



Date: September 27, 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 eleven month period ended July 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.

In early October, Spiders Alive! Traveling exhibit opened and will run through early January 2020. The admission for this exhibit will also be included in general admission which will be increased by \$3 but will be free for all members.

We also upgraded two exhibits to make them more accessible with touch labels and videos and we added our research on bat/moth interactions to our rainforest exhibit. These modifications were supported by funding from a foundation and from the National Science Foundation.

MPM's Outreach program reached into communities across the state as well as attendees at both the State Fair and Summerfest. We reached nearly 10,000 people through this outreach programming.

Collection and Research staff continued their digitization efforts. In the past year, their results have been available to researchers who viewed or downloaded over 1 million records for their studies.

Milwaukee Public Museum

Fiscal Summary

MPM consolidated financial statements report an operating surplus of \$1.2 million for the first 11 months of the year compared to an operating surplus of \$1.0 million from the prior year. Overall, the change in net assets for the first 11 months was a decrease of \$0.2 million compared to an increase of \$0.2 million in the prior year.

Consolidated year to date operating revenues of \$12.2 million are about \$0.2 million greater than prior year. Admissions, membership, special events, programming, and retail are all slightly greater than prior year while contributions, facility rental, membership and assets released from restrictions are all slightly lower than prior year. Compared to budget, operating revenues are about \$0.2 million lower than expectations mainly in contributions, admissions, and membership.

Expenditures for the first 11 months are about the same as prior year. 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 gains 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 – project has been awarded. Expected to begin in late Winter 2020. It will be an 18-24 month project
- repair of the dome theater roof – began in September 2019 and to be completed in late Winter 2020
- Repair of pioneer village - Kilbourn Tunnel project – in process to be completed by October 2019
- 4th floor roof repair/replacement – approved by Capital Improvement Committee and hopefully in final FY2020 county budget
- 300 ton Chiller - approved by Capital Improvement Committee and hopefully in final FY2020 county budget
- 1st floor stairwell/bathroom issues – approved by Capital Improvement Committee and hopefully in final FY2020 county budget

MPM Federally Funded Projects

Dr. Jennifer Zaspel, MPM Research Curator and Head of Zoology Collections, has been awarded a \$4.3 million grant from the National Science Foundation (NSF). Granted funds will support a coordinated 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.

This database, to be known as the Terrestrial Parasite Tracker, will allow scientists to identify parasite-host patterns and make predictions about the future spread of pathogens, including those that cause Lyme disease, West Nile virus, malaria and other diseases. This knowledge may have impacts on topics including human health and safety, agriculture and wildlife conservation.

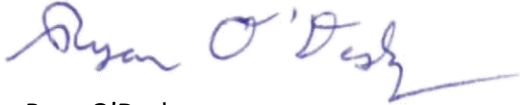
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Reaccreditation

MPM is gearing up for reaccreditation. An internal committee was 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.

Either, Ellen Censky, CEO or I will be happy to take questions during our appearance before the Committees.

Sincerely,



Ryan O'Desky
Senior Vice President of Finance and Operations
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Eleven Months Ended 7/31/19

