

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: April 6, 2021

REQUEST DATE: March 18, 2021

Last grant acknowledgement: Yes

Program Area: Arts, Culture, Humanities

APPLICANT:

The Shakespeare Theatre of New Jersey
The Kean Theatre Factory
3 Vreeland Road
Florham Park, NJ 07932

CONTACT: Ms. Bonnie J. Monte, Artistic Director

PHONE: 973-408-3278

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$125,000 **NATURE OF REQUEST:** For general operating support

GRANT HISTORY

LAST GRANT DATE: 4/29/2020

LAST GRANT AMOUNT: \$125,000

FYE DATE: 12/31/2020

AFS DATE: DRAFT

2016	\$115,000	9/12/2016	
2017	\$115,000	9/15/2017	
2018	\$175,000	9/17/2018	For: Capital improvements at the F.M. Kirby Shakespeare Theatre- \$60,000
2019	\$115,000	9/16/2019	
2020	\$125,000	4/29/2020	

SDK, Jr. endorsement received.

DLK COMMENTS: Financial analysis attached.

JFT COMMENTS: JJK's 2020 evaluation comment of "I grow even more concerned about what next year's request may say," was certainly spot on in that this year's proposal, although highlighting successes, conveys the continued challenges and "crisis-mode management" needed to adapt as a result of the pandemic. The immediate steps taken as a result of the pandemic included the cancellation of the annual Gala, all education programs cancelled for spring and summer of 2020, furloughing staff and putting many that remained on a part-time schedule, and ultimately postponing the entire 2020 Main Stage and Outdoor stage productions until 2021. They have restored full-time status for a few staff members, but importantly, they "foot the bill for health insurance for furloughed staff members, an action-step which many Board members helped make possible."

Bonnie included a long list of the "silver linings" and achievement of one of their "most extraordinary years ever." Some highlights include Bonnie's *Diary of A Theatre*, which kept constituents engaged; *Bonnie's Important Patron Updates* (entertaining and informative via email), which resulted in donors making contributions to show their support and gratitude; procurement of additional foundation grants; a successful annual appeal (\$75K (255) over and above their annual appeal goal; creation of the outdoor *Back Yard Stage* for live performances (one of the first

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American companies to perform live again); creation of the *Pandemic Playhouse Entertainment* initiative; and welcoming “two impressive members” to the Board, including Stark Kirby, their youngest member.

The STNJ was able to embark on a number of capital projects at the Kirby Theatre, many of which were made possible due to the “generosity of the Kirby Foundation and the S. Dillard and Adrienne Kirby Philanthropic Fund.” They include elevator repair, a rebuilt boiler, front exterior landing and steps work (in-kind donation), re-carpeting, work on the front entrance, replacing vinyl baseboards throughout, painting, replacing, repairing, and installing new donor plaques, installing UV-C purification units in the HVAC handlers, Main Lobby comprehensive repairs, and replacing the TV/computer monitor in the Main Lobby (an in-kind donation). There are numerous other “cosmetic” projects planned to be completed by late summer or early fall. They continue to upgrade the interior lighting for energy efficiency and savings, to LED throughout the building.

The STNJ’s website is not flashy and could use an update (under education link...New for 2019! The Shrewd Mechanicals...Pressroom link latest article from 2018). I had difficulty finding any online/virtual programming, aside from *Pandemic Playhouse Entertainment* and *Diary of a Theatre*. Presumably, a website upgrade is not at the top of their “to do” list right now. I would note that the Geraldine Dodge Foundation is listed on their home page, and as far as I can see, the Dodge Foundation did not support the STNJ in 2020, though they were \$100K donors in 2018 and 2019. It’s noted on the Dodge website that they were not accepting letters of inquiry or unsolicited proposals in 2020.

Bonnie’s conclusion is both uplifting in noting achievements and accurate in revealing the real “feelings” during “the most challenging year” of their 58-year history. SDK, Jr.’s first endorsement is well written. Great to read that he’s involved in the creation of a new strategic plan. Kudos to Stark! I recommend continued support at the budgeted \$125K.

JJK COMMENTS: The request is much like the e-mails one can get from STNJ – rather unfiltered, honest, sometimes dramatic, but always buoyed by the hope in the next season’s slate of shows. Very few proposals have given us such an in-depth timeline of Covid adjustments and readjustments, of highs and lows (I particularly enjoyed the passage about the small staff gathering at the end of 2020).

In addition to the impressive member and annual appeal support, the Theatre’s hustle in running down any foundation grant opportunities is also noteworthy and says much about their Board. When earned income was at an all-time low, they were more resourceful than ever, as evidenced by the “PPE” series, the Annual Costume sale, and even a shop on the artisan site, Etsy. In fact, I was shocked to find that the Annual Costume sale ended up having its largest attendance in history.

