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 social and cultural awareness for the benefit of all people.

A uniquely multifaceted individual, Irving Gilmore was a merchant, an arts patron, a concert-quality pianist, a business leader and a military veteran. He was also a gentle man with a dry 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.

Irving Gilmore shunned the spotlight, preferring instead to contribute in a quiet, dignified manner. He showed his concern through frequent and often anonymous gifts that addressed a wide range of needs. In addition to sharing numerous financial gifts with the community, he 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.

Looking ahead, Mr. Gilmore wanted to provide for his community in perpetuity, ensuring that his special personal philanthropy would live on. In 1972, Mr. Gilmore established the Irving S. Gilmore Foundation and arranged for it to receive the bulk of his estate upon his death. Mr. Gilmore passed away in 1986 at the age of 85, leaving Kalamazoo a wonderful legacy.

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 lives on.
In recent years, the Foundation has included a grantee highlights section in its Annual Report, focusing each time on a particular theme. This provides an opportunity for our grantee organizations to describe what they do in their own words. This year our focus is on nonprofit organizations serving persons with disabilities. As Kalamazoo’s own Disability Network explains:

“Disability is a normal part of life. It will impact each and every person in the U.S., directly or indirectly, through a family member or friend. Disability does not discriminate. More than 80% of Americans will experience a disability in their lifetime, either first hand or by knowing someone with a disability.”

Disability Network goes on to state that “[t]oo often, living with a disability limits choices for involvement and presents barriers to full and equal participation in community life.” Fortunately, Kalamazoo is blessed to have a number of impactful nonprofit organizations working diligently to remove barriers and create opportunities for people with disabilities, so that all Kalamazooans can lead full, productive and impactful lives.

We have invited a representative sample of these organizations to describe their efforts and what it means to carry out their work. We think you will agree that such efforts make our community a much better place in which to live. We hope that you will find these examples as inspirational as we do.

Richard M. Hughey, Jr.
AACORN

AACORN’s mission is to provide life enrichment opportunities and residential options for adults with developmental disabilities in a supportive, caring community. AACORN believes that every individual has something to offer; that everyone deserves a life of purpose and meaning.

Incorporated in 2011, AACORN provides an option for adults with disabilities who have aged out of school and need a specialized program environment. A rural setting provides low-stress surroundings, and animal care, gardening, and daily living tasks offer purposeful activities.

AACORN’s life enrichment program has been transformative for individuals who experience high anxiety around large numbers of people, have difficulty communicating, and struggle with social interactions. Combining small groups with physical activity has been successful in reducing anxiety for these individuals. Other choices for self-paced meaningful engagement include arts and crafts, cooking, sewing, and making items for retail sale or donation to other nonprofits. Working and engaging in activities alongside other participants promotes strong interpersonal connections, aiding in the development of friendships among adults who have never before had friendships.

AACORN owns 40 acres of land, purchased from Tillers International, near Scotts, MI. Approximately half of necessary funds have been raised for the construction of an activities building which is critical for enabling the program to expand in both scope and participant numbers. Once the building is completed, plans include inviting community members to the site for special events, gardening, and volunteer opportunities. Long-range plans include a residential development focused around shared interests of gardening, small animal care, and rural life.

For more information, visit www.aacornfarm.org

Arc Community Advocates

The Arc Community Advocates has been serving Kalamazoo County for more than 65 years, providing vital free advocacy and training services for individuals with developmental and/or intellectual disabilities and their families. We exist as an advocacy organization to make it possible for each person with a developmental disability to participate fully in all aspects of community and to support the effort of each individual to determine their own future. Our services empower individuals and families to live as independently in the community as possible.

Our focus is educating, advocating, and empowering individuals and families to: navigate special education laws and supports; transition to adulthood; access housing, employment, and other community services; obtain powers of attorney to reduce guardianships; and pursue long-term planning — all of which address milestone...
decisions across a lifespan. In addition, we advocate for policies that improve lives and access to the community, including affordable healthcare, because disability rights are human rights.

As an affiliate of Arc US and Arc Michigan, we utilize those relationships and the voices of families and individuals — whose diagnosis could be an intellectual disability, Down syndrome, Autism spectrum disorder, fetal alcohol syndrome, and many other diagnoses — to promote and protect their human rights and actively support their full inclusion in the community.

For more information, visit

www.communityadvocates.org

ASK Family Services

ASK Family Services provides peer support to families and youth in the Kalamazoo Community. Our mission is to assist families and their children who have developmental, mood, emotional, and behavioral challenges to understand and navigate services, advocate effectively, and achieve their potential.

Our staff members have lived experiences of disability, either as a parent of a child with special needs or as a youth who has experienced mental health challenges.

Through the barriers we have faced individually we aim to inspire hope and help families recognize the strengths they have to draw from during difficult times.

The services ASK provides to families can decrease isolation, empower parents, share knowledge on effective parenting, increase community involvement, provide an opportunity to have a voice, increase resiliency, and ensure that those we serve are not alone during times of need. Our families achieve these outcomes through one-on-one interactions, support-group participation, the location of community resources, trainings focused on challenges they face, social events, and evidenced-based parental learning opportunities.

