

Milwaukee Public Museum



Date: February 1, 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 4 month period ended December 31, 2020**

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. Our goal is to reopen again at some point in March based on the updated orders from the city. When we do reopen, we plan to continue to be open on Thursday's through Sunday's from 10AM – 4PM, but a few exhibits, the café, and our retail stores will remain closed and we will have limited facility rentals. 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. 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. We continue to raise funds for the exhibit and programming to insure that it does not impact our financial situation. We had expected to have 2 other major traveling exhibits during the fiscal year, *Voyage to the Deep* in the fall and *T-Rex-Meet the Family* in the spring, but both of those have been postponed for one year.

Milwaukee Public Museum

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 5.7 million citizens and directly engaged with more than 448,000 of them. MPM continues to grow these efforts.

Despite limited access to the museum collections and laboratory spaces, productivity during the first quarter of FY2021 was steady with over 110 data and information requests completed. This quarter, 6,164 digital records were either inserted or updated in EMu. Natural science collections had over 61,000 digital records downloaded from the iDigBio portal, along with 14 papers published or submitted.

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 \$94k vs \$721k 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 \$2.8 million vs. \$3.8 million in the prior year. Overall net assets have increased \$235k vs. a \$684k increase last year.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year market gains of \$544k. 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 still being bid – 12-24 month project
- Repair dome theater roof – began in September 2019; many issues including continuing leaks. The County is in fully involved in this process
- 1st floor stairwell/bathroom issues – part of the 2021 County capital budget

MPM Federally Funded Projects

Dr. Chris Tyrrell received funding from NSF to digitize and integrate significant Lepidoptera holdings from the upper Midwest tension zone region (\$15,750) and he submitted a grant to NSF for a virtual research environment for investigating trait diversity of trees of the Americas (\$29,070). This grant is still pending.

Dr. Jennifer Zaspel, MPM Research Curator and Head of Zoology Collections, 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).

Milwaukee Public Museum

Reaccreditation

MPM hosted the reaccreditation visiting committee on October 26th and 27th. The visiting committee spent two days diving deep into the museum and its operations, building, collection stewardship, educational activities and planning. They submitted a report to the AAM Accreditation Commission. The commission will meet on February 11th and 12th and determine one of three courses of action: 1) reaccredit the museum, 2) if one or two core issues are found, they can table accreditation for one year to allow for significant progress on the issue(s), or 3) deny accreditation.

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

Sincerely,

A handwritten signature in blue ink that reads "Ryan O'Desky". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Four Months Ended 12/31/20					
	YTD	YTD		Prior Year	Prior Year
	<u>Actual</u>	<u>Budget</u>	<u>Dev</u>	<u>Actual</u>	<u>Change</u>
Revenue:					
Contributions	854,308	1,330,561	(476,253)	1,362,793	(508,485)
Membership	111,390	108,683	2,707	343,536	(232,146)
Special Event Revenue	235,497	227,320	8,177	433,042	(197,545)
Public Support	1,321,129	1,166,667	154,462	1,166,667	154,462
Admissions	98,526	91,674	6,852	554,470	(455,944)
Theatre/Planetarium	1,250	0	1,250	71,471	(70,221)
Programs	1,045	4,500	(3,455)	34,403	(33,358)
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	0	125	(125)	77,259	(77,259)
Retail	0	15,071	(15,071)	216,964	(216,964)
Other income	20,917	44,182	(23,265)	54,701	(33,784)
Net Assets released from restrictions	198,019	62,670	135,350	200,006	(1,987)
Total Operating Revenue	2,842,081	3,051,452	(209,371)	4,515,312	(1,673,231)
Operating Expenses:					
Cost of Goods Sold	0	6,582	(6,582)	92,076	(92,076)
Supplies	103,596	169,670	(66,075)	283,365	(179,770)
Salaries and Wages	1,477,578	1,547,434	(69,856)	1,907,040	(429,461)
Benefits	388,679	543,435	(154,756)	457,145	(68,465)
Travel	1,237	1,525	(288)	11,034	(9,797)
Insurance	21,964	23,031	(1,067)	22,157	(192)
Marketing/Public Relations	29,172	99,063	(69,891)	198,882	(169,710)
Member/Donor Development	5,018	11,985	(6,967)	30,412	(25,393)
Subscriptions/Memberships	9,126	15,238	(6,111)	10,141	(1,015)
Maintenance	196,514	234,601	(38,087)	300,663	(104,149)
Utilities	276,022	291,672	(15,650)	307,748	(31,725)
Professional Fees	70,012	105,177	(35,165)	169,913	(99,901)
Interest Expense	5,973	15,900	(9,927)	5,302	670
Miscellaneous	21,205	26,005	(4,800)	33,290	(12,085)
Sales Tax Expense	626	1,100	(474)	2,065	(1,438)
Contributed Services	0	0	0	0	0
Total Operating Expenses	2,606,723	3,092,418	(485,695)	3,831,232	(1,224,509)
Inc/(dec) from Net Assets in Operating Activities	235,358	(40,966)	276,324	684,080	(448,722)
Non-Operating Items:					
Investment Earnings	234,362	0	234,362	207,648	26,714
Pension & Post Retirement Expenses	(120,000)	(120,000)	0	(120,000)	(0)
Depreciation	(313,225)	(313,226)	1	(387,921)	74,695
Non-Operating Expense	0	0	0	0	0
Foundation for Future Revenue	4,525	500,000	(495,475)	10,485	(5,960)
Foundation for Future Expenses	(264,383)	(252,687)	(11,697)	(76,064)	(188,320)
Total Non-Operating Items	(458,722)	(185,913)	(272,809)	(365,851)	(92,870)
Inc/(dec) in Net Assets Without Donor Restrictions	(223,364)	(226,879)	3,515	318,228	(541,592)
Changes in With Donor Restricted Net Assets:					
Contributions	92,554	0	92,554	96,551	(3,997)
Investment Earnings	344,419	0	344,419	305,682	38,737
Net Assets released from restrictions for operations	(198,019)	(62,670)	(135,350)	(200,006)	1,987
Inc/(dec) in With Donor Restricted Net Assets	238,954	(62,670)	301,623	202,226	36,728
Inc/(dec) in Net Assets	15,590	(289,548)	305,139	520,455	(504,864)
Total Net Assets at Beginning of Period	13,503,055	0	0	13,224,318	278,737
Total Net Assets at End of Period	13,518,645	(289,548)	305,139	13,744,773	(226,127)

