Kalamazoo Community Foundation

Combined Financial Statements
and Supplementary Information
Years Ended December 31, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Kalamazoo Community Foundation

Combined Financial Statements and Supplementary Information
Years Ended December 31, 2025 and 2024

Kalamazoo Community Foundation

Contents

Independent Auditor's Report 3-4

Combined Financial Statements

Combined Statements of Financial Position as of December 31, 2025 and 2024 6

Combined Statements of Activities and Changes in Net Assets for the Years Ended December 31, 2025 and 2024 7-8

Combined Statements of Functional Expenses for the Years Ended December 31, 2025 and 2024 9-10

Combined Statements of Cash Flows for the Years Ended December 31, 2025 and 2024 11

Notes to Combined Financial Statements 12-26

Supplementary Information

Independent Auditor's Report on Supplementary Information 28

Combining Schedule of Financial Position as of December 31, 2025 (with comparative totals for 2024) 29

Combining Schedule of Activities and Changes in Net Assets for the Year Ended December 31, 2025 (with comparative totals for 2024) 30-31

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Independent Auditor's Report

The Board of Trustees
Kalamazoo Community Foundation
Kalamazoo, Michigan

Opinion

We have audited the combined financial statements of Kalamazoo Community Foundation and Kalamazoo Community Foundation Real Estate Holdings, Inc. (the Foundation), which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

July 15, 2026

Combined Financial Statements

Kalamazoo Community Foundation

Combined Statements of Financial Position

December 31,	**2025**	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 6,075,041**	$ 2,875,633
Investments	**760,229,485**	682,796,872
Program-related investments, net	**10,640,327**	4,760,196
Contributions and pledges receivable, net of unamortized discount	**1,418,250**	1,201,116
Prepaid scholarships	**854,351**	917,806
Accrued investment income	**1,389,872**	1,352,784
Beneficial interest in charitable perpetual trusts	**14,258,125**	13,011,916
Other assets	**2,027,971**	2,260,530
Total Current Assets	**796,893,422**	709,176,853
Property and Equipment		
Building and improvements	**3,238,372**	3,238,372
Software	**626,818**	626,818
Equipment	**823,411**	823,411
	4,688,601	4,688,601
Less: accumulated depreciation	**2,517,698**	2,392,114
Property and Equipment, Net	**2,170,903**	2,296,487
Total Assets	**$ 799,064,325**	$ 711,473,340
Liabilities and Net Assets		
Current Liabilities		
Agency funds	**$ 44,301,750**	$ 39,003,165
Annuities payable	**1,121,777**	1,040,222
Grants payable	**815,284**	653,732
Other	**732,380**	992,830
Total Liabilities	**46,971,191**	41,689,949
Net Assets		
Without donor restrictions:		
Undesignated	**16,089,881**	17,188,986
Designated by the Board for operations	**15,461,785**	22,266,746
Designated by the Board for endowment or a determined purpose	**9,576,684**	9,260,650
Total Net Assets Without Donor Restrictions	**41,128,350**	48,716,382
With donor restrictions:		
Perpetual in nature	**696,706,659**	608,055,093
Charitable perpetual trusts	**14,258,125**	13,011,916
Total Net Assets with Donor Restrictions	**710,964,784**	621,067,009
Total Net Assets	**752,093,134**	669,783,391
Total Liabilities and Net Assets	**$ 799,064,325**	$ 711,473,340

See accompanying notes to combined financial statements.

Kalamazoo Community Foundation

Combined Statements of Activities and Changes in Net Assets

Year ended December 31,

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains						
Public support:						
Gifts and bequests	**$ 3,524,483**	**$ 17,882,090**	**$ 21,406,573**	$ 4,933,208	$ 15,160,358	$ 20,093,566
Less: gifts and bequests received for agency endowments	**-**	**1,242,977**	**1,242,977**	-	1,092,162	1,092,162
Total Public Support	**3,524,483**	**16,639,113**	**20,163,596**	4,933,208	14,068,196	19,001,404
Investment return, net:						
Dividends and interest	**1,185,917**	**19,685,260**	**20,871,177**	1,204,317	17,016,940	18,221,257
Less: dividends and interest received for agency endowments	**-**	**1,196,328**	**1,196,328**	-	1,018,758	1,018,758
Total Dividends and Interest	**1,185,917**	**18,488,932**	**19,674,849**	1,204,317	15,998,182	17,202,499
Net gain from investment transactions	**3,779,575**	**84,436,938**	**88,216,513**	9,248,538	46,112,206	55,360,744
Less: net gain from investment transactions for agency endowments	**-**	**5,541,397**	**5,541,397**	-	3,117,926	3,117,926
Total Net Realized and Unrealized Gains on Investments	**3,779,575**	**78,895,541**	**82,675,116**	9,248,538	42,994,280	52,242,818
Total Investment Return, Net	**4,965,492**	**97,384,473**	**102,349,965**	10,452,855	58,992,462	69,445,317
Other income (loss):						
Change in value of perpetual trusts	**-**	**1,246,209**	**1,246,209**	-	787,467	787,467
Other income (loss)	**127,087**	**(143,952)**	**(16,865)**	102,184	501,414	603,598
Plus: income from agency endowments	**-**	**199,955**	**199,955**	-	198,916	198,916
Total Other Income	**127,087**	**1,302,212**	**1,429,299**	102,184	1,487,797	1,589,981
Net assets released from restrictions	**25,428,023**	**(25,428,023)**	**-**	24,052,512	(24,052,512)	-
Total Support, Revenue, and Gains	**34,045,085**	**89,897,775**	**123,942,860**	39,540,759	50,495,943	90,036,702

