

The Funhouse

Case Statement for Endowment

Introduction: The Funhouse is a public 501(c)(3) non-profit organization located in Eastsound, WA, on Orcas Island. Our mission is to serve the urgent needs of young people by providing a safe and stimulating environment where the community can learn, discover, create, socialize, and be heard. We work to strengthen community bonds that transcend age, economic, and religious lines.

During the mid-1990s Orcas Island was experiencing a high rate of alcohol and drug use by our local youth, and families were concerned for their children. This growing concern resulted in nine community forums, all involving a broad spectrum of students who were highly verbal about the serious problems of alcohol and drug use among their peers. When asked what they needed most from their community, these teens unanimously answered: a safe place to hang out, especially on weekend nights. When The Funhouse opened its doors in September 2000, our first goal was to fulfill this need.

Our Programs: With our outstanding educational programs, hands-on science exhibits, recording studio with musical instruments, video production studio, computer lab, library of educational books and films, and facilities for classes, The Funhouse is unique in San Juan County and is a destination for school and youth groups from neighboring islands. Thanks to our innovative programs, The Funhouse has become not just a place for fun and learning, but also a critical social safety net for island kids. We provide a safe environment for Orcas children both after-school, when most juvenile crimes occur, and on Friday and Saturday nights with Teen Night – a lively, safe, and supervised place for teens to meet on weekend nights. Each year on Graduation Night (when more than 1/3rd of all alcohol-related teen traffic fatalities occur), we hold an all-night party that consistently is attended by 100% of the island’s graduating teens. Our After School, Education, Mentoring, and Teen Programs have become an essential part of the social fabric of this community and are unique – **no other organization on Orcas Island offers these programs for our youth.** During the school year, every day we have up to 40 children at The Funhouse taking part in structured play, working on the computers, exploring the exhibits, playing music, watching a video from our extensive library of educational (and fun) titles, or participating in our After School Programs.

Last year we organized one-on-one college counseling sessions and SAT classes to help island children and families prepare for college after high school graduation. *One mother phoned us afterwards to say our event last year helped change her son’s life: previously, he thought college was not a possibility for him – now he’s headed to WSU this fall!*

Of the 573 schoolchildren on Orcas Island, currently, 52 are involved in Funhouse mentor programs. *That is an incredible 9% of all the children on the island.* School counselors classify close to 70% of the children in our mentor programs as “at-risk” emotionally and nearly 80% as economically at-risk. While The Funhouse provides services for all island and visitor children, these low-income, latch-key children and their families comprise a major part of our constituency. The Funhouse is the community safety net for those children.

Our Successes: Local educators, law enforcement officials, and health professionals credit the Funhouse and its programs as a major factor in helping the island’s children achieve in school, stay out of trouble, and avoid the most common teen health risks:

- Even with 1/3rd of its students classified as economically disadvantaged, the Orcas Island Public School district ranks among the 12 schools in Washington State that have consistently outperformed demographically similar school districts in reading and math proficiency.¹
- Since 2002, OI Public School WASL scores have increased dramatically at all grade levels in all subjects.² Local education leaders credit The Funhouse as a vital partner in helping students achieve this level of performance.
- According to local law enforcement and health statistics, since The Funhouse opened its doors, youth crime, teens’ use of drugs and tobacco, and teen pregnancy have all declined substantially on Orcas Island.³

¹ *School Matters, Outperforming School Districts in Washington, 2004-05*, Standard & Poor’s/National Education Data Partnership.

² <http://reportcard.ospi.k12.wa.us>

³ Healthy Youth Survey, conducted by the Orcas Island Prevention Partnership, between 2000– 2004.

- The San Juan County Prosecutor and Sheriff's Office credit The Funhouse and its programs as a major factor in keeping the island's teen crime and disturbance rate significantly lower than on other islands and the mainland.

Need for Endowment: Because the proceeds from fundraising activities will always fluctuate from year to year, and because program costs are never completely supported through admissions and fees, it is important that The Funhouse have a significant endowment fund to ensure that our most critical programs, such as After School, Teen, and Mentoring programs, can continue despite fluctuations in annual donations, a fluctuating economy, and targeted grant funding. A reliable, predictable source of annual funding through the endowment ensures these programs will always be available and accessible for island kids, **regardless of their ability to pay.**

Our goal is to increase our endowment to \$1,000,000 through gifts, grants, and planned giving within the next five years, so it generates between 17-20% of The Funhouse's annual operating costs and ensures the future of our most important programs. We currently have \$275,000 in gifts and pledges in our endowment fund, held at OICF. When fully funded, a \$1 million endowment will yield \$45,000 per year (at a OICF's current 4.5% spendable return), which will enable us to stabilize our budget and plan multi-year educational initiatives. As the endowment principal grows, through continued donations, undistributed earnings returned to principal, and planned giving proceeds, we will be able to increase the activities supported by this fund. Financial stability will also allow us to extend our reach to the other islands more effectively and help more of San Juan County's children in the future.

How You Can Help: You can donate to the endowment fund by making an outright gift, pledge, planned gift, or bequest. Outright gifts include giving cash, stocks, bonds, appreciated personal property, or real estate, among other methods. Very often a combination of outright gift and planned gift may provide maximum benefits for both you and The Funhouse. For example, you could establish a named, endowed fund with a current major gift and make a bequest or planned gift that would bring the gift to a more significant sum, which might support a specific purpose, such as enriching educational opportunities for Orcas high school students. Many planned giving options are available to maximize tax benefits and recognition to donors, as well as provide the best long-term use for the Funhouse. The Funhouse is fortunate to be able to use the Orcas Island Foundation for annuities and trusts.

Many types of planned gifts, such as Charitable Gift Annuities, Charitable Remainder Trusts, Charitable Lead Trusts, Life Estate Contracts, Life Insurance Trusts, and bequests, can increase your present income, lower income and estate taxes, maximize the amount you can pass on to the next generation, and reduce or avoid capital gains taxes on appreciated property. We would be very pleased to discuss these and other options with you.

Donor Recognition: The Funhouse is grateful for donors to our endowment fund. We will work with you to recognize your gift appropriately. You may want your gift to recognize you, your family, or a loved one – you may even want to give in memory of a loved one. Donors of \$1,000 or more to our endowment fund will become members of our *Supernova Society* and recognized on a special endowment fund panel at The Funhouse. For endowment gifts of \$50,000 or more, we will recognize your support for a specific program each year.

Conclusion: We will continue to raise funds by donations, memberships, events, and grants to help meet our annual needs. But depending on fluctuating annual fundraising activities to meet The Funhouse's financial needs is simply not a rational business plan, especially for ***the most important activity we can undertake – taking care of our children.*** Nor does annual fundraising allow us any certainty with which to plan programs to serve our community.

An endowment fund will ensure a steady, permanent income stream so we can implement new programs as the community needs them, so we have a dependable source to turn to for major repairs and upgrades that might otherwise exceed our budget, and most importantly, so we can continue to serve every child on Orcas Island, especially children from low-income families. **Your gift to The Funhouse's endowment fund will improve the quality of life for literally every child on Orcas Island.**

Please note – this does not constitute legal or financial advice. You should always seek outside, independent advice from professionals before making a planned gift.