# ANNUAL 2019/20





#### **ENRIQUE MARTÍNEZ CELAYA**

(born 1964, Cuba, raised in Spain and Puerto Rico)

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 Martinez 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 thoughtprovoking 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

Enrique Martinez Celaya, *The Fight for Air*, 2012, bronze, 2/5,  $61 \times 31 \times 58$  in. Gift of the Contemporary Art Society. 2019.29

#### 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



#### **MISSION**

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.

#### VISION

The Tucson Museum of Art and Historic Block, a regional museum and center for artistic inquiry and appreciation, seeks to inspire dynamic human experiences, create a passion for the visual arts and celebrate Southern Arizona's rich and diverse culture.

#### **VALUES**

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.

# STRATEGIC PLAN

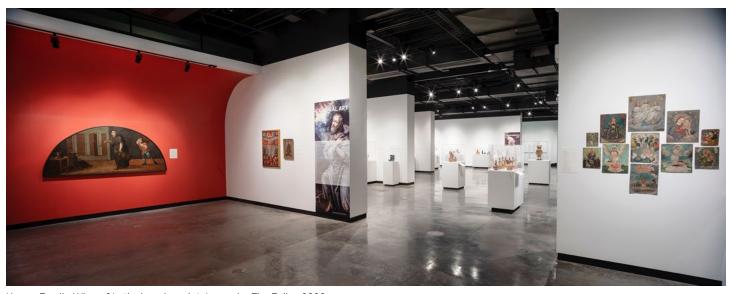
Approved by the Board of Trustees on December 16, 2019, TMA's Strategic Plan 2020–2023 is the road map for the critical years leading to the museum's 2024 centennial celebration. From its humble beginnings as an association of arts supporters in the early 1920s to its establishment as a museum in the 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 IDEAbased 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.



Kasser Family Wing of Latin American Art. Image by Tim Fuller. 2020

# **IDEA PLAN**





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, EVOLVERS

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 Cara Romero (Chemehuevi), *Evolvers*, 2018, archival pigment print on Platine Fibre photography paper,  $19 \times 62$  in. Museum purchase. Funds provided by Anne and Roger Looyenga. 2020.1

# 19/20 EXHIBITION SEASON

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.



Installation view of Southwest Rising: Contemporary Art and the Legacy of Elaine Horwitch. 2020

#### 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 2019/2020 Exhibition Season at the Tucson Museum of Art was generously sponsored by Joyce Broan, Connie Hillman Family Foundation, Jon and Linda Ender, James J. and Louise R. Glasser, AC Hotel Tucson, and the Tucson Museum of Art League.

# MUSEUM COLLECTION: BUILDING FOR A BETTER TOMORROW

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!

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 Los Changuitos Feos de Tucson

Ballet Folklorico Tapatio Odaiko Sonora
Ballet Rincon Pio Decimo

Blue Star Families The Alumni Choir of UA Symphonic Choir

Desert Southwest Chapter of the Alzheimer's Association 
The Fox Theater

Davis Elementary School

The Mini Time Machine Museum of Miniatures

Davis Monthan Air Force Base

The University of Arizona Fred Fox School of Music

Diaper Bank of Southern Arizona

Tucson High School Choir

haper bank of Southern Anzona Tucsoff High School Cho

Imago Dei Middle School Tu Nidito

Jovert Steel Band from Tucson High School Wa:k Tab Basket Dancers

### TMALearn! DOCENTS

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.



Wa:k Tab Basket Dancers performing in conjunction with the opening of *The Place Where Clouds Are Formed* during February 2020 Second SundAZe



Second SundAZe participants



#### 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

# COMMUNITY ENGAGEMENT

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 Programing: 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

