Mission

The Mission of the Foundation is to support and enrich the cultural, social, and economic life of Greater Kalamazoo.
Irving S. Gilmore demonstrated a sincere commitment to Kalamazoo through his caring, kindness and support. In simple, elegant ways, Mr. Gilmore inspired the community to pursue a strong sense of cultural and social awareness for the benefit of all people.

He was a gentle man with a good sense of humor who showed heartfelt compassion for others around him. Throughout his life, Mr. Gilmore helped by sharing his good fortune with others less fortunate. In many ways he was a man of action and not merely of words.

Irving Gilmore shunned the spotlight, preferring instead to contribute in a quiet, dignified manner. He showed his concern through frequent and often anonymous gifts which embraced a wide range of needs. In addition to bestowing numerous financial gifts upon the community, he also worked to help others gain the skills needed to help themselves.

Mr. Gilmore found his greatest joy in the arts, for which he showed unwavering support. He not only helped gifted individuals express their unique talents, but encouraged others to support the creative expressions of the human spirit as both artists and audience. He knew that cultural and performing arts needed support to grow. He also knew that the arts offered powerful instrumental benefits. Indeed, Mr. Gilmore understood that the arts catalyze imaginative practices in and across community sectors.

A truly unique individual, Irving Gilmore was a merchant, art patron, concert-quality pianist, business leader, military veteran and philanthropist. So that his special philosophy of giving could live on, he established a foundation in 1972. Upon his death in 1986 at the age of 85, the bulk of his estate was given to the Foundation as a way to perpetuate his personal philanthropy.

Just as he encouraged others to unlock their own potential, today the Foundation funds key organizations that help unlock the community’s potential. Through the Foundation that bears his name, Mr. Gilmore’s commitment to the people of the Kalamazoo community will endure.
Grant Policies

In accordance with the example and directives of its founder, the Irving S. Gilmore Foundation encourages grant applications from Kalamazoo area nonprofit, tax-exempt organizations whose work benefits or will benefit the community. The Foundation does not make grants to individuals. The Foundation Trustees will make all decisions regarding the funding of proposals without discrimination on the basis of race, color, creed, gender, marital status, religion, age, orientation, handicap or disability, height, weight, or national origin of the organization’s staff or volunteers. It is expected that all beneficiaries of funding from the Irving S. Gilmore Foundation will adhere to existing state and federally mandated affirmative action policies.

2009 Grants Summary

In 2009 the Trustees approved 223 grants totaling $6,484,058, the majority benefiting the residents of the greater Kalamazoo area.

<table>
<thead>
<tr>
<th>Category</th>
<th># of grants</th>
<th>$ Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Culture &amp; Humanities</td>
<td>77</td>
<td>$4,072,897</td>
</tr>
<tr>
<td>Human Services</td>
<td>39</td>
<td>$1,110,660</td>
</tr>
<tr>
<td>Education</td>
<td>7</td>
<td>$172,500</td>
</tr>
<tr>
<td>Community Development</td>
<td>20</td>
<td>$975,400</td>
</tr>
<tr>
<td>Health &amp; Well-being</td>
<td>4</td>
<td>$112,000</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>76</td>
<td>$40,601</td>
</tr>
</tbody>
</table>

Grants Since Inception

Since 1986, the Trustees have approved 3,218 grants to over 400 organizations for a grand total of $167,410,390.

<table>
<thead>
<tr>
<th>Category</th>
<th># of grants</th>
<th>$ Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Culture &amp; Humanities</td>
<td>1,250</td>
<td>$98,008,247</td>
</tr>
<tr>
<td>Human Services</td>
<td>835</td>
<td>$29,619,339</td>
</tr>
<tr>
<td>Education</td>
<td>150</td>
<td>$20,589,425</td>
</tr>
<tr>
<td>Community Development</td>
<td>337</td>
<td>$14,565,085</td>
</tr>
<tr>
<td>Health &amp; Well-being</td>
<td>135</td>
<td>$4,353,736</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>511</td>
<td>$274,558</td>
</tr>
</tbody>
</table>
2009: A Blessing in Disguise

While the year of the "Great Recession" presented many serious challenges for Kalamazoo's non-profit organizations, 2009 also created important opportunities. Non-Profits were encouraged to ask good questions, get critical answers to those questions and make appropriate adjustments in their missions, operations and programming. Non-profits, as "learning organizations," became more imaginative, creative and innovative. And, they became better acquainted with other organizations, especially those doing similar and complementary work. As a result, non-profits realized that they should not work in isolation, but instead purposely connect with others in building a productive, thriving community.