Kalamazoo Community Foundation

Combined Statements of Activities and Changes in Net Assets

Year ended December 31,

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Expenses						
Program services:						
Grants	**$ 30,604,500**	**$ -**	**$ 30,604,500**	$ 23,927,470	$ -	$ 23,927,470
Programs and grants administration	**1,990,266**	**-**	**1,990,266**	1,783,844	-	1,783,844
Support services:						
Fundraising	**2,754,211**	**-**	**2,754,211**	2,544,202	-	2,544,202
Management and general	**6,284,140**	**-**	**6,284,140**	5,122,045	-	5,122,045
Total Expenses	**41,633,117**	**-**	**41,633,117**	33,377,561	-	33,377,561
Increase (Decrease) in Net Assets	**(7,588,032)**	**89,897,775**	**82,309,743**	6,163,198	50,495,943	56,659,141
Net Assets, beginning of year	**48,716,382**	**621,067,009**	**669,783,391**	42,553,184	570,571,066	613,124,250
Net Assets, end of year	**$ 41,128,350**	**$ 710,964,784**	**$ 752,093,134**	$ 48,716,382	$ 621,067,009	$ 669,783,391

See accompanying notes to combined financial statements.

Kalamazoo Community Foundation

Combined Statements of Functional Expenses

Year ended December 31, 2025

	Program Services		Support Services		
	Grants	Programs and Grants Administration	Fundraising	Management and General	Total
Grants and other assistance to governments, organizations, and individuals	$ 30,604,500	$ -	$ -	$ -	$ 30,604,500
Salaries	-	580,372	1,258,734	1,704,220	3,543,326
Compensation of officers, directors, trustees, and key employees	-	192,411	225,431	1,275,157	1,692,999
Benefits	-	163,600	319,299	425,313	908,212
Information technology	-	72,815	199,728	637,141	909,684
Consultants	-	233,263	41,492	368,151	642,906
Conferences, conventions, and meetings	-	41,079	145,437	146,622	333,138
Occupancy	-	11,260	25,793	246,630	283,683
Depreciation	-	-	-	125,584	125,584
Professional fundraising	-	-	175,000	-	175,000
Payroll taxes	-	-	-	359,515	359,515
Travel	-	42,147	61,902	95,420	199,469
Office expenses	-	20,815	64,657	176,906	262,378
Advertising and promotion	-	8,580	90,553	87,769	186,902
Pension plan contributions	-	41,690	89,135	126,154	256,979
Miscellaneous expense	-	530,886	1,079	90,942	622,907
Human resources	-	20,954	19,653	14,207	54,814
Accounting	-	2,224	5,094	74,269	81,587
Insurance	-	-	-	45,361	45,361
Memberships	-	21,004	11,176	15,904	48,084
Repairs and maintenance	-	-	-	81,698	81,698
Communications consultants	-	-	3,200	9,704	12,904
Other expenses: PILOT	-	-	-	48,536	48,536
Legal	-	7,166	16,848	128,937	152,951
Total Expenses	$ 30,604,500	$ 1,990,266	$ 2,754,211	$ 6,284,140	$ 41,633,117

See accompanying notes to combined financial statements.

Kalamazoo Community Foundation

Combined Statements of Functional Expenses

Year ended December 31, 2024

	Program Services		Support Services		
	Grants	Programs and Grants Administration	Fundraising	Management and General	Total
Grants and other assistance to governments, organizations, and individuals	$ 23,927,470	$ -	$ -	$ 21,363	$ 23,948,833
Salaries	-	526,686	1,193,294	1,292,603	3,012,583
Compensation of officers, directors, trustees, and key employees	-	171,162	197,075	971,664	1,339,901
Benefits	-	116,366	244,520	278,277	639,163
Information technology	-	80,935	209,191	427,012	717,138
Consultants	-	135,802	276,458	609,907	1,022,167
Conferences, conventions, and meetings	-	22,448	65,957	37,832	126,237
Occupancy	-	10,428	23,887	275,280	309,595
Depreciation	-	-	-	142,260	142,260
Payroll taxes	-	27,452	-	275,108	302,560
Travel	-	42,511	71,784	136,283	250,578
Stipends	-	7,923	162	117	8,202
Office expenses	-	32,547	43,938	113,511	189,996
Advertising and promotion	-	4,615	54,476	58,213	117,304
Pension plan contributions	-	29,729	66,834	74,338	170,901
Miscellaneous expense	-	5,953	2,183	158,452	166,588
Human resources	-	19,287	46,175	31,942	97,404
Accounting	-	10,772	24,675	17,878	53,325
Insurance	-	-	-	11,000	11,000
Memberships	-	10,057	14,418	36,320	60,795
Communications consultants	-	525,000	3,751	94,990	623,741
Other expenses: PILOT	-	-	-	19,539	19,539
Legal	-	4,171	5,424	38,156	47,751
Total Expenses	$ 23,927,470	$ 1,783,844	$ 2,544,202	$ 5,122,045	$ 33,377,561

See accompanying notes to combined financial statements.

