



Date: February 21, 2020

To: Chairperson Theodore Lipscomb, Sr., Milwaukee County Board of Supervisors
Chairperson James Schmitt, Committee on Finance and Audit
Chairperson Jason Haas, Committee on Parks, Energy, and Environment

CC: Janelle M. Jensen, Senior Committee Coordinator, Office of the County Clerk
Allyson R. Smith, Committee Coordinator, Office of the County Clerk

**Subject: Report from the Milwaukee Public Museum
Results for the five month period ended January 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.

Program Summary

MPM's attendance tracked according to projections except that December fell a little short. We suspect that the warmer than normal temperatures over the holidays coupled with free zoo admission had an impact for MPM. We also had nearly 8,000 Milwaukee County School children come through the museum for free this fall.

In early October, Spiders Alive! Traveling exhibit opened and ran through early January 2020. The admission for this exhibit was included in general admission which was increased by \$3, but was free for all members. Over 57,000 people went to see Spiders Alive during its run, which was 13,000 more people than saw Frogs during the same time last year.

We continue to improve the exhibit experience for visitors by improving labels and adding interactive components as the budget permits. We have secured funding to improve the children's area of the butterfly exhibit with an interactive Wisconsin pollinator/plant puzzle, climb-on butterfly sculptures, improved butterfly costumes and more interactive components.

MPM's adult programs continue to attract new audiences. The Mystery Night and the Adult Sleepover were sold out. The Science on Tap lecture series hosted two speakers in the fall – one on our precious soil and one on spiders. Each was well attended. In addition, our monthly Lunch and Lecture series, hosting our own research, has a very loyal following.

Collection and Research staff continue to make headway in digitizing collections with more than 8,000 specimens processed. In addition, 66 objects and specimens were sent on loan to other institutions for research or display.

Milwaukee Public Museum

Fiscal Summary

MPM consolidated financial statements report an operating surplus of \$440k for the first 5 months of the year compared to an operating surplus of \$330k from the prior year. Overall, the change in net assets for the first 5 months was no change compared to an increase of \$320k in the prior year.

Consolidated year to date operating revenues of \$5.3 million are about \$0.1 million less than prior year. Contributions are increased by almost \$400k vs prior year but this amount is offset by lower membership, special events, admissions, facility rental, and assets released from restrictions.

Expenditures for the first 5 months are \$210k less than prior year as expenses are being managed every day. Salaries, benefits, and marketing costs are the main amounts driving this decrease.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year to date market gains of \$414k. Within the fiscal year, distribution from the MPM Endowment Fund totaled \$40k, 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 of the dome theater roof – began in September 2019 to be completed in Spring 2020
- repair of pioneer village - Kilbourn Tunnel project – 95% complete; finish in Spring 2020
- 4th floor roof repair/replacement – currently still being bid – 4-6 month project
- 300 ton chiller – project in process – to be completed in Spring 2020
- 1st floor stairwell/bathroom issues – consultants will begin review in Spring 2020

MPM Federally Funded Projects

Dr. Jennifer Zaspel, MPM Research Curator and Head of Zoology Collections, started work 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 just started the 3rd 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

MPM is gearing up for reaccreditation. An internal committee has completed a draft of the self-study for the re-accreditation process. It is due to the Alliance of American Museums in March 2020. A site visit will occur in the summer of 2020 and a decision could be made by November 2020.

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 blue ink that reads "Ryan O'Desky". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Five Months Ended 1/31/20

	YTD		Prior Year	Prior Year
	Actual	Dev	Actual	Change
Revenue:				
Contributions	1,395,723	1,395,723	1,021,590	374,133
Membership	452,787	452,787	522,646	(69,859)
Special Event Revenue	436,342	436,342	521,190	(84,848)
Public Support	1,458,333	1,458,333	1,458,333	0
Admissions	716,726	716,726	756,344	(39,618)
Theatre/Planetarium	93,770	93,770	98,235	(4,465)
Programs	49,916	49,916	55,788	(5,872)
Contributed Services	0	0	0	0
Restaurant and Facility Rental	93,970	93,970	130,526	(36,555)
Retail	278,339	278,339	281,136	(2,796)
Other income	76,270	76,270	87,111	(10,840)
Net Assets released from restrictions	219,528	219,528	436,581	(217,053)
Total Operating Revenue	5,271,706	5,271,706	5,369,479	(97,772)
Operating Expenses:				
Cost of Goods Sold	117,411	117,411	119,593	(2,181)
Supplies	324,469	324,469	314,058	10,411
Salaries and Wages	2,399,067	2,399,067	2,450,735	(51,668)
Benefits	584,550	584,550	602,273	(17,724)
Travel	18,201	18,201	23,434	(5,233)
Insurance	27,550	27,550	31,092	(3,542)
Marketing/Public Relations	236,630	236,630	322,418	(85,788)
Member/Donor Development	34,639	34,639	20,129	14,510
Subscriptions/Memberships	11,460	11,460	13,268	(1,807)
Maintenance	405,522	405,522	485,520	(79,998)
Utilities	384,615	384,615	429,798	(45,184)
Professional Fees	234,795	234,795	164,022	70,773
Interest Expense	5,789	5,789	15,859	(10,069)
Miscellaneous	44,256	44,256	47,001	(2,745)
Sales Tax Expense	2,065	2,065	1,703	361
Contributed Services	0	0	0	0
Total Operating Expenses	4,831,020	4,831,020	5,040,903	(209,883)
Inc/(dec) from Net Assets in Operating Activities	440,686	440,686	328,575	112,110
Non-Operating Items:				
Investment Earnings	178,376	178,376	(56,293)	234,669
Pension & Post Retirement Expenses	(150,000)	(150,000)	(75,000)	(75,000)
Depreciation	(484,897)	(484,897)	(508,284)	23,387
Non-Operating Expense	0	0	0	0
Foundation for Future Revenue	10,485	10,485	1,112,000	(1,101,515)
Foundation for Future Expenses	(144,975)	(144,975)	(43,697)	(101,278)
Total Non-Operating Items	(591,011)	(591,011)	428,725	(1,019,736)
Inc/(dec) in Net Assets Without Donor Restrictions	(150,325)	(150,325)	757,301	(907,626)
Changes in With Donor Restricted Net Assets:				
Contributions	110,904	110,904	75,600	35,304
Investment Earnings	262,531	262,531	(77,938)	340,469
Net Assets released from restrictions for operations	(219,528)	(219,528)	(436,581)	217,053
Inc/(dec) in With Donor Restricted Net Assets	153,907	153,907	(438,919)	592,826
Inc/(dec) in Net Assets	3,582	3,582	318,382	(314,799)
Total Net Assets at Beginning of Period	13,224,318	0	14,417,623	(1,193,305)
Total Net Assets at End of Period	13,227,900	3,582	14,736,005	(1,508,104)

