

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** August 28, 2018

**REQUEST DATE:** July 20, 2018

**Last grant acknowledgement:** Yes

**Program Area:** Health

**APPLICANT:**

Foundation for Morristown Medical Center, Inc.

475 South Street

Morristown, NJ 07960

**CONTACT:** Ms. Bonnie Gannon, Director of Corporate and Foundation Relations

**PHONE:** 973-593-2419

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$150,000 **NATURE OF REQUEST:** Toward renovations to the Carol G. Simon Cancer Center

### GRANT HISTORY

**LAST GRANT DATE:** 9/15/2014

**LAST GRANT AMOUNT:** \$650,000

**AFS DATE:** 4/30/2018

2007	For: Support of cardiac equipment for the Gagnon Heart Hospital	\$150,000	12/14/2007
2008	Toward the purchase of a second da Vinci Robot Surgical System-\$150,000 for 2008 and 2009	\$300,000	9/12/2008
2010	Toward the Emergency Department expansion project-\$175,000 in 2010 and 2011	\$350,000	9/17/2010
2012	Toward the new Geriatric Emergency Department-\$200,000 in 2012 and 2013	\$400,000	12/14/2012
2014	For: The expansion and facilities upgrade of the Inpatient Psychiatric Unit-\$200,000 in 2014, 2015, and 2016; toward a fund or project that shall honor Denny Baird-\$50,000 in 2014	\$650,000	9/15/2014

**No request in 2017 per FMKF skip year.**

**DLK COMMENTS:** See financial analysis.

**WHB COMMENTS:** Aside from a somewhat shaky start, the request is pretty straightforward as a result of a good bit of preliminary conversation and a respectful cultivation of our support. SDK's sound advice and direction were clearly followed. The FMKF's interest lies in renovating the Carol G. Simon Cancer Center, which could use a face lift to say the least. It's hard to believe that the Center is 20 years old, and with continual growth in occupancy and utilization, it begs the question: shouldn't such a project have occurred sooner? As treatment protocols continue to improve, the outpatient care experience is critical on many levels, not the least of which is patient and family satisfaction with the environment and amenities, particularly the infusion suite.

I find that MMC has used Dr. Adler's departure to Summit Medical Group as a "catalyst" to "examine every facet" of the cancer program and is putting a positive spin on a situation the hospital would rather not be in. One would hope such examination is an ongoing protocol hospital wide.

**APPLICANT: Foundation for Morristown Medical Center, Inc.**

I purposely did not recommend a specific amount as I wanted SDK, who really guided MMC, to select an appropriate amount, which he has done and I concur.

**SDK COMMENTS:** Disappointed with the original submission. Bonnie Gannon should know better than to send in incomplete. But I do appreciate the respectful amount requested. I know for this next campaign (never ending) they were likely hoping for a higher figure, especially after our “skip” last year, before I guided them down. In the spirit of full disclosure, campaign chair, Les Quick, is a friend of mine and JWK. I surely appreciate his tireless volunteer efforts for the hospital. Plus, he and his wife, Eileen, made a personal \$1 million pledge. I think the focused grant request is on target and recommend we go above our target level to \$125K (still a near 40% reduction from our 2012-2016 pattern of the last campaign) and, in a somewhat defensive move, make an additional pledge in the same amount for 2019. I feel confident that the need is there and that a commitment now of \$250K will mean more, symbolically, than just the 2 times dollar amount.

# APPLICANT: Foundation for Morristown Medical Center, Inc.

## FM KIRBY FOUNDATION Financial Statement Analysis

		Foundation for Morristown Medical Center, Inc.		
<b>Grantee Name:</b>		Center, Inc.	<b>Date:</b>	8/8/2018
<b>Prepared By:</b>		DLK		
<b>Grant Request Amt.</b>	\$	150,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$	100,000	<b>Period Covered in Financial Report</b>	12/31/2017
<b>Recommended Amt.</b>				
<b>Audit Firm</b>		PricewaterhouseCoopers LLP	<b>Date of Report Issuance</b>	4/30/2018
<b>Opinion</b>		Present Fairly		
<b>Basis of Acctg.</b>		GAAP		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	18.37	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 36,772,840
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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	12/31/2017	%	Must Read Financial Statement Notes
<b>A. Program Service Expenses</b>	\$ 7,822,231	63%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 4,547,829	37%	
<b>C. Fundraising *</b>	\$ -	0%	
<b>D. Total Expenses</b>	\$ 12,370,060	100%	

\* (Fundraising not broken out on Audited Financials)

### Comments/ Notes:

The 2018 Foundation budget projects a \$16.8M surplus (down from the surplus of \$21M in 2017). Fundraising revenues are budgeted to decline by \$3.6M (14%). Expenses (excluding program expenditures) are budgeted to increase by \$747K or 16.5%. Salaries account for over half of the increase (\$470K / 14%), as well as Promotion and Donor Relations (\$240K/84%).

2017 had an operating surplus of \$20.5M, significantly up from \$6.8M for 2016. Contributions were up \$10.5M (76%) and investment income increased by \$4.1M (105%). Overall, net assets increased by \$15.9M. The Foundation had investments of \$65.7M, of which \$53M were endowment related.

Overall, no red flags as a result of my review.

**APPLICANT: Foundation for Morristown Medical Center, Inc.**

**DISPOSITION:**

- Rejection
- Hold for review on/about:
- Approval for: **\$250,000**
- Hold for Board Review
- Insert Information: **Toward renovations to the Carol G. Simon Cancer Center-  
\$125,000 enclosed herewith and we hereby pledge \$125,000  
for 2019 for like use.**
- Other:

Initials: LDK Date: 8/28/18  
Check #: \_\_\_\_\_ Date: \_\_\_\_\_