



Date: September 22, 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 11 month period ended July 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 remained open to the public from Thursday's through Sunday's from 10AM – 5PM since its March reopen date. All exhibits and operations are now open but the café/coffee kiosk remain closed. We plan to add another day of operation (Monday) starting mid-October and we hope that the café and coffee kiosk will open then. 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 met or exceeded our projected expectations for the year. Attendance was projected at 97,000 for the year and we had 93,000 for the 9 months we were open. We also exceeded our attendance revenue by about \$200,000 because of the mix of paying vs member visitors as well as a small increase in price during the run of the Mandela exhibit. MPM hosted *Mandela: The Official Exhibition*, an exhibit about one of the greatest freedom fighters of the 20<sup>th</sup> Century, for its US Premier. This exhibit closed on August 1<sup>st</sup> and met our expectations. We had over 23,000 people attend in person and hosted virtual tours for more than 6,000 MPS students. We also partner with 23 black-owned/run businesses and organizations in the community. We partnered with America's Black Holocaust Museum to present this exhibit and brought together a community council to guide us with programming and outreach.

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.

## **Milwaukee Public Museum**

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

MPM has worked diligently to control operating expenses and to maintain cash. We have been as efficient as possible during the pandemic to preserve cash flow.

### **Fiscal Summary**

For the eleven months ended July 31, 2021 MPM consolidated financial statements report an operating surplus of \$900,000 compared to \$1 million in the prior year and \$1.2 million in FY2019 – pre-pandemic year. Overall, the change in net assets was an increase of \$2.5 million vs. a \$400,000 decrease in the prior year and \$200,000 decrease in FY2019.

Consolidated operating revenue was \$8.7 million vs. \$10.1 million in the prior year and \$12.2 million in FY2019. This decline is mainly due to the continued COVID-19 impact as MPM partially opened with limited capacities throughout FY2021. To offset this lower operating revenue, overall releases from restrictions were higher than the prior year by \$800,000.

Consolidated operating expenditures for the year were \$7.8 million vs. \$9.1 million in the prior year and \$11.1 million in FY2019. All operating expenses were lower due to MPM being partially closed from the lingering effects of COVID-19.

In other non-operating activity, MPM and the Endowment investments reported market gains of \$1.2 million. MPM received \$2.8 million in governmental stimulus to help offset declined revenues and cover operating expenses. For the FY2021, distribution from the MPM Endowment Fund totaled \$50,000, a historically comparable figure to 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 – not yet scheduled.
- Repair dome theater roof – the roof is completed. Repair to interior walls damaged as a result of leaking during repair work is yet to be completed.
- 1<sup>st</sup> floor stairwell/bathroom issues – ongoing.

#### **MPM Federally Funded Projects**

Collection Manager Julia Colby submitted a grant proposal to the National Science Foundation for \$996,000 to care for the amphibian and reptile collections and ready them for a move.

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 well into the 4<sup>th</sup> year of an Institute of Museum and Library Services grant to digitize and organize the collection of Ordovician fossils in the Museum (\$362,887).

## Milwaukee Public Museum

### Reaccreditation

As part of the reaccreditation process, MPM had a number of items necessary to show the progress to ensure we would be accredited 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 to develop a bridge plan to ensure those collections at the most risk to damage from building conditions are appropriately cared for while we remain in the building. With funding secured from the county for materials and supplies and MPM's commitment to hire staff, the bridge plan is underway. Phase 1 was completed – hanging plastic sheeting over all open shelving. Phase 2 has begun – doing a complete inventory of the most vulnerable collections in preparation for Phase 3. Phase 3 will begin early next year – packing the most vulnerable collections to protect them and ready them for a move.

MPM submitted an interim report to the Accreditation Commission in August and is required to submit a final report in February. A decision on whether to accredit the museum will happen after that.

