Established in 1924 as the Tucson Fine Arts Association and becoming a museum with a permanent collection in 1967, The Tucson Museum of Art and Historic Block (TMA) is a not-for-profit, privately funded institution that receives no municipal support. Through the generosity of our members, donors, and community members who provide our funding, our doors have been open for over 90 years, and TMA is able to bring the best of visual arts and culture to the region.

TMA is the region's oldest and largest visual arts institution. The museum cares for more than 8,500 objects in its permanent collection, as well as five historic properties on its four-acre campus. With a mission of Connecting Art to Life, the museum presents a broad range of exhibition and enrichment opportunities with a focus on the primary collection areas of Modern and Contemporary Art, Art of the American West, Latin American Art, European Art, and Asian Art.

The museum is a valuable resource for the Southern Arizona community, not only because of its exhibitions of locally- and nationally-significant artworks but also because of its educational programs involving over 100 schools and organizations throughout the region. Through a variety of programs and the assistance of nearly 3,000 members, four support organizations, and some 600 volunteers, TMA connects art to life for a community that is rich in history but always changing.

Cover image:
Ribbon from Tucson Museum of Art opening ceremony, May 3rd, 1975
## CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Mission</td>
</tr>
<tr>
<td>6</td>
<td>From the Board President</td>
</tr>
<tr>
<td>8</td>
<td>From the CEO</td>
</tr>
<tr>
<td>10</td>
<td>TMALearn</td>
</tr>
<tr>
<td>18</td>
<td>Committed to Preserving Tucson’s History</td>
</tr>
<tr>
<td>20</td>
<td>Curating New Frontiers</td>
</tr>
<tr>
<td>24</td>
<td>Acquisitions</td>
</tr>
<tr>
<td>28</td>
<td>Our Donors: Keeping the Arts Alive</td>
</tr>
<tr>
<td>30</td>
<td>Ambassadors Circle Dinner</td>
</tr>
<tr>
<td>32</td>
<td>Events</td>
</tr>
<tr>
<td>34</td>
<td>Donors</td>
</tr>
<tr>
<td>35</td>
<td>Financials</td>
</tr>
<tr>
<td>36</td>
<td>Board of Trustees</td>
</tr>
<tr>
<td>37</td>
<td>Support Organizations</td>
</tr>
<tr>
<td>38</td>
<td>Staff</td>
</tr>
</tbody>
</table>
MISSION

The Tucson Museum of Art and Historic Block connects art to life, inspiring discovery, creativity, and cultural understanding through meaningful, engaging experiences.

To achieve its mission, the Tucson Museum of Art and Historic Block preserves and interprets its collections of Modern and Contemporary Art, Art of the American West, Latin American Art, European Art, and Asian Art; cares for and interprets five significant El Presidio historic properties; and produces related exhibitions, education programs, and publications which expand understanding and appreciation of these unique community resources.
This was a year of landmark accomplishments at the Tucson Museum of Art and Historic Block. Under the leadership of our new CEO and with the strong support of the Board of Trustees and generous donors, we were very successful in raising the funds we needed to allow us to refocus, redesign, and renovate our gallery spaces and historic properties. Scores of visitors were drawn throughout the year to our dynamic and engaging art installations and education programs. And, we continued to enhance our collection and expand our reach and impact in the community.

Our major exhibitions this year, including From the Modern into the Now: Masterworks from the Kasser Mochary Art Foundation and Body Language: Figuration in Modern and Contemporary Art, were opportunities to experience a range of expression from Rodin to Warhol. And TMA’s permanent collection expanded in important ways through donations including a major collection of Native American portraits by Henry C. Balink, The Bathers, by William Adolphe Bouguereau, and many innovative contemporary works.

This year brought new opportunities and much success, and the explanation for this lies in our continuous focus on programmatic excellence and community relevance—objectives that have guided the museum and enriched the cultural landscape of Tucson for nearly a century. This commitment to excellence and community service explains why TMA consistently ranks as the “Best Art Museum” among Tucson destinations and cultural institutions. And, it will enable the museum to be resilient in the future and to thrive in an environment that is growing more challenging for cultural institutions.

We looked inward this year as well. TMA engaged in a critical assessment of our current operations and our long-term future needs in three primary areas: providing the best service possible to our members and the public both now and in the future; embodying the best practices of successful cultural organizations; and improving our public spaces so we can increase access to our impressive permanent collection and reach new audiences with our programming.

Some of the changes that grew out of this review have been implemented already and may be apparent to visitors. Our first major building renovation in decades was launched and has recently been completed on budget and on schedule. Visitors will be able to “see it again, for the first time” this fall. When the museum reopens, you will notice our new feature gallery, our new and expanded museum store, two admission entrances, and a renovated and enclosed sculpture garden highlighting works from the American West.

We have a strong and active Board of Trustees, and I am very proud of the work accomplished by the Board this year. The fiscal year ended on a sound financial footing, in the black, and we established two new oversight
bodies—the Development Committee and the Investment Subcommittee—to assist the museum in maintaining good fiscal health.

This year, the Board of Trustees was pleased to welcome to its membership Merlin Cohen, Marilyn Joyce, and Sandy Maxfield, who have returned to service on the Board, and Jon Ender, Kit Kimball, and Richard Schaefer. The Board expresses its deep gratitude to the museum staff, volunteers, and support organizations for the hard work, dedication, and creativity they bring to the museum’s operations. They are crucial to the museum’s success.

The achievements of this fiscal year will help carry the museum forward into the future, in furtherance of its mission and consistent with a tradition of excellence. None of this would be possible, of course, without the museum’s members and donors. We thank each of you for your generosity, goodwill, and strong support.

I am honored to be a part of this institution as we all bring it full circle—emphasizing its original exhibition—and education-related mission, while embracing the change needed to ensure that the museum will thrive and be the “best” for generations to come.
What does it mean for the Tucson Museum of Art and Historic Block to come full circle?

Jeremy M. Mikolajczak
Chief Executive Officer
In the heat of July in 2016, as staff planned the transformation of the Tucson Museum of Art and Historic Block, museum staff embarked upon becoming agents of change. Looking at the past while keeping an eye on the future, the idea of “full circle” percolated throughout the year.

In considering the vision for the 2017 fiscal year, three important goals surfaced:

• Define the mosaic of audience participation and reach, with the expectation of expanding in all aspects particularly diversity, opportunity, and access.
• Identify a list of capital projects and organizational priorities that address investment in our fundamental operations of a re-imagined museum.
• Examine TMA’s role as a collecting institution, the interpretation of its collection, and vision for the future—both short and long term—and how we share all of this with the community.

Over the past twelve months, TMA has evolved in leaps and bounds. It proved to be a banner year in fundraising, with more than $1.3 million raised in naming opportunities for reinvestment in our physical property. Through the incredible support of donors including James and Louise Glasser, Frank and Jean Hamilton, Mary Jo Brown, Jon and Linda Ender, Joyce Broan, and the late Marjorie Moore, among others, the Museum found itself standing on a strong financial foundation with an energy not felt since the mid-1970s.

TMA’s recent evolution is not only financial; this year the museum began conceptualizing how the museum can reach new and nontraditional audiences and provide new cultural opportunities. With the support of the National Endowment for the Arts and RBC Wealth Management Foundation, TMA launched its Free First Thursday’s program, offering free admission and collaborative programming to over 300 visitors every month. The museum’s education department, TMALearn, reexamined the role of the historic properties, and with a grant from Bank of America Foundation, was able to tell the stories of the barrio through a new educational installation in La Casa Cordova. Midyear, TMA’s curatorial staff began the significant undertaking of reinterpreting the museum’s permanent collection—a project that will come to full realization in the upcoming months.

The Tucson Museum of Art and Historic Block is coming full circle, with the evolution of its vision and achievement in its programs. With the passion of a forward-looking 21st century institution, the museum can’t wait to share our bright future.
TMALEARN, REACHING NEW AUDIENCES

<table>
<thead>
<tr>
<th>NETWORK CONNECTIONS ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>165</td>
</tr>
<tr>
<td>Total unique participants</td>
</tr>
<tr>
<td>244</td>
</tr>
<tr>
<td>Exposures to art</td>
</tr>
</tbody>
</table>

TMALearn is the museum’s education department which makes meaningful connections between art and the intellectual and emotional world of our visitors and program participants. The department aims to make the museum a pertinent part of the lives of community members, by teaching relevant skills involving creativity, critical thinking, and civic and global awareness.

To this end, TMALearn created the Network Connections initiative with programming designed for immigrants and refugees as well as community organizations providing services to these demographics. Funded by a Museums for America grant of $92,500 from the Institute of Museum and Library Services Network Connections strengthens the museum’s role as a civic partner, advocate, and cultural institution. With this IMLS support, TMALearn was able to offer its first fully Spanish-language programming. For the next two years TMALearn educators will lead community forums and conversations and professional development workshops, and build new programs.

Providers involved with Network Connections engage people from Afghanistan, Bhutan, Brazil, Burundi, Chile, China, Cuba, El Salvador, Ethiopia, Guatemala, Iran, Iraq, Mexico, Nepal, Republic of Congo, Russia, Rwanda, Somalia, Sudan, Syria, and Venezuela. Together we are serving over 920 people in Tucson.
“The museum is... quiet inside, interesting, awesome, culture, inspiring, knowledge. It reflects what you feel in the art.”

