

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: November 7, 2017

REQUEST DATE: October 3, 2017

Last grant acknowledgement: Yes

Program Area: Education

APPLICANT:

Wyoming Seminary
201 North Sprague Avenue
Kingston, PA 18704-3593

CONTACT: Mr. John H. Shafer, Vice President of Advancement

PHONE: 570-283-2140

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$200,000 **NATURE OF REQUEST:** Toward the Allan P. and Marian Sutherland Kirby Center for Creative Arts Endowment Fund

GRANT HISTORY

LAST GRANT DATE: 12/8/2016 **LAST GRANT AMOUNT:** \$100,000 **AFS DATE:** 1/31/2017

2008	\$45,000	10/31/2008	For: The Kirby Library
2009	\$45,000	10/30/2009	For: The Kirby Library
2010	\$6,000,000	9/17/2010	Toward the creation & construction of the Allan P. and Marian Sutherland Kirby Center for Creative Arts- \$1,500,000 from the RFD account plus \$6,000,000 payable between 2010 and 2014
2015	\$100,000	12/11/2015	To establish the Allan P. and Marian Sutherland Kirby Center for Creative Arts Endowment Fund, along with all funds in the Reserved for Future Decision Fund
2016	\$100,000	12/8/2016	Toward the Allan P. and Marian Sutherland Kirby Center for Creative Arts Endowment Fund

DLK COMMENTS: See attached.

WHB COMMENTS: The request is in order, but I am a bit surprised at the request level as I thought John was aware of our budget constraints given the impact of the KA. Rhetorically, should we ask for a list of donors who have contributed to the endowment to date?

SDK COMMENTS: I think the school continues on a positive trajectory under Kevin Rea’s leadership the past two years. He does not seem as interested in engaging as directly with us as did Kip Nygren, but the Kirby Center project was not his “baby” and we just have not had the opportunity to get to know him that well.

In John Shafer’s defense, prior to the KA initiative and early during the Kirby Center construction project, we gave him some hope that our aggregate endowment support for the Center might have been further along than it is today. We recalibrated considering the KA, and the \$100k annual level (of course, no guarantees) is simply more realistic for us than, say, \$150k-\$200k. Meanwhile, an

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eventual endowment in the \$4 million range still seems prudent. I am quite certain that there have been no other donors to the endowment. The seed funding was the approx. \$350k unused RFD account funds after the construction was completed, and we approved that. After we get through the grant decision this year, I plan to call John and discuss what realistic efforts they can make toward raising endowment funds for the Center. I imagine he was hoping that one of the other KA members might express interest in support of the endowment. That said, it is good to hear that Uncle Allan is working so well with the school on the Lafayette/Wyoming Seminary football scholarship relationship and that the Culbertsons are working with John on the old Culbertson Garden, now expanded and renamed the Kirby Common Project. These positive developments would likely never have occurred without the KA initiative.

FM KIRBY FOUNDATION
Financial Statement Analysis

Grantee Name:	Wyoming Seminary	Date:	10/27/2017
Prepared By:	DLK		
Grant Request Amt.	\$ 200,000	Type of Financial Report Submitted	Audit
Recommended Amt.	\$ 100,000	Period Covered in Financial Report	FYE 6/30/16
Board Approved Amt.		Date of Report Issuance	1/31/2017
Audit Firm	Baker Tilly		
Opinion	Present fairly		
Basis of Acctg.	GAAP		

Current Ratio (Liquidity Ratio/Working Capital Ratio)	8.77	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 38,992,703
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Note: A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

Allocation of Functional Expenses	6/30/2016 *	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 17,894,775.08	86%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 2,496,945.36	12%	
C. Fundraising	\$ 416,157.56	2%	
D. Total Expenses	\$ 20,807,878.00	100%	

* Estimated using percentages from 2015 - 990 Form

Comments/ Notes:

The budget is projecting a \$392.5K deficit and includes a 5.1% increase in expenses from prior year with the largest increases occurring in instruction and summer programs.

There was a \$233K deficit as of June 30, 2016 (an improvement over 2015 which experienced a deficit of \$1.7M). Cash used by operations was \$2.3M due to depreciation, change in split interest agreements (\$781K) and tuition and fees paid in advance (\$514K), offset by restricted contributions (\$6.5M). Financial aid was 39.8% of gross tuition and fees. The Seminary's endowment totaled \$55M as of June 30, 2016. Overall, there were no red flags that arose as part of my review.

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DISPOSITION:

- Rejection
- Hold for review on/about:
- Approval for: **\$100,000**
- Hold for Board Review
- Insert Information: **Toward the Allan P. and Marian Sutherland Kirby Center for Creative Arts Endowment Fund**
- Other:

Initials: AO

Date: 11/7/17

Check #: _____

Date: _____