



Date: January 20, 2012

To: Chairman L. Holloway  
Supervisor J. Thomas  
Supervisor G. Broderick

CC: Jay Williams

**Subject: Report from the Milwaukee Public Museum  
Fiscal 2012 - 1<sup>st</sup> Quarter Financial Update**

**Summary**

The continuing purpose of the museum is to educate, explore, discover and preserve the world and its people. MPM's mission, across time and cultures, is to be a world class museum that focuses on the intersections between people and the environment.

The museum attendance includes attendance for both the base museum and special exhibits. The Cleopatra exhibit opened in mid October and is included in the results. Compared to prior year, the base museum attendance is up 7% while total attendance including the special exhibits is down 5%. Theater attendance is up 15% over the prior year for the same period.

Despite the slow economy, annual campaign fundraising continues to increase as MPM employs new approaches to inform the community on MPM activities. MPM's Gala in October was highly successful, setting a record for attendance at that event.

The MMSD funded Green Roof Project has now been completed with over 6,000 sq. ft. of plants on the west wing of the building. This should improve the life of the roof as well as reduce storm run-off effects. MPM will also be conducting education programming related to the green roof project. A small exhibit across from the gift shop on the ground floor has been created and shows a time-lapse video of the project as it was constructed.

**Financial Results (Unaudited)**

Attached are unaudited financial statements for the fiscal 1<sup>st</sup> quarter of 2012. MPM is showing a loss of \$1.6 million in the first quarter which reflects significant planned load-in and start-up costs related to the Cleopatra Exhibit. While visitor reaction to the exhibition has been overwhelmingly positive, the general attendance has been well below expected/historic levels.

The shortfall of \$1.5 million versus plan in Temporary Restricted Net Assets relates to a timing difference of actual versus expected donations. This timing difference should be eliminated before the end of the fiscal year.

**Milwaukee Public Museum**

**Looking Forward**

We continue to work on our infrastructure and permanent exhibits to improve the museum-going experience for our visitors. County supported projects for renovation of our electrical and HVAC systems are ongoing. The delivery entrance and parking area behind the museum has been resurfaced and completed in August. Other infrastructure improvements are being addressed through private funding sources. The museum announced it had negotiated an option to purchase the former Discovery World building for \$1.0 million and that private fundraising effort is underway.

*“Cleopatra, The Search for the Last Queen of Egypt”* opened to the public on October 14<sup>th</sup> and will run through April 29<sup>th</sup>, 2012.

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 11/30/11</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	807,628	729,868	77,760	706,686	100,942
Special Event Revenue	415,282	349,300	65,982	276,023	139,259
Public Support	875,594	875,594	(0)	875,594	(0)
Admissions	588,237	1,283,689	(695,452)	436,736	151,501
IMAX/Planetarium	135,820	180,445	(44,624)	131,144	4,677
Programs	17,756	28,545	(10,790)	29,734	(11,978)
Restaurant and Facility Rental	40,819	41,019	(200)	47,568	(6,750)
Retail	96,982	125,073	(28,092)	117,453	(20,471)
Other income	57,330	20,910	36,420	15,123	42,208
Net assets released from restrictions	333,141	344,558	(11,417)	86,301	246,840
Total Unrestricted Revenue	3,368,589	3,979,001	(610,412)	2,722,362	646,227
<b>Operating Expenses:</b>					
Curatorial	286,294	318,278	(31,985)	299,622	(13,328)
Exhibits	1,304,609	1,634,732	(330,123)	328,652	975,957
Special Events	184,322	140,500	43,822	103,575	80,747
Imax/Planetarium	152,851	186,096	(33,245)	156,488	(3,637)
Programs	127,476	118,540	8,936	167,988	(40,511)
Restaurant and Facility Rental	5,333	14,533	(9,200)	11,409	(6,077)
Retail	105,032	120,141	(15,108)	113,027	(7,995)
Fundraising	336,018	384,458	(48,440)	227,399	108,619
Administrative	686,858	718,465	(31,607)	638,248	48,610
Facilities	764,282	784,633	(20,350)	687,917	76,366
Interest	54,885	54,531	355	83,818	(28,933)
Marketing	118,543	124,269	(5,726)	127,885	(9,341)
Depreciation	320,896	320,721	176	346,511	(25,615)
Total Operating Expenses	4,447,400	4,919,896	(472,497)	3,292,539	1,154,861
Inc (dec) in unrestricted net assets before non operating items	(1,078,811)	(940,896)	(137,915)	(570,177)	(508,634)
<b>Non Operating Items:</b>					
Pension & Post Retirement Benefits Expense	(186,616)	(186,000)	(616)	(185,667)	(949)
Investment Earnings	(25,931)	0	(25,931)	210,439	(236,370)
Gain/(Loss) on interest rate swap liability	13,036	0	13,036	0	13,036
Total Non Operating Items	(199,511)	(186,000)	(13,511)	24,772	(224,283)
Inc (dec) in unrestricted net assets	(1,278,322)	(1,126,896)	(151,426)	(545,405)	(732,917)
<b>Changes in Temporarily Restricted Net Assets:</b>					
Contributions	51,424	1,542,500	(1,491,076)	81,475	(30,051)
Investment Earnings	(43,022)	0	(43,022)	358,251	(401,273)
Net assets released from restrictions for operations	(333,141)	(344,558)	11,417	(86,301)	(246,840)
Inc (dec) in temporarily restricted net assets	(324,739)	1,197,942	(1,522,681)	353,425	(678,164)
<b>Changes in Permanently Restricted Net Assets:</b>					
Contributions	0	0	0	31,511	(31,511)
Investment Earnings	0	0	0	8,310	(8,310)
Net assets released from restrictions for operations	0	0	0	0	0
Inc (dec) in permanently restricted net assets	0	0	0	39,821	(39,821)
<b>Inc (dec) in Net Assets</b>	(1,603,061)	71,046	(1,674,107)	(152,159)	(1,450,902)
<b>Total Net Assets at Beginning of Period</b>	12,674,712	12,674,712	0	1,772,288	10,902,424
<b>Total Net Assets at End of Period</b>	11,071,651	12,745,758	(1,674,107)	1,620,129	9,451,522

