



Date: February 14, 2022

To: Chairperson Marcelia Nicholson., Milwaukee County Board of Supervisors
Chairperson Jason Haas, Committee on Finance and Audit
Chairperson Sheldon Wasserman, Committee on Parks, Energy, and Environment

CC: Kelly Bablitch, Chief of Staff, County Board
Janelle M. Jensen, Senior Committee Coordinator, Office of the County Clerk
Kelsey Evans, Committee Coordinator, Office of the County Clerk
Ellen Censky, President and CEO, Milwaukee Public Museum

**Subject: Report from the Milwaukee Public Museum
Results for the 4 month period ended December 31, 2021**

The Mission of the Milwaukee Public Museum is to inspire curiosity, excite minds and increase desire to preserve and protect our world's natural and cultural diversity through exhibitions, educational programs, collections and research.

Current State of the Museum during the Pandemic

The Museum opened two more days to the public during the quarter. We are now open from Wednesday's through Monday's from 10AM – 5PM. The café/coffee kiosk opened in November but its operations remain at limited (Thurs – Saturday, 10am – 2pm). We continue to operate in the safest possible way – requiring masks of all staff and visitors as well as social distancing. We also continue to have enhanced cleaning.

Overall, our day to day numbers are well below the last “normal” year but our attendance exceeded our projected expectations for the quarter. As a reminder, during the quarter we did not anticipate any school groups or other groups. We also projected between 50% (September and October) and 75% (November and December) other attendance. Attendance exceeded our goal by 37% and revenue exceeded by \$227,000. The mix of visitors continues to skew toward paying visitors vs members, but membership renewals are picking up. MPM hosted *Voyage to the Deep* from early October to early January. This exhibit was geared to a younger audience and explored life and discovery in the oceans by immersing kids in a submersible with lots of interactive. The exhibit met our attendance goal of 30,000 visitors.

We continued to utilizing social media and other web-based platforms for programming and worked directly with public school teachers and parents to make the best possible efforts to continue its primary mission and deliver on its commitment to serve the County and its citizens. We have also started to deliver educational programs to the public on the floors of the museum.

Requests for collection data, information and photos are at high levels with staff responding to over 200 external requests. The museum is open to external researchers however we control how many can come in at any one time. Collection work, digitization and grant tasks continue.

Milwaukee Public Museum

Fiscal Summary

For the four months ended December 31, 2021, MPM consolidated financial statements reported an operating surplus of \$1.4 million compared to \$230,000 from the prior year and \$680,000 in FY2019 – pre-pandemic year. Overall, the change in net assets was an increase of \$3.5 million vs. a \$15,000 in the prior year and \$520,000 in FY2019.

Consolidated operating revenue increased in this fiscal year to about \$4.9 million vs. \$2.8 million in the prior year and \$4.5 million in FY2019. This increase is mainly due to improving operations, particularly with growing attendance despite limited capacities in the early months, and due to larger contributions than anticipated. Operations are still not completely back to pre-pandemic level.

Consolidated operating expenditures for the year were \$3.5 million vs. \$2.6 million in the prior year and \$3.8 million in FY2019. All operating expenses rose in the current fiscal year as most operations returned including opening six days a week, and bringing back traveling exhibits and staff.

In other non-operating activity, MPM and the Endowment investments reported a modest gain of \$160,000. MPM finally received forgiveness for its PPP loan and received another \$1.2 million in federal support. Within the year, distribution from the MPM Endowment Fund totaled \$50,000, historically comparable to those of prior years. MPM continues to have to a fiscally conservative course of significantly reduced reliance on MPM Endowment earnings than in the decade prior.

Capital Investment

Summary County Funded

Capital Projects

Major County funded projects that are currently in process or will hopefully be in process soon at the Museum include:

- Fire panel/fire safety system replacement – on going and awaiting shipment.
- Repair dome theater roof – the roof is completed in January 2022.

MPM Federally Funded Projects

Dr. Jennifer Zaspel, VP/Academic Dean continued working on the \$4.3 million grant from the National Science Foundation (NSF). This project is a national effort to digitize more than 1.3 million arthropod specimens, including parasites like fleas, ticks and mosquitoes, to develop a nationwide database of historical records. She successfully completed deliverables on this grant and a second.

Ms. Patty Burke is finishing work funded by the Institute of Museum and Library Services to digitize and organize the collection of Ordovician fossils in the Museum (\$362,887).

