

Treasurer Remarks
Annual Meeting for 2016

- 1) 2015 was another very busy year for financial activities at the Museum with much work both managing the short term and planning future steps.
- 2) In 2015 the Museum continued to make steady progress in developing its operations. After two years of strong growth in revenues from operating activities, the Museum had essentially flat growth after adjusting for the planned relocation of the Gay Head Lighthouse and the scheduled timing of grant funds received.

Operating expenses continued to be managed well relative to our budget targets, with operating expenses growing 4.0% for the year after adjusting for the two factors mentioned above.

Payroll, benefits and taxes is by far the largest operating expense category, and it should be noted that for 2015 the increase for these expenses was only 2.7%.

With the support of our combined fundraising efforts the Museum achieved a surplus of slightly over \$44 thousand dollars.

- 3) The comprehensive capital campaign to support the museum's strategic plan advanced strongly in 2015. As described before, the campaign is comprehensive because its funding targets include a range of needs:
 - Funds to develop and relocate to the Marine Hospital site;
 - Funds to support operations and transition costs during the years leading to relocation;
 - And funds to build an endowment as a source of operational funding in future years.
- 4) In 2015 the Museum continued to combine its annual fundraising efforts with the comprehensive campaign to better facilitate communication with potential supporters.
- 5) For the year the Museum raised over \$2.4 million in contributions and pledges, which are presented in the audited financial statements. It also received intentions to give of an additional \$743 thousand through letters of intent or pledges with certain conditions, which are not yet included in the financial statements.

- 6) These fundraising efforts brought the total funds raised in this quiet phase of the campaign to over \$11.7 million at the end of 2015. And as Elizabeth has mentioned, that amount has grown even more in this current year.
- 7) As mentioned last year, with the \$500,000 grant for endowment over 5 years from the National Endowment for the Humanities and the associated 3 to 1 match for these funds, the Museum's endowment will grow sooner than expected and we are talking steps to be prepared to take advantage of this opportunity.

At the end of 2015 we had approximately \$300 thousand in the endowment and this amount is going to grow steadily over the next few years to reach over \$2.0 million.

The Board has approved a charter and other documents to govern the management of the endowment as well as a committee to execute this effort. This is an important element of the Museum's financial strategy and we are looking forward to building the earnings generated by the endowment.

- 8) We have mentioned this in prior years and it is worth mentioning again --as we are undertaking this effort, it is important to note some of the Museum's financial strengths. In addition to our invaluable collections, we have no debt and we own two campuses – one in Edgartown and one in Vineyard Haven – each with substantial real estate value.
- 9) Our challenges to meet both our day-to-day needs and accomplish our strategic objectives are great. Over the years we have received support from many – members, patrons, Board, volunteers, staff. With all of us continuing to work together we believe that we can be successful. Many thanks for your continued support.