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.
In 2019, a number of exciting projects were undertaken in Kalamazoo County, representing change, growth, and forward momentum in our commercial, governmental, and charitable sectors. In fact, on the pages immediately following, you will find examples of our nonprofit partners’ work in building a better community for Kalamazoo’s residents. These efforts are described in the organizations’ own words.

New construction played a key role in this work, including: the YWCA’s Edison Neighborhood 24-hour drop-in childcare center; KPEP’s Washington Square Diner; Vibrant’s Eastside Gateway and Pocket Park; and Southwest Miracle League’s brand-new baseball complex located near Schoolcraft, designed for young people with disabilities. Meanwhile, renovation of some of our community’s favorite spaces included: The City of Kalamazoo’s Farmers’ Market; the Kalamazoo Cultural Center (Epic Center); and Ross Township Park. Also significant was WMUK’s launch of a dedicated classical music station, 89.9 FM, serving listeners in Kalamazoo and Portage.

All of these projects are moving forward despite the COVID-19 pandemic, and ultimately, will serve our community very well when we return to a state of normality, or at least some version thereof. In the meantime, please stay healthy and safe, and be sure to keep our community’s fine nonprofit organizations in mind. Indeed, they will need our support now more than ever.

Take care,

Richard M. Hughey, Jr.
KALAMAZOO FARMERS’ MARKET

City of Kalamazoo, Parks and Recreation Department

The Kalamazoo Farmers’ Market on Bank Street in the Edison Neighborhood attracts several thousand residents every Saturday from May through November. This popular activity provides residents and non-residents with fresh fruit, vegetables, meats, cheeses, pastries, delicious food truck cuisine, and a variety of handmade crafts and artisan items.

The market is a place where many Kalamazooans do much of their weekly grocery shopping, visit with neighbors, enjoy live music, and support their local economy. Monthly night markets on Thursdays have turned into a great event for the community with live entertainment and activities for families.

The City of Kalamazoo and key partners like the People’s Food Co-op have been working for several years on improvements to the market. The City has convened numerous meetings with stakeholders to determine desired improvements and upgrades for the site. A plan was finalized in 2019 that includes upgrading existing vendor sheds, constructing a new vendor shed along the western edge of the site, improving parking, upgrading the restroom/office/storage building, creating a fruit and vegetable-themed playground, adding an indoor market event building, and realigning Bank Street and the Kalamazoo River Valley Trail.

Phase I construction will begin September 8, 2020, and will include upgrades to existing vendor sheds and the restroom/office/storage building, the new vendor shed to the west, new concrete/asphalt paving in some areas, and the realignment of Bank Street.

For more information, visit www.kzooparks.org/farmersmarket

EPIC CENTER RENOVATION

Kalamazoo Cultural Center

The Kalamazoo Cultural Center, in partnership with the Arts Council of Greater Kalamazoo, has re-envisioned the garden level of the Epic Center in downtown Kalamazoo. This project will take place in two phases, the first focused on increasing the capacity of the Crescendo Academy, and the second to rework the north end of
the level. A grant from the Irving S. Gilmore Foundation helped to create the financial foundation of our project. This renovation will activate and re-invigorate this space that invites creatives, makers and anyone seeking space for creative expression. Our new garden level, which will open in late 2021, will include more studio space, more office space, a multipurpose theatre and additional public gallery space. We are so thrilled at the prospect of being able to offer enhanced amenities for use by all of our arts community.

For more information, visit

www.kalamazooarts.org/epic-center

W/P DINER @ WASHINGTON SQUARE
Kalamazoo Probation Enhancement Program

The Kalamazoo Probation Enhancement Program, or KPEP, helps people transition back to their community through residential and non-residential rehabilitation programs for adult offenders. Our programs offer evidenced-based treatment and structure, encouraging participants to take personal responsibility in their lives.

Employment is a large part of keeping people from returning to prison. We offer both a hospitality and a building trades program. In 2017, we opened the Walnut & Park Café as a way for our students to get hands-on experience in the food service industry. The response from the community has been so good, we decided to look at opening a second location, this time a diner with cook-to-order offerings and room for meeting space.

Construction has been moving along on the new W/P Diner @ Washington Square. The diner is located at 1324 Portage Street and will be home to your favorite eggs, baked goods and traditional diner fare. We hope to have the construction completed just as soon as possible.

KALAMAZOO PROBATION ENHANCEMENT PROGRAM
The diner will have an oversized kitchen to allow our vocational training program participants to observe each station while also getting hands-on experience. Students will have training opportunities in hosting, serving tables, acting as line and prep cooks, and cashiering. With the addition of the diner, we will double the capacity of our Hospitality Vocational Training Program.

The community support from local foundations, the Edison Neighborhood Association and neighborhood residents has been phenomenal!