Reaccreditation

MPM submitted an interim report to the Accreditation Commission in August noting the progress made on the bridge plan to protect the most vulnerable collections as well as progress on funding – securing state funding of \$40M. The commission was pleased with the progress and stated that “For the final report, we will need confirmation of the county’s contributions towards the new building and details on how the county will continue supporting the needs of the collections.” MPM is required to submit a final report by April 15, 2022. A decision on whether to accredit the museum will happen in June.

Milwaukee Public Museum

Either, Ellen Censky, CEO or I will be happy to take questions during our appearance before the Committees.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lue Hang', written in a cursive style.

Lue Hang
Senior Vice President of Finance and Operations
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Four Month Ended 12/31/21					
	Actual	Budget		Actual	Prior Year
	12/31/21	12/31/21	Dev	12/31/20	Change
Revenue:					
Contributions	1,974,155	1,043,012	931,143	854,308	1,119,847
Membership	484,156	340,738	143,418	111,390	372,766
Special Event Revenue	403,734	419,500	(15,766)	235,497	168,237
Public Support	1,172,503	1,166,667	5,836	1,321,129	(148,626)
Admissions	505,983	282,483	223,501	98,526	407,457
Theatre/Planetarium	23,986	40,100	(16,114)	1,250	22,736
Programs	3,560	9,181	(5,621)	1,045	2,515
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	47,774	46,616	1,157	0	47,774
Retail	145,733	93,800	51,933	0	145,733
Other income	33,151	26,600	6,551	20,917	12,234
Net Assets released from restrictions	153,566	197,600	(44,034)	198,019	(44,453)
Total Operating Revenue	4,948,301	3,666,296	1,282,004	2,842,081	2,106,220
Operating Expenses:					
Cost of Goods Sold	62,854	40,750	22,104	0	62,854
Supplies	247,221	323,121	(75,900)	103,596	143,626
Salaries and Wages	1,744,808	1,999,928	(255,120)	1,477,578	267,230
Benefits	448,456	500,563	(52,107)	388,679	59,777
Travel	9,571	53,959	(44,388)	1,237	8,334
Insurance	21,371	23,392	(2,020)	21,964	(593)
Marketing/Public Relations	100,850	298,862	(198,012)	29,172	71,678
Member/Donor Development	19,472	33,902	(14,430)	5,018	14,453
Subscriptions/Memberships	8,111	11,620	(3,509)	9,126	(1,015)
Maintenance	287,296	271,171	16,125	196,514	90,783
Utilities	317,725	305,836	11,889	276,022	41,702
Professional Fees	178,580	231,085	(52,505)	70,012	108,568
Interest Expense	1,059	0	1,059	5,973	(4,914)
Miscellaneous	40,568	116,413	(75,845)	21,205	19,363
Tax Expense	1,567	1,060	507	626	941
Contributed Services	0	0	0	0	0
Total Operating Expenses	3,489,510	4,211,661	(722,152)	2,606,723	882,787
Inc/(dec) from Net Assets in Operating Activities	1,458,791	(545,365)	2,004,156	235,358	1,223,433
Non-Operating Items:					
Investment Earnings	69,437	0	69,437	234,362	(164,925)
Transfer to Endowment	0	0	0	0	0
Pension & Post Retirement Expenses	(120,000)	(120,000)	0	(120,000)	0
Depreciation	(266,525)	(265,085)	(1,440)	(313,225)	46,701
Non-Operating Income - Covid Related	2,572,381	0	2,572,381	0	2,572,381
Foundation for Future Revenue	7,806	0	7,806	4,525	3,281
Foundation for Future Expenses	(180,807)	(276,059)	95,251	(264,383)	83,576
Total Non-Operating Items	2,082,292	(661,144)	2,743,436	(458,722)	2,541,014
Inc/(dec) in Net Assets Without Donor Restrictions	3,541,083	(1,206,509)	4,747,592	(223,364)	3,764,446
Changes in With Donor Restricted Net Assets:					
Contributions	59,720	45,000	14,720	92,554	(32,834)
Investment Earnings	92,523	0	92,523	344,419	(251,896)
Net Assets released from restrictions for operations	(153,566)	(197,600)	44,034	(198,019)	44,453
Inc/(dec) in With Donor Restricted Net Assets	(1,323)	(152,600)	151,277	238,954	(240,277)
Inc/(dec) in Net Assets	3,539,759	(1,359,109)	4,898,868	15,590	3,524,169
Total Net Assets at Beginning of Period	16,906,999	0	0	13,503,055	3,403,944
Total Net Assets at End of Period	20,446,758	(1,359,109)	4,898,868	13,518,645	6,928,113

