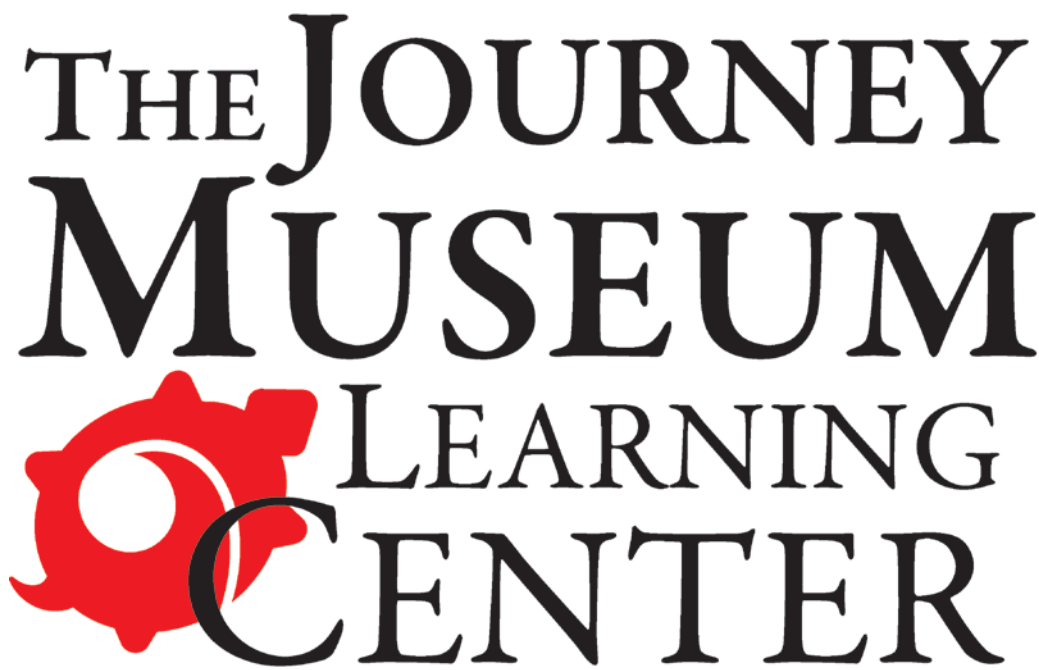


THE JOURNEY MUSEUM
2015 COMMUNITY INVESTMENT FUND
PRESENTATION



EXECUTIVE DIRECTOR

TROY KILPATRICK

2013 Exhibit*

MUSEUM ALLIANCE OF RAPID CITY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<i>Revenue and Support:</i>				
City Appropriations (Note 3)	\$ 326,768	\$ -	\$ -	\$ 326,768
Admissions, Memberships, and Events	159,075	-	-	159,075
Grant Revenue	101,506	-	-	101,506
Contributions	60,750	10,204	-	70,954
Store Revenue, Net of Cost of Goods				
Sold of \$167,762	60,985	-	-	60,985
Facility Rental Income	34,122	-	-	34,122
Collection Rentals	24,500	-	-	24,500
Other Income	15,829	-	-	15,829
Realized/Unrealized Gain on Investments (Note 9)	1,507	4,824	-	6,331
Net Investment Income (Note 9)	30	2,302	-	2,332
Net Assets Released from Restrictions	9,858	(9,858)	-	-
Total Revenue and Support	794,930	7,472	-	802,402
<i>Expenses (Note 4):</i>				
Salaries, Benefits, and Taxes (Note 6)	431,787	-	-	431,787
Utilities	99,328	-	-	99,328
Grant and Program Expenses	99,213	-	-	99,213
Advertising	48,089	-	-	48,089
Insurance	34,662	-	-	34,662
Other Expense (Note 5)	25,941	-	-	25,941
Depreciation	25,729	-	-	25,729
Repairs and Maintenance	20,089	-	-	20,089
Supplies	19,793	-	-	19,793
Contract Labor	17,962	-	-	17,962
Exhibition Costs	13,411	-	-	13,411
Bank Fees	9,819	-	-	9,819
Legal and Professional	9,553	-	-	9,553
Postage and Printing	3,152	-	-	3,152
Travel and Entertainment	3,046	-	-	3,046
Dues and Subscriptions	2,624	-	-	2,624
Security	1,230	-	-	1,230
Bad Debt Expense	361	-	-	361
Total Expenses	865,789	-	-	865,789
Change in Net Assets	(70,859)	7,472	-	(63,387)
Net Assets, Beginning of Year	304,339	25,369	107,138	436,846
Net Assets, End of Year	\$ 233,480	\$ 32,841	\$ 107,138	\$ 373,459

The accompanying notes are an integral part of this statement.

