It is the policy of the Tucson Museum of Art and Historic Block (TMA) to ensure access to diverse communities regardless of age, gender, religion, sexual orientation, ethnicity, race, ancestry, national origin, and physical ability. At TMA we are proud to support and impact audiences under the mission of “Connecting Art to Life” and advance our vision of a civic-minded institution. TMA aims to achieve three strategic goals that will help shape the future of the institution:

- Serve as a leader in representing regional identity, supporting the advancement of arts and culture, and preserving the heritage of the American Southwest.
- Reflect the diverse demographic and culture of our region, and the global society, through our collections, exhibitions, and programs.
- Preserve, exhibit, and interpret the arts, fostering awareness, appreciation, exploration, and understanding of culturally rich collections and innovative exhibitions.

TMA is positioned to forge a new chapter in the museum’s history. With a robust schedule of program offerings, collaborations, and partnerships with our community, and the presentation of significant exhibitions, the museum is set to realize an innovative and impactful future.

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, Native American art, the art of the American West, Latin American, pre-Columbian, European, 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.

TMA is a 501(c)(3) private, non-profit organization dedicated to the educational, aesthetic, and cultural promotion of the arts.

July 1, 2017 – June 30, 2018
Tucson Museum of Art and Historic Block
140 N. Main Avenue
Tucson, Arizona 85701-8218
Telephone (520) 624-2333
Fax (520) 624-7202
www.tucsonmuseumofart.org

IN MEMORY OF JOHN K. “JACK” GOODMAN

Our community lost one of its most generous art patrons, John K. “Jack” Goodman, who died at the age of 97 on April 16, 2018. A longtime supporter of the museum, Jack and his widow Aline exhibited an extensive goodwill and generosity which continues to have a great positive impact on the arts in his beloved Old Pueblo. In the early 1950s, Jack began to collect Western art and in 1968, was asked to join the TMA Board where he served as a trustee over a span of nearly five decades.

Jack’s commitment to the arts community was sincere—he felt it was important to encourage young artists whose careers were just beginning. Jack was also involved in TMA’s Women Artists and the West show since its inception in 1991. We remember him with great fondness for his contribution and dedication to collecting Western art and preserving Western traditions.

Howard Post, 19 Extras, 2013, oil on canvas, 18 x 36 in. Courtesy of the artist.

FROM THE BOARD PRESIDENT

The Tucson Museum of Art and Historic Block made great strides forward on many fronts during this fiscal year, with many memorable achievements. It will be remembered as a year of extraordinary growth, revitalization, and promise -- one that provided the museum with an even stronger foundation and momentum for the future. Among other things, the museum celebrated the completion of a substantial renovation of its galleries and public spaces, achieved its greatest success to date in fundraising, featured excellent exhibitions, extended its reach into the community, and developed new audiences with a consistently high level of programmatic quality and creativity.

The response to TMA’s renovation, with new and expanded gallery spaces, new art installations, renovated sculpture garden, and new museum store, has been enthusiastic. After the museum galleries reopened in October, we witnessed increases in visitors and general excitement about the “new” museum. Museum memberships, including Ambassador Circle memberships -- the highest membership level, also increased. Other indicators improved as well. For example, TMA’s social media following, including followers on our Instagram feed and “likes” on our Facebook account, increased substantially. TMA also received high ratings on TripAdvisor and was again voted “Best Art Museum” by readers of the Tucson Weekly.

Following the success of the Phase I fundraising campaign, in which TMA raised over $1.5 million from various private donors for the gallery renovations, the museum also received this fiscal year the single largest gift since its founding. The exceptional gift of $2.5 million by long-time board member I. Michael Kasser and his wife raised the bar substantially and generated new momentum for giving to TMA. As a result, at the close of the fiscal year, the museum proceeded with its plans for the largest infrastructure project in decades -- the Kasser Family Wing. The project is expected to be completed in 2019. With this latest gift, and the resulting new galleries that will exhibit the Kassers’ important Pre-Columbian and Latin American art collection, the museum is poised to join the ranks of museums with nationally-recognized collections and become a destination for connoisseurs and scholars of these works.

Our exhibitions this year, including The West Observed: The Art of Howard Post, Dress Matters: Clothing as Metaphor, and Mid-Century Perspectives: Paintings by Andy Purpura and Objects of Modern Design, were very well received because of their range, variety, and bold artistic statements.

In addition to our exhibitions, we continued to explore additional and diverse approaches to extending our reach and impact and to developing new audiences. Our family-oriented programs, lecture series, free community events, live performances, and docent art talks, all have been very successful in engaging more of the community and have helped to spark conversations about art and make new connections for the museum.

I am pleased to report that the museum again ended the fiscal year on a sound financial footing, in the black, and further strengthened the management of its financial operations with, among other things, the addition of a new Chief Financial Officer.

We were governed by a dedicated and highly productive Board of Trustees that has grown and diversified in ways that will accelerate our progress and build on our accomplishments. Over the past year, the Board continued to focus on fiscal soundness and strong corporate governance, and on new ways to champion the museum’s mission. I am very proud of all of the accomplishments of the Board this year.

TMA’s work is supported by a broad base of members, volunteers, and donors, who infuse the organization with energy and enthusiasm. The museum also is in the enviable position of being served by a first-rate, talented, and enthusiastic professional team of staff -- under the superb leadership of Jeremy Mikolajczak -- that pushes TMA forward, always, in new and exciting directions.

We end this extraordinary year well positioned to continue our forward movement with the sustained momentum, energy, and support we need to achieve even more in years to come. On behalf of the TMA Board of Trustees, I thank you all.

Michael S. Bylsma
President of the Board of Trustees

Board of Trustees President Michael S. Bylsma.
FROM THE CEO

For 94 years, Tucsonans and dedicated supporters have come together to build a community art museum that is committed to visual literacy and arts education. Here, we celebrate not only what we accomplished in the last year, but the people who made it happen. The 2017 – 2018 season was a fantastic one for the museum and because of you, TMA continues its momentum forward.

In the fall, TMA reopened to the public after an ambitious four-month renovation project in addition to the restructuring of public programs. This was the first major physical renovation project in over 15 years and resulted in establishing 18 galleries for the exhibition of art, of which 15 are dedicated to the museum’s permanent collection, a community gallery, and renovated museum store.

Undertaking the significant project of reinterpreting the museum’s permanent collection and temporary exhibitions, the museum’s curatorial staff, led by Dr. Julie Sasse, did a remarkable job. Not only were they charged with reinstalling the collection but promoting the exploration and navigation of visual literacy at TMA. In formulating the feature exhibitions, the curators also examined themes that relate to our diverse Southern Arizona community and local cultures.

