

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

**DATE:** July 31, 2023

**REQUEST DATE:** July 20, 2023

**Last grant acknowledgment:** Yes

**Program Area:** Human Services

**APPLICANT:**

Cornerstone Family Programs  
80 Washington Street  
Morristown, NJ 07960

**CONTACT:** Ms. Patrice Picard, Executive Director

**PHONE:** 973-538-1229

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$150,000.00    **NATURE OF REQUEST:** General Operating Support

**GRANT HISTORY**

**SUPPORT:** 1965-2022

**# OF APPROVED GRANTS:** 55    **TOTAL DOLLARS:** \$3,708,700.00

**LAST GRANT DATE:** 09/12/2022    **LAST GRANT AMOUNT:** \$150,000

**FYE DATE:** 12/31    **AFS DATE:** 07/14/2023

Year Approved	Approved Amount	Approval Date	Notes
2022	\$150,000.00	09/12/2022	General Operating Support
2021	\$150,000.00	09/13/2021	General Operating Support
2020	\$150,000.00	04/29/2020	General Operating Support
2019	\$150,000.00	09/16/2019	General Operating Support

**DLK COMMENTS:** See financial analysis.

**LDC COMMENTS:** I can remember going to events at Cornerstone Family Programs/the Neighborhood House (known as “the Nabe” colloquially) as a child, but it is incredible to learn of the history of the organization. I had no idea that CFP has been in existence for more than two centuries and the Neighborhood House has existed since 1898! Obviously, the organization has lived through many iterations and phases during its long life, and services have expanded and changed depending on the population’s needs, but at its core, it remains a community social service provider that addresses the needs of the most vulnerable members of the Morristown community. What impresses me most about the 2023 application is the commitment to the holistic wellbeing of

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the community through innovative and adaptive programming; the focus on strengthening the organization from the inside out through professional development and staff wellness; and the use of evidence-based practices and data collection to ensure that all programs are in line with the best and most current recommendations.

In the past year, Cornerstone has continued to make leaps and bounds in improving and growing their organization. The successful sale of their former headquarters on Elm Street for \$5.2M has given them the financial power to invest in their expansion into Dover (a town that is in dire need of increased social services) along with the improvement and modernization of the infrastructure of the Morristown Neighborhood House (where the administration is now headquartered, saving CFP about \$100K per year). Cornerstone's application emphasizes the importance of a strong and satisfied staff as they begin to scale their programming. In this past year, they conducted an employee engagement survey and acknowledge both the positive results and the areas where improvement is needed. The application also mentions a partnership with Deloitte to increase CFP's brand awareness to ensure that residents are aware of the programming and resources the organization provides to the community at no cost.

In terms of programming, CFP continues to provide preschool, after-school, and senior programming options. The preschool is now serving over 175 toddler-age-through-preschool students (more than double that of last year) in Morristown and is slated to grow even more, as they were awarded four preschool classes by the Dover School District which will be active in fall of 2023. Additionally, Cornerstone's program was awarded four stars by Grow NJ Kids, a state-sponsored program designed to increase the quality of early childhood education in NJ. Cornerstone's after-school and summer programming is varied and includes STEM education, physical recreation and sports, dance, and cooking (to name a few). All these efforts provide the dual purpose of providing a safe and supervised place for children to stay while their parents are at work and simultaneously address the setbacks that are endemic to youth living in poverty by teaching them practical skills such as time management as well as essential emotional regulation skillsets that will help them in their professional and private life. I am particularly impressed by the ways that Cornerstone is reaching out to teenage boys through their Big Brothers Bright Futures program which partners middle schoolers at CFP with Delbarton high schoolers, as well as through their sports and recreation programming (I love the Boys2Men club, where CFP's recreation coach shows boys how to cook while discussing important topics such as responsibility and respect). As a recent [Manhattan Institute](#) article discusses, the achievement gap between genders is particularly noticeable amongst boys in lower socioeconomic statuses and boys without fathers, who struggle more than girls (and boys of higher socioeconomic status) with behavior, academic achievement, and long-term success. In November 2022, we learned that CFP was the recipient of a \$75K grant from the Cigna Foundation for the *Teen Pathways to Brighter Futures* program, which is a work-based earn-and-learn program that helps teens prepare for and obtain their first job.

Cornerstone's Senior Citizens program partnered with Mayo Performing Arts Center on *Creating Aging in Arts*. Seniors at Cornerstone worked with local Morristown artist Dan Fenelon to create a collaborative mural that will be displayed at MPAC. Finally, Cornerstone also celebrated ten years of Operation Sisterhood, a program for female veterans that offers peer support and therapeutic interventions.

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I also want to note that, in light of FMKF's own interest in supporting mental wellbeing in our community, it is exciting to see that Cornerstone has stepped up as a mental health and wellness advocate in the community: they trained their first cohort of teens in Teen Mental Health First Aid (tMHFA) and introduced programming to support the mental health and overall wellness of their teen populations.

Looking Forward, we can anticipate the expansion into Dover of the preschool and after-school programs which is estimated to increase service provision by 53%. Since the last site visit was in 2018, I would love to schedule a time to visit the new classrooms at St. Mary's Church (maybe in 2024, after they have settled in a bit) (**JJK: Very interested in joining**). In 2023-24 the teen programming will focus on financial education and hopefully provide opportunities to CFP students to apply for internships. We will also see CFP continuing to grow as community wellness advocates: they will continue the tMHFA training and increase their wellness programming for adults via fitness classes, wellness coaching, and nutrition education at the Neighborhood House.

