

Two pro forma statements have been developed for LMHS's consolidated finances:

- **Statement of Financial Position (Balance Sheet)**
 - Reflects each partner's Balance Sheet as of November 30, 2022
- **Pro Forma Operating Budget: Year One**
 - Budget developed using current individual partner budgets with conservative adjustments for increases/savings resulting from the consolidation during the initial 12 months
 - It is reasonable to expect that hiring a part-time Development Associate will unlock new funding income for LMHS. However, to be conservative, estimated Contributed Income is based solely on the partners' current funding initiatives. The Joint Committee has opted to reflect new funding sources only once those funds have actually been received.



LMHS Statement of Financial Position As of November 30, 2022

Individual Partner Financial Status

4-Partner
Aggregate Total

	ELMHS	MLM	WstHS	WyzHS	LMHS TOTAL
ASSETS					
Total Current Assets	\$83,982	\$131,312	\$64,616	\$110,372	\$390,282
Total Fixed Assets (Equipment/Collections)*	\$0	\$0	\$0	\$0	\$0
TOTAL ASSETS	\$83,982	\$131,312	\$64,616	\$110,372	\$390,282
LIABILITIES AND NET ASSETS					
LIABILITIES					
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0
Total Longterm Liabilities (Boat barn removal)	\$0	\$30,000	\$0	\$0	\$30,000
TOTAL LIABILITIES	\$0	\$30,000	\$0	\$0	\$30,000
TOTAL NET ASSETS	\$83,982	\$101,312	\$64,616	\$110,372	\$360,282
TOTAL LIABILITIES AND NET ASSETS	\$83,982	\$131,312	\$64,616	\$110,372	\$390,282
% Contribution	21.5%	33.6%	16.6%	28.3%	100.0%

Total Cash
Reserves

Individual Financial
Contribution

NOTES:

* All partner organizations lack a current inventory/valuation of their collections/equipment, therefore no estimate has been included as part of this financial statement.

Source: Financial statements of the individual partner organizations as of November 30, 2022.

ELMHS: Excelsior-LM Hist. Soc.; MLM: Museum of LM; WstHS: Westonka Hist. Soc.; WyzHS: Wayzata Hist. Soc.

Assessment of LMHS Financial Position:

Financially, the proposed consolidation is a consolidation of equals...

- Each partner is financially healthy
- Each comes from a cash positive position - none have significant liabilities
- Each has sufficient reserves to cover at least one full year of operating expenses
- No single dominant partner
- New organization would commence operations with ~\$390k cash reserves
- A consolidated LMHS is well positioned to address any unforeseen financial issues that might arise during Year One



Consolidation Framework...

Year One Pro Forma Budget

Individual Partner Financial Status

Aggregate Total of Partner Budgets

Projected LMHS Budget w/ operational savings, etc.

	ELMHS	MLM	WstHS	WyzHS	4-Partner TOTAL Budget	LMHS Pro Forma Budget
REVENUE						
Contributed Income	\$ 28,929	\$ 5,000	\$ 18,544	\$ 21,600	\$ 74,073	\$ 64,000
Membership Income	\$ 13,777	\$ 1,927	\$ 4,220	\$ 6,500	\$ 26,424	\$ 25,000
Public Programs Income	\$ 12,699		\$ 1,051		\$ 13,750	\$ 15,000
Merchandise Income	\$ 3,189		\$ 6,472	\$ 900	\$ 10,561	\$ 10,000
Fundraising Event Income	\$ 8,925				\$ 8,925	\$ 3,000
Bank Interest / Dividends				\$ 115	\$ 115	\$ 1,500
Archives Income	\$ 938			\$ 100	\$ 1,038	\$ 1,000
Misc. Income			\$ 1,667		\$ 1,667	\$ 1,000
TOTAL REVENUE	\$ 68,457	\$ 6,927	\$ 31,954	\$ 29,215	\$ 136,553	\$ 120,500

	ELMHS	MLM	WstHS	WyzHS	4-Partner TOTAL Budget	LMHS Pro Forma Budget
EXPENDITURES						
Administrative/General	\$ 6,044	\$ 12,619	\$ 2,432	\$ 6,800	\$ 27,895	\$ 24,250
Collections	\$ 1,100	\$ 10,000	\$ 4,251	\$ 1,500	\$ 16,851	\$ 17,000
Display	\$ 1,100	\$ 5,200	\$ 15,940	\$ 4,700	\$ 26,940	\$ 27,000
Public Programs	\$ 4,300		\$ 344	\$ 2,300	\$ 6,944	\$ 7,000
Communications	\$ 1,800	\$ 633	\$ 385	\$ 17,000	\$ 19,818	\$ 10,000
Membership / Individual Giving	\$ 2,000	\$ 500	\$ 140	\$ 3,400	\$ 6,040	\$ 6,000
Fundraiser Event	\$ 5,300				\$ 5,300	\$ 1,000
Merchandise	\$ 1,000		\$ 2,144	\$ 1,100	\$ 4,244	\$ 4,000
Payroll / Taxes / Benefits	\$ 20,425				\$ 20,425	\$ 23,000
Miscellaneous				\$ 4,225	\$ 4,225	\$ 1,000
TOTAL EXPENDITURES	\$ 43,069	\$ 28,952	\$ 25,636	\$ 41,025	\$ 138,682	\$ 120,250

NET REVENUE	\$ 25,388	\$ (22,025)	\$ 6,318	\$ (11,810)	\$ (2,129)	\$ 250
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Description

Annual Campaign, onsite contributions, other contributions
New and renewed members
Cruises(4x), private tours & programs
Books, map, prints, t-shirts, etc.
Fundraising events
Dividends/Interest
Image repro/license fee, research fee, etc.
WHS Museum admission, storage income

Bookkeeper/QuickBooks, Phone, Computer/Software, Insurance, Internet, P.O. Box, Supplies, Dues, etc.
Rent, storage, preservation supplies, object repair and upkeep
Museum rent, utilities, facility upkeep & repair, display, podia
Boat rental, filming, supplies
Marketing, PR, promotion, mailings, newsletter, postcards, website, design, comm. printing, postage etc.
Memberships, Individual giving including annual campaign, supplies, printing, postage.
Fundraising events
Cost of goods, sales events, shipping, sales tax, e-commerce fees
Development Assoc. @ \$22/hr, 20 hr/wk, 52 wk/yr
AG filing, perks, parties, etc.

Year One Budget essentially break-even

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Assessment of Year One Budget:

Framework vision can be achieved without tapping financial reserves

- Individual partner budgets developed for eight revenue and ten expense categories
- Adjustments made to reflect conservative estimates for operational savings & increased revenue
- Paid staff (part-time Development Assistant) budgeted a full-year payroll, benefits and taxes
- Purposefully omitted any income from potential new revenue sources
- Joint Committee confident consolidated budget is realistic