—Reflection from 2017 IMLS Network Connections Participant
“The museum is... historical and very interesting and you can learn about art and past events. Wonderful. It represents things of different times and cultures. A new world to discover about art and how it has been changing with time.”

—Reflection from 2017 IMLS Network Connections Participant

TMA HANDMADE

In 2016, TMA Learn received a National Endowment for the Arts (NEA) Challenge America grant and funding from RBC Foundation to expand our Free First Thursday program with a project called TMA Handmade. This program enabled the museum to enhance five unique events. Working with local artists Elizabeth Burden, Kimi Eisele, Eli Burke, Gary Setzer, and Farid Matuk, TMA Learn created a unique visitor experience sharing the vision and work of these artists. TMA Learn carefully selected these artists from various backgrounds, subjects, and mediums to produce different community events celebrating our regional culture.

TMA HANDMADE ATTENDANCE FEBRUARY – JUNE 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2, 2017</td>
<td>296</td>
</tr>
<tr>
<td>March 2, 2017</td>
<td>312</td>
</tr>
<tr>
<td>April 6, 2017</td>
<td>341</td>
</tr>
<tr>
<td>May 4, 2017</td>
<td>285</td>
</tr>
<tr>
<td>June 1, 2017</td>
<td>261</td>
</tr>
</tbody>
</table>
“Becoming a TMAlearn docent was the best decision I have made in my retirement and was an almost organic choice after watching my mother Marita Larkin, who was a docent for 45 years, provide Art Talks in our community. She believed that these opportunities served the essential function of embedding art into everyday life, and provided a connection between family members, students, and members of our community.

—Susie Heintz, Docent Class of 2006

DOCENT COUNCIL

Derived from the Latin word docere, the word “docent” means “to teach.” Docents bring art and art-related experiences to school children, museum visitors, and the local community through a wide selection of tours and enrichment programs.

Susie Heintz, in the Marita Larkin Patio
SECOND SUNDAZE

Expanding upon another free community program, TMALearn reimagined their long-standing first Sunday program Picture This! Art for Families into a daylong family event called Second SundAZe presented by The Stonewall Foundation. Second SundAZe were held every second Sunday of the month and were free for residents of Arizona and Sonora, Mexico. This program has been modified to create a day full of hands-on art making experiences, demonstrations, and performances.

2016-2017 SECOND SUNDAZE STATISTICS

<table>
<thead>
<tr>
<th>Date</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 10, 2016</td>
<td>70</td>
</tr>
<tr>
<td>August 14, 2016</td>
<td>68</td>
</tr>
<tr>
<td>September 11, 2016</td>
<td>285</td>
</tr>
<tr>
<td>October 9, 2016</td>
<td>223</td>
</tr>
<tr>
<td>November 13, 2016</td>
<td>125</td>
</tr>
<tr>
<td>December 11, 2016</td>
<td>112</td>
</tr>
<tr>
<td>January 8, 2017</td>
<td>248</td>
</tr>
<tr>
<td>February 12, 2017</td>
<td>237</td>
</tr>
<tr>
<td>March 12, 2017</td>
<td>219</td>
</tr>
<tr>
<td>April 9, 2017</td>
<td>149</td>
</tr>
<tr>
<td>May 14, 2017</td>
<td>411</td>
</tr>
<tr>
<td>June 11, 2017</td>
<td>219</td>
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</tbody>
</table>

FY 2017 COMMUNITY COLLABORATIONS

Academy Math and Science
Academy Village
ActOne
Agua Caliente Elementary School
AIA Arizona
Alzheimer's Association, Desert Southwest Chapter
Arizona State Museum
Arts for All
Arts Foundation for Tucson and Southern Arizona
Assurance Health and Wellness Center
ASU Art Museum
Ballet Rincon
Banks Elementary
BASIS Tucson North
Booth Fickett Magnet School
Borderlands Theater
Borton Magnet
Buena High School
CALTA21
Canyon del Oro High School
Carden of Tucson
Carrillo K-5 Magnet School
Casa de los Ninos
Castlehill Country Day School
Catalina Foothills Community Schools
Cavett Elementary
Children's Museum Tucson
Cholla Magnet High School
Cine Mexico

Cinema La Placita
City High School
Civano Community School
Community Foundation
CommunityShare
Continental Elementary
CopperView Elementary
Cottonwood Art Club
Country Club at La Cholla
Coyote Trail Elementary
Cyclovia
Davis Bilingual Elementary School
Desert Willow School Age Program
Emily Gray Junior High School
Empire High School
Erickson Elementary
Esmond Station Iron Horses K-8
Estes Elementary
Field Trip Adventurers
Florence Immigration Project
Flowing Wells CATS Program
Flowing Wells High School
Foothills Forum
Gale Elementary
Gladden Farms
GracePointe Christian Academy
Grandma's Spinning Wheel
Green Valley Forum/Desert Hills Center
Grijalva Elementary
Harelson Elementary
Hendricks Elementary
Heritage Highlands at Dove Mountain
Hermosa Montessori
Highland Free Elementary
Howell Elementary
Imago Dei Middle School
International Rescue Committee, Tucson
Ironwood Elementary
Jacobs/City YMCA
Jaguar Project
Jewish History Museum
Johnson Primary
Joyner-Green Valley Library
Kellond Elementary
Lawrence Intermediate School
Legacy Traditional School
Lineweaver Elementary
Literacy Connects
Los Amigos
Los Ninos Elementary School
Lulu Walker Elementary School
Mansfeld Middle School
Mariachi Milagro
Mexicayotl Academy
Museum of Contemporary Art
Tucson
Myers-Ganoung Elementary
New Discoveries Preschool
Office of the Pima County School Superintendent
Oracle School District
Osher Lifelong Learning Institute
Owl & Panther
Oyama Elementary
Picture Rocks Intermediate School
Pima Air & Space Museum
Ppep Tech (Compu Girls)
Presidio School
Quail Run Elementary
Rattlesnake Ridge Elementary
Reid Park Zoo
Rincon Vista Middle School
River Duesenberg Library
Roadrunner Elementary
Robins Elementary
Rose Elementary
Roskke K-8
Safford Magnet K-8
Salpointe Catholic High School
Sam Hughes Elementary
School Choice Week
Sewell Elementary
Soleng Tom Elementary
Sonoran Glass School
Southern Arizona AIDS Foundation
St. John the Evangelist
St. Michael's School
Stories that Soar/Literacy Connects
Summit View Elementary
Sun City Learning Centre
Sun City Vistoso Library
Sunnyside Unified School District
The CENTER/Refugee Focus
The Forum
The Fountains at La Cholla
The Gregory School
The Mini Time Machine
The Sky Island Alliance
The Southwestern Blind Rehabilitation Center
The University of Arizona Museum of Art

“With school budget cuts, our children are losing many programs, with maybe the exception of writing, that help us to become well-rounded and creative individuals.”

—Mary Ohrazda, Docent Class of 1990
## K-12 Programs

The Museum offers a variety of programs for K-12 students to learn about art, history, and culture, including docent-led tours, hands-on art projects, and classroom opportunities. The museum has been providing such programs and tours for students led by TMALearn docents for 30 years.

### 2016-2017 Programs Totals

<table>
<thead>
<tr>
<th>Category</th>
<th>Participants</th>
<th>Exposures to art</th>
<th>Individual schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,424 Participants</td>
<td>18,655</td>
<td>92</td>
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### 2016-2017 School Tours

<table>
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<tr>
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<th>Students</th>
<th>Individual schools</th>
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</thead>
<tbody>
<tr>
<td>2,498 Students</td>
<td>55</td>
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### 2016-2017 In-School

<table>
<thead>
<tr>
<th>Category</th>
<th>Participants</th>
<th>Exposures to art</th>
<th>Individual presentations</th>
<th>Individual schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,569 Participants</td>
<td>9,027</td>
<td>351</td>
<td>52</td>
<td></td>
</tr>
</tbody>
</table>

### 2016-2017 Other K-12 Programming

<table>
<thead>
<tr>
<th>Category</th>
<th>Students</th>
<th>Exposures to art</th>
<th>Individual schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>256 Students</td>
<td>4,130</td>
<td>6</td>
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La Casa Cordova is among the oldest extant structures in Tucson, and the oldest intact structure in El Presidio Historic District. It was constructed prior to the Gadsden Purchase of 1854, when Arizona became a territory of the United States. La Casa Cordova is one of few buildings to survive Tucson’s 1960’s urban-renewal projects, when many old buildings were demolished, erasing remnants of the City’s history.

After months of renovation, research, and community outreach, the museum opened Tucson’s Changing Landscape, an educational exhibition within La Casa Cordova. The program explores the history of the neighborhood, the building, and the families who lived there, and tells their stories. Fernando Cordova, the son of one of the home’s original tenants, Maria Cordova, participated in the June 9, 2017 opening celebration.

Today, the Tucson Museum of Art and Historic Block serves as the steward of five properties listed on the National Register of Historic Places, including La Casa Cordova, the Fish House (part of the John K. Goodman Pavilion), the Stevens/ Duffield House (which houses Café a la C’Art), the J. Knox Corbett House, and the Romero House (Romero House Potters). Visitors are welcome to explore the grounds and learn about their individual, unique histories.

