



Date: July 6, 2012

To: Chairwoman M. Dimitrijevic  
Supervisor W. Johnson, Jr.  
Supervisor G. Broderick

CC: Jay Williams

**Subject: Report from the Milwaukee Public Museum  
Fiscal 2012 – 3rd 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 third quarter included the wrap up of the Cleopatra Exhibition. The exhibit closed to the public on April 22<sup>nd</sup>.

We continue to work on a number of grants and improvements to the permanent displays in the museum. The China section on the third floor is being renovated as it was impacted by the load-in/load out of the Cleopatra exhibit.

Significant gifts (\$2.2M) were received in May in support of certain restricted programs and those are reflected in the financial results.

Through May, attendance for the museum is up 15% over the prior year at nearly 200,000 visitors. Theater operations are flat versus the prior year through the 3<sup>rd</sup> quarter.

**Financial Results (Unaudited)**

Attached are unaudited financial statements through 9 months of fiscal 2012. MPM is showing a loss of \$0.37 million through the 3<sup>rd</sup> quarter. Revenues of \$11.4M are \$2.8M below Plan but \$1.0M higher than fiscal 2011. Operating Expenses are 8.5% below Plan at \$11.3M and include Cleopatra exhibition costs. Unrestricted net income is a loss of \$1.6M (\$1.8M below plan) resulting from the financial impact of the traveling exhibit. This result has significantly impacted operating cash and the museum has taken steps to reduce operating expenses going forward.

The third quarter yielded a positive change in net assets of \$1.2M due to the receipt of major restricted gifts. We continue to anticipate new commitments in support of the goals we have put forth to donors.

**Milwaukee Public Museum**

**Looking Forward**

We continue to work on our infrastructure and permanent exhibits to improve the museum-going experience for our visitors. Beginning in May, MPM is hosting, “*Art and the Animal*,” an exhibit of paintings and sculptures of wild life and their habitats. This exhibit will run through Labor Day in MPM’s Uihlein Gallery and there is no additional charge for visitors to view it.

We are currently working with County representatives on a project to replace the marble facades on the North and South ends of the building which would include additional elements that would greatly improve the exterior envelope of the structure and reduce/eliminate a number of issues we are currently experiencing.

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 Nine Months Months Ended 5/31/12</b>					
	<b>YTD</b>	<b>YTD</b>		<b>Prior Year</b>	<b>Prior Year</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Dev</u></b>	<b><u>Actual</u></b>	<b><u>Change</u></b>
<b>Revenue:</b>					
Contributions and Membership	2,658,336	2,672,251	(13,915)	2,642,155	16,181
Special Event Revenue	554,372	479,550	74,822	402,015	152,357
Public Support	2,626,782	2,626,782	(0)	2,626,782	(0)
Admissions	2,587,485	5,619,717	(3,032,232)	1,880,629	706,856
IMAX/Planetarium	604,070	839,766	(235,696)	658,154	(54,084)
Programs	120,176	151,246	(31,070)	142,044	(21,868)
Restaurant and Facility Rental	162,512	265,490	(102,978)	232,621	(70,108)
Retail	448,766	625,703	(176,937)	630,403	(181,637)
Other income	189,668	95,300	94,368	110,969	78,698
Net assets released from restrictions	1,459,538	854,819	604,719	905,554	553,984
Total Unrestricted Revenue	11,411,704	14,230,624	(2,818,919)	10,409,926	1,001,779
<b>Operating Expenses:</b>					
Curatorial	822,573	907,068	(84,494)	858,067	(35,494)
Exhibits	3,293,763	4,056,711	(762,948)	678,642	2,615,122
Special Events	250,459	203,000	47,459	168,275	82,184
Imax/Planetarium	428,339	528,310	(99,972)	517,183	(88,844)
Programs	359,383	409,508	(50,125)	412,972	(53,589)
Restaurant and Facility Rental	11,322	42,070	(30,748)	38,082	(26,760)
Retail	377,235	470,806	(93,571)	495,485	(118,250)
Fundraising	895,042	981,608	(86,565)	746,250	148,792
Administrative	2,163,511	2,041,594	121,917	2,107,668	55,843
Facilities	2,282,233	2,318,637	(36,404)	2,227,942	54,291
Interest	164,584	163,080	1,505	193,653	(29,069)
Marketing	427,860	405,986	21,873	407,731	20,128
Depreciation	962,257	958,460	3,797	1,026,228	(63,971)
Total Operating Expenses	12,438,561	13,486,838	(1,048,277)	10,056,778	2,381,783
Inc (dec) in unrestricted net assets before non operating items	(1,026,857)	743,786	(1,770,642)	353,147	(1,380,004)
<b>Non Operating Items:</b>					
Pension & Post Retirement Benefits Expense	(560,452)	(558,000)	(2,452)	(550,541)	(9,911)
Investment Earnings	11,637	0	11,637	427,217	(415,580)
Gain on Refinancing	0	0	0	10,853,676	(10,853,676)
Loss on interest rate swap liability	(44)	0	(44)	(160,757)	160,713
Total Non Operating Items	(548,859)	(558,000)	9,141	10,569,595	(11,118,454)
Inc (dec) in unrestricted net assets	(1,575,716)	185,786	(1,761,502)	10,922,743	(12,498,458)
<b>Changes in Temporarily Restricted Net Assets:</b>					
Contributions	2,576,336	4,349,000	(1,772,664)	1,556,051	1,020,284
Investment Earnings	83,720	0	83,720	740,386	(656,666)
Net assets released from restrictions for operations	(1,459,538)	(854,819)	(604,719)	(905,554)	(553,984)
Inc (dec) in temporarily restricted net assets	1,200,517	3,494,181	(2,293,664)	1,390,883	(190,365)
<b>Changes in Permanently Restricted Net Assets:</b>					
Contributions	3,500	0	3,500	105,027	(101,527)
Investment Earnings	1,516	0	1,516	17,128	(15,612)
Net assets released from restrictions for operations	0	0	0	0	0
Inc (dec) in permanently restricted net assets	5,016	0	5,016	122,155	(117,139)
<b>Inc (dec) in Net Assets</b>	(370,182)	3,679,967	(4,050,149)	12,435,780	(12,805,963)

