

Kosak and Associates
Samuel Justus Charitable Trust and
Discretionary Charitable Trusts

Stephen P. Kosak, Consultant
Joan E. Kosak, Consultant
P. O. Box 374
Oil City, PA 16301
814-677-5085

October 28, 2010

Penny Gustavson, BCT General Manager
Barrow-Civic Theatre
1223 Liberty Street
P. O. Box 1089
Franklin, PA 16323-1089

Dear Penny:

The Discretionary Charitable Trust Committee considered the Barrow-Civic Theatre's Replacement of the Heating System at their September 28, 2010 meeting.

The Committees approved grants totaling \$35,000 to the Barrow-Civic Theatre to help replace its heating and ventilation systems.

The grants were made from the following trusts:

Edith C. Justus Charitable Trust	\$ 5,000.00
Elizabeth S. Black Charitable Trust	<u>30,000.00</u>
Total	\$35,000.00

The PNC Charitable Trust Grant Review Committee has authorized disbursements be made for these grants. You will receive payment of these grants by check in the next two (2) to three (3) weeks.

Please refer to File Number **1959** in any correspondence concerning this request. You have two (2) years from the date of this letter to use the grant. The grant will lapse after September 28, 2012.

Please use the complete names of the granting trusts (as listed above) in release to the news media about these grants.

Thank you for providing the information needed for my review and the Committee's consideration.

Best wishes.

Sincerely,



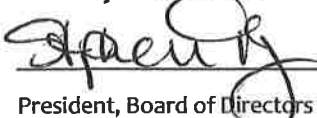
Stephen P. Kosak
Consultant

cc: Anthony Keim, CFA
Vice President Portfolio Management
PNC Institutional Investments

**PNC Charitable Trust Grant Review Committee
Grant Application Cover Sheet**

Legal Name of Organization:	Barrow-Civic Theatre
Tax ID Number:	25-1317373
Geographic Area Project Serves:	NW PA, NE OH and Western NY
Total Project Cost:	\$112,144
Committed Project Funding To Date:	\$20,000
Project Start Date: 09/15/2010	Project End Date: 10/31/2010
Requested Amount:	\$35,000
Project Name:	Barrow HVAC
Project Description:	Replacement of the Barrow-Civic Theatre HVAC systems to accommodate our audience, volunteers and staff's comfort needs
Address 1:	P.O. Box 1089
Address 2:	1223 Liberty Street
County:	Venango
City:	Franklin
State:	Pennsylvania
Zip:	16323
Executive Director:	Penny B. Gustavson
Contact Name:	Penny B. Gustavson
Contact Job Title:	General Manager
Contact Email Address:	pennygm@barrowtheatre.com
Contact Phone Number and Extension:	814-432-5196
Contact Fax Number:	814-432-6608
Organization Website:	www.barrowtheatre.com
Year Founded:	1991
Current Operating Budget:	\$277,956.50

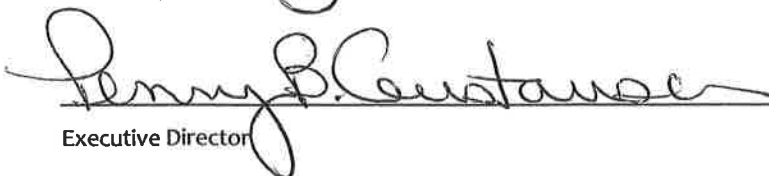
I certify to the best of my knowledge that the tax-exempt status of this organization remains in effect:



President, Board of Directors

06/30/2010

Date



Executive Director

06/30/2010

Date

Executive Summary

I. Organizational Summary

Mission: Franklin Civic Operetta Association, owners of the Barrow-Civic Theatre, is a leader in the growth and education of the performing arts. We encourage community involvement, promote cultural diversity, cultivate artistic development, and contribute to the economic vitality of the Oil Heritage region. We are committed to fiscal responsibility in order to continue our legacy of providing quality entertainment.