This year TMA received a $10,000 grant from the Bank of America Foundation in support of the critical first phase of a renovation and access plan for La Casa Cordova: ensuring the building envelope is sealed and safe, the curation and installation of an engaging exhibition for the space, and the creation of a part-time Exhibition Specialist position to expand public access and programming.
The curatorial staff strives to achieve the highest museum standards with a focus on three objectives: mission relevance, artistic excellence, and accessibility. To this aim, staff conducts exhaustive research to make sure that exhibitions and new acquisitions to the permanent collection have the potential to impact the lives of each visitor.

A cornerstone of the museum’s permanent collection, the European collection, traces its origins back to the founding of the museum in 1967 when the former Tucson Fine Arts Association started a permanent collection based on several significant donations. The museum’s collection of European Art now includes over 115 works from the 15th through the 20th centuries—including works by Honoré-Victorin Daumier, André Derain, Johann Georg Edlinger, Henri Matisse, Pablo Picasso, Bartolomeo Pinelli, and Pieter Wouwerman, among many others.

In June, the Tucson Museum of Art and Historic Block was pleased to announce that it has been awarded a bequest of a late-1800s painting by French artist William-Adolphe Bouguereau. The donation of the oil on canvas painting, Bathers, was made by the Katheryne B. Willock Trust. Paintings by Bouguereau can be found in collections throughout the United States and worldwide including the Art Institute of Chicago, the Musée d’Orsay in Paris, the Brooklyn Museum in New York, and the Los Angeles County Museum of Art.

This new acquisition has prompted the planning of a new gallery of European art which will bring works from that founding collection to light once again. Bathers is now a quintessential work in the European Art collection.

“The museum is... excellent, amazing, interesting, for adults and children too, so many treasures from the past, a place to appreciate others’ creations and inspirations. A special place.”

—Reflection from 2017 IMLS Network Connections Participant
EXHIBITIONS OF THE 2016—2017 SEASON

The exhibitions offered at TMA are thoughtfully conceived and organized to reflect the Museum’s mission of Connecting Art to Life. Well-versed in national standards and scholarship in their respective fields, in 2016–2017, the curators presented works of art that were new to many visitors. These exhibitions included works from two private collections, little-seen paintings and objects from the permanent collection, an in-depth survey of a single artist, and two large group exhibitions. The two feature exhibitions provided viewers with carefully selected works from around the country that examined both the power of the human figure to communicate and machines that have propelled the West from wilderness to settled and domesticated places of possibility. In each of these exhibitions, concepts of beauty, history, and culture were presented with accessible interpretive materials to enhance the visitors’ experiences.

SEASON EXHIBITION SPONSORS

Season Exhibition Sponsorships support a broad spectrum of Museum exhibitions and programming. Our Season Sponsors are critical to the success of the Museum.

• Tucson Museum of Art Board of Trustees
• Connie Hillman Family Foundation
• James and Louise Glasser
• Anne Y. Snodgrass
• Frank and Jean Hamilton
• Jon and Linda Ender
• Blue Cross Blue Shield of Arizona
1. **THE SPLENDORS OF WOVEN ART: ORIENTAL RUGS AND TEXTILES FROM THE REZA AMINDAVAR COLLECTION**  
   July 23 – October 2, 2016

2. **HENRY C. BALINK: NATIVE AMERICAN PORTRAITS**  
   August 27, 2016 – July 9, 2017

3. **A TRAVELER AND HIS TREASURES: THE PETER P. CECERE COLLECTION OF LATIN AMERICAN FOLK ART**  
   August 27, 2016 – July 9, 2017

4. **ON THE CUSP: MODERN ART FROM THE PERMANENT COLLECTION**  
   August 27, 2016 – July 9, 2017

5. **POETIC MINIMALISM**  
   August 27, 2016 – July 9, 2017

6. **FROM MODERN INTO THE NOW: MASTERWORKS FROM THE KASSER MOCHARY ART FOUNDATION**  
   August 27, 2016 – July 9, 2017

7. **THE NEW WESTWARD: TRAINS, PLANES, AND AUTOMOBILES THAT MOVE THE MODERN WEST**  
   October 15, 2016 – February 12, 2017

8. **BODY LANGUAGE: FIGURATION IN MODERN AND CONTEMPORARY ART**  
   February 25 - July 9, 2017
ACQUISITIONS

The permanent collection of the Tucson Museum of Art and Historic Block represents the inner core of the museum and its legacy for the future. It forms the foundation for the museum’s exhibition and interpretation programs, dedicated to the noteworthy art of Arizona, the Southwest, and communities beyond, while making connections to national and international art movements.

MODERN AND CONTEMPORARY ART

Gift of M. Anne Sires
John Stuart Gibson, Double Maori: Red and Yellow, 1999, oil on panel

Gift of Ellen Wagener
Ellen Wagener, Twisted Sisters, 2015, pastel
Ellen Wagener, Twisted Sisters, 2015, pastel

Gift of Galleria Ca’ d’Oro of Artist
William Sweetlove, Cloned Blue Crocodile with Petbottle, 2012, fiberglass
William Sweetlove, Cloned Giant Red Bird, 2007, fiberglass
William Sweetlove, Cloned Father Pig with Boots, 2007, fiberglass
William Sweetlove, Cloned Red Schnauzer, 2006, fiberglass

Gift of Dan Leach
Catherine Courtenaye, Marigold Orange with Three Hats, 1989, mixed media on paper
Robert Zakanitch, Fat Angels Serenading on a Vessel, 1982-1983, acrylic on paper
Carrie Marill, Sunburst Quilt, 2007, acrylic on linen

Gift of the American Academy of the Arts and Letters. New York; Hassam, Speicher, Betts, and Symons Funds
Peter Acheson, Votive, 2015, oil on canvas, mixed media

Keith Carter, Cypress Swamp #2, 2013, wet plate collodion tintype 2/15

Gift Desert Triangle Print Carpeta
Pavel Acevedo, Black Veil (60 fuy), 2016, relief print, 15/50
Cristina Cardenas, Medusa, 2016, serigraph, 15/50
Michael Contreras, Encierro, 2016, relief print, 15/50
Mark Christian, False Idols Win Titles, 2016, woodcut, 15/50
Gonzalo Espinosa, Duena de las
Chichis, 2016, serigraph, 15/50
Joe Marshall, I See the West Reflected in Your Face, 2016, serigraph, 15/50
Lauren Moran, Final Thoughts Before the Reconstruction, 2016, relief print, 15/50
Ruben Urrea Moreno, Before Migration, 2016, woodcut, 15/50
Tanya Rich, Receive the Desires of Your Heart, 2016, serigraph, 15/50
Rich Rogowski, Lineup, 2016, serigraph, 15/50
Mykl Wells, Santa Muxe, 2016, serigraph, 15/50
Nanibah Chacon, +++ (three crosses), 2016, serigraph, 15/50
Karl Whitaker, La Chulada, 2016, serigraph, 15/50
Henry Morales, Southwest Pachamama, 2016, woodcut, 15/50
Jesus Alvarado, Esto es un Rio, 2016, serigraph, 15/50
Chris Bardey, Rogues' Gallery: Artists vs Robots, 2016, serigraph, 15/50
Francisco Delgado, Lastima Mar—garito, 2016, linocut, 15/50
Manuel Guerra, Se Queman los Aguacates, 2016, lithograph, 15/50

Jellyfish Colectivo, Recargado sobre el Borde, 2016, serigraph, 15/50
Los Dos, El Gallo, 2016, serigraph, 15/50
Raul Monarrez, El Diablo es Bien Diablo, 2016, serigraph, 15/50
Victor Muheddine, Ugly Arab, 2016, serigraph, 15/50
Albert Ortega, Our Heritage Future, 2016, serigraph, 15/50
Matthew Poe, Ole, 2016, serigraph, 15/50
Zeke Pena, A Nomad in Love, 2016, serigraph, 15/50
Tim Razo, Enigmatic Ascending Society, 2016, serigraph, 15/50
Federico Villalba, Bici Rider #1 of Saipan, 2016, serigraph, 15/50
Yorch, Presa es la Frontera, la Frontera Te Apresa, 2016, serigraph, 15/50

Gift of Shelley Kasle
Tony Martin, Sandia, c. 1972, oil on canvas
Donated in memory of Benny Allen from Charles and Moira Geoffrion
Arturo Alonzo Sandoval, Joseph's Cloak: Variation on Magritte, 1980, woven movie film, mylar, Rhoplex on paper

Gift of Andrew Polk
Andrew Polk, Hysterical Momentum, 2007, acrylic on board

Gift of Mabel Dean
Edwin Scheier, Plate with three figures, 1960–1969, ceramic
Edwin Scheier, Plate with a large crowned figure, 1960–1969, ceramic
Edwin Scheier, Vessel with a Man in Feline's Mouth, 1962, ceramic
Edwin Scheier, Madonna Sculpture, 1960–1969, ceramic

Gift of Douglas Morgan
Douglas Morgan, Mountain Classic, 2015, oil on canvas board

Gift of Razelle and Robert Stempel
Mike Larsen, Rawhide, acrylic on canvas

Gift of Richard A. Small

Bequest of the Estate of Mr. Robert Hartman
Michael Ewing, Just Arrived, 1962, oil on canvas
Ray Swanson, Noon Feeding, c. 1970s, oil on Masonite

Gift of Anne Coe
Anne Coe, Kick Off Time, 2016, acrylic on canvas

Gift from Kevin Rowe and Irene Vitos Rowe
Don Crowley, Blessing of the Shield, 2004, oil on canvas

ART OF THE AMERICAN WEST

Gift of James and Louise Glasser
George Molnar, Canyon Shadows, 2010, oil on linen

