



Date: May 19, 2021

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

**Subject: Report from the Milwaukee Public Museum
Results for the 7 month period ended March 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

In mid-August, MPM reopened its doors to its members and the public, but due to the Milwaukee Health Order we closed again in Mid-November. We reopened the Museum in early March on Thursday's through Sunday's from 10AM – 5PM and then our retail store in April. A few exhibits and the café remain closed, but hopefully these will be reopening at some point over the summer. Prior to opening we finalized a comprehensive plan to ensure all of our employees and guests are as safe as could be during the pandemic. This plan was reviewed and approved by the County and the City prior to opening.

Overall, all of our day to day numbers are well below prior year. Our budget shows an over \$4 million shortfall from FY2019 -- the last full year of operations prior to the pandemic. MPM has worked diligently to cut operating expenses and is trying to maintain cash. We have been as efficient as possible during the pandemic to preserve cash flow.

MPM was given the opportunity to bring *Mandela: The Official Exhibition*, an exhibit about one of the greatest freedom fighters of the 20th Century, for its US Premier. This exhibit opened in April and has been attended by thousands of people in the community. The exhibit will remain in Milwaukee until August 1st. We thought that this was an opportunity that we could not pass up, given all that is going on in this community today. We have partnered with America's Black Holocaust Museum to present this exhibit and have brought together a community council to guide us with programming and outreach. As of May 10th, there were more than 14,000 people who had visited the exhibit or experienced it virtually. This included more than 5,000 students who took part in live virtual tours and programs.

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Through alternative programming utilizing social media and other web-based platforms and working directly with public school teachers and parents, MPM is making the best possible efforts to continue its primary mission and deliver on its commitment to serve the County and its citizens. Since March when we closed to the public, MPM touched over 11.6 million citizens (since Sept – 7M) and directly engaged with nearly 608,000 (since Sept 321,000) of them. Included in those numbers are the 3,000+ MPS students who traveled around the universe with our planetarium director as part of MPS Learning Journeys.

Dr. Jen Zaspel was promoted from Research Curator to Vice President/Academic Dean and now oversee Research, Collections, Exhibits and Education. Requests for collection data, information and photos are at high levels with staff responding to 179 external requests. The museum remains closed to external researchers and, to compensate, staff shipped 6 loans this quarter on top of scanning or photographing various items for researchers to examine. Collection work, digitization and grant tasks continue.

Fiscal Summary

Due to the pandemic, most of our financial numbers are not comparable to prior years and that is the reason for all of the variances. As a quick summary, our attendance revenue for the fiscal year has been \$197k vs \$962k for the same period last year. Total revenue is \$2.8 million vs. \$4.5 million in the prior year and total expenses have been \$5.1 million vs. \$7.3 million in the prior year. Overall operating net assets have increased \$489k vs. a \$728k increase last year.

In May 2020, MPM received approximately \$1.1 million of PPP1 money which was fully forgiven in January 2021. In February 2021, MPM received approximately \$1.2 million of PPP2 money. This amount is currently being utilized with an expectation that it will be fully forgiven. In May 2021, MPM applied for \$1.3 million of grant money as part of the Shuttered Venue Operators fund through the SBA. We will know the outcome of this request by June 2021.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year market gains of just over \$1 million. Within the fiscal year, distribution from the MPM Endowment Fund totaled \$51k, which was provided from temporarily restricted funds within the Endowment. The Museum 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 – currently set to begin in summer 2021
- Repair dome theater roof – began in September 2019; many issues including continuing leaks. The 2nd round of trying to fix this begins in later May 2021
- 1st floor stairwell/bathroom issues – this project will begin in summer 2021

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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.

Ms. Patty Burke is well into the 4th year of an Institute of Museum and Library Services grant to digitize and organize the collection of Ordovician fossils in the Museum (\$362,887).

Reaccreditation

As part of the reaccreditation process, MPM had a number of items necessary to show the progress to ensure we would be accredited early next year after being tabled for one year. One part of that is the state and county showing the financial support to allow us to start the capital campaign for the new museum. This is a necessity as the accrediting body has concluded, as has MPM, that long term sustainability in the current building is not possible.

A second part was a bridge plan to ensure those collections at the most risk become secure. After doing a study, MPM has developed a plan to accomplish this that will cost about \$100k. MPM is currently working with the County staff to fund this cost.