These were highly empowering discoveries transcending tough economics, challenging markets and depleted resources; discoveries that unlocked expanded potential for accomplishing great work. Indeed, the process revealed many collaborative opportunities and unlocked a great deal of resource-sharing potential. Goodwill Industries of Southwestern Michigan was a key leader in this pursuit, reaching out to other human service agencies in developing a shared human services campus. Several organizations relocated to that site, recognizing that they could accomplish much more there, in conjunction with others, than they had been able to accomplish alone.

Several arts organizations took a similar proactive tack, leading by example in finding projects to work on together for broader community benefit. For instance a handful of small visual arts groups, including West Michigan Glass Society and Kalamazoo Book Arts Center, partnered with Kalamazoo Public Schools in developing integrated programming connecting art and science curricula. This work involved such a commonalty of interests that a new "Arts Kalamazoo Alliance" was born. These efforts and others promise to inspire broader community initiatives well into the future.

Meanwhile, the Arts Council of Greater Kalamazoo hosted a community-wide event featuring Michael Kaiser, an expert on communities “Thriving through the Arts.” This occasion brought multiple sectors of the Kalamazoo community together and served as a platform for the Arts Council to launch a series of subsequent sessions designed not only to assist arts organizations with their capacity needs, but more importantly, to help them in thinking differently and more impactfully about their role in community planning and development, particularly in concert with others. "Thriving through the Arts" also informed the broader citizenry that the impact of the arts goes well beyond “arts-for-arts sake.”

The community also celebrated the inauguration of ONEplace @ kpl, a new non-profit management support organization. While in development for more than a decade, ONEplace was launched at a most opportune time, helping non-profits to bolster individual and collective capacities when they needed that help the most. This work will produce long-lasting benefits, especially because it focuses so much on interconnectedness, collaboration and resource-sharing. Thanks to the efforts of ONEplace and its partners, Kalamazoo’s non-profit sector will serve the community much more effectively for years to come.

In the end, 2009 offered a wonderful learning opportunity for our community and a chance to pull together. In fact, the tough times presented a blessing in disguise. Each of us now more fully recognizes that we contribute to a larger community picture, one that is made up of cohesive, interconnected pieces. That is an empowering epiphany, indeed!
2009 Grants

Arts, Culture & Humanities

Arts Council of Greater Kalamazoo
“All Ears” Radio Theatre
Art Forums
Bronson Park Concerts
Kalamazoo Artistic Development Initiative
Operations
“Theatre Kalamazoo”
“United Teens Talent” Program
Website Redevelopment
ArtServe - Michigan
Michigan “Cultural Data Project”
Bach Festival Society of Kalamazoo, Inc.
Operations
Ballet Arts Ensemble, Inc.
“Nutcracker” Ballet
Black Arts & Cultural Center
Black Arts Festival
Operations
Boys & Girls Clubs of Greater Kalamazoo, Inc.
“Participating Arts” Program
Carnegie Center Council for the Arts
“Carnegie Concert Series”
“Fourth Grade Day of Artistic Awareness”
Church of God in Christ
Eastside Music Program
Crescendo Academy of Music
Operations
Fontana Chamber Arts
Operations
Fresh Fire African Methodist Episcopal Church
Summer Arts Program
Girl Scouts Heart of Michigan
Kalamazoo County Arts Programming
Grand Valley University Foundation
WGVU’s "Great Performances” Series
Great Lakes Acoustic Music Association
“Cooper’s Glen Music Festival”
Great Lakes Male Chorus Association, Inc.
“District Sing” Concert
Operations
Irving S. Gilmore International Keyboard Festival
Operations
Julius and Esther Stulberg Competition, Inc.
Juilliard String Quartet Outreach
Kalamazoo Book Arts Center
Operations
Kalamazoo Children’s Chorus
Management Development
Operations
Kalamazoo Civic Theatre
Operations
Kalamazoo Concert Band Association, Inc.
Administrative Support
Holiday Concert
Kalamazoo County Historical Society
Historic Walks
Kalamazoo Cultural Center
Building Renovation
Kalamazoo Institute of Arts
"Georgia O’Keeffe and Her Times” Exhibition
Kalamazoo Junior Symphony Society
Operations
Kalamazoo Regional Educational Service Agency
Cultural Field Trips
Operations
Student Artistic Equipment Program
Student Arts Scholarships
Kalamazoo Singers
Haydn Concert
Kalamazoo Symphony Orchestra
Diether Haenicke Fund
Operations
Kalamazoo Valley Community College Foundation
Arts Forum
City of Kalamazoo
"Kalamazoo 1884” Production
Legends Performing Arts Association, Inc.
Operations
Michigan Bach Collegium
Operations
Michigan Youth Arts Festival
Operations
Milwood United Methodist Church
Fine Arts Series
National Miniatures Trust
Outreach Programming
New Genesis, Inc.
Summer Music Program
New Latino Vision
Cinco de Mayo Celebration
New Vic Theatricals, Inc.
Building Renovations
New Year’s Fest of Kalamazoo, Inc.
Operations
Opus 21
Operations
City of Parchment
Summer Arts Programming
City of Portage  
\textit{Summer Arts Programming}