The youth we serve have many opportunities to gain leadership skills, reduce stigma around mental health challenges, inform the various systems they may be involved with, learn to have an authentic voice in their care, acquire new skills, and develop positive and supportive relationships. These goals are accomplished through our youth advisory group and youth peer support programs in both individual and group formats.
At ASK Family Services, we help families and youth recognize their strengths and use them to build a better future for themselves. Because we have all faced similar challenges we are uniquely qualified to share our experiences, strengths, and hope to empower those we serve to achieve their fullest potential.

For more information, visit www.askforkids.org

Cheff Therapeutic Riding Center

Situated amongst the farmland and forest in Augusta, MI, is one of our area’s best kept secrets: the Cheff Therapeutic Riding Center. Well known on the Equine Assisted Activities and Therapies international scene, this little gem has been quietly making a huge impact right here in our backyard for 50 years.

Monday through Friday year round, clients run, walk, and roll their way through the doors at Cheff, eager to meet up with “their” horse and go for a ride. Clients range in age from two to eighty-six, and all face physical, emotional, or cognitive challenges in their daily lives. In 2018, the program served an average of 125 clients per week (for a grand total of 625 individuals) through their equine-based Therapeutic Riding, Hippotherapy (physical therapy), and unmounted programs.

Week in and week out at this little slice of horse heaven children are slowing the inevitable progression of terminal diseases, senior citizens are strengthening muscles and improving balance, US veterans are smiling again, battles with addiction are being won, first sentences are being spoken, first steps are being taken, and countless other milestones are being achieved. All of these wonderful accomplishments have been made possible by more than 300 annual volunteers and the financial support of our community.

For more information or to tour the farm, visit www.cheffcenter.org

Disability Network Southwest Michigan

Founded in 1981 by a small group of disability advocates, Disability Network Southwest Michigan educates and connects people with disabilities to the community resources they need to live independently, all while advocating for social change. Much of our advocacy work is focused on creating communities that value disability as human diversity, free of attitudinal barriers, where all people benefit with full access and inclusion.

We are a nationally recognized Center for Independent Living; this distinction makes us unique from other community based nonprofit organizations. We believe...
that people with disabilities know best the disability experience; therefore, more than 51% of our staff and board of directors are people with disabilities. Our services are cross-disability; we serve people across all disabilities and ages. We believe all people with disabilities should be able to thrive and grow at home, in the workplace, and in their community. Our services are customer-driven; customers have the power to set their own goals and staff assist them in reaching those goals.

Our services consist of five main core areas — Information & Referral, Advocacy, Peer Support, Independent Living Services, and Transition — that impact not only people with disabilities but the communities they live and work in. Examples of our services include: assisting a person transitioning from a nursing facility back to community based living, building ramps to improve access to the community, advocating for accessible transportation and housing, and preparing youth for post-secondary experiences such as employment, college or living on their own.

For more information, visit www.dnswm.org

**Housing Resources Incorporated**

The mission of Housing Resources, Inc. (HRI) is the assurance of housing for the economically and socially vulnerable persons of Kalamazoo County. One way that HRI meets this mission is through Permanent Supportive Housing (PSH). PSH is a nationally recognized, cost-effective, proven solution to the needs of vulnerable people with disabilities who are homeless. PSH combines affordable housing assistance with voluntary support services while connecting people with community-based resources including physical and mental health care and treatment. In many cases, PSH ends chronic homelessness for individuals and families.

Through our HUD PSH program HRI serves families of individuals with disabilities. Families may receive rental assistance and supportive services until their child(ren) turn 18 or exit the program. Individuals
with disabilities may live at HRI’s Rickman House — an historic building with 49 beautifully renovated units — as long as they choose, with a rental subsidy and supportive services.

HRI believes that everyone deserves a home. The PSH program allows individuals and families experiencing homelessness the opportunity for housing stabilization, maximum levels of self-sufficiency and an overall better quality of life.

For more information, visit www.housingresourcesinc.org

KRESA / Woodsedge Learning Center

Kalamazoo RESA’s WoodsEdge Learning Center is an innovative school dedicated to developing independence in our students. Our students have varied disabilities (cognitive impairments, severe multiple impairments, autism, blindness, hearing impairments) but also many abilities. We are driven by our vision of a community without barriers, and teach our students in community places outside the school environment.

Music therapy is a part of our program that capitalizes on something nearly all students love. In music therapy, students learn about rhythm, singing, dance, and feelings associated with the music they hear. Students experience visits from performers from our community who share their music, dance, and storytelling. Each year students also attend performances in the community, an activity some may not otherwise experience.

The major focus of music therapy is to give students another way to learn new skills, to teach the joy of music of all genres, and to give them an opportunity to show us their talents. Some students have discovered hidden singing talents and the ability to play the piano by ear, and when they express themselves through music they remind us that life is to be enjoyed. The smiles, dancing during concerts, and exuberant clapping are great lessons for the adults who support our students too.