In early winter, TMALearn, the museum’s education department, reached a significant turning point by announcing a $25,000 award from the Flinn Foundation to conduct research and develop recommendations for integrating new technology into the museum’s programs. By researching best practices and utilizing new technology, the museum will further its mission of “Connecting Art to Life,” creating an environment focused on the changing needs and behaviors of audiences within an informed and engaged community.

In the spring, a new milestone occurred when long-time arts supporter and Tucson business leader I. Michael Kasser and his wife Beth committed to a $2.5 million gift supporting the construction of a new wing at the museum. This gift constitutes the single most significant individual donor gift in the museum’s history. The new Kasser Family Wing will be the new home to extraordinary works of pre-Columbian and Latin American art, as well as contemporary interpretations, for generations to come.

Strengthened by the creation of two new positions, Curator of Community Engagement and Assistant Curator of Community Engagement, TMA advanced its commitment to the community. As a result, the museum is reaching new and diverse audiences through new contexts for engagement by an enhanced Free First Thursday program and museum-wide collaborations with new and returning community partners.

Thank you all for making 2017 - 2018 an exceptional season – you inspire us all to keep the momentum going.

Jeremy Mikolajczak
Chief Executive Officer

CEO Jeremy Mikolajczak. Photo courtesy of James Patrick.
YEAR IN REVIEW

This annual report provides the opportunity to reflect on a significant year at the museum, during which long-anticipated maintenance and renovation of the 4-acre property were realized. The Museum Store and TMA Learn! Creative Space debuted new locations in the historic Fish House property where they were moved to make space for new galleries and increase accessibility. Beyond the comprehensive renovation of all existing exhibition space, enhancements included a new gallery in the space that once was the museum store, the creation of a designated sculpture garden in the former Moore Courtyard, improvements to the lobbies and admissions areas, and a unifying site plan to facilitate the visitor experience.

These physical upgrades to the museum’s campus provide a central platform from which the various components of TMA’s engagement with the community materializes. A full slate of exhibition, education, learning, and entertainment activities emerged from these newly imagined spaces, and the timeline on the following pages presents a sample of the many happenings that transpired this year.

ART AND EXHIBITIONS

Unveiled in October of 2017, the renovated collection galleries were divided into the following areas: Latin American Art, Latin American Folk Art, Art of the American West, Art of the Southwest, Photography, Works on Paper, Asian Art, and European Art. The new designation of an area to display photography signified the museum's commitment to all media and launched the imperative to build, refine, and update the collection. Asian art, long collected by the museum, has a designated space to share such unique treasures, and the European collection, often shown only in small group exhibitions, now has a special place to highlight important paintings and sculptures from Great Britain, France, England, Germany, and elsewhere.

What is unique about these new exhibitions is how much they reflect our community and our region, displayed through new perspectives. For example, the Art of the Southwest is defined by living artists who reside and work in the Southwest rather than a preconceived notion or stereotype of the region. In this context, commonalities can be found between abstract art, fine craft, and traditional works while expressing the diversity in artists and the art produced in the Southwest. The Art of the American West presents historic works shown alongside the contemporary. The space is shared by indigenous art of the American West and paintings and sculptures inspired by those cultures. In this manner, new and old audiences alike can find multiple portals of appreciation and interpretation, which provides a richer visitor experience.

FEATURE EXHIBITIONS OF THE 2017-2018 SEASON

DRESS MATTERS: CLOTHING AS METAPHOR
October 21, 2017 – February 18, 2018
Curated by Dr. Julie Sasse

DESERT DWELLER
October 21, 2017 – January 21, 2018
Guest Curated by Paula Taylor

MID-CENTURY PERSPECTIVES: PAINTINGS BY ANDY BURGESS & OBJECTS OF MODERN DESIGN
February 1, 2018 – April 22, 2018
Curated by Dr. Julie Sasse & Jeremy Mikolajczak

THE WEST OBSERVED: THE ART OF HOWARD POST
March 3, 2018 – June 24, 2018
Curated by Christine Brindza

MAYO TEXTILES FROM THE GIFFORDS COLLECTION
May 3, 2018 – June 24, 2018
Curated by Dr. Julie Sasse
PERMANENT COLLECTION GALLERIES

CONTEMPORARY ART SOCIETY /
JOYCE BROAN GALLERY OF CONTEMPORARY ART
Contemporary Art
Curated by Dr. Julie Sasse

KAY CAUTHORN/BERGER-HANFT GALLERY
Modern Art
Curated by Dr. Julie Sasse

JON & LINDA ENDER GALLERY
Works on Paper
Curated by Dr. Julie Sasse

MARY JO BROWN GALLERY
Selections from the Kaiser Microary Art Foundation
Curated by Dr. Julie Sasse

KENNETH J. & JUDITH H. RISKIND /
PATRICIA CARR MORGAN & PETER F. SALOMON GALLERY
Photography
Curated by Dr. Julie Sasse

SANDRA & ROBERT MAXFIELD GALLERY
Art of the American Southwest
Curated by Dr. Julie Sasse & Christine Brindza

BERNARD & JEANETTE SCHMIDT GALLERY
Native American Culture and Art
Curated by Christine Brindza

FRANK & JEAN HAMILTON GALLERY
Art of the American West
Curated by Christine Brindza

BURT & BRENDA LAZAR GALLERY
Folk Art - Masks
Curated by Dr. Julie Sasse

STONEWALL GALLERY
Latin American Folk Art
Curated by Dr. Julie Sasse

ANNE Y. SNOODGRAS GALLERY
Asian Art
Curated by Christine Brindza

PALACE GALLERY OF EUROPEAN ART
European Art
Curated by Dr. Julie Sasse

PALACE GALLERY OF LATIN AMERICAN ART
Pre-Columbian and Spanish Colonial Art
Curated by Dr. Julie Sasse

VON GALEN GALLERY
Art of the American West
Curated by Christine Brindza

FOUNDERS GALLERY IN THE JOHN K. GOODMAN PAVILION
Art of the American West
Curated by Christine Brindza

CONTEMPORARY ART SOCIETY /
JOYCE BROAN GALLERY OF CONTEMPORARY ART
Contemporary Art
Curated by Dr. Julie Sasse

KAY CAUTHORN/BERGER-HANFT GALLERY
Modern Art
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Folk Art - Masks
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Latin American Folk Art
Curated by Dr. Julie Sasse