History: The Franklin Civic Operetta Association that was founded in 1959, with a desire to have a permanent home, purchased the former Kayton Theatre in 1989. With generous donations of over 1 million dollars from philanthropist Charles A. Barrow and over \$35,000 in fundraising dollars accrued, the theatre became a state of the art entertaining complex. On August 14, 1993 the theatre was dedicated. From that date the theatre has continued to present a full schedule of events each year.

Current programs: Programming for the balance of 2010 includes: Dirty Rotten Scoundrels, Foreigner, Peter Pan, Billy "Crash" Craddock, Pianafiddle, White Christmas, Youth Theatre Camp, A Kid's Life, Liberty Cabaret, Old Time Radio Show, Rocky Horror Picture Show, The Mouse Trap, Black Tie Barrow, Girls Night out and numerous community events. A full 2011 schedule is also in the making.

Accomplishments: Since our restoration 17 years ago, we have continued to update our equipment and purchased other cosmetic needs at the Theatre. Most recently we are working on a much needed new light system for our main house. We have 17 years of successful productions, concerts and service to our community.

II. Purpose of the Grant

Need: Engineers originally quoted the air conditioning & heating job at \$140,000 combined. We raised these funds then were told this was a gross miscalculation. The difference needed is \$112,144. It is our hope that the PNC Charitable Trust will donate \$35,000 to help us meet our goal.

Goals: The goal is to fund the replacement of our HVAC systems and bring our audience back.

Program and Project Description: We have hired Reno Brothers to replace our HVAC systems. To date we have raised the funds to complete the replacement of our air conditioning system. The replacement of our ventilation and heating systems are still in need of funding.

Sustainability: Future funding needs will be met by continuing our new fundraising projects. This will permit us to accrue a maintenance fund to properly maintain the new systems. Our contractors are helping us create a maintenance schedule. They will also assist us with the needs identified there in. We will train three employees as to the correct operational procedures having one of them on hand for each event limiting outside operational interference.

III. Evaluation

Outcome: We will replace our heating system to complete our HVAC needs and return the Theatre to a healthy environment

Measurement: We will be keeping a detailed report of the progression of the project, documenting the progress by photos and text.

Narrative

I. Statement of Concern or Need

The Barrow-Civic Theatre learned of the critical need early this spring. With an air conditioning system that literally is non-functioning, a heating system that has two of five boilers and one of two pumps out of commission and a ventilation system in need of major repair. We jumped into fundraising mode to prepare to meet this need. We were told by our engineers that we needed to raise \$140,000 to complete all of the needed HVAC replacement and repair needs. We spent all spring working hard to raise these funds and implemented three new fundraising projects. The Barrow Fun Blast and other campaigns helped us meet our goal. When the project went to bid the staff and board of directors were shocked to find that funds needed were in actuality much greater.

1. The geographic area is the city of Franklin; PA located in Venango County, our general service area also includes Northwestern PA, North East Ohio and Western New York. When presenting international artist we have brought visitors to the area and our theatre from almost all fifty states.
2. The project will serve the general public. It will also be a service to all area community and arts organizations, schools, businesses and individuals that rent our facility on a regular basis.
3. The majority of volunteers and cast members that donate their time on a regular basis at our theatre are at retirement age and above. Many members of our audiences are also in their "golden years." We house numerous youth productions and projects. With that said, high temperatures present a health risk to all of these groups.
4. We serve a totally diverse audience. Depending on the production the statistics greatly change. Over all we serve the population geography at approximately the same level. We are able to provide services to the underserved by obtaining grant funding to keep overall ticket prices down as well as donating unsold tickets to underprivileged students and families and community groups. We open all our youth and adult productions to all who are interested and greatly encourage the disabled population to take part as well. We have been very blessed to have many successful productions that have been enhanced by the participation of individuals with disabilities. Their participation has been positive to all involved and well received by our audiences. We open our doors for a daytime performance during each production to bus in school students, home schooled students mentally and physically handicapped youth. We partner with local businesses, organizations and school districts to offer a reduced ticket price so they have an opportunity to attend dress rehearsals.