For more information, visit www.kresa.org/woodsedge

Residential Opportunities Incorporated

In 1978, Residential Opportunities, Inc. (ROI) began operations with specific goals in mind: to help people with intellectual and developmental disabilities (IDD) come home from state institutions, rejoin our community, and experience fuller and more enriched lives. Forty years ago people lived in institutions or with their families, with limited access to education or employment. Back then, there were very few services available in the community for someone with a significant disability.

Today, in partnership with Kalamazoo Community Mental Health and Substance Abuse Services and other similar organizations, individuals supported by...
ROI thrive in our community — with or near family and friends. Today, individuals with an IDD celebrate birthdays and holidays, work and play in the community, take vacations with friends and family and have access to high-quality health care. Today, individuals with an IDD live alongside all of us, in specialized residential licensed group homes, supported living programs, or affordable rental housing apartments in neighborhoods with flexible staffing supports.

ROI’s focus is on helping the individuals we serve pursue their goals, dreams, and desires by providing the necessary tools to help people determine what a meaningful life looks like to them — whether it’s seeing the Detroit Tigers play, shopping in a marketplace, enjoying a play at the Civic Theatre, going to Disney World or on a Caribbean cruise. We have even helped people get married and have a honeymoon. Our Representative Payee Services program has helped people manage their money for nearly 40 years. Additionally, we have created a state-of-the-art intensive autism treatment program and outpatient treatment programs for children with autism. If past behavior is the best predictor of future behavior, the next 40 years should generate even more success for hundreds of people with disabilities.

For more information, visit www.residentialopportunities.org

SLD Read

The National Institute of Health reports that an astounding 20% of children entering our schools face significant challenges in learning to read. Their research finds that if these children do not receive appropriate intervention by the age of nine, 74% of them will never close the reading gap.

SLD Read’s vision is a community working together for literacy that empowers all individuals to achieve their full potential. To reach this vision, we: help individuals with dyslexia, learning differences, and other reading challenges to develop lifelong language skills through our multisensory program; assist educators to identify learning challenges and provide training and techniques to enhance their reading curriculum; and increase community awareness and understanding of literacy issues.

We make reading possible through the following programs:
• Testing and evaluation services that assess reading skills and focus areas to determine an individualized plan of action for each student we serve.

• Highly-trained tutors that provide one-to-one tutoring using an explicit, sequential and cumulative, multisensory approach to address key literacy elements. These services are available to parents who come directly to SLD Read. Fees are on a sliding scale based on family size and income. Tutoring is also available through school-based programs that happen during the school day with no charge to the parents or students.

• Professional development courses that help educators to understand reading challenges and incorporate strategies to help all learners succeed in the classroom. Individual educators can attend these courses, and school-building and district-wide trainings are available.

• Community workshops for community organizations, parents, educators, tutors, and students that promote literacy and increase the understanding around struggling readers.

For more information, visit www.sldread.org
The Irving S. Gilmore Foundation endeavors to develop and to enrich the Greater Kalamazoo community and its residents by supporting the work of nonprofit organizations. The Foundation’s funding priorities are:

**Arts, Culture & Humanities**

The Foundation promotes the enjoyment, understanding, appreciation and/or instrumental use of visual arts, performing arts, media arts, communications, humanities, and history.

**Human Services**

The Foundation supports youth development, life skills, food and nutrition, public safety, parks and recreation, and other social/human services that benefit individuals, families and neighborhoods. However, the Foundation does not generally support athletics and only nominally supports housing and shelter.

**Education**

The Foundation supports educational programs and activities that enhance the capacity for life-long learning. However, the Foundation does not generally support core operations and programming of K-12 educational institutions.

**Community Development**

The Foundation promotes quality of life through appropriate investments that strengthen, unify and build community spirit, and enhance capacity for innovation and growth.

**Health & Well-Being**

The Foundation promotes health and wellness programs and activities that enhance the physical, mental and emotional needs of individuals.
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, religion, color, sex, height, age, sexual orientation, gender identity, weight, marital status, genetic information, disability, military status 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.

How to Apply

Please visit our website at www.isgilmore.org for detailed funding guidelines and proposal submission deadlines.

The Priorities of the Foundation are:

- Arts, Culture and Humanities
- Human Services
- Education
- Community Development
- Health and Well-Being

2018 Grants Summary

In 2018, 184 grant proposals were reviewed by the Foundation. Of the $12,185,043 requested, the Trustees approved $11,290,810. The Foundation also matched charitable contributions made by the Trustees and employees for an additional $40,735 in 37 grants. The following chart illustrates the totals by each program area the Foundation supports:
In 1972, Irving S. Gilmore created the Foundation that bears his name and funded it with $5,000 to continue his commitment to the arts and critical needs of the community. Upon Mr. Gilmore’s death on January 17, 1986, his Will provided for the distribution of the residue of his estate, which represented the majority of his assets, to the Foundation. The date-of-death value of his estate’s residue – the net bequest to the Foundation – was $67,010,041. Since then, the Foundation has approved more than $258 million in total grants. On December 31, 2018, Foundation investments were valued at $259,677,476.

