Many significant works of art acquired by the Tucson Museum of Art are the result of years of dedicated research and fundraising by museum’s support groups. In 2019, the Contemporary Art Society narrowed down an extensive search to eight artists that represented the museum’s commitment to diversity and equity, including African American, Native American, Middle Eastern, Latinx, and Mexican-Japanese artists. The final selection resulted in the acquisition of *The Fight for Air*, 2012, a large bronze sculpture by noted Cuban-born artist Enrique Martínez Celaya. Celaya is an artist, author, and former scientist whose paintings, sculptures, drawings, and photographs examine the divide between experience and representation. Blending reality, fantasy, and memory, his elegant and thought-provoking works are rooted in philosophy and literature with a focus on nature and the dynamics of human will. His works have been collected and shown in museums around the world and he has held several distinguished teaching positions at universities throughout the nation.

—Dr. Julie Sasse, Chief Curator
Dear Museum Community,

2020 has taught us that we are resilient. Though what seems like a distant memory, the 2019–2020 season featured a dynamic roster of exhibitions, public programs, educational opportunities, and ways of serving our communities. From the fantastic start of our exhibition season with *The Western Sublime: Majestic Landscapes of the American West* to the opening of the Alice Chaiten Baker Center for Art Education, our ability to advance our mission and engage audiences in new and exciting ways could never have been more vital. Even with TMA's closure on March 17, resulting in remote staffing and transition to an all-virtual platform, the Tucson Museum of Art and Historic Block continued to build for a better tomorrow.

This year’s Annual Report is dedicated with gratitude to TMA staff, board, support organizations, donors, members, volunteers, and community partners. The following pages highlight the museum’s fantastic accomplishments and spotlight six significant acquisitions that define our future.

In addition to the completion of the Alice Chaiten Baker Center for Art Education and continued construction of The Kasser Family Wing of Latin American Art, TMA Chief Curator Dr. Julie Sasse celebrated twenty years at the museum and presented one of her most ambitious and personal projects to date with the exhibition *Southwest Rising: Contemporary Art and the Legacy of Elaine Horwitch* and accompanying book. Plus, the Institute of Museum and Library Services awarded TMA the largest federal grant in its history, solidifying TMA as a museum thought leader. The project will develop an adaptable framework and toolkit to support museums in becoming responsive and welcoming spaces through community-based approaches to curation, interpretation, and programming.

Attesting to the hard work of staff and strong board leadership and guidance, the museum published, approved, and put into action two critical institution-wide governance documents: the 2020–2023 Strategic Plan and the Inclusion, Diversity, Equity, and Access (IDEA) Plan. These plans will shape and guide our institution’s future as to how we operate, what we collect, the types of exhibitions and programs we invest in, and the museum’s long-term financial sustainability.

Listed in this report are the many donors who supported us through the past year. I significantly recognize the extraordinary gifts from Alice and Paul Baker, Joyce Broan, Mary Jo Brown, Jon and Linda Ender, Jim and Louise Glasser, Frank and Jean Hamilton, I. Michael and Beth Kasser, Steven and Doris Ratoff, the Stonewall Foundation, as well as our support organizations. We are deeply grateful for your generosity.

Lastly, I give special thanks to the out-going Board of Trustees President, Frank Hamilton, for his leadership during a time of growth and transition. His commitment to the museum saw us through the construction projects, a new strategic plan, and the pandemic response. He has our sincere admiration and appreciation.

Thank you to all who have supported us through these challenging times. We are deeply grateful for your belief in TMA and its essential role in the lives of Southern Arizonans.

Jeremy Mikolajczak
*Jon and Linda Ender Director and CEO*
The Tucson Museum of Art and Historic Block connects art to life through meaningful and engaging experiences that inspire discovery, spark creativity, and promote cultural understanding.

Guiding our actions, decisions, and impacts are eight core values. These values drive the mission and vision and serve as the bedrock of our work at TMA.

Core values represent the lens through which all decisions and activities are viewed and considered. The Tucson Museum of Art is committed to the following core values.

- Affirm the importance and primacy of the art and artists that are the bedrock of its mission and that provide the inspiration for rewarding community relationships.
- Hold in public trust significant works representing the core collecting areas of Latin American Art, Art of the American West and Modern and Contemporary Art.
- Provide quality arts education for people of all ages, abilities, and backgrounds.
- Serve as Tucson and Southern Arizona’s preeminent center for vital, transformative visual art and cultural experiences.
- Ensure that a culture of inclusion, diversity, equity, and access is represented in the museum’s collection, exhibitions, and educational programs and among members of the board, staff and all volunteer groups.
- Serve as an incubator of ideas that link the museum’s broad, diverse collection and its historical resources with the life of the community.
- Serve as a cultural cornerstone for economic development.
- Foster a culture of financial and structural sustainability to ensure the museum’s viability for future generations.
Approved by the Board of Trustees on December 16, 2019, TMA's Strategic Plan 2020–2023 is the road map for the critical years leading to the museum's 2024 centennial celebration. From its humble beginnings as an association of arts supporters in the early 1920s to its establishment as a museum in the 1970s, Tucson Museum of Art has embraced growth and development. And our trajectory is clear. Now is the time to step boldly into the museum's next chapter.

Tens of thousands of lives have been enriched by the museum's permanent collection of over 12,000 objects, its award-winning outreach program serving Tucson's refugee community, one of the longest running statewide biennial exhibitions, and lifelong learning programs such as TMALearn! Docents. Many recent developments, including the construction of the Kasser Family Wing of Latin American Art, the renovation of the Alice Chaiten Baker Center for Art Education and grants from the Institute of Museum and Library Services to expand our IDEA-based community programs (Inclusion, Diversity, Equity and Access), have positioned TMA as a place for social, civic and artistic interaction, creating a positive economic impact.

The plan is the result of more than a year of research and discussion among members of the museum's board of trustees, staff, stakeholders, and partners. Over the next three years, TMA will focus on a series of four strategic priorities that will shape the museum's vision for an organization that dreams beyond its centennial celebration. Pragmatic and efficient, TMA's Strategic Plan 2020–2023 prioritizes its goals and objectives and reinforces the mission, vision and core values that drive the museum.

To read the full TMA Strategic Plan 2020–2023, please visit the museum website.
Approved by the board of trustees on July 20, 2020, the purpose of the Inclusion, Diversity, Equity and Access (IDEA) Plan is to position the Tucson Museum of Art and Historic Block (TMA) as a responsive, community-centered institution that represents, activates, and advocates for its communities. TMA connects art to life through meaningful and engaging experiences that inspire discovery, spark creativity, and promote cultural understanding. To support and engage audiences under this mission the museum is committed to developing quality exhibitions, expanding and diversifying its collection and presenting relevant and innovative programs. As a collecting institution, TMA believes that the artworks in its care are dynamic; they evolve as histories are re-examined and varying perspectives are taken into consideration—broadening how the institution preserves, exhibits, and interprets these works.

To read TMA’s IDEA Plan: A Commitment to Inclusion, Diversity, Equity and Access, please visit the museum website.
CARA ROMERO, EVOVERS

Cara Romero’s Evolvers is a significant addition to the museum’s Contemporary Indigenous Arts collection, with funds for purchase provided by Anne and Roger Looyenga. Romero’s photographic work addresses Indigenous social issues and reflects the human condition. This photograph appeared in The Western Sublime: Majestic Landscapes of the American West, representing a contemporary Indigenous view of the landscape. Romero’s work intertwines fine art and documentary-style photography. Her images are often playful social commentary combining iconography and tradition.

—Christine Brindza, Senior Curator
James and Louise Glasser Curator of Art of the American West
The 2019–2020 season was diverse and robust, with several new collections presented in solo and group exhibitions, drawn from our permanent collection and special loans. The museum acquired a major gift of works by celebrated photographer Ralph Gibson, several of which were showcased by Dr. Julie Sasse in the Kenneth J. and Judith H. Riskind/Patricia Carr Morgan and Peter F. Salomon Gallery. A recent gift of Oaxacan folk art from the Shepard Barbash and Vicki Ragan collection was highlighted in the Stonewall Gallery, curated by Dr. Kristopher Driggers. Christine Brindza opened *I’m Every Woman: Representations of Women on Paper* in the Jon and Linda Ender Gallery and one of the most important exhibitions of the season was *The Western Sublime: Majestic Landscapes of the American West*, curated by Christine Brindza, which featured works that interpret, reinvent, and transform the idea of the sublime, an aesthetic ideal with an emotional or spiritual charge that instills awe or inspires fear. Jeremy Mikolajczak organized a lively exhibition of paintings and sculptures by Chicago-Tucson artist Harry Brorby, and resulted in two new works for TMA’s collection. In late February, the museum presented *Southwest Rising: Contemporary Art and the Legacy of Elaine Horwitch*, organized by Dr. Julie Sasse. This exhibition highlighted not only one of the top art dealers in the Southwest during the 1970s and 1980s, but celebrated some of the most influential artists of the region during that time.