Renaissance Enterprises Company  
\textit{Kalamazoo County Programming}

Shenandoah International Playwrights  
\textit{“Summer Stages” Program}

Smartshop Metal Arts Collective  
\textit{Operations}

Southwest Michigan Black Heritage Society  
\textit{Book Fair}

Southwest Michigan Council  
\textit{Boy Scouts of America}  
\textit{Cultural Events Program}  
\textit{Summer Arts Program}

Ujima Enterprises, Inc.  
\textit{Juneteenth Celebration}  
\textit{Performing & Visual Arts Program}

Wellspring-Cori Terry and Dancers  
\textit{Operations}

Western Michigan University Foundation  
\textit{“Broadway Revisited” Broadcasts}  
\textit{Bullock Performance Institute}  
\textit{Epic Center Ticketing}  
\textit{Frederick W. Freund Fund}  
\textit{Jazz Studies Program}  
\textit{Richard M. Hughey Fund}  
\textit{WMUK Underwriting}

Whole Art Theater Company  
\textit{“Jolly Good Fellows” Production}  
\textit{Operations}

\begin{center}
\textbf{Human Services}
\end{center}

Arcadia Information Network  
\textit{Community Forum}

CHADD, Inc.  
\textit{Kalamazoo Chapter: Operations}

Community Advocates-Persons with  
\textit{Developmental Disabilities}  
\textit{Operations}

Disability Network Southwest Michigan  
\textit{Independent Living/Life Management Program}

Ecumenical Senior Center  
\textit{Building Renovations}  
\textit{Operations}

Fair Housing Center of Southwest Michigan  
\textit{Operations}

Family and Children Services, Inc.  
\textit{Foster Care and Adoption Services}

First Congregational Church  
\textit{Community Outreach Programming}

Friendship House  
\textit{Emergency Relief Fund}

Greater Kalamazoo United Way  
\textit{“PeaceJam” Programming}

Housing Resources, Inc.  
\textit{Operations}  
\textit{Rickman House Renovations}

InterAct of Michigan, Inc.  
\textit{Capital Campaign}

Kairos Dwelling  
\textit{Operations}

Kalamazoo Community Foundation  
\textit{Youth Violence Prevention Programming}

Kalamazoo County Poverty Reduction Initiative  
\textit{Operations}

Kalamazoo Gay/Lesbian Resource Center  
\textit{Operations}

Kalamazoo Junior Girls  
\textit{Operations}

Kalamazoo Loaves and Fishes, Inc.  
\textit{“Grocery Pantry” Program}

Kalamazoo Valley Habitat for Humanity  
\textit{Homeownership Program}

City of Kalamazoo  
\textit{LaCrone Park and Woods Lake}  
\textit{Redevelopment Projects}

