

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 4, 2021

REQUEST DATE: February 5, 2021

Last grant acknowledgement: Yes

Program Area: Human Services

APPLICANT:

United Way of Wyoming Valley
2nd Floor
100 N. Pennsylvania Avenue
Wilkes-Barre, PA 18701

CONTACT: Mr. William M. Jones, President

PHONE: 570-829-6711

PAYEE OTHER THAN ADDRESSEE:

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

GRANT HISTORY

LAST GRANT DATE: 12/14/2020

LAST GRANT AMOUNT: \$100,000

FYE DATE: 6/30/2019

AFS DATE: 11/18/2020

2016	\$90,000	12/8/2016	For: Annual allocations to community-based social service agencies and programs
2017	\$90,000	12/8/2017	For: Annual allocations to community-based social service agencies and programs
2018	\$90,000	12/10/2018	For: Annual allocations to community-based social service agencies and programs
2019	\$90,000	12/16/2019	For: Annual allocations to community-based social service agencies and programs
2020	\$100,000	12/14/2020	For: Annual allocations to community-based social service agencies and programs

DLK COMMENTS: See financial analysis.

JFT COMMENTS: We knew that this request would be a carbon copy of the 2020 proposal because we asked that UWWV submit early in the year to get them in the correct grant cycle corresponding with their audit, which is prepared late in the calendar year. Therefore, most of the reported data sent in the 10/5/2020 grant request remains the same and was covered in the 2020 evaluation.

That said, subsequent to the aforementioned grant request, there was growth in the number of children participating, and books distributed, in the Imagination Library free book program. Also, as convener and fiscal agent of The Local Emergency Food and Shelter Program, the UWWV distributed an additional 7 grants for \$202,533 to Luzerne County nonprofit programs in response to COVID-19. As noted previously, FY2020-2021 agency allocations were 10 grants made in Education for \$487,756; 8 grants made in Health for \$253,145; 1 grant made in Financial Stability, and 13 grants made in Safety Net for \$350,500. I would note that this particular United Way is the only one supported by the FMKF that is retaining direct agency funding at a rate of, minimally, 25% of their budget. I also note that outcomes for Logic Models are reflected in the

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program participation reports that are provided annually. Again, what was provided for this request is identical to what was provided in the 2020 request, as reports are prepared on a fiscal-year basis.

I've noted in the past that frequent e-newsletters keep me well informed. Most recently (2/11/21) I learned of their newest initiative, "Lawyers for Literacy." Attorney Paul Rushton, Chairperson of the United Way's 2020 Annual Campaign and Board Member, has been leading the charge to launch the initiative. "In addition to providing financial support for the United Way's literacy programs, legal professionals can also contribute to the Lawyers for Literacy initiative by volunteering their time to read to groups of school-age children (much like the Real Men Read initiative) and otherwise participate in such literacy programs when those opportunities are available."

Truth be told, it's disappointing that development director, Michael Bernhardt, was not a little more creative with this proposal after a couple of meetings with him and Bill Jones. There's no mention of DEI plans, or that additional funding requested might be directed toward sustaining their Grade-Level Reading campaign, which is, according to Bill Jones, integral to their "Poverty to Possibility" model to address childhood poverty in the Wyoming Valley. Both of these topics were addressed in our conversations.

While I may sound critical of the UWWV, I know that they are dedicated to the Wilkes-Barre community, and Bill Jones is a passionate, committed leader. I recommend the budgeted \$125K (\$25K in recognition of their 100th Anniversary) and would suggest that we convey to Bill that possible future funding will likely revert back to the \$100K level.

JJK COMMENTS: I very much like the theory behind the three-pronged approach to UWWV's Poverty to Possibility campaign, especially its funding emphasis on school readiness through high-quality early childhood education opportunities. However, I am left to wonder if "financial literacy" is truly a "signature impact area" of this strategy. The single "Financial Literacy" grant, of \$15,000, to an organization that only reached 60 families is far overshadowed by the more robust funding and participation in the other "pillars." Is the rather small impact a result of lack of funds or lack of capacity? In future conversations with UWWV, I think this is worth asking. Perhaps United Way of Northern New Jersey could be of assistance in helping UWWV reach more people, given UWNJ's very popular tax preparation program.

The Logic Model enclosed in the application continues to suffer from some all too vague desired outcomes. For instance, how will UWWV know they succeeded at helping youth become "*engaged* and *hopeful* about their futures"? How are they defining "*good* school attendance"? How will they know they succeeded in making parents "*engaged* in the healthy development of their children"? Perhaps more defined measurements are in an internal document somewhere in the organization, but as significant funders of UWWV, we ought to be informed of their progress. Relatedly, this is the fifth year of the Campaign for Grade-Level Reading, which will look at third-grade reading level to measure success. While the state's goal is to hit 81% by 2030, it would be helpful to know how far along – if at all – UWWV's population is in this project.

Over the past year, in response to Covid-related learning loss, UWWV delivered PreK workbooks, Highlights magazines, free books, and hygiene kits. While these are generous donations, I am skeptical these donations will stanch much of the "bleeding," if at all. In the hands of a child who has been learning virtually for months, who might have essential-worker parents, a workbook can only do so much to prevent learning loss. In the coming year, I hope this United Way will look to

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partner with providers in the Wyoming Valley who can provide additional tutoring, outside-of-school-time instruction, and enrichment programs.

UWWV's commitment to direct agency funding allowed them to be, I believe, well poised to deliver significant COVID relief, as evidenced this year by the additional \$203K in grants.

I've spilled some critical ink here, but I would be in remiss to not highlight the strong work being done on opening up access to high quality childcare and improving family health, particularly with the home visiting program. Interestingly, UWWV does not really talk about themselves as specializing in early childhood, but the signature programs of this Poverty to Possibility campaign are really focused on the 0-5 range (which is another reason the financial stability impact area sticks out a bit). I like this approach – and only hope to see as robust a continuum for grades K – 3.

Finally, Bill Jones has been a great archivist of F. M. Kirby's early impact in the area. I can't think of another grantee who has such a connection to and understanding of Fred Morgan Kirby's role in the community.

I recommend the budgeted \$125K, with the additional \$25K in honor of the organization's 100th anniversary.

FM KIRBY FOUNDATION
Financial Statement Analysis

Grantee Name:	United Way of Wyoming Valley	Date:	2/4/2021
Prepared By:	DLK		
Grant Request Amt.	\$ 125,000	Type of Financial Report Submitted	Audit
Budgeted Amt.	\$ 125,000	Period Covered in Financial Report	FYE 6/30/20
Audit Firm	Kronick Kalada Berdy & Co.	Date of Report Issuance	11/18/2020
Opinion	Present Fairly		
Basis of Acctg.	GAAP		

Current Ratio (Liquidity Ratio/Working Capital Ratio)	3.30	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 5,896,967
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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	6/30/2020	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 4,267,187	81%	Ideally program expenses should be at least 70% of budget
B. Management and General	\$ 430,338	8%	
C. Fundraising	\$ 566,120	11%	
D. Total Expenses	\$ 5,263,645	100%	

Comments/ Notes:

Budget - The FY21 budget is projecting a \$120K operating deficit (pre-endowment) versus a \$115K operating surplus for FY20. Total revenues are budgeted to decline by \$486K (6%), primarily in campaign revenue. Grant/contract income is budgeted to grow by \$240K (6%). Total expenses are budgeted to decrease by \$250K (3%). Other expenses are declining by \$201K (9%) and special/event program expenses by \$156K (33%), while grant/contract expenses are growing by \$342K (10%).

Audit - UWWV had an operating deficit of \$243K for FY20 vs a surplus of \$1.5M for FY19. Net campaign revenue for FY20 was down \$75K (3%), but grants/contracts revenues were up \$1.8M (72%). There was a large decline in investment results (\$1.5M / 129%). Total public support and revenue was up \$363K (5%). Program expenses were up \$2.2M (50%), primarily due to the Ryan White Part B funding for HIV care via the PA DOH and the Opioid Use Disorder Housing Assistance (also via the PA DOH) which was up \$1.8M (83%). Supporting services decreased again in FY20 by \$58K (6%). Investments totaled \$16.6M as of June 30, 2020, of which \$10.3M were endowment-related. UWWV received \$220K in PPP monies in April 2020. The Organization qualified had no material weaknesses or significant deficiencies identified in internal controls. There were no red flags as a result of my review.

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$125,000**
- Hold for Board Review
- Insert Information: **For: Annual allocations to community-based social service agencies and programs (additional \$25,000 of support is in recognition of the United Way of Wyoming Valley's Centennial Anniversary)**
- Other:

Initials: sdh Date: 3/4/21

Check #: _____ Date: _____