for youth, as well as adding an aspect of social-emotional learning to reading programs.

“Offering a philanthropic alternative to extrinsic, tangible reading program incentives is important to those we serve because it fits trends in both the larger library and education world and the strategic goals of the Portage District Library,” Klien says.
In the first year of offering this new philanthropic option as part of the Summer Reading Program, almost 300 youth chose to participate.

“The Grandmother and CIG Endowment Fund and the Portage District Library are great examples that illustrate our financial investment performance as well as the impact from those dollars,” says Susan Springgate, vice president of KZCF’s Finance and Administration. “The success from our investment performance strategy not only enabled us to support community programs similar to the Summer Reading Program, but also award approximately $434 million since 1925 in grants to area nonprofits and in scholarships to area students.”

The Kalamazoo Community Foundation was ranked in the top 1 percent for the 10-year period ending December 31, 2017, by New York City-based Colonial Consulting’s national ranking of community foundation financial investment performance.

“Our investment strategy is one of disciplined asset allocation, regular rebalancing, minimizing fees and expenses, and not reacting to near-term market pressures or investment fads,” Springgate explains.

“The Community Foundation Financial Investment Committee’s strategy is the same investment approach as the City of Kalamazoo and Kalamazoo County relative to the investment of their retirement assets,” Springgate adds. “This model is applied to the Community Foundation’s core assets, with an asset allocation strategy of 70 percent equities, 25 percent fixed income and 5 percent real estate endowed funds (about 90 percent of the Community Foundation’s managed assets). For non-endowed funds, the committee employs a strategy that is 50 percent equities and 50 percent fixed income.”

Springgate says the hallmark of the Financial Investment Committee is this melding of intellectual capital with a practical, disciplined investment approach. She adds, “While nothing can be guaranteed for the future, we believe that it will bring added value to the community for many years to come.”
## 2017 COMBINED STATEMENT OF FINANCIAL POSITION AND ACTIVITIES

### AS OF DECEMBER 31

#### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>430,615,336</td>
<td>508,675,430</td>
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<tr>
<td>Contributions and pledges receivable</td>
<td>24,447,155</td>
<td>2,476,988</td>
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<tr>
<td>Beneficial interest in charitable perpetual trusts</td>
<td>10,392,113</td>
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<tr>
<td>Other assets</td>
<td>6,530,041</td>
<td>6,118,456</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>471,984,645</strong></td>
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#### LIABILITIES AND NET ASSETS

<table>
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<tr>
<th>Description</th>
<th>2016</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Funds held as agency endowments</td>
<td>25,707,631</td>
<td>28,119,821</td>
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<tr>
<td>Other payables</td>
<td>4,665,894</td>
<td>4,478,109</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>30,373,525</strong></td>
<td><strong>32,597,930</strong></td>
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<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>441,611,120</strong></td>
<td><strong>496,224,441</strong></td>
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#### REVENUES

<table>
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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Public support</td>
<td>23,455,974</td>
<td>9,171,254</td>
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<tr>
<td>Dividends and interest</td>
<td>8,224,043</td>
<td>8,804,556</td>
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<tr>
<td>Net gain (loss) from investment transactions</td>
<td>32,844,930</td>
<td>56,442,675</td>
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<tr>
<td>Other income (loss)</td>
<td>(82,745)</td>
<td>876,772</td>
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<td><strong>TOTAL REVENUE</strong></td>
<td><strong>64,442,202</strong></td>
<td><strong>75,295,257</strong></td>
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#### EXPENSES

<table>
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<tr>
<th>Description</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants paid</td>
<td>14,219,690</td>
<td>15,277,588</td>
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<tr>
<td>Investment management fees</td>
<td>509,558</td>
<td>666,876</td>
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<tr>
<td>Program services</td>
<td>2,096,755</td>
<td>1,573,150</td>
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<tr>
<td>Donor relations and development</td>
<td>1,216,138</td>
<td>1,761,650</td>
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<tr>
<td>Administrative and general expenses</td>
<td>1,835,319</td>
<td>1,402,672</td>
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<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>19,877,460</strong></td>
<td><strong>20,681,936</strong></td>
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#### CHANGE IN NET ASSETS

<table>
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<tr>
<th>Description</th>
<th>2016</th>
<th>2017</th>
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<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
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#### ENDING NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
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<th>2017</th>
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</thead>
<tbody>
<tr>
<td><strong>ENDING NET ASSETS</strong></td>
<td><strong>441,611,120</strong></td>
<td><strong>496,224,441</strong></td>
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</tbody>
</table>

The Kalamazoo Community Foundation’s audited financial statements are available online at [kalfound.org/publications](http://kalfound.org/publications).
OUR BOARD AND STAFF

Our board of trustees provides guidance for our grantmaking and community leadership. Our trustees represent diverse community interests and donate their time, energy and expertise to help us identify opportunities for impact, respond appropriately when unforeseen challenges arise and address community needs. Our staff works closely with donors, grantees and others to help make Kalamazoo County a community where every person can reach full potential. It includes skilled professionals in grantmaking, donor relations, development, finance, administration, human resources and marketing communications.