For more information, visit www.kpep.com

**PARK RENOVATIONS**

**Ross Township Park**

Nestled next to the Kellogg Manor House on the east shore of Gull Lake, Ross Township Park includes five acres of land featuring sandy beaches, rolling lawn and a section of woods. The land was given to the Township by Mary Dwight in 1906 to provide every family in the area a summer lake experience, especially children.

In 2019, the Ross Township Park Committee received a new mandate and dedicated budget to bring this under-utilized and neglected park back to life once again.

The Park Committee began its new effort by organizing, and in 2019, 600 volunteer hours were donated by residents, Gull Lake Area Rotary Club, and Boy Scout troops. The woods were cleaned out, walking paths were created, and picnic tables, grills and beachfront were all refurbished. A new well was also installed, and tree stumps were removed.

Our 2020 plan for the park includes many upgrades. A new playground will feature a swing set with toddler swings and an interactive spinami. Five more park benches will make the park more accessible and comfortable. The bathrooms will receive full upgrades, including new plumbing. Old railroad ties currently being used for parking stops will be hauled away, and 46 new cement stops will be installed. A picnic table that meets Americans with Disabilities Act standards will grace the pavilion, creating easier access for all ages.

Revitalization of the park also includes long-term goals in the updated Michigan DNR Park Master Plan for 2020 to 2025. Our goal is to encourage all visitors, including kids, seniors and people with disabilities, to be in a natural environment for exercise and relaxation. Residents over 65 increasingly say that having a fun, active outdoor space to enjoy with grandchildren is a high priority.

Open from the first of May until the end of September, Ross Township Park has the best scuba beach in Kalamazoo County. There is an extensive underwater scuba park, including climbing wall. The Battle Creek
and Kalamazoo Scuba Clubs, as well as the Marine Corps cadets, all do their rescue certification dives at our beach.

For more information, visit [www.ross-township.us/parks.html](http://www.ross-township.us/parks.html)

FIELD CONSTRUCTION
Southwest Michigan Miracle League

The Miracle League provides opportunities for kids, regardless of their abilities, to compete and experience the joy and benefits that come from playing baseball. Today, more than 300 Miracle League organizations globally serve over 250,000 kids with disabilities.

Miracle League games are played on a custom-designed field with a cushioned, rubberized surface to help prevent injuries. They have wheelchair accessible dugouts and a completely flat surface to eliminate any barriers to wheelchair users or visually impaired players.

The Miracle League is open to kids ages 5 to 19 whose physical or intellectual abilities are better served by the specialized playing field and rules of play that the Miracle League provides. A buddy assists each player onto the field and during the game, cheers the player on, and makes sure the player’s time is enjoyable and safe, while giving the parents a break to enjoy the game.

The Southwest Michigan Miracle League is a 501(c)(3) nonprofit organization. We are building the Southwest Michigan Miracle League Field in Schoolcraft to serve the southwest Michigan area, including 4,600 kids in Kalamazoo County who have disabilities and could benefit from a Miracle League. The field will be located on US-131, with good visibility and easy access to people throughout the area. We broke ground and are planning to begin hosting games in 2020.

For more information, visit [www.swmimiracle.org](http://www.swmimiracle.org)

EASTSIDE GATEWAY AND POCKET PARK
Vibrant Kalamazoo

Vibrant Kalamazoo supports the Kalamazoo County Land Bank’s work to “Repurpose, Renew and Reconnect” abandoned and blighted properties in Kalamazoo County. Our shared goal is a county where residents in every zip code enjoy economic stability and quality of life.

Vibrant recently supported the community-defined and embraced Eastside Gateway and Pocket Park, a mixed-income, energy-efficient, small housing development on East Main Street and Foresmen Avenue. This project is the neighborhood’s first new construction housing development in over 50 years. The Gateway was the result of intensive community engagement and the generous support of more than 50 local partners.
Over 200 people attended the Open House & Eastside Celebration in May 2019 to celebrate its near-completion.

As a community that has at times felt forgotten, Eastside residents feel a resurgence of neighborhood pride. Eastside stories were showcased in an intergenerational oral history project, Eastside Voices, a companion Gateway project co-sponsored by the Eastside Neighborhood Association and co-coordinated by artists Buddy Hannah and Sid Ellis. Art elements inspired by the stories are featured in the Eastside Gateway and Pocket Park, and in a mural at 1616 East Main, future home of Eastside Square, a mixed-use development of affordable, energy-efficient housing units, commercial space, and a pocket plaza, also envisioned by residents.

Vibrant’s work is uplifting Eastside voices through story, art and new developments that represent the community’s vision in residents’ own words of a “can do,” “safe,” “warm,” neighborhood with additions that “blend in, but stand out” and “reflect the comforts of home.”