Lest We Forget Our Vets  
\textit{“A Walk through History” Project}

MI Assoc. for Deaf, Hearing & Speech Services  
\textit{Camp Chris Williams}

Michigan Blind Athletic Association  
\textit{Operations}

Ministry With Community  
\textit{Operations}

MRC Industries, Inc.  
\textit{Capital Campaign}

Oakwood Neighborhood Association  
\textit{Summer Arts Program}

Old House Network  
\textit{Old House Expo}

Open Door and Next Door Shelters  
\textit{Operations}

Portage Community Outreach Center  
\textit{Middle School Summer Program}
Pretty Lake Vacation Camp  
Capital Improvements  
Professional Development & Training Center  
of South West Michigan  
Technology Development  
Seeding Change  
“PeaceJam” Programming  
Vineyard Outreach Ministry  
Operations  
W.E. Upjohn Institute for Employment Research  
SCOPE Program  
Summer Youth Work Program  
Y.W.C.A.  
“Summit on Racism”

Education

Goodwill Industries of Southwestern MI Inc.  
Family Literacy Program  
Jr. Achievement of Southwest Michigan, Inc.  
Kalamazoo Area Operations  
Kal. Communities in Schools Foundation  
Summer School Programs  
Kalamazoo Regional Educational Service Agency  
Community Arts Leadership Academy  
Crayden School Music Therapy Program  
Minority Business Alliance of SW Michigan  
KIDBIZ Program  
Specialized Language Development Learning Center, Inc.  
Operations

Community Development

Association of Fundraising Professionals, West MI Chapter  
National Philanthropy Day  
Building Blocks of Kalamazoo  
Operations  
Council of Michigan Foundations  
Membership Renewal  
Council on Foundations  
Membership Renewal

Downtown Kalamazoo Association Charities  
50th Anniversary of Kalamazoo Mall  
Holiday Decor  
Edison Neighborhood Association, Inc.  
"Tool Share" Program  
Greater Kalamazoo United Way  
Annual Campaign  
Kal. County Multi-Purpose Collaborative Leadership Campaign Challenge  
Guardian Finance and Advocacy Service  
Kalamazoo Community Development Credit Union  
Junior League of Kalamazoo  
20th “Festival of Trees”  
Kalamazoo Astronomical Society  
“Astronomy Day”  
Kalamazoo Community Foundation  
“Lifeline Initiative”  
Kalamazoo in Bloom, Inc.  
Operations  
Kalamazoo Neighborhood Housing Services, Inc.  
Home Ownership Education Center  
Kalamazoo Public Library  
“Reading Together” Program  
Kalamazoo Regional Chamber Foundation  
“Leadership Kalamazoo” Program  
Local Initiatives Support Corporation  
Operations  
Southwest Michigan First Corporation  
Operations

Health & Well-being

CARES-Community AIDS Resource & Educational Services  
Operations  
Community Healing Centers  
Operations  
Gryphon Place  
Suicide Prevention Plan  
Kalamazoo County Juvenile Home Foundation  
Music Therapy Program  
Muscular Dystrophy Association  
Kalamazoo MDA Clinic  
Summer Camp
In 1972, Irving Gilmore created this Foundation with $5,000 to continue his commitment to the arts and the critical needs of the community. Upon Mr. Gilmore’s death on January 17, 1986, his will provided for the distribution of the majority of his assets to the Foundation, valued at $67,010,041. On December 31, 2009, Foundation investments were valued at $185,486,635.
We have audited the accompanying statements of financial position of Irving S. Gilmore Foundation as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Irving S. Gilmore Foundation as of December 31, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Jansen Vallen Thompson & Reaugh PC
## Statements of Financial Position