ANNE Y. SNOODGRAS GALLERY
Asian Art
Curated by Christine Brindza

PALACE GALLERY OF EUROPEAN ART
European Art
Curated by Dr. Julie Sasse

PALACE GALLERY OF LATIN AMERICAN ART
Pre-Columbian and Spanish Colonial Art
Curated by Dr. Julie Sasse

VON GALEN GALLERY
Art of the American West
Curated by Christine Brindza

FOUNDERS GALLERY IN THE JOHN K. GOODMAN PAVILION
Art of the American West
Curated by Christine Brindza

October 5, 2017
Free First Thursday
Octoberfest & Gertie & the TO Boyz

October 6, 2017
Second SundAZe
Family Day @ TMA Sculpture

Johann Georg Edlinger,
Court Scene
, c. 1790, oil on canvas, 28.5 x 39.25 in.
Collection of the Tucson Museum of Art. Gift of Mr. and Mrs. Phillip J. Bramley.
TMA opened its new and renovated galleries to over 4,000 guests with a Community Celebration. The weekend offered free admission for the public and two new exhibitions featuring local and world-renowned artists. The galleries had been closed since mid-July for a renovation which added 5,000 square feet of gallery space among other modifications and improvements.

NEWLY NAMED GALLERIES

JAMES J. & LOUISE R. GLASSER GALLERY
Art of the American West

FRANK & JEAN HAMILTON GALLERY
Art of the American West

CONTEMPORARY ART SOCIETY/JOYCE BROAN GALLERY
Contemporary Art

PALACE GALLERY OF EUROPEAN ART
European Art

JOHN K. GOODMAN PAVILION
Art of the American West


October 18, 2017

Exclusive Opening Celebration for Naming Donors

Installation of the Mid-Century Perspective: Paintings by Andy Burgess and Objects of Modern Design exhibition. Photo courtesy of Willo Art.

October 19, 2017

Concert Opening Celebration for Naming Donors

October 20, 2017

Members’ Opening for Dress Matters: Clothing as Metaphor and Desert Dweller open to the public

October 21 – 22, 2017

Free Community Opening

February 10, 2017

Installation of the Mid-Century Perspective: Paintings by Andy Burgess and Objects of Modern Design exhibition. Photo courtesy of Willo Art.

TMA opened its new and renovated galleries to over 4,000 guests with a Community Celebration. The weekend offered free admission for the public and two new exhibitions featuring local and world-renowned artists. The galleries had been closed since mid-July for a renovation which added 5,000 square feet of gallery space among other modifications and improvements.
CRUSH Party returned to TMA on November 10 with over 500 guests. The event’s high-energy atmosphere included over 25 of Tucson’s best restaurants serving high-end bites, along with fine wine, Arizona beer, local spirits and premium tequilas sampled throughout the Plaza. TMA’s Margaret E. Mooney Hall was transformed into the Red Door Spa Lounge offering complimentary mini spa services and a tranquil atmosphere. Local band Zona Libre had guests dancing the night away, while the museum’s education department TMALearn! led custom interactive art making.

MUSEUM STORE

Newly relocated to the north end of the historic Fish house, the Museum Store now has five rooms dedicated to locally made art and crafts, personal accessories, art books and exhibition catalogues, children’s items, and other gifts. Continuing to strengthen its relationship with regional artists, the store implemented a regular schedule of featured artists and trunk shows this year. Each month, works by a featured artist were prominently exhibited in the store, and trunk shows highlighting different artists took place on weekends in conjunction with Second SundAZe programming.
TMA launched a new art-themed winter event. This year Fashion Fête showcased the museum’s featured fashion exhibitions: Desert Dweller, and Dress Matters: Clothing as Metaphor. The museum welcomed people into beautifully renovated galleries to spend the evening eating, drinking, dancing, and getting pampered by The Red Door Spa in the Fashionista Lounge. This sold-out event was a night to remember.
Mayor Jonathan Rothschild announced the merger of his Great Start program with Act One, a nonprofit that provides free field trips to art and cultural institutions for K-12 students in Title I schools, with a press conference in Margaret E. Mooney Hall, the museum’s lobby.

With a goal of giving more children access to the arts, the Great Start Program provided more than 2,000 donated tickets and passes for Tucson-area school districts to distribute to students in 2017. Act One provides entire classrooms with field trips and pays for admission and transportation. It also provides teachers with lesson plans, and in some cases, books, to guide discussion of the experience.

The museum is one of 12 participating institutions and 8% of the K-12 classrooms that visited the museum this year did so with an Act One pass.
The 11th Annual CRUSH Gala celebrated the past, present, and future of the museum by honoring its past, recognizing its contributions of the present, and toasting to a bright future. This year’s honorees were Michael and Christine Hanson. The evening included a live auction, silent auction, Art Bar, three-course dinner, and an After Glow Lounge.

Tucson business leader I. Michael Kasser and his wife Beth donated $2.5 million to the museum, constituting the single most significant individual donor gift in the museum’s history. The gift will support the construction of a new wing at the museum. A groundbreaking is planned for spring 2019, with completion and gallery opening in late fall of the same year.

The 6,000-square-foot gallery, to be named the Kasser Family Wing, will be used to exhibit pre-Columbian and Latin American art. In addition to providing the funds for the project, Mr. Kasser will also provide the museum with an indefinite loan of his extensive Latin American art collection, which features over 250 works of pre-Columbian art. The museum will display works from its current holdings in the Kasser Family Wing, as well as the works that are made available through this loan arrangement.
In May, Free First Thursday celebrated the cultural influences of immigrant and refugee artists in our community. Free First Thursdays were attended by over 5,000 people this year—an 83% percent increase over last year—who enjoyed innovative programming that featured performances, live music, art-making, gallery conversations, and community partners. Lectures featured artists, collectors, museum professionals, and TMA curators, and explored subjects such as Buddhism, cowboy art, curatorial practice, artists’ careers and bodies of work, and fashion reflecting the aesthetic and culture of the Southwest and beyond, making the connection between exhibitions, the permanent collection, and Tucson’s unique personality.

In May, Mayo Textiles from the Giffords Collection opens to the public.

May 3, 2018
Free First Thursday

May 10, 2018
Second SundAZe
Family Day @ TMA
Folk Art

June 7, 2018
Free First Thursday
Moyo Textiles: Mariachi Sonido de México and Ballet Folklorico Tapatio
MEMBERSHIP

Membership to Tucson Museum of Art and Historic Block is a commitment to the arts and cultural history of Tucson. Members’ support means the museum endures as one of Arizona’s most accessible, diverse, and innovative arts organizations. Members are important to help TMA extend the mission of Connecting Art to Life by providing world-class exhibitions, educational programming, and celebrations of culture.