Kalamazoo Community Foundation

Combined Statements of Cash Flows

Year ended December 31,	**2025**	2024
Cash Flows from Operating Activities		
Increase in net assets	**$ 82,309,743**	$ 56,659,141
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	**125,584**	142,260
Net gain on investment transactions	**(88,579,310)**	(57,888,432)
Change in value of perpetual trusts	**(1,246,209)**	(787,467)
Noncash contributions of investments	**(7,407,681)**	(2,213,031)
Changes in operating assets and liabilities:		
Contributions and pledges receivable	**(217,134)**	65,139
Prepaid scholarships	**63,455**	(210,722)
Accrued investment income	**(37,088)**	(1,037,420)
Other assets	**232,559**	(409,031)
Agency funds	**5,298,585**	4,338,897
Annuities payable	**81,555**	(746,740)
Grants payable	**161,552**	(1,199,879)
Other	**(260,450)**	512,394
Net Cash Used in Operating Activities	**(9,474,839)**	(2,774,891)
Cash Flows from Investing Activities		
Purchase of property and equipment	**-**	(143,083)
Purchase of investments	**(837,561,234)**	(485,162,484)
Proceeds from sale and maturity of investments	**856,115,612**	489,424,657
Payments of program-related investments	**(6,950,000)**	(4,922,379)
Proceeds from program-related investments	**1,069,869**	2,500,000
Net Cash Provided by Investing Activities	**12,674,247**	1,696,711
Increase (Decrease) in Cash and Cash Equivalents	**3,199,408**	(1,078,180)
Cash and Cash Equivalents, beginning of year	**2,875,633**	3,953,813
Cash and Cash Equivalents, end of year	**$ 6,075,041**	$ 2,875,633

See accompanying notes to combined financial statements.

1. Nature of Business and Summary of Accounting Policies

Kalamazoo Community Foundation (the Foundation) is a public charity founded in 1925, created to make Kalamazoo County the most equitable place to live by mobilizing people, resources, and expertise to advance racial, social, and economic justice. The Foundation administers charitable gifts, including endowments, from which grants are made to non-profit organizations for community betterment. The Foundation's activities are conducted by the Board of Trustees, the Chief Executive Officer, and supporting staff.

A nonprofit corporation, Kalamazoo Community Foundation Real Estate Holdings, Inc., has been established as a supporting organization to the Foundation. Its purpose is primarily to accept gifts of real estate and other personal property.

The accompanying combined financial statements include the accounts of the Foundation and Kalamazoo Community Foundation Real Estate Holdings, Inc., which are under common control. Intercompany transactions and balances have been eliminated in combination.

The Foundation has 1,078 and 1,077 component funds for 2025 and 2024, respectively, that have been combined for presentation purposes. The component funds are of various types reflecting the distribution restrictions of the donors who have established or contributed to them:

Discretionary Funds - These funds have no suggested distribution restrictions. The Board allocates these funds in making distributions for charitable purposes to meet community needs.

Field-of-Interest Funds – These funds establish support in a particular area of interest.

Advised Funds – These funds provide the donor or others with the ability to make suggestions as to recipients of grants. Such suggestions are not binding on the Foundation.

Agency Endowments and Designated Funds – These funds provide support to specific nonprofit organizations or programs based on the donors' wishes and subject to the Foundation's Board's discretion and approval.

Gift Annuity Funds - The Foundation operates a charitable gift annuity program whereby donors receive a life income in exchange for assets conveyed to the Foundation under an annuity contract.

Operating Funds – These funds are used to support the operational expenses of the Foundation.

Supporting Organization Funds – These funds will be transferred to the Foundation upon sale of the gifted asset. A supporting organization is organized and operated exclusively for the benefit of a public charity, such as the Foundation. It provides all of the benefits of a public charity and most of the benefits of a private foundation.

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting, which recognizes revenue and support when earned and expenses when incurred in accordance with accounting principles generally accepted in the United States of America (GAAP). For combined financial statement purposes, the Foundation distinguishes between contributions without donor restrictions and contributions with donor restrictions.

Net Asset Classification

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – These are net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve and Board-designated endowment.

Net Assets with Donor Restrictions – These are net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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 Board of Trustees, on the advice of legal counsel, has determined that the majority of the Foundation's net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation is governed subject to the Articles of Incorporation and by-laws and most contributions are received subject to the terms of the governing documents. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation.

Under the terms of the governing documents, the Board of Trustees has the ability to distribute the amount of income from any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. It also has the ability to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

The Foundation classifies net assets with donor restrictions (a) the original gift value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's investment and spending policies work together to achieve this objective. The investment policy establishes an achievable return strategy to receive the maximum long-term, risk-adjusted cumulative return through diversification of asset classes. The current long-term return objective is to return 7% net of investment fees. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant-making and administration. The overall spending policy goal is to spend 4.5% over rolling 20-year time frames. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

Spending for each calendar year is calculated based upon the prior year's spending factored up or down by the one-year Bureau of Labor Statistics CPI-U Spending as of the previous March 31. The spending will never be less than 4% or greater than 5% of the 20-quarter rolling average (QRA) market value. Spending for Discretionary Funds and Field-of-Interest funds was increased in 2021 to 5.5% of the 20-QRA market value. Going forward, the spending will never be less than 5% or greater than 6% of the 20-QRA market value for these funds. In situations when the ensuing year's spending is calculated to be less than prior year's spending, the Board of Trustees could consider modifications to the spending rate calculations.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to invest or appropriate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks and other highly liquid investments with an original maturity of three months or less. At December 31, 2025, approximately $750,000 of the Foundation's cash on deposit was insured by the Federal Deposit Insurance Corporation (FDIC); approximately $4,679,000 was uninsured. At December 31, 2024, approximately $722,000 of the Foundation's cash on deposit was insured by the FDIC; approximately $2,395,000 was uninsured. The Foundation does not believe it is exposed to significant credit risk in connection with cash and cash equivalents.