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 1/31/20				
	Consolidated	Consolidated	Consolidated	
	<u>1/31/20</u>	<u>1/31/19</u>	<u>8/31/19</u>	<u>Change</u>
Assets:				
Cash and cash equivalents	2,917,244	1,761,185	2,771,550	145,694
Investments	387,865	351,676	360,882	26,983
Accounts Receivable	88,527	70,728	54,384	34,143
Contributions Receivable -Current	965,512	1,482,633	973,229	(7,717)
Due From Other Funds/Entities	0	500,000	0	0
Inventories, net	64,258	42,880	58,529	5,729
Prepaid Expenses	41,005	191,407	49,710	(8,705)
Total Current Assets	4,464,411	4,400,509	4,268,284	196,127
Other Assets:				
Cash and investments held for endowment	6,439,116	5,886,041	6,076,358	362,758
Contributions Receivable - Long Term	199,665	836,980	199,665	0
Total Other Assets	6,638,781	6,723,021	6,276,023	362,758
Property & Equipment:				
Construction in Progress	0	19,987	0	0
Building Additions	19,875,741	20,848,369	19,875,741	(0)
Furniture, equipment and other improvements	12,921,893	13,273,708	12,921,893	(0)
Gross Property & Equipment	32,797,633	34,142,064	32,797,634	(1)
Less-Accumulated depreciation	(22,345,329)	(22,364,011)	(21,860,432)	(484,897)
Net Property & Equipment	10,452,304	11,778,054	10,937,202	(484,898)
Total Assets	21,555,497	22,901,584	21,481,509	73,988
Liabilities and Net Assets:				
Accounts Payable	439,749	422,111	574,328	(134,579)
Accrued Payroll & Benefits	636,172	600,995	603,773	32,399
Deferred Revenue	1,542,860	1,606,943	1,101,384	441,476
Accrued Postretirement Benefits - Current	99,134	165,471	99,134	0
Notes Payable - Current	160,000	320,000	510,000	(350,000)
Total Current Liabilities	2,877,915	3,115,520	2,888,619	(10,704)
Accrued Postretirement Benefits	5,449,682	4,550,060	5,368,572	81,110
Due to Other Funds/Entities	0	500,000	0	0
Notes Payable	0	0	0	0
Total Liabilities	8,327,597	8,165,579	8,257,191	70,406
Net Assets:				
Without Donor Restrictions	5,972,415	7,103,056	6,122,740	(150,325)
With Donor Restrictions	7,255,485	7,632,949	7,101,578	153,907
Total Net Assets	13,227,900	14,736,005	13,224,318	3,582
Total Liabilities and Net Assets	21,555,497	22,901,584	21,481,509	73,988

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Five Months Ended 1/31/20		
	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	3,582	318,382
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	484,897	508,284
Loss on disposal of assets	0	0
Unrealized (gain)/loss on investments	(306,528)	0
Realized (gain)/loss on investments	(25,466)	303,285
Contributions restricted for capital and endowment		(73,001)
Changes in operating assets and liabilities:		
Accounts Receivable	(34,143)	(22,763)
Contribution Receivable	4,717	(417,216)
Inventories and Other Assets	(5,729)	490
Prepaid Expenses	8,705	(11,184)
Accounts Payable, Accrued Expenses and Accrued Benefits	(21,069)	(199,826)
Due to Affiliates	0	0
Interest Payable	0	(4,537)
Deferred Revenue	441,476	382,918
Total Adjustments	546,859	466,450
Net cash provided/(used) by operating activities	550,442	784,832
Investing Activities:		
Purchases of Property & Equipment	0	(8,083)
Purchases of Property & Equipment - Restricted	0	0
Proceeds from Sale of Investments	0	6,503,588
Purchases of Investments	(57,747)	(6,837,747)
Net cash provided/(used) in investing activities	(57,747)	(342,242)
Financing Activities:		
Proceeds from contributions restricted for capital and endowment	3,000	48,000
Net proceeds from Line of Credit	(350,000)	(852,295)
Net cash provided/(used) in financing activities	(347,000)	(804,295)
Net Inc/(Dec) in Cash and Cash Equivalents	145,695	(361,705)
Cash and Cash Equivalents, beginning of period	2,771,550	2,122,890
Cash and Cash Equivalents, end of period	2,917,245	1,761,185