In addition to these special exhibitions, Dwayne Manuel (On’k Akimel O’odham / Salt River-Maricopa Indian Community) created *Landslice*, a large-scale mural that fills the main lobby of the museum, curated by Dr. Marianna Pegno. In this installation, Manuel honors three mountains sacred to O’odham himdak (culture/way of life): Baboquivari, Catalina, and Quinlan; each are mentioned in oral stories and are pillars of O’odham history. The museum also presented *The Place Where Clouds Are Formed*, an installation using the poetry of Ofelia Zepeda (Tohono O’odham) with Gareth Smit’s photography that investigates the intersection of religion, migration, and community in the Sonoran Desert—the original territories of the Tohono O’odham, in particular. This project, curated at TMA by Dr. Marianna Pegno and Christine Brindza, also included creative explorations by activist Amber Ortega (Tohono O’odham/Hia-Ced O’odham) and potter Reuben Naranjo (Tohono O’odham). This installation is part of a larger project that involved community exhibitions at the Tohono O’odham Community College and Museo Quitovac and critical texts by Martin Zicari.

The permanent collections galleries also featured a variety of important works. The Frank and Jean Hamilton Gallery featured selections from the museum’s permanent collection of Art of the American West, the Robert and Sandra Maxfield Gallery featured works by artists from the Southwest, and the Mary Jo Brown Gallery featured an ongoing display of 19th and 20th century European art from the Kasser Mochary Art Foundation.
Dwayne Manuel: Landslice
August 5, 2019–May 30, 2021
Margaret E. Mooney Hall
Curated by Dr. Marianna Pegno, Curator of Community Engagement

I'm Every Woman: Representations of Women on Paper
September 10, 2019–July 19, 2020
Jon and Linda Ender Gallery
Curated by Christine Brindza, Senior Curator, Glasser Curator of Art of the American West

Ralph Gibson: Photographs
September 3, 2019–July 19, 2020
Kenneth J. and Judith H. Riskind/ Patricia Carr Morgan and Peter F. Salomon Gallery
Curated by Dr. Julie Sasse, Chief Curator

Oaxacan Folk Art from the Shepard Barbash and Vicki Ragan Collection
October 3, 2019–February 14, 2021
The Stonewall Foundation Gallery
Curated by Dr. Kristopher Driggers, Schmidt Curator of Latin American Art

The Western Sublime: Majestic Landscapes of the American West
October 19, 2017–February 9, 2020
James and Louise Glasser Galleries
Curated by Christine Brindza, Senior Curator, Glasser Curator of Art of the American West

Harry Brorby: The strength of a cold line
October 19, 2019–February 9, 2020
Lois C. Green Gallery
Curated by Jeremy Mikolajczak, Jon and Linda Ender Director and CEO

Avoiding the collapse into a series of major -isms. Selections of European art at TMA
February 6, 2020–August 1, 2021
Palice Gallery of European Art
Curated by Jeremy Mikolajczak, Jon and Linda Ender Director and CEO

The Place Where Clouds Are Formed
February 9, 2020–February 14, 2021
Bernard and Jeanette Schmidt Gallery
Curated by Dr. Marianna Pegno, Curator of Community Engagement, and Christine Brindza, Senior Curator, Glasser Curator of Art of the American West

Southwest Rising: Contemporary Art and the Legacy of Elaine Horwitch
February 29, 2020–September 20, 2020
James and Louise Glasser Galleries and Lois C. Green Gallery
Curated by Dr. Julie Sasse, Chief Curator

The permanent collection of the Tucson Museum of Art and Historic Block represents the core of the institution 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.

IN MEMORY OF JOAN JACOBSON

TMA Trustee Emeritus Joan Jacobson died on June 12, 2020, at the age of 93, following a brief illness. She was born on July 19, 1926, in Jackson, Michigan and raised a family in Evanston, Illinois. Joan moved to Tucson in the 1970s. Here, she melded her passions for art, weaving, and textiles at the Tucson Museum of Art. Over the years, she donated many of her prized textiles to the museum and consulted with the curatorial department. Joan was dynamic, generous, and always brought a wry sense of humor to her causes and projects. She served on the Board of Trustees for many years, chaired the Collections Committee, and volunteered as a docent and educator. Joan founded the Tucson Handweavers and Spinners Guild and was a member of the Advisory Council for the Textile Museum in Washington DC. She will be greatly missed.
In 2020, the museum received a gift of four Colonial paintings on canvas from conservator and art historian Gloria Giffords, a donation that represents major growth for the Latin American collection. Likely created in the first half of the eighteenth century, the largest painting in the group depicts the Madre Dolorosa, the sorrowful Virgin Mary shown in a state of mourning. A close look at the image reveals the commitments of the unknown artist who created this work. The Virgin is rendered sensitively, her face expressively conveying her anguish, while descriptive details enrich the painting throughout—for example, the special attention given to gems that embellish the angel’s boot. Before exhibition in the Kasser Family Wing, each painting from the Giffords’ gift is undergoing extensive conservation, including cleaning, relining, pigment stabilization, and inpainting, treatments that will ensure that the paintings remain stable and can be displayed to best effect for generations to come. This work has been generously funded through a gift by Stevie Mack and Mike Grassinger, with further commitments by the Latin American Art Patrons to see the project of conserving these important works to fruition.

—Dr. Kristopher Driggers, Assistant Curator
Schmidt Curator of Latin American Art

_Sorrowful Mother (Madre Dolorosa), Mexico, 18th Century, oil on canvas. Gift of Gloria Giffords, 2020.5.1_
TMALearn!, the museum’s education department, focuses on enriching the lives of individuals of all ages through a variety of programs and educational experiences. This year was transformative for the department due to the renovation, and reopening, of the Alice Chaiten Baker Center for Art Education. The remodel improved the museum’s offerings by having four new classrooms designed to better serve the museum’s audiences. These new classrooms benefit K–12 programming including field trips, afterschool programs and school partnerships. TMALearn! also uses these classrooms for one of its longest running programs, Summer Art Camp. This summer, the museum celebrated its 60th year of the program. Even with all the restrictions due to COVID-19, the program still saw 187 students.

TMALearn! started its second year of the Teen Council with 13 new members. This group of young people became familiar with the museum by getting to know staff, meeting artists featured in the museum galleries, volunteering at TMA events, and writing their own wall label featured in the European gallery. They also started a new program to help bring more teen audiences to the museum: Teen Council Open Studios. The idea was to host a welcoming space for teens to come to the museum, create art, and hang out with like-minded peers. Unfortunately, due to COVID-19 restrictions, the council was only able to host one session with 11 youth participants.

Second SundAZe Family Day, sponsored by the Stonewall Foundation, had its third successful season seeing a growth in attendance with an average of over 500 people each month. New partnerships helped expand the museum’s offerings, providing families the opportunity to see the latest exhibitions, create art at various art-making stations, and enjoy performances and gallery activities.

**TMALearn! FY20 by Numbers (through March 17, 2020):**

- **K-12 Field Trips:** 47 schools visited the museum, 25 field trips canceled due to COVID-19
- **K-12 Art Impressions:** 4,792 impressions
- **Summer Camp Attendance:** 187 students
- **Volunteer Docents:** 164
- **Free In-School Classroom:** 366 presentations, 3,139 students, 8,646 exposures
- **TMALearn! Docent Art Talks:** 50 sessions, 3,542 participants

**TMALearn! FY20 Partners**

- Arizona Opera
- Ballet Folklorico Tapatio
- Ballet Rincon
- Blue Star Families
- Desert Southwest Chapter of the Alzheimer’s Association
- Davis Elementary School
- Davis Monthan Air Force Base
- Diaper Bank of Southern Arizona
- Imago Dei Middle School
- Jovert Steel Band from Tucson High School
- Los Changuitos Feos de Tucson
- Odaiko Sonora
- Pio Decimo
- The Alumni Choir of UA Symphonic Choir
- The Fox Theater
- The Mini Time Machine Museum of Miniatures
- The University of Arizona Fred Fox School of Music
- Tucson High School Choir
- Tu Nidito
- Wa:k Tab Basket Dancers
The TMALearn! Docent Council plays a vital role in TMA’s educational offerings by providing and leading art education programs on the TMA campus and throughout the community. Docents made a significant impact last year, providing 8,646 art exposures to schools with the Free In-School program, served 370 youth at Tu Nidito and Pio Decimo by leading monthly art-making activities, designing and presenting Art Talks for 3,542 participants, and helping with the museum’s outreach program. Docents help touring students and adults by staffing the museum’s visitor service desk. They also conduct research and work together to create study guides to support docents for their continuing education and this year graduated ten new docents into the docent council. This year, two docents and TMA’s Curator of Education were asked to present at the DC National Docent Symposium in Washington, DC, about how TMA docents developed touring techniques and sensitivities when 30 Americans opened at the museum in 2018. The museum docents along with TMA staff created a new program called Senior Outreach to bring TMA permanent collection art and conversation to seniors who are unable to get to the museum.

