



Date: June 21, 2019

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 nine month period (first 3 quarters) ended May 31, 2019**

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 continues to be strong. For FY 2019, we expect to have about 100,000 school children attend the museum or programs that the museum offers in the community. About 20% of them receive the programming for free.

The exhibit **The Power of Poison** opened on March 2, 2019 and runs through the beginning of July 2019. Poison tickets are included in all general admission pricing which was increased by \$3 during the run of the exhibit.

The MPM hosted two sold out sleepovers for families and 2 sold out adult mystery events. Our outreach program provided educational programming for over 2000 people off site. Three area schools were engaged in a long-term research project that culminated in their presentation of their exhibits to museum visitors. MPM hosted the Braille games in March.

MPM continues to improve on accessibility for all in the museum. We had added touch labels in several areas, touch bags to check out so that people without sight can touch replicas of objects on display, and closed captioning to videos and lectures. We have introduced an app to help caretakers of children that are on the spectrum plan their visit to the museum. We are also upgrading a space in the museum to accommodate people who may need a quiet space.

Milwaukee Public Museum

Fiscal Summary

MPM consolidated financial statements report an operating surplus of \$1.1 million for the first 3 quarters of the year compared to an operating surplus of \$1.1 million from the prior year. Overall, the change in net assets for the first 3 quarters was a change of \$0 compared to an increase of \$0.7 million in the prior year.

Consolidated year to date operating revenues of \$10.1 million are about \$0.2 million less than prior year. Contributions, admissions, facility rental, and assets released from restrictions are all slightly lower than prior year but membership, special events revenue, and retail are higher. Compared to budget, operating revenues are about \$0.2 million lower than expectations mainly in contributions, admissions, and membership.

Expenditures for the first three quarters were less than the prior year by \$0.2 million due to cost control in many areas. This was offset by much higher than prior year maintenance costs for the building. Expenditures are lower than budget by \$0.7 million as expenses are being managed everyday but is offset by higher than expected maintenance costs for the building.

In other non-operating activity, the Museum and Endowment investments reported total fiscal year to date market losses of \$(0.1) million. Within the fiscal year, distribution from the MPM Endowment Fund totaled \$42,165 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 – September 2019 project
- repair of pioneer village - Kilbourn Tunnel project – in process to be completed by October 2019
- 4th floor roof repair/replacement – to be determined
- 1st floor stairwell/bathroom issues – to be determined

MPM Federally Funded Projects

Collection's care and digitization continues to be supported by federal grants. In the past year, \$33,000 (year 3 of a 3 year grant – total \$141,000) was received from the National Science Foundation to organize and digitize some of the butterfly collection and \$100,000 (year 2 of a 3 year grant – total \$362,000) was received from the Institute of Museum and Library Services to organize and digitize our Ordovician fossil collection. Scientific staff has grant proposals in excess of \$4.5 million pending approval.