*Complete audit performed by Ketel Thorstenson available as separate attachment.

MUSEUM ALLIANCE OF RAPID CITY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2013 AND 2012

(1) Nature of Operations and Summary of Significant Accounting Policies (Concluded)

m. Subsequent Events

The Organization has evaluated subsequent events through May 14, 2014, the date which the financial statements were available to be issued.

(2) Line of Credit

During the year ended December 31, 2013, the Organization initiated a line of credit agreement with a local bank with maximum borrowings allowed of \$25,000 and secured by all assets of the Organization. The line of credit matures August 5, 2014 and has an interest rate of 5.5 percent (2.25 percentage points over the Wall Street Journal U.S. Prime Rate) with varying monthly payments depending on the amount borrowed. As of December 31, 2013, the balance of the line was \$-0-. Management intends to renew the line of credit on the maturity date.

(3) City Appropriations

The Organization receives a significant portion of its revenue from the City of Rapid City, South Dakota. The City appropriated \$326,768 and \$318,242 for the years ended December 31, 2013 and 2012, respectively, for the payment of operating expenses. The Organization's financial condition would likely be impaired if this appropriation was reduced or eliminated. The City agreement for appropriation expires in 2032.

The Organization also has a rent-free lease agreement with the City of Rapid City for the land and building housing the museum operations. In return, the Organization has agreed to operate the museum for the benefit of the City. No contribution has been recorded in the accompanying financial statements for this lease agreement. The building is recorded as an asset of the City due to the component unit status of the Organization.

(4) Functional Expenses

The Organization's functional expenses, based on management's estimates of the cost of providing various activities, consist of the following:

	2013	2012
Program Expenses	\$ 693,663	\$ 740,700
Administrative Expenses	150,885	181,410
Fundraising Expenses	21,241	25,757
	<u>\$ 865,789</u>	<u>\$ 947,867</u>

(5) Operating Lease

The Organization leases a copier under a non-cancelable operating lease. Rent expense under the lease totaled \$8,664 and \$722 for the years ended December 31, 2013 and 2012, respectively. Future minimum lease payments under the terms of this non-cancelable operating lease are as follows for the years ending December 31:

2014	\$ 8,664
2015	8,664
2016	8,664
2017	8,664
2018	1,444
	<u>\$ 36,100</u>

2014 Exhibit*

COMPARING 2014 TO 2013 through June – JOURNEY MUSEUM AND LEARNING CENTER

KEY CATAGORIES – Museum YTD

- * Total Income +\$19,580 or 5.54%
- * Salaries/Benefits (\$23,803) or (12.5%)
- * Utilities +\$4,339 or 10.5%
- * Repairs +\$2,392 or 21%
- * Museum Total Expenses +\$6.00 or .14% - Flat to year prior

KEY CATAGORIES – STORE YTD

- * Store Salaries/Benefits (\$5,735) or (13.5%)
- * Net Operation +\$2,481 or 9.5%

COMBINED

- *Compared to year prior financial totals improved \$22,805 or 28%
- *Gap to Breakeven (\$59,332)

*See supplemental attachments showing showing museum and store operations separated for more details.