Along with MPAC, Cornerstone partnered with JBWS and EdgeNJ. The CFP Board lost four members and gained two new members over the course of the year. I recommend the budgeted and requested \$150K for General Operating Support of Cornerstone Family Programs. It is an honor to continue to steward this partnership on behalf of the F. M. Kirby Foundation.

**JJK COMMENTS:** I found it interesting that Cornerstone led the request narrative by informing us of the development of a new strategic plan. This introduction puts into context the rest of the narrative, particularly the emphasis on the growth of early childhood and preschool programs as well as the investments in staff and infrastructure. In five succinct pages, CFP imparts upon the reader a sense of the comprehensive, community-rooted work of this organization, from infants and toddlers up to seniors.

What many of these programs have in common is CFP serving as a place of social connection. Whether it be for parents with children in the preschool programs or teens seeking a place outside the home to develop friendships or seniors working side by side on art projects, one gets the sense that CFP is acting as a "third space" for people, a place outside of the home and work/school environment where the ties of community are strengthened. How important this is, especially for the teen and senior populations, after Covid.

In considering the effectiveness of an organization, I find it useful to do a brief thought experiment and imagine what would happen if that organization were to disappear tomorrow. It is a testament to CFP's reach and comprehensive programs that the void it seems they would leave – across all ages – would take many, many years to fill.

As LDC mentions, Cornerstone continues to invest in the mental health of its teens, using Teen Mental Health First Aid training and a new curriculum called Teen RAP (Resilience and Purpose). Survey results for these programs suggest they are having a strong effect on helping teens increase confidence, communicate with one another and adults, and regulate their emotions in stressful situations. It is worth highlighting that this type of service only came on the Morris County Funders Group radar as a result of hearing about CFP training their teens last year!

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I would like also to applaud CFP for being awarded the four stars in the Grow NJ Kids program. Only 123 of the 811 participating providers have earned this recognition. This will not only help attract families looking for high-quality, affordable childcare, but it will also help CFP access higher reimbursement rates and retain staff.

I also recommend \$150,000 in general operating support for this stalwart Morristown community institution.

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<b>FM KIRBY FOUNDATION</b>			
<b>Financial Statement Analysis</b>			
<b>Grantee Name:</b>	Cornerstone Family Programs	<b>Date:</b>	7/26/2023
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 150,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 150,000	<b>Period Covered in Financial Report</b>	12/31/2022
<b>Audit Firm</b>	CliftonLarsonAllen LLP	<b>Date of Report Issuance</b>	7/14/2023
<b>Opinion</b>	Present Fairly		
<b>Basis of Acctg.</b>	GAAP		
Audit firm merger with Sobel & Co.			
<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	15.36	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 7,963,856
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 obligation. A ratio under 1 indicates the organization's liabilities are greater than			
<b>Allocation of Functional Expenses</b>	12/31/2022	%	Must Read Financial Statement Notes
<b>A. Program Service Expenses</b>	\$ 4,816,552	82%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 670,964	11%	
<b>C. Fundraising</b>	\$ 417,727	7%	
<b>D. Total Expenses</b>	\$ 5,905,243	100%	
<b>Comments/ Notes:</b>			
<p><u>2023 Budget:</u> The budget projects a \$1.6M <u>operating</u> deficit versus the 2022 operating deficit of \$1.6M. An overall surplus (after contributions &amp; financing revenues/expenses) of \$100K is budgeted vs an overall surplus of \$94K for 2022. Earned revenues are budgeted to grow by \$1.1M (27%), with growth in both earned revenue/client fees and government grants/contracts. Contributions and support are budgeted to decline by \$124K (8%) due to decreases in the foundation (\$89K/13%) and fundraising campaigns (\$78K/13%) lines being partially offset by increased development event revenues of \$42K (11%). Operating expenses are budgeted to increase by \$1.1M (19%), primarily in salary/fringe benefits (up \$990K/23%) and program expenses (up \$78K/18%) expenses. The \$150K requested accounts for 2.235% of total operating expenses.</p> <p><u>2022 Audit:</u> 2021 had an operating deficit of \$1.3M vs a surplus of \$758K in 2021. Total revenues declined \$1.5M (24%), due to PPP monies of \$1.3M booked to 2021 revenue and \$1.2M in unrealized/realized investment losses in 2022. County/state/federal grants increased \$696K (25%) over 2021 and special events revenue was up \$166K (62%). Total operating expenses grew \$778K/15%, with community services up \$716K (17%), management expenses up \$41K (7%) and development up \$21K (5%). Cornerstone had investments of \$5.5M, of which \$1.8M were endowment-related. The organization has a \$300K line of credit, which automatically renews. At December 31, 2022, there was no outstanding balance. The audit identified no deficiencies in internal controls. The audit tests revealed no instances of noncompliance (under Government Auditing Standards). Overall, no red flags as a result of my review.</p>			

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$150,000**
- Hold for Board Review
- Insert Information: **General Operating Support**
- Other:

Initials: JKK

Date: 08/23/2023

Check #

Date: