



**Date:** May 14, 2024

**To:** Chairperson Willie Johnson, Jr., Committee on Finance  
Vice Chairperson Steven Taylor, Committee on Finance

CC: Allyson R. Smith, Committee Coordinator

**Subject:** P 24-50 Report from the President of the Milwaukee Public Museum, providing an informational report regarding financial statements.

*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 Museum Activities**

Attendance continues to track slightly lower than what we projected. When we analyzed this, it appears to be due to school group visitation. Schools have not returned in the numbers that we expected. This is likely due to several things – lack of bus drivers, school attendance issues as well as schools still catching up from covid. It appears that other organizations are seeing the same trend. We will continue to monitor this and use this information as we build our budget for next year.

While school attendance is down, we did have a very busy spring break – especially the week just before Easter. On April 18<sup>th</sup>, we hosted a very popular Science on Tap lecture with Paul Sereno, a paleontologist extraordinaire who talked about his discoveries from the Saharan desert. Dr. Sereno also did a virtual program for kids in grades 1-5. And on April 27, we hosted an Inside Out program where staff brought objects out from the collections and explored some of the back-stories on objects on display. On May 9 we had a sold-out crowd for Tour-a-Palooza, an evening exploring the stories behind the exhibits.

Our community engagement and advocacy officer and education team are engaging with the Milwaukee neighborhoods that have a 60%+ Latino population to increase museum attendance and program participation. Specifically, this spring and summer they plan to introduce MPM to the community, highlight the future museum and be present at local events; collect data regarding how individuals and families feel about engaging with the Milwaukee Public Museum including why they are not engaging. This will be done in multiple ways, including surveys, public listening sessions, small focus groups and individual interviews; partner with local organizations/groups to promote and participate in the public listening sessions and to include MPM in community events; and provide a final report that will include recommendations how MPM can implement in the future to attract, welcome, and engage Latino audiences. Two events have been hosted thus far.

MPM Manager of Tribal Relations James Flores (member of the Oneida Nation) was named one of Wisconsin's 32 Most Influential Native American Leaders for 2024 by 365 Media Foundation for his work at MPM and his lasting impact during his time at UW-Madison.

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Bob Bonadurer, Planetarium Director, led a group of 65 eclipse enthusiasts, who traveled from Wisconsin, Minnesota, Michigan, Illinois, New York, California, England, and the Netherlands, to see the total solar eclipse in Texas. They experience totality as the moon passed between the sun and the earth, casting its shadow on the earth.

Coming up on June 22 will be hosting the Museum's Annual BioBlitz, our event that brings together scientists, nature enthusiasts and community members to celebrate and learn about biodiversity. This year's event we will be at Mequon Nature Preserve.

Dr. Nick Dowdy, Research Curator of Zoology & Director of Collections Informatics, continues to travel the world, conducting field research. From April 3 through 12, he went to Brazil to start a new collaboration with researchers at the State University of Campinas in São Paulo to study anti-bat sounds produced by tiger moths in the Atlantic Rainforest. This is especially interesting because some of MPM's rarest insect collections were collected in the São Paulo region in the 1930s through 1960s, so this work represents a sort of return to some of MPM's roots.

Research Curator of Botany Dr. Chris Tyrrell traveled to San Jose, Costa Rica, March 10 through 16, to present at the 7<sup>th</sup> International Conference on Comparative Biology of Monocotyledons ("Monocots VII"). This conference meets every five years to gather the most prestigious scientists studying a type of plant called monocots, which include grasses, rushes, orchids, bromeliads, bananas, gingers, arums, and more. Tyrrell's session focused on bamboo evolution and conservation. This is another example of MPM's research making an impact on a global stage.

On April 25, we had our Giving Day -- this is our annual 24-hour fundraiser. We exceeded our goal by \$150,000. We raised a record-setting \$615,117 from more than 420 donors, with 109 people making their first donation ever!

### Status of Current Facility

Since March, we have been dealing with these issues in the building:

- Nearly inaccessible coils on an air handler burst in early April causing flooding in a collection area in the basement. Several ancient history items were damaged. We are working with a conservator on remediation.
- The 350-ton chiller had a significant refrigerant leak.
- We continue to deal with humidity issues in the basement collection areas. This is due to moisture infiltration through the concrete block, which has no moisture barrier.

### New Museum progress

**Groundbreaking** – a groundbreaking ceremony took place at the Trade Hotel rather than on the site at 6<sup>th</sup> and McKinley because of rain. Children from four local schools/organizations – Bruce Guadeloupe, Indian Community School, Hmong American Peace Academy and Kho-Thi Dance Company – helped us celebrate with music and dance. Thank you to all the supervisors who were able to attend.