II. Proposed Initiative, Service, Program, or Plan to address the concern(s), or to Meet the Need(s)

Our foremost concern is that we replace the current systems with cost effective equipment that will not just save us money as we meet our needs but, it will be economical to run for the next 20 to 30 years. After much research we have found that our principal problem with our current systems is that whether we are using heat or air, our system is a single system. This leaves us with the problem that to heat or cool one part of the facility we must heat or cool the entire facility. With the new system the building will be zoned into five areas. The new DX chillers will be linked to condenser units for each of our five zones and controlled by programmable electronic thermostats. This will make a major improvement in utility bills alone as we can alter the temperature in small parts of the facility as needed. It will also greatly decrease the work load on our equipment.

The new DX Chillers will take an estimated 30 minutes to cool the main house; our old Chiller system took a minimum of 3-5 hours.

The new in-duct condenser units will also be part of the heating system – so dependent on what we set our thermostat temperature at, the system will call for either COOLING or HEATING as the air passes through the units and through the ducts. This will also realize a savings because the system will be called upon only when needed, as opposed to now (for heating) when we turn it on in the fall and the pumps, etc. it stays on for the entire season.

1. **What services will be provided?** To obtain control of the theatre temperature, to enable us to bring comfort to our patrons, volunteers and staff. This service will once again provide a healthy cultural artistic outlet. This process will increase continued patronage.
2. **How will the services be provided?** Reno Brothers will install the HVAC and help to create and maintain a maintenance schedule.
3. **Who will provide the services?** With the assistance of Reno Brothers the staff will receive proper instructions on daily operational procedures.
4. **When will the services begin?** The A/C system is scheduled for completion at the end of July 2010. The work on our heating and ventilation system will be completed during September of 2010.
5. **When will the project be completed?** The project completion has a scheduled goal of October 31, 2010 contingent on total available funding. Allowing 30 days invoice grace period with all bills becoming due no later than November 30, 2010 before our winter needs become essential.
6. **How many of the individuals from the target population will be served?** 100% of our target populations will be served in that each individual whether patron, volunteer or staff will benefit from total comfort.
7. **How will these individuals benefit from this project?** Theatergoers run a health risk when confronted with extreme heat & cold temperatures. Regulated temperature environment will make the theatre safer for all. In addition, feeling comfortable in this environment will inspire continued patronage. The over 300 Barrow volunteers, who are for the most part elderly, will remain active in service to our mission.
8. **What community or organizational strengths will be used to meet the defined need(s) or concern(s)?** Numerous local organizations and businesses use our facility for their programming needs. Keeping temperatures regulated for these guests helps their events to be successful and assures our rental needs are fulfilled.
9. **What assets will be provided or strengthened in participants?** Statistics show exercise as well as brain stimulation leads to a healthier life style and a greater quality of life for the elderly.

III. Work Statement (Tasks)

The funds will be needed by the completion date of October 31, 2010. The work will begin by September 15, 2010 to assure that the system is in place when the seasons begin to change.

IV. Administration of the Grant

1. **Who, by title, is to be responsible for the proper expenditure of the funds?**
Penny B. Gustavson, General Manager
Deb Craver, Accountant
Edward Fennick, Finance Committee Chairman

2. **What accounting procedure is to be followed?** We operate our accounting on a cash basis through the QuickBooks software program. All bills are approved by our finance committee and then passed onto our board of directors for final approval and then forwarded to our accountant, Deb Craver. Major capital expenses are pre-approved by the board of directors, they are then sent out to bid to assure reasonable pricing.
3. **What percentage of the grant will be spent on the administration of the project?** 100% of the PNC grant will be used towards the purchase and installation of equipment.

V. Relationship with other Programs Sponsored by the Applicant Organization

- A. **How does this program compliment other programs operated by the applicant? How does it relate to the overall goals, purpose or mission of the applicant organization? In other words, why should the applicant organization want to provide the proposed service or undertake the proposed program, project or initiative?** All programs from the Franklin Civic Operetta Association's Barrow-Civic Theatre including rentals and those we produce ourselves, added to the concern of meeting our goals and mission make it necessary to complete this project and make this a successful facility.