For more information, visit www.kalamazoolandbank.org

WMUK PUBLIC RADIO
Western Michigan University Foundation

2020 has been a transformative year for WMUK 102.1 FM, the regional NPR station from Western Michigan University. This year began a significant strategic expansion of the station’s commitment to news, information and the arts, with assistance from the Irving S. Gilmore Foundation.

The cornerstone of this project was the launch of a new dedicated classical music station, serving listeners in Kalamazoo and Portage on 89.9 FM. The service, called “Classical WMUK,” can also be heard on the HD-2 digital channel of 102.1 FM. Locally-hosted programming on this new service begins with “Let’s Hear It,” a morning arts interview program hosted by Cara Lieurance. That’s followed by midday classical music with Jack Perlstein.

Grant support also showcases some of the best and brightest jazz talent from our region through hour-long “Jazz Currents” special features presented by Keith Hall, an associate professor of Jazz Studies at WMU.
WMUK’s coverage of arts and culture doesn’t end there. The Foundation also directly supports the station’s weekly local feature “Art Beat,” as well as reviews of local theatre productions at The Civic, Farmer’s Alley, the Barn Theatre and more. These features reach a weekly audience of almost 25,000 people across Southwest Michigan and Northern Indiana.

Since 1951, WMUK has served at the forefront of technical and programming innovation for our region. We continue to do so, broadcasting award-winning, in-depth local, national and global news and analysis, as well as cultural coverage, entertainment and music programming 24/7.

For more information, visit www.wmuk.org

EDISON CHILDREN’S CENTER
YWCA

YWCA Kalamazoo (YWCA) is a leader in providing high-quality services and opportunities for the poorest families in our community through comprehensive programming and systems change work. While championing positive social change, YWCA responds to the needs of the community through programming in four strategic focus areas:

• Promoting maternal and child health. We address complex public health issues like infant mortality with evidence-based home visitation and outreach programs.

• Advocacy and systems change. We are working to create a just community by addressing systems that cause racial and gender disparities.

• Caring for victims of abuse. We provide support for victims of domestic violence, sexual assault and human trafficking in Kalamazoo county.

• Improving the lives of children. We offer accessible, quality early-learning and childcare in downtown Kalamazoo and the planned YWCA Edison Children’s Center.

Planned to open in 2021, the YWCA Edison Children’s Center will provide comprehensive, early learning programming to infants and toddlers ages six weeks to three years, as well as 24/7 drop-in childcare for children ages six weeks to 12 years. It will be the first of its kind in the county and will help change the landscape of accessible and affordable childcare and early learning for the children and families living in the Edison neighborhood and the county.

For more information, visit www.ywcakalamazoo.org/affordable-child-care
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

2019 Grants Summary
In 2019, 200 grant proposals were reviewed by the Foundation. Of the $14,015,684 requested, the Trustees approved $12,471,629. The Foundation also matched charitable contributions made by the Trustees and employees for an additional $39,365 in 36 grants. 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>72</td>
<td>$4,423,979</td>
</tr>
<tr>
<td>Human Services</td>
<td>72</td>
<td>$3,390,650</td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>$195,000</td>
</tr>
<tr>
<td>Community Development</td>
<td>26</td>
<td>$2,277,000</td>
</tr>
<tr>
<td>Health &amp; Well-being</td>
<td>13</td>
<td>$2,185,000</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>36</td>
<td>$39,365</td>
</tr>
</tbody>
</table>
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 $270 million in total grants. On December 31, 2019, Foundation investments were valued at $305,165,843.

**Grants Since Inception**

Since 1986, the Foundation has awarded 5,489 grants to over 521 organizations, totaling $270,642,439. 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>1,986</td>
<td>$140,844,513</td>
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<tr>
<td>Human Services</td>
<td>1,390</td>
<td>$52,206,665</td>
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<tr>
<td>Education</td>
<td>226</td>
<td>$26,120,740</td>
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<tr>
<td>Community Development</td>
<td>573</td>
<td>$38,331,010</td>
</tr>
<tr>
<td>Health &amp; Well-being</td>
<td>229</td>
<td>$12,485,436</td>
</tr>
<tr>
<td>Matching Gifts</td>
<td>1,085</td>
<td>$654,075</td>
</tr>
</tbody>
</table>

**Invested Assets**

![Invested Assets Graph](image-url)
2019 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
- Community Arts Programs
- General Operations
- Kalamazoo Artistic Development Initiative
- Tessitura Master License Transfer
- Theatre Kalamazoo Consortium

Bach Festival Society of Kalamazoo
- General Operations

Ballet Arts Ensemble
- Nutcracker Production

Black Arts & Cultural Center
- General Operations

Blendings Vocal Ensemble
- General Operations

Boy Scouts of America
- Cultural Events Tickets Program
- Rota-Kiwan Summer Camp STEAM Program

Carnegie Center Council for the Arts
- Concert Series; 4th Grade Day of Artistic Awareness Program