**6<sup>th</sup> and McKinley Site progress** – work on the site continues with underground slabs and a sewer being removed. Mortensen will begin mobilizing by setting up their offices on the site in June. Foundations and footings work will begin in early fall.

**Architectural and Exhibit Design Work** – There are four general stages to design work. Each phase adds more detail and clarity to the project. The phases include Conceptual Design (completed and shared with the public in July 2022), Schematic Design (completed and shared with the public March-May

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2023), Design Development (completed September 2023) and Construction Drawings (begun September 2023). As of the end of April all design work has been completed.

**Collections Move** – We continue to pack the glass and ceramic collections in preparation for a move. We have hired several more staff to continue to inventory and bar code the collections in advance of packing. We have found an offsite storage facility for the collections that will not be housed in the new museum, and we are working on the lease agreement. The next step will be to upgrade the facility to American Alliance of Museums collection standards.

### Fiscal Summary

For the seven months ended March 31, 2024, MPM consolidated financial statements reported an operating surplus of \$1.5 million compared to an operating surplus of \$1.3 million from the prior year. Overall, the change in net assets was a change of \$3 million compared to an increase of \$5.8 million in the prior year.

Consolidated year to date operating revenues of \$9.2 million are about \$0.5 million more than prior year. Special events revenue, and assets released from restrictions are higher from the prior year, but contributions, memberships, retail, admissions, and facility rental are all slightly lower. Compared to budget, operating revenues are about \$0.9 million greater than expectations mainly in contributions and assets released from restrictions.

Expenditures for the first seven months were more than the prior year by \$0.2 million, mostly due to wages. Expenditures are lower than budget by \$0.9 million as expenses due to cost control in many areas.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year to date market gains of \$0.7 million. Within the fiscal year, distribution from the MPM Endowment Fund totaled \$81,234 which was provided from temporarily restricted funds within the Endowment.

I am happy to take questions during my appearance before the Committee.

Sincerely,



Ellen Censky, PhD  
President/CEO  
Milwaukee Public Museum

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### MPM Consolidated Statement of Activities for the Seven Months Ended 3/31/24