	YTD	YTD		Prior Year	Prior Year
	Actual	Budget	Dev	Actual	Change
Revenue:					
Contributions	2,012,616	2,514,003	(501,387)	2,131,622	(119,006)
Membership	1,118,555	1,253,469	(134,914)	903,907	214,648
Special Event Revenue	727,770	700,050	27,720	637,148	90,623
Public Support	3,212,249	3,208,333	3,916	3,208,333	3,916
Admissions	2,097,392	2,279,487	(182,095)	2,040,789	56,604
Theatre/Planetarium	254,084	264,371	(10,287)	245,964	8,120
Programs	339,993	299,410	40,583	151,315	188,678
Contributed Services	0	0	0	0	0
Restaurant and Facility Rental	249,987	277,267	(27,280)	305,176	(55,189)
Retail	709,443	642,672	66,771	653,005	56,438
Other income	123,819	97,831	25,987	83,609	40,210
Net Assets released from restrictions	1,397,369	954,284	443,084	1,666,503	(269,135)
Total Unrestricted Revenue	12,243,277	12,491,178	(247,901)	12,027,371	215,906
Operating Expenses:					
Cost of Goods Sold	302,985	271,160	31,826	275,452	27,533
Supplies	770,825	770,139	686	1,011,152	(240,327)
Salaries and Wages	5,276,061	5,669,649	(393,588)	5,214,607	61,453
Benefits	1,415,029	1,542,859	(127,830)	1,321,461	93,568
Travel	215,440	227,316	(11,876)	92,180	123,261
Insurance	63,210	65,872	(2,662)	73,626	(10,417)
Marketing/Public Relations	683,893	808,646	(124,753)	592,556	91,337
Member/Donor Development	57,633	79,246	(21,613)	53,195	4,438
Subscriptions/Memberships	25,326	26,516	(1,190)	26,153	(827)
Maintenance	845,958	774,729	71,229	636,514	209,444
Utilities	907,789	927,941	(20,152)	992,457	(84,668)
Professional Fees	374,044	371,767	2,277	585,998	(211,954)
Interest Expense	25,142	55,439	(30,297)	59,109	(33,967)
Miscellaneous	105,100	152,115	(47,015)	123,989	(18,889)
Sales Tax Expense	1,969	1,675	294	1,571	398
Contributed Services	0	0	0	0	0
Total Operating Expenses	11,070,404	11,745,069	(674,665)	11,060,020	10,384
Inc/(dec) in Unrestricted Net Assets in Operating Items	1,172,873	746,109	426,764	967,351	205,522
Non-Operating Items:					
Investment Earnings	91,442	0	91,442	163,113	(71,671)
Loss on Swap Liability	0	0	0	5,006	(5,006)
Pension & Post Retirement Expenses	(165,000)	(165,000)	0	(99,000)	(66,000)
Depreciation	(1,114,827)	(1,204,161)	89,334	(1,264,484)	149,657
Non-Operating Expense	0	0	0	0	0
Vision Fund Revenue	1,149,154	3,010,000	(1,860,846)	235,435	913,719
Vision Fund Expenses	(320,562)	(264,814)	(55,747)	0	(320,562)
Total Non-Operating Items	(359,793)	1,376,025	(1,735,818)	(959,930)	600,137
Inc/(dec) in Unrestricted Net Assets	813,080	2,122,134	(1,309,053)	7,420	805,660
Changes in Temporarily Restricted Net Assets:					
Contributions	222,295	195,400	26,895	1,645,985	(1,423,690)
Investment Earnings	129,455	0	129,455	226,433	(96,977)
Net Assets released from restrictions for operations	(1,397,369)	(954,284)	(443,084)	(1,666,503)	269,135
Inc/(dec) in Temporarily Restricted Net Assets	(1,045,618)	(758,884)	(286,734)	205,914	(1,251,533)
Changes in Permanently Restricted Net Assets:					
Contributions	1,125	0	1,125	1,100	25
Investment Earnings	4,980	0	4,980	7,489	(2,509)
Net Assets released from restrictions for operations	0	0	0	0	0
Inc/(dec) in Permanently Restricted Net Assets	6,105	0	6,105	8,589	(2,484)
Inc/(dec) in Net Assets	(226,433)	1,363,249	(1,589,682)	221,924	(448,357)
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	14,191,190	15,780,872	(1,589,682)	14,596,353	(405,163)