IN MEMORY OF LINDA RYAN
It is with sorrow that the Docent Council notes the passing of Linda Ryan, Class of 2020. Linda had just graduated from a year of docent training when she succumbed to the coronavirus. She will be missed by her loving classmates and mentors, who are confident she would have made an excellent museum educator.
ABOVE: November 2019 Participants during Free First Thursday. Photos by Ray Cleveland

BELOW: Leadership Circle in Stonewall Foundation Community Room, February 2019
For Community Engagement the 2019–2020 season was a year of developing, cultivating, and sustaining relationships affirming a commitment to building an equitable and inclusive TMA. Some of this year’s highlights were launching a land acknowledgment statement with the guidance and support of local tribal representatives; working with Tohono O’odham schools and committees both in Sells and San Xavier districts; regularly attending Four Southern Tribes meetings; creating an advisory committee to prepare for the Kasser Family Wing of Latin American Art; implementing an ad-hoc TMA Board of Trustee Community Initiatives committee; and developing an institution-wide IDEA plan with the Community Initiatives committee. Additionally, Community Engagement continued to activate TMA’s campus in innovative ways including an installation, dance, poetry readings, artmaking, musical performances, conversations, and even a graffiti workshop!

This work was bolstered by the receipt of a National Leadership Grant from the Institute of Museum and Library Services as well as two exhibitions rooted in O’odham culture and history: Landslice and The Place Where Clouds Are Formed. The National Leadership Grant also enables TMA to contract with Patricia Lannes (diversity + inclusion) and Cecilia Garibay (evaluation), who are leaders in the museum field working to build more equitable and culturally responsive institutions.

Community Engagement by Numbers (through March 17, 2020):

Programs and Partnerships: 3,304 participants
Multi-visit School Partnerships: 135 students
Leadership Circle Lectures: 236 attendees
Exhibition Related Programming: Talks, Lectures and Tours: 1,127 attendees

Community Engagement FY20 Partners
AJ Odneal
Allonna Dee
Amor Delux
Annual Spanish Language and Cultural Workshop
Anton Shekerdziev
Baboquivari High School
Backup Brass Band
Ballet Folklorico de Arizona
Bianca DiFonsi
Big Brothers Big Sisters
DJ Quiahuitl
Dwayne Manuel
Eduardo Costa
Gareth Smit
Hasañ College Prep
HOCO FEST (Hotel Congress)
International Rescue Committee
Jillian Bessett
Khalid El Boujami
La Syrena Barrio Books
Laila Halaby
Literacy Connects
Loki Moon
Marana High School
Martin Zicari
Neoglyphix
Ofelia Zepeda
Owl & Panther
Pueblo High School
Reuben Naranjo
Rogue Tucson Art
Southern Arizona Psychological Association
Southern Arizona Senior Pride
Tohono O’odham Cultural Center and Museum
Tucson LGBT Chamber of Commerce
UA Spanish Class
Venus Moon Starr
Wa:K Tab Basket Dancers
Howard and Marilyn Steele, longtime supporters of the Tucson Museum of Art and the Western Art Patrons, donated a substantial collection of paintings by Holland-born and Santa Fe-based artist, Henry C. Balink (1914–1963). With this recent gift, the museum becomes one of the largest repositories of Balink works in the country and likely the world.

Throughout his career, Balink traveled throughout the West and painted representatives from 63 Indigenous tribes. Balink concentrated on capturing the unique features of each person he painted. One of the new acquisitions, *Man in Chief Blanket Taos* (Takeequalia of Taos), dated 1917, is a significant portrait which reflects a transitional period in Balink’s career. After graduating from the Royal Academy in Holland in 1914, the artist and his wife immigrated to the U.S. and they lived in New York and then Chicago. In 1917, Balink made his first trip to the Southwest. This is among the first portraits he painted when he visited Taos, New Mexico.

—Christine Brindza, Senior Curator, James and Louise Glasser Curator of Art of the American West
After 30 years in its present location, TMA’s education center was completely renovated in 2019 thanks to a gift from Alice and Paul Baker, long-time museum benefactors. In addition to supporting renovation work, the gift established a fund for long-term financial sustainability for art education.

On January 12, 2020, a grand opening and ribbon cutting ceremony took place to honor this historic gift. To recognize Alice’s long-term commitment to TMA as a Trustee and supporter, the facility was renamed the Alice Chaiten Baker Center for Art Education. Additionally, the museum was deeply grateful for the naming of the following spaces throughout the building: Stonewall Foundation Community Room, James H. & Frances R. Allen Library, Anne E. & Jeffrey W. Gartner Lobby, The Kimball Conference Room, Michael S. Bylsma Executive Suite, Bob & Marilyn Joyce Conference Room, Stuart J. Meinke Classroom, and Dr. Sheldon Trubatch Classroom.

The Alice Chaiten Baker Center for Art Education renovation project was designed by TMA trustee emeritus, architect Richard “Andy” Anderson, FAIA, and Advantech Facilities Design Inc. The project was completed by Kittle Design and Construction.
After two years of planning and construction, the Tucson Museum of Art and Historic Block (TMA) unveiled the new Kasser Family Wing of Latin American Art. The 6,000 square-foot wing is the first expansion of the museum since the building was built in 1975. Dedicated to the art of the Ancient Americas, Colonial art, and Modern and Contemporary Latin American art, the building is named in honor of long-time arts supporter and Tucson business leader I. Michael Kasser and his wife, Beth. In addition to a financial gift supporting the construction, works from the Kasser family’s extensive Latin American art collection, which features over 250 works of art from the Ancient Americas, are on long-term loan to the museum.

Designed by TMA Trustee Emeritus and noted Tucson-based architect Richard “Andy” Anderson, the Kasser Family Wing was built with the support of Advantech Facilities Design Inc., and construction by Kittle Design and Construction. The new space features an open floor plan, five natural light-filled galleries, a linkage between Margaret E. Mooney Hall and John K. Goodman Pavilion, and a renovated outdoor plaza and sculpture garden. As part of a $5.5 million museum-wide initiative, the wing completes a four-year capital investment project focused on the museum campus that includes the recently completed Alice Chaiten Baker Center for Art Education and the renovation of the main museum galleries in 2017.

The Kasser Family Wing reinforces the Tucson Museum of Art’s commitment to art of Latin America and its relationship to the American Southwest, a focus of the museum since its early collecting in the 1950s. Curated by Dr. Kristopher Driggers, Assistant Curator, Bernard and Jeanette Schmidt Curator of Latin American Art, the wing offers a new perspective on art produced by peoples and cultures of the continent from ancient civilizations to today. Three of the five galleries feature art from antiquity. They highlight Ancient American works from the museum’s permanent collection alongside long-term loans from the Kasser and Paul L. and Alice C. Baker collections. These ancient objects are organized in galleries dedicated to Mesoamerican art, art from West Mexico and the intermediate zone, and Andean art, and explore themes of writing, visual narrative, costume, and portraiture.

An essential feature of the new wing is an annually rotating gallery dedicated to Modern and Contemporary Latin American art. The inaugural exhibition, curated by Dr. Julie Sasse, Chief Curator, features highlights from TMA’s collection and select loans, including works by artists such as Olga de Amaral, Carlos Betancourt, Fernando Botero, and Tomás Saraceno. It also includes the debut of new acquisitions by Enrique Martínez Celaya, Monica Aissa Martinez, Patrick Martinez and Pedro Tagliafico. Additionally, the wing includes a gallery dedicated to Colonial art with works from Latin America and the Southwestern United States created from the seventeenth through the nineteenth centuries.

