Dear Friends,

Without a doubt, the word of the year is “Progress!”

We see progress in downtown St. Paul as our expansion and renovation project marches ahead. A new glass façade soars along West Seventh Street, and entirely new experiences are taking shape inside. We’ll be thrilled to welcome you to our reimagined museum in April.

You’ve heard the phrase “flying the plane while building it.” We’ve certainly been navigating that challenge this past year. The museum has remained open during construction – and we thank all of our member families and other visitors for their patience and understanding while we build this all-new museum.

We reached an important milestone in August with the opening of Forces at Play in the 3M Gallery, the first of our brand-new exhibits. Visitors are having a blast as they see first-hand how giving children time, space and freedom to explore cultivates important lifelong skills.

Progress is evident at Minnesota Children’s Museum of Rochester as well. Energy abounds as our satellite museum embarks on a strategic planning process that will shape the long-term vision for this important community asset.

We also opened a “pop-up museum” at Mall of America®; a temporary storefront experience that supplements our museum in St. Paul during the construction period.

So much progress and change – all towards elevating our mission: Sparking children’s learning through play. We’re moving toward a vision in which children (and adults) play more in a community that grows happier, healthier and more innovative through the power of play.

Your generosity, support and passion are helping us get there. To all who donate funds, time and expertise to helping us deliver on our mission, we extend our heartfelt thanks.

Sincerely,

Dianne Krizan
President
Minnesota Children’s Museum

Kelly Baker
Chair of the Board
Minnesota Children’s Museum

A Year of Change

Minnesota Children’s Museum advanced its standing as a prominent destination for playful learning. Highlights of this amazing fiscal year include:

- Breaking ground on our $30 million expansion and renovation project – and making substantial headway, staying on schedule and on budget
- Championing the power of play in learning by launching and growing the #PlayMoreMN movement
- Opening and operating a “pop-up” storefront museum at Mall of America®
- Initiating a strategic planning and community engagement process to set the future course for Minnesota Children’s Museum of Rochester

Play for All

Our Play for All program ensures all families have access to the museum’s rich learning environments, regardless of income. More than 3,000 families received free All Play memberships through the program. In total, thanks to community support, more than 64,000 children and adults received free or subsidized admission this past year.

Poised for Growth in Rochester

Minnesota Children’s Museum of Rochester is looking to the future. The museum, which serves 30,000 visitors per year, has embarked on a strategic impact planning process to chart its long-term vision and role in the growing Rochester community. A newly expanded board is exploring partnerships that will help the museum deepen its impact while securing a permanent and sustainable home.

Pop-Up Play at MOA

Families flocked to our play space at Mall of America. We opened the storefront museum in September 2015 to provide additional room to play while our St. Paul museum undergoes construction. More than 100,000 members and other visitors have taken advantage of the convenient location to duck in for playful learning at the largest shopping mall in the country.

By the Numbers

We delighted more than 530,000 children and adults through our museums in St. Paul and Rochester and in the Mall of America, our Museum-to-Go classes and Smart Play Spots across the state.
We’re creating more room for families to play, explore and learn together like never before. Each exhibit will help children develop the skills they need to succeed throughout life – how to think creatively, make plans, analyze problems, tackle challenges, speak and listen, work as part of a team and more.

**Play... like it’s meant to be**

**bigger** | **10 New Exhibits**
- Four-story climbing adventure
- Maker exhibits, expanded toddler gallery
- Outdoor spaces

**better** | **More Amenities**
- Café with coffee bar
- Skyway-level entrance and box office
- Renovated party and event spaces

**BOLDER** | **Powerful Play**
- Open-ended, child-directed play
- Space and freedom to explore
- Experiences cultivate essential skills

We’re creating more room for families to play, explore and learn together like never before. Each exhibit will help children develop the skills they need to succeed throughout life – how to think creatively, make plans, analyze problems, tackle challenges, speak and listen, work as part of a team and more.

**All-New Museum!**

- Birthdays!
- Family Memberships!
- Grand Opening!
- Grand Opening Celebration!

