



Date: February 28, 2011

To: Chairman L. Holloway  
Supervisor E. Coggs  
Supervisor G. Broderick

CC: Jay Williams

**Subject: Report From MPM  
1<sup>st</sup> Quarter Unaudited Fiscal 2011 Financial Update**

**Summary**

The fall of 2010 was highlighted with a number of activities including the opening of the exhibit, "Frogs, A Chorus of Colors" on exhibit October 1<sup>st</sup>. A very successful annual gala event was also held in October, and preparations were made for the opening of the "Mummies of the World" exhibit which opened in December.

During this period, the education staff developed and delivered 415 educational programs and events to nearly 12,000 participants. MPM continued to forge collaborative agreements with other local academic institutions to enhance the scientific resources available to the museum. In addition, the collections were used by 19 visiting scientists doing their independent research.

New members were added to the museum's Board of Directors increasing both business and educational experience.

**Financial Results (unaudited)**

For the 1<sup>st</sup> quarter ending November 30, 2010, the following comments and financial results are included for this report.

First quarter museum attendance was up 47.3% over the same period in the prior fiscal year. The attraction of the Frogs exhibit contributed significantly to the increase. That being said, our expectations were that Frogs would be an even bigger draw than it has been and MPM planned for greater amounts in its revenue budget for the year. The theater attendance is virtually flat with the prior year but includes a stronger mix of IMAX shows versus Planetarium shows.

Unaudited Financial statements are attached showing a loss in Net Assets for the quarter of \$0.152 million on Revenues of \$2.722 million. This brings total Net Assets for the museum to \$1.62 million as of November 30th, 2010. While revenues fell short of plan primarily due to softer than expected attendance levels for the Frogs exhibit, operating expenses were managed to 8.2% below plan which partially mostly offset the revenue shortfall. In addition, investment income earned from the Endowment and MPM holdings have generated \$577k in positive

**Milwaukee Public Museum**

earnings. Consequently, the museum's bottom line is ahead of plan by \$457k. The Endowment Trust portfolio has grown to \$7.0 million as of the end of November.

**Looking Forward**

The exhibition, "Mummies of the World" opened to the public on December 17<sup>th</sup> and will run through May 30<sup>th</sup>. This unique exhibit is the largest collection of mummies in the world and provides evidence of mummification from all parts of the world, not just Egypt. The exhibit educates the visitor on the science of mummification and how mummies can be studied to provide insight into ancient cultures.

Please contact me if you have any questions or concerns with the enclosed materials.

Sincerely,

*Michael A. Bernatz*

Michael A. Bernatz  
Chief Financial Officer  
Milwaukee Public Museum

**Milwaukee Public Museum**

<b>MPM Consolidated Statement of Activities for the Three Months Ended 11/30/10</b>					
	<b>YTD</b>	<b>YTD</b>		<b>Prior Year</b>	<b>Prior Year</b>
	<b>Actual</b>	<b>Budget</b>	<b>Dev</b>	<b>Actual</b>	<b>Change</b>
<b>Revenue:</b>					
Contributions and Membership	706,686	702,335	4,352	661,733	44,954
Special Event Revenue	276,023	263,000	13,023	228,684	47,339
Public Support	875,594	875,594	0	875,594	0
Admissions	436,736	721,005	(284,269)	175,620	261,117
IMAX/Planetarium	131,144	196,178	(65,034)	125,503	5,640
Programs	29,734	32,050	(2,317)	19,366	10,368
Restaurant and Facility Rental	47,568	55,870	(8,302)	63,155	(15,587)
Retail	117,453	133,669	(16,216)	63,403	54,050
Other income	15,123	12,530	2,593	87,180	(72,057)
Net assets released from restrictions	86,301	127,757	(41,456)	610,555	(524,255)
<b>Total Unrestricted Revenue</b>	<b>2,722,362</b>	<b>3,119,987</b>	<b>(397,625)</b>	<b>2,910,793</b>	<b>(188,432)</b>
<b>Operating Expenses:</b>					
Curatorial	299,622	307,633	(8,011)	276,162	23,460
Exhibits	328,652	371,611	(42,959)	411,078	(82,426)
Special Events	103,575	120,465	(16,890)	93,852	9,723
Imax/Planetarium	156,488	209,368	(52,880)	251,048	(94,560)
Programs	167,988	174,205	(6,217)	141,478	26,510
Restaurant and Facility Rental	11,409	9,965	1,444	5,386	6,024
Retail	113,027	126,697	(13,669)	79,754	33,273
Fundraising	227,399	292,165	(64,767)	226,771	628
Administrative	638,248	641,878	(3,630)	626,533	11,715
Facilities	687,917	705,606	(17,690)	694,476	(6,559)
Interest	83,818	81,877	1,941	84,373	(554)
Marketing	127,885	201,642	(73,757)	114,139	13,746
Depreciation	346,511	342,873	3,638	335,499	11,013
<b>Total Operating Expenses</b>	<b>3,292,539</b>	<b>3,585,987</b>	<b>(293,448)</b>	<b>3,340,548</b>	<b>(48,009)</b>
<b>Inc (dec) in unrestricted net assets before non operating items</b>	<b>(570,177)</b>	<b>(466,000)</b>	<b>(104,177)</b>	<b>(429,754)</b>	<b>(140,423)</b>
<b>Non Operating Items:</b>					
Pension & Post Retirement Benefits Expense	(185,667)	(186,000)	333	(129,000)	(56,667)
Investment Earnings	210,439	0	210,439	92,968	117,471
<b>Total Non Operating Items</b>	<b>24,772</b>	<b>(186,000)</b>	<b>210,772</b>	<b>(36,032)</b>	<b>60,804</b>
<b>Inc (dec) in unrestricted net assets</b>	<b>(545,405)</b>	<b>(652,000)</b>	<b>106,595</b>	<b>(465,786)</b>	<b>(79,619)</b>
<b>Changes in Temporarily Restricted Net Assets:</b>					
Contributions	81,475	170,000	(88,525)	451,996	(370,521)
Investment Earnings	358,251	1,000	357,251	134,400	223,851
Net assets released from restrictions for operations	(86,301)	(127,757)	41,456	(610,555)	524,255
<b>Inc (dec) in temporarily restricted net assets</b>	<b>353,425</b>	<b>43,243</b>	<b>310,182</b>	<b>(24,160)</b>	<b>377,585</b>
<b>Changes in Permanently Restricted Net Assets:</b>					
Contributions	31,511	0	31,511	495,000	(463,489)
Investment Earnings	8,310	0	8,310	0	8,310
Net assets released from restrictions for operations	0	0	0	0	0
<b>Inc (dec) in permanently restricted net assets</b>	<b>39,821</b>	<b>0</b>	<b>39,821</b>	<b>495,000</b>	<b>(455,179)</b>
<b>Inc (dec) in Net Assets</b>	<b>(152,159)</b>	<b>(608,757)</b>	<b>456,598</b>	<b>5,054</b>	<b>(157,213)</b>
<b>Total Net Assets at Beginning of Period</b>	<b>1,772,288</b>	<b>1,772,288</b>	<b>0</b>	<b>698,643</b>	<b>1,073,645</b>
<b>Total Net Assets at End of Period</b>	<b>1,620,129</b>	<b>1,163,531</b>	<b>456,598</b>	<b>703,697</b>	<b>916,432</b>