**Grants Since Inception**

Since 1986, the Foundation has awarded 5,265 grants to over 510 organizations, totaling $258,163,590. The following chart illustrates the totals by each program area the Foundation supports:

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Grants</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Culture &amp; Humanities</td>
<td>1,914</td>
<td>$136,422,679</td>
</tr>
<tr>
<td>Human Services</td>
<td>1,318</td>
<td>$48,846,015</td>
</tr>
<tr>
<td>Education</td>
<td>221</td>
<td>$25,925,740</td>
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<tr>
<td>Community Development</td>
<td>547</td>
<td>$36,054,010</td>
</tr>
<tr>
<td>Health &amp; Well-being</td>
<td>216</td>
<td>$10,300,436</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>1,049</td>
<td>$614,710</td>
</tr>
</tbody>
</table>

**Invested Assets**

![Invested Assets Chart]

Financial History
2018 Grants
By Priority Area

Arts, Culture & Humanities
The Foundation promotes the enjoyment, understanding, appreciation and instrumental use of visual arts, performing arts, media arts, communications, humanities and history.

Arts Council of Greater Kalamazoo
   All Ears Theatre
   Facility renovations
   Kalamazoo Artistic Development Initiative
   Operations
   Programming

Bach Festival Society of Kalamazoo
   Operations

Ballet Arts Ensemble
   The Princess and the Pea production

Black Arts & Cultural Center
   Operations

Blending's Vocal Ensemble
   Operations

Boy Scouts of America
   Cultural events tickets
   Rota-Kiwan STEAM Summer Camp

Boys & Girls Clubs of Greater Kalamazoo
   Participating Arts Program

Carnegie Center Council for the Arts
   Concert Series, 4th Grade Day of Artistic Awareness

Center Stage Theatre
   Operations

Creative Many Michigan
   Establishment of Kalamazoo office
   Operations

Crescendo Academy of Music
   Marvelous Music! program
   Operations

Farmers Alley Theatre
   Operations

Fire Historical and Cultural Arts Collaborative
   Operations

First Baptist Church
   Equipment

First Congregational Church
   Equipment

Glass Art Kalamazoo
   Operations

Grand Valley University Foundation
   PBS’ Great Performances
   WGVU’s Kalamazoo Lively Arts

Grantmakers in the Arts
   Membership renewal

Irving S. Gilmore International Keyboard Festival
   Daniel R. Gustin Director’s Fund
   Operations

Julius and Esther Stulberg Competition
   NPR’s From the Top collaboration
   Operations

Kalamazoo Book Arts Center
   Equipment
   Operations

Kalamazoo Children’s Chorus
   Operations

Kalamazoo Civic Theatre
   Operations
   Theatre Kalamazoo

Kalamazoo Community Chorale
   Operations

Kalamazoo Concert Band Association
   Administrative support
   Holiday Concert

Kalamazoo Cultural Center
   Equipment and facility upgrades

Kalamazoo Institute of Arts
   Operations

Kalamazoo Junior Symphony Society
   Operations

Kalamazoo Male Chorus
   Christmas in Kalamazoo concert
   Operations

Kalamazoo Poetry Festival
   Fund development strategic plan
   Kalamazoo Poetry Festival events
Kalamazoo Regional Educational Service Agency
  EFA Operational support
  EFA Student Artistic Equipment program
  EFA Student Arts Scholarships

Kalamazoo Ringers
  Programming

Kalamazoo Russian Cultural Association
  Russian Cultural Expo

Kalamazoo Singers
  Operations

Kalamazoo Symphony Orchestra
  Kalamazoo Kids in Tune program
  Operations

Kalamazoo Valley Community College Foundation
  Artists’ Forum

Library of Michigan Foundation
  An Evening with Notables Kalamazoo event

Mall City Harmonizers
  Production costs

Michigan Bach Collegium
  Operations

Michigan Festival of Sacred Music
  Operations

Michigan Youth Arts Association
  Youth Arts Festival

Milwood United Methodist Church
  Fine Arts Series

New Vic Theatricals
  Operations

New Year’s Fest of Kalamazoo
  Operations

Oakwood Neighborhood Association
  Summer youth drop-in art program

Parchment, City of
  Kindleberger Summer Arts programming

Renaissance Enterprises Company
  Kalamazoo County programming

Rootead Enrichment Center
  Professional development training

Speak It Forward
  Kalamazoo County operations

St. Luke’s Episcopal Church
  Summer Community Camp

Suzuki Academy of Kalamazoo
  Operations

Village of Vicksburg
  Vicksburg Cultural Arts Center operations

Wellspring/Cori Terry & Dancers
  Operations
  Spring Concert collaborative

Western Michigan University Foundation
  Activate: Midwest playwriting festival
  Bronco Marching Band equipment
  Gilmore Theater Complex equipment
  Miller Auditorium technical upgrades
  WMUK’s Expanded Arts Kalamazoo programming
  WMUK Underwriting

Human Services
The Foundation supports youth development, life skills, food and nutrition, public safety, parks and recreation and other social/human services that benefit individuals, families and neighborhoods. However, the Foundation does not generally support athletics and only nominally supports housing and shelter.