MEMBERSHIP NUMBERS

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AMBASSADOR CIRCLE LIFETIME ACHIEVEMENT AWARD

The Ambassador Circle is a component of TMA’s Leadership Circle, the museum’s foremost philanthropic membership group. 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 commitment to the advancement of the Tucson Museum of Art and Historic Block and Southern Arizona Arts community. Tom A. Philabaum was this year’s recipient.

Philabaum’s work is part of collections throughout the world, including the Tucson Museum of Art, Seattle Art Museum, the University of Florence in Florence, Italy, Glasmuseum Freising in Germany, Glasmuseum Ebeltoft in Denmark, and the Arizona State University Museum of Art. He also has works in a variety of businesses throughout the U.S., including Tucson International Airport and a Saks Fifth Avenue in Miami. The Tucson Museum of Art has six works by Philabaum in the permanent collection.

CONTRIBUTIONS

The impact of art is often perceived as subtle, private, and personal, but as evidenced on the preceding pages TMA has demonstrated many ways it can be experienced as a community. The power of art lies in its capacity to promote social and economic objectives and advance education and lifelong learning while providing an immediate intrinsic experience for the individual. TMA promotes and supports access to meaningful art enjoyment opportunities for all, and it is only with the commitment and generosity of many that this year has been such a success. Thank you to the many members, donors, volunteers, trustees, and staff who made it all possible.
TMA LEARN! DOCENTS

Volunteer docents serve as a vital component of TMA’s family, K-12, and adult programs, providing educational opportunities on campus and throughout the community. They share a knowledge of the museum’s collections and historic properties, an understanding of art history including major periods and important artists, and a passion for education.

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. The organization promotes lectures, arranges studio and gallery visits, plans tours and trips, and has contributed more than $1 million in artwork to the museum.

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. Throughout the year the organization organizes special events including visits to private and public collections, lectures, and private home tours showcasing Latin-American themed collections and décor.

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. The League hosts meetings often focusing on local artists, carries out fundraising events such as the popular Treasure House and Dinner à L’art, and holds social luncheon and dinner gatherings for its members.

WESTERN ART PATRONS

November 2007 marked the Tenth anniversary of the founding of the Western Art Patrons (WAP). WAP’s mission is to encourage interest and foster knowledge of Art of the American West through educational and social programs, trips, exhibition underwriting, and support of museum acquisitions. In its ten-year history, the WAP has become not just a support organization with enthusiasm for Art of the American West, but also a group with its finger on the pulse of what is happening in this art genre. Over the years, WAP has built its membership, and met dozens of artists, art historians, gallerists, and collectors. Its members are excited to know about different facets of this type of art as well as to share their knowledge. WAP is a charitable set of people with their time, donations of art, and financial contributions. Between 2007 and 2017, WAP purchased or gifted seven works of art to the TMA collection. In exhibitions underwriting and other sponsorships for TMA, WAP has contributed over $150,000. WAP is excited about the next ten years and the programs, trips, and camaraderie yet to come.

Contemporary Art Society, New York City trip.

Latin American Art Patrons, Cinco de Mayo Party.

Western Art Patrons, Tenth Anniversary Celebration.

TMALearn! Docent Training.

Tucson Museum of Art League, Treasure House.
THANK YOU TO OUR DONORS

The Tucson Museum of Art and Historic Block recognizes and thanks the following donors who made contributions of $1,000 or more during fiscal year 2018.* These gifts provide vital support for the museum’s education and outreach efforts, feature exhibitions, and the continuing care, presentation, and interpretation of the collection.

$1,000,000
I Michael & Beth Kaesor Foundation**

$500,000+
James J. & Louise R. Glasser**

$500,000+
Michael & Beth Kasser Foundation**

$1,000,000
The Stonewall Foundation

$25,000 TO $49,999
Ann & Harry Leach**

$25,000 TO $99,999
Alecia & Paul Baker**

$25,000 TO $99,999
Connie Hillman Family Foundation

$25,000 TO $99,999
The Tucson Museum of Art League

$10,000 TO $24,999
Amy Adams

$10,000 TO $24,999
Anonymous

$10,000 TO $24,999
Community Foundation for Southern Arizona

$10,000 TO $24,999
Shirley A. Estes

$10,000 TO $24,999
Marilyn & Clayton R. Joyce

$10,000 TO $24,999
Courtney Johnson & John Hudak

$10,000 TO $24,999
James Huntington Foundation/Sam & Bea Ellis

$1,000 TO $2,499
Amy Adams

$1,000 TO $2,499
Anonymous

$1,000 TO $2,499
Sharon A. Estes

$1,000 TO $2,499
Lori Frank

$1,000 TO $2,499
Friends of the Pima Green Valley

$1,000 TO $2,499
Linda Paljupj

$1,000 TO $2,499
Gina Goodman

$1,000 TO $2,499
Alice Goodman

$1,000 TO $2,499
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$1,000 TO $2,499
Al & Janice Krekl

$1,000 TO $2,499
Bryan Luehr

$2,500 TO $4,999
Alzheimer’s Disease & Related Disorders Association, Inc

$2,500 TO $4,999
Cos Communications

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Larry & Florence Adamson

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Shirley A. Estes

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William & Barbara Dantzler

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Sasha T. & David M. Tischler

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Jeffrey W. & Anne E. Gartner

$2,500 TO $4,999
Linda Immerman-Stoffers & Bill Stoffers

$2,500 TO $4,999
John & Helen Schaefer

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Spalding &4 Rush University

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David Wohl

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Veterans of Foreign Wars

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Bill Thibeault

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Raymond H. Young

$2,500 TO $4,999
Katherine Kline

$2,500 TO $4,999
C. J. Johnson

$2,500 TO $4,999
Paul Gold & Greer Warren

$2,500 TO $4,999
Gloria Giffords

$2,500 TO $4,999
Alex Greenberg Heveri

$2,500 TO $4,999
Tamara Culbert

$2,500 TO $4,999
David T. Frank & Kazukuni Sugiyama

$2,500 TO $4,999
Tamara Culbert

$2,500 TO $4,999
Jerry Cowdrey

LARGE LEGACIES

The Tucson Museum of Art and Historic Block wishes to acknowledge the following founding members of our Legacy Society:

Bonnie Bradford

Jayne & Bruce

Michael & Vivienne McFarland

Carolyn Reiner & Tim Wernette

The Estate of Earl Kai Chann

Michael & Christine Hanson

Nancy K. Strauss

Richard & Stella Schaefer

Steven & Doris Ratoff

Betsey Parlato & David Zucker

Charles Northrup

William Moyer & John Jackson

Robert & Sheryl neglect

Paul Gold & Greer Warren

Gloria Giffords

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Paul Gold & Greer Warren

Gloria Giffords

Alex Greenberg Heveri

Tamara Culbert

David T. Frank & Kazukuni Sugiyama

Tamara Culbert

Jerry Cowdrey

The Estate of Earl Kai Chann

Robert & Sheryl neglect

Paul Gold & Greer Warren

Gloria Giffords

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Tamara Culbert

David T. Frank & Kazukuni Sugiyama

Tamara Culber...
## FINANCIALS

### STATEMENT OF ACTIVITIES

**Support & Revenue**
- Gifts and Grants: $1,278,667
- Fundraising Events: $672,786
- Membership: $35,892
- Admissions: $292,207
- Program Income: $137,969
- Rental Income: $203,644
- Retail Income: $283,491
- Investment Income: $192,281
- Restricted Income: $2,335,340
  - **Total Support & Revenue**: $5,331,059

**Expense**
- Program Services: $2,610,336
- Fundraising: $292,207
- Management & General: $820,391
  - **Total Expense**: $3,729,052

**Change in Net Assets**: $1,602,007

### FINANCIAL POSITION

**Assets**
- Current Assets: $4,942,948
- Fixed Assets: $3,962,384
  - **Total Assets**: $9,455,332

**Liabilities**
- **Net Assets**: $8,978,041

**Permanently Restricted**: $3,475,835
- Restricted: $2,924,961
- Unrestricted: $2,577,645
- **Total Net Assets**: $8,978,041
- **Total Assets & Liabilities**: $9,455,332

## SUPPORT & REVENUE

- **Restricted Income**: 44%
- **Gifts & Grants**: 24%
- **Fundraising Events**: 13%
- **Program Income**: 2%
- **Rental Income**: 4%
- **Retail Income**: 4%
- **Membership**: 5%
- **Admissions**: 2%

## EXPENSE

- **Program Services**: 73%
- **Management & General**: 22%
- **Fundraising**: 8%
STAFF

Amara Mikolajczak
Chief Executive Officer
Caris Castrine
Administrative Assistant
Christopher Gordon
Chief Financial Officer
Andrii Atlas
Director of Accounting and HR
Katharina Wolde
Accounting Associate
Jacquie Gentry
Administrative & Retail Manager
Aubeke Keszner
Assistant Retail Manager
Dave Hopkins Jr.
Chief of Buildings, Grounds & Security
Russell Bos
Building & Security Assistant

Jonah Hyman
Building & Grounds Assistant
Mike Flood
Building & Security Assistant
Alba Rajo-Sukkar
CFO Chief Development Officer
Jenny Sonder
Development Director
Liza Jensen
Membership & Development Associate
Nancy Yount
Grants Manager
Debra Zeller
Board Liaison, Development Assistant
Katelyn Wolfe
Director of Communication & External Affairs
Audra Johnson
Digital Content & Marketing Coordinator

TRUSTEES EMERITI

Andy Anderson
Alta Glazier
Dr. Alan Schaefer

EX-OFICIO MEMBERS

David Andrews
Contemporary Art Society, President
Delphine Cloutier
TMA Leanser, President
Cardal Delens
Latin American Art Patrons, President
Jeffrey Gartner
Western Art Patrons, President
Sharon Houson
Tucson Museum of Art League, President

STAFF

Amy J. Adams
Lorry Almenon
Joyce Brenn
Merlin Cohen
The Honorable Joan Cooper
Ann Baker
Juan Jacobson
Marilyn Joyce
T. Michael Kaiser

Keri Kirshbom
The Honorable Steve Leal
Sandra Mankfield
Amara Mikolajczak
Betsey J. Parlato
R. Michael Schaffer
Anna V. Stoughouse

BOARDS OF TRUSTEES

Michael Rimes
President
Michael Hanson
Interim Past President
Frank Damon
Vice President
Sharon L. Reef
Treasurer
Mary Jo Brown
Secretary

We wanted express our commitment to the mission of the museum – connecting art to life. We are grateful for the important role that TMA plays in our lives in Tucson and are excited about the ever-expanding role that TMA plays in our community. Not only is the museum devoted to providing art experiences; it is providing life experiences to students, seniors, veterans, and the entire community through its outreach and education programs. We thought that by joining the Legacy Society we could perhaps encourage others to include TMA in their estate plans.

- Marilyn Joyce

LEAVING A LEGACY

We wanted express our commitment to the mission of the museum – connecting art to life. We are grateful for the important role that TMA plays in our lives in Tucson and are excited about the ever-expanding role that TMA plays in our community. Not only is the museum devoted to providing art experiences; it is providing life experiences to students, seniors, veterans, and the entire community through its outreach and education programs. We thought that by joining the Legacy Society we could perhaps encourage others to include TMA in their estate plans.

- Marilyn Joyce
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, 2018 and 2017, 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, 2018 and 2017, 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.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
May 2, 2019
# TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.
## STATEMENT OF FINANCIAL POSITION
### JUNE 30, 2018 AND 2017

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</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>
</tr>
<tr>
<td>Receivables</td>
<td>$783,802</td>
<td>$138,910</td>
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<tr>
<td>Museum Shop Inventory</td>
<td>$49,454</td>
<td>$27,527</td>
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<tr>
<td>Prepaid Expenses</td>
<td>$18,573</td>
<td>$33,817</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$9,501</td>
<td>$9,501</td>
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<td><strong>Total Current Assets</strong></td>
<td>$907,755</td>
<td>$256,180</td>
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<td><strong>Assets Whose Use Is Restricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$261,316</td>
<td>$1,537,793</td>
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<tr>
<td>Receivables</td>
<td>$2,400,000</td>
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</tr>
<tr>
<td>Investments</td>
<td>$1,828,835</td>
<td>$1,711,167</td>
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<tr>
<td><strong>Total Restricted Assets</strong></td>
<td>$4,490,151</td>
<td>$4,073,626</td>
</tr>
<tr>
<td><strong>Fixed Assets, Net</strong></td>
<td>$3,969,877</td>
<td>$3,383,488</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$9,367,783</strong></td>
<td><strong>$7,713,294</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td><strong>$475,000</strong></td>
<td><strong>$337,173</strong></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$166,520</td>
<td>$61,989</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>$71,801</td>
<td>$54,760</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>$236,679</td>
<td>$220,424</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$475,000</strong></td>
<td><strong>$337,173</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>$(1,478,417)</td>
<td>$(816,835)</td>
</tr>
<tr>
<td>Invested in Property and Equipment</td>
<td>$3,969,877</td>
<td>$3,383,488</td>
</tr>
<tr>
<td><strong>Total Unrestricted Net Assets</strong></td>
<td>$2,491,460</td>
<td>$2,566,653</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>$2,925,488</td>
<td>$1,333,633</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>$3,475,835</td>
<td>$3,475,835</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$8,892,783</strong></td>
<td><strong>$7,376,121</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$9,367,783</strong></td>
<td><strong>$7,713,294</strong></td>
</tr>
</tbody>
</table>