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 12/31/20

	Consolidated	Consolidated	Consolidated	
	<u>12/31/20</u>	<u>12/31/19</u>	<u>8/31/20</u>	<u>Change</u>
Assets:				
Cash and cash equivalents	3,178,298	2,494,133	4,649,620	(1,471,322)
Investments	431,652	392,243	396,056	35,596
Accounts Receivable	68,116	51,380	79,556	(11,440)
Contributions Receivable -Current	567,201	951,559	610,750	(43,549)
Due From Other Funds/Entities	29,617	275,000	0	29,617
Inventories, net	82,800	67,114	83,169	(369)
Prepaid Expenses	28,709	34,155	50,020	(21,311)
Total Current Assets	4,386,393	4,265,584	5,869,171	(1,482,778)
Other Assets:				
Cash and investments held for endowment	6,960,197	6,506,989	6,462,767	497,430
Contributions Receivable - Long Term	399,385	199,665	399,385	0
Total Other Assets	7,359,582	6,706,654	6,862,152	497,430
Property & Equipment:				
Building Additions	19,875,741	19,875,741	19,875,741	(0)
Furniture, equipment and other improvements	12,921,893	12,921,893	12,921,893	(0)
Gross Property & Equipment	32,797,633	32,797,633	32,797,634	(1)
Less-Accumulated depreciation	(23,319,513)	(22,248,353)	(23,006,288)	(313,225)
Net Property & Equipment	9,478,120	10,549,281	9,791,346	(313,226)
Total Assets	21,224,095	21,521,518	22,522,669	(1,298,574)
Liabilities and Net Assets:				
Accounts Payable	311,161	388,292	328,313	(17,152)
Accrued Payroll & Benefits	571,140	581,665	655,490	(84,350)
Deferred Revenue	485,695	794,574	817,904	(332,209)
Refundable Advance	1,137,100	0	1,137,100	0
Accrued Postretirement Benefits - Current	137,036	99,134	137,036	0
Line of Credit	0	160,000	1,000,000	(1,000,000)
Total Current Liabilities	2,642,131	2,023,665	4,075,843	(1,433,712)
Accrued Postretirement Benefits	5,033,702	5,478,080	4,943,771	89,931
Due to Other Funds/Entities	29,617	275,000	0	29,617
Total Liabilities	7,705,450	7,776,745	9,019,614	(1,314,164)
Net Assets:				
Without Donor Restrictions	5,860,598	6,440,968	6,083,962	(223,364)
With Donor Restrictions	7,658,047	7,303,804	7,419,093	238,954
Total Net Assets	13,518,645	13,744,773	13,503,055	15,590
Total Liabilities and Net Assets	21,224,095	21,521,518	22,522,669	(1,298,574)

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Four Months Ended 12/31/20

	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	15,590	520,455
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	313,225	387,921
Loss on disposal of assets	0	0
Unrealized (gain)/loss on investments	(423,071)	(384,174)
Realized (gain)/loss on investments	(84,977)	(25,466)
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	11,440	3,004
Contribution Receivable	43,549	18,670
Inventories and Other Assets	369	(8,585)
Prepaid Expenses	21,311	15,555
Accounts Payable, Accrued Expenses and Accrued Benefits	(11,571)	(98,634)
Due to Affiliates	0	0
Refundable Advance	0	0
Deferred Revenue	(332,209)	(306,810)
Total Adjustments	(461,934)	(398,519)
Net cash provided/(used) by operating activities	(446,344)	121,935
Investing Activities:		
Purchases of Property & Equipment	0	0
Purchases of Property & Equipment - Restricted	0	0
Proceeds from Sale of Investments	800,095	0
Purchases of Investments	(825,073)	(51,638)
Net cash provided/(used) in investing activities	(24,977)	(51,637)
Financing Activities:		
Proceeds from contributions restricted for capital and endowment	0	3,000
Net proceeds from Line of Credit	(1,000,000)	(350,000)
Net cash provided/(used) in financing activities	(1,000,000)	(347,000)
Net Inc/(Dec) in Cash and Cash Equivalents	(1,471,322)	(276,702)
Cash and Cash Equivalents, beginning of period	4,649,620	2,771,550
Cash and Cash Equivalents, end of period	3,178,298	2,494,848