

11/01/2018

Dr. Perry Wood
Executive Director
Erie County Gaming
Revenue Authority
5340 Fryling Road
Erie, PA 16510

Dear Dr. Wood,

The Lead Asset Advisory Committee has reviewed and approved the attached distribution formula for the annual transfer of funds from the Lead Asset Endowment totaling \$454,833. All Lead Assets were represented in this review and I am authorized to submit this request with the unanimous support of all.

Our goal is to utilize a distribution rationale that is fair, correlates with the economic impact of our organizations, and can be applied consistently each year. The formula applied this year is the same as last year and uses the total amount available for distribution as the priority variable to determine funding amounts. The amount available for distribution is projected at \$454,833.

To calculate each organization's "share" of this amount, the total averaged expenses of each organization over the same three-year period (2014, 2015, and 2016) have been tallied. With the exception of the Mercyhurst Institute for Arts & Culture (MIAC), the information is found by referencing Line 18 of the IRS Form 990 for the most recent three years available for all organizations. As opposed to the IRS Form 990, MIAC has submitted a similar report published by the University's Finance Office declaring total expenses for the same three years. Each organization's averaged total expenses represent a percentage of the total expenses of all Lead Assets. This percentage represents each organization's "share" of the total amount available for distribution. Please find a worksheet attached detailing the calculations of this year's distributions in accordance with this model.

On behalf of all nine Lead Assets, I ask that you present this year's recommended distributions to your Board for action at your December meeting. If you need any additional information, please let me know.

Sincerely,



Patrick Fisher

Executive Director, Erie Arts & Culture

Cc: Ainslie Brosig, expERIENCE Children's Museum
Joshua Helmer, Erie Art Museum
Kate Neubert Lechner, Erie Playhouse
Brett Johnson, Mercyhurst Institute for Arts & Culture
William Sabatini, Flagship Niagara League
George Deutsch, Erie County Historical Society
Scott Mitchell, Erie Zoological Society
Steve Weiser, Erie Philharmonic



Erie Arts & Culture
The collective voice for a vibrant region

Erie Arts & Culture
23 W 10th Street, Suite 2
Erie, PA 16501
(814) 452-3427

Form 990 AVG Total Expenses (three years)

2018 Lead Asset Endowment Distributions

Lead Asset	Average Expenses	% Represented	Recommended Distribution	% of Expenses	Compared to 2017
Erie Art Museum	\$1,272,929.00	10.34%	\$47,037.54	3.70%	-\$3,510.76
Erie Arts & Culture	\$1,027,527.00	8.35%	\$37,969.39	3.70%	-\$2,454.44
Erie County Historical Society	\$759,010.00	6.17%	\$28,047.09	3.70%	\$1,787.74
Erie Philharmonic	\$1,328,050.00	10.79%	\$49,074.38	3.70%	-\$1,894.28
Erie Playhouse	\$1,303,400.00	10.59%	\$48,163.51	3.70%	-\$1,071.58
Erie Zoological Society	\$3,832,003.00	31.13%	\$141,600.97	3.70%	\$2,740.82
expERIENCE Children's Museum	\$469,963.00	3.82%	\$17,366.17	3.70%	\$2,030.03
The Flagship Niagara League	\$1,421,280.00	11.55%	\$52,519.43	3.70%	-\$1,374.53
Mercyhurst Institute for Arts & Culture	\$894,521.00	7.27%	\$33,054.53	3.70%	\$4,580.00
TOTALS	\$12,308,683.00	100.00%	\$454,833.00		

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Form 990 AVG Total Expenses (three years)

2017 Lead Asset Endowment Distributions

Lead Asset	Average Expenses	% Represented	Recommended Distribution	% of Expenses
Erie Art Museum	\$1,296,996.00	11.13%	\$50,548.30	3.90%
Erie Arts & Culture	\$1,037,217.00	8.90%	\$40,423.83	3.90%
Erie County Historical Society	\$673,777.00	5.78%	\$26,259.36	3.90%
Erie Philharmonic	\$1,307,782.00	11.23%	\$50,968.66	3.90%
Erie Playhouse	\$1,263,301.00	10.84%	\$49,235.09	3.90%
Erie Zoological Society	\$3,562,950.00	30.59%	\$138,860.14	3.90%
expERIENCE Children's Museum	\$393,503.00	3.38%	\$15,336.14	3.90%
The Flagship Niagara League	\$1,382,841.00	11.87%	\$53,893.96	3.90%
Mercyhurst Institute for Arts & Culture	\$730,615.00	6.27%	\$28,474.52	3.90%
TOTALS	\$11,648,982.00	100.00%	\$454,000.00	