**Milwaukee Public Museum**

<b>MPM Consolidated Statement of Financial Position as of 11/30/11</b>					
	<b>Consolidated</b>	<b>Consolidated</b>		<b>Consolidated</b>	<b>Prior Year</b>
	<b><u>11/30/11</u></b>	<b><u>8/31/11</u></b>	<b><u>Change</u></b>	<b><u>11/30/10</u></b>	<b><u>Change</u></b>
<b>Assets:</b>					
Cash and cash equivalents	2,071,553	2,294,845	(223,292)	2,398,315	(326,762)
Investments	293,720	289,934	3,786	294,541	(821)
Accounts Receivable	19,435	59,918	(40,483)	89,733	(70,298)
Contributions Receivable -Current	742,056	999,612	(257,556)	757,293	(15,237)
Due From Other Entities	0	0	0	0	0
Inventories, net	55,236	29,043	26,193	50,040	5,196
Prepaid Expenses	186,823	387,031	(200,208)	120,405	66,418
<b>Total Current Assets</b>	<b>3,368,824</b>	<b>4,060,383</b>	<b>(691,559)</b>	<b>3,710,327</b>	<b>(341,503)</b>
<b>Other Assets:</b>					
Cash and investments held for endowment	6,622,401	6,936,255	(313,854)	6,711,916	(89,515)
Contributions Receivable - Long Term	946,907	946,907	0	720,054	226,853
Other Long Term Assets	0	0	0	152,110	(152,110)
<b>Total Other Aassets</b>	<b>7,569,308</b>	<b>7,883,162</b>	<b>(313,854)</b>	<b>7,584,080</b>	<b>(14,772)</b>
<b>Property &amp; Equipment:</b>					
Gross Property & Equipment	29,810,171	29,731,161	79,010	29,611,463	198,708
Less-Accumulated depreciation	(14,063,199)	(13,742,303)	(320,896)	(12,730,507)	(1,332,693)
<b>Net Property &amp; Equipment</b>	<b>15,746,972</b>	<b>15,988,858</b>	<b>(241,886)</b>	<b>16,880,957</b>	<b>(1,133,985)</b>
<b>Total Assets</b>	<b>26,685,104</b>	<b>27,932,403</b>	<b>(1,247,299)</b>	<b>28,175,363</b>	<b>(1,490,260)</b>
<b>Liabilities and Net Assets:</b>					
Accounts Payable	926,615	503,920	422,695	475,762	450,854
Accrued Payroll & Benefits	611,446	670,803	(59,357)	563,113	48,333
Deferred Revenue	1,072,901	1,093,213	(20,312)	1,005,043	67,858
Interest Payable	18,013	18,867	(854)	55,550	(37,537)
Accrued Postretirement Benefits - Current	102,548	102,548	0	111,685	(9,137)
Notes Payable - Current	262,000	262,000	0	124,074	137,926
Capital Leases - Current	0	0	0	7,661	(7,661)
<b>Total Current Liabilities</b>	<b>2,993,523</b>	<b>2,651,351</b>	<b>342,172</b>	<b>2,342,887</b>	<b>650,636</b>
Accrued Postretirement Benefits	7,818,451	7,726,326	92,125	8,023,737	(205,286)
Interest Rate Swap Liability	259,978	273,014	(13,036)	0	259,978
Due to Other Entities	0	0	0	0	0
Notes Payable	4,541,500	4,607,000	(65,500)	16,188,609	(11,647,109)
<b>Total Liabilities</b>	<b>15,613,453</b>	<b>15,257,691</b>	<b>355,762</b>	<b>26,555,234</b>	<b>(10,941,781)</b>
<b>Net Assets:</b>					
Unrestricted	3,830,569	5,108,891	(1,278,322)	(5,116,762)	8,947,331
Temporarily Restricted	3,421,857	3,746,596	(324,739)	2,992,777	429,080
Permanently Restricted	3,819,225	3,819,225	0	3,744,114	75,111
<b>Total Net Assets</b>	<b>11,071,651</b>	<b>12,674,712</b>	<b>(1,603,061)</b>	<b>1,620,129</b>	<b>9,451,522</b>
<b>Total Liabilities and Net Assets</b>	<b>26,685,104</b>	<b>27,932,403</b>	<b>(1,247,299)</b>	<b>28,175,363</b>	<b>(1,490,259)</b>