

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: April 9, 2021

REQUEST DATE: March 15, 2021

Last grant acknowledgement: Yes

Program Area: Human Services

APPLICANT:

Wakeman Boys and Girls Club
Administrative Office
2nd Floor
268 Post Road
Fairfield, CT 06824

CONTACT: Ms. Sabrina E. Smeltz, Chief Executive Officer

PHONE: (203) 908-3381 208

PAYEE OTHER THAN ADDRESSEE: Wakeman Memorial Association, Inc.

AMOUNT REQUESTED: \$180,000 over three years **NATURE OF REQUEST:** Toward Smilow-Burroughs Clubhouse Out of School Program - \$30,000; toward Madison Avenue Clubhouse Capital Campaign - \$150,000 over three years

GRANT HISTORY

LAST GRANT DATE: 4/30/2020

LAST GRANT AMOUNT: \$30,000

FYE DATE: 7/31/2020 (new)

AFS DATE: DRAFT

2019	\$25,000	9/30/2019	For: Support of the After-School Program at the Smilow-Burroughs Clubhouse in Bridgeport, CT
2020	\$30,000	4/30/2020	For: Support of the Smilow-Burroughs Clubhouse in Bridgeport, CT

WKH endorsement received.

DLK COMMENTS: Financial analysis attached. Please note the bad debt write-off. It occurred in FY19 but worth inquiring about as it appears to have been an unconditional promise to give in FY18. **JFT:** After an email inquiry, Sabrina replied: “The \$3M was a written pledge that was for the new Clubhouse. The donor decided that they wanted to direct their giving to another project in Bridgeport and rescinded the pledge. It was based on the timing of projects-we were not quite ready for shovel in the ground. I am happy to report that our board did step up their own giving to fill the gap!”

JFT COMMENTS: FMKF 2020 support helped fund operations of the Smilow-Burroughs Clubhouse Summer Camp, which by all indications was successful. From 6/29/20 through 8/14/20, fifty-six children were served weekly (in pods) following health and safety protocols. Program-end surveys yielded very positive results with the wish list of campers including a pool and free ice cream every day.

The After-School Program at the Smilow-Burroughs Clubhouse program shut down last March so there is no 2020 service data available (297 members enrolled prior to shut down on 3/15/20); the request includes 2019 data for which we received a comprehensive report last August. I’d like to note the demographics of the youth served in 2019: 51% African American, 24% Hispanic, 7% white, 1% Asian, 17% other/multiracial. Eighty-nine percent students to be served at the proposed

APPLICANT: Wakeman Boys and Girls Club

Madison Avenue Clubhouse are minority students. This certainly fits into the FMKF DEI support category.

Pandemic response included free virtual events, food distribution (in conjunction with Bridgeport Nutrition Center and Southwest Community Health Center), member supplies (such as pencils, paper, healthy snacks, and various game supplies, handmade masks to members and their families, and free COVID-19 tests in partnership with Southwest Community Health Center. Wakeman offered virtual programming and connected with members by phone and Through Wakeman @ Home, members participated in STEAM and physical education activities virtually. We received regular updates regarding Wakeman's COVID-19 response over the past year.

This year's "annual" request is for support of the 2020-2021 Smilow Burroughs Clubhouse Out of School Program. Since 9/8/2020, the Clubhouse has provided a safe place for remote learning, adjusting their schedules according to the Bridgeport Public School's virtual/hybrid, ever-changing school schedule. The Out of School Program is an expansion of the After School Program for families in need in response to the pandemic. The goal of the program is for children to achieve on-time grade progression, graduate from high school, and have a plan for post-secondary education and career. Though pandemic protocols inhibit the number of youths Wakeman can serve, there are currently 120, and they expect to serve more this spring. Current demographics are 43 African Americans, 38 Latino, 28 other/multiracial, and 12 white.