Gift of Jackie Manning
Harley Brown, Little Sister, 2014, pastel

Gift of Norma F. Kafer and James H. Gordon
Albert Lujan, Taos Pueblo North House, Taos New Mexico, 1915-1920, oil on canvas board

Gift of Dede Rogers
Bob Wade, Cowgirls & Harleys, 2016, acrylic on digital canvas

Gift of Charlene Cody
Bruce Cody, American Reflections, 2010, oil on linen

Gift of Dennis Ziemienksi
Dennis Ziemienksi, Over the Underpass, 2010, oil on canvas
FOLK ART

Gift of Gloria Giffords
Guadalupe Gastelum Leyve, Cobija (Striped), 1980, Brazilwood red, brown, natural white home spun wool
Placida Cosari, Diamond Twill, Cobija Blanket, 1978, brown and black, natural white home spun wool
Juanita Guamea, Plain Tapestry Weave Serape Blanket, 1979, natural dye home spun wool
Genara Yocupicio, Plain Tapestry Weave Serape Blanket, 1978, natural white, brown and black home spun wool
Petra Yocupicio, Serape Blanket, 1978, natural white, black, blue home spun wool
Clara Leon, Brown and Yellow Plaid Faja (Sash), 1979, home spun wool
Clara Leon, Yellow, brown and Black striped Faja (Sash), 1979, home spun wool
Artist Unknown, Saddle Blanket, 1980, natural white, black, brown home spun wool
Cleofes Vigil, San Isidro (Isidore the Farmer/San Isidro Labrador), 1972, wood, hide, twine, horn, hat
Gift of Norma F. Kafer and James H. Gordon
Unknown Tinsmith, Tinwork Frame with engraving of Saint Antonius (Saint Anthony of Padua), 1880, tin, glass, engraving
Unknown Tinsmith, Tinwork Candle Sconce, 1880-1890, tin
Unknown Tinsmith, Tinwork Candle Sconce, 1880-1890, tin

CONTEMPORARY NATIVE AMERICAN ART

Gift of James Wittenberg
Alton Komalestewa, Melon Vessel, clay
Dan Lomahaftewa, Untitled, 1993, lithograph

EUROPEAN ART

Bequest of the Estate of Katheryne B. Willock
William Adolphe Bouguereau, Bathers, 1878, oil on canvas

OUR DONORS: KEEPING THE ARTS ALIVE

2016-2017
TMA LEADERSHIP CIRCLE
LECTURE SERIES IN REVIEW

SEPTEMBER
The Tucson Museum of Art and Historic Block’s Leadership Circle, in collaboration with the Tucson Museum of Art’s Latin American Art Patrons, welcomed Peter P. Cecere to present A Traveler and His Treasures: A Conversation with Peter P. Cecere, an informal conversation between Dr. Julie Sasse, Chief Curator, Curator of Modern, Contemporary, and Latin American Art, and Peter P. Cecere, an avid collector of folk art. From 2000 through 2010, Mr. Cecere donated hundreds of works of folk art from across Latin America.

NOVEMBER
The Tucson Museum of Art and Historic Block’s Leadership Circle hosted Dr. Carol Damian: Fernando Botero Meets Art History. Dr. Damian presented Botero the artist, as he meets his historical protagonists in unique personal interpretations. Known for his robust forms, renowned Colombian artist Fernando Botero has produced several series over his long career that address the political, social, historical, and stylistic subjects that have inspired and provoked him. One of his favorite subjects is art history, and he especially enjoys placing himself within famous works of art, becoming both the voyeur and the actor.

MARCH

APRIL
The Tucson Museum of Art and Historic Block’s Leadership Circle welcomed Maron Hindman of Leslie Hindman Auctioneers, one of the nation’s leading auction houses. Ms. Hindman and team led a conversation on the importance of understanding actual market value as well as significant trends in the auction world with reference to beautiful and unusual works of art, important estate jewelry, and collections that stand out above the rest.
THE RELAUNCH OF AN IMPORTANT GROUP

Leadership Circle is TMA’s foremost philanthropic membership group and makes an incredible difference for supporting and sustaining Tucson Museum of Art’s permanent collection, exhibitions, and programs. Leadership Circle includes Ambassadors Circle and Director Circle members.
The Ambassador Circle Lifetime Achievement Award, first presented in 2017, celebrates the career of an artist, patron, or community member, who, among other distinctions, has demonstrated a particular commitment to the advancement of the Tucson Museum of Art and Historic Block and Southern Arizona Arts community.

The Tucson Museum of Art was pleased to present Jim Waid, with the first Ambassador Circle Lifetime Achievement Award. Jim Waid is a painter and has lived and worked in Tucson for over 40 years. His work has been exhibited in galleries and museums around the country and is in several public collections including the Tucson Museum of Art, the Phoenix Art Museum, the Scottsdale Museum of Contemporary Art, and the Metropolitan Museum of Art in New York City. The Tucson Museum of Art and Historic Block currently holds 14 works by Jim Waid. His painting Synchroneity will be included in the forthcoming reinstallation of museum’s permanent art collection.

“Over the more than 30 years of being an active member of the Tucson Museum of Art I have witnessed many changes. Now an energetic administration & staff are producing a dramatic re- visioning of the museum that will feature the collection in new settings that will allow us to see our old favorites, as well as temporary exhibitions, in a new light. It is intriguing and exciting... I can’t wait to see it.”

—Jim Waid, artist and 2017 Ambassador Circle Lifetime Achievement Award recipient
The Tucson Museum of Art and Historic Block hosted five major benefit events throughout the year—Culture Cocktails + Craft, Fall and Spring Artisans Markets, Golf fore the Arts, and Crush Gala. In line with the museum’s mission, each event helps raise funds to support the museum and provide opportunities for the community to enjoy TMA through various opportunities.

Crush Gala, the museum’s most prominent and signature fundraising event, celebrates TMA’s yearly accomplishments and raises significant funds for the museum’s exhibition and education programs. Featuring a seated dinner and live auction, it is the most glamorous night at the museum.

**CULTURE, COCKTAILS + CRAFT NUMBERS**

<table>
<thead>
<tr>
<th>Visitors</th>
<th>Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>425</td>
<td>$20,743</td>
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**ARTISAN MARKETS NUMBERS (SPRING & FALL)**

<table>
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<th>Visitors</th>
<th>Net revenue</th>
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<tr>
<td>10k</td>
<td>$66,080</td>
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**CRUSH GALA NUMBERS**

<table>
<thead>
<tr>
<th>Visitors</th>
<th>Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>350</td>
<td>$257,468</td>
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</tbody>
</table>

**GOLF FORE THE ARTS**

<table>
<thead>
<tr>
<th>Participants</th>
<th>Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>$6,286</td>
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</tbody>
</table>
THANK YOU TO THE FOLLOWING DONORS

$100,000+
In Memory of Marjorie Moore
Mary Lou Wood Estate
James & Louise Glasser
The Tucson Museum of Art League

$50,000 TO $99,999
Alice & Paul Baker
Mary Jo Brown
Michael & Christine Hanson
Institute of Museum and Library Services
Connie Hillman Family Foundation
I. Michael & Beth Kasser
The Tucson Museum of Art
Contemporary Art Society

$25,000.00 TO $49,999.99
Arizona Commission on the Arts
Jon & Linda Ender
Frank & Jean Hamilton
The Stonewall Foundation

$10,000 TO $24,999.99
Bank of America
Joyce G. Broan
Casino Del Sol Resort
JP Morgan Chase Bank-CPC Services
Kautz Family Foundation
Lenore Hanauer Foundation
Christina & Randall Maddox
Sandra C. Maxfield
Patricia Carr Morgan & Dr. Peter F. Salomon
National Endowment for the Arts
Steven & Doris Ratoff
Anne Y. Snodgrass
The Tucson Museum of Art
Western Art Patrons
The Tucson Museum of Art Latin American Art Patrons

$5,000 TO $9,999.99
Amy & Bob Adams
Imago Dei Middle School
Bank of the West
Blue Cross-Blue Shield of Arizona
BMO Private Bank
Michael Bylsma & Mark Flynn
Cambria Company LLC
Samuel & Beatrice Ellis/James Huntington Foundation
Jeff & Anne Gartner
Joan Ashley Hodgell Revocable Living Trust
Joan Jacobson
Marilyn & Clayton R. Joyce
Kitay Family Foundation
Long Realty Foundation Cares
Anne & Ed Lyman
Charles Northrup
RBC Foundation
Nancy K. Strauss
Alan Willenbrock & Peggy Jones

$2,500 TO $4999.99
Harrington & Connie Bischof
Frank & Janice Cicero
The Honorable Jean S. Cooper
Tim & Myra Dunne
Vance Falbaum & Tammy Caillet-Falbaum
Katherine Gregg & Maureen Metcalfe
John & Aline Goodman
Sheryl Greenberg
Stewart, Howard & Ellen Howlett/AGM Container Controls Inc.
Linda Immerman-Stoffers & Bill Stoffers
Christina & Peter Lo fgren
Doug & Laura Mance
Marshall Foundation
Stuart J. Meinke
Monark Premium Appliance
John & Helen Murphey Foundation
Bobby Present & Deborah Oseran
Lewis Roca Rothgerber LLP
Richard & Stella Schaefer

$1,000 TO $2,499.99
Jim & Fran Allen
Betsy & Frank Babb
Beach Fleischman
Debe Campos-Fleenor/
The museum ended the fiscal year 2017 with an overall surplus of more than $1.1 million, vastly improved over the fiscal year 2016’s deficit of $389 thousand. More than $1 million in naming opportunities were pledged, of which more than $200 thousand was received. 90% of the naming opportunities were completed in the fiscal year 2017, with the remaining pledges confirmed for the fiscal year 2018. The naming opportunity would not have been possible without the support of the following donors: James and Louise Glasser, Frank and Jean Hamilton, Mary Jo Brown, Joyce Broan, Paul and Alice Baker, Burt and Brenda Lazar, Jon and Linda Ender, and TMA’s Contemporary Art Society.

