

2013 Annual Meeting

- 1) 2013 was a very busy year for the museum in a wide range of financial activities.
- 2) In day to day operations for the year, the museum maintained the level of member and visitor utilization and its associated revenue after the very rapid growth in recent years.

Operating expenses continued to be well-controlled relative to our budget targets, with the primary increase in expenses being in areas funded by specific grants to strengthen education and preservation.

It should be noted that included in operating expenses for 2013 was an increase in payroll and benefits after 3 years of no salary increases.

With the support of our combined fundraising efforts the museum achieved a surplus of almost \$40 thousand dollars.

- 3) The comprehensive capital campaign to support the museum's strategic plan, described in last year's annual report, got actively underway in 2013 with its primary

focus on the silent phase of working with past and current Board and Committee members. 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) Beyond the amount raised prior to 2013 primarily to purchase the Marine Hospital property, in 2013 the museum raised over \$1.8 million in contributions and pledges, which are presented in the audited financial statements. It also received intentions to give of an additional \$1.8 million through letters of intent or pledges with certain conditions, which are not yet included in the financial statements.

From these campaign funds the key expenditures in 2013 were for:

- Ongoing maintenance and improvements to the Marine Hospital property;
- Architectural and related consulting costs to develop the detailed plan for the site;

- Costs of planning and executing the comprehensive campaign.

5) 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.

6) 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.