TMA gratefully acknowledges the Kasser Family Wing Community Advisory Committee: Patricia Zoi Barceló-Sanders, Ana Cornide, Guadalupe Cruikshank, Norah Dabdoub, Patrisia Gonzales, Erica Franco, Lupita Sanchez, Alejandro Macias, Bardo Padilla, and Zach Yentzer.
TMA’s recent acquisitions include over 70 works of folk art from Ayacucho, one of Peru’s most active regions for the creation of folk art. Collected by Bill and Cheryl Green beginning in the 1980s, their gift to the collection includes large ceramic churches of a type that decorate the roofs of houses in the highland town of Quinoa, painted retablos populated with figures carefully modeled in potato dough, and painted panels that depict life in the town of Sarhua. While many of these works address the local religious and social customs of peoples in the Peruvian highlands, others engage in political messaging, denouncing the violence inflicted on local communities by the terrorist organization Shining Path. As such, the addition of these works to the museum’s Folk Art collection allows us to explore how artists represent tradition as well as approach the effects of violence upon their societies.

—Dr. Kristopher Driggers, Assistant Curator Schmidt Curator of Latin American Art

Retablo: *Sendero Luminoso (Shining Path)*, Ayacucho, Peru, 1990s, wood, pigment. Gift of Bill and Cheryl Green. 2019.16.72
Participants during Crush Party 2019
MEMBERS AND OUR COMMUNITY

Membership to Tucson Museum of Art and Historic Block is a commitment to Tucson's arts and cultural history. Members' support sustains the museum as one of Arizona's most accessible, diverse, and innovative arts organizations. Members are important to help TMA extend the mission by providing world-class exhibitions, educational experiences, public programs, and community partnerships.

Membership by Numbers (households)

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<th>Membership Level</th>
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<td>Ambassador Circle</td>
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<td>Director Circle</td>
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<td>President</td>
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Support Organizations by Numbers (households)

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<td>Contemporary Art Society</td>
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<td>Latin American Art Patrons</td>
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<td>TMALearn! Docents</td>
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<td>Tucson Museum of Art League</td>
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<td>Western Art Patrons</td>
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Admissions (July 1, 2019 through March 15, 2020)

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<td>Annual Meeting</td>
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<td>First Thursday</td>
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<td>General</td>
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<td>College Student</td>
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<td>Youth</td>
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<td>Second SundAZe</td>
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<td>Holiday Market</td>
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<td>Spring Market</td>
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<td><strong>40,216</strong></td>
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Fundraising Events for 2019–2020 Season

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<th>Date/Details</th>
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<tr>
<td>TMA League Treasure House</td>
<td>October 25–27, 2019</td>
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<td>Crush Party</td>
<td>November 1, 2019</td>
</tr>
<tr>
<td>Holiday Artisan Market</td>
<td>November 22–24, 2019</td>
</tr>
<tr>
<td>TMA League Dinners</td>
<td>January–March 2020; Remainder canceled due to COVID-19</td>
</tr>
<tr>
<td>Spring Artisan Market</td>
<td>March 13–15, 2020</td>
</tr>
<tr>
<td>TMA Gala</td>
<td>Canceled due to COVID-19</td>
</tr>
</tbody>
</table>
The impact of art is often perceived as subtle, private, and personal, but as illustrated on the preceding pages, TMA has demonstrated many ways it can be collectively experienced. The power of art lies in its capacity to promote social and economic wellbeing, build community, advance education and lifelong learning and provide a uniquely individual experience. TMA promotes and supports access to meaningful art engagement 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 visitors, members, donors, volunteers, trustees, and staff who made it all possible.

Launched in 2017, TMA/100: A vision for the 21st century campaign reached completion this year and raised over $6 million. This campaign led to an expansion of the existing main museum building, renovation of the education center, administration offices, existing galleries, public gardens, named galleries and endowed staff positions. Donors to this special campaign believe that local communities deserve access to exceptional exhibitions and education programs, and share our passion for art, culture, and history of Tucson and Southern Arizona.

Recognizing the 2019–2020 Contributions of the Following Naming Gifts

Jon and Linda Ender – Jon and Linda Ender Director and CEO
Stonewall Foundation – Stonewall Foundation Community Room
James H. and Frances R. Allen – James H. and Frances R. Allen Research Library
Jeffrey W. and Anne E. Gartner – Jeffrey W. and Anne E. Gartner Lobby
Katharine and Dan Kimball – The Kimball Conference Room
Dr. Sheldon Trubatch – Dr. Sheldon Trubatch Classroom
Stuart J. Meinke – Stuart J. Meinke Classroom
Michael S. Bylsma – Michael S. Bylsma Executive Suite
Bob and Marilyn Joyce – The Bob and Marilyn Joyce Conference Room

Violet, Mike, Beth, and Mikey Kasser at the Kasser Wing Opening, 2020
Alice and Paul Baker in the Alice Chaiten Baker Center for Art Education, 2020
Thank You to Our Donors

The Tucson Museum of Art and Historic Block recognizes and thanks to all our donors, foundations, and granting organizations who made contributions during the Fiscal Year 2020.

$1,000,000+
Alice and Paul Baker

$300,000 to $999,999
Jon and Linda Ender
I. Michael and Beth Kasser
Anonymous

$100,000 to $300,000
Joyce G. Broan
Mary Jo Brown
James J. and Louise R. Glasser
Franklin W. and Jean Hamilton
Institute of Museum and Library Services
Stonewall Foundation
Western Art Patrons
Anonymous

$50,000 to $99,999
Richard and Linda Anderson
Contemporary Art Society
Steven and Doris Ratoff
Patricia Carr Morgan and Peter F. Salomon
Anne Y. Snodgrass
Elizabeth T. Tolbert
Tucson Museum of Art League

$25,000 to $49,999
Arizona Commission on the Arts
Flinn Foundation
Kit and Dan Kimball
Anne E. and Edward W. Lyman

$10,000 to $24,999
Amy J. Adams
James H. and Frances R. Allen
Jeanne Pickering and Mike Andrew
Michael Bylsma and Mark Flynn
Jerry E. Freund
Connie Hillman Family Foundation
Arnold Horwitch Family Charitable Foundation

James Huntington Foundation
Alan Willenbrock and Dr. Peggy Jones
Marilyn and Clayton R. Joyce
Kautz Family Foundation
Latin American Art Patrons
Roger and Ann Looyenga
Jeanne McDonald
Stuart J. Meinke
Mary Mochary
Dr. Sheldon L. Trubatch and Katharina Phillips
Kenneth and Judith Riskind
Stocker Foundation
Ralph Tingle
Jane and Bob Wienke
Anonymous

$5,000 to $9,999
Larry and Florence Adamson
Arizona Arts Foundation for Tucson and Southern Arizona
Bank of America
Robin Black
Lori and John Carroll
The Honorable Jean S. Cooper
Jeffrey W. and Anne E. Gartner
Sheryl and Robert Greenburg
Lenore Hanauer Foundation
Long Realty Cares Foundation
David C. and Lura M. Lovell Foundation
Sandra C. Maxfield/Frances Chapin Foundation
of the United Way of Tucson and Southern Arizona
Stevie Mack and Michael Grassinger
Rio Nuevo District
Sarah B. Smallhouse
Ralph L. Smith Foundation-Smith Shares
Nancy K. Strauss
Drs. Mark and Kathleen Sublette
Emily Glasser and William Sussman
William and Roberta Witchger

$2,500 to $4,999
Alexander Sisters Philanthropy
Frank E. and Betsy E. Babb
Banner Health
Constance G. and Harrington G. Bischof
Barbara and Denis Brady
Cox Communications
Julie Frankston
Susan Mansfield and Tony Garcia
Ed and Cristine Hansen
Susan S. Hilkemeyer
John and Helen Murphey Foundation
Pamela J. Parry
Suzanne and Ron Scharf
Bill Schenck

To view the full list of donors, including our Legacy Society members, please visit the museum website.
There are few artists whose work directly draws upon and encapsulates the realities of our world in real-time. Los Angeles-based artist Patrick Martinez (b. 1980, Pasadena, CA) is one of them. Growing up in the San Gabriel Valley, a suburban LA neighborhood, his wide-ranging artistic practice colorfully scrutinizes otherwise everyday signifiers of suburban and urban life. All while invoking empathy, humanity, and communication in a time that demands accountability, transparency, and connection.

Acquired for the museum collection and included in a forthcoming solo exhibition by the artist scheduled for fall 2021, *Paradise Lost* is a reminder of the fading American promise. The work embodies the civic and cultural loss of familiarity for communities of color in the urban landscape and speaks to gentrification’s challenges. Thanks to the Glasser Family’s generosity in honor of Jim’s 80th Birthday, TMA was fortunate to add *Paradise Lost* from this influential artist and rising voice on the American art scene, to its collection.