|   | YTD           | YTD           |            | Prior Year    | Prior Year    |
|---|---------------|---------------|------------|---------------|---------------|
|   | <u>Actual</u> | <u>Budget</u> | <u>Dev</u> | <u>Actual</u> | <u>Change</u> |
| <b>Revenue:</b>   |               |               |            |               |               |
| Contributions   | 1,987,672     | 1,529,422     | 458,250    | 2,062,320     | (74,648)      |
| Membership  | 832,722       | 855,356       | (22,634)   | 868,553       | (35,831)      |
| Special Event Revenue                                     | 885,989       | 863,750       | 22,239     | 801,195       | 84,795        |
| Public Support  | 2,113,835     | 2,122,667     | (8,832)    | 2,048,270     | 65,565        |
| Admissions  | 1,445,524     | 1,656,160     | (210,636)  | 1,604,762     | (159,238)     |
| Theatre/Planetarium                                       | 148,022       | 104,439       | 43,583     | 107,431       | 40,591        |
| Programs  | 60,087        | 45,950        | 14,137     | 48,221        | 11,866        |
| Restaurant and Facility Rental                            | 67,914        | 80,310        | (12,396)   | 156,421       | (88,507)      |
| Retail  | 482,083       | 529,270       | (47,187)   | 545,820       | (63,737)      |
| Other income  | 81,741        | 62,542        | 19,199     | 85,337        | (3,595)       |
| Net Assets released from restrictions                     | 1,092,225     | 424,492       | 667,732    | 400,751       | 691,474       |
| Total Operating Revenue                                   | 9,197,813     | 8,274,358     | 923,455    | 8,729,079     | 468,734       |
| <b>Operating Expenses:</b>                                |               |               |            |               |               |
| Cost of Goods Sold  | 208,783       | 223,630       | (14,847)   | 231,992       | (23,209)      |
| Supplies  | 555,509       | 702,689       | (147,179)  | 470,752       | 84,758        |
| Salaries and Wages  | 4,235,560     | 4,346,087     | (110,527)  | 3,890,139     | 345,421       |
| Benefits  | 883,027       | 1,096,084     | (213,057)  | 859,580       | 23,447        |
| Travel  | 44,980        | 83,495        | (38,515)   | 42,350        | 2,630         |
| Insurance   | 41,660        | 43,769        | (2,109)    | 42,151        | (491)         |
| Marketing/Public Relations                                | 378,198       | 461,658       | (83,460)   | 348,496       | 29,703        |
| Member/Donor Development                                  | 34,952        | 52,305        | (17,353)   | 39,249        | (4,298)       |
| Subscriptions/Memberships                                 | 32,772        | 42,516        | (9,744)    | 30,186        | 2,586         |
| Maintenance   | 312,671       | 432,459       | (119,788)  | 405,110       | (92,439)      |
| Utilities   | 639,901       | 678,680       | (38,779)   | 660,660       | (20,759)      |
| Professional Fees   | 225,383       | 303,987       | (78,604)   | 308,792       | (83,409)      |
| Interest Expense  | 2,528         | 2,496         | 32         | 2,421         | 107           |
| Miscellaneous   | 114,344       | 120,312       | (5,968)    | 130,756       | (16,412)      |
| Tax Expense   | 3,144         | 2,800         | 344        | 3,190         | (46)          |
| Total Operating Expenses                                  | 7,713,412     | 8,592,968     | (879,556)  | 7,465,821     | 247,591       |
| Inc/(dec) from Net Assets in Operating Activities         | 1,484,401     | (318,610)     | 1,803,011  | 1,263,257     | 221,143       |
| <b>Non-Operating Items:</b>                               |               |               |            |               |               |
| Investment Earnings (Loss)                                | 655,073       | 24,500        | 630,573    | 227,794       | 427,279       |
| Pension & Post Retirement Expenses                        | (210,000)     | (210,000)     | 0          | (210,000)     | 0             |
| Depreciation & Amortization                               | (798,453)     | (465,518)     | (332,935)  | (477,313)     | (321,140)     |
| Total Non-Operating Items                                 | (353,380)     | (651,018)     | 297,638    | (459,519)     | 106,139       |
| <b>Inc/(dec) in Net Assets Without Donor Restrictions</b> | 1,131,021     | (969,628)     | 2,100,649  | 803,739       | 327,282       |
| <b>Changes in With Donor Restricted Net Assets:</b>       |               |               |            |               |               |
| Contributions   | 2,475,532     | 117,500       | 2,358,032  | 5,167,005     | (2,691,473)   |
| Investment Earnings                                       | 560,107       | 0             | 560,107    | 201,638       | 358,470       |
| Net Assets released from restrictions for operations      | (1,092,225)   | (424,492)     | (667,732)  | (400,751)     | (691,474)     |
| Inc/(dec) in With Donor Restricted Net Assets             | 1,943,414     | (306,992)     | 2,250,407  | 4,967,892     | (3,024,478)   |
| <b>Inc/(dec) in Net Assets</b>                            | 3,074,435     | (1,276,621)   | 4,351,055  | 5,771,630     | (2,697,196)   |
| <b>Total Net Assets at Beginning of Period</b>            | 25,996,445    | 10,425,892    | 0          | 19,980,903    | 6,015,542     |
| <b>Total Net Assets at End of Period</b>                  | 29,070,880    | 9,149,271     | 4,351,055  | 25,752,533    | 3,318,346     |

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### MPM Consolidated Statement of Financial Position as of 3/31/24