Investments

Investments in securities are stated at quoted market values if available, and, if not available, other fair value inputs (see Note 4). Realized gains and losses on sales of investments are determined using the specific identification cost method.

Program-Related Investments

Program-related investments are loans to other nonprofit organizations at below-market interest rates or that are interest free. The loans are used to fund specific projects. The loans are to be repaid at various dates through 2045. The loans are recorded equal to the amount borrowed, less a reserve.

Contributions and Pledges Receivable

Contributions and pledges receivable consist of unconditional promises to give and are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met.

Prepaid Scholarships

Prepaid scholarships consist of payments of students' enrollment in a future year.

Beneficial Interest in Charitable Perpetual Trusts

The Foundation is the income beneficiary under several charitable perpetual trusts, the corpus of which is not controlled by the Foundation. The Foundation has an irrevocable right to the net income of the trusts. The Foundation's interest in these trusts is recorded at fair value and is classified as net assets with donor restrictions. Distributions received from these trusts are recorded as income without donor restrictions and the change in fair value is recorded as net income with donor restrictions in the combined statements of activities and changes in net assets.

Property and Equipment

Property and equipment consist of buildings and improvements, furniture, fixtures, equipment, leasehold improvements, capitalized software, and real estate and are recorded at cost at the date of acquisition or fair value at the date of donation and depreciated over their estimated useful lives on the straight-line method. Useful lives range from three to 40 years. Leasehold improvements are depreciated over the life of the improvement or the term of the lease, whichever is shorter.

Funds Held as Agency Endowments

In accordance with GAAP, if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as an agency transaction. The Foundation refers to such funds as agency funds.

The Foundation maintains legal ownership of agency funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with GAAP, a liability has been established for the fair value of the funds.

Annuities Payable

Charitable gift annuities represent gifts that are given to the Foundation with the condition that a specified payment be made to an income beneficiary over their life. A liability is established based on the present value of the payments to be made. This liability is recalculated annually, based on

changes in the life expectancy assumptions and payments made. Changes in the liability are recorded as an increase or decrease to the current year's revenue.

Contributions

Contributions of cash and other assets are reported as revenue as they occur and are measured at fair value. Subsequent gains or losses on the sale and reinvestment of assets received are recognized as they occur.

Contributed Services

During the years ended December 31, 2025 and 2024, the value of contributed services meeting the requirements for recognition in the combined financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in various capacities.

Functional Expenses

The costs of the Foundation's programs and other activities have been summarized on a functional basis in the combined statements of activities and changes in net assets, and in the combined statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting activities benefited. The expenses allocated are primarily salaries and related employee benefits, which are allocated based on time and effort spent on program and supporting activities.

Use of Estimates

The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Federal Income Taxes

The Foundation is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986. It has been classified as an organization that is not a private foundation, as defined in Sections 509(a)(I) and 170(b)(A)(vi) of the IRC. Kalamazoo Community Foundation Real Estate Holdings, Inc. is exempt from federal income tax under the same provisions.

The Foundation applies a more-likely-than-not recognition threshold for all tax uncertainties. Tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities are recognized.

Based on its evaluation, the Foundation has concluded there are no significant uncertain tax positions requiring recognition in its combined financial statements.

Fair Value Measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability.

The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are: (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

In determining fair value, the Foundation uses various valuation approaches. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset based on market data obtained from sources independent of the organization. Unobservable inputs are inputs that would reflect an organization's assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs, as follows:

Level 1 – This level consists of valuations based on quoted prices in active markets for identical assets that the organization has the ability to access. 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 - This level consists of valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - This level consists of valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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 from independent pricing services.

A description of the valuation techniques applied to the major categories of investments measured at fair value is outlined below:

- The fair value of corporate fixed-income securities is estimated using recently executed transactions, market price quotations (where observable), or bond spreads. If the spread data does not reference the issuer, then data that references a comparable issuer is used.