Ha:sañ 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

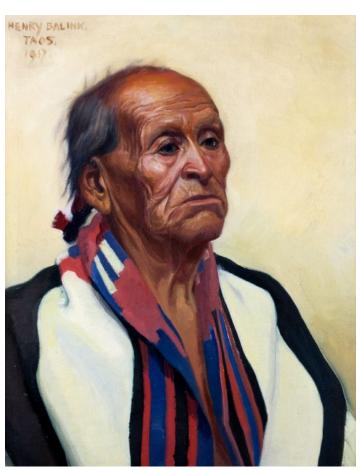
Southern Arizona Senior Pride

Tohono O'odham Cultural Center and Museum

Tucson LGBT Chamber of Commerce

UA Spanish Class Venus Moon Starr

Wa:K Tab Basket Dancers



Henry C. Balink (1914–1963), Man in Chief Blanket Taos (Takeequalia of Taos), 1917, oil on canvas,  $20 \times 16$  in., Gift from the Howard and Marilyn Steele Collection, 2020.15.1

# HENRY C. BALINK PAINTINGS DONATED BY HOWARD AND MARILYN STEELE

Howard and Marilyn Steele, longtime supporters of the Tucson Museum of Art and the Western Art Patrons, donated a substantial collection of paintings by Hollandborn 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 transitionary 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

# THE ALICE CHAITEN BAKER CENTER FOR ART EDUCATION

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.



Hallway view of Alice Chaiten Baker Center for Art Education



Jeremy Mikolajczak and Alice Baker ribbon cutting during the inauguration of the Alice Chaiten Baker Center for Art Education January 12, 2020

# KASSER FAMILY WING OF LATIN AMERICAN ART

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)

TOTAL	2643	
Individual	726	
Dual/Family	1338	
Sustaining	387	
Patron	67	
President	24	
Director Circle	67	
Ambassador Circle	34	

#### **Support Organizations by Numbers** (households)

TOTAL	630
Western Art Patrons	88
Tucson Museum of Art League	116
TMALearn! Docents	164
Latin American Art Patrons	63
Contemporary Art Society	228

#### Admissions (July 1, 2019 through March 15, 2020)

Exhibition Openings/VIP	594
Annual Meeting	61
First Thursday	3,086
General	8,995
Senior	6,080
Member	2,563
College Student	1,280
Child 12 and under	1,139
Veteran/Military	766
Youth	366
Second SundAZe	4,640
Holiday Market	8,357
Spring Market	2,289
TOTAL	40.216

#### Fundraising Events for 2019-2020 Season

TMA League Treasure House October 25-27, 2019
Crush Party November 1, 2019
Holiday Artisan Market November 22-24, 2019

TMA League Dinners January-March 2020; Remainder canceled due to COVID-19

Spring Artisan Market March 13-15, 2020

TMA Gala Canceled due to COVID-19

# **GIVING**

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

Dr. Sheldon L. Trubatch and Katharina Phillips

Kenneth and Judith Riskind Stocker Foundation

Ralph Tingle

Mary Mochary

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 Mikolajczak, 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.

# AMBASSADOR CIRCLE LIFETIME ACHIEVEMENT AWARD

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



James J. and Louise R. Glasser

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.