See notes to financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and Other Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions</td>
<td>$122,207</td>
<td>-</td>
<td>-</td>
<td>$122,207</td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>413,131</td>
<td>2,801,126</td>
<td>-</td>
<td>3,214,257</td>
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<tr>
<td>Exhibition Revenues</td>
<td>196,920</td>
<td>-</td>
<td>-</td>
<td>196,920</td>
</tr>
<tr>
<td>Fundraising Revenues</td>
<td>672,786</td>
<td>-</td>
<td>-</td>
<td>672,786</td>
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<tr>
<td>Grant Revenues</td>
<td>198,700</td>
<td>-</td>
<td>-</td>
<td>198,700</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>251,726</td>
<td>-</td>
<td>-</td>
<td>251,726</td>
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<tr>
<td>Retail Operations Revenues</td>
<td>213,876</td>
<td>-</td>
<td>-</td>
<td>223,876</td>
</tr>
<tr>
<td>Other</td>
<td>34,177</td>
<td>-</td>
<td>-</td>
<td>34,177</td>
</tr>
<tr>
<td>Rental Income</td>
<td>203,161</td>
<td>-</td>
<td>-</td>
<td>203,161</td>
</tr>
<tr>
<td>Support Organization Income</td>
<td>226,791</td>
<td>-</td>
<td>-</td>
<td>226,791</td>
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<tr>
<td>Tuition</td>
<td>55,227</td>
<td>-</td>
<td>-</td>
<td>55,227</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,598,701</td>
<td>2,801,126</td>
<td>-</td>
<td>5,399,828</td>
</tr>
<tr>
<td><strong>Transfers Between Restricted Net Assets</strong></td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Assets Released from Restrictions</strong></td>
<td>1,327,126</td>
<td>(1,327,126)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,325,827</td>
<td>1,474,000</td>
<td>-</td>
<td>5,399,827</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>683,574</td>
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<td>-</td>
<td>683,574</td>
</tr>
<tr>
<td>Curatorial and Exhibitions</td>
<td>529,630</td>
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<td>-</td>
<td>529,630</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>237,618</td>
<td>-</td>
<td>-</td>
<td>237,618</td>
</tr>
<tr>
<td>Education</td>
<td>373,684</td>
<td>-</td>
<td>-</td>
<td>373,684</td>
</tr>
<tr>
<td>Fundraising Expenses</td>
<td>366,932</td>
<td>-</td>
<td>-</td>
<td>366,932</td>
</tr>
<tr>
<td>Marketing and Development</td>
<td>485,525</td>
<td>-</td>
<td>-</td>
<td>485,525</td>
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<tr>
<td>Retail Expenses</td>
<td>200,860</td>
<td>-</td>
<td>-</td>
<td>200,860</td>
</tr>
<tr>
<td>Operations</td>
<td>803,461</td>
<td>-</td>
<td>-</td>
<td>803,461</td>
</tr>
<tr>
<td>Support Organization Expenses</td>
<td>321,549</td>
<td>-</td>
<td>-</td>
<td>321,549</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,002,234</td>
<td>-</td>
<td>-</td>
<td>4,002,234</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Operating Income</strong></td>
<td>(76,405)</td>
<td>1,474,000</td>
<td>-</td>
<td>1,397,595</td>
</tr>
<tr>
<td>Non-Operating Income, Net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection Items Purchased</td>
<td>1,212</td>
<td>-</td>
<td>-</td>
<td>1,212</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>117,855</td>
<td>-</td>
<td>117,855</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,212</td>
<td>117,855</td>
<td>-</td>
<td>119,067</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Assets</strong></td>
<td>(75,193)</td>
<td>1,591,855</td>
<td>-</td>
<td>1,516,662</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning</strong></td>
<td>2,596,653</td>
<td>1,333,635</td>
<td>3,475,835</td>
<td>7,376,121</td>
</tr>
<tr>
<td><strong>Net Assets, Ending</strong></td>
<td>$2,491,460</td>
<td>$2,925,488</td>
<td>$3,475,833</td>
<td>$8,892,783</td>
</tr>
</tbody>
</table>

See notes to financial statements.


TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Revenues and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>$129,330</td>
<td>$1,025,375</td>
<td></td>
<td>$2,206,575</td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>$1,181,200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exhibition Revenues</td>
<td>$218,812</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising Revenues</td>
<td>$652,449</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Revenues</td>
<td>$133,780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$228,924</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Museum Store Revenues</td>
<td>$199,588</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$23,393</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Income</td>
<td>$176,249</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Organization Income</td>
<td>$274,842</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>$54,599</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,273,865</strong></td>
<td><strong>1,025,375</strong></td>
<td></td>
<td><strong>4,298,741</strong></td>
</tr>
<tr>
<td>Transfers Between Restricted Net Assets</td>
<td>$1,623</td>
<td></td>
<td>(1,623)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets Released From Restrictions</strong></td>
<td><strong>357,005</strong></td>
<td></td>
<td>(357,005)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,630,870</strong></td>
<td><strong>669,993</strong></td>
<td>(1,623)</td>
<td><strong>4,298,741</strong></td>
</tr>
</tbody>
</table>

Operating Expenses

| Administration                              | $556,898     |                        |                        |       |
| Curatorial and Exhibitions                  | $441,247     |                        |                        |       |
| Depreciation and Amortization               | $199,572     |                        |                        |       |
| Education                                   | $239,337     |                        |                        |       |
| Fundraising Expenses                        | $303,285     |                        |                        |       |
| Marketing and Development                   | $402,127     |                        |                        |       |
| Museum Shop Expenses                        | $186,091     |                        |                        |       |
| Operations                                  | $774,756     |                        |                        |       |
| Support Organization Expenses               | $224,450     |                        |                        |       |
| **Total**                                   | **3,327,764**|                        |                        | **3,327,764** |