MUS FAC The Journey Museum as of June 2014

	June 2014	June 2013	% Diff	Jan. - June 14	Jan. - June 13	% Diff	2014 Budget	% of Budget
Ordinary Income/Expense								
Income								
Admission, Membership, & Event	24,668.80	22,609.18	9.11%	63,926.93	67,218.99	-4.90%	170,099.34	37.58%
Collections Rental	1,000.00	1,000.00	0.00%	9,000.00	11,333.32	-20.59%	12,000.00	75.00%
Facility Rental	2,890.16	2,387.06	21.08%	11,427.36	14,522.99	-21.32%	38,800.00	29.45%
Grants	4,000.00	5,228.65		53,991.85	39,392.35		166,500.00	32.43%
B.H. Corp								
NASA Grant								
Other Grants								#DIV/0!
Other Grants								
Contributions Income	20,000.00	2,851.00	601.51%	60,493.86	33,162.63	82.42%	29,955.00	201.95%
In-Kind 18,000.								
Interest Income	0.66		#DIV/0!	5.22	1.31	298.47%		#DIV/0!
City Appropriation	6,824.16	6,123.51	11.44%	62,330.47	58,427.02	6.68%	118,200.00	52.73%
City Monthly Investment	16,725.00	16,395.00	2.01%	108,950.00	115,059.00	-5.31%	212,800.00	51.20%
Fundraising Income	620.00	489.00	26.79%	1,412.00	8,423.00	-83.24%	48,000.03	2.94%
Other Museum Income			#DIV/0!	1,743.02	6,160.08	-71.70%		#DIV/0!
Total Income	76,728.78	57,083.40	34.42%	373,280.71	353,700.69	5.54%	796,354.37	46.87%
Gross Profit	76,728.78	57,083.40	34.42%	373,280.71	353,700.69	5.54%	796,354.37	
Expenses								
Automobile Expenses	66.72	258.63		308.86	2,093.32		4,020.00	
Reconciled Discrepancies					40.43			
Salaries, Benefits & Taxes	28,622.61	32,005.83	-10.57%	166,555.92	190,359.48	-12.50%	279,400.00	59.61%
Legal & Accounting Fees		1000.00	-100.00%	8,421.50	\$ 7,500.00	12.29%	9,253.25	91.01%
Utilities	8,157.24	6,948.39	209.41%	45,586.27	41,247.18	10.52%	106,295.60	42.89%
Advertising	3,314.55	2,636.40	188.01%	32,023.10	29,468.03	8.67%	74,499.96	42.98%
Repair & Maintenance	2,601.66	1,150.84	#DIV/0!	13,658.68	11,266.78	21.23%	54,516.04	25.05%
Store Upgrades & Repairs			#DIV/0!			#DIV/0!		#DIV/0!
Interest Expense						#DIV/0!		
Museum Supplies	1,806.23	1,512.58	19.41%	13,107.72	13,355.30	-1.85%	39,326.00	33.33%
Building Security	228.00	545.95	-58.24%	625.95	773.95	-19.12%	1,500.00	41.73%
Dues and Subscriptions	43.50	112.50	-61.33%	994.94	1,405.50	-29.21%	2,620.00	37.97%
Program/Community Involvement	18,166.80	363.09	4903.39%	48,528.22	29,907.85	62.26%	3,250.00	1493.18%
Total Grant Expenses							101,296.00	
NSF Grant					5,422.00			
NASA Grant		12,399.94	#REF!	\$ 36,148.02	24,806.45	45.72%		#DIV/0!
Total Programs	\$ 1,548.20	424.18	#REF!	\$ 6,882.95	4,970.20	38.48%	8,300.00	
Uni-View								
Insurance	3,223.83	2,832.81	13.80%	17,419.77	16,262.69	7.11%	33,331.28	52.26%
Other	-15.40	-95.60	-83.89%	171.43	66.50	157.79%		
Bad Debt			#DIV/0!		0.04	-100.00%		0.00%
Bank Charges	509.54	316.05	61.22%	1,375.31	1,457.60	-5.65%	4,550.00	30.23%
Postage & Printing		49.99	-100.00%	200.44	2,477.08	-91.91%	2,405.00	8.33%
Miscellaneous Expense	72.68	36.14	101.11%	903.55	4,810.15	-81.22%	7,995.00	
Exhibition Expense	222.55	1,854.52	-88.00%	2,573.23	6,341.30	-59.42%		#DIV/0!
Equipment Rent & Storage			#DIV/0!			#DIV/0!		0.00%
Travel & Conferences	169.00			3,528.35	575.64	512.94%	1,355.00	260.39%
Contingency Fund								
Depreciation	1,683.51	2,516.93	-33.11%	10,101.06	15,101.58	-33.11%	26,000.04	0.00%
Total Expense	70,421.22	66,869.17	5.31%	409,115.27	409,709.05	-0.14%	759,913.17	53.84%
Net Ordinary Income	6,307.56	-9,785.77	-164.46%	(35,834.56)	(56,008.36)	-36.02%	36,441.20	
Other Income/Expense								
Other Income		162.10		278.88	846.78			
Other Expense				453.01	-1171.29			
Other Expenses		-395.10						
Total Other Income Expense	0.00	-233.00		(174.13)	-324.51		0.00	
Net Other Income							0.00	
Net Income	\$ 6,307.56	\$ (10,018.77)	-162.96%	(36,008.69)	\$ (56,332.87)	-36.08%	36,441.20	

3,861.57

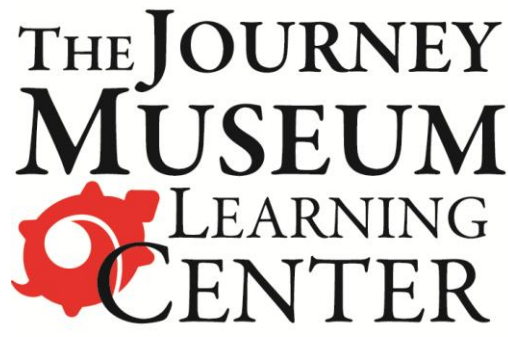
STORE The Journey Museum as of June 2014