VI. Relationship with other Community Programs or Services

- A. **This section should explain how the proposed project activities will be coordinated with other community programs or services operated by other organizations.** We will be keeping a detailed record of the progression of the project and documenting the progress through photos and text, making our reporting simplistic. We have cleared the calendar for the construction period so that we are not interfering with community programs.

VII. Community Involvement

- A. **How have program participants or persons to be served been involved in planning the program or project?** Barrow-Civic Theatre, in collaboration with the community, is constantly supplying updates as to the status of our construction. The work schedule permits the new heating system to be installed prior to its need, so that the community events will not be interrupted.
- B. **If your program, project or initiative will be for children or adolescents have children or youth had an opportunity to make decisions, suggestions or provide advice about the proposed activities, services or facility. What role will children, youth or families been given in making decisions about services, programs or involvement in activities?** Our patrons, volunteers and staff have sincerely expressed their extreme discomfort with the lack of temperature control. With this being said, our board of directors understands the continued success of our theatre is contingent on meeting those needs.
- C. **What committees or boards that govern your organization have reviewed and approved the proposal that you are submitting? Do you have youth in decision making roles on your board or as members of your advisory committees?** In the hierarchy of our organization, proposed plans move from our facilities committee to our board of directors. At the present time the Barrow-Civic Theatre does not have youth roles on all advisory committees. The youth theatre committee is comprised of adults and involved youth who report to our board of directors. Through this arrangement, we communicate and encourage the youth to express their thoughts and ideas.

VIII. Evaluation and Reporting

- A. **A report on the progress and success of the program or project is required from the grant recipient at the two (2) months after end of the program year or after the project has been completed.** We will be keeping a detailed report of the progression of the project documenting the progress by photos and text, making our reporting simplistic.
- B. **In the Proposal describe the way that the progress and success of the program or project will be measured. How will you measure outcomes? What indicators will you use to measure the achievement of goals? Our first avenue of measurement will be ticket sales, secondary we will be polling our audience to evaluate if their needs are being met. Third, we will be monitoring our utility expenses to track anticipated savings.**

IX. Budget

A. Budget for Operations

The estimated expenditure of grant funds for services should be provided in the manner listed below: Categories:

1. **Personnel**
Penny B. Gustavson, General Manager
Deb Craver, Accountant
Edward Fennick, Finance Committee Chair
These costs will be absorbed by the regular operating budget of the Barrow-Civic Theatre. At no time will funding efforts for this project be used to pay BCT personnel.
2. **Contract or Consultant** Leo J. Wolf Sr. of Reno Brothers
3406 43rd Street, New Brighton, PA 15066 as attached.
3. **Travel** Not applicable
4. **Consumable Supplies** Not applicable
5. **Equipment, Furniture**
New diffusers \$48,646
5 Slant Finn GG399 Boilers \$45,000
2 Circulating Pumps \$ 7,998
6. **Space** Not applicable
7. **Other Costs**
Insulation included in equipment costs
Duct Cleaning Work \$10,500

Net Total \$112,144

8. **Direct Administrative Cost** Absorbed by Barrow-Civic Theatre

Gross Total \$112,144

B. Budget for Equipment or Construction

If the request is for the purchase of equipment, you should provide:

1. **List of equipment**
New Diffusers
5 Slant Finn GG399 Boilers
2 Circulating Pumps (Included above)
2. **Specifications (if available)**

3. **Bids or quotes from at least three vendors**

Reno Brothers & Roy Deeter (see attached)

Note** approximately ten companies came to look at our needs to consider making a bid. Many thought the job was too large for their company. In the end, we only received two bids that were very comparable. When talking with Reno Brothers, it was obvious that they were well informed and prepared to deliver the needed equipment and expedite the work to meet our needs and timeline.

4. **Installation costs** included in the quote

5. **Maintenance expenses** A yearly maintenance schedule is being developed. Discounted maintenance fees are offered through Reno Brothers. We have a one year warranty on labor and parts, with the second through the fifth year warranty on the compressors.