—Jeremy Mikołajczak, Jon and Linda Ender Director and CEO

Patrick Martinez, *Paradise Lost*, 2019. Stucco, neon, mean streak, ceramic, acrylic paint, spray paint, latex house paint, found banner tarp, ceramic tile, family archive photo collage, window security bars, and led signs on panel, 60 x 120 x 6 inches. Collection of the Tucson Museum of Art. Purchased with funds provided by Louise Glasser and the Glasser Family Children in honor of James Glasser’s 80th Birthday. Image courtesy of the artist.
The Ambassador Circle Lifetime Achievement Awardees exemplify a long and impactful career in artistic excellence, exemplary philanthropic leadership, dedication to arts education, and support of TMA. A panel composed of museum staff and the Leadership Circle Committee representatives present nominations and select awardees. The distinguished honor is awarded every year at the museum’s Annual Ambassador Circle Dinner, and recipients are presented with a plaque and lifetime membership to the Tucson Museum of Art and Historic Block.

**James J. and Louise R. Glasser**  
*2020 Lifetime Achievement Award Recipients*

Jim and Louise Glasser have a long history of civic philanthropy in Tucson, where they have been actively involved with the Tucson Museum of Art, Tucson Symphony Orchestra, University of Arizona, Sonoran Institute, Women’s Foundation of Southern Arizona, and the Community Foundation for Southern Arizona. They genuinely care about Tucson’s non-profit organizations and celebrate the successes of all.

True philanthropists, Jim and Louise give their time and treasure with full and selfless hearts, inspiring those around them to embrace charitable giving. Their lead gift to renovate TMA galleries led the way for others and resulted in $1.6 million in naming gifts. When it was decided that the gala was too large an event for TMA staff to run, Jim and Louise stepped up to chair the gala. They took pride and pleasure in every detail and ensured its success and continued chairing the gala for four years.

As volunteers, members and benefactors, Jim and Louise generously support and actively work to ensure that TMA is here to serve our region now and for generations to come.
FINANCIALS

STATEMENT OF ACTIVITIES

Support and Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts and Grants</td>
<td>$1,811,984</td>
</tr>
<tr>
<td>Fundraising Events (Net)</td>
<td>$181,162</td>
</tr>
<tr>
<td>Membership</td>
<td>$272,678</td>
</tr>
<tr>
<td>Admissions</td>
<td>$100,016</td>
</tr>
<tr>
<td>Program Income</td>
<td>$64,003</td>
</tr>
<tr>
<td>Rental Income (Net)</td>
<td>$117,528</td>
</tr>
<tr>
<td>Retail Income (Net)</td>
<td>$(2,920)</td>
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<tr>
<td>Investment Income</td>
<td>$75,178</td>
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<tr>
<td>Restricted Income</td>
<td>$2,623,692</td>
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<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>$5,243,321</td>
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</table>

Expense

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$2,184,408</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$574,412</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>$359,704</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$3,118,523</td>
</tr>
</tbody>
</table>

Change in Net Assets $2,124,798

FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$3,304,167</td>
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<tr>
<td>Fixed Assets</td>
<td>$7,898,897</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$11,203,064</td>
</tr>
<tr>
<td>Liabilities</td>
<td>$1,239,329</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanently Restricted</td>
<td>$3,513,725</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>$1,260,259</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$5,189,751</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$9,963,735</td>
</tr>
</tbody>
</table>

Total Assets & Liabilities $11,203,064

IN MEMORY OF JEAN HAMILTON
Jean Turner Hamilton passed away on August 13, 2020 at Tucson Medical Center with her husband of 55 years, Frank Hamilton, and family by her side. Jean loved to travel, visiting 61 countries in her lifetime, and was a passionate patron of the arts, especially Western art. TMA’s Art of the American West gallery is named for Jean and Frank. She will be remembered as a loving, thoughtful, and devoted wife, mother, and grandmother who enjoyed spending time with her family and friends. She will be missed.
BOARD OF TRUSTEES

Frank Hamilton, President
Michael Bylsma, Immediate Past President
Mary Jo Brown, Vice President
Steven B. Ratoff, Treasurer
Joyce Broan, Secretary

Amy J. Adams
Larry Adamson
Lori Carroll
Linda Caplan
The Honorable Jean Cooper
Dr. Ana Cornide
Jon Ender
Jeffrey Gartner
Michael Hanson
Eric Hawkins
Marilyn Joyce
I. Michael Kasser
Kit Kimball
Anne Lyman
Sandra Maxfield
Jeremy Mikolajczak
Patricia Carr Morgan
Anne Y. Snodgrass
Sheldon Trubatch
Jane Wienke
John-Peter Wilhite

Trustees Emeriti
Andy Anderson
Alice Baker
James Glasser
Joan Jacobson
Dr. John Schaefer

Ex-Officio Members
Denise Grusin, Contemporary Art Society, President
Julie Frankston, Docent Council, President
Stevie Mack, Latin American Art Patrons, President
Linda Ender, Western Art Patrons, President
John McNulty, Tucson Museum of Art League, President

STAFF

Executive
Jeremy Mikolajczak, Jon and Linda Ender Director and CEO
Cami Cotton, Chief of Staff
Debra Zeller, Special Projects Assistant

Curatorial Department
Dr. Julie Sasse, Chief Curator
Rachel Adler, Collection Manager/Registrar
Andrea Bennett, TMA Learn! Administrative Assistant and Museum Tour Coordinator
(through March 2020)
Christine Brindza, Senior Curator, Glasser Curator of Art of the American West
Denisse Brito, Assistant Curator of Community Engagement
Dr. Kristopher Driggers, Assistant Curator, Schmidt Curator of Latin American Art
Katie Jones-Weinert, Assistant Registrar
Dr. Marianna Pegno, Curator of Community Engagement
Morgan Wells, Curator of Education

External Affairs
Andrea Dillenburg, Chief Development Officer
Jordan Bohannon, Digital Media Manager (through March 2020)
Lisa Jensen, Membership Manager
Leah Majalca, Events Manager (through March 2020)
Dr. Anne Thwaits, Director of Marketing and Communications
Nancy Weant, Grants Manager

Finance & Operations
Christopher Gordon, Chief Financial Officer
Andra Allen, Director of Accounting and HR
Dave Hopkins, Jr., Chief of Buildings, Grounds & Security (through March 2020)
Mike Plum, Building & Security Assistant

SECURITY
Russell Bos, Security Supervisor
Delmar Bambrough
Rodney Belknap
Megan Bos
Nicholas Castor
Douglas Cruz
Kevin Gimlin
Cordelia McKenna
Percivale Porter
Colleen Winger

VISITOR SERVICES
Justin Germain, Admissions & Retail Manager
Jennifer Hopkins
Leah Majalca
Erin McCarty
Isai Pacheco
Johanna Sawyer (through March 2020)
Alina Andrade (through March 2020)
As an institution built upon the original territories of the O’odham, the Tucson Museum of Art and Historic Block acknowledges the Indigenous Sonoran Desert communities, past and present, who have stewarded this region throughout generations.
Tucson Museum of Art and Historic Block, Inc.
Financial Statements
For the Year Ended June 30, 2020
Tucson Museum of Art and Historic Block, Inc.