- U.S. government agency securities are valued daily based on available market data.
- U.S. government securities are valued using quoted market prices.
- Money market funds are mutual funds that invest in highly liquid, near-term instruments and are valued daily at their amortized cost.
- Asset-backed securities, including residential mortgage-backed securities, commercial mortgage-backed securities, and other securitized assets, are valued through a variety of methods, including actively traded markets, market data, and observations. Evaluations utilize evaluated pricing applications that vary by asset class and incorporate available market information and, because many fixed-income securities do not trade on a daily basis, apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, they use model processes, such as the Option-Adjusted Spread Model, to develop prepayment and interest rate scenarios for securities that have prepayment features.
- Mutual funds are open-ended, registered by the U.S. Securities and Exchange Commission (SEC), investment funds with daily net asset values (NAV), and collective funds. The mutual funds allow investors to sell their interests to the fund at the published daily NAV, with no restrictions on redemptions. These mutual funds are categorized in Level 1 of the fair value hierarchy. The collective funds are not actively traded. The valuation is provided by the fund manager and is based on the value of the underlying assets, which are all publicly traded stocks.
- Foreign government securities are valued daily based on available market data.
- Corporate stock and corporate securities are valued using quoted prices in active markets when available.
- Exchange-traded funds are open-ended SEC-registered investment funds. The funds allow investors to sell their interests to the fund using quoted prices in active markets.
- Limited partnerships are partnerships created and administered by a general partner. The partnership documents outline the terms and conditions by which the general partner administers the partnership and its investments. Each limited partner owns a specified share of the partnership. These partnerships cannot be marketed to the public and are restricted, by regulation, to qualified investors. The valuation of the partnership interest is performed quarterly by the general partner through unaudited statements and validated annually through audited statements.
- The Foundation has two real estate-related investments. Both invest in real estate properties located throughout the United States. One investment is a trust in which investments are based on quarterly external valuations by independent real estate appraisers. The other investment is a publicly traded fund in which investments are based on the net asset value per share (or its equivalent).
- Beneficial interest in charitable perpetual trusts is the value of trusts for which the Foundation is the perpetual beneficiary. The trusts are invested in open-ended, SEC-registered investment funds with daily NAV. The mutual funds allow investors to sell their interest to the fund at the daily NAV, with no restrictions on redemptions. The trusts are also invested in U.S. government and agency, U.S. corporate, and asset-backed securities.

Leases

The Foundation adopted Accounting Standards Codification (ASC) Topic 842, *Leases*. The Foundation has one lease within the scope of ASC 842 with Kalamazoo Community Foundation Real Estate Holdings, Inc., which is eliminated upon combination. The Foundation elected the package of practical expedients permitted under the transition guidance within the new standard. The package of three expedients includes: (1) the ability to carry forward the historical lease classification, (2) the elimination of the requirement to reassess whether existing or expired agreements contain leases, and (3) the elimination of the requirement to reassess initial direct costs. The Foundation also elected the practical expedient related to short-term leases without purchase options reasonably certain to exercise, allowing it to exclude leases with terms of less than 12 months from capitalization for all asset classes. Base rent expense includes non-lease components such as taxes, insurance, and maintenance when required under the lease agreements. In calculating the right-of-use (ROU) asset and lease liability, the Foundation elects to combine lease and non-lease components. The Foundation's lease terms may include options to extend or terminate the lease. These options are only included in the present value of future minimum lease payments if they are reasonably certain to be exercised.

Subsequent Events

The Foundation's management has evaluated the period from January 1, 2026, through July 15, 2026, the date the combined financial statements were available for issuance, for subsequent events requiring recognition or disclosure in the combined financial statements. During the period, no material recognizable subsequent events were identified.

2. Liquidity and Availability

Financial assets available for general expenditure—that is, without donor or other restrictions limiting their use—within one year of the combined statement of financial position date comprise the following:

December 31,	**2025**	2024
Cash and cash equivalents	**$ 6,075,041**	$ 2,875,633
Less: restricted or long-term cash and cash equivalents	**(3,641,084)**	(420,583)
Total Cash and Cash Equivalents	**2,433,957**	2,455,050
Other assets	**2,027,971**	2,260,530
Less: restricted or long-term other assets	**(1,791,764)**	(2,184,945)
Total Other Assets	**236,207**	75,585
Investments	**760,229,485**	682,796,872
Less: investments not available for general expenditure	**(736,701,673)**	(650,465,310)
Total Investments	**23,527,812**	32,331,562
Total Financial Assets Available to Meet General Expenditures	**$ 26,197,976**	$ 34,862,197

Endowment funds consist of donor-restricted endowments that are perpetual in nature and Board-designated endowments. Income from donor-restricted endowments that is restricted for specific purposes is not available for general expenditure. As described in Endowment Investment

and Spending Policies, the Foundation's Board-designated endowments are perpetual in nature and subject to an annual spending rate. For the years ended December 31, 2025 and 2024, approximately $435,000 and $794,000, respectively, of the Board-designated endowments will be available within the next 12 months.

As part of the Foundation's liquidity management, cash in excess of daily requirements is invested in short-term investments and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which held a balance of approximately $6,697,000 and $2,020,000 as of December 31, 2025 and 2024, respectively.

3. Investments

Investments are at fair value and consist of the following:

December 31,	**2025**	2024
Mutual funds	**$ 367,058,890**	$ 461,123,730
U.S. government securities	**89,717,784**	70,212,477
Exchange-traded funds	**23,445,739**	26,238,679
Corporate securities	**45,423,839**	35,643,484
Corporate stock	**6,250,271**	32,109,523
Money market funds	**192,109,428**	25,868,595
Real estate investment trust	**12,032,701**	11,586,435
Limited partnerships	**1,347,408**	40,350
Asset-backed securities	**22,843,425**	19,934,990
Foreign government securities	**-**	38,609
	$ 760,229,485	$ 682,796,872

Net investment return includes net realized and unrealized gains on investments and dividends and interest. Net realized and unrealized gain on investments includes unrealized depreciation of approximately $40,152,000 and unrealized appreciation of $44,244,000 in 2025 and 2024, respectively, as well as net realized gains of approximately $124,274,000 and $9,108,000 in 2025 and 2024, respectively. Net realized and unrealized gains on investments is net of investment fees that totaled approximately $1,447,000 and $1,109,000 in 2025 and 2024, respectively. Dividends and interest totaled approximately $19,675,000 and $17,202,000 in 2025 and 2024, respectively.