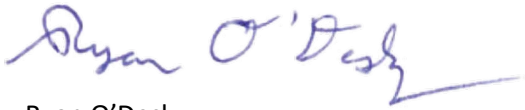
Reaccreditation

MPM is gearing up for reaccreditation. An internal committee will be formed in August to conduct a self-study that will include pulling together all data and documentation on finances, facilities, human resources, attendance and collections. In additions, the museum has reviewed and revised policies in preparation for the study. The self-study will be 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 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 Nine Months Ended 5/31/19					
	YTD	YTD		Prior Year	Prior Year
	<u>Actual</u>	<u>Budget</u>	<u>Dev</u>	<u>Actual</u>	<u>Change</u>
Revenue:					
Contributions	1,693,230	2,135,393	(442,163)	1,816,711	(123,481)
Membership	989,000	1,098,454	(109,454)	798,149	190,851
Special Event Revenue	726,420	678,450	47,970	631,548	94,873
Public Support	2,625,000	2,625,000	0	2,625,000	0
Admissions	1,719,684	1,914,136	(194,451)	1,759,641	(39,957)
Theatre/Planetarium	208,596	226,026	(17,430)	208,292	304
Programs	141,101	128,551	12,550	127,964	13,137
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	220,434	229,322	(8,888)	262,025	(41,591)
Retail	580,993	532,051	48,942	541,849	39,144
Other income	108,274	89,223	19,052	75,086	33,188
Net Assets released from restrictions	1,083,430	593,215	490,214	1,418,122	(334,693)
Total Unrestricted Revenue	10,096,162	10,249,820	(153,658)	10,264,387	(168,225)
Operating Expenses:					
Cost of Goods Sold	247,731	224,492	23,239	228,364	19,367
Supplies	667,194	694,972	(27,778)	906,884	(239,691)
Salaries and Wages	4,297,916	4,620,621	(322,705)	4,247,292	50,624
Benefits	1,135,095	1,253,557	(118,462)	1,086,085	49,010
Travel	61,429	74,022	(12,593)	89,357	(27,928)
Insurance	52,435	54,470	(2,035)	59,844	(7,409)
Marketing/Public Relations	574,525	727,666	(153,140)	521,607	52,919
Member/Donor Development	49,898	71,490	(21,592)	48,562	1,335
Subscriptions/Memberships	17,539	23,482	(5,943)	18,401	(862)
Maintenance	727,779	658,439	69,339	485,846	241,933
Utilities	742,036	758,979	(16,943)	809,278	(67,242)
Professional Fees	301,288	321,604	(20,315)	504,743	(203,455)
Interest Expense	21,781	43,538	(21,757)	51,641	(29,860)
Miscellaneous	85,878	127,030	(41,152)	110,794	(24,916)
Sales Tax Expense	1,969	1,675	294	1,571	398
Contributed Services	0	0	0	0	0
Total Operating Expenses	8,984,492	9,656,036	(671,544)	9,170,270	(185,778)
Inc/(dec) in Unrestricted Net Assets in Operating Items	1,111,670	593,784	517,886	1,094,116	17,554
Non-Operating Items:					
Investment Earnings	(30,880)	0	(30,880)	114,034	(144,914)
Loss on Swap Liability	0	0	0	5,006	(5,006)
Pension & Post Retirement Expenses	(135,000)	(135,000)	0	(81,000)	(54,000)
Depreciation	(912,872)	(986,218)	73,346	(1,044,471)	131,599
Non-Operating Expense	0	0	0	0	0
Vision Fund Revenue	1,147,760	3,010,000	(1,862,240)	226,435	921,325
Vision Fund Expenses	(251,278)	(186,914)	(64,363)	0	(251,278)
Total Non-Operating Items	(182,270)	1,701,867	(1,884,137)	(779,995)	597,726
Inc/(dec) in Unrestricted Net Assets	929,400	2,295,651	(1,366,251)	314,121	615,279
Changes in Temporarily Restricted Net Assets:					
Contributions	194,295	157,400	36,895	1,633,075	(1,438,780)
Investment Earnings	(41,899)	0	(41,899)	160,391	(202,290)
Net Assets released from restrictions for operations	(1,083,430)	(593,215)	(490,214)	(1,418,122)	334,693
Inc/(dec) in Temporarily Restricted Net Assets	(931,033)	(435,815)	(495,218)	375,344	(1,306,378)
Changes in Permanently Restricted Net Assets:					
Contributions	1,125	0	1,125	1,100	25
Investment Earnings	0	0	0	5,307	(5,307)
Net Assets released from restrictions for operations	0	0	0	0	0
Inc/(dec) in Permanently Restricted Net Assets	1,125	0	1,125	6,407	(5,282)
Inc/(dec) in Net Assets	(509)	1,859,836	(1,860,344)	695,872	(696,381)
Total Net Assets at Beginning of Period	14,417,623	14,417,623	0	14,374,429	43,194
Total Net Assets at End of Period	14,417,114	16,277,459	(1,860,344)	15,070,301	(653,187)