Justin and I had a very productive meeting in early March, led by Sabrina, regarding the current capital campaign for the Madison Avenue Clubhouse which began with a silent phase in 2016. The City of Bridgeport initiated the project by contacting Wakeman about building a new facility on the site that was vacated by a prior Boys and Girls Club and has made an investment of \$3.9M. The facility will be a community hub offering physical and mental health support, access to food, educational tutoring, athletics, recreation, leadership development and social and emotional growth. The facility will also include a health center run by the Southwest Community Health Center, a licensed preschool to serve 40 children, a performing arts studio, STEM space, three court field house, and community conference rooms.

Fundraising to date has been substantial and as of February 2021, they had Pledges and Cash in Hand of \$11.3M. In summation, they have raised \$15.23M toward a total goal of \$19.3M (which includes \$4.07M for operating reserves and Board-approved funding gap) and have a target of raising \$2.57M by June so they have a "green light" to begin construction (\$17.8M estimated construction cost). Quite ambitious.

Upon completion of the project, Wakeman anticipates to grow its annual fundraising from \$1.475 to \$2M. The Madison Avenue Club will create 50 new permanent positions with an estimated 8-10 full-time positions with partner's programs on site. This project is a win-win for the entire Bridgeport area. Thanks to WKH for his enthusiastic endorsement, participation in the campaign and his support of the Smilow-Burroughs Clubhouse (for which I get regular email updates). I heartily recommend support as noted below.

JJK COMMENTS: As we weigh this opportunity, I thought it might be useful to do a deeper dive into Bridgeport's demographic data, as to better understand the people the Madison Ave. Clubhouse will serve as well as the challenges they face. According to U.S. Census estimates, 21.8% of Bridgeport's population lives in poverty. 15% of persons under 65 do not have health

APPLICANT: Wakeman Boys and Girls Club

insurance (recall that the Madison Avenue Clubhouse will have a community health center inside). Only 19% of the population holds a Bachelor's degree or higher. 35% of the city is Black, and 41% of the city is Hispanic or Latino. As of 2018, 30% of Bridgeport residents were noted as foreign-born. As the request notes, 98% of children to be served by Madison Ave. qualify for free lunch. This fits very neatly within our current initiatives, on both immigration and diversity.

Another FMKF-grantee, JerseyCAN, just delivered [a report](#) that begins to quantify the staggering learning loss from COVID-19 school shutdowns, which, sadly but unsurprisingly, appear to affect low-income students more than their more affluent peers. According to JerseyCAN, there is a projected 24% drop in English Language Arts proficiency in grades 3-8 and a 23% drop in math proficiency. The drop in math proficiency was more pronounced for economically disadvantaged students. I do not think it is a stretch of the imagination to think that the same deficiencies might be found in Bridgeport, which will not return to in-person learning until April 19, 2021. The district system there has already been failing, with only 15% of students in 2019 proficient in math and 28% proficient in reading. It can bring one close to despair to consider what these numbers might look like now.

But Madison Avenue and Smilow-Burroughs offer hope, as both sites seek to provide some of the remedies prescribed by JerseyCAN in the report: high-dosage tutoring, extensive summer learning opportunities, and physical and mental health supports. Furthermore, the Madison center will offer a high-quality preschool, which the request mentions is hard to find in the Hollow section of Bridgeport and important for later student development.

Furthermore, great to see that Wakeman has a good track record of recruiting local residents for the 50 jobs that will be created with this center, with 95% of current employees being residents of the city in which the clubhouse is located.

Appreciate DLK and JFT asking about the bad debt expense. It's too bad Wakeman lost a significant pledge, but it looks like they are well within reach of the fundraising goal now.

I deeply appreciate Ward's enthusiasm for this project and appreciate him bringing it to our attention. Though the relationship with Wakeman is still relatively new, this is a timely opportunity to have a significant impact for upwards of 1,000 kids per day, kids whose families and schooling has been devastated by this pandemic.

I recommend \$180,000, with \$30K in general operating support for Smilow-Burroughs and \$150K pledged to Madison Avenue Clubhouse, to be dispersed from 2021 – 2023. It would be appropriate to designate the increased support of \$150K to our Diversity & Justice investment tracker.

SDK COMMENTS: At 44k sq. ft., it looks like it comes to about \$400 a sq. ft. and suggests quality, but not over the top. Also, good public/private partnership with the \$4mm from the city.

