

Museum of Fine Arts, Boston Annual Report June 30, 2012

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2012 (dollars in thousands)

|   | Unrestricted  |                    |              |              |                | Temporarily Restricted Funds | Permanently Restricted Funds | Combined Totals |
|---|---------------|--------------------|--------------|--------------|----------------|------------------------------|------------------------------|-----------------|
|   | Operating     | Auxiliary Services | Designated   | Plant        | Total          |                              |                              |                 |
| OPERATING SUPPORT AND REVENUE                       |               |                    |              |              |                |                              |                              |                 |
| <b>Support</b>                                      |               |                    |              |              |                |                              |                              |                 |
| Gifts to annual appeal                              | \$ 7,228      | \$ —               | \$ —         | \$ —         | \$ 7,228       | \$ —                         | \$ —                         | \$ 7,228        |
| Contributions, gifts and grants                     | 384           | —                  | 2,144        | 25           | 2,553          | 23,689                       | 10,033                       | 36,275          |
| Total support                                       | <u>7,612</u>  | <u>—</u>           | <u>2,144</u> | <u>25</u>    | <u>9,781</u>   | <u>23,689</u>                | <u>10,033</u>                | <u>43,503</u>   |
| <b>Program revenue</b>                              |               |                    |              |              |                |                              |                              |                 |
| Membership Corporate                                | 887           | —                  | —            | —            | 887            | —                            | —                            | 887             |
| Membership General                                  | 8,391         | —                  | —            | —            | 8,391          | —                            | —                            | 8,391           |
| Tuition - School                                    | 24,302        | —                  | —            | —            | 24,302         | —                            | —                            | 24,302          |
| Admissions  | 6,797         | —                  | —            | —            | 6,797          | —                            | —                            | 6,797           |
| Exhibitions   | 4,869         | —                  | —            | —            | 4,869          | —                            | —                            | 4,869           |
| Education programs                                  | 1,980         | —                  | —            | —            | 1,980          | 187                          | —                            | 2,167           |
| Sales from merchandise operations                   | —             | 6,657              | —            | —            | 6,657          | —                            | —                            | 6,657           |
| Beneficial interest in perpetual trust income       | 944           | —                  | 78           | —            | 1,022          | —                            | —                            | 1,022           |
| Short-term investment income                        | 104           | —                  | —            | —            | 104            | 239                          | —                            | 343             |
| Investment return designated for current operations | 9,253         | —                  | —            | —            | 9,253          | 16,424                       | —                            | 25,677          |
| Parking operations                                  | 3,694         | —                  | —            | —            | 3,694          | —                            | —                            | 3,694           |
| Restaurant food service                             | 2,621         | —                  | —            | —            | 2,621          | —                            | —                            | 2,621           |
| Rent revenue  | 3,450         | —                  | —            | —            | 3,450          | —                            | —                            | 3,450           |
| Other ancillary services                            | 3,332         | —                  | —            | 1,835        | 5,167          | 795                          | —                            | 5,962           |
| Total program revenue                               | <u>70,624</u> | <u>6,657</u>       | <u>78</u>    | <u>1,835</u> | <u>79,194</u>  | <u>17,645</u>                | <u>—</u>                     | <u>96,839</u>   |
| Funds released from restrictions:—MFA               | 20,133        | —                  | (3,214)      | 4,888        | 21,807         | (21,807)                     | —                            | —               |
| —SMFA   | 1,312         | —                  | —            | —            | 1,312          | (1,312)                      | —                            | —               |
| Total operating support                             | <u>99,681</u> | <u>6,657</u>       | <u>(992)</u> | <u>6,748</u> | <u>112,094</u> | <u>18,215</u>                | <u>10,033</u>                | <u>140,342</u>  |

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|  | Unrestricted  |                       |            |          |               | Temporarily<br>Restricted<br>Funds | Permanently<br>Restricted<br>Funds | Combined<br>Totals |
|--|---------------|-----------------------|------------|----------|---------------|------------------------------------|------------------------------------|--------------------|
|  | Operating     | Auxiliary<br>Services | Designated | Plant    | Total         |                                    |                                    |                    |
| <b>EXPENSES</b>                          |               |                       |            |          |               |                                    |                                    |                    |
| <b>Program services</b>                  |               |                       |            |          |               |                                    |                                    |                    |
| Exhibitions                              | 5,330         | —                     | —          | —        | 5,330         | —                                  | —                                  | 5,330              |
| Collections and curatorial               | 11,082        | —                     | 46         | —        | 11,128        | —                                  | —                                  | 11,128             |
| Educational programs                     | 2,045         | —                     | 12         | —        | 2,057         | —                                  | —                                  | 2,057              |
| Educational services                     | 813           | —                     | —          | —        | 813           | —                                  | —                                  | 813                |
| Program support                          | 2,009         | —                     | —          | —        | 2,009         | —                                  | —                                  | 2,009              |
| Membership activities                    | 2,448         | —                     | 157        | —        | 2,605         | —                                  | —                                  | 2,605              |
| School program                           | 25,531        | —                     | —          | —        | 25,531        | —                                  | —                                  | 25,531             |
| Parking operations                       | 1,270         | —                     | —          | —        | 1,270         | —                                  | —                                  | 1,270              |
| Restaurant food service                  | 1,235         | —                     | —          | —        | 1,235         | —                                  | —                                  | 1,235              |
| Merchandising operations                 | —             | 2,994                 | —          | —        | 2,994         | —                                  | —                                  | 2,994              |
| Cost of sales from merchandise operation | —             | 3,307                 | —          | —        | 3,307         | —                                  | —                                  | 3,307              |
| Rental expenses for off-site locations   | 1,484         | —                     | —          | —        | 1,484         | —                                  | —                                  | 1,484              |
| Other                                    | 1,701         | —                     | —          | —        | 1,701         | —                                  | —                                  | 1,701              |
| Total program services                   | <u>54,948</u> | <u>6,301</u>          | <u>215</u> | <u>—</u> | <u>61,464</u> | <u>—</u>                           | <u>—</u>                           | <u>61,464</u>      |