Center Stage Theatre
- General Operations

Creative Many Michigan
- Kalamazoo Office Relocation

Crescendo Academy of Music
- General Operations
- Marvelous Music! Program

Farmers Alley Theatre
- General Operations
- Strategic Planning

Fire Historical and Cultural Arts Collaborative
- General Operations

Fontana Chamber Arts
- General Operations

Glass Art Kalamazoo
- General Operations

Grand Valley University Foundation
- WGVU Great Performances Series
- WGVU Kalamazoo Lively Arts Series

Grantmakers in the Arts
- Membership Renewal

Great Lakes Acoustic Music Association
- Programming

Helen L. Fox Gospel Music Center
- General Operations

Irving S. Gilmore International Keyboard Festival
- General Operations

Julius and Esther Stulberg Competition
- General Operations

Kalamazoo Book Arts Center
- General Operations

Kalamazoo Civic Theatre
- General Operations
- Love Letters Production

Kalamazoo Community Chorale
- General Operations

Kalamazoo Concert Band Association
- Administrative Support
- Holiday Concert

Kalamazoo Institute of Arts
- Black Refractions Exhibition
- General Operations

Kalamazoo Junior Symphony Society
- General Operations

Kalamazoo Male Chorus
- Holiday Concert
- General Operations

Kalamazoo Poetry Festival
- Poetry Events

Kalamazoo Regional Educational Service Agency
- EFA Operational Support
- EFA Student Artistic Equipment Program
- EFA Student Arts Scholarship Program
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
General Operations
Arc Community Advocates
General Operations
ASK Family Services
General Operations
Big Brothers Big Sisters
Kalamazoo County Operations
Boys & Girls Clubs of Greater Kalamazoo
General Operations
Can-Do Kitchen
General Operations
Relocation Feasibility Study
Center for Transformation
General Operations
Communities in Schools of Kalamazoo
General Operations
Community AIDS Resource & Education Services of Southwest Michigan
Out Proud Safe LGBT Homeless Youth Pilot Program
Community Healing Centers
STREET Program
Girls of the Heart Program
Community Homeworks
General Operations
Comstock Community Center
Musical Equipment
Disability Network Southwest Michigan
Kalamazoo County Independent Living Program
Ecumenical Senior Center
General Operations
Edison Neighborhood Association
Programming
Fair Housing Center of Southwest Michigan
Local HUD Matches
Family & Children Services
Foster Care and Adoption Services Expansion
First Congregational Church
Community Outreach Programs
Drop-in Child Care Center
Friendship House
Emergency Relief Fund
GFM The Synergy Center
African American Mental Health Symposium
UrbanZone Programming
Gilmore Foundation
General Operations
Girl Scouts Heart of Michigan
Camp Equipment Purchase
Girls on the Run of Greater Kalamazoo
General Operations
Goodwill Industries of Southwestern Michigan
GAP Program
Hispanic American Council (aka El Concilio)
Programming
Housing Resources, Inc.
General Operations
Interfaith Homes of Kalamazoo
Community Connections Summer Program
Intrepid Professional Women Network
General Operations
Kairos Dwelling
General Operations
Kalamazoo Center for Youth & Community
(aka Eastside Youth Strong)
Programming
Kalamazoo, City of
Emergency Cold Weather Shelters
Kalamazoo Collective Housing
Property Acquisition
Kalamazoo County Child Abuse and Neglect Council
Kids Are Special Program
Kalamazoo County Parks and Recreation
Development Foundation
Kalamazoo River-Valley Trail Galesburg Segment
Kalamazoo Gay/Lesbian Resource Center
(aka OutFront)
General Operations
Kalamazoo Junior Girls Organization
General Operations
Kalamazoo Loaves & Fishes
Grocery Pantry Program
Kalamazoo Neighborhood Housing Services
Facility Improvements
Home Ownership Center
Kalamazoo Probation Enhancement Program
Facility Improvements
Kalamazoo Valley Habitat for Humanity
Kalamazoo County Operations
Kalamazoo Youth Development Network
General Operations
Michigan Blind Athletic Association
Michigan Sports Education Camp
Ministry With Community
General Operations
Open Doors Kalamazoo
General Operations
Open Roads Bike Program
General Operations
Parents for Transition
General Operations
Portage, City of
Portage Community Senior Center Capital Campaign
Portage Community Outreach Center
Facility Improvements
Middle School Programming
Pretty Lake Vacation Camp
Facility Improvements
Residential Opportunities Incorporated
Affordable Housing Program
Richland Area Community Center
Facility Improvements
Ross, Township of
Ross Township Park Improvements
Seeding Change
Great Lakes PeaceJam Activities
Senior Services, Inc.
Capital Campaign Feasibility Study
Sherman Lake YMCA Outdoor Center
25th Anniversary Capital Campaign
Southwest Michigan Miracle League
Miracle League Field Construction
St. Lukes Episcopal Church
Partners in Transition Program
St. Vincent dePaul Society
Facility Improvements
United Way of the Battle Creek and Kalamazoo Region
Eviction Diversion Project
Urban Alliance
Momentum Program
Young Womens Christian Association of Kalamazoo
Edison Children’s Center
Ready to Learn and Grow Program