**Milwaukee Public Museum**

	<b>Consolidated</b>	<b>Consolidated</b>		<b>Consolidated</b>	<b>Prior Year</b>
	<b>11/30/10</b>	<b>8/31/10</b>	<b>Change</b>	<b>11/30/09</b>	<b>Change</b>
<b>Assets:</b>					
Cash and cash equivalents	2,398,315	2,896,538	(498,223)	3,034,416	(636,101)
Investments	294,541	268,451	26,090	262,237	32,304
Accounts Receivable	89,733	60,603	29,130	29,684	60,049
Contributions Receivable - Current	757,293	739,615	17,678	1,101,119	(343,826)
Inventories	50,040	28,643	21,397	57,284	(7,244)
Prepaid Expenses	120,405	187,655	(67,250)	217,005	(96,599)
<b>Total Current Assets</b>	<b>3,710,327</b>	<b>4,181,505</b>	<b>(471,178)</b>	<b>4,701,744</b>	<b>(991,418)</b>
<b>Other Assets:</b>					
Cash and investments held for endowment	6,711,916	6,129,463	582,453	4,212,336	2,499,580
Contributions Receivable - Long Term	720,054	720,054	0	1,032,719	(312,665)
Other Long Term Assets	152,110	152,110	0	152,110	0
<b>Total Other Assets</b>	<b>7,584,080</b>	<b>7,001,627</b>	<b>582,453</b>	<b>5,397,165</b>	<b>2,186,915</b>
Gross Property & Equipment	29,611,463	29,554,717	56,746	29,296,646	314,817
Less-Accumulated depreciation	(12,730,507)	(12,426,492)	(304,015)	(11,405,095)	(1,325,411)
<b>Net Property &amp; Equipment</b>	<b>16,880,957</b>	<b>17,128,225</b>	<b>(247,268)</b>	<b>17,891,551</b>	<b>(1,010,594)</b>
<b>Total Assets</b>	<b>28,175,363</b>	<b>28,311,357</b>	<b>(135,994)</b>	<b>27,990,460</b>	<b>184,903</b>
<b>Liabilities and Net Assets:</b>					
Accounts Payable	475,762	448,017	27,745	396,799	78,963
Accrued Payroll & Benefits	563,113	657,112	(93,999)	590,398	(27,285)
Deferred Revenue	1,005,043	996,779	8,264	980,684	24,359
Interest Payable	55,550	55,291	259	55,940	(390)
Accrued Postretirement Benefits - Current	111,685	111,685	0	87,123	24,562
Notes Payable - Current	124,074	124,074	0	121,713	2,361
Capital Leases - Current	7,661	13,406	(5,745)	22,436	(14,775)
<b>Total Current Liabilities</b>	<b>2,342,887</b>	<b>2,406,364</b>	<b>(63,477)</b>	<b>2,255,093</b>	<b>87,794</b>
Capital Leases	0	0	0	7,797	(7,797)
Accrued Postretirement Benefits	8,023,737	7,914,911	108,826	8,715,114	(691,376)
Notes Payable	16,188,609	16,217,794	(29,185)	16,308,760	(120,150)
<b>Total Liabilities</b>	<b>26,555,234</b>	<b>26,539,069</b>	<b>16,165</b>	<b>27,286,763</b>	<b>(731,529)</b>
<b>Net Assets:</b>					
Unrestricted	(5,116,762)	(4,571,357)	(545,405)	(5,827,459)	710,697
Temporarily Restricted	2,992,777	2,639,352	353,425	3,402,863	(410,086)
Permanently Restricted	3,744,114	3,704,293	39,821	3,128,293	615,821
<b>Total Net Assets</b>	<b>1,620,129</b>	<b>1,772,288</b>	<b>(152,159)</b>	<b>703,697</b>	<b>916,432</b>
<b>Total Liabilities and Net Assets</b>	<b>28,175,363</b>	<b>28,311,357</b>	<b>(135,994)</b>	<b>27,990,460</b>	<b>184,903</b>