

F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: November 20, 2023

REQUEST DATE: October 4, 2023

Program Area: Arts, Culture, Humanities

APPLICANT:

North Carolina Arts in Action, Inc.
P.O. Box 51277
Durham, NC 27717

CONTACT: Mr. Marlon Torres, Executive Director

AMOUNT REQUESTED: \$100,000.00

NATURE OF REQUEST: Support of the North Carolina Arts in Action Campaign for Growth - \$25,000 in 2023 and 2024; General Operating Support - \$25,000 in 2023 and 2024

GRANT HISTORY

SUPPORT: 2014-2022

OF APPROVED GRANTS: 9

TOTAL DOLLARS: \$150,000

LAST GRANT DATE: 11/30/2022

LAST GRANT AMOUNT: \$25,000

FYE DATE: 06/30

AFS DATE: 11/16/2023

Year Approved	Approved Amount	Approval Date	Grant Purpose
2022	\$25,000	11/30/2022	General Operating Support
2021	\$25,000	10/29/2021	General Operating Support
2020	\$20,000	10/30/2020	General Operating Support
2019	\$17,500	09/30/2019	General Operating Support

ENDORSEE: Alice K. Horton

HVB COMMENTS: See financial analysis.

GEB COMMENTS: North Carolina Arts in Action (NCAIA) serves elementary students in Title 1 schools across the Triangle region with in-school dance residencies designed to promote confidence, healthy movement, learning, and teamwork. Residencies are typically offered to fourth-grade students and run for four months in length, during which time two teaching artists and a live musician lead the students in creative dance instruction on a weekly basis. NCAIA utilizes the pedagogy of the National Dance Institute in New York City, which was founded with the belief that children can be united with inclusive dance education. FMKF has been funding NCAIA since 2014

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with modest general operating support. In 2023, NCAIA is requesting \$100,000: \$50,000 in general operating support and \$50,000 in support of the NCAIA Campaign for Growth.

During the 2022/23 school year, NCAIA served 1,700 elementary students in 14 schools across Wake, Durham, Orange, and Chatham Counties. As we learned during a virtual site visit last October, Durham Public Schools have just started to contribute to the cost of hosting these dance residencies in their schools using Federal Title I School funding that is designated specifically for the arts. This year, NCAIA anticipates reaching 540 students in Durham alone. The pilot full-school residency at C.C. Spaulding Elementary School in Durham has continued for the second year. As opposed to the standard 4-month residencies for fourth graders, the C.C. Spaulding program includes every student in the school, spanning Pre-K through fifth grade, and lasts the entire year. The Federal Title I School arts funding does not cover the full cost of executing the full-school residency at Spaulding Elementary, and so outside support, like from FMKF, was crucial for continuing this pilot.

NCAIA has expanded its program evaluation and outcome data. Each student who participates in an NCAIA residency fills out two surveys – one at the beginning of the program and one at the end. The surveys measure key metrics like students’ behavior, interests, confidence, and interpersonal relationships. This updated study includes data from 2017 through 2023, and demonstrates, among other things, that students “are more likely to feel good about coming to school on an NCAIA day (74%) compared to a normal day (60%).” Schools across the country [are struggling with higher rates of absenteeism](#) since the pandemic, with low-income students being even more likely to have frequent absences (**JJK: Great data point to bring in here. We have to think creatively – and use creative arts – to shore up the attendance rate.**) For a school like C.C. Spaulding, where attendance is a major concern, a program like NCAIA that can increase a student’s desire to go to school in the morning is even more valuable. Additionally, because they operate exclusively in Title I schools, NCAIA provides children the physical recreation and musical education aspects of extracurricular activities to which many of their students lack access due to financial or logistic barriers.

The quiet phase of NCAIA’s Campaign for Growth was launched on September 7th at an event hosted by Alice and Trig Horton. NCAIA tentatively plans to announce the public phase of the campaign at the end of this year. The goal of this campaign is for NCAIA to nearly double its reach, from 21 programs in 14 schools to 32 programs in 25 schools by 2026. This ambitious endeavor is being guided by a strategic plan and a consulting group, which helped NCAIA outline the infrastructure and rollout of the campaign. In order to expand services so expansively and quickly, NCAIA needs to increase staff capacity; by 2026, NCAIA hopes to add 3 full-time staff positions and 9 contract teaching artists and musicians. In total, NCAIA will grow from 21 staff members, both full-time and contract, to 33 staff members. Included in the campaign are funds designated for these new staff members to travel to New York to be trained in the pedagogy of the National Dance Institute. The goal for this campaign is \$1.3 million. To date, NCAIA has raised \$735K in the quiet phase! This impressive total accumulated thus far suggests that NCAIA is well on its way to achieving their campaign goals.