The museum had a banner year for unrestricted contributions and grants totaling more than $1.9 million, more than double what the museum received in the fiscal year 2016. TMA received major grants from the Institute of Museum Library Services (IMLS), National Endowment for the Arts (NEA), Bank of America Foundation, Arizona Commission on the Arts, and the RBC Foundation. Furthermore, we would like to recognize and thank the estate of Marjorie Moore for the generous bequest in her honor. Investments in TMA’s four-acre campus amounted to $146 thousand in the fiscal year 2017, representing primarily the start of renovations to the main building and John K. Goodman Pavilion, the transition of the museum grounds to xeriscape plants, and the continuing of maintenance of the museum’s five historic properties.

Our CEO’s vision for the museum is being realized. The new exhibition format, investment in property, and new revenue opportunities are driving the museum to a sustainable future. TMA is poised to build on the excellent results seen in its first year of revitalization and is well on its way to achieving impressive financial strength. We applaud and thank the museum’s Finance Committee, chaired by Trustee Steven Ratoff, and it’s Development Committee, chaired by Trustee Mary Jo Brown, for stewarding the Museum’s fiscal success and stability.

Alan Hershowitz, Chief Operating Officer
BOARD OF TRUSTEES

Michael Bylsma
President

Michael Hanson
Immediate Past President

Frank Hamilton
Vice President

Steven B. Ratoff
Treasurer

Mary Jo Brown
Secretary

Amy I. Adams
Larry Adamson
Joyce Broan
Merlin Cohen
The Honorable Jean Cooper
Joan Jacobson
Mike Jette
Marilyn Joyce
I. Michael Kasser
The Honorable Steve Leal
Sandra Maxfield
Richard A. Schaefer
Anne Y. Snodgrass

TRUSTEES EMERITI

Andy Anderson
Joyce Anicker
Alice Baker
James Glasser
John K. Goodman
Dr. John Schaefer

EX-OFFICIO MEMBERS

Carol Deters
Latin American Art Patrons, President

Jeffrey Gartner
Western Art Patrons, President

Moira Geoffrion
Contemporary Art Society, President

Betsy Parlato
Docent Council, President

Judy Pease
Tucson Museum of Art League, President

Jeremy Mikolajczak
Chief Executive Officer
SUPPORT ORGANIZATIONS

CONTEMPORARY ART SOCIETY
Established in 1999, the Contemporary Art Society fosters a greater community awareness of the role contemporary art plays in the region’s cultural identity.

LATIN AMERICAN ART PATRONS
Latin American Art Patrons is dedicated to the support and expansion of the Museum’s Latin American Art exhibits, publications, and educational presentations. It provides acquisition funds to expand the permanent collection which encompasses the pre-Columbian, Spanish Colonial, and contemporary periods, as well as a strong representation of folk and indigenous art.

TUCSON MUSEUM OF ART LEAGUE
The Tucson Museum of Art League is a vibrant group sharing a passionate interest in the arts, and supporting the Museum through a variety of events and fundraising activities in support of the Museum.

WESTERN ART PATRONS
Founded in 2007, the Western Art Patrons support the acquisition, conservation, and exhibition programs of the Western Art curatorial department—encompassing historical and contemporary western expressions, as well as the important aesthetic contributions of our Native American cultures.
STAFF

Jeremy Mikolajczak  
Chief Executive Officer

Amelia Francesco  
Administrative Assistant

Denisse Brito  
Executive Administrative Assistant

Christopher Gordon  
Chief Financial Officer

Katherine Wehde  
Accounting Associate

Andra Allen  
Director of Accounting & HR

Justin Germain  
Museum Store Manager

Aubree Zdanovec  
Assistant Retail Manager

Dave Hopkins Jr  
Chief of Building, Grounds & Security

Jeremiah Grahn  
Building & Grounds Assistant

Russell Bos  
Security Supervisor

Jessica Nenadic  
Events & Development Director

Alba Rojas-Sukkar, CFRE  
Chief Development Officer

Nancy Weant  
Grants Manager

Katie Beaty  
Membership & Development Associate

Debra Zeller  
Board Liaison & Development Assistant

Kelly Wiehe  
Director of Communications & External Affairs

Jordan Bohannon  
Marketing & Digital Content Coordinator

Christine Brindza  
James & Louise Glasser Curator, Art of the American West

Julie Sasse, Ph D  
Chief Curator & Curator of Modern, Contemporary, & Latin American Art

Rachel Adler  
Collections Manager/Registrar

David Longwell  
Preparator

Kendall Crabbe  
Museum Educator

Marianna Pegno  
Curator of Community Engagement

Morgan Wells  
Curator of Education
INDEPENDENT AUDITOR’S REPORT

Board of Trustees
Tucson Museum of Art and Historic Block, Inc.

Report on Financial Statements
We have audited the accompanying financial statements of Tucson Museum of Art and Historic Block, Inc. (Museum) which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tucson Museum of Art and Historic Block, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
April 23, 2018
### TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.
### STATEMENTS OF FINANCIAL POSITION
### JUNE 30, 2017 AND 2016

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$46,425</td>
<td>$46,425</td>
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<tr>
<td>Receivables</td>
<td>$138,910</td>
<td>$161,402</td>
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<tr>
<td>Museum Shop Inventory</td>
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<td>$15,254</td>
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<td>Prepaid Expenses</td>
<td>$33,817</td>
<td>$27,495</td>
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<td>Other Assets</td>
<td>$9,501</td>
<td>$9,501</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>$256,180</td>
<td>$260,077</td>
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<tr>
<td><strong>Assets Whose Use Is Restricted:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,537,793</td>
<td>$1,627,870</td>
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<tr>
<td>Receivables</td>
<td>$824,666</td>
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<tr>
<td>Investments</td>
<td>$1,711,167</td>
<td>$1,524,125</td>
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<td><strong>Total Restricted Assets</strong></td>
<td>$4,073,626</td>
<td>$3,151,996</td>
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<tr>
<td><strong>Fixed Assets, Net</strong></td>
<td>$3,383,488</td>
<td>$3,427,008</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$7,713,294</td>
<td>$6,839,081</td>
</tr>
</tbody>
</table>

#### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
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<td></td>
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<tr>
<td>Accounts Payable</td>
<td>$61,989</td>
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<td>Accrued Expenses</td>
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<td>$52,087</td>
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<td>Deferred Revenues</td>
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<td>Line of Credit</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>$582,482</td>
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#### Net Assets:

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<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>$(816,835)</td>
<td>$(1,123,703)</td>
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<tr>
<td>Invested in Property and Equipment</td>
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<td>$3,427,008</td>
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<td><strong>Total Unrestricted Net Assets</strong></td>
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<td>$2,303,305</td>
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<td>Temporarily Restricted</td>
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<td>Permanently Restricted</td>
<td>$3,475,835</td>
<td>$3,477,458</td>
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<td><strong>Total Net Assets</strong></td>
<td>$7,376,121</td>
<td>$6,256,599</td>
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**TOTAL LIABILITIES AND NET ASSETS**

$7,713,294  $6,839,081

See notes to financial statements.
TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

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<thead>
<tr>
<th>Revenues and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
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<tr>
<td>Admissions</td>
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<td>$</td>
<td>$</td>
<td>$129,330</td>
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<td>1,025,375</td>
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<td>Fundraising Revenues</td>
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<td>Grant Revenues</td>
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<td>Membership Dues</td>
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<td>228,924</td>
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<tr>
<td>Retail Operations Revenues</td>
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<td>199,688</td>
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<tr>
<td>Other</td>
<td>23,393</td>
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<td>23,393</td>
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<tr>
<td>Rental Income</td>
<td>176,249</td>
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<td>Support Organization Income</td>
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<tr>
<td>Tuition</td>
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<td>Transfers Between Restricted Net Assets</td>
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<td>(1,623)</td>
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<tr>
<td>Net Assets Released From Restrictions</td>
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<td><strong>Total</strong></td>
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<td><strong>669,993</strong></td>
<td>(1,623)</td>
<td><strong>4,298,741</strong></td>
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<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th></th>
<th></th>
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<tr>
<td>Administration</td>
<td>556,898</td>
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<td>556,898</td>
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<tr>
<td>Curatorial and Exhibitions</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>199,572</td>
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<td>199,572</td>
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<tr>
<td>Education</td>
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<tr>
<td>Fundraising Expenses</td>
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<tr>
<td>Marketing and Development</td>
<td>402,127</td>
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<td>Retail Expenses</td>
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<tr>
<td>Operations</td>
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<td>Support Organization Expenses</td>
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<td><strong>Total</strong></td>
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<td><strong>3,327,764</strong></td>
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<table>
<thead>
<tr>
<th>Increase (Decrease) in Net Assets Before Non-Operating Income</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>302,607</td>
<td>669,993</td>
<td>(1,623)</td>
<td>970,977</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Operating Income, Net:</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Collection Items Purchased</td>
<td>(39,259)</td>
<td>-</td>
<td>-</td>
<td>(39,259)</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>187,804</td>
<td>-</td>
<td>187,804</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(39,259)</strong></td>
<td><strong>187,804</strong></td>
<td>-</td>
<td><strong>148,545</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (Decrease) in Net Assets</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>263,348</td>
<td>857,797</td>
<td>(1,623)</td>
<td>1,119,522</td>
</tr>
</tbody>
</table>

| Net Assets, Beginning                                      | 2,303,305    | 475,836                | 3,477,458              | 6,256,599  |
| Net Assets, Ending                                         | $2,566,653   | $1,333,633             | $3,475,835             | $7,376,121 |

