



Date: July 1, 2016

To: Chairperson Theodore Lipscomb, Sr., Milwaukee County Board of Supervisors
Chairperson Peggy A. West, Committee on Finance, Personnel, 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 YTD for the nine months ending May 31, 2016**

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

The Museum continues its successful year with attendance totals up 32.3% over the prior year, a successful special exhibit which added to the increased admission revenues and membership revenues increasing 32.9% over the prior year for the nine months ending May 31.

In May, MPM's Center for WI Biodiversity and Environment awarded three Rundblad Research Fellowships to early career scientists who are doing research on Wisconsin's native species (mussels, dragonflies, sunfish). Each of these Fellows will be housed at the Museum during the summer and will be utilizing the collections and contributing to the collections as part of their projects.

The Museum's BioBlitz 2016 held on June 11th was a success. This year, we partnered with the Milwaukee County Parks Natural Areas to conduct a survey of Grant Park. We had 82 surveyors from 20 different organizations (including MPM) who surveyed the park over the 24-hour period. They tallied a total of 968 species (beating last year's record of 853 species), had three new county records for plants, two county records for ground beetles and a Brown Scoopwing moth for which there are very few records for the state. Included in the total were a record 433 species of plants. There was great participation from the community – about 500 people interacted with surveyors in the park and at basecamp where scientists were identifying species and educators were providing activities.

Milwaukee Public Museum

Fiscal Summary

Strong attendance results and membership revenue for the current fiscal year have assisted in maintaining positive financial results. The museum earned revenues for the nine month period exceeded the prior year's revenues while staying in line with budgeted consolidated revenues.

Consolidated operating expenses are in line with the budgeted expenses for the nine month period. Museum investment earnings rebounded from the previous market losses and net increases in restricted assets have contributed to the overall increase in Net Assets.

Fiscal year-to-date financials for the nine months ending May 31, 2016 are attached to this report.

Capital Investment Summary

County and museum-funded projects that are in process or scheduled to start within the next month at the Museum include the upgrade of MPM's freight elevator, the replacement of the electrical substations, critical sidewalk/membrane repairs and replacement of key mechanicals. As reported previously to the County, the critical need for an additional passenger elevator has been requested to be expedited and we have included this project in the County's Capital Request submission process.

Other projects planned for the upcoming months include a phase 2 renovation project within the Streets of Old Milwaukee funded by MPM donors, upgrade to the butterfly exhibit viewing window and the theater projection upgrade project also supported by MPM donors.

Museum President Dennis Kois and I will be happy to take questions during our appearance before the Committees.

Sincerely,

Patti Dew

Patti Dew
Vice President of Finance and Operations
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Nine Months Ended 5/31/16					
	YTD	YTD		Prior Year	Prior Year
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Change</u>
Revenue:					
Contributions	1,763,546	2,158,500	(394,954)	2,141,995	(378,449)
Vision Fund	322,502	375,000	(52,498)	240,065	82,437
Membership	1,103,269	862,165	241,104	829,707	273,562
Special Event Revenue	511,780	556,750	(44,970)	449,934	61,847
Public Support	2,667,200	2,625,000	42,200	2,625,000	42,200
Admissions	2,317,980	2,665,475	(347,495)	1,084,537	1,233,443
Theatre/Planetarium	259,876	192,900	66,976	282,117	(22,241)
Programs	119,969	117,640	2,329	109,786	10,183
Contributed Services	2,800	0	2,800	0	2,800
Restaurant and Facility Rental	165,458	207,725	(42,267)	169,669	(4,211)
Retail	664,336	561,300	103,036	423,052	241,284
Other income	39,509	20,680	18,829	35,807	3,702
Net Assets released from restrictions	1,055,703	755,305	300,398	1,962,760	(907,057)
Total Unrestricted Revenue	10,993,930	11,098,440	(104,510)	10,354,430	639,500
Operating Expenses:					
Cost of Goods Sold	282,104	240,708	41,396	182,406	99,698
Supplies	957,821	1,030,636	(72,816)	631,380	326,441
Salaries and Wages	4,715,191	4,704,180	11,010	4,533,133	182,058
Benefits	1,304,656	1,445,952	(141,296)	1,300,317	4,339
Travel	142,380	151,815	(9,435)	26,178	116,202
Insurance	83,330	91,656	(8,327)	88,895	(5,565)
Marketing/Public Relations	559,673	589,314	(29,641)	385,635	174,038
Member/Donor Development	104,253	76,093	28,161	94,195	10,058
Subscriptions/Memberships	16,202	16,634	(432)	12,750	3,452
Maintenance	504,037	462,589	41,447	652,683	(148,646)
Utilities	701,909	802,442	(100,533)	778,131	(76,222)
Professional Fees	502,259	414,910	87,349	467,824	34,435
Interest Expense	78,185	93,856	(15,671)	98,160	(19,975)
Miscellaneous	117,798	110,805	6,993	68,580	49,218
Sales Tax Expense	15,096	15,900	(804)	12,689	2,406
Contributed Services	0	0	0	0	0
Depreciation	892,812	860,050	32,762	839,882	52,930
Total Operating Expenses	10,977,705	11,107,541	(129,836)	10,172,840	804,865
Inc/(dec) in Unrestricted Net Assets in Operating Items	16,225	(9,101)	25,326	181,590	(165,365)
Non-Operating Items:					
Investment Earnings	50,663	0	50,663	16,456	34,207
Loss on Swap Liability	34,682	0	34,682	43,627	(8,945)
Pension & Post Retirement Expenses	(81,000)	(81,000)	0	(81,000)	0
Non-Operating Expense	0	0	0	0	0
Total Non-Operating Items	4,345	(81,000)	85,345	(20,917)	25,262
Inc/(dec) in Unrestricted Net Assets	20,570	(90,101)	110,671	160,673	(140,103)
Changes in Temporarily Restricted Net Assets:					
Contributions	1,558,788	807,500	751,288	927,914	630,873
Investment Earnings	38,825	0	38,825	53,710	(14,885)
Net Assets released from restrictions for operations	(1,055,703)	(755,305)	(300,398)	(1,962,760)	907,057
Inc/(dec) in Temporarily Restricted Net Assets	541,909	52,195	489,715	(981,136)	1,523,045
Changes in Permanently Restricted Net Assets:					
Contributions	2,000	0	2,000	2,100	(100)
Investment Earnings	0	0	0	1,784	(1,784)
Net Assets released from restrictions for operations	0	0	0	0	0
Inc/(dec) in Permanently Restricted Net Assets	2,000	0	2,000	3,884	(1,884)
Inc/(dec) in Net Assets	564,480	(37,906)	602,386	(816,579)	1,381,059
Total Net Assets at Beginning of Period	16,061,931	16,061,931	0	20,501,075	(4,439,144)
Total Net Assets at End of Period	16,626,411	16,024,025	602,386	19,684,496	(3,058,085)

