



Date: November 13, 2020

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 year ended August 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. Since that time we have been open on Thursday's through Sunday's from 10AM – 4PM, but many exhibits, the café, and our retail stores remain closed and have very limited facility rentals. Prior to opening we finalized a comprehensive plan to ensure all of our employees and guests were as safe as could be during the pandemic. This plan was reviewed and approved by the County 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 or that last full year of operations prior to the pandemic. MPM has worked diligently to cut operating expenses and are trying to maintain cash. Even with these cuts, we still expect an almost million dollar cash shortfall for the fiscal year.

We had expected to have 2 major traveling exhibits during the 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 1 year.

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 1.5 million citizens and directly engaged with almost 0.5 million of them. MPM continues to grow these efforts.

Milwaukee Public Museum

Despite the museum closure, productivity in collections and research during the fourth quarter of FY2020 was steady with over 190 data and information requests completed. This quarter, 11,932 master and access derivative images were prepared for migration to the Master Collections archive folder and 5,966 images were added to EMu, updating 3,975 objects records. Natural science collections had over 26,500 digital records downloaded from the iDigBio portal, along with 21 papers published or submitted.

Fiscal Summary

For the year that ended August 31, 2020 MPM consolidated financial statements report an operating surplus of \$1.2 million compared to \$1.1 million the prior year. Overall, the change in net assets was an increase of \$0.2 million vs a \$1.2 million decrease the prior year. For the first 5 months was no change compared to an increase of \$320k in the prior year. This difference is mainly related to restricted donation contributions and releases from restrictions.

Consolidated operating revenue was \$11.0 million vs. \$13.1 million in the prior year. This mainly due to all operational activities of being closed for 5 months due to COVID-19. To offset this amount, overall contributions to the Annual Fund were higher than the prior year by \$0.9 million.

Consolidated operating expenditures for the year were \$9.8 million vs \$12.1 million in the prior year. All operating expenses were lower due to being closed for 5 months due to COVID-19.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year market gains of \$175k. Within the fiscal year, distribution from the MPM Endowment Fund totaled \$50k, 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; 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).

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 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).

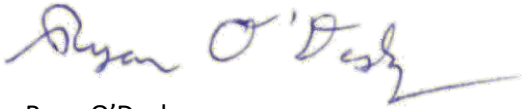
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Reaccreditation

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 will submit a report to the AAM Accreditation Commission by November 17th. The commission will use the report along with documents that we submitted to make a recommendation in February.

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 Year Ended 8/31/20

	YTD	Prior Year	Prior Year
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>
Revenue:			
Contributions	3,250,214	2,332,068	918,146
Membership	1,115,699	1,164,272	(48,573)
Special Event Revenue	645,845	731,710	(85,865)
Public Support	3,502,361	3,503,916	(1,555)
Admissions	990,978	2,228,205	(1,237,227)
Theatre/Planetarium	127,661	275,560	(147,899)
Programs	79,094	342,964	(263,870)
Contributed Services	14,462	113,135	(98,673)
Restaurant and Facility Rental	130,245	265,502	(135,256)
Retail	370,377	765,513	(395,136)
Other income	119,104	132,336	(13,233)
Net Assets released from restrictions	662,230	1,315,439	(653,210)
Total Operating Revenue	11,008,270	13,170,620	(2,162,350)
Operating Expenses:			
Cost of Goods Sold	152,357	328,548	(176,191)
Supplies	622,116	832,531	(210,416)
Salaries and Wages	5,030,892	5,735,800	(704,908)
Benefits	1,457,478	1,537,978	(80,500)
Travel	24,934	228,171	(203,237)
Insurance	65,757	68,587	(2,831)
Marketing/Public Relations	324,718	713,210	(388,493)
Member/Donor Development	43,580	58,325	(14,745)
Subscriptions/Memberships	39,784	24,959	14,825
Maintenance	693,938	919,415	(225,477)
Utilities	818,622	985,853	(167,232)
Professional Fees	458,687	443,553	15,133
Interest Expense	9,995	25,801	(15,807)
Miscellaneous	72,025	112,091	(40,066)
Sales Tax Expense	2,908	1,969	939
Contributed Services	14,462	113,135	(98,673)
Total Operating Expenses	9,832,251	12,129,927	(2,297,677)
Inc/(dec) from Net Assets in Operating Activities	1,176,019	1,040,693	135,326
Non-Operating Items:			
Investment Earnings	176,798	59,983	116,815
Pension & Post Retirement Expenses	261,957	(872,062)	1,134,019
Depreciation	(1,145,856)	(1,365,161)	219,306
Non-Operating Expense	0	0	0
Foundation for Future Revenue	259,485	1,290,581	(1,031,096)
Foundation for Future Expenses	(767,182)	(377,044)	(390,138)
Total Non-Operating Items	(1,214,798)	(1,263,704)	48,906
Inc/(dec) in Net Assets Without Donor Restrictions	(38,779)	(223,011)	184,233
Changes in With Donor Restricted Net Assets:			
Contributions	707,366	258,034	449,332
Investment Earnings	272,378	87,114	185,264
Net Assets released from restrictions for operations	(662,230)	(1,315,439)	653,210
Inc/(dec) in With Donor Restricted Net Assets	317,515	(970,291)	1,287,806
Inc/(dec) in Net Assets	278,736	(1,193,302)	1,472,038
Total Net Assets at Beginning of Period	13,224,318	14,417,623	(1,193,305)
Total Net Assets at End of Period	13,503,054	13,224,321	278,733