### Assets

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$6,422,291</td>
<td>$10,886,008</td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>714,939</td>
<td>547,392</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5,309</td>
<td>3,947</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>141,653</td>
<td>164,253</td>
</tr>
<tr>
<td>Investment securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>22,563,588</td>
<td>33,735,366</td>
</tr>
<tr>
<td>Equity securities</td>
<td>106,455,755</td>
<td>69,572,812</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>20,557,248</td>
<td>15,870,436</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>29,487,753</td>
<td>20,046,081</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>260,009</td>
</tr>
<tr>
<td><strong>Total investment securities</strong></td>
<td>179,064,344</td>
<td>139,484,704</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>186,348,536</td>
<td>151,086,304</td>
</tr>
<tr>
<td><strong>Property and equipment:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>736,391</td>
<td>736,391</td>
</tr>
<tr>
<td>Furnishings and fixtures</td>
<td>229,192</td>
<td>227,903</td>
</tr>
<tr>
<td>Equipment</td>
<td>129,479</td>
<td>127,754</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td>1,095,062</td>
<td>1,092,048</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>923,705</td>
<td>818,230</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td>171,357</td>
<td>273,818</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$186,519,893</td>
<td>$151,360,122</td>
</tr>
</tbody>
</table>

### Liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$147,367</td>
<td>$133,967</td>
</tr>
<tr>
<td>Pension contribution payable</td>
<td>39,009</td>
<td>34,936</td>
</tr>
<tr>
<td>Grants payable</td>
<td>239,555</td>
<td>928,533</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>425,931</td>
<td>1,097,436</td>
</tr>
<tr>
<td>Grants payable</td>
<td></td>
<td>212,278</td>
</tr>
<tr>
<td><strong>Unrestricted net assets</strong></td>
<td>186,093,962</td>
<td>150,050,408</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$186,519,893</td>
<td>$151,360,122</td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements.*
## Statements of Activities

**Year ended December 31**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues, gains and losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$2,316,286</td>
<td>$3,091,925</td>
</tr>
<tr>
<td>Dividends</td>
<td>2,454,496</td>
<td>2,112,416</td>
</tr>
<tr>
<td>Net realized and unrealized gains (losses) on investment securities</td>
<td>40,557,844</td>
<td>(71,684,410)</td>
</tr>
<tr>
<td>Other income</td>
<td>230,700</td>
<td>34,790</td>
</tr>
<tr>
<td><strong>Total revenues, gains and losses</strong></td>
<td>45,559,326</td>
<td>(66,445,279)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>7,537,395</td>
<td>8,494,192</td>
</tr>
<tr>
<td>Professional services</td>
<td>954,036</td>
<td>1,177,963</td>
</tr>
<tr>
<td>Administrative and general expenses</td>
<td>877,270</td>
<td>822,801</td>
</tr>
<tr>
<td>Depreciation</td>
<td>106,071</td>
<td>115,695</td>
</tr>
<tr>
<td>Excise tax</td>
<td>41,000</td>
<td>138,700</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>9,515,772</td>
<td>10,749,351</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>36,043,554</td>
<td>(77,194,630)</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>150,050,408</td>
<td>227,245,038</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td><strong>$186,093,962</strong></td>
<td><strong>$150,050,408</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Statements of Cash Flows

### Year ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$36,043,554</td>
<td>($77,194,630)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>106,071</td>
<td>115,695</td>
</tr>
<tr>
<td>Gain on disposal of property and equipment</td>
<td>–</td>
<td>(91)</td>
</tr>
<tr>
<td>Net realized and unrealized (gains) losses on investment securities</td>
<td>($40,534,594)</td>
<td>71,684,410</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>(167,547)</td>
<td>816,859</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(1,362)</td>
<td>4,689</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>22,600</td>
<td>(79,805)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>17,473</td>
<td>(19,846)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(688,978)</td>
<td>(95,105)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>($41,246,337)</td>
<td>72,426,806</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>($5,202,783)</td>
<td>($4,767,824)</td>
</tr>
</tbody>
</table>

### Investing activities

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of investment securities</td>
<td>(126,680,982)</td>
<td>(122,422,966)</td>
</tr>
<tr>
<td>Proceeds from sales of investment securities</td>
<td>127,423,658</td>
<td>130,213,527</td>
</tr>
<tr>
<td>Proceeds from sales of property and equipment</td>
<td>–</td>
<td>4,100</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(3,610)</td>
<td>(33,946)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>736,066</td>
<td>7,760,715</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(4,463,717)</td>
<td>2,992,891</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>10,886,008</td>
<td>7,893,117</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$6,422,291</td>
<td>$10,886,008</td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements*
Note A – Summary of Significant Accounting Policies

Purpose of Foundation
The Irving S. Gilmore Foundation (the Foundation) was established to administer the assets received from the estate of Irving S. Gilmore. The Foundation’s mission is to support and enrich the cultural, social and economic life of Greater Kalamazoo.