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|----------------------------|---------------|-----------------------|----------------|-----------------|-----------------|------------------------------------|------------------------------------|--------------------|
|                            | Operating     | Auxiliary<br>Services | Designated     | Plant           | Total           |                                    |                                    |                    |
| <b>Supporting services</b> |               |                       |                |                 |                 |                                    |                                    |                    |
| Administration             | 9,348         | —                     | 1,025          | —               | 10,373          | —                                  | —                                  | 10,373             |
| Development                | 4,588         | —                     | —              | —               | 4,588           | —                                  | —                                  | 4,588              |
| Public information         | 6,861         | —                     | —              | —               | 6,861           | —                                  | —                                  | 6,861              |
| Facilities                 | 5,664         | —                     | —              | —               | 5,664           | —                                  | —                                  | 5,664              |
| Utility costs              | 3,996         | —                     | —              | —               | 3,996           | —                                  | —                                  | 3,996              |
| Protective services        | 5,836         | —                     | —              | —               | 5,836           | —                                  | —                                  | 5,836              |
| Interest on debt           | 5,988         | —                     | —              | —               | 5,988           | —                                  | —                                  | 5,988              |
| Depreciation               | —             | —                     | —              | 22,665          | 22,665          | —                                  | —                                  | 22,665             |
| Other                      | 1,021         | —                     | —              | 2,100           | 3,121           | —                                  | —                                  | 3,121              |
| Total supporting services  | <u>43,302</u> | <u>—</u>              | <u>1,025</u>   | <u>24,765</u>   | <u>69,092</u>   | <u>—</u>                           | <u>—</u>                           | <u>69,092</u>      |
| Total expenses             | <u>98,250</u> | <u>6,301</u>          | <u>1,240</u>   | <u>24,765</u>   | <u>130,556</u>  | <u>—</u>                           | <u>—</u>                           | <u>130,556</u>     |
| Change in net assets       | <u>1,431</u>  | <u>356</u>            | <u>(2,232)</u> | <u>(18,017)</u> | <u>(18,462)</u> | <u>18,215</u>                      | <u>10,033</u>                      | <u>9,786</u>       |

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|---|----------------|-----------------------|------------|-----------------|-------------------|------------------------------------|------------------------------------|--------------------|
|   | Operating      | Auxiliary<br>Services | Designated | Plant           | Total             |                                    |                                    |                    |
| <b>Non operating activities</b>   |                |                       |            |                 |                   |                                    |                                    |                    |
| Excess (deficit) of investment return over amounts<br>designated for current operations | –              | –                     | (35)       | –               | (35)              | (41,302)                           | (1,664)                            | (43,001)           |
| Change in value of split-interest agreements  | –              | –                     | –          | –               | –                 | (1,419)                            | (402)                              | (1,821)            |
| Change in fair value of interest rate swap agreements                                   | –              | –                     | –          | (15,396)        | (15,396)          | –                                  | –                                  | (15,396)           |
| Funds released from restrictions  | –              | –                     | 2,550      | –               | 2,550             | (2,550)                            | –                                  | –                  |
| Transfers   | (2,637)        | –                     | 2,698      | –               | 61                | 202                                | (263)                              | –                  |
| <b>Change in net assets related to collection items</b>                                 |                |                       |            |                 |                   |                                    |                                    |                    |
| Collection items purchased  | –              | –                     | (22,577)   | –               | (22,577)          | –                                  | –                                  | (22,577)           |
| Collection items sold   | –              | –                     | 20,026     | –               | 20,026            | –                                  | –                                  | 20,026             |
| Increase (decrease) in net assets   | <u>(1,206)</u> | <u>356</u>            | <u>430</u> | <u>(33,413)</u> | <u>(33,833)</u>   | <u>(26,854)</u>                    | <u>7,704</u>                       | <u>(52,983)</u>    |
| Net assets, beginning of year   |                |                       |            |                 | <u>236,055</u>    | <u>434,096</u>                     | <u>271,630</u>                     | <u>941,781</u>     |
| Net assets, end of year   |                |                       |            |                 | <u>\$ 202,222</u> | <u>\$ 407,242</u>                  | <u>\$ 279,334</u>                  | <u>\$ 888,798</u>  |

Notes to the financial statement are available upon request from the Museum's Financial Department.