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 12/31/21				
	<u>12/31/21</u>	<u>12/31/20</u>	<u>8/31/21</u>	<u>Change</u>
Assets:				
Cash and cash equivalents	7,246,151	3,178,298	6,419,569	826,582
Investments	482,246	431,652	480,313	1,933
Accounts Receivable	95,556	68,116	337,430	(241,874)
Note Receivable	500,000	0	0	500,000
Contributions Receivable - Current	450,650	567,201	471,447	(20,797)
Due From Other Funds/Entities	0	29,617	0	0
Inventories, net	56,619	82,800	45,972	10,647
Prepaid Expenses	41,977	28,709	47,096	(5,119)
Total Current Assets	8,873,199	4,386,393	7,801,827	1,071,372
Other Assets:				
Cash and investments held for endowment	8,589,929	6,960,197	7,691,385	898,544
Contributions Receivable - Long Term	281,741	399,385	48,998	232,743
Total Other Aassets	8,871,670	7,359,582	7,740,383	1,131,287
Property & Equipment:				
Building Additions	19,875,741	19,875,741	19,875,741	(0)
Furniture, equipment and other improvements	12,990,068	12,921,893	12,966,232	23,836
Gross Property & Equipment	32,865,808	32,797,633	32,841,973	23,835
Less-Accumulated depreciation	(24,158,489)	(23,319,513)	(23,902,263)	(256,226)
Net Property & Equipment	8,707,319	9,478,120	8,939,710	(232,391)
Total Assets	26,452,188	21,224,095	24,481,920	1,970,268
Liabilities and Net Assets:				
Accounts Payable	413,363	311,161	520,768	(107,405)
Accrued Payroll & Benefits	627,133	571,140	641,263	(14,130)
Deferred Revenue	530,507	485,695	802,255	(271,748)
Refundable Advance	0	1,137,100	1,237,700	(1,237,700)
Accrued Postretirement Benefits - Current	276,186	137,036	276,186	0
Line of Credit	0	0	0	0
Total Current Liabilities	1,847,189	2,642,131	3,478,172	(1,630,983)
Accrued Postretirement Benefits	4,158,240	5,033,702	4,096,746	61,494
Due to Other Funds/Entities	0	29,617	0	0
Total Liabilities	6,005,430	7,705,450	7,574,918	(1,569,488)
Net Assets:				
Without Donor Restrictions	13,283,037	5,860,598	9,741,957	3,541,080
With Donor Restrictions	7,163,722	7,658,047	7,165,045	(1,323)
Total Net Assets	20,446,758	13,518,645	16,907,002	3,539,756
Total Liabilities and Net Assets	26,452,188	21,224,095	24,481,920	1,970,268

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Four Months Ended 12/31/21

	<u>12/31/21</u>	<u>12/31/20</u>
Operating Activities:		
Increase in net assets	2,408,472	15,590
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	266,525	313,225
Loss on disposal of assets	0	0
Forgiveness of PPP Refundable Advance	0	0
Unrealized (gain)/loss on investments	6,495	(423,071)
Realized (gain)/loss on investments	(6,551)	(84,977)
Contributions restricted for capital and endowment	0	0
Changes in operating assets and liabilities:		
Accounts Receivable	241,874	11,440
Contribution Receivable	20,797	43,549
Inventories and Other Assets	(10,647)	369
Prepaid Expenses	5,119	21,311
Accounts Payable, Accrued Expenses and Accrued Benefits	(60,033)	(11,571)
Due to Affiliates	0	0
Refundable Advance	(1,237,700)	0
Deferred Revenue	(271,748)	(332,209)
Total Adjustments	(1,045,869)	(461,934)
Net cash provided/(used) by operating activities	1,362,603	(446,344)
Investing Activities:		
Purchases of Property & Equipment	(23,835)	0
Purchases of Property & Equipment - Restricted	0	0
Net Change in Note Receivable	(500,000)	0
Proceeds from Sale of Investments	76,931	800,095
Purchases of Investments	(89,116)	(825,073)
Net cash provided/(used) in investing activities	(536,020)	(24,977)
Financing Activities:		
Proceeds from contributions restricted for capital and endowment	0	0
Net proceeds from Line of Credit	0	(1,000,000)
Net cash provided/(used) in financing activities	0	(1,000,000)
Net Inc/(Dec) in Cash and Cash Equivalents	826,583	(1,471,322)
Cash and Cash Equivalents, beginning of period	6,419,569	4,649,620
Cash and Cash Equivalents, end of period	7,246,152	3,178,298