The Foundation measures credit losses on corporate securities on a collective basis by major security type with each type sharing similar risk characteristics and considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. The allowance for credit loss on investments is a contra asset valuation account that is deducted from the carrying amount of the investment to present the net amount expected to be collected. Investments are charged off against the allowance for credit loss when deemed uncollectible. Management considers (1) issuer bond ratings, (2) historical loss rates for given bond ratings, (3) the financial condition of the issuer, and (4) whether the issuers continue to make timely principal and interest payments under the contractual terms of the investments. At December 31, 2025 and 2024 there was no allowance for credit loss related to investments.

4. Fair Value Measurements

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Foundation values all other assets and liabilities, refer to Note 1.

The aggregate carrying value of investments, exclusive of cash equivalents, is summarized as follows:

December 31, 2025

	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Money market	$ 192,109,428	$ -	$ -	$ -	$ 192,109,428
Fixed income:					
Corporate securities	-	45,423,839	-	-	45,423,839
U.S. government and agency securities	58,956,736	30,761,048	-	-	89,717,784
Asset-backed securities	-	22,337,128	506,297	-	22,843,425
Mutual funds	62,653,158	-	-	-	62,653,158
Exchange-traded funds	2,266,206	-	-	-	2,266,206
Domestic equities:					
Corporate stock	6,250,271	-	-	-	6,250,271
Mutual funds	109,115,244	195,290,488	-	-	304,405,732
Exchange-traded funds	21,179,533	-	-	-	21,179,533
Other:					
Limited partnerships	-	-	1,347,408	-	1,347,408
Real estate investment trust	-	-	-	12,032,701	12,032,701
	$ 452,530,576	$ 293,812,503	$ 1,853,705	$ 12,032,701	$ 760,229,485
Beneficial interest in charitable perpetual trusts	$ 14,258,125	$ -	$ -	$ -	$ 14,258,125

December 31, 2024

	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Money market	$ 25,868,595	$ -	$ -	$ -	$ 25,868,595
Fixed income:					
Corporate securities	-	35,643,484	-	-	35,643,484
U.S. government and agency securities	39,691,481	30,520,996	-	-	70,212,477
Asset-backed securities	476,004	19,152,058	306,928	-	19,934,990
Mutual funds	14,936,958	-	-	-	14,936,958
Exchange-traded funds	3,108,582	-	-	-	3,108,582
Foreign government securities	-	38,609	-	-	38,609
Domestic equities:					
Corporate stock	32,109,523	-	-	-	32,109,523
Mutual funds	267,868,933	178,317,839	-	-	446,186,772
Exchange-traded funds	23,130,097	-	-	-	23,130,097
Other:					
Limited partnerships	-	-	40,350	-	40,350
Real estate investment trust	-	-	-	11,586,435	11,586,435
	$ 407,190,173	$ 263,672,986	$ 347,278	$ 11,586,435	$ 682,796,872
Beneficial interest in charitable perpetual trusts	$ 13,011,916	$ -	$ -	$ -	$ 13,011,916

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets:

Balance, January 1, 2024	$	7,113
Total gains and losses - unrealized		33,237
Purchases		306,928
Balance, December 31, 2024		347,278
Total gains and losses - unrealized		(402,832)
Purchases		1,909,259
Balance, December 31, 2025	$	1,853,705

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Program-Related Investments

Program-related investments total approximately $11,096,000 and $5,216,000 at December 31, 2025 and 2024, respectively. The Foundation has established a fair market reserve in the amount of approximately $456,000 at December 31, 2025 and 2024.

6. Contributions and Pledges Receivable

Contributions and pledges receivable, with donor restrictions, consisted of the following:

December 31,	**2025**	2024
Contributions and Pledges Due		
Within one year	**$ -**	$ 6,200
One to five years	**-**	-
Over five years	**2,898,104**	2,891,904
Total	**2,898,104**	2,898,104
Less: present value, at various discount rates	**(1,479,854)**	(1,696,988)
Total Contributions and Pledges Receivable	**$ 1,418,250**	$ 1,201,116

7. Beneficial Interest in Charitable Perpetual Trusts

The Foundation is the income beneficiary under several charitable perpetual trusts, the corpus of which is not controlled by the Foundation. In the absence of donor-imposed conditions, the Foundation recognizes its beneficial interest in a trust as with donor restriction contributions in the period in which it receives notice that the trust conveys an unconditional right to receive benefits. The assets in the trusts are recorded at fair market value as with donor restriction net assets on the combined statements of financial position.

Distributions received from these trusts are recorded as without donor restriction income and the change in market value is recorded as with-donor-restricted other income (loss) in the combined statements of activities and changes in net assets.

8. Employee Benefit Plan

The Foundation maintains a 401(k) plan that covers all full-time employees. The Foundation matches 100% of employee contributions up to 6% of the employee's salary. The Foundation may also make discretionary non-elective contributions to the plan. For the years ended December 31, 2025 and 2024, non-elective contributions were equal to 2% of eligible employee compensation. For 2025 and 2024, the total amount of contributions was approximately $351,000 and $233,000, respectively.