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 7/31/19

	Consolidated	Consolidated	Consolidated
	<u>7/31/19</u>	<u>7/31/18</u>	<u>8/31/18</u>
Assets:			
Cash and cash equivalents	2,693,876	1,854,184	2,122,890
Investments	366,141	341,669	0
Accounts Receivable	34,165	80,243	47,965
Contributions Receivable -Current	82,373	138,410	1,113,418
Due From Other Funds/Entities	0	0	0
Inventories, net	47,011	44,374	43,370
Prepaid Expenses	57,219	112,062	180,223
Total Current Assets	3,280,786	2,570,943	3,507,866
Other Assets:			
Cash and investments held for endowment	6,149,918	6,168,503	6,133,835
Contributions Receivable - Long Term	696,980	1,738,315	836,980
Total Other Assets	6,846,898	7,906,818	6,970,815
Property & Equipment:			
Construction in Progress	19,987	19,987	19,987
Building Additions	20,848,369	20,676,223	20,848,369
Furniture, equipment and other improvements	13,289,732	13,478,239	13,265,625
Gross Property & Equipment	34,158,088	34,174,449	34,133,981
Less-Accumulated depreciation	(22,970,553)	(20,993,542)	(21,855,726)
Net Property & Equipment	11,187,534	13,180,907	12,278,255
Total Assets	21,315,218	23,658,667	22,756,936
Liabilities and Net Assets:			
Accounts Payable	493,570	481,222	532,601
Accrued Payroll & Benefits	581,087	534,767	704,144
Deferred Revenue	1,327,425	1,553,678	1,224,025
Interest Payable	0	3,015	4,537
Interest Rate Swap Liability	0	0	0
Accrued Postretirement Benefits - Current	165,471	167,002	165,471
Notes Payable - Current	160,000	662,295	1,172,295
Total Current Liabilities	2,727,553	3,401,978	3,803,073
Accrued Postretirement Benefits	4,586,475	5,500,336	4,536,240
Due to Other Funds/Entities	0	0	0
Notes Payable	0	160,000	0
Total Liabilities	7,314,028	9,062,314	8,339,313
Net Assets:			
Unrestricted	7,158,835	6,529,796	6,345,755
Temporarily Restricted	3,237,628	4,278,470	4,283,246
Permanently Restricted	3,794,727	3,788,086	3,788,622
Total Net Assets	14,191,190	14,596,353	14,417,623
Total Liabilities and Net Assets	21,505,218	23,658,667	22,756,936

Milwaukee Public Museum

Consolidated Statement of Cash Flows for the Eleven Months Ended 7/31/19

	YTD	Prior YTD
	<u>Actual</u>	<u>Actual</u>
Operating Activities:		
Increase in net assets	(226,433)	221,924
Adjustments to reconcile net cash flows from operations:		
Depreciation and amortization	1,114,827	1,264,484
Loss on disposal of assets	0	0
Change in value of interest rate swap	0	(5,006)
Unrealized (gain)/loss on investments	(19,566)	69,066
Realized (gain)/loss on investments	(58,546)	(330,392)
Contributions restricted for capital and endowment		0
Changes in operating assets and liabilities:		
Accounts Receivable	13,800	(20,885)
Contribution Receivable	653,045	(775,484)
Inventories and Other Assets	(3,641)	(2,093)
Prepaid Expenses	123,004	(50,652)
Accounts Payable, Accrued Expenses and Accrued Benefits	(111,862)	21,155
Due to Affiliates	0	0
Interest Payable	(4,537)	(5,246)
Deferred Revenue	103,400	462,643
Total Adjustments	1,809,924	627,590
Net cash provided/(used) by operating activities	1,583,491	849,513
Investing Activities:		
Purchases of Property & Equipment	(24,107)	(71,147)
Purchases of Property & Equipment - Restricted	0	(189,729)
Proceeds from Sale of Investments	7,212,992	1,322,519
Purchases of Investments	(7,517,096)	(1,383,786)
Net cash provided/(used) in investing activities	(328,210)	(322,144)
Financing Activities:		
Net proceeds on Notes Payable	0	(390,000)
Proceeds from contributions restricted for capital and endow	328,000	373,000
Net proceeds from Line of Credit	(1,012,295)	(870,000)
Payments on lease obligations	0	0
Net cash provided/(used) in financing activities	(684,295)	(887,000)
Net Inc/(Dec) in Cash and Cash Equivalents	570,986	(359,630)
Cash and Cash Equivalents, beginning of period	2,122,890	2,213,814
Cash and Cash Equivalents, end of period	2,693,876	1,854,184