Aacorn Farm
  Activities Building construction
  Fund Development plan
  Operations

Arc Community Advocates
  Operations

ASK Family Services
  Operations

Big Brothers Big Sisters
  Kalamazoo County operations

Boys & Girls Clubs of Greater Kalamazoo
  Douglass Unit programming
  Feasibility study

Can-Do Kitchen
  Operations

Center for Transformation
  Operations

Communities in Schools of Kalamazoo
  Operations

Community AIDS Resource & Education Services of Southwest Michigan
  Out Proud Safe youth pilot program

Community Healing Centers
  STREET program

Community Homeworks
  Operations
Disability Network Southwest Michigan
  Flood damage repair
  Kalamazoo County Independent Living program

Ecumenical Senior Center
  Operations

Edison Neighborhood Association
  Programming

First Congregational Church
  Community outreach programs

First Day Shoe Fund
  Operations

Friendship House
  Emergency Relief Fund

GFM The Synergy Center
  Urban Zone programming

Gilmore Foundation
  Operations

Girls on the Run of Greater Kalamazoo
  Operations

Goodwill Industries of Southwestern Michigan
  GAP program
  Life Guides program

Housing Resources
  Operations

Interfaith Homes of Kalamazoo
  Community Connections Summer Program

Junior Achievement of Southwest Michigan
  Kalamazoo County operations

Kairos Dwelling
  Operations

Kalamazoo Center for Youth & Community
  Programming

Kalamazoo County Child Abuse and Neglect Council
  Kids Are Special program

Kalamazoo Junior Girls Organization
  Operations
  Roof replacement

Kalamazoo Loaves and Fishes
  Cooler equipment
  Grocery Pantry program

Kalamazoo Neighborhood Housing Services
  Home Ownership Center

Kalamazoo Valley Habitat for Humanity
  Kalamazoo County operations

Kalamazoo, City of
  Kalamazoo Comprehensive Youth Strategy

Ministry With Community
  Operations

Open Doors Kalamazoo
  Management development
  Operations

Open Roads Bike Program
  Operations

Portage Community Outreach Center
  Middle School programming

Residential Opportunities Incorporated
  Residential facilities repairs

Seeding Change
  Great Lakes PeaceJam activities

Shepherds Center of Greater Kalamazoo
  Breaktime program

St. Luke's Episcopal Church
  Partners in Transition

United Way of the Battle Creek and Kalamazoo Region
  Eviction Diversion program
  Kalamazoo Flood Relief Fund
  Kalamazoo Youth Development (KYD) Network

Urban Alliance
  Momentum program

Western Michigan University Foundation
  Adult Day Services facility renovations

YW.C.A.
  Ready to Learn & Grow

Education
  The Foundation supports educational programs and activities that enhance the capacity for life-long learning. However, the Foundation does not generally support core operations and programming of K-12 educational institutions.

Kalamazoo County Ready 4s
  Operations

Kalamazoo Literacy Council
  Operations

Portage District Library
  CommuniTEEN Read program

Read and Write Kalamazoo
  Operations

Specialized Language Development Center
  Kalamazoo County operations
Community Development
The Foundation promotes quality of life through appropriate investments that strengthen, unify and build community spirit, and enhance capacity for innovation and growth.

Health & Well-being
The Foundation promotes health and wellness programs and activities that enhance the physical, mental and emotional needs of individuals.

Bronson Health Foundation
Mothers’ Milk Bank freezer

Cheff Therapeutic Riding Center
Operations

Community AIDS Resource & Education Services
Kalamazoo County Operations

Community Healing Centers
Coming Together conference

Family Health Center
Back to School Bash

InterAct of Michigan
Operations

Kalamazoo County Juvenile Home Foundation
Music therapy program

Kalamazoo Regional Educational Service Agency
WoodEdge music therapy program

Planned Parenthood of Michigan
Kalamazoo County education and outreach

Prevention Works of Southwest Michigan
Capital Campaign
Kalamazoo County programming

Western Michigan University School of Medicine
Department of Pathology facility renovations

Y.W.C.A.
Cradle Kalamazoo initiative

Building Blocks of Kalamazoo
Operations

Citizens Research Council of Michigan
Research impacting Kalamazoo County

Council of Michigan Foundations
Operations
Robert S. Collier Public Policy Fund

Douglass Community Association
Feasibility study
Operations

Kalamazoo College
Stetson Chapel improvements

Kalamazoo Downtown Partnership
Holiday programming
Operations

Kalamazoo Experiential Learning Center
Operations

Kalamazoo in Bloom
Operations

Kalamazoo Public Library
Reading Together series

Kalamazoo, City of
Bronson Park improvements
Group Violence Intervention program

Local Initiatives Support Corporation
On the Ground initiative

SHARE
Racial Healing initiative

Southwest Michigan First Corporation
Operations

Southwest Michigan Land Conservancy
Bow in the Clouds barrier-free trail

United Way of the Battle Creek and Kalamazoo Region
Annual Campaign
Leadership Campaign Challenge

