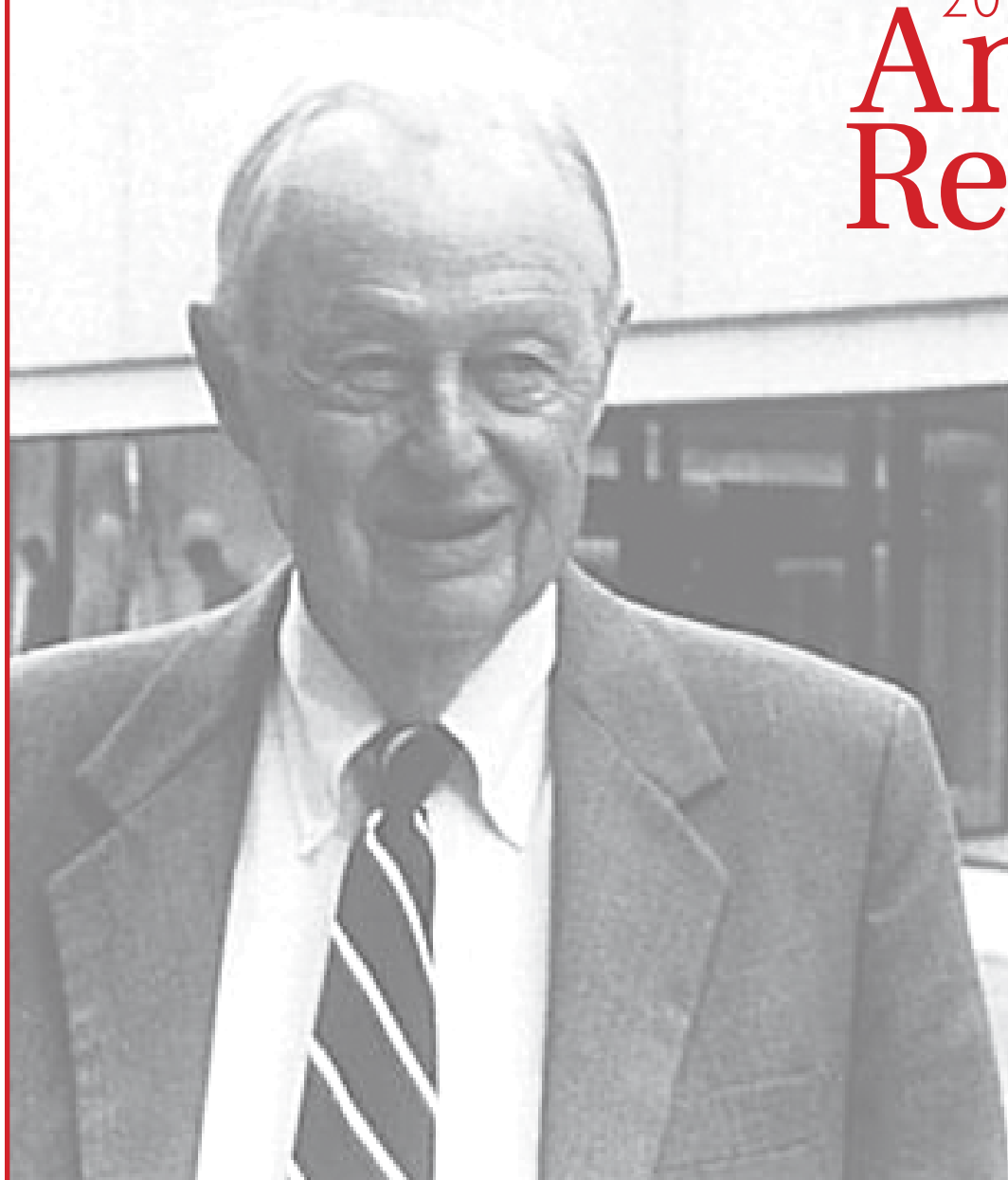


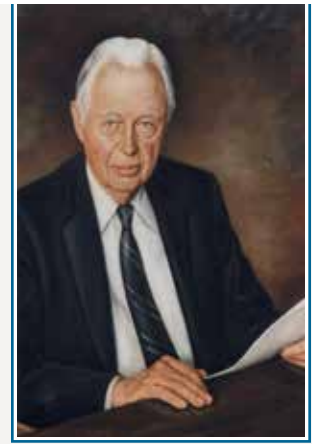
GILMORE

*Irving S. Gilmore*  
FOUNDATION

2018  
**Annual  
Report**



# History & Mission



The mission of the Irving S. Gilmore 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 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.