I believe support for NCAIA’s Campaign for Growth is warranted for several reasons. First, this campaign is solely dedicated to expanding programmatic offerings and scaling reach. As Executive

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Director Marlon Torres expressed in last year's site visit, NCAIA can do "a lot with a little." Despite having impressive, and measurable, impact on students, NCAIA residencies are relatively inexpensive to execute, with program-related staff salaries comprising a good chunk of their expenses. Because NCAIA goes "to the children" by operating in schools, there is no need for a physical building or even much equipment, allowing campaign dollars to be solely dedicated to scaling impact. Second, NCAIA has thought strategically about how to scale their operations in a sustainable way, and called on the help of experts when it was needed. Last year we learned that NCAIA had partaken in a Board and staff strategic planning retreat process led by a consulting company in preparation for this campaign. Further, they have developed financial projections six years into the future, three years beyond the length of the campaign, to understand what kind of operating funds will be required to commit to working in 25 schools long-term. Finally, a NCAIA dance residency offers students the opportunity to move their bodies, learn from positive adult role models, be exposed to music and dance instruction, all while having fun with their friends in the middle of their school day. The success of the Campaign for Growth means that even more students, many of whom lack access to extracurricular dance and sports activities, will get to partake in an hour of [joy at school](#). I plan to make visiting a NCAIA class a priority during our next trip to North Carolina.

I happily support \$100,000: \$50,000 for general operating support and \$50,000 for the Campaign for Growth, payable over two years.

JJK COMMENTS: I was impressed with the scaling plan, and its attention to increasing staffing (so not everyone is just doing more with less) and modeling operational costs beyond the three years. The fundraising to date is equally impressive.

Early experiences of mine with organizations like Playworks and Shakespeare Theatre in NJ have certainly convinced me that kids learn better when their bodies get a chance to move. Our minds and bodies are not separate entities; there is so much that can happen cerebrally when our bodies are also in motion. NCAIA has always been willing to support what is clearly a joy-filled pedagogy with strong data.

Given all the needs in Durham Public Schools, enrichment programs like this can be important tools in fighting chronic absenteeism and learning loss. I am glad to see NCAIA look well beyond its current ken and seek to have a bigger impact.

I hope I can see NCAIA with Gina, if possible, as I have heard nothing but good things from LHV, AHF, and AKH.

I recommend \$100,000, payable over two years, as designated below. This ought to be considered among our "Diversity & Justice" grants for this year.

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FM KIRBY FOUNDATION			
Financial Statement Analysis			
Grantee Name:		Date:	11/20/2023
Prepared By:	HVB		
Grant Request Amt.	\$100,000		
Budgeted Amt.	\$100,000 (2 year pledge)	Report Submitted	DRAFT Financial Statements
		Period Covered	June 30, 2023 and 2022
Audit Firm	Dean Dorton - Draft		
Opinion	DRAFT		
Basis of Acctg.	GAAP	Date of Report	DRAFT
Current Ratio (Liquidity Ratio/Working Capital Ratio)	NC AIA has \$385k in liquid assets and only \$685 in payables	Amount of Unrestricted Net Assets (Operating Reserve)	\$318,387
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	6/30/2023	%	
A. Program Service Expenses	\$ 705,001	81%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 24,523	3%	
C. Fundraising	\$ 142,524	16%	
D. Total Expenses	\$ 872,048	100%	
Comments/ Notes:			
<p>FY24 BUDGET: The NC AIA is anticipated to have an Operating Income of \$74k in 2024 versus a Net Operating Loss of (\$229k) in 2023. Total Revenue is estimated to increase by \$719k(+112%) primarily due to the anticipated receipt of funds for the \$450k of Major Gifts Campaign and \$145k in increased Foundation and Trust Grants. Total expenses are forecasted to increase by \$415k(+48%) primarily attributed to Program Expenses which are anticipated to increase by \$364k(+58%) and an increase in Management and Administration expenses of \$51k(+20%).</p> <p>2023 Draft Audit: The NC AIA experienced a deficit of \$229k in 2023 versus a surplus of \$24k in 2022.</p> <p>Revenue decreased from 2022 by \$76k(10%) primarily as a result of less Grants which decreased \$65K(-22%) and In-Kind Contributions which decreased by \$40k (-66%) this is <i>offset by</i> Contributions which increased by \$20k (+33%)and Program Fee revenue which increased by \$20k(+14%).</p> <p>Expenses increased by \$179k (+26%) over the prior year primarily due to increased Program Services of \$136k (+24%) and increased Fundraising costs of \$76k(+115%) <i>offset by</i> a decrease in Management and General of \$32k(-56%).</p> <p>There were no red flags in my review.</p>			

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$100,000**
- Recommended Grant Payment(s):
 - 2023:** Support of the North Carolina Arts in Action Campaign for Growth - \$25,000
General Operating Support - \$25,000
 - 2024:** Support of the North Carolina Arts in Action Campaign for Growth - \$25,000
General Operating Support - \$25,000
- Hold for Board Review
- Payee Other Than Addressee:
- Insert Information:
- Other: **Include multi-year grant letter with grant check.**

Initials: _____ Date: _____

Check # _____ Date: _____