Financial Statements
Year Ended June 30, 2020
INDEPENDENT AUDITOR’S REPORT

The 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, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Change in Accounting Principle
As described in Note 1, the Tucson Museum of Art and Historic Block, Inc. implemented the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) and 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958), for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
April 19, 2021
# Statement of Financial Position

**TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.**
**STATEMENT OF FINANCIAL POSITION**
**JUNE 30, 2020**

## Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$46,425</td>
</tr>
<tr>
<td>Cash and cash equivalents - with donor restrictions</td>
<td>674,902</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>229,550</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>109,417</td>
</tr>
<tr>
<td>Pledges receivable - with donor restrictions</td>
<td>514,768</td>
</tr>
<tr>
<td>Investments - with donor restrictions</td>
<td>1,547,639</td>
</tr>
<tr>
<td>Inventory</td>
<td>38,698</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>49,966</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>7,992,745</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>16,800</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$11,220,910</strong></td>
</tr>
</tbody>
</table>

## Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$739,900</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>69,828</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>223,936</td>
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<tr>
<td>PPP loans payable</td>
<td>341,900</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,375,564</strong></td>
</tr>
</tbody>
</table>

## Net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions:</td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>5,188,825</td>
</tr>
<tr>
<td>With donor restrictions:</td>
<td></td>
</tr>
<tr>
<td>Purpose restricted</td>
<td>1,142,796</td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>3,513,725</td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>4,656,521</strong></td>
</tr>
</tbody>
</table>

| Total net assets                                   | 9,845,346 |
| **Total liabilities and net assets**               | **$11,220,910** |

*See accompanying notes to financial statements.*
## Revenue, support, and gains:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>$100,016</td>
<td>$100,016</td>
<td>$100,016</td>
</tr>
<tr>
<td>Contributions and bequests</td>
<td>3,440,309</td>
<td>159,634</td>
<td>3,599,943</td>
</tr>
<tr>
<td>Exhibition revenues</td>
<td>225,837</td>
<td>225,837</td>
<td>225,837</td>
</tr>
<tr>
<td>Fundraising revenues</td>
<td>234,998</td>
<td>234,998</td>
<td>234,998</td>
</tr>
<tr>
<td>Grant revenues</td>
<td>319,375</td>
<td>186,025</td>
<td>505,400</td>
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<tr>
<td>Membership dues</td>
<td>272,678</td>
<td>272,678</td>
<td>272,678</td>
</tr>
<tr>
<td>Retail operations revenues</td>
<td>111,797</td>
<td>111,797</td>
<td>111,797</td>
</tr>
<tr>
<td>Other income</td>
<td>105,979</td>
<td>105,979</td>
<td>105,979</td>
</tr>
<tr>
<td>Rental income</td>
<td>115,815</td>
<td>115,815</td>
<td>115,815</td>
</tr>
<tr>
<td>Support organization income</td>
<td>53,632</td>
<td>53,632</td>
<td>53,632</td>
</tr>
<tr>
<td>Tuition</td>
<td>25,408</td>
<td>25,408</td>
<td>25,408</td>
</tr>
<tr>
<td>Net investment income</td>
<td></td>
<td>75,177</td>
<td>75,177</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>1,968,469</td>
<td>(1,968,469)</td>
<td>1,968,469</td>
</tr>
<tr>
<td>Total revenue, support, and gains</td>
<td>6,974,313</td>
<td>(1,547,633)</td>
<td>5,426,680</td>
</tr>
</tbody>
</table>

## Expenses:

### Program services:
- Curatorial and exhibitions: 1,216,810
- Education: 477,515
- Museum shop: 155,107
- Support organizations: 192,751
  - Total program expenses: 2,042,183

### Supporting services:
- Management and general: 863,013
- Fundraising:
  - Special events: 66,461
  - Direct: 448,389
    - Total fundraising: 514,850
  - Total supporting services: 1,377,863

### Total expenses:
- 3,420,046

### Change in net assets:
- 3,554,267
- (1,547,633)
- 2,006,634

### Net assets, beginning of year:
- 1,634,558
- 6,204,154
- 7,838,712

### Net assets, end of year:
- $5,188,825
- $4,656,521
- $9,845,346

See accompanying notes to financial statements.
### Tucson Museum of Art and Historic Block, Inc.

**Statement of Functional Expenses**

For the Year Ended June 30, 2020

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curatorial and Exhibitions</td>
<td>Management and General</td>
</tr>
<tr>
<td>Education</td>
<td>Fundraising</td>
</tr>
<tr>
<td>Museum Shop</td>
<td></td>
</tr>
<tr>
<td>Support Organizations</td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$565,780</td>
</tr>
<tr>
<td>Catering</td>
<td>$595</td>
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<tr>
<td>Information technology</td>
<td>$997</td>
</tr>
<tr>
<td>Lectures, performers, and honorarium</td>
<td>$19,740</td>
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<tr>
<td>Transportation/moving</td>
<td>$79,431</td>
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<tr>
<td>Other purchased/contracted services</td>
<td>$90,722</td>
</tr>
<tr>
<td>Equipment repair and maintenance</td>
<td>$33,794</td>
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<td>Building repair and maintenance</td>
<td>$999</td>
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<tr>
<td>Utilities</td>
<td>$79,989</td>
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<tr>
<td>Insurance</td>
<td>$51,045</td>
</tr>
<tr>
<td>Advertising and publicity</td>
<td>$35,577</td>
</tr>
<tr>
<td>Art acquisition</td>
<td>$36,304</td>
</tr>
<tr>
<td>Printing</td>
<td>$19,480</td>
</tr>
<tr>
<td>Rental equipment</td>
<td>$14,415</td>
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<tr>
<td>Software</td>
<td>$2,570</td>
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<tr>
<td>Travel</td>
<td>$5,984</td>
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<tr>
<td>Other general expenses</td>
<td>$35,178</td>
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<tr>
<td>Special events</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>$15,388</td>
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<tr>
<td>Museum shop</td>
<td></td>
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<tr>
<td>Bank/credit card charges</td>
<td>$17</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>$1,275</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$127,530</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$1,216,810</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash flows from operating activities:
Change in net assets $ 2,006,634

Adjustments to reconcile change in net assets to net cash
provided by (used for) operating activities:
Depreciation 285,510
Net (gain) loss on investments 13,813
Changes in assets and liabilities:
Accounts receivable (95,745)
Pledges receivable 772,425
Inventory 581
Prepaid expenses 13,590
Accounts payable 546,569
Accrued payroll (6,091)
Contract liabilities (11,216)

Net cash provided by (used for) operating activities 3,526,070

Cash flows from investing activities:
Purchases of capital assets (4,213,806)
Proceeds from sale of investments 300,000
Purchases of investments (158,467)
Dividends and interest 61,364

Net cash provided by (used for) investing activities (4,010,909)

Cash flows from financing activities:
Proceeds from PPP loan payable 341,900

Net cash provided by (used for) financing activities 341,900

Net increase (decrease) in cash, cash equivalents, and restricted cash (142,939)

Cash, cash equivalents, and restricted cash, beginning of year 864,266

Cash, cash equivalents, and restricted cash, end of year $ 721,327

Reconciliation to Statement of Financial Position:
Cash and cash equivalents $ 46,425
Cash and cash equivalents - with donor restrictions 674,902
Total cash, cash equivalents, and restricted cash $ 721,327

See accompanying notes to financial statements.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
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, 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.

Basis of Accounting
The financial statements of the Museum have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation
The financial statements of the Museum have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Museum is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Museum and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Museum and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the Museum considers all highly liquid investments with an initial maturity of one year or less to be cash equivalents. The Museum places its cash and cash equivalents with various credit institutions.

Investments
The Museum reports investments at fair value. Net investment income return is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expense. Net investment income restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Concentrations of Credit and Market Risk
Financial instruments that potentially expose the Museum to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Museum maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Museum’s deposits was $721,327 and the bank balance was $713,631. At year end, $179,978 of the Museum’s deposits were uninsured and uncollateralized. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Museum’s investments do not represent significant concentrations of market risk inasmuch as the Museum’s investment portfolio is adequately diversified among issuers.

Revenue Recognition
Contributions and Bequests. The Museum recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Museum did not have any conditional promises to give at June 30, 2020.

Grants. The Museum conducts several programs that are funded by local organizations, foundations and other businesses. The vast majority of the grants are awarded in a fixed amount. Unconditional grants are recognized as revenue when grant awards are received.

Exhibition Revenues. Exhibition underwriting revenues are recognized when the designated exhibitions or collections are put on display and the contribution has been received.

Memberships and Admissions. The Museum recognizes revenue from ticket sales at the time of admission. The Museum recognizes the membership revenue over the membership period and amounts collected in advance but unearned are reflected in the statement of financial position as contract liabilities. Due to the nature and timing of the performance obligations, substantially all contract liabilities of each year is recognized in the following year.

Fundraising. The Museum records fundraising revenue equal to the fair value of direct benefits to donors, and contributions for the excess received when the event takes place.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Retail Operations. Revenues derived from Museum shop and bar sales are recognized as goods are delivered to the buyer.

Rental Income. The Museum recognizes monthly rent revenue from subleased buildings in accordance with rental agreement and as performance obligations are met. Facility rentals are recognized when the performance obligation of providing space for the event is satisfied. Amounts collected in advance for facilities rentals are reflected in the statement of financial position as contract liabilities.

Support Organization Income. The Museum has four supporting organizations which generate operating and fundraising income based on their various activities. Revenue is recognized after activities and events occur.

Pledges Receivable
Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. 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. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors, and accordingly has made no allowance for doubtful accounts.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts receivable are considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary.

Inventories
Museum shop inventories are stated at the lower of cost or market determined by the first-in, first-out method. Bar inventories are stated at the lower of cost or market determined by the average cost method.