Vibrant Kalamazoo
Eastside Gateway project
Financial Statements
YEARS ENDED DECEMBER 31, 2018 AND 2017
Report on the Financial Statements
We have audited the accompanying financial statements of Irving S. Gilmore Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Foundation’s 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

April 16, 2019
### Statements of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
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<tr>
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<td>2018</td>
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<td><strong>Assets</strong></td>
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<td>Current assets:</td>
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<td>Cash and cash equivalents</td>
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<td>Prepaid expenses and other</td>
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<td>Refundable excise tax</td>
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<tr>
<td><strong>Total current assets</strong></td>
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<td>5,271,623</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,424,173</td>
<td>9,675,743</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>17,345,674</td>
<td>17,625,024</td>
</tr>
<tr>
<td>Equity securities</td>
<td>111,588,345</td>
<td>148,362,527</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>23,562,131</td>
<td>18,708,627</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>9,775,368</td>
<td>9,282,212</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>82,443,745</td>
<td>77,751,820</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>253,139,436</td>
<td>281,405,953</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment:</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>225,665</td>
<td>227,540</td>
</tr>
<tr>
<td>Equipment</td>
<td>77,492</td>
<td>86,462</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td>1,039,548</td>
<td>1,050,393</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>1,022,768</td>
<td>1,036,932</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td>16,780</td>
<td>13,461</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 260,292,861</td>
<td>$ 286,691,037</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities and net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 178,365</td>
<td>$ 235,849</td>
</tr>
<tr>
<td>Pension contribution payable</td>
<td>37,523</td>
<td>47,455</td>
</tr>
<tr>
<td>Accrued excise tax</td>
<td>—</td>
<td>107,000</td>
</tr>
<tr>
<td>Grants payable</td>
<td>973,750</td>
<td>539,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,189,638</td>
<td>929,304</td>
</tr>
<tr>
<td>Grants payable, long-term</td>
<td>318,596</td>
<td>1,395,515</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,508,234</td>
<td>2,324,819</td>
</tr>
<tr>
<td>Net assets without donor restrictions</td>
<td>258,784,627</td>
<td>284,366,218</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$ 260,292,861</td>
<td>$ 286,691,037</td>
</tr>
</tbody>
</table>

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

#### Revenues and gains

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest</td>
<td>$89,726</td>
<td>$41,967</td>
</tr>
<tr>
<td>Net investment income (loss)</td>
<td>$(12,652,237)</td>
<td>44,459,065</td>
</tr>
<tr>
<td>Total revenues and gains (losses)</td>
<td>$(12,562,511)</td>
<td>44,501,032</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>12,780,013</td>
<td>13,528,634</td>
</tr>
<tr>
<td>Management and general</td>
<td>239,067</td>
<td>292,572</td>
</tr>
<tr>
<td>Total expenses</td>
<td>13,019,080</td>
<td>13,821,206</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(25,581,591)</td>
<td>30,679,826</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended December 31</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>284,366,218</td>
<td>253,686,392</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$258,784,627</td>
<td>$284,366,218</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### Statements of Functional Expenses

**Year ended December 31**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th><strong>Total</strong></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Services</strong></td>
<td><strong>Management and General</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$473,957</td>
<td>$66,867</td>
<td>$540,824</td>
<td>$580,212</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>34,734</td>
<td>4,847</td>
<td>39,581</td>
<td>40,598</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>171,846</td>
<td>44,700</td>
<td>216,546</td>
<td>197,847</td>
</tr>
<tr>
<td>Conference and training</td>
<td>19,943</td>
<td>6,047</td>
<td>25,990</td>
<td>16,505</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,976</td>
<td>879</td>
<td>5,855</td>
<td>3,120</td>
</tr>
<tr>
<td>Equipment</td>
<td>27,419</td>
<td>5,973</td>
<td>33,392</td>
<td>29,211</td>
</tr>
<tr>
<td>Excise tax</td>
<td>206,016</td>
<td>—</td>
<td>206,016</td>
<td>322,000</td>
</tr>
<tr>
<td>Foreign taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,655</td>
</tr>
<tr>
<td>Grants</td>
<td>11,513,476</td>
<td>—</td>
<td>11,513,476</td>
<td>12,220,914</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,681</td>
<td>2,061</td>
<td>13,742</td>
<td>13,876</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,132</td>
<td>6,675</td>
<td>8,807</td>
<td>6,625</td>
</tr>
<tr>
<td>Office supplies</td>
<td>—</td>
<td>9,103</td>
<td>9,103</td>
<td>7,413</td>
</tr>
<tr>
<td>Parking</td>
<td>8,852</td>
<td>1,286</td>
<td>10,138</td>
<td>9,969</td>
</tr>
<tr>
<td>Printing</td>
<td>—</td>
<td>5,118</td>
<td>5,118</td>
<td>4,180</td>
</tr>
<tr>
<td>Professional services</td>
<td>248,210</td>
<td>70,707</td>
<td>318,917</td>
<td>299,933</td>
</tr>
<tr>
<td>Rent</td>
<td>51,928</td>
<td>9,163</td>
<td>61,091</td>
<td>59,788</td>
</tr>
<tr>
<td>Utilities</td>
<td>4,843</td>
<td>5,641</td>
<td>10,484</td>
<td>7,360</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$12,780,013</td>
<td>$239,067</td>
<td>$13,019,080</td>
<td>$13,821,206</td>
</tr>
</tbody>
</table>