**A new structure of glass, steel and concrete will house The Scramble.**

**The Scramble is a four-story climbing adventure.**

**Kids and adults engineer their own fun in Forces at Play in the 3M Gallery, which opened in August.**

**Fabricator Aaron Schmoll works in the museum’s basement workshop on a fantastical wooden element for Imaginopolis.**
The expansion and renovation project is an investment in the power of play. From our founding through today, this community has generously supported our vision of a place where children and families play, explore and learn. We particularly thank these donors for their commitment to the Room to Play capital campaign.

### Room to Play Capital Campaign Contributors

#### Signature Gifts
- 3M Foundation
- Best Buy Foundation
- City of St. Paul Cultural STAR Program
- Target Foundation

#### Premier Gifts
- Anonymous
- Marialice and Nevin Harwood Family
- The Driscoll Foundation
- Cargill Foundation
- F.R. Bigelow Foundation
- Anonymous
- Hugh J. Andersen Foundation
- Katherine B. Andersen Fund of Fred C. and Katherine B. Andersen
- Leadership Gifts
- General Mills Foundation
- Anonymous
- Target Foundation
- City of St. Paul Cultural STAR Program
- State of Minnesota
- Best Buy Foundation
- 3M Foundation
- Signature Gifts
- Campaign Contributors

### Room to Play Capital Campaign Contributors

- **Friends of the Museum Award**
  - Dianne and Scott Krizan
  - Rick and Gretchen Jelinek
  - The Hubbard Broadcasting Foundation
  - Nancy and Robert Hatch
  - HT Fish and Kathryn Nelson
  - Ann Ferreira and Jon Reissner
  - Sarah Ross Caruso
  - Patrick and Aimee Butler Family
  - The Otto Bremer Trust
  - John and Kelly Baker Family
  - Anonymous
  - Charlene and Mark Altman
  - Wells Fargo Foundation Minnesota
  - Thrivent Financial Foundation
  - Terri Tersteeg and Jim Peterson
  - William Schmoker Family Foundation
  - The Saint Paul Foundation
  - Carl & Eloise Pohlad Family
  - Ordway Family:
  - Foundation
  - Foundation
  - Cedar Fund of The Saint Paul Foundation
  - Think Mutual Bank
  - Jon and Lea Theobald
  - Phil & Schele Smith Fund of Saint Paul Fire Department
  - Eric and Katherine Kirchner
  - Huebsch & Goettl Fund of the Minneapolis Fire Department
  - Janel Goff, Goff Investment Group
  - Joel and Melissa Conaway
  - Cashill Family
  - Beaverdale Foundation
  - Lillian Wright & C. Emil Berglund
  - Ed and Valerie Spencer
  - Helene and Jeff Slocum
  - Shakopee Mdewakanton Sioux Community
  - Janel & Brian Goff
  - The McKoy Family
  - Amy and Bill McKinney
  - Friends
  - Kevin and Julie Blon
  - Robert and Jeanne Bohdt
  - Matthew-Ann and Ashley Brown
  - Steve Christenson and Linda Honchak
  - Michelle and Michael Cronin
  - Kayd and Don Cateran
  - Jay and Page Colley
  - Larry and Beth Cispay
  - Dr. Francis and Holly Collins
  - Liz Dieckel and Tom Stueli
  - Lisa Posey Duff
  - Paul and Jennifer Dubasir
  - Lisa Farrell
  - Michael and Brandy Fiddeske
  - Helen and Jim Franczyk
  - James and Laura Grant
  - Greta M. and Incorporated
  - Hana Gusakaurian
  - Barbara Hoehn and Paul Neulath
  - Patrick and Lance Harker
  - Taylor and Sara Harwood
  - John Heizer
  - Sara Hill and Jonathan Glover
  - Bob Inglesi and Lila Purdy
  - Paul and Catherine Kanohlo
  - Margaret H. J. and James E. Kiley Foundation Inc.
  - Alessandra and Robert Kla
  - Wido and Renne Lue
  - Stephen and Ann Masen
  - Arlene and Michael McHugh
  - Kate and Ian McDermott
  - Jennifer Moll and Tim Bolan
  - Kate and Ian McRoberts
  - Arlene and Michael McHugh
  - Friends

### Volunteerism Highlights

- **Volunteers**
  - 1,607 volunteers
  - $653,376 value of volunteer hours

- **Role Model**
  - Jenny Deyoung
  - Bouche Xioung

Jenny Deyoung, who has served more than 100 hours of service in her two years as Play Team member, has grown into a leader and role model for her fellow young volunteers.