Property and Equipment
Acquisitions of property and equipment with a cost in excess of $500 are capitalized. All expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. In addition, all expenses for computers and related software and infrastructure are always capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, ranging from five to 50 years. Depreciation expense for the current fiscal year was $285,510.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Museum reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

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. Contributed collection items and reference books are not reflected in the financial statements. During the year, the Museum received $607,521 of contributed art (unaudited) not recorded in the statement of financial position, in accordance with its policy. Proceeds from deaccessions or insurance recoveries, if any, are reflected as increases in the appropriate net asset classes.

Major collections include: 1) Latin American Art; 2) Art of the American West; 3) Modern and Contemporary Art; 4) Indigenous Arts; 5) European Art; 6) Asian Art; and 5) Historical Properties.

The Board of Trustees formally approves acquisitions for the collection. Deaccessions and the loan of objects into and from the collections are approved by the Board’s Collections Committee with notice to, and in accordance with criteria established by, the Board. 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.

Beneficial Interest in Assets Held by Community Foundation
The Museum has established an endowment fund that is perpetual in nature with the Arizona Community Foundation (ACF) and named the Museum as the beneficiary. The Museum granted variance power to ACF, which allows ACF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if in the sole judgment of ACF’s Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by ACF for the Museum’s benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities
The Museum recognizes contract liabilities for membership dues in the applicable annual membership period, tuition receipts in the applicable annual tuition period, and facility rentals when events occur.

Compensated Absences
Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Museum’s policy to recognize the cost of compensated absence when leave is earned by employees.

Donated Services and In-Kind Contributions
Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions 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 increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Museum reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Museum. Volunteers contribute significant amounts of time to the Museum’s program services, administration, and fundraising activities; however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

The Museum received no donated materials, services, and equipment for the year ended June 30, 2020.

Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The expenses that are allocated include the following:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Method of Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>Time and effort</td>
</tr>
<tr>
<td>Information technology</td>
<td>Time and effort</td>
</tr>
<tr>
<td>Transportation/moving</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Other purchased/contracted services</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Equipment repair and maintenance</td>
<td>Time and effort</td>
</tr>
<tr>
<td>Utilities</td>
<td>Square footage</td>
</tr>
<tr>
<td>Insurance</td>
<td>Square footage</td>
</tr>
<tr>
<td>Advertising and publicity</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Rental equipment</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Travel</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>Direct usage</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>Square footage</td>
</tr>
</tbody>
</table>

**Advertising**

The Museum uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled $72,435.

**Income Tax Status**

The Museum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. However, income from certain activities not directly related to the Museum’s tax-exempt purpose is subject to taxation as unrelated business income. The Museum’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. There are no current or pending IRS examinations.

The Museum has adopted the provisions of the FASB standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

**New Accounting Pronouncements**

During the fiscal year, the Museum adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update clarifies the principles for recognizing contract revenue and enhances disclosures sufficient to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During the fiscal year, the Museum adopted Accounting Standards Update (ASU) 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The update clarifies and improves the scope and accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

Analysis of the provisions of these standards resulted in no significant changes in the way the Museum recognizes revenue, and therefore no changes to the previously issued audited statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The following represents the Museum’s financial assets at fiscal year end:

<table>
<thead>
<tr>
<th>Financial assets at year end:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 46,425</td>
</tr>
<tr>
<td>Cash and cash equivalents - with donor restrictions</td>
<td>674,902</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>229,550</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>109,417</td>
</tr>
<tr>
<td>Pledges receivable - with donor restrictions</td>
<td>514,768</td>
</tr>
<tr>
<td>Investments – with donor restrictions</td>
<td>1,547,639</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>$3,122,701</td>
</tr>
</tbody>
</table>

Less amounts not available to be used within one year:

<table>
<thead>
<tr>
<th>Financial assets available to meet general expenditures over the next twelve months</th>
<th>$ (391,024)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets with donor restrictions</td>
<td>4,656,521</td>
</tr>
<tr>
<td>Less: Net assets with purpose restrictions to be met in less than a year</td>
<td>(1,142,796)</td>
</tr>
</tbody>
</table>

The Museum regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Museum does not have a formal policy or goal regarding operating reserves. However, as part of its liquidity plan, the Museum’s investment policy requires a minimum of two percent of the endowment assets to be maintained in cash or cash equivalents, including money market funds and short-term U.S. Treasury bills. At June 30, 2020, the Museum had borrowed $1,291,184 against net assets with donor restrictions (perpetual in nature) to cover operating cash flows and capital improvements.
NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value is defined as the price that the Museum would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect the Museum’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1: Quoted prices in active markets for identical investments.

Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at year end are as follows:

<table>
<thead>
<tr>
<th>Hierarchy</th>
<th>Level</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual funds - publicly traded</td>
<td>Level 1</td>
<td>$ 1,501,426</td>
</tr>
<tr>
<td>Direct stock ownership</td>
<td>Level 1</td>
<td>31,311</td>
</tr>
<tr>
<td>Community Foundation of Southern AZ investment pool</td>
<td>Level 3</td>
<td>14,902</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>$ 1,547,639</td>
</tr>
</tbody>
</table>

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

Investments – Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Investment pools classified in Level 3 are valued at the beneficial interest in assets held at the fair value of the Museum’s share of the investment pool as of the measurement date. The investment pool is based on quoted net asset values of underlying investments held by the investment pool adjusted by an asset charge. The underlying investments held in the investment pool are composed primarily of equity securities.
NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Museum recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the current fiscal year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows:

<table>
<thead>
<tr>
<th>Assets Held by Community Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
</tr>
<tr>
<td>Investment return, net</td>
</tr>
<tr>
<td>End of year</td>
</tr>
</tbody>
</table>

NOTE 4 – PLEDGES RECEIVABLE

Unconditional pledges receivable consist of the following:

Amounts due in:
Less than one year $477,819
More than one year 146,366
Total $624,185

NOTE 5 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Changes in contract liabilities for the fiscal year are as follows:

<table>
<thead>
<tr>
<th>Contract Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
</tr>
<tr>
<td>Revenue recognized that was included in contract liabilities at the beginning of the year</td>
</tr>
<tr>
<td>Increase in contract liabilities due to cash received during the period</td>
</tr>
<tr>
<td>End of year</td>
</tr>
</tbody>
</table>
NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction in progress</td>
<td>$2,450,513</td>
</tr>
<tr>
<td>Buildings</td>
<td>5,981,832</td>
</tr>
<tr>
<td>Courtyard and plaza</td>
<td>400,601</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>1,408,438</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>4,359,023</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>14,600,407</strong></td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(6,607,662)</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td><strong>$7,992,745</strong></td>
</tr>
</tbody>
</table>

Construction Commitments – At year end, the Museum had contractual commitments related to various capital projects for the construction of a new wing and education center. At year end the Museum had spent $2.5 million on the projects and had estimated remaining contractual commitments of $292,807.

NOTE 7 – INTANGIBLE ASSETS

Intangible assets consist of the following.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles, not being amortized</td>
<td>$14,000</td>
</tr>
<tr>
<td>Intangibles, being amortized</td>
<td>11,500</td>
</tr>
<tr>
<td>Less: Accumulated amortization</td>
<td>(8,700)</td>
</tr>
<tr>
<td><strong>Net intangible assets</strong></td>
<td><strong>$16,800</strong></td>
</tr>
</tbody>
</table>

NOTE 8 – ENDOWMENTS

The Museum's endowment consists of two individual funds established for a variety of purposes. Its endowment includes donor-restricted funds for income and collection purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law and Spending Policy

The Museum’s Investment and Spending Policy, approved by the Board of Trustees, is consistent with the Arizona version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Arizona’s law, the Management of Charitable Funds Act, (MCFA) provides that, unless otherwise stated in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure. Pursuant to the MCFA and subject to the specific terms of the gift agreement, the Museum may spend or accumulate so much of the fund assets as it deems prudent for the uses, benefits, purposes and duration for which the fund was established. As a result of this interpretation, the Museum maintains such gifts as restricted assets. Also, consistent with the MCFA, the Museum exercises good faith and prudence when determining whether to appropriate for expenditure or accumulate endowment fund assets.
NOTE 8 – ENDOOMENTS

MCFA provides that to limit the authority to appropriate these assets for expenditure, the gift instrument must specifically state the restriction. Terms in a gift instrument directing that only income and interest may be spent or that the original principal amount must be preserved intact, for example, create an endowment of permanent duration (unless otherwise provided) but do not otherwise limit the Museum’s authority to spend the assets. The Museum complies with the specific restrictions, if any, in written gift agreements.