This is a rather significant commitment for a two-year relationship, but great to see WKH's family involvement and engagement and the team has certainly made clear the merits. I don't think we need to respond to the naming opportunity (Community Partners room), unless WKH thinks so at a later date.

F. M. KIRBY FOUNDATION
Financial Statement Analysis

Grantee Name: Wakeman Boys & Girls Club **Date:** 3/24/2021
Prepared By: DLK

Grant Request Amt.	<u>\$30 GOS/ \$150 over 3</u>	Type of Financial Report Submitted	<u>Audit</u>
Budgeted Amt.	<u>\$30 GOS/ \$50 CC</u>	Period Covered in Financial Report	<u>7/31/20*</u>
Audit Firm	<u>Capossela, Cohen, LLC</u>		<u>(new fiscal year end)</u>
Opinion	<u>Present Fairly</u>	Date of Report Issuance	<u>2/9/2021</u> <u>(draft)</u>
Basis of Acctg.	<u>GAAP</u>		
Current Ratio (Liquidity Ratio/Working Capital Ratio)	<u>3.89</u>	Amount of Unrestricted Net Assets (Operating Reserve)	<u>\$ 11,147,852</u>

Note: 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

Allocation of Functional Expenses	7/31/2020	%	Must Read Financial Statement Notes
A. Program Services	\$ 1,698,091	65%	Ideally program expenses should be at least 70% of budget
B. Management/ General	\$ 561,164	21%	
C. Fundraising	\$ 362,005	14%	
D. Total Expenses	\$ 2,621,260	100%	

Comments/ Notes:

Budget - The FY21 budget projects to break even. Revenues are budgeted to increase by \$374K (15%), with growth in contributions (\$231K/ 34%), grants (\$327K/ 66%), summer camp (\$94K/ 67%) and after school programs (\$65K/ 74%), offsetting the decline in sports/recreation fees (\$180K/ 100%). Total expenses are growing by \$444K, with program expenses up \$152K (37%) and compensation up \$141K (10%). The Club's has a capital campaign goal of \$4M, with \$2.5M going towards construction of the clubhouse and \$1.5M towards operating reserves (which is estimated to cover six years of expenses for the clubhouse at \$250K annually) while the Club develops its fundraising pipeline. The Club hopes to grow its annual fundraising from \$1.5M to \$2M by 2024.

Audit - Wakeman changed their fiscal year end to 7/31 so all comparisons are 11 month (FY20) vs 12 months (FY19). Wakeman had an operating surplus for FY20 of \$1.7M and an overall increase in net assets of \$1.9M. Total support and revenue declined by \$1.3M (23%). Contributions were down \$1.0M (24%), special events down \$101K (26%), program fees down \$78K (15%), and membership dues down \$42K. The audit noted three special events in FY20 vs four in FY19. Total expenses were down \$501K (16%) from FY19, with \$439K of the decrease occurring in program services. The Association had a positive swing in investment gains of \$470K. I did note a \$3M bad debt expense for FY19 which appears to have been an unconditional promise to give in FY18 (I looked at last year's audit). That's a significant loss. Investments totaled \$6.3M as of July 31, 2020, of which \$4.1M were endowment-related. The Association received \$320K in PPP monies but had not applied for forgiveness as of July 31, 2020. The monies are recorded as a loan payable and then recognized as income when forgiveness is granted. Wakeman incurred \$219K in construction costs toward the Madison Avenue clubhouse in FY20. Subsequent to the audit, Wakeman received an addl. \$366K in PPP monies in February 2021. There were no red flags as a result of my review.

APPLICANT: Wakeman Boys and Girls Club

DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$180,000**
- Hold for Board Review
- Insert Information: **Toward the Smilow-Burroughs Clubhouse Out of School Program-\$30,000 enclosed herewith.**

Toward the Madison Avenue Clubhouse Capital Campaign-\$50,000 enclosed herewith, and we hereby pledge \$50,000 in 2022 and 2023 for like use.

- Other:

Initials: 102 Date: 4/14/21

Check #: _____ Date: _____