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

### Operating activities

<table>
<thead>
<tr>
<th>Change in net assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(25,581,591)</td>
<td>$30,679,826</td>
</tr>
</tbody>
</table>

Adjustments to reconcile change in net assets to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>5,855</td>
<td>3,120</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>651</td>
<td>—</td>
</tr>
<tr>
<td>Net realized and unrealized (gain) loss on investments</td>
<td>17,940,302</td>
<td>(39,304,761)</td>
</tr>
<tr>
<td>Present value discount on grants payable</td>
<td>(28,081)</td>
<td>21,677</td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income receivable</td>
<td>(34,300)</td>
<td>(2,001)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(120,999)</td>
<td>11,176</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(57,484)</td>
<td>48,510</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(116,932)</td>
<td>111,865</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(614,088)</td>
<td>1,165,646</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>16,974,924</td>
<td>(37,944,768)</td>
</tr>
</tbody>
</table>

### Net cash used in operating activities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(8,606,667)</td>
<td>$(7,264,942)</td>
</tr>
</tbody>
</table>

### Investing activities

| Purchase of investments                | (70,301,663) | (70,937,833) |
| Proceeds from sales of investments     | 80,627,878   | 75,993,180   |
| Equipment expenditures                 | (9,825)     | (7,320)     |

Net cash provided by investing activities

|                      | 10,316,390  | 5,048,027  |

Net increase (decrease) in cash and cash equivalents

|                      | 1,709,723   | (2,216,915) |

| Cash and cash equivalents, beginning of year | 4,830,321 | 7,047,236 |

| Cash and cash equivalents, end of year     | $6,540,044  | $4,830,321   |

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. The priorities of the Foundation are: the arts, culture, and humanities; human services; education; community development; and health and well-being.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation
The Foundation follows net asset accounting methods, whereby revenues are classified for accounting and reporting purposes into one of two net classes:

• Net Assets Without Donor Restrictions — net assets available for use in general operations which are not subject to donor-imposed restrictions.

• Net Assets With Donor Restrictions — net assets subject to donor-imposed restrictions that may be temporary in nature, such as those that will be met either by actions of the Foundation, the passage of time, or both. Other donor-imposed restrictions are perpetual in nature and require those resources be maintained permanently by the Foundation. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation does not hold any net assets with restrictions.

Use of Estimates
Management uses estimates and assumptions in preparing the Foundation’s financial statements in conformity with generally accepted accounting principles. 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.

Investments
Investments of the Foundation are maintained with outside investment management companies. Investments are stated at their fair values. 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 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% of investable assets, 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 portfolio 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.

**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-term nature of those instruments.

**Property, Equipment and Depreciation**
Property and equipment are stated at cost. Purchases in excess of $3,000 are capitalized. Depreciation is recognized over the estimated useful lives of the assets on a straight-line basis.

**Functional Allocation of Expenses**
The costs of providing the various programs have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are compensation and benefits, depreciation, equipment, insurance, printing, occupancy costs, supplies, and professional services, which are allocated on the basis of management’s estimate of time and effort. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

**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 a Foundation described in Section 501(c)(3) of the Internal Revenue Code.
Accounting Change
During the year ended December 31, 2018, the Foundation adopted the provisions of the Financial Accounting Standards Board Accounting Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in information about expenses and investment return among not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net asset without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note J).

The accompanying summarized information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14.

Summarized Prior-Year Information
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Subsequent Events
Subsequent events were evaluated through April 16, 2019, which is the date the financial statements were available to be issued.