See notes to financial statements.
<table>
<thead>
<tr>
<th>Revenues and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>PermanentlyRestricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>$137,108</td>
<td>$ -</td>
<td>$ -</td>
<td>$137,108</td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>321,585</td>
<td>1,325</td>
<td>82,100</td>
<td>405,010</td>
</tr>
<tr>
<td>Exhibition Revenues</td>
<td>289,051</td>
<td>-</td>
<td>-</td>
<td>289,051</td>
</tr>
<tr>
<td>Fundraising Revenues</td>
<td>892,466</td>
<td>-</td>
<td>-</td>
<td>892,466</td>
</tr>
<tr>
<td>Grant Revenues</td>
<td>124,215</td>
<td>-</td>
<td>-</td>
<td>124,215</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>235,105</td>
<td>-</td>
<td>-</td>
<td>235,105</td>
</tr>
<tr>
<td>Museum Store Revenues</td>
<td>215,833</td>
<td>-</td>
<td>-</td>
<td>215,833</td>
</tr>
<tr>
<td>Other</td>
<td>17,584</td>
<td>-</td>
<td>-</td>
<td>17,584</td>
</tr>
<tr>
<td>Rental Income</td>
<td>216,008</td>
<td>-</td>
<td>-</td>
<td>216,008</td>
</tr>
<tr>
<td>Support Organization Income</td>
<td>264,880</td>
<td>-</td>
<td>-</td>
<td>264,880</td>
</tr>
<tr>
<td>Tuition</td>
<td>68,234</td>
<td>-</td>
<td>-</td>
<td>68,234</td>
</tr>
<tr>
<td></td>
<td>2,782,069</td>
<td>1,325</td>
<td>82,100</td>
<td>2,865,494</td>
</tr>
<tr>
<td>Net Assets Released From Restrictions</td>
<td>42,229</td>
<td>(42,229)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,824,298</td>
<td>(40,904)</td>
<td>82,100</td>
<td>2,865,494</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>562,037</td>
<td>-</td>
<td>-</td>
<td>562,037</td>
</tr>
<tr>
<td>Curatorial and Exhibitions</td>
<td>463,058</td>
<td>-</td>
<td>-</td>
<td>463,058</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>198,589</td>
<td>-</td>
<td>-</td>
<td>198,589</td>
</tr>
<tr>
<td>Education</td>
<td>158,396</td>
<td>-</td>
<td>-</td>
<td>158,396</td>
</tr>
<tr>
<td>Fundraising Expenses</td>
<td>516,247</td>
<td>-</td>
<td>-</td>
<td>516,247</td>
</tr>
<tr>
<td>Marketing and Development</td>
<td>395,187</td>
<td>-</td>
<td>-</td>
<td>395,187</td>
</tr>
<tr>
<td>Museum Shop Expenses</td>
<td>173,222</td>
<td>-</td>
<td>-</td>
<td>173,222</td>
</tr>
<tr>
<td>Operations</td>
<td>726,184</td>
<td>-</td>
<td>-</td>
<td>726,184</td>
</tr>
<tr>
<td>Support Organization Expenses</td>
<td>140,213</td>
<td>-</td>
<td>-</td>
<td>140,213</td>
</tr>
<tr>
<td></td>
<td>3,333,106</td>
<td>-</td>
<td>-</td>
<td>3,333,106</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (Decrease) in Net Assets Before Non-Operating Income</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(508,808)</td>
<td>(40,904)</td>
<td>82,100</td>
<td>(467,612)</td>
</tr>
<tr>
<td>Non-Operating Income, Net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>70,911</td>
<td>-</td>
<td>70,911</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>70,911</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Assets</td>
<td>(508,808)</td>
<td>30,007</td>
<td>82,100</td>
<td>(396,701)</td>
</tr>
<tr>
<td>Net Assets, Beginning</td>
<td>2,812,113</td>
<td>445,829</td>
<td>3,395,358</td>
<td>6,653,300</td>
</tr>
<tr>
<td>Net Assets, Ending</td>
<td>$2,303,305</td>
<td>$475,836</td>
<td>$3,477,458</td>
<td>$6,256,599</td>
</tr>
</tbody>
</table>

See notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) in Net Assets</td>
<td>$1,119,522</td>
<td>$(396,701)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Increase in Net Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Provided By (Used in) Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>199,572</td>
<td>198,589</td>
</tr>
<tr>
<td>Net Unrealized (Gains) Losses on Investments</td>
<td>(114,764)</td>
<td>22,414</td>
</tr>
<tr>
<td>Changes in Operating Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>(802,174)</td>
<td>(2,359)</td>
</tr>
<tr>
<td>Museum Shop Inventory</td>
<td>(12,273)</td>
<td>(3,242)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(6,322)</td>
<td>7,096</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>(35,216)</td>
<td>68,239</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>2,673</td>
<td>14,584</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>(12,766)</td>
<td>4,419</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>(200,000)</td>
<td>-</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>(981,270)</td>
<td>309,740</td>
</tr>
<tr>
<td><strong>Net Cash Provided By (Used in) Operating Activities</strong></td>
<td>138,252</td>
<td>(86,961)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Flows From Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Investments</td>
<td>(72,277)</td>
<td>(91,640)</td>
</tr>
<tr>
<td>Purchases of Fixed Assets</td>
<td>(156,052)</td>
<td>(70,190)</td>
</tr>
<tr>
<td>Transfers From (To) Restricted Cash Account</td>
<td>90,077</td>
<td>195,666</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used in) Investing Activities</strong></td>
<td>138,252</td>
<td>33,836</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Flows From Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds From Contributions for Long-Term Investments</td>
<td>-</td>
<td>53,000</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Financing Activities</strong></td>
<td>-</td>
<td>53,000</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>(0)</td>
<td>(125)</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, Beginning</strong></td>
<td>46,425</td>
<td>46,550</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, Ending</strong></td>
<td>$ 46,425</td>
<td>$ 46,425</td>
</tr>
</tbody>
</table>

See notes to financial statements.
TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

1. Organization and Significant Accounting Policies:

Organization:
Tucson Museum of Art and Historic Block, Inc. (Museum) was incorporated in Arizona in November 1936 as a nonprofit organization. The Museum is located in Tucson, Arizona. The Museum connects art to life, inspiring discovery, creativity, and cultural understanding through meaningful, engaging experiences. These financial statements also include the activities of the Tucson Museum of Art League, Docent Council, Contemporary Art Society, Latin American Art Patrons, and Western Art Patrons, which are unincorporated support organizations to the Museum. The purpose of these organizations is to promote and provide support for the Museum’s art collections and related activities.

Financial Statement Presentation:
The Museum is required under U.S. generally accepted accounting principles (GAAP) to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Estimates:
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rounding:
All numbers presented in the financial statements have been rounded to the nearest dollar. Totals may not appear to equal the sum of their components due to rounding.

Cash and Cash Equivalents:
The Museum considers all highly liquid investments purchased with a maturity of one year or less to be cash equivalents. The Museum places its cash and cash equivalents with various credit institutions. At June 30, 2017, such investments were in excess of the FDIC insurance limits by $525,059; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Endowment and Bequest Receivables:
Unconditional promises to give are recognized as revenues at their estimated net realizable value in the period received and as assets, decreases of liabilities, or expense depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Promises to give that are collectible over future periods are discounted to their net present value. Currently, the Museum has no promises to give extending over future periods. Promises to give are considered fully collectible by management; therefore, no allowance for doubtful accounts has been provided.

Museum Inventory:
Museum shop inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Bar inventory is stated at average cost.

Investments:
Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are valued at the fair values in the statement of financial position. Donated investments are recorded at their realized values at the date of receipt. Investment gains and losses are included in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor-imposed stipulations or legal requirements.
1. Organization and Significant Accounting Policies (continued):

Investments (continued):
Realized gains or losses on disposition of investments are recorded on a trade date basis using the specific identification method. The fair value of investment securities is estimated based upon the last trade price on a national securities exchange or in the over-the-counter market. If no trade price is reported for the measurement date, the fair value is estimated based upon the current bid price at the close of business on the measurement date.

Property, Equipment, Depreciation, and Amortization
Property and equipment are stated at cost or, if acquired by gift, at estimated fair market value at the date of donation. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the related assets, which range from 5 to 50 years. Maintenance, repairs, and minor renewals are expensed as incurred while expenditures for additions and improvements with a useful life greater than a year are capitalized.

The City of Tucson owns the land and some permanent structures on which the Museum is located. The Museum has a lease with the City of Tucson, which entitles the Museum to exclusive right and use of the land and to operate the properties as a museum. The lease expires in September 2072. As a matter of policy, the fair value of the leased premises has not been reported in the financial statements of the Museum.