2019 ANNUAL REPORT
Supporting and enriching the cultural, social and economic life of Greater Kalamazoo.
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
General Operations

Kalamazoo Literacy Council
General Operations

Read and Write Kalamazoo
General Operations

Specialized Language Development Center
Kalamazoo County General 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
General Operations

Citizens Research Council of Michigan
Research Relative to Kalamazoo County

Council of Michigan Foundations
Membership Renewal

Douglass Community Association
General Operations

Downtown Kalamazoo, Inc.
(aka Kalamazoo Downtown Partnership)
Ambassador Program
General Operations
Holiday Programming

ERACCE
General Operations

Gryphon Place
Facility Improvements
ELLAS Program
Volunteer Kalamazoo Program

Interfaith Strategy for Advocacy and Action in the Community
Programming

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
Cancer Pavilion and Pediatric Oncology Center
FUSE Pilot Program

Cheff Therapeutic Riding Center
General Operations

Community AIDS Resource & Education Services of Southwest Michigan
General Operations

Community Healing Centers
Coming Together Conference

Heritage Community of Kalamazoo
Memory Care Learning Center Capital Campaign

Interact of Michigan
General Operations

Kalamazoo County Juvenile Home Foundation
Music Therapy Program

Planned Parenthood of Michigan
Kalamazoo County Education and Outreach Programs
Kalamazoo Facility Improvements

Prevention Works of Southwest Michigan
Kalamazoo County Programs

Young Women’s Christian Association of Kalamazoo
Women and Infant Support for Health Program
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, 2019 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.

Auditor’s 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, 2019, 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 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

April 21, 2020
### Statement of Financial Position
(with Comparative Totals for 2018)

<table>
<thead>
<tr>
<th>December 31</th>
<th>2019</th>
<th>2018</th>
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<td><strong>Assets</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$7,667,188</td>
<td>$6,540,044</td>
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<td>Investment income receivable</td>
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<td>421,811</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>55,981</td>
<td>44,790</td>
</tr>
<tr>
<td>Refundable excise tax</td>
<td>87,000</td>
<td>130,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$8,198,325</td>
<td>$7,136,645</td>
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<tr>
<td><strong>Investments:</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>35,303,072</td>
<td>8,424,173</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>18,572,886</td>
<td>17,345,674</td>
</tr>
<tr>
<td>Equity securities</td>
<td>133,445,245</td>
<td>111,588,345</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>24,945,539</td>
<td>23,562,131</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>10,176,067</td>
<td>9,775,368</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>75,056,134</td>
<td>82,443,745</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$297,498,943</td>
<td>$253,139,436</td>
</tr>
<tr>
<td><strong>Property and equipment:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>736,391</td>
<td>736,391</td>
</tr>
<tr>
<td>Furnishings and fixtures</td>
<td>217,453</td>
<td>225,665</td>
</tr>
<tr>
<td>Equipment</td>
<td>67,342</td>
<td>77,492</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td>$1,021,186</td>
<td>$1,039,548</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>1,010,743</td>
<td>1,022,768</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td>$10,443</td>
<td>16,780</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$305,707,711</td>
<td>$260,292,861</td>
</tr>
</tbody>
</table>

| **Liabilities and net assets** |            |            |
| **Current liabilities:** |            |            |
| Accounts payable | $173,531 | $178,365 |
| Accrued expenses | 5,004 | — |
| Pension contribution payable | 47,369 | 37,523 |
| Grants payable | 873,750 | 973,750 |
| **Total current liabilities** | $1,099,654 | $1,189,638 |
| Grants payable, long-term | — | 318,596 |
| **Total liabilities** | $1,099,654 | 1,508,234 |
| **Net assets without donor restrictions** | 304,608,057 | 258,784,627 |
| **Total liabilities and net assets** | $305,707,711 | $260,292,861 |

See accompanying notes to financial statements.
### Statement of Activities
(with Comparative Totals for 2018)

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td><strong>Revenues and gains</strong></td>
<td></td>
</tr>
<tr>
<td>Bank interest</td>
<td>$ 143,119</td>
</tr>
<tr>
<td>Net investment income (loss)</td>
<td>59,572,303</td>
</tr>
<tr>
<td>Total revenues and gains (losses)</td>
<td>59,715,422</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>13,652,855</td>
</tr>
<tr>
<td>Management and general</td>
<td>239,137</td>
</tr>
<tr>
<td>Total expenses</td>
<td>13,891,992</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>45,823,430</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>258,784,627</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 304,608,057</td>
</tr>
</tbody>
</table>