# Removing Barriers, Creating Opportunities

by Richard M. Hughey, Jr., Executive Vice President / CEO

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

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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](http://www.aacornfarm.org)

## Arc Community Advocates

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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](http://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](http://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](http://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](http://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](http://www.housingresourcesinc.org)

## KRESA / Woodsedge Learning Center

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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](http://www.kresa.org/woodsedge)

## Residential Opportunities Incorporated

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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](http://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](http://www.sldread.org)

# Funding Priorities

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.

# 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, 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

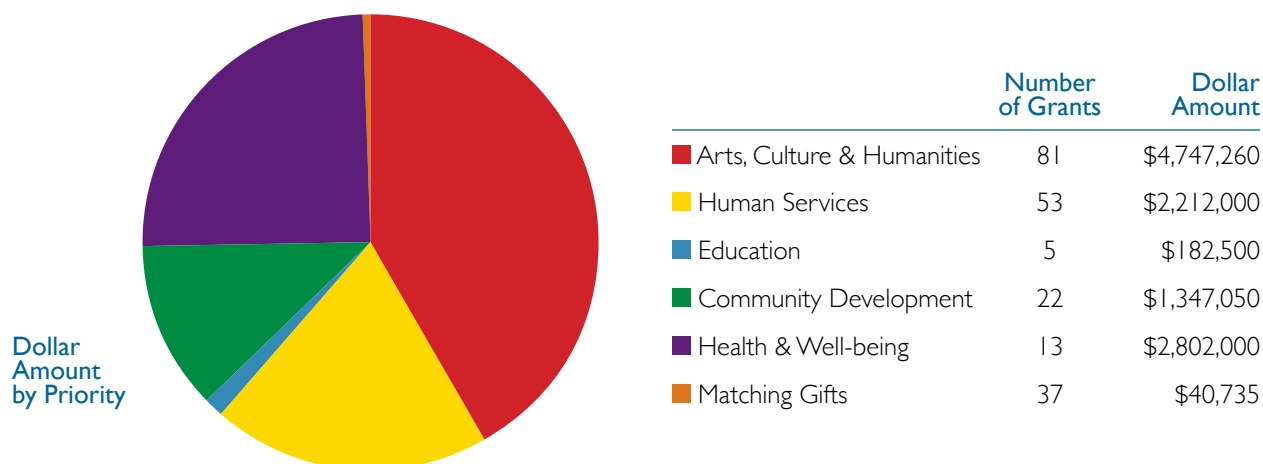
Please visit our website at [www.isgilmore.org](http://www.isgilmore.org) for detailed funding guidelines and proposal submission deadlines.