6. **Expected useful life of equipment** 25-30 years with our properly planned maintenance schedule.

7. **Plans for eventual replacement of equipment** We will conduct a yearly inspection of all in house equipment to assure longevity and advanced opportunity for financial planning for replacement costs.

8. **Owner of equipment responsible for maintenance and replacement** The Barrow-Civic Theatre's General Manager will be implementing a new maintenance schedule that will list monthly maintenance needs. These needs will be assets at weekly employee meetings to assure that requirements are met at the properly scheduled time.

C. ***If the project is primarily for the construction or renovation, the budget should show the following costs and/or deal with the following considerations:***

1. **Architectural or Engineering Services**
2. **Property Acquisition**
3. **Materials**
4. **Labor**
5. **Other Construction Costs**

Note ** The above information is already included in our budget. The contractors did not spell out individual costs.

X. **Sources of Funding**

A. ***This section should provide an accounting of total funds that the applicant organization has committed to the proposed project as well as the source. The following categories are to be used:***

The BCT had committed a total of \$10,000 to the project that will be raised at our August Golf Fundraiser

Sub-Total \$10,000

XI. **Contracts or Grants from Governmental Agencies**

1. **City, Township, Borough**
2. **County**
3. **State**
4. **Federal**

Sub-Total

\$0 (at this time)

XII. Program Income Not applicable

XIII. Special Events

1.	Fund raising BCT Heritage Mural Project	\$5,000
2.	Capital campaign Requests have just gone out to numerous supporters of the Barrow-Civic Theatre	\$5,000
	Sub-Total	\$10,000

XIV. Miscellaneous The BCT has two requests pending with additional Foundations and one with the Ren Latchaw Fund at the Franklin Elks Club. We are hoping to receive additional donations in the amount of \$57,144.

The BCT has been approved by our bank to take out a second mortgage on our property if necessary. However, we are optimistic that we will not have to go to this measure. It is our hope that we will be able to raise funds to complete the project and hold onto that option for an emergency situation if needed.

Total Funding	\$112,144
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XV. Other Appendices and Exhibits

Note ** The Air Conditioning portion of the project is funded by monies raised to date.
Air Conditioning Budget:

INCOME:	Barrow Fun Blast	\$17,500	In house
	Peters Charitable Trust	\$75,000	In house
	PNC Bank Foundation	\$20,000	Expected
	NW Savings	\$20,000	Expected
	Personal Donations	\$ 5,660	In house
	Total Funds Raised	\$138,160	
EXPENSES:	Cooling Installed	\$145,800	
	Cleaning Coils	\$ 1,040	
	Automatic Controls	\$ 3,905	
	Total Expenses	\$150,745	

The B.C.T. had a minimal amount of funds in our capital improvement campaign account when this project started. Those funds were used to pay off the difference in the amount above difference. These financial needs are met and the work will be completed by the end of July 2010.

Any supplementary or detailed background information that might aid in understanding the overall proposal should be included as appendices. Include no more than two (2) letters of support – one from a client or participant and one from another organization that is partnering in your proposed service, program or initiative. Required Appendices include:

- A. A current list of your organizations governing board members and their current affiliations must be submitted. You may also include a list of the members of other pertinent committee members such as youth advisory committees.**
- B. A copy of your organizations most current 990 Federal Tax return, if you are required to file one, must be submitted before your grant request will be considered.**

Agreement of Fidelity in the use of Granted Funds

Any grant approved will be used only for the purposes as described in the proposal submitted. Any funds not used for the approved purpose will be returned to the Charitable Trust(s) from which the grant was made.

The grantee organization is responsible for fiscal and program or project accountability. Granted funds cannot be passed to another organization or entity that does not have legal status as a nonprofit 501(c)(3) organization.

In connection with this application I, as duly authorized representative of the grantee organization, agree to and will comply with the above conditions for any grant that may be awarded.

President, Board of Directors

Date

06/30/2010

Executive Director

Date

06/30/2010