

Treasurer Remarks
Annual Meeting for 2014

- 1) 2014 was another very busy year for financial activities at the Museum with much work both managing the short term and planning future steps.

- 2) For the year of 2014 the Museum produced strong growth in its operating activities – membership, admissions, events. Revenues from these activities increased almost 19% for the year, including a 40% increase in membership dues.

Operating expenses continued to be well-controlled relative to our budget targets, with the primary increase in expenses in areas to support the growth in membership and fundraising efforts.

Payroll, benefits and taxes is by far the largest operating expense category, and it should be noted that for 2014 the increase for these expenses was only 2.5%.

With the support of our combined fundraising efforts the Museum achieved a surplus of slightly over \$5 thousand dollars.

- 3) The comprehensive capital campaign to support the museum's strategic plan moved steadily forward in 2014. 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) 2014 was the first year that the Museum's annual giving efforts were more fully combined with the comprehensive campaign to better facilitate communication with potential supporters.
- 5) In 2014 the Museum raised over \$859 thousand in contributions and pledges, which are presented in the audited financial statements. It also received intentions to give of an additional \$541 thousand through letters of intent or pledges with certain conditions, which are not yet included in the financial statements.

6) From these campaign funds the key expenditures in 2014 were for:

- Ongoing maintenance and improvements to the Marine Hospital property;
- Costs of planning and executing the comprehensive campaign.
- Support of current operations as the replacement for the annual giving efforts that are now part of the overall campaign.

7) Another longer range step is to start the planning to manage an endowment. 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 want to be prepared to take advantage of this opportunity.

8) We mentioned it last year 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.