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 5/31/16

	Consolidated 5/31/16	Consolidated 8/31/15	Change
Assets:			
Cash and cash equivalents	3,278,060	1,691,130	1,586,930
Investments	266,149	263,309	2,840
Accounts Receivable	13,037	46,309	(33,272)
Contributions Receivable -Current	479,860	1,119,980	(640,120)
Due From Other Entities	0	0	0
Inventories, net	62,915	39,093	23,822
Prepaid Expenses	77,918	79,779	(1,861)
Total Current Assets	4,177,940	3,239,600	938,340
Other Assets:			
Cash and investments held for endowment	4,962,198	5,783,561	(821,363)
Contributions Receivable - Long Term	2,129,003	2,129,003	0
Other Long Term Assets	0	0	0
Total Other Assets	7,091,201	7,912,564	(821,363)
Property & Equipment:			
Construction in Progress	1,071,636	1,403,487	(331,851)
Building Additions	19,691,987	19,680,737	11,250
Furniture, equipment and other improvements	13,086,619	12,041,995	1,044,624
Gross Property & Equipment	33,850,243	33,126,219	724,024
Less-Accumulated depreciation	(19,055,886)	(18,163,074)	(892,812)
Net Property & Equipment	14,794,356	14,963,145	(168,789)
Total Assets	26,063,497	26,115,309	(51,812)
Liabilities and Net Assets:			
Accounts Payable	548,519	489,029	59,490
Accrued Payroll & Benefits	909,058	773,056	136,002
Deferred Revenue	970,750	1,003,482	(32,732)
Interest Payable	6,641	10,071	(3,430)
Accrued Postretirement Benefits - Current	124,639	124,639	0
Notes Payable - Current	1,050,000	1,600,000	(550,000)
Lease Payable - Current	13,251	25,328	(12,077)
Total Current Liabilities	3,622,859	4,025,605	(402,746)
Accrued Postretirement Benefits	5,206,575	5,176,624	29,951
Interest Rate Swap Liability	40,653	75,335	(34,682)
Due to Other Entities	0	0	0
Notes Payable	567,000	767,000	(200,000)
Lease Payable	0	8,814	(8,814)
Total Liabilities	9,437,086	10,053,378	(616,292)
Net Assets:			
Unrestricted	6,491,483	6,470,912	20,571
Temporarily Restricted	6,272,222	5,730,314	541,908
Permanently Restricted	3,862,705	3,860,705	2,000
Total Net Assets	16,626,411	16,061,931	564,480
Total Liabilities and Net Assets	26,063,497	26,115,309	(51,812)

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Nine Months Ended 5/31/16			
	YTD		Prior YTD
	<u>Actual</u>		<u>Actual</u>
Operating Activities:			
Increase in net assets	564,480		(816,579)
Adjustments to reconcile net cash flows from operations:			
Depreciation and amortization	892,812		839,882
Loss on disposal of assets	0		5,231
Change in value of interest rate swap	(34,682)		(43,627)
Unrealized (gain)/loss on investments	3,611		153,309
Realized (gain)/loss on investments	(19,664)		(154,281)
Changes in operating assets and liabilities:			
Accounts Receivable	33,272		56,102
Contribution Receivable	640,120		847,420
Inventories and Other Assets	(23,822)		3,258
Prepaid Expenses	1,861		38,779
Accounts Payable, Accrued Expenses and Accrued Benef	225,445		43,091
Due to Affiliates	0		0
Interest Payable	(3,430)		(2,020)
Deferred Revenue	(32,732)		(95,109)
Total Adjustments	1,682,790		1,692,034
Net cash provided/(used) by operating activities	2,247,270		875,455
Investing Activities:			
Purchases of Property & Equipment	(66,082)		(58,300)
Purchases of Property & Equipment - Restricted	(657,941)		(895,729)
Proceeds from Sale of Investments	1,269,171		4,287,317
Purchases of Investments	(434,596)		(3,566,703)
Net cash provided/(used) in investing activities	110,552		(233,414)
Financing Activities:			
Principal payments on notes payable	(2,700,000)		(1,680,000)
Proceeds from Notes Payable/Line of Credit	1,950,000		1,300,000
Inception of lease	0		0
Payments on lease obligations	(20,891)		(17,685)
Net cash provided/(used) in financing activities	(770,891)		(397,685)
Net Inc/(Dec) in Cash and Cash Equivalents	1,586,930		244,357
Cash and Cash Equivalents, beginning of period	1,691,129		1,467,247
Cash and Cash Equivalents, end of period	3,278,059		1,711,604