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

Sincerely,



Ryan O'Desky
Senior Vice President of Finance and Operations
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Seven Months Ended 3/31/21

	YTD	YTD		Prior Year	Prior Year
	<u>Actual</u>	<u>Budget</u>	<u>Dev</u>	<u>Actual</u>	<u>Change</u>
Revenue:					
Contributions	1,293,007	1,853,052	(560,046)	1,919,048	(626,041)
Membership	214,736	229,846	(15,110)	615,353	(400,617)
Special Event Revenue	237,197	239,340	(2,143)	604,337	(367,140)
Public Support	2,196,129	2,041,667	154,462	2,041,667	154,462
Admissions	205,850	266,658	(60,808)	964,660	(758,810)
Theatre/Planetarium	14,485	23,758	(9,273)	127,661	(113,176)
Programs	8,260	8,600	(340)	75,894	(67,634)
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	0	37,881	(37,881)	148,062	(148,062)
Retail	38	82,730	(82,692)	370,377	(370,339)
Other income	38,857	49,231	(10,374)	88,345	(49,488)
Net Assets released from restrictions	885,866	110,745	775,120	320,505	565,361
Total Operating Revenue	5,094,423	4,943,509	150,915	7,275,908	(2,181,485)
Operating Expenses:					
Cost of Goods Sold	225	34,840	(34,615)	155,235	(155,010)
Supplies	157,754	296,640	(138,885)	434,901	(277,147)
Salaries and Wages	2,532,948	2,824,729	(291,781)	3,342,850	(809,902)
Benefits	679,286	772,271	(92,985)	791,471	(112,186)
Travel	1,405	2,425	(1,020)	25,518	(24,113)
Insurance	37,442	41,774	(4,332)	38,337	(895)
Marketing/Public Relations	62,820	151,181	(88,360)	281,699	(218,878)
Member/Donor Development	5,704	15,755	(10,051)	38,329	(32,625)
Subscriptions/Memberships	11,961	20,641	(8,681)	19,320	(7,359)
Maintenance	410,084	393,754	16,330	509,381	(99,297)
Utilities	494,758	509,976	(15,218)	530,392	(35,634)
Professional Fees	175,104	177,095	(1,991)	313,133	(138,029)
Interest Expense	5,973	27,150	(21,177)	6,727	(754)
Miscellaneous	29,066	50,140	(21,074)	58,977	(29,911)
Sales Tax Expense	626	1,725	(1,099)	2,065	(1,438)
Contributed Services	0	0	0	0	0
Total Operating Expenses	4,605,154	5,320,095	(714,941)	6,548,334	(1,943,180)
Inc/(dec) from Net Assets in Operating Activities	489,269	(376,587)	865,856	727,574	(238,305)
Non-Operating Items:					
Investment Earnings	347,015	0	347,015	(314,599)	661,614
Pension & Post Retirement Expenses	(210,000)	(210,000)	0	(210,000)	(0)
Depreciation	(543,420)	(542,189)	(1,231)	(678,856)	135,436
Non-Operating Income - Covid Related	1,227,450	0	1,227,450	0	1,227,450
Foundation for Future Revenue	21,525	500,000	(478,475)	89,485	(67,960)
Foundation for Future Expenses	(444,618)	(486,504)	41,886	(294,444)	(150,174)
Total Non-Operating Items	397,953	(738,693)	1,136,646	(1,408,414)	1,806,367
Inc/(dec) in Net Assets Without Donor Restrictions	887,222	(1,115,280)	2,002,502	(680,840)	1,568,062
Changes in With Donor Restricted Net Assets:					
Contributions	480,104	0	480,104	858,811	(378,707)
Investment Earnings	507,177	0	507,177	(456,585)	963,762
Net Assets released from restrictions for operations	(885,866)	(110,745)	(775,120)	(320,505)	(565,361)
Inc/(dec) in With Donor Restricted Net Assets	101,416	(110,745)	212,161	81,721	19,694
Inc/(dec) in Net Assets	988,638	(1,226,025)	2,214,663	(599,118)	1,587,756
Total Net Assets at Beginning of Period	13,503,055	0	0	13,224,318	278,737
Total Net Assets at End of Period	14,491,693	(1,226,025)	2,214,663	12,625,200	1,866,493

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MPM Consolidated Statement of Financial Position as of 3/31/21