| -  | <u>3/31/24</u>    | <u>3/31/23</u>    | <u>Change</u>      |
|--|-------------------|-------------------|--------------------|
| <b>Assets:</b>                               |                   |                   |                    |
| Cash and cash equivalents                    | 5,384,778         | 7,389,574         | (2,004,797)        |
| Investments                                  | 3,429,447         | 1,435,895         | 1,993,551          |
| Accounts Receivable                          | 86,511            | 112,171           | (25,661)           |
| Contributions Receivable -Current            | 912,271           | 967,590           | (55,320)           |
| Inventories, net                             | 90,410            | 82,716            | 7,695              |
| Prepaid Expenses                             | 75,302            | 49,659            | 25,643             |
| <b>Total Current Assets</b>                  | <b>9,978,718</b>  | <b>10,037,606</b> | <b>(58,888)</b>    |
| <b>Other Assets:</b>                         |                   |                   |                    |
| Cash and investments held for endowment      | 13,112,957        | 9,543,599         | 3,569,358          |
| Contributions Receivable - Long Term         | 5,516,237         | 4,146,721         | 1,369,516          |
| <b>Total Other Assets</b>                    | <b>18,629,194</b> | <b>13,690,320</b> | <b>4,938,874</b>   |
| <b>Property &amp; Equipment:</b>             |                   |                   |                    |
| CIP  | 59,226            | 0                 | 59,226             |
| Building Additions                           | 19,875,741        | 19,875,741        | 0                  |
| Furniture, equipment and other improvements  | 13,067,262        | 13,015,955        | 51,307             |
| Right to Use Asset                           | 65,637            | 65,637            | 0                  |
| <b>Gross Property &amp; Equipment</b>        | <b>33,067,865</b> | <b>32,957,332</b> | <b>110,533</b>     |
| Less-Accumulated depreciation & amortization | (26,322,582)      | (25,187,179)      | (1,135,403)        |
| <b>Net Property &amp; Equipment</b>          | <b>6,745,283</b>  | <b>7,770,153</b>  | <b>(1,024,870)</b> |
| <b>Total Assets</b>                          | <b>35,353,195</b> | <b>31,498,079</b> | <b>3,855,116</b>   |
| <b>Liabilities and Net Assets:</b>           |                   |                   |                    |
| Accounts Payable                             | 399,341           | 436,637           | (37,295)           |
| Accrued Payroll & Benefits                   | 672,776           | 568,708           | 104,068            |
| Deferred Revenue                             | 1,816,116         | 1,001,955         | 814,161            |
| Lease Payable - Current                      | 12,506            | 13,399            | (893)              |
| Current Portion of Post Retirement Benefits  | 168,132           | 247,895           | (79,763)           |
| Line of Credit                               | 0                 | 0                 | 0                  |
| <b>Total Current Liabilities</b>             | <b>3,068,871</b>  | <b>2,268,594</b>  | <b>800,277</b>     |
| Accrued Postretirement Benefits              | 3,178,544         | 3,430,658         | (252,115)          |
| Due to Other Funds/Entities                  | 0                 | 0                 | 0                  |
| Lease Payable                                | 34,901            | 46,292            | (11,391)           |
| <b>Total Liabilities</b>                     | <b>6,282,315</b>  | <b>5,745,544</b>  | <b>536,771</b>     |
| <b>Net Assets:</b>                           |                   |                   |                    |
| Without Donor Restrictions                   | 14,309,738        | 13,801,516        | 508,222            |
| With Donor Restrictions                      | 14,761,142        | 11,951,019        | 2,810,123          |
| <b>Total Net Assets</b>                      | <b>29,070,880</b> | <b>25,752,535</b> | <b>3,318,345</b>   |
| <b>Total Liabilities and Net Assets</b>      | <b>35,353,195</b> | <b>31,498,079</b> | <b>3,855,116</b>   |

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| <b>MPM Consolidated Statement of Cash Flows for the Seven Months Ended 3/31/24</b> |                      |                      |
|--|----------------------|----------------------|
|  | <b>YTD</b>           | <b>Prior YTD</b>     |
| -  | <b><u>Actual</u></b> | <b><u>Actual</u></b> |
| <b>Operating Activities:</b>   |                      |                      |
| Increase in net assets   | (775,683)            | 1,258,581            |
| Adjustments to reconcile net cash flows from operations:                           |                      |                      |
| Depreciation and amortization  | 798,453              | 477,313              |
| Unrealized (gain)/loss on investments  | (94,468)             | 0                    |
| Realized (gain)/loss on investments  | (13)                 | (17,589)             |
| Contributions restricted for capital and endowment                                 | 0                    | (534)                |
| Changes in operating assets and liabilities:                                       |                      |                      |
| Accounts Receivable  | 88,141               | 1,300                |
| Contribution Receivable  | 402,701              | (688,051)            |
| Inventories and Other Assets   | (23,575)             | (26,777)             |
| Prepaid Expenses   | 26,504               | 39,715               |
| Accounts Payable, Accrued Expenses and Accrued Benefits                            | 204,567              | 69,567               |
| Due to Affiliates  | 0                    | (400,000)            |
| Deferred Revenue   | 454,895              | (455,928)            |
| Total Adjustments  | 1,857,205            | (1,000,984)          |
| Net cash provided/(used) by operating activities                                   | 1,081,522            | 257,598              |
| <b>Investing Activities:</b>   |                      |                      |
| Purchases of Property & Equipment  | (7,883)              | (108,383)            |
| Net Change in Note Receivable  | 450,000              | 0                    |
| Proceeds from Sale of Investments  | 174,081              | 212,142              |
| Purchases of Investments   | (2,037,266)          | (1,220,689)          |
| Net cash provided/(used) in investing activities                                   | (1,421,068)          | (1,116,930)          |
| <b>Financing Activities:</b>   |                      |                      |
| Net change in Lease obligations  | (7,230)              | 59,691               |
| Net cash provided/(used) in financing activities                                   | (7,230)              | 59,691               |
| <b>Net Inc/(Dec) in Cash and Cash Equivalents</b>                                  | <b>(346,776)</b>     | <b>(799,642)</b>     |
| <b>Cash and Cash Equivalents, beginning of period</b>                              | <b>5,731,554</b>     | <b>8,189,216</b>     |
| <b>Cash and Cash Equivalents, end of period</b>                                    | <b>5,384,778</b>     | <b>7,389,574</b>     |