### The Priorities of the Foundation are:

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

## 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:



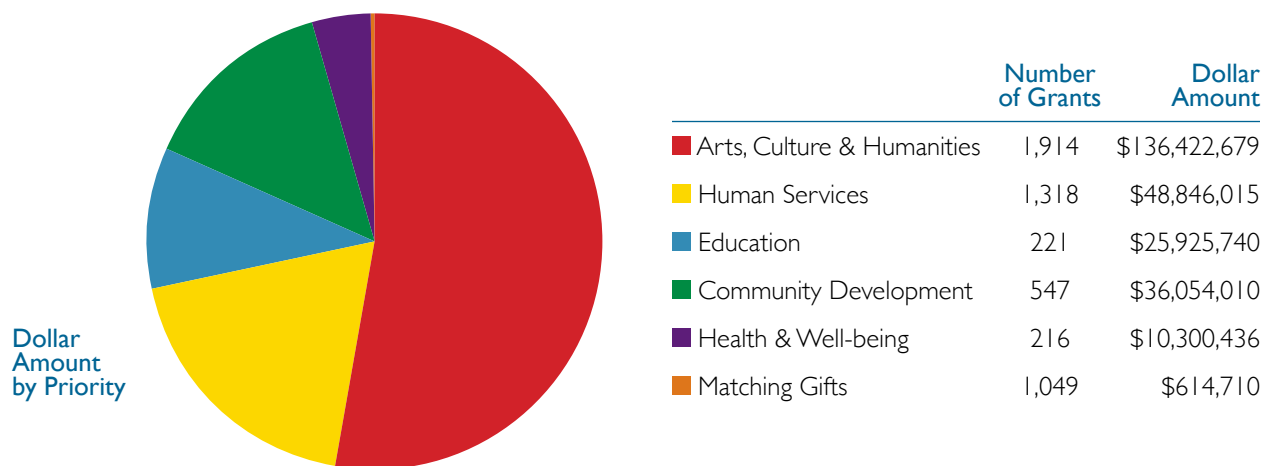


# Financial History

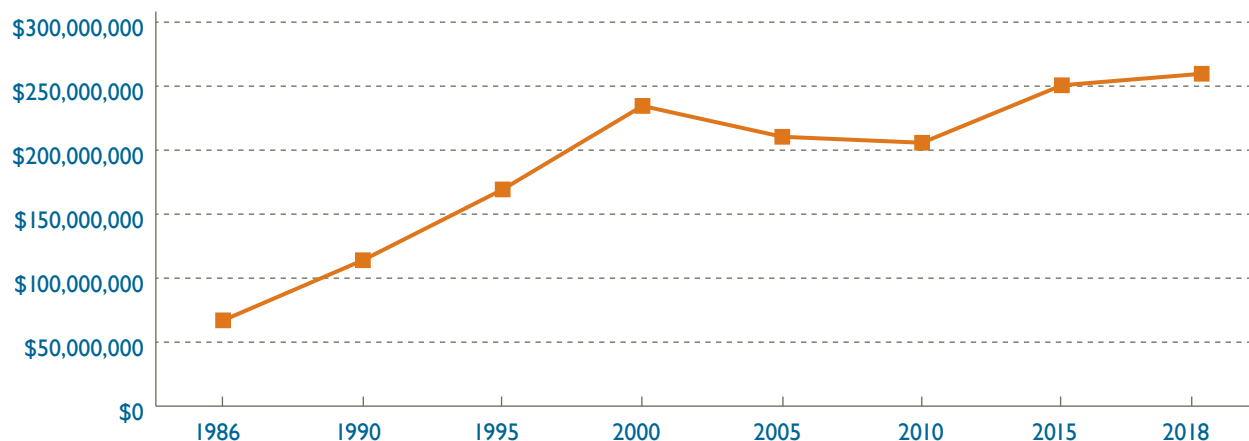
In 1972, Irving S. Gilmore created the Foundation that bears his name and funded it with \$5,000 to continue his commitment to the arts and critical needs of the community. Upon Mr. Gilmore's death on January 17, 1986, his Will provided for the distribution of the residue of his estate, which represented 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:



## Invested Assets



# 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

### Blendings 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

**Y.W.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.

### 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

## 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

WoodsEdge 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

# Financial Statements

YEARS ENDED DECEMBER 31, 2018 AND 2017

# Report of Independent Auditors

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## Board of Trustees

Irving S. Gilmore Foundation

## 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 of Independent Auditors (continued)

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### 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

	December 31	
	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 6,540,044	\$ 4,830,321
Investment income receivable	421,811	387,511
Prepaid expenses and other	44,790	53,791
Refundable excise tax	130,000	—
<b>Total current assets</b>	<b>7,136,645</b>	<b>5,271,623</b>
Investments:		
Cash and cash equivalents	8,424,173	9,675,743
U.S. Government and agency securities	17,345,674	17,625,024
Equity securities	111,588,345	148,362,527
Corporate debt securities	23,562,131	18,708,627
Securitized debt instruments	9,775,368	9,282,212
Mutual funds	82,443,745	77,751,820
<b>Total investments</b>	<b>253,139,436</b>	<b>281,405,953</b>
Property and equipment:		
Leasehold improvements	736,391	736,391
Furnishings and fixtures	225,665	227,540
Equipment	77,492	86,462
Total property and equipment	1,039,548	1,050,393
Less accumulated depreciation	1,022,768	1,036,932
<b>Net property and equipment</b>	<b>16,780</b>	<b>13,461</b>
<b>Total assets</b>	<b>\$ 260,292,861</b>	<b>\$ 286,691,037</b>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 178,365	\$ 235,849
Pension contribution payable	37,523	47,455
Accrued excise tax	—	107,000
Grants payable	973,750	539,000
<b>Total current liabilities</b>	<b>1,189,638</b>	<b>929,304</b>
Grants payable, long-term	318,596	1,395,515
<b>Total liabilities</b>	<b>1,508,234</b>	<b>2,324,819</b>
Net assets without donor restrictions	258,784,627	284,366,218
<b>Total liabilities and net assets</b>	<b>\$ 260,292,861</b>	<b>\$ 286,691,037</b>

See accompanying notes to financial statements.