For accounting purposes, endowment gifts are recorded at their original amount. Assets restricted by the donor in the gift instrument to be held in perpetuity are retained at their original amount and the amount of any accumulations, if required by the gift instrument, are added.

Investment and Spending Policy
In accordance with UPMIFA and the MCFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund.
2. The purposes of the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected return from income and appreciation of investments.
6. Other resources available to the Museum.
7. The Museum’s investment and spending policy.

In accordance with the prudential factors in UPMIFA and the MCFA, the policy provides that distributions from endowment funds may be taken quarterly or annually and generally shall not exceed an annual amount of 5 percent of the trailing 12 quarters weighted average market value of the fund. In establishing this policy, the Museum considered the long-term expected return on investment assets, the nature, duration, and preservation of the fund, other resources, and the possible effects of inflation or deflation, and other factors listed above.

Capital spending funded through pledges to be paid in subsequent years and an unexpected significant plant expenditure affected spending levels in the current year. Future capital improvements will be funded through an increase in liabilities. Payments of the naming pledges, additional naming gifts, and a structural change in revenues and expense will be made to realize operational surpluses in subsequent fiscal years.

Investment Return Objectives, Risk Parameters and Strategies
The Museum’s investment and spending policy is intended to provide a predictable stream of funding to the Museum while maintaining the purchasing power of endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of five percent, while growing the funds if possible.
NOTE 8 – ENDOWMENTS

Therefore, the Museum expects its endowment assets, over time, to produce an average rate of return of approximately six percent annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Changes in Endowment Net Assets as of year end:

<table>
<thead>
<tr>
<th></th>
<th>With Donor Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$ 3,889,393</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>75,177</td>
</tr>
<tr>
<td>Amounts appropriated for expenditure</td>
<td>(91,098)</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$ 3,873,472</td>
</tr>
</tbody>
</table>

Funds with Deficiencies
From time to time, certain donor-restricted endowment funds may have fair values less than the aggregate of the original gift amounts or the amounts required to be maintained by donors or by law (underwater endowments). As noted above, UPMIFA and the MCFA, the Museum’s investment and spending policy permits spending from underwater endowments. As of June 30, 2020, there were no deficiencies of this nature.

Endowment Net Asset Composition by Type of Fund as of year end:

<table>
<thead>
<tr>
<th></th>
<th>With Donor Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor</td>
<td>$ 3,513,725</td>
</tr>
<tr>
<td>Accumulated investment gains</td>
<td>359,747</td>
</tr>
<tr>
<td>Total funds</td>
<td>$ 3,873,472</td>
</tr>
</tbody>
</table>

NOTE 9 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Museum received approval for a Payroll Protection Program (PPP) loan under the CARES Act on April 14, 2020. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities within 24 weeks of loan approval (at least 60% of the forgiven amount must be used for payroll). Loan payments will also be deferred for ten months, however interest will continue to accrue. Neither the government nor lenders will charge any fees for the loans. Forgiveness is based on the Museum maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Recipients must also comply with certain Small Business Administration (SBA) requirements and make certain certifications. PPP loans have a maturity of five years, an interest rate of 1% if not forgiven, and no prepayment penalty.
NOTE 9 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The following is a schedule by years of future minimum loan payments for the PPP loan at year end.

Year End:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Loan Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$153,929</td>
</tr>
<tr>
<td>2022</td>
<td>$192,411</td>
</tr>
</tbody>
</table>

Total loan payments: $346,340

Less: Amount representing interest: $(4,440)

Present value of loan payments: $341,900

The Museum must complete and submit a loan forgiveness application to the lender in order to receive loan forgiveness. Upon receipt of the loan forgiveness application the lender will determine if the Museum is entitled to forgiveness of some or all of the loan amount. The lender has 60 days from the receipt of the application to issue a decision to the SBA. As of April 19, 2021, both the lender and SBA have approved the loan forgiveness application.

The Museum must retain all records relating the PPP loan, including documentation necessary to support the loan forgiveness application and documentation supporting material compliance with program requirements. The Museum must retain all documentation for six years after the loan is forgiven. The loan forgiveness is subject to audit and adjustment by the SBA. Any ineligible loan amounts may result in the SBA requiring the Museum repay the loan forgiven in part, or in whole.

NOTE 10 – NET ASSETS

Net assets released from donor restrictions are as follows:

Satisfaction of purpose restrictions:

<table>
<thead>
<tr>
<th>Fund/Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Reserve Fund</td>
<td>$2,000</td>
</tr>
<tr>
<td>Exhibit Creation &amp; Upkeep</td>
<td>$50,000</td>
</tr>
<tr>
<td>Folk Art Project</td>
<td>$73,862</td>
</tr>
<tr>
<td>Other</td>
<td>$3,500</td>
</tr>
<tr>
<td>Naming Opportunities</td>
<td>$1,748,009</td>
</tr>
<tr>
<td>Endowments</td>
<td>$91,098</td>
</tr>
</tbody>
</table>

Total: $1,968,469
TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 10 – NET ASSETS

Net assets with donor restrictions were as follows:

<table>
<thead>
<tr>
<th>Specific Purpose:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections</td>
<td>$ 39,276</td>
</tr>
<tr>
<td>Docent Activities</td>
<td>1,314</td>
</tr>
<tr>
<td>Other</td>
<td>342,459</td>
</tr>
<tr>
<td>Naming Opportunities</td>
<td>400,000</td>
</tr>
<tr>
<td><strong>Specific purpose total</strong></td>
<td><strong>783,049</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Endowments, subject to appropriation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Art and Care of Collections</td>
<td>199,803</td>
</tr>
<tr>
<td>Arts &amp; Crafts Awards</td>
<td>10,574</td>
</tr>
<tr>
<td>Collections</td>
<td>66,405</td>
</tr>
<tr>
<td>Curator: Latin American Art</td>
<td>82,965</td>
</tr>
<tr>
<td><strong>Endowments, subject to appropriation total</strong></td>
<td><strong>359,747</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Endowments, perpetual in nature:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Art</td>
<td>641,803</td>
</tr>
<tr>
<td>Acquisition of Masks and Weaving</td>
<td>50,337</td>
</tr>
<tr>
<td>Art Award</td>
<td>10,000</td>
</tr>
<tr>
<td>Casa Cordova</td>
<td>50,000</td>
</tr>
<tr>
<td>Craft Award</td>
<td>2,000</td>
</tr>
<tr>
<td>Education</td>
<td>1,122,773</td>
</tr>
<tr>
<td>General Operations</td>
<td>250,865</td>
</tr>
<tr>
<td>Latin American Curator</td>
<td>872,989</td>
</tr>
<tr>
<td>Scholarships</td>
<td>3,075</td>
</tr>
<tr>
<td>Western Art Curator</td>
<td>509,883</td>
</tr>
<tr>
<td><strong>Endowments, perpetual in nature total</strong></td>
<td><strong>3,513,725</strong></td>
</tr>
</tbody>
</table>

**Total** $4,656,521

NOTE 11 – OPERATING LEASE COMMITMENTS

The Museum leases land from the City of Tucson for $1 a year under an operating lease through 2072 and 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 noncancelable operating leases with terms of one to three years. Total rent expense incurred under operating leases totaled $32,287 during the fiscal year.

The following is a schedule by years of future minimum rental payments under the leases at year end:

<table>
<thead>
<tr>
<th>Year End</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 24,287</td>
</tr>
<tr>
<td>2022</td>
<td>13,968</td>
</tr>
<tr>
<td>2023</td>
<td>8,148</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 46,403</strong></td>
</tr>
</tbody>
</table>
NOTE 12 – 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 year was $94,430.

The Museum subleases another building under an operating lease. The lease requires monthly payments of $1,500 through June 2021. Rental income for the year was $18,000. Future minimum rental income under the lease is $18,000 per year.

NOTE 13 – EMPLOYEE BENEFIT PLANS

The Museum has a defined contribution plan covering all employees with at least one year of service who agree to make contributions to the plan. The Museum contributes up to three percent of gross salaries to the plan for qualified employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Plan expenses were $20,496 for the fiscal year.

NOTE 14 – RELATED PARTY TRANSACTIONS

During the year, the Museum received approximately $2.4 million 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 year.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 19, 2021, which is the date the financial statements were available to be issued.

The Museum completed construction on the Kasser Family Wing in July 2020 with a total project cost of $2.6 million.

In addition, the Museum was notified in March 2021 that the Paycheck Protection Program (PPP) loan of $341,900 will be fully forgiven.