Note B — Cash and Cash Equivalents
Cash and cash equivalents at December 31, 2018 and 2017 consists primarily of institutional treasury obligation money market funds valued at $1 per share. Under certain circumstances, the valuation of the money market shares could decline below $1. Management does not consider declines in the fair value of the money market funds to be a significant risk.
**Note C — Investments**

The cost, gross unrealized gains, gross unrealized losses and fair values of investments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Unrealized Gains (Loss)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,424,173</td>
<td>$ —</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>17,316,270</td>
<td>29,404</td>
</tr>
<tr>
<td>Equity securities</td>
<td>81,222,569</td>
<td>30,365,776</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>24,232,982</td>
<td>(670,851)</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>9,898,870</td>
<td>(123,502)</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>76,889,890</td>
<td>5,553,855</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 217,984,754</strong></td>
<td><strong>$ 35,154,682</strong></td>
</tr>
</tbody>
</table>

**2018 ANNUAL REPORT**

Supporting and enriching the cultural, social and economic life of Greater Kalamazoo.
### Note D — Fair Value Measurements

The Foundation’s assets measured at fair value on a recurring basis are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Fair Value</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$8,424,173</td>
<td>$8,424,173</td>
<td>—</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>17,345,674</td>
<td>—</td>
<td>17,345,674</td>
</tr>
<tr>
<td>Equity securities</td>
<td>111,588,345</td>
<td>111,588,345</td>
<td>—</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>23,562,131</td>
<td>—</td>
<td>23,562,131</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>9,775,368</td>
<td>—</td>
<td>9,775,368</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>82,443,745</td>
<td>82,443,745</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$253,139,436</strong></td>
<td><strong>$202,456,263</strong></td>
<td><strong>$50,683,173</strong></td>
</tr>
<tr>
<td><strong>December 31, 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,675,743</td>
<td>$9,675,743</td>
<td>—</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>17,625,024</td>
<td>—</td>
<td>17,625,024</td>
</tr>
<tr>
<td>Equity securities</td>
<td>148,362,527</td>
<td>148,362,527</td>
<td>—</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>18,708,627</td>
<td>—</td>
<td>18,708,627</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>9,282,212</td>
<td>—</td>
<td>9,282,212</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>77,751,820</td>
<td>77,751,820</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$281,405,953</strong></td>
<td><strong>$235,790,090</strong></td>
<td><strong>$45,615,863</strong></td>
</tr>
</tbody>
</table>

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices in active markets for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.
Following is a description of the valuation methodologies used for investments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position.

**Cash and Cash Equivalents**
Cash and cash equivalents include cash equivalents and fixed income investments with maturities of less than one year. Short-term investments are valued using observable market data and are categorized as Level 1 to the degree that they can be valued based on quoted market prices in active markets. The majority of these short-term investments are held in U.S. Treasury money market accounts. Although these cash equivalents are readily available, it is the intent of the Foundation to hold them for investment purposes and therefore has classified them as investments.

**Equity Investments**
Equity investments consist of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

**Corporate bonds, U.S. government securities and securitized debt investments**
The debt securities held by the Foundation often do not trade in active markets on the measurement date. In the absence of a trade on the measurement date for the identical security in an active market, corporate bonds, U.S. government securities and securitized debt investments are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

**Note E — Grants**
Grants payable are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable in less than one year</td>
<td>$ 973,750</td>
<td>$ 539,000</td>
</tr>
<tr>
<td>Payable in one year to five years</td>
<td>325,000</td>
<td>1,430,000</td>
</tr>
<tr>
<td>Total grants payable</td>
<td>1,298,750</td>
<td>1,969,000</td>
</tr>
<tr>
<td>Less discount to net present value</td>
<td>(6,404)</td>
<td>(34,485)</td>
</tr>
<tr>
<td>Net grants payable</td>
<td>$ 1,292,346</td>
<td>$ 1,934,515</td>
</tr>
</tbody>
</table>

Grants payable in more than one year were discounted at 1% in 2018 and 2017.
Cash paid for grants totaled $10,905,792 in 2018 and $11,033,591 in 2017.
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. Conditional grants to various donees outstanding totaled $16,500 in 2018 and $175,000 in 2017.
Note F — Facility Lease
The Foundation leases its office facility under a noncancelable operating lease that expires in September 2021. The lease contains two remaining renewal options for five years each. Rent expense for the lease totaled approximately $61,000 in 2018 and $59,800 in 2017.

Future minimum lease payments under the noncancelable operating lease for the building are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 59,600</td>
</tr>
<tr>
<td>2020</td>
<td>59,600</td>
</tr>
<tr>
<td>2021</td>
<td>44,670</td>
</tr>
<tr>
<td>Total</td>
<td>$ 163,870</td>
</tr>
</tbody>
</table>

Note G — 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 participants’ compensation, as defined. Total contributions to the plan were $37,523 in 2018 and $47,455 in 2017.

Note H — Excise Taxes
The Foundation is exempt from federal income taxes and is classified as a private foundation under Section 501 of the Internal Revenue Code (IRC). It is subject to a 2% (1% if certain criteria are met) federal excise tax on net investment income, including realized gains, as defined by the IRC.

The Foundation was subject to a 1% excise tax in 2018 and a 2% excise tax in 2017.

Note I — Risks and Uncertainties
The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the statement of financial position.
Note J — Liquidity and Availability
Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$6,540,044</td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>421,811</td>
</tr>
<tr>
<td>Investments</td>
<td>253,139,436</td>
</tr>
<tr>
<td>Financial assets available to meet cash needs for general expenditures within one year</td>
<td>$260,101,291</td>
</tr>
</tbody>
</table>
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