## Statements of Activities

	Year ended December 31	
	2018	2017
<b>Revenues and gains</b>		
Bank interest	\$ 89,726	\$ 41,967
Net investment income (loss)	(12,652,237)	44,459,065
Total revenues and gains (losses)	(12,562,511)	44,501,032
<b>Expenses</b>		
Program services	12,780,013	13,528,634
Management and general	239,067	292,572
Total expenses	13,019,080	13,821,206
Change in net assets	(25,581,591)	30,679,826
Net assets, beginning of year	284,366,218	253,686,392
Net assets, end of year	\$ 258,784,627	\$ 284,366,218

See accompanying notes to financial statements.

## Statements of Functional Expenses

	Year ended December 31			
	2018		2017	
	Program Services	Management and General	Total	Total
Salaries and wages	\$ 473,957	\$ 66,867	\$ 540,824	\$ 580,212
Payroll taxes	34,734	4,847	39,581	40,598
Employee benefits	171,846	44,700	216,546	197,847
Conference and training	19,943	6,047	25,990	16,505
Depreciation	4,976	879	5,855	3,120
Equipment	27,419	5,973	33,392	29,211
Excise tax	206,016	—	206,016	322,000
Foreign taxes	—	—	—	1,655
Grants	11,513,476	—	11,513,476	12,220,914
Insurance	11,681	2,061	13,742	13,876
Miscellaneous	2,132	6,675	8,807	6,625
Office supplies	—	9,103	9,103	7,413
Parking	8,852	1,286	10,138	9,969
Printing	—	5,118	5,118	4,180
Professional services	248,210	70,707	318,917	299,933
Rent	51,928	9,163	61,091	59,788
Utilities	4,843	5,641	10,484	7,360
<b>Total</b>	<b>\$ 12,780,013</b>	<b>\$ 239,067</b>	<b>\$ 13,019,080</b>	<b>\$ 13,821,206</b>

See accompanying notes to financial statements.

## Statements of Cash Flows

	Year ended December 31	
	2018	2017
<b>Operating activities</b>		
Change in net assets	\$ (25,581,591)	\$ 30,679,826
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,855	3,120
Loss on disposal of assets	651	—
Net realized and unrealized (gain) loss on investments	17,940,302	(39,304,761)
Present value discount on grants payable	(28,081)	21,677
Changes in operating assets and liabilities:		
Investment income receivable	(34,300)	(2,001)
Other current assets	(120,999)	11,176
Accounts payable	(57,484)	48,510
Other current liabilities	(116,932)	111,865
Grants payable	(614,088)	1,165,646
Total adjustments	16,974,924	(37,944,768)
<b>Net cash used in operating activities</b>	<b>(8,606,667)</b>	<b>(7,264,942)</b>
<b>Investing activities</b>		
Purchases 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)
<b>Net cash provided by investing activities</b>	<b>10,316,390</b>	<b>5,048,027</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,709,723</b>	<b>(2,216,915)</b>
Cash and cash equivalents, beginning of year	4,830,321	7,047,236
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,540,044</b>	<b>\$ 4,830,321</b>

See accompanying notes to financial statements.



# Notes to Financial Statements

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## **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.

## Notes to Financial Statements (continued)

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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.

## Notes to Financial Statements (continued)

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### 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.