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 5/31/19			
	Consolidated	Consolidated	Consolidated
	<u>5/31/19</u>	<u>5/31/18</u>	<u>8/31/18</u>
Assets:			
Cash and cash equivalents	2,668,169	1,946,000	2,122,890
Investments	355,111	337,555	0
Accounts Receivable	50,368	75,990	47,965
Contributions Receivable - Current	320,392	314,445	1,113,418
Due From Other Funds/Entities	158,038	0	0
Inventories, net	64,901	55,943	43,370
Prepaid Expenses	184,105	66,329	180,223
Total Current Assets	3,801,084	2,796,263	3,507,866
Other Assets:			
Cash and investments held for endowment	5,942,342	6,062,094	6,133,835
Contributions Receivable - Long Term	886,980	1,738,315	836,980
Total Other Assets	6,829,322	7,800,409	6,970,815
Property & Equipment:			
Construction in Progress	19,987	13,762	19,987
Building Additions	20,848,369	20,676,223	20,848,369
Furniture, equipment and other improvements	13,273,708	13,482,429	13,265,625
Gross Property & Equipment	34,142,064	34,172,414	34,133,981
Less-Accumulated depreciation	(22,768,598)	(20,791,839)	(21,855,726)
Net Property & Equipment	11,373,466	13,380,575	12,278,255
Total Assets	22,003,872	23,977,247	22,756,936
Liabilities and Net Assets:			
Accounts Payable	515,757	717,862	532,601
Accrued Payroll & Benefits	493,632	460,380	704,144
Deferred Revenue	1,206,302	1,142,497	1,224,025
Interest Payable	0	2,764	4,537
Interest Rate Swap Liability	0	0	0
Accrued Postretirement Benefits - Current	165,471	167,002	165,471
Notes Payable - Current	445,000	572,295	1,172,295
Total Current Liabilities	2,826,163	3,062,801	3,803,073
Accrued Postretirement Benefits	4,602,557	5,524,144	4,536,240
Due to Other Funds/Entities	158,038	0	0
Notes Payable	0	320,000	0
Total Liabilities	7,586,758	8,906,946	8,339,313
Net Assets:			
Unrestricted	7,275,155	6,836,497	6,345,755
Temporarily Restricted	3,352,213	4,447,900	4,283,246
Permanently Restricted	3,789,747	3,785,904	3,788,622
Total Net Assets	14,417,114	15,070,301	14,417,623
Total Liabilities and Net Assets	22,003,872	23,977,247	22,756,936

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Nine Months Ended 5/31/19

	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	(509)	695,872
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	912,872	1,044,471
Loss on disposal of assets	0	0
Change in value of interest rate swap	0	(5,006)
Unrealized (gain)/loss on investments	271,308	133,661
Realized (gain)/loss on investments	(73,001)	(328,980)
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	(2,403)	(16,632)
Contribution Receivable	575,026	(791,519)
Inventories and Other Assets	(21,531)	(13,662)
Prepaid Expenses	(3,882)	(4,919)
Accounts Payable, Accrued Expenses and Accrued Benefits	(161,045)	207,218
Due to Affiliates	0	0
Interest Payable	(4,537)	(5,497)
Deferred Revenue	(17,723)	51,462
Total Adjustments	1,475,084	270,597
Net cash provided/(used) by operating activities	1,474,575	966,469
Investing Activities:		
Purchases of Property & Equipment	(8,083)	(50,802)
Purchases of Property & Equipment - Restricted	0	(189,729)
Proceeds from Sale of Investments	6,509,885	1,322,519
Purchases of Investments	(6,871,803)	(1,339,270)
Net cash provided/(used) in investing activities	(370,002)	(257,282)
Financing Activities:		
Net proceeds on Notes Payable	0	(230,000)
Proceeds from contributions restricted for capital and endowme	168,000	213,000
Net proceeds from Line of Credit	(727,295)	(960,000)
Payments on lease obligations	0	0
Net cash provided/(used) in financing activities	(559,295)	(977,000)
Net Inc/(Dec) in Cash and Cash Equivalents	545,278	(267,814)
Cash and Cash Equivalents, beginning of period	2,122,890	2,213,814
Cash and Cash Equivalents, end of period	2,668,168	1,946,000