	Consolidated	Consolidated	Consolidated	
	<u>3/31/21</u>	<u>3/31/20</u>	<u>8/31/20</u>	<u>Change</u>
Assets:				
Cash and cash equivalents	4,391,393	5,900,281	4,649,620	(258,227)
Investments	444,274	321,375	396,056	48,218
Accounts Receivable	95,677	81,782	79,556	16,121
Contributions Receivable -Current	325,782	766,351	610,750	(284,968)
Due From Other Funds/Entities	4,617	0	0	4,617
Inventories, net	82,575	79,714	83,169	(594)
Prepaid Expenses	28,078	40,351	50,020	(21,942)
Total Current Assets	5,372,396	7,189,853	5,869,171	(496,775)
Other Assets:				
Cash and investments held for endowment	7,215,420	5,322,171	6,462,767	752,653
Contributions Receivable - Long Term	399,385	537,165	399,385	0
Total Other Assets	7,614,805	5,859,336	6,862,152	752,653
Property & Equipment:				
Building Additions	19,875,741	19,875,741	19,875,741	(0)
Furniture, equipment and other improvements	12,966,231	12,921,893	12,921,893	44,338
Gross Property & Equipment	32,841,972	32,797,633	32,797,634	44,338
Less-Accumulated depreciation	(23,549,707)	(22,539,288)	(23,006,288)	(543,419)
Net Property & Equipment	9,292,265	10,258,345	9,791,346	(499,081)
Total Assets	22,279,466	23,307,534	22,522,669	(243,203)
Liabilities and Net Assets:				
Accounts Payable	373,260	397,710	328,313	44,947
Accrued Payroll & Benefits	476,716	699,251	655,490	(178,774)
Deferred Revenue	508,340	1,711,453	817,904	(309,564)
Refundable Advance	1,237,700	0	1,137,100	100,600
Accrued Postretirement Benefits - Current	137,036	99,134	137,036	0
Line of Credit	0	2,260,000	1,000,000	(1,000,000)
Total Current Liabilities	2,733,052	5,167,548	4,075,843	(1,342,791)
Accrued Postretirement Benefits	5,050,104	5,514,786	4,943,771	106,333
Due to Other Funds/Entities	4,617	0	0	4,617
Total Liabilities	7,787,773	10,682,334	9,019,614	(1,231,841)
Net Assets:				
Without Donor Restrictions	6,971,184	5,441,900	6,083,962	887,222
With Donor Restrictions	7,520,509	7,183,299	7,419,093	101,416
Total Net Assets	14,491,693	12,625,200	13,503,055	988,638
Total Liabilities and Net Assets	22,279,466	23,307,534	22,522,669	(243,203)

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Consolidated Statement of Cash Flows for the Seven Months Ended 3/31/21

	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	988,638	(599,118)
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	543,420	678,856
Loss on disposal of assets	0	0
Forgiveness of PPP Refundable Advance	(1,137,100)	0
Unrealized (gain)/loss on investments	(135,293)	911,712
Realized (gain)/loss on investments	(631,102)	(16,706)
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	(16,121)	(27,398)
Contribution Receivable	281,968	(159,122)
Inventories and Other Assets	594	(21,185)
Prepaid Expenses	21,942	9,359
Accounts Payable, Accrued Expenses and Accrued Benefits	(27,493)	65,076
Due to Affiliates	0	0
Refundable Advance	1,237,700	0
Deferred Revenue	(309,564)	610,069
Total Adjustments	(171,050)	2,050,662
Net cash provided/(used) by operating activities	817,588	1,451,543
Investing Activities:		
Purchases of Property & Equipment	(24,894)	0
Purchases of Property & Equipment - Restricted	(19,445)	0
Proceeds from Sale of Investments	4,360,768	45,844
Purchases of Investments	(4,395,244)	(146,657)
Net cash provided/(used) in investing activities	(78,814)	(100,812)
Financing Activities:		
Proceeds from contributions restricted for capital and endowment	3,000	28,000
Net proceeds from Line of Credit	(1,000,000)	1,750,000
Net cash provided/(used) in financing activities	(997,000)	1,778,000
Net Inc/(Dec) in Cash and Cash Equivalents	(258,226)	3,128,731
Cash and Cash Equivalents, beginning of period	4,649,620	2,771,550
Cash and Cash Equivalents, end of period	4,391,394	5,900,281