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

#### (with Comparative Totals for 2018)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 480,000</td>
<td>$ 67,432</td>
<td>$ 547,432</td>
<td>$ 540,824</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>34,110</td>
<td>4,698</td>
<td>38,808</td>
<td>39,581</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>172,125</td>
<td>45,078</td>
<td>217,203</td>
<td>216,546</td>
</tr>
<tr>
<td>Conference and training</td>
<td>18,538</td>
<td>3,460</td>
<td>21,998</td>
<td>25,990</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,330</td>
<td>940</td>
<td>6,270</td>
<td>5,855</td>
</tr>
<tr>
<td>Equipment</td>
<td>29,219</td>
<td>6,351</td>
<td>35,570</td>
<td>33,392</td>
</tr>
<tr>
<td>Excise tax</td>
<td>218,000</td>
<td>—</td>
<td>218,000</td>
<td>206,016</td>
</tr>
<tr>
<td>Foreign taxes</td>
<td>191</td>
<td>—</td>
<td>191</td>
<td>—</td>
</tr>
<tr>
<td>Grants</td>
<td>12,360,734</td>
<td>—</td>
<td>12,360,734</td>
<td>11,513,476</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,793</td>
<td>2,081</td>
<td>13,874</td>
<td>13,742</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,838</td>
<td>6,438</td>
<td>8,276</td>
<td>8,807</td>
</tr>
<tr>
<td>Office supplies</td>
<td>—</td>
<td>7,726</td>
<td>7,726</td>
<td>9,103</td>
</tr>
<tr>
<td>Other taxes</td>
<td>3,583</td>
<td>—</td>
<td>3,583</td>
<td>—</td>
</tr>
<tr>
<td>Parking</td>
<td>8,595</td>
<td>1,241</td>
<td>9,836</td>
<td>10,138</td>
</tr>
<tr>
<td>Printing</td>
<td>—</td>
<td>3,595</td>
<td>3,595</td>
<td>5,118</td>
</tr>
<tr>
<td>Professional services</td>
<td>251,535</td>
<td>74,784</td>
<td>326,319</td>
<td>318,917</td>
</tr>
<tr>
<td>Rent</td>
<td>53,033</td>
<td>9,358</td>
<td>62,391</td>
<td>61,091</td>
</tr>
<tr>
<td>Utilities</td>
<td>4,231</td>
<td>5,955</td>
<td>10,186</td>
<td>10,484</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 13,652,855</strong></td>
<td><strong>$ 239,137</strong></td>
<td><strong>$ 13,891,992</strong></td>
<td><strong>$ 13,019,080</strong></td>
</tr>
</tbody>
</table>

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

(with Comparative Totals for 2018)

<table>
<thead>
<tr>
<th>Year ended December 31</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 45,823,430</td>
<td>$(25,581,591)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,270</td>
<td>5,855</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>67</td>
<td>651</td>
</tr>
<tr>
<td>Net realized and unrealized (gain) loss on investments</td>
<td>(54,877,309)</td>
<td>18,589,782</td>
</tr>
<tr>
<td>Present value discount on grants payable</td>
<td>—</td>
<td>(28,081)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>33,655</td>
<td>(34,300)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>31,809</td>
<td>(120,999)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(4,834)</td>
<td>(57,484)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>14,850</td>
<td>(116,932)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(418,596)</td>
<td>(614,088)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(55,214,088)</td>
<td>17,624,404</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(9,390,658)</td>
<td>(7,957,187)</td>
</tr>
</tbody>
</table>

| **Investing activities** |         |            |
| Purchases of investments | (83,048,318) | (70,951,143) |
| Proceeds from sales of investments | 93,566,120 | 80,627,878 |
| Equipment expenditures | —       | (9,825)    |
| Net cash provided by investing activities | 10,517,802 | 9,666,910 |
| **Net increase in cash and cash equivalents** | 1,127,144 | 1,709,723 |

Cash and cash equivalents, beginning of year | 6,540,044 | 4,830,321 |
Cash and cash equivalents, end of year | $ 7,667,188 | $ 6,540,044 |

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
For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased outside of the investment portfolio to be cash equivalents.

Investments
Investments of the Foundation are maintained with outside investment management companies. Investments sold are valued using the specific identification method. Net investment return is reported in the accompanying statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments are stated at their fair values. Fair value is the price that would be
received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the
measurement date. See Note D for discussion of fair value measurements.

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 policy seeks to achieve an after-cost total real rate of return, including investment
income as well as capital appreciation, which exceeds the annual distribution requirement 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 corporation 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 statement 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 $5,000 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.
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, 2018, from which the summarized information was derived.