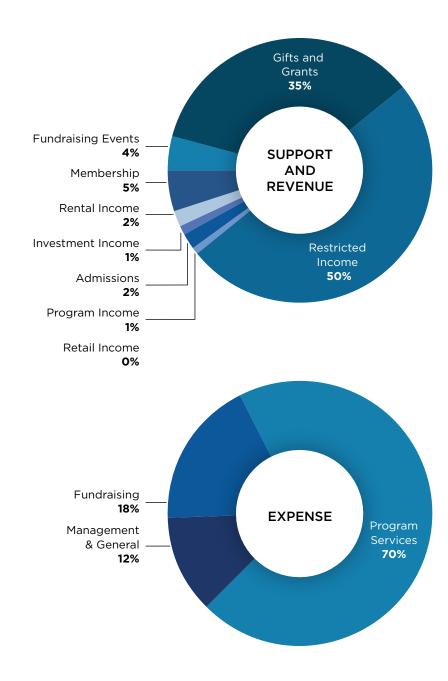
# **FINANCIALS**

#### STATEMENT OF ACTIVITIES

Support and Revenue	
Gifts and Grants	\$1,811,984
Fundraising Events (Net)	\$181,162
Membership	\$272,678
Admissions	\$100,016
Program Income	\$64,003
Rental Income (Net)	\$117,528
Retail Income (Net)	\$(2,920)
Investment Income	\$75,178
Restricted Income	\$2,623,692
Restricted income	\$2,023,092
Total Support and Revenue	\$5,243,321
Total Support and Revenue	
Total Support and Revenue  Expense	\$5,243,321
Total Support and Revenue  Expense Program Services	<b>\$5,243,321</b> \$2,184,408
Total Support and Revenue  Expense Program Services Fundraising	<b>\$5,243,321</b> \$2,184,408 \$574,412

#### FINANCIAL POSITION

Assets	
Current Assets	\$3,304,167
Fixed Assets	\$7,898,897
Total Assets	\$11,203,064
Liabilities	\$1,239,329
Net Assets	
Permanently Restricted	\$3,513,725
Temporarily Restricted	\$1,260,259
Unrestricted	\$5,189,751
Total Net Assets	\$9,963,735





**Total Assets & Liabilities** 

#### IN MEMORY OF JEAN HAMILTON

\$11,203,064

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

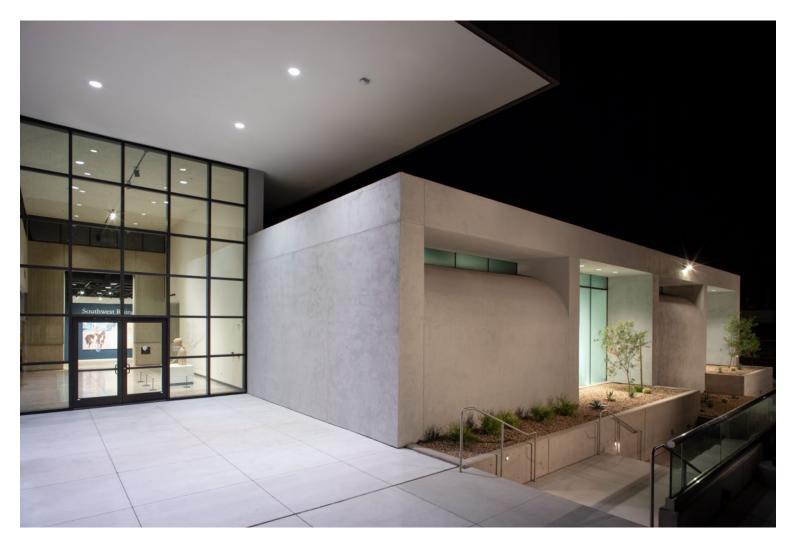
SECURITY VISITOR SERVICES

Russell Bos, Security Supervisor — Justin Germain, Admissions & Retail Manager

Delmar Bambrough Jennifer Hopkins
Rodney Belknap Leah Majalca
Megan Bos Erin McCarty
Nicholas Castor Isai Pacheco

Douglas Cruz Johanna Sawyer (through March 2020) Kevin Gimlin Alina Andrade (through March 2020)

Cordelia McKenna Percivale Porter Colleen Winger





Tucson Museum of Art and Historic Block Annual Report July 1, 2019–June 30, 2020

> Tucson Museum of Art and Historic Block 140 N. Main Avenue · Tucson, AZ 85701-8218 520-624-2333 TucsonMuseumofArt.org

TMA is a 501(c)(3) private, nonprofit organization.

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

#### TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC. YEAR ENDED JUNE 30, 2020 TABLE OF CONTENTS

INE	DEPENDENT AUDITOR'S REPORT	1
FIN	IANCIAL STATEMENTS	
	Statement of Financial Position	3
	Statement of Activities	4
	Statement of Functional Expenses	5
	Statement of Cash Flows	6
	Notes to Financial Statements	7