9. Net Assets

Endowment net assets consisted of the following:

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, beginning of year	$ 15,983,373	$ 613,207,654	$ 629,191,027
Interest and dividends, net of investment expenses	257,748	18,324,958	18,582,706
Net appreciation	1,175,476	81,475,047	82,650,523
Contributions	217,133	11,753,199	11,970,332
Amounts appropriated for expenditure	(4,232,034)	(22,344,737)	(26,576,771)
Other changes	(420,344)	(841,972)	(1,262,316)
Change in Endowment Net Assets	(3,002,021)	88,366,495	85,364,474
Endowment Net Assets, end of year	$ 12,981,352	$ 701,574,149	$ 714,555,501

December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Advised Endowment Funds			
Kalamazoo Community Foundation	$ 3,404,668	$ 687,316,024	$ 690,720,692
Charitable perpetual trusts	-	14,258,125	14,258,125
Total Donor-Advised Endowment Funds	3,404,668	701,574,149	704,978,817
Board-Designated Endowment Funds	9,576,684	-	9,576,684
Total Endowment Funds	$ 12,981,352	$ 701,574,149	$ 714,555,501

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, beginning of year	$ 15,275,811	$ 567,057,872	$ 582,333,683
Interest and dividends, net of investment expenses	408,498	14,845,077	15,253,575
Net appreciation	1,165,114	49,792,025	50,957,139
Contributions	100	5,052,040	5,052,140
Amounts appropriated for expenditure	(90,728)	(14,531,073)	(14,621,801)
Other changes	(775,422)	(9,008,287)	(9,783,709)
Change in Endowment Net Assets	707,562	46,149,782	46,857,344
Endowment Net Assets, end of year	$ 15,983,373	$ 613,207,654	$ 629,191,027

December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Advised Endowment Funds			
Kalamazoo Community Foundation	$ 6,722,723	$ 600,195,738	$ 606,918,461
Charitable perpetual trusts	-	13,011,916	13,011,916
Total Donor-Advised Endowment Funds	6,722,723	613,207,654	619,930,377
Board-Designated Endowment Funds	9,260,650	-	9,260,650
Total Endowment Funds	$ 15,983,373	$ 613,207,654	$ 629,191,027

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

In addition to endowment funds, the Foundation also manages other non-endowed funds. The following tables summarize all of the Foundation's net assets:

December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds	$ 12,981,352	$ 701,574,149	$ 714,555,501
Non-Endowment Funds			
Donor-advised	14,947,059	54,347	15,001,406
Agency and designated	-	2,697,683	2,697,683
Field of interest	-	5,082,837	5,082,837
Scholarship	-	212,079	212,079
Other	13,199,939	1,343,689	14,543,628
Total Non-Endowment Funds	28,146,998	9,390,635	37,537,633
Total Net Assets	$ 41,128,350	$ 710,964,784	$ 752,093,134

December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds	$ 15,983,373	$ 613,207,654	$ 629,191,027
Non-Endowment Funds			
Donor-advised	17,042,714	-	17,042,714
Agency and designated	-	685,869	685,869
Field of interest	-	6,129,346	6,129,346
Scholarship	-	250,949	250,949
Other	15,690,295	793,191	16,483,486
Total Non-Endowment Funds	32,733,009	7,859,355	40,592,364
Total Net Assets	$ 48,716,382	$ 621,067,009	$ 669,783,391

Net assets with donor restrictions are restricted for the following purposes or periods:

December 31,	**2025**	2024
Non-Endowed Funds		
Subject to expenditure for specified purpose:		
For scholarships and financial aid	**$ 212,080**	$ 250,948
For recommendations from donor advisors	**54,347**	-
For specific agencies	**2,697,683**	685,869
For a specific field of interest	**5,082,837**	6,129,346
For functional expense	**656,825**	72,824
Subject to the passage of time:		
Assets held under split-interest agreements	**-**	158,039
Life insurance contracts	**686,863**	562,329
Total Non-Endowed Funds with Donor Restrictions	**9,390,635**	7,859,355
Endowed Funds		
Subject to endowment spending policy, appropriation, and donor purpose restrictions:		
For recommendations from donor advisors	**59,860,055**	277,532,300
For specific agencies	**252,814,899**	215,049,388
For scholarships and financial aid	**68,074,475**	58,739,135
For specific field of interest	**83,766,906**	-
No-donor-specified purpose restrictions	**222,799,689**	48,874,915
	687,316,024	600,195,738
Not subject to spending policy or appropriation:		
Beneficial interests in perpetual trusts	**14,258,125**	13,011,916
Total Endowed Funds with Donor Restrictions	**701,574,149**	613,207,654
Total Net Assets with Donor Restrictions	**$ 710,964,784**	$ 621,067,009

10. Net Assets Released from Donor Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

Year ended December 31,	**2025**	2024
Purpose or period restrictions accomplished:		
Grants paid	**$ 18,635,063**	$ 17,770,651
Appropriation from donor-designated endowments and subsequent satisfaction of any related donor restrictions	**6,792,960**	6,281,861
	$ 25,428,023	$ 24,052,512

Supplementary Information

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Independent Auditor's Report on Supplementary Information

The Board of Trustees
Kalamazoo Community Foundation
Kalamazoo, Michigan

We have audited the combined financial statements of Kalamazoo Community Foundation and Kalamazoo Community Foundation Real Estate Holdings, Inc. (the Foundation) as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated July 15, 2026, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedule of financial position and combining schedule of activities and changes in net assets are presented for the purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

BDO USA, P.C.