Collections:
The collections, which were acquired through purchases and contributions since the Museum’s inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as decreases in temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Gifts of cash restricted by donors for the purchase of art are reported as temporarily restricted net assets. Contributed collection items and reference books are not reflected in the financial statements. During 2017 and 2016, the Museum received $664,555 and $370,600 of contributed art (unaudited) not recorded in the statement of financial position, in accordance with its policy. Proceeds from de-accessions or insurance recoveries, if any, are reflected as increases in the appropriate net asset classes.

Major collections include: 1) Pre-Columbian; 2) The American West in 19th and 20th Century Art; 3) 20th Century Art and Contemporary American Art; 4) Spanish Colonial Art; and 5) Historical Properties.

The Board of Trustees has final legal responsibility to approve the acquisition, deaccession, and loan of objects into and from the collections. Accepted items are accessioned and cared for in accordance with a written “Collection Management Policy” following generally accepted museum procedures. Funds realized through the sale of any deaccessioned art are only used to replenish the collections.

Deferred Revenue:
The Museum recognizes deferred revenue for membership dues in the applicable annual membership period, deferred revenue for tuition receipts in the applicable annual tuition period, and deferred revenue for facility rentals in the month of the rental.

Endowments:
The Museum’s endowments consist of two funds established for a variety of purposes to include both income and collection purposes. Its endowments include the donor-restricted funds and as required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.
1. Organization and Significant Accounting Policies (continued):

   Endowments (continued):
   The Board of Trustees of the Museum adheres to Arizona’s version (titled the “Management of Charitable Funds Act” (the Act)) of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and follows GAAP rules pertaining to donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Museum classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment, if any, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by the Act.

   Fair Value Measurements:
   Fair value is defined as the price to sell an asset or transfer a liability between market participants in an orderly exchange in the principal or most advantageous market for that asset or liability. The fair value for qualifying alternative investments is determined based on the investment’s net asset value as a practical expedient. Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value.

   Restricted and Unrestricted Revenue and Support:
   Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. If a restriction is expected to be met within the same fiscal year of receipt, it is reported as an unrestricted contribution.

   Contributions:
   All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support.

   Donated Materials, Services, and Equipment
   Support arising from donated goods and services is recognized in the financial statements at its fair value. Donated services are recognized when the services rendered:

   (a) create or enhance nonfinancial assets, or;
   (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

   Although the Museum utilizes the services of many outside volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under GAAP. Hours provided by approximately 600 volunteers were not recorded in the financial statements for the years ended June 30, 2017 and 2016.
TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

1. Organization and Significant Accounting Policies (continued):

Donated Materials, Services, and Equipment (continued):
Donations of equipment are recorded as contributions at their estimated fair market value at the date of
Donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted
the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and
Contributions of cash that must be used to acquire property and equipment, are reported as restricted
Contributions. The Museum reports expirations of donor restrictions when the donated assets are placed in
Service as instructed by the donor. The Museum reclassifies restricted net assets to unrestricted net assets at
That time.

Advertising:
Advertising costs are expensed as incurred. Total advertising expense for 2017 and 2016 was approximately
$70,000 and $74,000, of which approximately $16,000 and $21,000 were advertising related to fundraising for
The years then ended.

Program Expense Allocations:
Expenses that can be identified with a specific program or supporting service are charged directly to the program
According to their natural expense classification. Costs incurred that share a common purpose are allocated
Based upon services benefited.

Tax Exempt Status
The Museum is exempt from income taxes under both Federal (Internal Revenue Code Section 501(c)(3)) and
Arizona income tax laws, and is classified as other than a private foundation. Accordingly, no provision for
Federal and state income taxes is made. Income from certain activities not directly related to the Museum’s
Tax-exempt purpose, however, may be subject to taxation as unrelated business taxable income (UBTI).

GAAP requires management to perform an evaluation of all tax positions taken or expected to be taken in the
course of preparing the Museum’s tax returns to determine whether the tax positions meet a “more likely than
Not” standard of being sustained under examination by the applicable taxing authorities. This evaluation
Is required to be performed for all open tax years, as defined by the various statutes of limitations, for federal and
State purposes.

The Museum is only subject to income taxes on UBTI as applicable. As a result, the Museum is required to file
Informational returns for federal and state purposes and, if it has UBTI, federal and state income tax returns.
With limited exceptions, the Museum is no longer subject to tax examination for any years earlier than 2013 for
Federal and 2012 for state. Management has performed its evaluations of tax positions taken on all open tax
Returns and has determined that there were no positions taken that do not meet the “more likely than not”
Standard.

From time to time, the Museum may be subject to penalties and interest assessed by various taxing authorities,
Which are classified as administrative expenses if they occur.

Subsequent Events:
Subsequent events have been evaluated through April 23, 2018, which is the date the financial statements were
Available to be issued. Subsequent to June 30, 2017, the Museum completed a restoration of the galleries and
A number of the historic properties. Along with this restoration the Museum continued a naming campaign and
Secured a total of $2.8 million in naming pledges in the end of 2017 and beginning of 2018.
2. Investments and Fair Value Measurements:

An asset’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

   Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Museum has the ability to access.

   Level 2 – Inputs to the valuation methodology include:
   • Quoted prices for similar assets or liabilities in active markets;
   • Quoted prices for identical or similar assets or liabilities in inactive markets or active markets that the Museum does not have access to;
   • Inputs other than quoted prices that are observable for the asset or liability;
   • Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

   If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

   Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

At June 30, 2017, the fair value of investments measured on a recurring basis is as follows:

<table>
<thead>
<tr>
<th>Mutual Fund:</th>
<th>Fair Value</th>
<th>Quoted Prices (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Wellington Admiral Fund</td>
<td>$ 1,697,067</td>
<td>$ 1,697,067</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled Fund</td>
<td>$ 14,100</td>
<td>$ 14,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,711,167</td>
<td>$ 1,697,067</td>
<td>$ 14,100</td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2016, the fair value of investments measured on a recurring basis is as follows:

<table>
<thead>
<tr>
<th>Mutual Fund:</th>
<th>Fair Value</th>
<th>Quoted Prices (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Wellington Admiral Fund</td>
<td>$ 1,511,183</td>
<td>$ 1,511,183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled Fund</td>
<td>12,942</td>
<td>12,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,524,125</td>
<td>$ 1,511,183</td>
<td>$ 12,942</td>
<td></td>
</tr>
</tbody>
</table>

The assets and liabilities in the preceding tables were measured primarily using the market approach. Following is a description of the valuation methodologies used for assets measured at fair value:

The fair value of the Museum’s mutual fund is valued at the closing price reported in the active market in which the individual securities are traded.
The Museum’s pooled fund is invested and reinvested primarily in common stocks, mutual funds and collective trust funds. The fair value of the fund has been estimated using the net asset value.

3. Net Investment Income (Loss):

Net investment income (loss) for the years ended June 30, 2017 and 2016 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividend Income</td>
<td>$73,290</td>
<td>$93,325</td>
</tr>
<tr>
<td>Unrealized Gains (Losses) on Investments</td>
<td>114,764</td>
<td>(22,164)</td>
</tr>
<tr>
<td>Total Investment Income</td>
<td>188,054</td>
<td>71,161</td>
</tr>
<tr>
<td>Less Investment Fees</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>$187,804</td>
<td>$70,911</td>
</tr>
</tbody>
</table>

4. Fixed Assets:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$5,735,520</td>
<td>$5,643,666</td>
</tr>
<tr>
<td>Courtyard and Plaza</td>
<td>393,783</td>
<td>369,658</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>1,079,387</td>
<td>1,049,787</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>1,996,710</td>
<td>1,996,710</td>
</tr>
<tr>
<td></td>
<td>9,205,400</td>
<td>9,059,821</td>
</tr>
<tr>
<td>Less Accumulated Depreciation and Amortization</td>
<td>(5,845,612)</td>
<td>(5,648,313)</td>
</tr>
<tr>
<td></td>
<td>$3,359,788</td>
<td>$3,411,508</td>
</tr>
<tr>
<td>Intangible Assets, not being Amortized</td>
<td>$14,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Intangible Assets, being Amortized</td>
<td>$11,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Less Accumulated Amortization</td>
<td>$1,800</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$9,700</td>
<td>$1,500</td>
</tr>
<tr>
<td>Total Fixed Assets, Net</td>
<td>$3,383,488</td>
<td>$3,427,008</td>
</tr>
</tbody>
</table>

During the fiscal year ending 6/30/2017, the Museum retired $473 of Furniture and Fixtures assets, together with the accumulated depreciation and amortization associated with the retired assets.

5. Line of Credit

The Museum had a $250,000 line of credit with a bank with monthly variable interest payments at the Wall Street Journal Prime Rate plus 3.65%, with a minimum rate of 6.9%. In December of 2016, the Museum closed the line of credit.
6. Endowment:

Changes in endowment net assets for the year ended June 30, 2017 are as follows:

<table>
<thead>
<tr>
<th>Endowment Net Assets, Beginning</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$307,670</td>
<td>$3,477,458</td>
<td>$3,785,128</td>
<td></td>
</tr>
</tbody>
</table>

Changes in endowment net assets for the year ended June 30, 2016 are as follows:

<table>
<thead>
<tr>
<th>Endowment Net Assets, Beginning</th>
<th>Donor Temporarily Restricted</th>
<th>Donor Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$276,923</td>
<td>$3,395,358</td>
<td>$3,672,281</td>
<td></td>
</tr>
</tbody>
</table>

Funds with Deficiencies:
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the Act requires to retain as a fund of perpetual duration. In accordance with GAAP, cumulative deficiencies of this nature are reported in unrestricted net assets. As of June 30, 2017 and 2016, there were no deficiencies of this nature. However, the Museum borrowed against the endowment during 2017 and 2016. As of June 30, 2017, the cumulative total of permanently restricted net assets that had previously been used to cover operating cash flows was $226,875, a decline of almost $100,000 from the cumulative total on June 30, 2016 of $325,462.