#### 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. PC

Heinfeld, Meech & Co., P.C. Tucson, Arizona April 19, 2021

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

Assets		
Cash and cash equivalents	\$	46,425
Cash and cash equivalents - with donor restrictions	·	674,902
Accounts receivable		229,550
Pledges receivable		109,417
Pledges receivable - with donor restrictions		514,768
Investments - with donor restrictions		1,547,639
Inventory		38,698
Prepaid expenses		49,966
Property and equipment, net		7,992,745
Intangible assets, net		16,800
Total assets	\$	11,220,910
<u>Liabilities</u>		
Accounts payable	\$	739,900
Accrued payroll		69,828
Contract liabilities		223,936
PPP loans payable		341,900
Total liabilities		1,375,564
Net assets Without donor restrictions:		
Undesignated		5,188,825
Onwood		0,100,020
With donor restrictions:		
Purpose restricted		1,142,796
Perpetual in nature		3,513,725
Total net assets with donor restrictions		4,656,521
Total net assets	_	9,845,346
	_	
Total liabilities and net assets	\$ <u>_</u>	11,220,910

#### TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC. STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

		Without Donor	With Donor		
Revenue, support, and gains:		Restrictions	Restrictions		Total
Admissions	\$	100,016	\$	\$	100,016
Contributions and bequests		3,440,309	159,634		3,599,943
Exhibition revenues		225,837			225,837
Fundraising revenues		234,998			234,998
Grant revenues		319,375	186,025		505,400
Membership dues		272,678			272,678
Retail operations revenues		111,797			111,797
Other income		105,979			105,979
Rental income		115,815			115,815
Support organization income		53,632			53,632
Tuition		25,408			25,408
Net investment income			75,177		75,177
Net assets released from restrictions		1,968,469	 (1,968,469)	_	
Total revenue, support, and gains		6,974,313	 (1,547,633)	_	5,426,680
Expenses:					
Program services					
Curatorial and exhibitions		1,216,810			1,216,810
Education		477,515			477,515
Museum shop		155,107			155,107
Support organizations	•	192,751	 _	_	192,751
Total program expenses	•	2,042,183	 	_	2,042,183
Supporting services					
Management and general		863,013			863,013
Fundraising		66 461			66 464
Special events Direct		66,461			66,461
		448,389	 	_	448,389
Total fundraising Total supporting services		514,850 1,377,863	 	_	514,850 1,377,863
rotal supporting services	•	1,377,003	 	_	1,377,003
Total expenses		3,420,046			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

# TUCSON MUSEUM OF ART AND HISTORIC BLOCK, INC. STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020

		Program	Supporting				
	Curatorial and		Su		Management		
	 Exhibitions	Education	Museum Shop	Organizations	and General	Fundraising	Total
Salaries and benefits	\$ 565,780	251,982	63,150	1,752	410,907	307,369 \$	1,600,940
Catering	595	2,437			4,000	11,569	18,601
Information technology	997	1,099	85		69,755		71,936
Lectures, performers, and honoraium	19,740	17,260	5			8,310	45,315
Transportation/moving	79,431	1,815	332		2,512		84,090
Other purchased/contracted services	90,722	20,308	2,766		61,395	25,737	200,928
Equipment repair and maintenance	33,794	14,587	2,965		20,867		72,213
Building repair and maintenance	999	475	87		658		2,219
Utilities	79,989	38,031	6,962		61,532		186,514
Insurance	51,045	9,274	3,258		19,914		83,491
Advertising and publicity	35,577	9,661	2,457		1,861	22,879	72,435
Art acquisition	36,304						36,304
Printing	19,480	5,614	486		5,321	16,865	47,766
Rental equipment	14,415	8,307	1,232		41,696	17,111	82,761
Software	2,570	1,957	6,219	1,555	3,135	20,053	35,489
Travel	5,984	12,142	116		2,539	65,983	86,764
Other general expenses	35,178	7,477	503		13,806	7,695	64,659
Special events						35	35
Supplies	15,388	12,094	2,022		21,073	7,368	57,945
Museum shop			50,900				50,900
Bank/credit card charges	17	66	432		35,795	26	36,336
Miscellaneous expenses	1,275	2,295	31	189,444		3,850	196,895
Depreciation and amortization	127,530	60,634	11,099		86,247		285,510
Total expenses	\$ 1,216,810	\$ 477,515	\$ 155,107	\$ 192,751	863,013	\$ 514,850 \$	3,420,046