**Milwaukee Public Museum**

<b>MPM Consolidated Statement of Financial Position as of 5/31/12</b>					
	<b>Consolidated</b>	<b>Consolidated</b>		<b>Consolidated</b>	<b>Prior Year</b>
	<b><u>5/31/12</u></b>	<b><u>8/31/11</u></b>	<b><u>Change</u></b>	<b><u>5/31/11</u></b>	<b><u>Change</u></b>
<b>Assets:</b>					
Cash and cash equivalents	1,912,194	2,294,845	(382,651)	3,364,701	(1,452,507)
Investments	289,276	289,934	(658)	313,689	(24,413)
Accounts Receivable	45,039	59,918	(14,879)	61,457	(16,417)
Contributions Receivable - Current	1,384,980	999,612	385,368	338,869	1,046,111
Inventories, net	40,564	29,043	11,521	41,340	(777)
Prepaid Expenses	259,914	387,031	(127,117)	211,261	48,652
Total Current Assets	3,931,966	4,060,383	(128,417)	4,331,317	(399,351)
<b>Other Assets:</b>					
Cash and investments held for endowment	6,317,386	6,936,255	(618,869)	7,437,454	(1,120,068)
Contributions Receivable - Long Term	2,146,907	946,907	1,200,000	1,647,554	499,353
Other Long Term Assets	0	0	0	152,110	(152,110)
Total Other Assets	8,464,293	7,883,162	581,131	9,237,118	(772,825)
<b>Property &amp; Equipment:</b>					
Construction in Progress	53,539	50,753	2,786	50,188	3,351
Building Additions	19,338,666	19,221,371	117,295	19,221,371	117,296
Furniture, equipment and other improvements	10,599,437	10,459,037	140,400	10,451,540	147,897
Gross Property & Equipment	29,991,642	29,731,161	260,481	29,723,099	268,543
Less-Accumulated depreciation	(14,704,560)	(13,742,303)	(962,257)	(13,410,223)	(1,294,337)
Net Property & Equipment	15,287,083	15,988,858	(701,775)	16,312,876	(1,025,793)
<b>Total Assets</b>	<b>27,683,342</b>	<b>27,932,403</b>	<b>(249,061)</b>	<b>29,881,311</b>	<b>(2,197,969)</b>
<b>Liabilities and Net Assets:</b>					
Accounts Payable	865,973	503,920	362,053	572,799	293,174
Accrued Payroll & Benefits	621,373	670,803	(49,430)	583,345	38,028
Deferred Revenue	1,013,545	1,093,213	(79,668)	1,050,577	(37,032)
Interest Payable	18,106	18,867	(761)	19,121	(1,015)
Accrued Postretirement Benefits - Current	102,548	102,548	0	111,685	(9,137)
Notes Payable - Current	262,000	262,000	0	262,000	0
Capital Leases - Current	0	0	0	0	(0)
Total Current Liabilities	2,883,545	2,651,351	232,194	2,599,528	284,017
Accrued Postretirement Benefits	7,811,708	7,726,326	85,382	8,240,458	(428,750)
Interest Rate Swap Liability	273,059	273,014	45	160,757	112,302
Notes Payable	4,410,500	4,607,000	(196,500)	4,672,500	(262,000)
<b>Total Liabilities</b>	<b>15,378,812</b>	<b>15,257,691</b>	<b>121,121</b>	<b>15,673,243</b>	<b>(294,431)</b>
<b>Net Assets:</b>					
Unrestricted	3,533,175	5,108,891	(1,575,716)	6,351,386	(2,818,210)
Temporarily Restricted	4,947,113	3,746,596	1,200,517	4,030,235	916,879
Permanently Restricted	3,824,241	3,819,225	5,016	3,826,448	(2,207)
<b>Total Net Assets</b>	<b>12,304,530</b>	<b>12,674,712</b>	<b>(370,182)</b>	<b>14,208,068</b>	<b>(1,903,539)</b>
<b>Total Liabilities and Net Assets</b>	<b>27,683,342</b>	<b>27,932,403</b>	<b>(249,061)</b>	<b>29,881,311</b>	<b>(2,197,969)</b>