
MILWAUKEE ART MUSEUM

January 24, 2017

To: County Chairman Theodore Lipscomb, Sr.
County Executive Chris Abele

CC: Chairman Jason Haas, Committee on Parks, Energy and Environment
Chairman Peggy West, Committee on Finance, Personnel and Audit
Director Teig Whaley-Smith, Department of Administrative Services
Allyson R. Smith, Committee on Parks, Energy and Environment
Jerome Heer, Director of Audits, Office of the Comptroller

From: Jane Wochos, COFO, Milwaukee Art Museum, Inc.

RE: Report from the Milwaukee Art Museum, Inc.
Fiscal 2017 – Quarter 1 Financial update (for the year ending August 31, 2017)

Summary

The mission of the Milwaukee Art Museum, Inc. (Art Museum) is to serve the community and present art as a vital source of inspiration and education. The Art Museum is committed to bring people together to inform, educate and engage in conversation around art through our collection, exhibition and programs.

For the quarter ended November 30, 2016, the Art Museum presented the following major exhibitions, Haunted Screens: German Cinema in the 1920s (closed January 22, 2017), Nature and Opulence: The Art of Martin Johnson Heade (open until February 26, 2017), The Lives of Others and Rineke Dijkstra: Rehearsals (closed January 1, 2017). Attendance was 7% below plan for the first quarter ended November 30, 2016; ending at just under 48,000 visitors, with approximately 54% coming from Milwaukee County. School tours welcomed almost 3,900 students to the Art Museum for the year with over 54% of school students from Milwaukee County.

Financial results

Attached are the financial results for the first quarter ended November 30, 2016. The Art Museum contributed revenue accounted for over 52% of all revenue sources. The earned revenue was 37% of total revenue. The remaining 11% of revenue was primarily due to the distribution to operations from the endowment fund.

Looking forward

The Milwaukee Art Museum has recently changed its late night hours to Thursday evenings. The Meijer Free day will also be the first Thursday of the month beginning in February. The Art Museum's current exhibitions are Nature and Opulence: The Art of Martin Johnson Heade (open until February 26, 2017), Lawrence Weiner: Inherent Innate Tension (open until April 2nd). Future exhibitions include: Milwaukee Collects (opens March 10, 2017), Helen Levitt: In the Street (opens January 27, 2017), Eastman Johnson in Focus (opens February 11, 2017) and How Posters Work (opens on April 1, 2017).

Regarding the O'Donnell property, Museum and County legal counsel are in the process of reviewing documents and making good progress. Survey work is in progress and is critical to the finalization of the transaction. MAM has completed due diligence as specified in the approved term sheet.

Please contact me if you have any questions or concerns with the enclosed materials.

Regards,

Jane Wochos

Jane Wochos
Chief Operating and Financial Officer
Milwaukee Art Museum, Inc.

Milwaukee Art Museum, Inc.
Statements of Financial Position
November 30, 2016 and August 31, 2015

Assets	11/30/2016	8/31/2016
Cash and cash equivalents	\$ 1,493,959	2,258,863
Accounts receivable - Net	149,693	125,235
Pledges receivable	6,472,740	6,177,857
Investment income receivable	86,556	80,113
Inventories - Net	425,175	413,774
Prepaid expenses	297,016	457,602
Investments	47,544,199	47,989,949
Beneficial interest in assets held in trusts	316,323	316,323
Property and equipment - Net	94,699,122	95,353,496
Total Assets	\$ 151,484,783	\$ 153,173,212
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 1,095,696	\$ 1,267,323
Construction line of credit	3,700,000	4,000,000
Deferred revenue	1,043,600	1,058,979
Total Liabilities	5,839,296	6,326,302
Net Assets		
Unrestricted:		
Board designated	2,384,623	4,063,559
Undesignated	95,840,115	96,192,575
Total unrestricted	98,224,738	100,256,134
Temporarily restricted	17,624,919	17,062,502
Permanently restricted	29,795,830	29,528,274
Total net assets	145,645,487	146,846,910
Total liabilities and net assets	\$ 151,484,783	\$ 153,173,212

Milwaukee Art Museum, Inc.
Statement of Revenues and Expenditures (Operating Fund)
For the Year ending August 31, 2016, First Quarter ending November 30, 2016 and Budget for year ending August 31, 2017

BUDGET SUMMARY

	FY 2016 Actual	FY 2017 Q1 ending 11/30/16	FY 2017 Budget	FY17 Actual As % of Budget
Expenditures				
Personnel expenses	\$ 8,659,005	\$ 2,167,660	\$ 9,052,672	23.9%
Professional services	868,033	83,319	413,900	20.1%
Supplies	463,080	94,716	377,665	25.1%
Equipment rental/maintenance	905,813	204,448	558,376	36.6%
Building repairs/maintenance	637,126	143,294	608,401	23.6%
Insurance	219,863	61,098	243,500	25.1%
Utilities	847,495	241,184	859,530	28.1%
Advertising and marketing	1,021,302	304,327	856,564	35.5%
Postage/shipping/printing	312,563	76,581	347,535	22.0%
Education programs	271,891	60,661	189,540	32.0%
Exhibitions	1,056,598	505,815	1,252,591	40.4%
Other	524,246	96,937	653,356	14.8%
Fundraising/donor/volunteer	433,036	54,616	598,200	9.1%
Bank fees	194,310	39,469	157,023	25.1%
Total Expenditures	16,414,361	4,134,125	16,168,853	25.6%
Revenues				
Annual campaign and membership	5,235,975	850,847	5,852,663	14.5%
Grants and sponsorships	2,169,598	386,578	1,970,029	19.6%
Admissions	1,427,891	328,161	1,729,003	19.0%
Exhibition revenue	50,650	7,185	37,250	19.3%
Facility rental	483,600	133,593	541,054	24.7%
Parking	348,113	78,452	401,200	19.6%
Tours	225,243	32,478	230,004	14.1%
Store gross margin	530,052	115,185	588,531	19.6%
Café gross margin	1,448,486	338,267	1,661,657	20.4%
Other	1,924,406	48,917	646,962	7.6%
Distribution from endowment	1,472,200	335,467	1,410,500	23.8%
Milwaukee County Contribution	1,100,000	275,000	1,100,000	25.0%
Total Revenue	\$ 16,416,214	2,930,130	16,168,853	18.1%
Budget Surplus/(Deficit):*	1,853	(1,203,995)	-	
County Contribution as % of Total Revenue:	7%	9%	7%	

*Quarterly reporting is variable based on timing of gifts, pledges and other revenue. MAM is forecasting a balanced budget for FY2017.