Method of Accounting
The financial statements have been prepared on the accrual basis of accounting which includes recognition of dividends and interest as earned and expenses as incurred.

Use of Estimates
Management uses estimates and assumptions in preparing the Foundation’s financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investment Securities
Investments of the Foundation are maintained with outside investment management companies. Investments are stated at their fair values. Fair values are determined by reference to quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under FASB ASC 820-10 (formerly SFAS No. 157, Fair Value Measurements). Realized gains and losses are computed using the specific identification method. Unrealized gains and losses are included in the change in net assets.

In accordance with Internal Revenue Service regulations, the Foundation is generally required to distribute at least 5% of its investable assets each year. After considering the long-term expected return on its investment assets and the possible effect of inflation, the Foundation’s Board of Trustees has established a policy of spending only the required 5% of investable assets annually.

The Foundation’s investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Funds are invested in a well diversified asset mix, which includes primarily equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. It is the Foundation’s policy that no more than 8% of the total stock portfolio may be invested in the common stock of any one corporation. Not more than 10% of the outstanding shares of any one company may be held. With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue should represent more than 5% of the total fixed income portfolio. Not more than 5% of any individual issue may be held.

Property, Equipment and Depreciation
Property and equipment are stated at cost. Purchases in excess of $1,000 are capitalized. Depreciation is recognized over the estimated useful lives of the assets on a straight-line basis.
Fair Value
The carrying amounts reflected in the statements of financial position for cash, receivables and payables approximate the respective fair values due to the short maturities of those instruments.

Tax Status
The Internal Revenue Service has determined that the Foundation is a private non-operating foundation which is exempt from income tax under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Subsequent Events
Subsequent events were evaluated through March 17, 2010, which is the date the financial statements were available to be issued.

Reclassifications
Certain amounts related to the year ended December 31, 2008 have been reclassified to conform with the presentation for the year ended December 31, 2009.

Note B—Grants Payable
Grants authorized but unpaid at year end are reported as liabilities. The following is a summary of grants authorized and payable at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be paid by December 31, 2009</td>
<td>$ —</td>
<td>$ 928,533</td>
</tr>
<tr>
<td>To be paid by December 31, 2010</td>
<td>239,555</td>
<td>234,555</td>
</tr>
<tr>
<td>Total grants payable</td>
<td>$ 239,555</td>
<td>$ 1,163,088</td>
</tr>
</tbody>
</table>


The Foundation periodically makes conditional grants to donees (i.e., matching and challenge grants). These grants are not recorded as a liability until all grant conditions have been met by the donee. Several conditional grants to various donees totaling approximately $105,500 were outstanding at December 31, 2009.

Note C—Retirement Plan
The Foundation has a non-contributory qualified defined contribution retirement plan covering substantially all employees. The Foundation makes a contribution to the plan each year of at least 5% of all participants’ compensation, as defined. Total expense was $39,009 in 2009 and $34,936 in 2008.

Note D—Leases
The Foundation leases its office facilities and an automobile under non-cancelable operating leases that expire at various dates through September 2011. The office facilities lease contains three renewal options for additional five year terms. Rent expense for the leases totaled $59,051 in 2009 and $61,916 in 2008.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2009 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$ 57,303</td>
</tr>
<tr>
<td>2011</td>
<td>41,818</td>
</tr>
<tr>
<td>Total</td>
<td>$ 99,121</td>
</tr>
</tbody>
</table>
History of Trustee Service

Harold Jacobson  September 1972 – October 1976
Arthur Homer  September 1972 – October 1982
Richard M. Hughey, Sr.  September 1972 – Present (Emeritus)
Floyd L. Parks  October 1982 – Present
W. Jack Keiser  January 1986 – October 1990
Russell L. Gabier  November 1989 – Present
Frederick W. Freund  September 1999 – June 2007
Charles D. Wattles  January 2006 – Present
Howard D. Kalleward  October 2007 – Present

The Irving S. Gilmore Foundation notes with sadness the passing of Robert T. McDonough on July 14, 2009.