I am sorry I missed the summer Crazy Love performances, especially after reading its review in the NY Times, which was accompanied by beautiful photographs of the performance. This said, it whetted my appetite to see anything the theater puts on this summer.

Great to hear SDK’s positive review of the capital projects STNJ was able to take on. I have to concur with JFT that perhaps, in time, their website should be next to undergo a cosmetic makeover. It has an aesthetic and navigation that feels quite dated at this point. Notice how it fails to take advantage of the full browser, creating plenty of gray space that goes unused. Fonts can be very small and hard to read. There is no use of video to further enliven any of the pages. To boot, I

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think their logo and general branding could use a makeover. Perhaps we might consider a special grant in the future for these projects?

Fingers crossed for good news from either SVOG or PPP; in the meantime, I recommend \$125K for this program and its tireless leaders. Having gone through the crucible of late 2019 and 2020, I hope that STNJ will emerge re-invented, with new ways of engaging audiences, a refreshed theater itself, and bold choices in plays. After this most trying of years, perhaps what Ariel says of King Alonso in *The Tempest* might be true of STNJ as well: “*Nothing of him that does fade / But doth suffer a sea-change / into something rich and strange.*”

SDK COMMENTS: The manner in which the patrons supported STNJ in 2020, including just a 4.6% refund ticket rate, and increased financial support, says a lot about the loyalty of the subscriber base. If only that base was larger. A smaller theatre, such as the 308-seat theatre is, may be what the doctor ordered this fall, although the play selections and sets will need to be more minimalistic in the “new world” with reduced audience numbers and some reconfiguration of seats. I feel comfortable in our targeted renewal.

Incidentally, I stopped by the outside of the theatre this weekend and examined the new front steps, patio, and the painting of the rails and trim. It looked wonderful; finally, something of which I think we can be proud. I was so excited that I called Bonnie from the site, and she confirmed that the inside painting of the front foyer should commence by month end.

SDK 4/7/21 UPDATE: PPP grant award of \$347K was received.

FM KIRBY FOUNDATION
Financial Statement Analysis

The Shakespeare
 Theatre of New Jersey,

Grantee Name:	Inc.	Date:	<u>3/28/2021</u>
Prepared By:	DLK		
Grant Request Amt.	\$ 125,000	Type of Financial Report Submitted	<u>Audit</u>
Budgeted Amt.	\$ 125,000	Period Covered in Financial Report	<u>12/31/2020</u>
Audit Firm	<u>Fylstra & Associates</u>	Date of Report Issuance	<u>Draft 03/21</u>
Opinion	<u>Present fairly</u>		
Basis of Acctg.	<u>GAAP</u>		

Current Ratio (Liquidity Ratio/Working Capital Ratio)	0.44	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 4,612,151
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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	12/31/2020	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 1,184,599	65%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 488,453	27%	
C. Fundraising	\$ 155,970	9%	
D. Total Expenses	\$ 1,829,022	100%	

Comments/ Notes:

Budget: The 2021 budget is a conservative estimate based on the current situation. The overall budget projects to break even. Earned income is budgeted at \$546K, \$295K over 2020, but well below the original 2020 pre-pandemic budget of \$2.1M. Contributed income is budgeted to decline by \$211K (13%), with the Annual gala not currently budgeted (loss of \$137K) and a decline in foundation monies of \$77K (14%). The FMKF accounts for approximately 24% of STNJ's Foundation Income. Expenses are budgeted to grow by \$172K (9%), primarily in personnel and production expense. Kudos to the Theatre's board (notably Laura Packer) for securing monies from new foundations such as Hearst Foundations and a special grant from the Samuel H. Scripps Foundation. Governor Kean also delivered a special grant from the Rita Allen Foundation.

Audit: As we are working with draft financials, there are no notes and thus my comments will be limited. STNJ had an operating surplus of \$246K for 2020 vs a deficit of \$107K for 2019. Overall net assets grew by \$5K in 2020 vs decreasing by \$334K in 2019. Total revenue declined \$1.7M (445%) with box office revenues down \$1.3M and tuition / education revenue down \$258K. Support only declined 4% (\$69K), with foundation/corporate grants up \$164K (29%) and government grants up \$73K (40%) while individual contributions declined \$236K (26%) and special events revenue declined by \$71K (34%). Total expenses were down \$2.0M (52%), with program expenses accounting for \$1.9M of the decrease. STNJ paid their line of credit down by \$247K (as noted in cash flow stmt) and its Drew debt down by \$70K (as noted in the request). STNJ received \$346K of PPP monies in July 2020, along with \$15K in Covid-relief funds from NJ Economic Development Authority and a \$55K CARES Act grant from the NJ State Council on the Arts. The Theatre had investments of \$704K. No red flags on the draft audit.

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$125,000**
- Hold for Board Review
- Insert Information:
- Other:

Initials: rd Date: 4/7/21

Check #: _____ Date: _____