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

Sincerely,



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

**Milwaukee Public Museum**

<b>MPM Consolidated Statement of Activities for the Eleven Months Ended 7/31/21</b>					
	<b>Actual</b>	<b>Budget</b>		<b>Actual</b>	<b>Prior Year</b>
	<b>7/31/21</b>	<b>7/31/21</b>	<b>Dev</b>	<b>7/31/20</b>	<b>Change</b>
<b>Revenue:</b>					
Contributions	2,244,532	2,903,093	(658,561)	2,921,452	(676,920)
Membership	495,182	460,108	35,074	874,777	(379,595)
Special Event Revenue	237,197	248,150	(10,953)	640,995	(403,798)
Public Support	3,404,996	3,208,333	196,662	3,210,694	194,302
Admissions	684,698	536,316	148,382	969,654	(284,956)
Theatre/Planetarium	25,215	56,524	(31,309)	127,661	(102,446)
Programs	12,462	23,400	(10,938)	79,094	(66,632)
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	3,575	59,492	(55,917)	150,336	(146,761)
Retail	113,268	186,996	(73,728)	370,377	(257,109)
Other income	52,809	56,663	(3,854)	111,270	(58,461)
Net Assets released from restrictions	1,397,800	226,105	1,171,695	631,968	765,832
<b>Total Operating Revenue</b>	<b>8,671,733</b>	<b>7,965,181</b>	<b>706,553</b>	<b>10,088,278</b>	<b>(1,416,545)</b>
<b>Operating Expenses:</b>					
Cost of Goods Sold	52,095	78,386	(26,291)	156,198	(104,103)
Supplies	279,286	440,372	(161,086)	603,429	(324,143)
Salaries and Wages	4,152,611	4,553,953	(401,342)	4,654,870	(502,259)
Benefits	1,077,653	1,289,014	(211,361)	1,296,672	(219,019)
Travel	39,609	6,825	32,784	24,351	15,258
Insurance	60,151	66,764	(6,613)	59,910	241
Marketing/Public Relations	179,460	255,514	(76,053)	305,946	(126,486)
Member/Donor Development	22,492	39,915	(17,423)	43,026	(20,534)
Subscriptions/Memberships	26,509	36,120	(9,611)	36,376	(9,867)
Maintenance	620,157	617,010	3,147	653,815	(33,658)
Utilities	763,850	800,748	(36,898)	750,268	13,582
Professional Fees	420,715	278,945	141,770	401,824	18,891
Interest Expense	5,973	42,150	(36,177)	8,272	(2,299)
Miscellaneous	66,452	83,745	(17,293)	67,496	(1,044)
Sales Tax Expense	626	1,725	(1,099)	2,908	(2,282)
Contributed Services	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>7,767,640</b>	<b>8,591,186</b>	<b>(823,546)</b>	<b>9,065,361</b>	<b>(1,297,721)</b>
<b>Inc/(dec) from Net Assets in Operating Activities</b>	<b>904,093</b>	<b>(626,006)</b>	<b>1,530,099</b>	<b>1,022,917</b>	<b>(118,824)</b>
<b>Non-Operating Items:</b>					
Investment Earnings	536,052	0	536,052	98,397	437,655
Pension & Post Retirement Expenses	(330,000)	(330,000)	0	(330,000)	0
Depreciation	(829,204)	(824,159)	(5,045)	(1,053,196)	223,992
Non-Operating Income - Covid Related	2,759,273	0	2,759,273	0	2,759,273
Foundation for Future Revenue	31,025	500,000	(468,975)	199,485	(168,460)
Foundation for Future Expenses	(656,854)	(764,372)	107,518	(635,731)	(21,123)
<b>Total Non-Operating Items</b>	<b>1,510,292</b>	<b>(1,418,531)</b>	<b>2,928,823</b>	<b>(1,721,045)</b>	<b>3,231,337</b>
<b>Inc/(dec) in Net Assets Without Donor Restrictions</b>	<b>2,414,385</b>	<b>(2,044,537)</b>	<b>4,458,922</b>	<b>(698,128)</b>	<b>3,112,513</b>
<b>Changes in With Donor Restricted Net Assets:</b>					
Contributions	671,304	0	671,304	748,580	(77,276)
Investment Earnings	782,057	0	782,057	154,821	627,236
Net Assets released from restrictions for operations	(1,397,800)	(226,105)	(1,171,695)	(631,968)	(765,832)
<b>Inc/(dec) in With Donor Restricted Net Assets</b>	<b>55,561</b>	<b>(226,105)</b>	<b>281,666</b>	<b>271,433</b>	<b>(215,872)</b>
<b>Inc/(dec) in Net Assets</b>	<b>2,469,947</b>	<b>(2,270,642)</b>	<b>4,740,588</b>	<b>(426,695)</b>	<b>2,896,642</b>
<b>Total Net Assets at Beginning of Period</b>	<b>13,503,055</b>	<b>0</b>	<b>0</b>	<b>13,224,318</b>	<b>278,737</b>
<b>Total Net Assets at End of Period</b>	<b>15,973,002</b>	<b>(2,270,642)</b>	<b>4,740,588</b>	<b>12,797,623</b>	<b>3,175,379</b>