## 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:		005.540
Depreciation		285,510
Net (gain) loss on investments Changes in assets and liabilities:		13,813
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

### 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:

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

### <u>Advertising</u>

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:

Financial assets at year end:		
Cash and cash equivalents	\$	46,425
Cash and cash equivalents - with donor restrictions		674,902
Accounts receivable		229,550
Pledges receivable		109,417
Pledges receivable - with donor restrictions		514,768
Investments – with donor restrictions		1,547,639
Total financial assets		3,122,701
Less amounts not available to be used within one year:		
Net assets with donor restrictions		4,656,521
Less: Net assets with purpose restrictions to be met in		
less than a year	(	<u>1,142,796)</u>
Financial assets available to meet general expenditures over the next twelve months	\$	(391.024)
or or the more thomas more	<u>Ψ</u>	(001,021)

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:

Hierarchy Level Fair Va	alue
Investments	
Mutual funds - publicly traded Level 1 \$ 1,50	1,426
Direct stock ownership Level 1 3	1,311
Community Foundation of Southern	
AZ investment pool Level 31	4,902
Total assets \$ 1,54	7,639

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:

	Asse	Assets Held by	
	Coi	Community	
	Fou	undation	
Beginning of year	\$	14,807	
Investment return, net		95	
End of year	\$	14,902	

### **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:

		Contract
	l	_iabilities
Beginning of year	\$	235,152
Revenue recognized that was included in contract liabilities at the beginning of the year		(235,152)
Increase in contract liabilities due to cash received during the period		223,936
End of year	\$	223,936

Contract

#### **NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following.

\$ 2,450,513
5,981,832
400,601
1,408,438
 4,359,023
14,600,407
 (6,607,662)
\$ 7,992,745

<u>Construction Commitments</u> – 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.

Intangibles, not being amortized	\$ 14,000
Intangibles, being amortized	11,500
Less: Accumulated amortization	(8,700)
Net intangible assets	\$ 16,800

#### **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 – ENDOWMENTS**

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.

Mith Donor

Changes in Endowment Net Assets as of year end:

	WILL DOLLO
	Restriction
Endowment net assets, beginning of year	\$ 3,889,393
Investment return, net	75,177
Amounts appropriated for expenditure	(91,098)
Endowment net assets, end of year	\$ 3,873,472

#### **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:

	-	Vith Donor Restriction
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$	3,513,725
Accumulated investment gains	Ψ	359,747
Total funds	\$	3,873,472

### 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:		
	2021	\$ 153,929
	2022	192,411
Total loan payme	ents	346,340
Less: Amount rep	oresenting 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 entailed 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 the 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:		
Cash Reserve Fund	\$	2,000
Exhibit Creation & Upkeep	50	0,000
Folk Art Project	7:	3,862
Other	;	3,500
Naming Opportunities	1,748	8,009
Endowments	9	1,098
Total	\$ 1,96	8,469

### NOTE 10 - NET ASSETS

Net assets with donor restrictions were as follows:

Specific Purpose:		
Collections	\$	39,276
Docent Activities		1,314
Other		342,459
Naming Opportunities		400,000
Specific purpose total		783,049
Endowments, subject to appropriation:		
Art and Care of Collections		199,803
Arts & Crafts Awards		10,574
Collections		66,405
Curator: Latin American Art		82,965
Endowments, subject to appropriation total		359,747
Endowments, perpetual in nature:		
Acquisition of Art		641,803
Acquisition of Masks and Weaving		50,337
Art Award		10,000
Casa Cordova		50,000
Craft Award		2,000
Education		1,122,773
General Operations		250,865
Latin American Curator		872,989
Scholarships		3,075
Western Art Curator		509,883
Endowments, perpetual in nature total		3,513,725
Total	\$ 4	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:

Year End:		
	2021	\$ 24,287
	2022	13,968
	2023	8,148
Total		\$ 46,403

### **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.