Return Objectives and Risk Parameters:
The Museum has an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce results that assume a moderate level of investment risk.

Strategies Employed for Achieving Objectives:
To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.
6. Endowment (continued):

Spending Policy:
Distributions from the Endowment may be taken quarterly or annually, in the discretion of the Finance Committee, and shall not exceed ¼ of 5% (if taken quarterly) or 5% (if taken annually) of trailing 12 quarters weighted average market value (except as otherwise designated by the fund documents). Unless specifically directed by the Board, the Treasurer and President/CEO may determine the frequency (quarterly or annually) and timing of distributions from the Endowment based upon a recommendation by the CFO and in consultation with the Investment Manager and Investment Subcommittee Chair.

7. Temporarily Restricted Net Assets:

Temporarily restricted net asset activity for the year ending June 30, 2017 consisted of the following:

<table>
<thead>
<tr>
<th>Endowment:</th>
<th>Beginning Balance</th>
<th>Investment Income</th>
<th>Contributions &amp; Fundraising</th>
<th>Releases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art and Care of Collections</td>
<td>$216,237</td>
<td>$32,404</td>
<td>$35,549</td>
<td>$213,092</td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Crafts Awards</td>
<td>8,697</td>
<td>648</td>
<td></td>
<td>9,345</td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>51,990</td>
<td>4,976</td>
<td></td>
<td>56,966</td>
<td></td>
</tr>
<tr>
<td>Curator: Western Art</td>
<td>2,700</td>
<td>27,537</td>
<td>(27,537)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Curator: Latin American Art</td>
<td>16,240</td>
<td>45,101</td>
<td></td>
<td>61,341</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>13,155</td>
<td>13,548</td>
<td>(15,655)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Operating Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships/Education</td>
<td>1,351</td>
<td>60,890</td>
<td>(62,184)</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td></td>
<td>307,670</td>
<td>187,804</td>
<td>(154,673)</td>
<td>340,801</td>
<td></td>
</tr>
</tbody>
</table>

| Cash Reserve Fund               | 2,000             |                   |                              | 2,000    |
| Collections                     | 40,689            |                   |                              | 40,689   |
| Docent Activities               | 1,315             |                   |                              | 1,315    |
| Exhibit Creation & Upkeep       | 50,000            |                   |                              | 50,000   |
| Folk Art Project                | 73,862            |                   |                              | 73,862   |
| Other                           | 300               |                   |                              | 300      |
| Scholarship/Education           |                   |                   |                              | 375      |
| Naming Opportunities            |                   |                   |                              | 1,025,000|
|                                 |                   |                   |                              | (375)    |
| Total                           | $475,836          | $187,804          | $1,025,375                   | $824,666 |
|                                 |                   |                   | $355,382                     | $1,333,633|
7. Temporarily Restricted Net Assets (continued):

Temporarily restricted net asset activity for the year ending June 30, 2016 consisted of the following:

<table>
<thead>
<tr>
<th>Endowment:</th>
<th>Beginning Balance</th>
<th>Investment Income</th>
<th>Contributions &amp; Fundraising</th>
<th>Releases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art and Care of Collections</td>
<td>$204,177</td>
<td>$12,060</td>
<td>$</td>
<td>$</td>
<td>$216,237</td>
</tr>
<tr>
<td>Arts &amp; Crafts Awards</td>
<td>8,955</td>
<td>242</td>
<td>(500)</td>
<td></td>
<td>8,697</td>
</tr>
<tr>
<td>Collections</td>
<td>50,151</td>
<td>1,839</td>
<td></td>
<td></td>
<td>51,990</td>
</tr>
<tr>
<td>Curator: Western Art</td>
<td>(1,556)</td>
<td>17,796</td>
<td></td>
<td>(10,249)</td>
<td>16,240</td>
</tr>
<tr>
<td>Curator: Latin American Art</td>
<td>13,801</td>
<td>1,005</td>
<td>(1,711)</td>
<td></td>
<td>13,155</td>
</tr>
<tr>
<td>Development</td>
<td>5,043</td>
<td>(5,043)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship/Education</td>
<td>1,335</td>
<td>22,677</td>
<td>125</td>
<td>(22,786)</td>
<td>1,351</td>
</tr>
<tr>
<td></td>
<td>276,923</td>
<td>70,911</td>
<td>125</td>
<td>(40,289)</td>
<td>307,670</td>
</tr>
<tr>
<td>Cash Reserve Fund</td>
<td>2,000</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Collections</td>
<td>39,689</td>
<td>1,000</td>
<td></td>
<td></td>
<td>40,689</td>
</tr>
<tr>
<td>Docent Activities</td>
<td>1,315</td>
<td></td>
<td></td>
<td></td>
<td>1,315</td>
</tr>
<tr>
<td>Exhibit Creation &amp; Upkeep</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
</tr>
<tr>
<td>Folk Art Project</td>
<td>73,862</td>
<td></td>
<td></td>
<td></td>
<td>73,862</td>
</tr>
<tr>
<td>Other</td>
<td>300</td>
<td>200</td>
<td>(200)</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Scholarship/Education</td>
<td>1,740</td>
<td></td>
<td>(1,740)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>$445,829</td>
<td>$70,911</td>
<td>$1,325</td>
<td>(42,229)</td>
<td>$475,836</td>
</tr>
</tbody>
</table>

8. Permanently Restricted Net Assets:

At June 30, 2016 and 2017, permanently restricted net assets consisted of the following:

<table>
<thead>
<tr>
<th>Income Purpose</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Art</td>
<td>641,803</td>
<td>641,803</td>
</tr>
<tr>
<td>Acquisition of Masks and Weavings</td>
<td>50,337</td>
<td>50,337</td>
</tr>
<tr>
<td>Art Award</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Casa Cordova</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Craft Award</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Education</td>
<td>1,122,772</td>
<td>1,124,395</td>
</tr>
<tr>
<td>General Operations</td>
<td>250,865</td>
<td>250,865</td>
</tr>
<tr>
<td>Latin American Curator</td>
<td>835,100</td>
<td>835,100</td>
</tr>
<tr>
<td>Scholarships</td>
<td>3,075</td>
<td>3,075</td>
</tr>
<tr>
<td>Western Art Curator</td>
<td>509,883</td>
<td>509,883</td>
</tr>
<tr>
<td></td>
<td>3,475,835</td>
<td>3,477,458</td>
</tr>
</tbody>
</table>

9. Defined Contribution Plan

The Museum has a defined contribution plan (the Plan) covering all employees with at least one year of service who agree to make contributions to the Plan. The Museum matches participants’ contributions to the Plan up to 3% of the individual participant’s compensation. Total plan expense for the years ended June 30, 2017 and 2016 was $16,664 and $18,134.

10. Commitments:

The land lease with the City requires annual payments of $1 a year through 2072. The Museum leases an education center from the City of Tucson for $1 a year under an operating lease that expires in 2073.
The Museum leases office equipment, equipment maintenance, and professional services under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenses under the terms of the operating leases totaled $19,377 for the year ended June 30, 2017. The operating leases have remaining non-cancelable lease terms for four years and provide renewal options. The future minimum rental payments required under the operating leases are as follows:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30,</td>
<td>14,584</td>
<td>10,801</td>
<td>1,927</td>
<td>1,445</td>
</tr>
</tbody>
</table>

$ 28,757

11. Rental Income:

The Museum subleases one of its buildings to a restaurant under a lease through January 31, 2022. The lease provides for rent based upon a percentage of gross sales. Contingent rental revenue earned for the years ended June 30, 2017 and 2016 was $130,968 and $128,809.

The Museum subleases another building under an operating lease. The lease requires monthly payments of $1,500 through June 2017. Rental income for the years ended June 30, 2017 and 2016 was $16,500 and $19,500. Future minimum rental income under the lease is $18,000 per year.

12. Functional Expenses:

Functional expenditures for the years ended June 30, 2017 and 2016 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$1,928,752</td>
<td>$1,814,197</td>
</tr>
<tr>
<td>Management and General</td>
<td>504,053</td>
<td>488,428</td>
</tr>
<tr>
<td>Fundraising:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Event</td>
<td>303,286</td>
<td>516,247</td>
</tr>
<tr>
<td>Direct</td>
<td>591,672</td>
<td>514,234</td>
</tr>
<tr>
<td>$3,327,764</td>
<td>$3,333,106</td>
<td></td>
</tr>
</tbody>
</table>

13. Related Party Transactions:

During 2017 and 2016, the Museum received approximately $1,138,755 and $268,452 in contributions and pledges from members of its Board of Trustees. The Museum received no in-kind contributions from members of the Board of Trustees during the years ended June 30, 2017 and 2016.

14. Donated Materials, Services, and Equipment

The Museum received no donated materials, services, and equipment for the years ended June 30, 2017 and 2016.