Recent Accounting Pronouncements
In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. In November 2019, the FASB issued ASU 2019-10, Financial Instruments — Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842). This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2020, with early adoption permitted. The Foundation is evaluating the impact the pronouncement may have on the financial statements.

Subsequent Events
Subsequent events were evaluated through April 21, 2020, which is the date the financial statements were available to be issued. The Foundation converted $23,320,000 of investments to cash as of December 31, 2019 to be invested in a new fund on January 2, 2020. As of the report date, due to the uncertainty in the global economy surrounding COVID-19, the fair value of total investments has declined approximately $34,000,000 from the fair value at December 31, 2019.

Note B — Cash and Cash Equivalents
Cash and cash equivalents at December 31, 2019 and 2018 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 (losses) and fair values of investments as of December 31 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Unrealized</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$35,303,072</td>
<td>$</td>
<td>$35,303,072</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>18,056,122</td>
<td>516,764</td>
<td>18,572,886</td>
</tr>
<tr>
<td>Equity securities</td>
<td>84,314,221</td>
<td>49,131,024</td>
<td>133,445,245</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>23,504,258</td>
<td>1,441,281</td>
<td>24,945,539</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>10,010,360</td>
<td>165,707</td>
<td>10,176,067</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>53,537,660</td>
<td>21,518,474</td>
<td>75,056,134</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$224,725,693</strong></td>
<td><strong>$72,773,250</strong></td>
<td><strong>$297,498,943</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Unrealized</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$8,424,173</td>
<td>$</td>
<td>$8,424,173</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>17,316,270</td>
<td>29,404</td>
<td>17,345,674</td>
</tr>
<tr>
<td>Equity securities</td>
<td>84,314,221</td>
<td>49,131,024</td>
<td>133,445,245</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td>23,504,258</td>
<td>1,441,281</td>
<td>24,945,539</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>10,010,360</td>
<td>165,707</td>
<td>10,176,067</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>53,537,660</td>
<td>21,518,474</td>
<td>75,056,134</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$217,984,754</strong></td>
<td><strong>$35,154,682</strong></td>
<td><strong>$253,139,436</strong></td>
</tr>
</tbody>
</table>

### Note D — Fair Value Measurements

The Foundation reports assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.
A three-tier hierarchy categorizes the inputs as follows:

**Level 1** — Quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

**Level 2** — Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets and market-corroborated inputs.

**Level 3** — Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available in the circumstances.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The Foundation uses prices and inputs that are current as of the measurement date, obtained through multiple third-party custodians and from independent pricing services.

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

<table>
<thead>
<tr>
<th>December 31, 2019</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>Cash and cash equivalents</td>
<td>$ 35,303,072</td>
<td>$ 35,303,072</td>
<td>$ —</td>
</tr>
<tr>
<td>U.S. Government and agency securities</td>
<td>18,572,886</td>
<td>—</td>
<td>18,572,886</td>
</tr>
<tr>
<td>Equity securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>127,386,812</td>
<td>127,386,812</td>
<td>—</td>
</tr>
<tr>
<td>International developed</td>
<td>3,877,667</td>
<td>3,877,667</td>
<td>—</td>
</tr>
<tr>
<td>International emerging markets</td>
<td>2,078,580</td>
<td>2,078,580</td>
<td>—</td>
</tr>
<tr>
<td>Real estate</td>
<td>102,186</td>
<td>102,186</td>
<td>—</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>19,610,448</td>
<td>—</td>
<td>19,610,448</td>
</tr>
<tr>
<td>International developed</td>
<td>4,481,430</td>
<td>—</td>
<td>4,481,430</td>
</tr>
<tr>
<td>High yield</td>
<td>853,661</td>
<td>—</td>
<td>853,661</td>
</tr>
<tr>
<td>Securitized debt instruments</td>
<td>10,176,067</td>
<td>—</td>
<td>10,176,067</td>
</tr>
<tr>
<td>Mutual funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>46,816,336</td>
<td>46,816,336</td>
<td>—</td>
</tr>
<tr>
<td>International emerging — fixed</td>
<td>2,841,677</td>
<td>2,841,677</td>
<td>—</td>
</tr>
<tr>
<td>High yield</td>
<td>2,238,028</td>
<td>2,238,028</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$ 297,498,943</td>
<td>$ 243,804,451</td>
<td>$ 53,694,492</td>
</tr>
</tbody>
</table>
### December 31, 2018