**Milwaukee Public Museum**

**MPM Consolidated Statement of Financial Position as of 7/31/21**

	<u>7/31/21</u>	<u>7/31/20</u>	<u>8/31/20</u>	<u>Change</u>
<b>Assets:</b>				
Cash and cash equivalents	6,640,103	5,004,065	4,649,620	1,990,483
Investments	472,161	382,743	396,056	76,105
Accounts Receivable	89,811	49,169	79,556	10,255
Contributions Receivable - Current	295,893	481,557	610,750	(314,857)
Due From Other Funds/Entities	1,383	0	0	1,383
Inventories, net	49,100	79,328	83,169	(34,069)
Prepaid Expenses	57,235	42,408	50,020	7,215
<b>Total Current Assets</b>	<u>7,605,686</u>	<u>6,039,270</u>	<u>5,869,171</u>	<u>1,736,515</u>
<b>Other Assets:</b>				
Cash and investments held for endowment	7,589,734	6,280,232	6,462,767	1,126,967
Contributions Receivable - Long Term	359,385	537,165	399,385	(40,000)
<b>Total Other Assets</b>	<u>7,949,119</u>	<u>6,817,397</u>	<u>6,862,152</u>	<u>1,086,967</u>
<b>Property &amp; Equipment:</b>				
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
<b>Gross Property &amp; Equipment</b>	<u>32,841,972</u>	<u>32,797,634</u>	<u>32,797,634</u>	<u>44,338</u>
Less-Accumulated depreciation	(23,835,492)	(22,913,628)	(23,006,288)	(829,204)
<b>Net Property &amp; Equipment</b>	<u>9,006,480</u>	<u>9,884,006</u>	<u>9,791,346</u>	<u>(784,866)</u>
<b>Total Assets</b>	<u>24,561,285</u>	<u>22,740,673</u>	<u>22,522,669</u>	<u>2,038,616</u>
<b>Liabilities and Net Assets:</b>				
Accounts Payable	420,690	240,561	328,313	92,377
Accrued Payroll & Benefits	605,625	521,154	655,490	(49,865)
Deferred Revenue	1,142,340	1,371,489	817,904	324,436
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	2,137,100	1,000,000	(1,000,000)
<b>Total Current Liabilities</b>	<u>3,543,392</u>	<u>4,369,438</u>	<u>4,075,843</u>	<u>(532,451)</u>
Accrued Postretirement Benefits	5,043,509	5,573,612	4,943,771	99,738
Due to Other Funds/Entities	1,383	0	0	1,383
<b>Total Liabilities</b>	<u>8,588,284</u>	<u>9,943,050</u>	<u>9,019,614</u>	<u>(431,330)</u>
<b>Net Assets:</b>				
Without Donor Restrictions	8,498,347	5,424,612	6,083,962	2,414,385
With Donor Restrictions	7,474,654	7,373,011	7,419,093	55,561
<b>Total Net Assets</b>	<u>15,973,002</u>	<u>12,797,623</u>	<u>13,503,055</u>	<u>2,469,947</u>
<b>Total Liabilities and Net Assets</b>	<u>24,561,285</u>	<u>22,740,673</u>	<u>22,522,669</u>	<u>2,038,616</u>

**Milwaukee Public Museum**

**Consolidated Statement of Cash Flows for the Eleven Months Ended 7/31/21**

	<u><b>7/31/21</b></u>	<u><b>7/31/20</b></u>
<b>Operating Activities:</b>		
Increase in net assets	2,469,947	(426,695)
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	829,204	1,053,196
Loss on disposal of assets	0	0
Forgiveness of PPP Refundable Advance	(1,137,100)	0
Unrealized (gain)/loss on investments	(461,709)	(143,443)
Realized (gain)/loss on investments	(744,031)	38,316
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	(10,255)	5,213
Contribution Receivable	351,857	(53,829)
Inventories and Other Assets	34,069	(20,799)
Prepaid Expenses	(7,215)	7,302
Accounts Payable, Accrued Expenses and Accrued Benefits	142,254	(211,382)
Due to Affiliates	0	0
Refundable Advance	1,237,700	0
Deferred Revenue	324,436	270,105
<b>Total Adjustments</b>	<b>559,209</b>	<b>944,679</b>
<b>Net cash provided/(used) by operating activities</b>	<b>3,029,156</b>	<b>517,984</b>
<b>Investing Activities:</b>		
Purchases of Property & Equipment	(24,894)	0
Purchases of Property & Equipment - Restricted	(19,445)	0
Proceeds from Sale of Investments	5,653,035	168,595
Purchases of Investments	(5,650,370)	(289,164)
<b>Net cash provided/(used) in investing activities</b>	<b>(41,673)</b>	<b>(120,569)</b>
<b>Financing Activities:</b>		
Proceeds from contributions restricted for capital and endowment	3,000	208,000
Net proceeds from Line of Credit	(1,000,000)	1,627,100
<b>Net cash provided/(used) in financing activities</b>	<b>(997,000)</b>	<b>1,835,100</b>
<b>Net Inc/(Dec) in Cash and Cash Equivalents</b>	<b>1,990,483</b>	<b>2,232,515</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>4,649,620</b>	<b>2,771,550</b>
<b>Cash and Cash Equivalents, end of period</b>	<b>6,640,103</b>	<b>5,004,065</b>