Increase (Decrease) in Net Assets Before Non-Operating Income

| Non-Operating Income                        | **302,607**  | **669,993**            | (1,623)                | **970,977** |

Non-Operating Income, Net:

| Collection Items Purchased                  | (39,259)     |                        |                        | (39,259) |
| Net Investment Income                      |               |                        | 187,804                | 187,804  |
| **Total**                                   | (39,259)     |                        | 187,804                | **148,545** |

Increase (Decrease) in Net Assets

| 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.
# TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.
## STATEMENT OF CASH FLOW
### YEARS ENDED JUNE 30, 2018 AND 2017

<table>
<thead>
<tr>
<th>Cash Flows From Operating Activities:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (Decrease) in Net Assets</td>
<td>$ 1,516,662</td>
<td>$ 1,119,522</td>
</tr>
<tr>
<td>Adjustments to Reconcile Increase in Net Assets to</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>237,618</td>
<td>199,572</td>
</tr>
<tr>
<td>Net Unrealized (Gains) Losses on Investments</td>
<td>(458)</td>
<td>(114,764)</td>
</tr>
<tr>
<td>Changes in Operating Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>(2,220,226)</td>
<td>(802,174)</td>
</tr>
<tr>
<td>Museum Shop Inventory</td>
<td>(21,927)</td>
<td>(12,273)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>15,244</td>
<td>(6,322)</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>104,531</td>
<td>(35,216)</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>17,041</td>
<td>2,673</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>16,255</td>
<td>(12,766)</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>-</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>(1,851,922)</td>
<td>(981,270)</td>
</tr>
<tr>
<td>Net Cash Provided By (Used In) Operating Activities</td>
<td>(335,260)</td>
<td>138,252</td>
</tr>
</tbody>
</table>

| Cash Flows From Investing Activities: | | |
| Purchase of Investments              | (117,210) | (72,277) |
| Purchases of Fixed Assets            | (824,007) | (156,052) |
| Transfers From (To) Restricted Cash Account | 1,276,477 | 90,077 |
| Net Cash Provided by (Used In) Investing Activities | 335,260 | (138,252) |

| Net Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash and Cash Equivalents, Beginning | 46,425 | 46,425 |
| Cash and Cash Equivalents, Ending | $ 46,425 | $ 46,425 |

See notes to financial statements.
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.

Endowment, Bequest, and Restricted 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. As the difference between the present value and net present value is insignificant, promises to give that are collectible over future periods will be reported at present value. Promises to give that are collectible over future periods are discounted to their net present value. 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 2018 and 2017, the Museum received $385,685 and $664,555 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, 2018 and 2017.
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 2018 and 2017 was approximately
 $136,472 and $70,000, of which approximately $70,240 and $16,000 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.
 The Organization’s Form 990, Return of Organization Exempt from Income Taxes and Form 990T, Exempt
 Organization Business Income Tax Return, are generally subject to examination by the Internal Revenue Service
 for three years after the date filed. 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:
The Museum’s management has evaluated the events that have occurred subsequent to June 30, 2018 through
 May 2, 2019, the date that the financial statements were available to be issued. On October 22, 2018, the
 museum received a $750,000 loan from Paul and Alice Baker for the creation of the Alice Baker Center for Arts
 Education. The loan is interest free and shall be paid in full upon the earlier to occur of (i) a Termination Event
 or (ii) the 7th anniversary of the note unless sooner paid. Management has no responsibility to update these
 financial statements for events and circumstances occurring after this date.
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, 2018, 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>$1,814,118</td>
<td>$1,814,118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled Fund</td>
<td>$14,717</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,828,835</td>
<td>$1,814,118</td>
<td>$14,717</td>
<td></td>
</tr>
</tbody>
</table>

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></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>

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:
2. Investments and Fair Value Measurements (continued):

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, 2018 and 2017 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividend Income</td>
<td>$117,647</td>
<td>$73,290</td>
</tr>
<tr>
<td>Unrealized Gains (Losses) on Investments</td>
<td>458</td>
<td>114,764</td>
</tr>
<tr>
<td>Total Investment Income</td>
<td>118,105</td>
<td>188,054</td>
</tr>
<tr>
<td>Less Investment Fees</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>117,855</td>
<td>187,804</td>
</tr>
</tbody>
</table>

4. Contributions Receivable:

Unconditional contributions receivable consist of the following:

Amounts due in:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$1,952,256</td>
<td></td>
</tr>
<tr>
<td>More than one year</td>
<td>1,231,546</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,183,802</td>
<td></td>
</tr>
</tbody>
</table>

5. Fixed Assets:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$5,981,833</td>
<td>$5,735,520</td>
</tr>
<tr>
<td>Courtyard and Plaza</td>
<td>400,601</td>
<td>393,783</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>1,199,617</td>
<td>1,079,387</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>2,447,356</td>
<td>1,996,710</td>
</tr>
<tr>
<td></td>
<td>10,029,407</td>
<td>9,205,400</td>
</tr>
<tr>
<td>Less Accumulated Depreciation and Amortization</td>
<td>(6,080,930)</td>
<td>(5,845,612)</td>
</tr>
<tr>
<td></td>
<td>3,948,477</td>
<td>3,359,788</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>11,500</td>
</tr>
<tr>
<td>Less Accumulated Amortization</td>
<td>(4,100)</td>
<td>(1,800)</td>
</tr>
<tr>
<td></td>
<td>7,400</td>
<td>9,700</td>
</tr>
<tr>
<td>Total Fixed Assets, Net</td>
<td>3,969,877</td>
<td>3,383,488</td>
</tr>
</tbody>
</table>
6. **Endowment:**

