

**F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** March 27, 2023

**REQUEST DATE:** March 3, 2023

**Last grant acknowledgment:** Yes

**Program Area:** Arts, Culture, Humanities

**APPLICANT:**

F.M. Kirby Center for the Performing Arts  
71 Public Square  
Wilkes-Barre, PA 18701-2507

**CONTACT:** Ms. Joell Yarmel, Executive Director

**PHONE:** 570-823-4599

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$130,000 **NATURE OF REQUEST:** For general operating support

**GRANT HISTORY**

**SUPPORT:** 1986-2022      **# OF GRANTS:** 36      **TOTAL DOLLARS:** \$6,800,000

**LAST GRANT DATE:** 05/02/2022

**LAST GRANT AMOUNT:** \$120,000

**FYE DATE:** 6/30/2022

**AFS DATE:** 3/20/2023

2022	\$120,000.00	05/02/2022	General Operating Support
2021	\$130,000.00	05/03/2021	Toward COVID-19 related needs-\$10,000
2020	\$120,000.00	04/29/2020	
2019	\$130,000.00	04/15/2019	
2018	\$140,000.00	04/23/2018	

**DLK COMMENTS:** Financial analysis attached.

**GEB COMMENTS:** The 2021/22 season, beginning on August 9, 2021, with a sold-out performance of the *Happy Together Tour*, was the Kirby Center’s first season since the pandemic. With 101 events for guests to enjoy, the 2021/22 season was what the Kirby Center’s “staff, Board of Directors, volunteers, patrons, partners, and the community had been waiting for since spring of 2020.” Despite the accomplishment of hosting a full slate of shows for the first time in two years, the season did not come without challenges. Attendance certainly did not reach pre-pandemic numbers, with many audience members being hesitant to return to performances. Compared to the 2018/19 season, the last complete season of programming, attendance numbers were at approximately 60% of pre-pandemic totals with 56,406 patrons served in 2021/22. This season, 10 shows were sold-out and eight were cancelled due to Covid. Popular shows in the 2021/22 season included Opening Night’s *Happy Together Tour*, singer Cole Swindell, and beloved kid favorite *CoComelon*, which grossed over \$160K! The Young People’s Theatre Series (YPTS), the Kirby Center’s school-day children’s performances, struggled the most as many area schools continued to

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disallow field trips out of health concerns. In the latter half of the season, however, the Kirby Center welcomed students back for the YPTS for five live performances of children's shows, including *Call of the Wild*, *Harriet Tubman* and *the Underground Railroad*, and *Charlotte's Web*. The 2021/22 season featured the premier of the documentary film *Agnes*, which tells the story of Tropical Storm Agnes that caused flooding and devastation of the Wilkes-Barre area and of the theater in 1972. In 1986, FMKF gave a \$300K grant to aid in the restoration of the building and to name the theater – an amount worth over \$800K in today's value. The premiere of the documentary was one of the Kirby Center's sold-out events.

Last year, we learned that the Kirby Center had allocated \$600K for mission programming; the YPTS, the Signature Series, and Community Outreach fall under this title. The Signature Series is a program intended to expose audiences to the cultural arts like Shakespeare, ballet, and opera. In an effort to increase attendance to these events and to make the shows more accessible, the Kirby Center has started underwriting the program to make tickets for this series only \$10. Through community partners like school districts and healthcare centers, the Kirby Center provides complimentary tickets to its performances. Monies from the F. M. Kirby Endowment Fund are used to supplement mission programming investments.

As the Kirby Center returned to normal activities, they faced challenges in staffing with vacant positions in Programming, Operations, and Development. Former Development Director Joell Yarmel was named Executive Director as former ED Drew Taylor transitions into retirement. He is currently serving as the Chief Operations Officer and there is no mention of when he plans to retire fully. Since Joel Yarmell has assumed the ED role, five of the vacant roles have been filled. The Kirby Center and its staff received several accolades this year. To highlight two, Joell Yarmell was named the Young Professional Cultural Ambassador of the Year by the Greater Wyoming Valley Chamber of Commerce and the Kirby Center was ranked 96<sup>th</sup> on Pollstar's Top 200 Worldwide Theater rankings.

I contacted Joell Yarmell regarding the current season. To date, 49 shows have occurred with 24 scheduled for the remainder of the season, though I imagine more will be added. Like MPAC, the Kirby Center hosted Jerry Seinfeld for two sold-out performances reaching 3,200 guests. Attendance varies broadly, with performances like *Rumours of Fleetwood Mac*, *Disney Junior Live*, and *A Christmas Carol* attracting audiences of over 1,000, while some shows do not even break 200. A total of \$525K will be invested in mission programming during the current season to provide events that include 9 Signature Series shows, 5 YPTS shows, 16 classic movie showings, and ticket distribution to community partners.

Membership has increased in the current fiscal year compared to membership at this point in the previous fiscal year. As of February 22, 2022, the Kirby Center had 368 members whereas as of February 22, 2023, there were 402. As noted in JFT's and DLK's 2022 comments, SVOG grant money truly sustained the Kirby Center in FY22 and allowed them to reach their \$600K annual contributions goal. This year, the Kirby Center believes they will reach this \$600K goal again. As of February 22, 2023, the Kirby Center had raised \$264K from 495 total donors. The F. M. Kirby Endowment was valued at \$469,770 as of June 30, 2022. The request notes that \$90K from the Kirby endowment was transferred to operations, of which \$16,500 was used to support mission programming.

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The Board has 32 members including a new (but not new to the Board) Chairperson. It is noted that the Kirby Center had 100% Board participation in FY22.

I hope that the 2022/23 season will be the Kirby Center's first uninterrupted season since the pandemic. I am not necessarily surprised that attendance has been a struggle, as much of the Kirby Center's programming is targeted towards older audiences or families with young children – two groups that might maintain hesitancy about large crowds. Last year, JJK noted that the Kirby Center was not as creative during the pandemic in terms of virtual and outdoor programming as some of our other partners like MPAC or Shakespeare Theatre. I think given the nature of the population that the Kirby Center serves and the area in which it is located, it would be more appropriate to compare the Kirby Center with the likes of State Theatre in Easton. The Kirby Center operates in an area that is not only rather economically depressed but also has a dearth of artistic and cultural options. Whereas a resident of Morris County has a wide variety of musical and theatrical opportunities available to them on any given weekend, a resident of Luzerne County does not have the same opportunities. The Kirby Center is the primary, and essentially the only, arts provider in the area. I believe continuing to support the Kirby Center is a meaningful way to support the cultural vibrancy of a community to which FMKF has deep connections. I support the budgeted \$120K.

**JJK COMMENTS:** Our 2022 grant represented 33% of contributions and grants (not inclusive of the federal government's Shuttered Venue Operations Grant or Paycheck Protection Program grants). While this is an improvement from 2020, we should continue to keep an eye on this. Perhaps with former Director of Development Joell Yarmel in the role of Executive Director, the FMKCPA will more pointedly focus on developing more small and mid-level donors.

I appreciate GEB's comments above about FMKCPA being, for some, the *only* arts provider in the area. As such, through programs like Young People's Theater Series and Community Events, the organization goes to great lengths to ensure that audience members of varying income backgrounds can walk into FMKCPA for a night out of entertainment. While the Film Series never attracts big crowds, it is an excellent way of engaging audiences and keeping an eye on the bottom line, while also sustaining the legacy of classic films (2022 films included *Maltese Falcon*, *The Godfather*, *The Sound of Music*, and *Gone with the Wind*).

Last site visit was March 2, 2020 (!). Little did we know then what was about to shut down FMKCPA. With new leadership and audiences returning, it would be great to do another site visit here in 2024, if not sooner.

I recommend \$120K.

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<b>FM KIRBY FOUNDATION</b>			
<b>Financial Statement Analysis</b>			
<b>Grantee Name:</b>	F.M. Kirby Center for the Performing Arts	<b>Date:</b>	3/16/2023
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 130,000	<b>Type of Financial Report Submitted</b>	Draft Audit
<b>Budgeted Amt.</b>	\$ 120,000	<b>Period Covered in Financial Report</b>	FYE 6/30/22
<b>Audit Firm</b>	Kronick, Kalada, Berdy & Co.	<b>Date of Report Issuance</b>	1/xx/23
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		
<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	3.87	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 3,588,559
<p><b>Note:</b> 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.</p>			
<b>Allocation of Functional Expenses</b>	6/30/2022	%	Must Read Financial Statement Notes
<b>A. Program Service Expenses</b>	\$ 2,991,579	85%	Ideally program expenses should be
<b>B. Management and General</b>	\$ 470,417	13%	at least 70% of total budget.
<b>C. Fundraising</b>	\$ 55,350	2%	
<b>D. Total Expenses</b>	\$ 3,517,346	100%	
<b>Comments/ Notes:</b>			
<p><b>FY23 Budget:</b> The FY23 budget is projecting to break even vs a surplus of \$1.7M for FY22. Total show revenue is budgeted at \$2.4M vs \$2.1M in FY21. Net show revenue is budgeted at \$696K, up \$257K (58%) from FY22. Unrestricted gift revenue is budgeted to decline by \$1.7M (74%), which I'm sure is attributable to the Shuttered Venue Operations Grant (SVOG) revenues in FY22. Operating expenses are budgeted to grow by \$187K (16%), primarily in professional services (up \$150K). The \$130K grant request equates to 58% of their budgeted gifts/grants income of \$222K.</p>			
<p><b>FY22 Audit:</b> There was a \$1.6M operating surplus before depreciation vs a surplus of \$1.3M for FY21. Total net assets grew by \$1.4M for FY22. Total public support increased \$2.8M (121%), with \$1.8M in SVOG (vs \$778K in FY21) and PPP monies of \$149.4K (versus \$198K in FY21). With the center reopening, ticket sales and concessions grew \$2.4M and \$381K, respectively. These increases were partially offset by declines in investment income of \$859K. Expenses grew \$2.7M, primarily in program services. The Center had \$2.9M of investments, all of which were endowment-related. As of June 30, 2022, there was no outstanding balance on the Center's \$650K revolving line of credit. There were no deficiencies in internal control over compliance and the Center qualified as a low-risk auditee. Overall, there were no red flags as a result of my review.</p>			

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$120,000**
- Hold for Board Review
- Insert Information: **General Operating Support**
- Other:

Initials: JKK  
Check # \_\_\_\_\_

Date: 3/29/23  
Date: \_\_\_\_\_