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MPM Consolidated Statement of Financial Position as of 8/31/20

	Consolidated	Consolidated	
	<u>8/31/20</u>	<u>8/31/19</u>	<u>Change</u>
Assets:			
Cash and cash equivalents	4,649,620	2,771,551	1,878,070
Investments	396,056	360,881	35,174
Accounts Receivable	79,556	54,384	25,172
Contributions Receivable - Current	610,750	973,229	(362,479)
Due From Other Funds/Entities	0	0	0
Inventories, net	83,169	58,529	24,640
Prepaid Expenses	50,019	49,710	309
Total Current Assets	5,869,170	4,268,284	1,600,886
Other Assets:			
Cash and investments held for endowment	6,462,767	6,076,358	386,409
Contributions Receivable - Long Term	399,385	199,665	199,720
Total Other Assets	6,862,152	6,276,023	586,129
Property & Equipment:			
Construction in Progress	0	0	0
Building Additions	19,875,741	19,875,741	(0)
Furniture, equipment and other improvements	12,921,893	12,921,892	(0)
Gross Property & Equipment	32,797,633	32,797,632	(1)
Less-Accumulated depreciation	(23,006,288)	(21,860,432)	(1,145,856)
Net Property & Equipment	9,791,346	10,937,200	(1,145,856)
Total Assets	22,522,667	21,481,507	1,041,158
Liabilities and Net Assets:			
Accounts Payable	328,413	574,324	(245,915)
Accrued Payroll & Benefits	655,390	603,773	51,617
Deferred Revenue	817,903	1,101,383	(283,481)
Refundable Advance	1,137,100	0	1,137,100
Accrued Postretirement Benefits - Current	312,632	99,134	213,498
Notes Payable - Current	1,000,000	510,000	490,000
Total Current Liabilities	4,251,438	2,888,615	1,362,819
Accrued Postretirement Benefits	4,768,175	5,368,572	(600,397)
Due to Other Funds/Entities	0	(0)	0
Notes Payable	0	(0)	0
Total Liabilities	9,019,613	8,257,186	762,422
Net Assets:			
Without Donor Restrictions	6,083,961	6,122,744	(38,779)
With Donor Restrictions	7,419,093	7,101,577	317,515
Total Net Assets	13,503,054	13,224,321	278,736
Total Liabilities and Net Assets	22,522,667	21,481,507	1,041,158

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Consolidated Statement of Cash Flows for the Year Ended 8/31/20

	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	278,736	(1,193,302)
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	1,145,856	1,365,161
Loss on disposal of assets	0	0
Unrealized (gain)/loss on investments	(304,146)	64,479
Realized (gain)/loss on investments	11,637	(58,546)
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	(25,172)	(6,419)
Contribution Receivable	(45,242)	449,504
Inventories and Other Assets	(24,640)	(15,159)
Prepaid Expenses	(309)	130,513
Accounts Payable, Accrued Expenses and Accrued Benefits	(581,195)	707,340
Due to Affiliates	0	(0)
Interest Payable	0	(4,537)
Refundable Advance	1,137,100	0
Deferred Revenue	(283,481)	(122,642)
Total Adjustments	1,030,407	2,509,694
Net cash provided/(used) by operating activities	1,309,143	1,316,392
Investing Activities:		
Purchases of Property & Equipment	0	(24,106)
Purchases of Property & Equipment - Restricted	0	0
Proceeds from Sale of Investments	1,112,888	7,212,992
Purchases of Investments	(1,241,962)	(7,522,322)
Net cash provided/(used) in investing activities	(129,073)	(333,436)
Financing Activities:		
Proceeds from contributions restricted for capital and endowment	208,000	328,000
Net proceeds from Line of Credit	490,000	(662,295)
Net cash provided/(used) in financing activities	698,000	(334,295)
Net Inc/(Dec) in Cash and Cash Equivalents	1,878,069	648,661
Cash and Cash Equivalents, beginning of period	2,771,550	2,122,890
Cash and Cash Equivalents, end of period	4,649,619	2,771,551