## Notes to Financial Statements (continued)

### Note C — Investments

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

2018			
	Cost	Unrealized Gains (Loss)	Fair Value
Cash and cash equivalents	\$ 8,424,173	\$ —	\$ 8,424,173
U.S. Government and agency securities	17,316,270	29,404	17,345,674
Equity securities	81,222,569	30,365,776	111,588,345
Corporate debt securities	24,232,982	(670,851)	23,562,131
Securitized debt instruments	9,898,870	(123,502)	9,775,368
Mutual funds	76,889,890	5,553,855	82,443,745
<b>Total</b>	<b>\$ 217,984,754</b>	<b>\$ 35,154,682</b>	<b>\$ 253,139,436</b>

2017			
	Cost	Unrealized Gains (Loss)	Fair Value
Cash and cash equivalents	\$ 9,675,743	\$ —	\$ 9,675,743
U.S. Government and agency securities	17,712,390	(87,366)	17,625,024
Equity securities	98,434,075	49,928,452	148,362,527
Corporate debt securities	18,425,084	283,543	18,708,627
Securitized debt instruments	9,294,418	(12,206)	9,282,212
Mutual funds	59,911,111	17,840,709	77,751,820
<b>Total</b>	<b>\$ 213,452,821</b>	<b>\$ 67,953,132</b>	<b>\$ 281,405,953</b>

## Notes to Financial Statements (continued)

### Note D — Fair Value Measurements

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

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>December 31, 2018</b>			
Cash and cash equivalents	\$ 8,424,173	\$ 8,424,173	\$ —
U.S. Government and agency securities	17,345,674	—	17,345,674
Equity securities	111,588,345	111,588,345	—
Corporate debt securities	23,562,131	—	23,562,131
Securitized debt instruments	9,775,368	—	9,775,368
Mutual funds	82,443,745	82,443,745	—
<b>Total</b>	<b>\$ 253,139,436</b>	<b>\$ 202,456,263</b>	<b>\$ 50,683,173</b>

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>December 31, 2017</b>			
Cash and cash equivalents	\$ 9,675,743	\$ 9,675,743	\$ —
U.S. Government and agency securities	17,625,024	—	17,625,024
Equity securities	148,362,527	148,362,527	—
Corporate debt securities	18,708,627	—	18,708,627
Securitized debt instruments	9,282,212	—	9,282,212
Mutual funds	77,751,820	77,751,820	—
<b>Total</b>	<b>\$ 281,405,953</b>	<b>\$ 235,790,090</b>	<b>\$ 45,615,863</b>

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.



## Notes to Financial Statements (continued)

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:

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

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.

## Notes to Financial Statements (continued)

### 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:

Year	Amount
2019	\$ 59,600
2020	59,600
2021	44,670
Total	\$ 163,870

### 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.

## Notes to Financial Statements (continued)

### 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:

	2018
Cash	\$ 6,540,044
Investment income receivable	421,811
Investments	253,139,436
Financial assets available to meet cash needs for general expenditures within one year	\$ 260,101,291

# History of Trustee Service

#### Harold Jacobson

September 1972 – October 1976

#### Arthur Homer

September 1972 – October 1982

#### Richard M. Hughey, Sr.

September 1972 – July 2012

#### Harold H. Holland

October 1976 – July 1999

#### Floyd L. Parks

October 1982 – Present

#### W. Jack Keiser

January 1986 – October 1990

#### Russell L. Gabier

November 1989 – November 2013

December 2013 – February 2018

(Emeritus)

#### Frederick W. Freund

September 1999 – June 2007

#### Charles D. Wattles

January 2006 – Present

#### Howard D. Kalleward

October 2007 – October 2012

November 2012 – Present

(Emeritus)

#### Robert T. McDonough

October 2007 – July 2009

#### Judith H. Moore

April 2010 – Present

#### Ronald N. Kilgore

October 2012 – Present

#### Robert M. Beam

September 2013 – Present

#### Mason G. Coleman

November 2017 – Present

# Trustees and Staff

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**Floyd L. Parks**  
President



**Judith H. Moore**  
First Vice President



**Charles D. Wattles**  
Treasurer



**Robert M. Beam**  
Secretary



**Ronald N. Kilgore**



**Mason G. Coleman**

## Trustees Emeriti

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**Howard D. Kalleward**

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**Richard M. Hughey, Jr.**  
Executive Vice  
President/CEO



**Carol E. Duck**  
CPA, Vice President –  
Administration



**Carol R. Snapp**  
Senior Program  
Officer



**Faye A. Drenth-  
Thurman**  
Grants Management  
Assistant



**Anita M. Porter**  
Executive Assistant

On the cover – Irving S. Gilmore in front of Gilmore Brothers Department Store, circa 1984. From the Collection of the Kalamazoo Valley Museum. Photographs courtesy of featured organizations and Courtney Sleeman.  
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## Irving S. Gilmore Foundation

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