	June 2014	June 2013	% Diff	Jan. - June 14	Jan. - June 13	% Diff	2014 Budget	% of Budget
Ordinary Income/Expense								
Income								
Store Revenue	14,447.75	25,592.07	-43.55%	31,497.31	63,505.76	-50.40%	172,000.00	18.31%
Total Income	14,447.75	25,592.07	-43.55%	31,497.31	63,505.76	-50.40%	172,000.00	18.31%
Cost of Goods Sold								
Cost of Goods Sold	3,956.10	-237.36	-1766.71%	9,231.88	34,605.61	-73.32%	74,000.00	
Total COGS	3,956.10		#DIV/0!	9,231.88	34,605.61	-73.32%	74,000.00	
Gross Profit	10,491.65	25,829.43	-59.38%	22,265.43	28,900.15	-22.96%	98,000.00	
Expenses								
Reconciliation	-1.00			-1.00	0.80			
Salaries, Benefits & Taxes	6,237.49	6,878.66	-9.32%	36,841.35	42,578.83	-13.47%	66,800.00	55.15%
Legal & Accounting Fees								
Advertising	75.00	868.67	#DIV/0!	332.68	5,874.12	-94.34%	8,100.00	4.11%
Dues and Subscriptions	43.50	112.50		43.50	112.50			
Repair & Maintenance				357.14	876.34	-59.25%		
Store Expense	92.79	553.99	-83.25%	1,429.73	2,392.42	-40.24%	6,450.00	22.17%
Store Upgrade Costs				3,861.57				
Display Expense	20.00			507.10	7.00			
Other	14.58	-26.40	-155.23%	143.12	56.83	151.84%		
Bad Debt			#DIV/0!			#DIV/0!		0.00%
Bank Charges	526.23	359.23	46.49%	1,805.30	1,833.93	-1.56%	4,550.00	39.68%
Postage & Printing			#DIV/0!			#DIV/0!	2,405.00	0.00%
Miscellaneous Expense			#DIV/0!	36.35	94.36	-61.48%	151.00	
Exhibition Expense								
Equipment Rent & Storage			#DIV/0!			#DIV/0!		0.00%
Travel & Conferences				500.00	1,423.84	-64.88%	1,500.00	33.33%
Contingency Fund								
Total Expense	7,008.59	8,746.65	-19.87%	45,856.84	55,250.97	-17.00%	89,956.00	50.98%
Net Ordinary Income	3,483.06	17,082.78	-79.61%	(23,591.41)	(26,350.82)	-10.47%	8,044.00	
Other Income/Expense								
Other Income				21.50				
Other Expense		-150.00		71.53	-371.43			
Other Expenses								
Total Other Income Expense	0.00	-150.00		93.03	-371.43		0.00	
Net Other Income		-150.00					0.00	
Net Income	\$ 3,483.06	\$ 16,932.78	-79.43%	(23,498.38)	\$ (25,979.39)	-9.55%	8,044.00	

2014 KEY INITIATIVES – JOURNEY MUSEUM AND LEARNING CENTER

*Closed Store end of 2013 – Re-opened in April 2014 with new approach and management. Store to deliver profitable contributions in Fiscal 2014.

*New Brand Building Marketing –



*Learning Forums – Educational Focus – Interactive opportunities

*Marketing Positions – Families and Inter-Generational Travel – Strong online investments

*New Website, Video Marketing, and Remarketing campaigns

*Admissions – YTD up 9%

*Fall Programming being developed to provide Educational messaging on Saturdays to grow Community Attendance.

*Grants to support Education are being developed to help offset infrastructure support.

*Memberships Total – 413

*Friends Members – 50 (started in June 2013)

*Volunteers – 259

*Committed Team from Board of Directors, Staff and Volunteers

2015 Exhibit*

JOURNEY MUSEUM AND LEARNING CENTER - 2015 BUDGET REQUEST

City Appropriated - Journey Facility Appropriation

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
18,000	18,000	17,500	15,000	14,000	10,000	10,000	10,000	10,000	12,500	10,000	10,000	165000

City Investment = GL #4606-Journey City Monthly Investment

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
18,000	18,000	17,500	15,000	14,000	10,000	10,000	10,000	10,000	12,000	11,000	11,000	166500

COMPARING 2014 TO 2015

	2014	2015	Variance
Appropriation totals	118,200	165,000	\$46,800
Investment totals	212,800	166,500	(\$46,800)

*2015 Request flat to 2014 amounts.