<table>
<thead>
<tr>
<th>Description</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>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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>104,672,743</td>
<td>104,672,743</td>
<td>—</td>
</tr>
<tr>
<td>International developed</td>
<td>2,262,272</td>
<td>2,262,272</td>
<td>—</td>
</tr>
<tr>
<td>International emerging markets</td>
<td>2,501,527</td>
<td>2,501,527</td>
<td>—</td>
</tr>
<tr>
<td>Real estate</td>
<td>2,151,803</td>
<td>2,151,803</td>
<td>—</td>
</tr>
<tr>
<td>Corporate debt securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>18,706,694</td>
<td>—</td>
<td>18,706,694</td>
</tr>
<tr>
<td>International developed</td>
<td>4,581,718</td>
<td>—</td>
<td>4,581,718</td>
</tr>
<tr>
<td>High yield</td>
<td>273,719</td>
<td>—</td>
<td>273,719</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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>42,489,442</td>
<td>42,489,442</td>
<td>—</td>
</tr>
<tr>
<td>International developed — equity</td>
<td>34,625,514</td>
<td>34,625,514</td>
<td>—</td>
</tr>
<tr>
<td>International emerging — fixed</td>
<td>3,367,342</td>
<td>3,367,342</td>
<td>—</td>
</tr>
<tr>
<td>High yield</td>
<td>1,961,447</td>
<td>1,961,447</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>
</tbody>
</table>

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 reinvestment purposes and therefore has classified them as investments.

**Equity Investments**

Equity investments consist of securities held in corporate stocks and 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, and are accordingly categorized as Level 2.

**Mutual Funds**

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.

The Foundation does not have any Level 3 investments as of December 31, 2019 and 2018.

**Note E — Net Investment Income**

Net investment income is summarized as follows for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest</strong></td>
<td>$1,856,376</td>
<td>$1,645,329</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>3,941,456</td>
<td>5,382,244</td>
</tr>
<tr>
<td><strong>Realized and unrealized gain (loss)</strong></td>
<td>54,877,309</td>
<td>(18,589,782)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>106,651</td>
<td>138,538</td>
</tr>
<tr>
<td><strong>Investment income (loss)</strong></td>
<td>60,781,792</td>
<td>(11,423,671)</td>
</tr>
<tr>
<td><strong>Less investment management fees</strong></td>
<td>(1,209,489)</td>
<td>(1,228,566)</td>
</tr>
<tr>
<td><strong>Net investment income (loss)</strong></td>
<td>$59,572,303</td>
<td>$(12,652,237)</td>
</tr>
</tbody>
</table>

**Note F — Grants**

Grants payable are summarized as follows at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable in less than one year</td>
<td>$873,750</td>
<td>$973,750</td>
</tr>
<tr>
<td>Payable in one year to five years</td>
<td>—</td>
<td>325,000</td>
</tr>
<tr>
<td><strong>Total grants payable</strong></td>
<td>$873,750</td>
<td>$1,298,750</td>
</tr>
<tr>
<td>Less discount to net present value</td>
<td>—</td>
<td>(6,404)</td>
</tr>
<tr>
<td><strong>Net grants payable</strong></td>
<td>$873,750</td>
<td>$1,292,346</td>
</tr>
</tbody>
</table>

The Foundation periodically makes conditional grants to donees (i.e., matching and challenge grants). These grants are not recorded as a liability until all grant conditions have been met by the donee. Conditional grants to various donees outstanding totaled $141,000 in 2019 and $16,500 in 2018.

Grants payable in more than one year were discounted at 1% in 2018.

Cash paid for grants totaled $11,242,303 in 2019 and $10,905,792 in 2018.
Note G — 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 $62,400 in 2019 and $61,100 in 2018.

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

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$63,200</td>
</tr>
<tr>
<td>2021</td>
<td>47,400</td>
</tr>
<tr>
<td>Total</td>
<td>$110,600</td>
</tr>
</tbody>
</table>

Note H — 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 $47,369 in 2019 and $37,523 in 2018.

Note I — 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 both 2019 and 2018.

Beginning in 2020, the excise tax rate will be a flat rate of 1.39%.

Note J — 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.
History of Trustee Service

Harold Jacobson  
September 1972 – October 1976

Arthur Homer  
September 1972 – October 1982

Richard M. Hughey, Sr.  
September 1972 – September 2009  
October 2009 - July 2012 (Emeritus)

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. Kallward  
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

Note K — 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 at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$7,667,188</td>
<td>$6,540,044</td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>388,156</td>
<td>421,811</td>
</tr>
<tr>
<td>Investments</td>
<td>297,498,943</td>
<td>253,139,436</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year

$305,554,287   $260,101,291
Trustees and Staff

Board of Trustees

Floyd L. Parks  
Chairman

Mason G. Coleman  
President

Judith H. Moore  
First Vice President

Charles D. Wattles  
Treasurer

Robert M. Beam  
Secretary

Ronald N. Kilgore

Trustee Emeritus

Howard D. Kalleward

Staff Members

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

Carol E. Duck, CPA  
Vice President – Administration

Carol R. Snapp  
Vice President – Program

Anita M. Porter  
Executive Assistant

Faye A. Drenth-Thurman  
Grants Management Assistant

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