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment Net Assets, Beginning</strong></td>
<td>$340,801</td>
<td>$3,475,835</td>
<td>$3,816,636</td>
</tr>
<tr>
<td>Investment Return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>117,397</td>
<td>117,397</td>
<td></td>
</tr>
<tr>
<td>Net Unrealized Gains (Losses)</td>
<td>458</td>
<td>458</td>
<td></td>
</tr>
<tr>
<td>Contributions and Transfers</td>
<td>200</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Appropriation of Endowment Assets for Expenditures</td>
<td>(100,121)</td>
<td>(100,121)</td>
<td></td>
</tr>
<tr>
<td><strong>Endowment Net Assets, Ending</strong></td>
<td>$358,735</td>
<td>$3,475,835</td>
<td>$3,834,570</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment Net Assets, Beginning</strong></td>
<td>$307,670</td>
<td>$3,477,458</td>
<td>$3,785,128</td>
</tr>
<tr>
<td>Investment Return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>73,040</td>
<td>73,040</td>
<td></td>
</tr>
<tr>
<td>Net Unrealized Gains (Losses)</td>
<td>114,754</td>
<td>114,754</td>
<td></td>
</tr>
<tr>
<td>Contributions and Transfers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation of Endowment Assets for Expenditures</td>
<td>(1,623)</td>
<td>(1,623)</td>
<td></td>
</tr>
<tr>
<td><strong>Endowment Net Assets, Ending</strong></td>
<td>$340,801</td>
<td>$3,475,835</td>
<td>$3,816,636</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, 2018 and 2017, there were no deficiencies of this nature. However, the Museum borrowed against the endowment during 2018 and 2017. At June 30, 2018 and 2017, the Museum had borrowed $1,385,684 and $226,875 against permanently restricted net assets to cover operating cash flows and capital improvements. Capital spending funded through pledges to be paid in subsequent years and an unexpected significant plant expenditure along with an annual operational deficit caused a increase in the borrowing level in the current year. Future capital improvements will be funded through an increase in liabilities. Payments of the naming pledges along with additional naming opportunities and a structural change in revenues and expense will be made to realize operational surpluses in subsequent years.
6. **Endowment (Continued):**

**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.

**Spending Policy and How the Investment Objectives Relate to Spending Policy:**

Each year, the Museum appropriates all accumulated investment income and losses, to the extent of the balances available, of each endowment fund’s pro rata share that are reported as temporarily restricted net assets. In establishing this method, the Museum considered the long-term expected return on its endowments. Distributions from the Endowment may be taken quarterly or annually, at the discretion of the Finance Committee, and shall not exceed \( \frac{1}{4} \) 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).

7. **Temporarily Restricted Net Assets:**

Temporarily restricted net asset activity for the year ending June 30, 2018 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><strong>Endowment:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Art and Care of Collections</td>
<td>$213,092</td>
<td>$20,344</td>
<td>($34,200)</td>
<td>$199,236</td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Crafts Awards</td>
<td>9,345</td>
<td>407</td>
<td>9,752</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>56,966</td>
<td>3,124</td>
<td>60,080</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curator: Western Art</td>
<td>17,289</td>
<td>(17,289)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curator: Latin American Art</td>
<td>89,657</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>1,695</td>
<td>(1,695)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Fund</td>
<td>8,506</td>
<td>(8,506)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships/Education</td>
<td>57</td>
<td>38,174</td>
<td>200</td>
<td>38,331</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>340,801</td>
<td>117,855</td>
<td>200</td>
<td>358,735</td>
<td></td>
</tr>
</tbody>
</table>

| Cash Reserve Fund               | 2,000             |                   |                             |          |
| Collections                     | 40,689            | 926               | (2,339)                     | 35,275   |
| Docent Activities               | 1,815             |                   |                             | 1,815    |
| Exhibit Creation & Upkeep       | 50,000            |                   |                             | 50,000   |
| Folk Art Project                | 73,882            |                   |                             | 73,882   |
| Other                           | 300               |                   |                             | 300      |
| Scholarship/Education           |                   |                   |                             |          |
| Naming Opportunities            | 824,666           | 2,800,000         | (1,224,666)                 | 2,400,000|
| **Total**                       | $1,333,633        | $117,855          | $2,801,128                  | $1,327,127|
| **Temporarily Restricted Net Asset Activity** | $1,333,633 | $117,855 | $2,801,128 | $1,327,127 |
7. Temporarily Restricted Net Assets (continued):

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>$213,092</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Crafts Awards</td>
<td>8,697</td>
<td>648</td>
<td>9,345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections</td>
<td>51,990</td>
<td>4,976</td>
<td>56,966</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curator: Western Art</td>
<td>16,240</td>
<td>27,537</td>
<td>(27,537)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curator: Latin American Art</td>
<td>13,355</td>
<td>45,101</td>
<td>61,314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>1,351</td>
<td>13,548</td>
<td>(13,548)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Fund</td>
<td>1,351</td>
<td>60,890</td>
<td>(62,184)</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Scholarships/Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>307,670</td>
</tr>
<tr>
<td>Total</td>
<td>$475,836</td>
<td>$187,804</td>
<td>$1,025,375</td>
<td>(355,382)</td>
<td>$1,333,633</td>
</tr>
</tbody>
</table>

8. Permanently Restricted Net Assets:

At June 30, 2018 and 2017, permanently restricted net assets consisted of the following:

<table>
<thead>
<tr>
<th>Endowments:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Purpose:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of Art</td>
<td>641,803</td>
<td>641,803</td>
</tr>
<tr>
<td>Acquisition of Masks and Weaving</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>1,122,772</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><strong>Total</strong></td>
<td>3,475,835</td>
<td>3,475,835</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, 2018 and 2017 was $22,289 and $16,664.

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.
10. Commitments (continued):

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 $24,976 for the year ended June 30, 2018. The operating leases have remaining non-cancelable lease terms for five years and provide renewal options. The future minimum rental payments required under the operating leases are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24,769</td>
<td>15,805</td>
<td>15,415</td>
<td>13,968</td>
<td>8,148</td>
<td>$78,155</td>
</tr>
</tbody>
</table>

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, 2018 and 2017 was $138,739 and $130,968.

The Museum subleases another building under an operating lease. The lease requires monthly payments of $1,500 through June 2020. Rental income for the years ended June 30, 2018 and 2017 was $18,000 and $16,500. Future minimum rental income under the lease is $18,000 per year.

12. Functional Expenses:

Functional expenditures for the years ended June 30, 2018 and 2017 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$2,191,842</td>
<td>$1,928,752</td>
</tr>
<tr>
<td>Management and General</td>
<td>695,183</td>
<td>504,053</td>
</tr>
<tr>
<td>Fundraising:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Event</td>
<td>366,332</td>
<td>303,285</td>
</tr>
<tr>
<td>Direct</td>
<td>748,877</td>
<td>591,672</td>
</tr>
<tr>
<td></td>
<td>$4,002,254</td>
<td>$3,327,764</td>
</tr>
</tbody>
</table>

13. Related Party Transactions:

During 2018 and 2017, the Museum received approximately $2,882,842 and $1,138,755 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, 2018 and 2017.

14. Donated Materials, Services, and Equipment

The Museum received no donated materials, services, and equipment for the years ended June 30, 2018 and 2017.