July 15, 2026

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Kalamazoo Community Foundation

Combining Schedule of Financial Position
(with comparative totals for 2024)

December 31,

	Kalamazoo Community Foundation	Kalamazoo Community Foundation Real Estate Holdings, Inc.	Eliminating Entries	**2025 Combined Total**	2024 Combined Total
Assets					
Cash and cash equivalents	$ 5,600,804	$ 474,237	$ -	**$ 6,075,041**	$ 2,875,633
Investments	760,166,929	62,556	-	**760,229,485**	682,796,872
Program-related investments, net	10,640,327	-	-	**10,640,327**	4,760,196
Contributions and pledges receivable, net of unamortized discount	1,418,250	-	-	**1,418,250**	1,201,116
Prepaid scholarships	854,351	-	-	**854,351**	917,806
Accrued investment income	1,386,434	3,438	-	**1,389,872**	1,352,784
Beneficial interest in charitable perpetual trusts	14,258,125	-	-	**14,258,125**	13,011,916
Other assets	4,766,768	856,635	(3,595,432)	**2,027,971**	2,260,530
Net property and equipment	130,920	2,039,983	-	**2,170,903**	2,296,487
Total Assets	$ 799,222,908	$ 3,436,849	$ (3,595,432)	**$ 799,064,325**	$ 711,473,340
Liabilities and Net Assets					
Liabilities					
Agency funds	$ 44,301,750	$ -	$ -	**$ 44,301,750**	$ 39,003,165
Annuities payable	1,121,777	-	-	**1,121,777**	1,040,222
Grants payable	815,284	-	-	**815,284**	653,732
Other	708,641	23,739	-	**732,380**	992,830
Total Liabilities	46,947,452	23,739	-	**46,971,191**	41,689,949
Net Assets					
Without donor restrictions	41,128,350	-	-	**41,128,350**	48,716,382
With donor restrictions	711,147,106	3,413,110	(3,595,432)	**710,964,784**	621,067,009
Total Net Assets	752,275,456	3,413,110	(3,595,432)	**752,093,134**	669,783,391
Total Liabilities and Net Assets	$ 799,222,908	$ 3,436,849	$ (3,595,432)	**$ 799,064,325**	$ 711,473,340

See accompanying independent auditor's report on supplementary information.

Kalamazoo Community Foundation

Combining Schedule of Activities and Changes in Net Assets
(with comparative totals for 2024)

Year ended December 31,

	Kalamazoo Community Foundation	Kalamazoo Community Foundation Real Estate Holdings, Inc.	Eliminating Entries	**2025 Combined Total**	2024 Combined Total
Support, Revenue, and Gains					
Public support:					
Gifts and bequests	$ 21,406,573	$ -	$ -	**$ 21,406,573**	$ 20,093,566
Less: gifts and bequests received for agency endowments	1,242,977	-	-	**1,242,977**	1,092,162
Total Public Support	20,163,596	-	-	**20,163,596**	19,001,404
Investment return, net					
Dividends and interest	20,820,831	50,346	-	**20,871,177**	18,221,257
Less: dividends and interest received for agency endowments	1,196,328	-	-	**1,196,328**	1,018,758
Total Dividends and Interest	19,624,503	50,346	-	**19,674,849**	17,202,499
Net gain from investment transactions	88,108,570	107,943	-	**88,216,513**	55,360,744
Less: net gain from investment transactions for agency endowments	5,541,397	-	-	**5,541,397**	3,117,926
Total Net Realized and Unrealized Gain on Investments	82,567,173	107,943	-	**82,675,116**	52,242,818
Total Investment Return, Net	102,191,676	158,289	-	**102,349,965**	69,445,317
Other income (loss):					
Change in value of perpetual trusts	1,246,209	-	-	**1,246,209**	787,467
Other income (loss)	(16,893)	300,028	(300,000)	**(16,865)**	603,598
Plus: income from agency endowments	199,955	-	-	**199,955**	198,916
Total Other Income	1,429,271	300,028	(300,000)	**1,429,299**	1,589,981
Total Support, Revenue, and Gains	123,784,543	458,317	(300,000)	**123,942,860**	90,036,702

Kalamazoo Community Foundation

Combining Schedule of Activities and Changes in Net Assets
(with comparative totals for 2024)

Year ended December 31,

	Kalamazoo Community Foundation	Kalamazoo Community Foundation Real Estate Holdings, Inc.	Eliminating Entries	**2025 Combined Total**	2024 Combined Total
Expenses					
Program services:					
Grants	$ 30,604,500	$ -	$ -	**$ 30,604,500**	$ 23,927,470
Programs and grants administration	1,990,266	-	-	**1,990,266**	1,783,844
Support services:					
Fundraising	2,754,211	-	-	**2,754,211**	2,544,202
Management and general	6,098,410	485,730	(300,000)	**6,284,140**	5,122,045
Total Expenses	41,447,387	485,730	(300,000)	**41,633,117**	33,377,561
Increase (Decrease) in Net Assets	82,337,156	(27,413)	-	**82,309,743**	56,659,141
Net Assets, beginning of year	670,013,554	4,245,523	(4,475,686)	**669,783,391**	613,124,250
Net Assets, end of year	$ 752,350,710	$ 4,218,110	$ (4,475,686)	**$ 752,093,134**	$ 669,783,391

See accompanying independent auditor's report on supplementary information.