### Youth Volunteer of the Year: Bouche Xioung

Bouche, who has served more than 800 hours of service since 2006, has given the Museum Award to Best Buy.

### Play for All Ball

- **Presenting Best Buy**
  - **Play Champion**
  - 3M
  - **Play Leaders**
  - Thrivent Financial
  - Polaris Industries Inc.
  - **Play Enthusiasts**
  - 3M
  - **Play Partners**
  - Best Buy, Minnesota Timberwolves, Minnesota Twins, Minnesota Wild, Star Tribune

### 2016 Play for All Ball: Built to Play

More than 400 guests danced, dined and played – indoors and out – at Nicollet Island Pavilion. All funds raised support the museum’s Play for All program. Thank you to all the donors and supporters!
Financial Overview

Minnesota Children’s Museum’s fiscal year 2016 financial performance remains strong with a 64% increase in total net assets from fiscal year 2015. The increase is largely due to the museum’s completion of phase I construction and fundraising for its capital expansion that started in 2016. The museum’s financial strength lies in its diversity of revenue sources, including both earned revenue and contributed support. Earned revenue represents 17% of the museum’s total income and comprises admissions, memberships, traveling exhibit income, other income such as education and group income, and investment income. Generous annual contributed support and grants represent 13% of total income with capital campaign-specific contributions representing an additional 70%.

Overall, the museum spent 70% on programs and is focusing its efforts on the capital expansion that will facilitate the museum’s ability to serve even more visitors and to provide rich learning experiences to families throughout the state.

Statement of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,784,653</td>
<td>$2,765,782</td>
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<tr>
<td>Short-Term Investment - Investment Draw</td>
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<td>Certificates of Deposit</td>
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<tr>
<td>Pledges and Grants Receivable, Net</td>
<td>799,674</td>
<td>228,970</td>
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<td>Accounts Receivable, Net</td>
<td>125,145</td>
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<td>Pre-Paid Expenses</td>
<td>226,509</td>
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<td>Investments</td>
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<td>Leveraged Loan Receivable</td>
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<td>Land, Building, Exhibits, and Equipment, Net</td>
<td>18,904,859</td>
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<td>Cash Restricted for Capital Campaign</td>
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<tr>
<td>Pledge and Grants Receivables, Long-term</td>
<td>16,659,009</td>
<td>3,529,765</td>
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<td><strong>Total Current Assets</strong></td>
<td><strong>$52,668,046</strong></td>
<td><strong>$23,626,971</strong></td>
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<tr>
<td><strong>Liabilities</strong></td>
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<tr>
<td>Current Portion of Long-Term Debt</td>
<td>$900,000</td>
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<td>Accounts Payable</td>
<td>$104,466</td>
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<td>Contractors Payable</td>
<td>2,405,899</td>
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<td>Accrued Compensation</td>
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<td>Deferred Revenue</td>
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<td>Line of Credit</td>
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<tr>
<td>Total Current Liabilities</td>
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<td>New Market Tax Credit Loans</td>
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<tr>
<td>Long Term Debt, Net of Current Portion</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$16,794,320</strong></td>
<td><strong>$1,793,538</strong></td>
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**Net Assets**

<table>
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<tr>
<th></th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
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</thead>
<tbody>
<tr>
<td>Unrestricted - Undesignated</td>
<td>$596,589</td>
<td>$870,876</td>
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<tr>
<td>Board Designated - Reserves</td>
<td>830,000</td>
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<tr>
<td>Unrestricted</td>
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<td>Temporarily Restricted</td>
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<td>Permanently Restricted Net Assets</td>
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<td>4,241,322</td>
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<td><strong>Total Net Assets</strong></td>
<td><strong>$35,873,726</strong></td>
<td><strong>$21,833,433</strong></td>
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<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$52,668,046</strong></td>
<td><strong>$23,626,971</strong></td>
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</table>

Financial Overview

5.5%

5.2%

4.4%

8.8%

4.7%

4%

7%

19%

11%

13%

12%

34%

70.3%
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Steve Stensrud, Treasurer

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