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National Museum of Wildlife Art of the United  
States

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**Financial Report**  
**April 30, 2021**

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## Independent Auditor's Report

To the Board of Trustees  
National Museum of Wildlife Art of the United States

We have audited the accompanying financial statements of National Museum of Wildlife Art of the United States (the "Museum"), which comprise the statement of financial position as of April 30, 2021 and the related statements of activities and changes in net assets, 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 National Museum of Wildlife Art of the United States as of April 30, 2021 and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited National Museum of Wildlife Art of the United States' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

August 30, 2021

# National Museum of Wildlife Art of the United States

## Statement of Financial Position

**April 30, 2021**  
(with comparative totals for 2020)

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,930,847	\$ 2,542,073
Investments	636,403	543,968
Receivables:		
Accounts receivable	-	3,747
Pledges receivable - Current portion	165,000	746,500
Inventory	106,926	136,383
Prepaid expenses	20,957	29,255
Total current assets	4,860,133	4,001,926
<b>Long-term Investments</b>	24,568,189	20,374,590
<b>Pledges Receivable - Net of current portion</b>	1,634,601	1,902,310
<b>Beneficial Interest in Remainder Trust</b>	2,325,403	1,798,971
<b>Property and Equipment - Net</b>	10,917,924	11,692,733
Total assets	<b>\$ 44,306,250</b>	<b>\$ 39,770,530</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 40,042	\$ 54,253
Accrued expenses	185,489	133,473
Advance contribution	459,212	411,014
Total liabilities	684,743	598,740
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	11,538,878	12,260,214
Board designated:		
Endowment	3,654,095	3,113,387
Reserves (operating, capital, program, and conservation)	1,257,191	637,507
Total without donor restrictions	16,450,164	16,011,108
With donor restrictions	27,171,343	23,160,682
Total net assets	43,621,507	39,171,790
Total liabilities and net assets	<b>\$ 44,306,250</b>	<b>\$ 39,770,530</b>

## National Museum of Wildlife Art of the United States

### Statement of Activities and Changes in Net Assets

Year Ended April 30, 2021  
(with comparative totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue, Gains, and Other Support</b>				
Contributions and grants	\$ 2,057,631	\$ 1,038,968	\$ 3,096,599	\$ 6,361,723
Western Visions show and sale	347,903	-	347,903	559,278
Admissions	247,319	-	247,319	454,189
Gift shop sales	260,058	-	260,058	360,784
Memberships	218,374	-	218,374	204,253
Other revenue	91,844	6,910	98,754	104,922
Building rental fee	42,180	-	42,180	135,835
Change in value of beneficial interest in remainder trust	-	526,432	526,432	72,204
Investment gain (loss) - Net	678,438	3,822,451	4,500,889	(641,629)
Total revenue, gains, and other support	3,943,747	5,394,761	9,338,508	7,611,559
<b>Net Assets Released from Restrictions</b>	1,384,100	(1,384,100)	-	-
Total revenue, gains, other support, and net assets released from restrictions	5,327,847	4,010,661	9,338,508	7,611,559
<b>Expenses</b>				
Program services:				
Curatorial and conservation	1,396,061	-	1,396,061	1,315,048
Collections and exhibits	536,628	-	536,628	548,107
Educational programs	516,078	-	516,078	510,336
Admissions	142,679	-	142,679	205,025
Memberships	43,218	-	43,218	82,851
Docent program	74,080	-	74,080	79,578
Museum shop	326,994	-	326,994	354,091
Western Visions show and sale	344,413	-	344,413	568,693
Total program services	3,380,151	-	3,380,151	3,663,729
Support services:				
Management and general	727,955	-	727,955	816,481
Fundraising	393,351	-	393,351	417,690
Marketing	279,988	-	279,988	366,803
Building rental	94,882	-	94,882	96,380
Total support services	1,496,176	-	1,496,176	1,697,354
Total expenses	4,876,327	-	4,876,327	5,361,083
<b>Increase in Net Assets - Before accession of art</b>	451,520	4,010,661	4,462,181	2,250,476
<b>Accession of Art</b>	(12,464)	-	(12,464)	(231,602)
<b>Increase in Net Assets</b>	439,056	4,010,661	4,449,717	2,018,874
<b>Net Assets - Beginning of year</b>	16,011,108	23,160,682	39,171,790	37,152,916
<b>Net Assets - End of year</b>	<b>\$ 16,450,164</b>	<b>\$ 27,171,343</b>	<b>\$ 43,621,507</b>	<b>\$ 39,171,790</b>

# National Museum of Wildlife Art of the United States

## Statement of Functional Expenses

Year Ended April 30, 2021  
(with comparative totals for 2020)

	Program Services							Support Services				Total		
	Curatorial and Conservation	Collections and Exhibits	Educational Programs	Admissions	Memberships	Volunteer/Docent	Museum Shop	Western Visions	Management and General	Fundraising	Marketing	Building Rental	Total	2020
Salaries and benefits	\$ 529,015	\$ 136,390	\$ 284,573	\$ 82,364	\$ 10,492	\$ 59,960	\$ 177,541	\$ 86,578	\$ 426,850	\$ 277,663	\$ 141,675	\$ 84,367	\$ 2,297,468	\$ 2,468,058
Cost of goods/Artist commissions/Awards	10,000	-	8,000	-	-	-	134,245	202,775	-	12,898	-	-	367,918	463,614
Advertising, promotion, and entertainment	579	10,366	1,938	11	1,614	2,561	883	10,754	22,474	5,349	77,951	1,532	136,012	352,594
Occupancy	188,738	77,083	47,898	15,621	5,885	3,016	4,664	636	62,053	4,653	-	4,634	414,881	463,224
Depreciation	355,556	181,263	104,575	34,858	13,943	6,972	-	-	123,029	-	-	-	820,196	846,915
Supplies, postage/delivery, and printing	11,187	60,816	2,844	222	6,515	204	-	14,433	1,077	11,253	14,530	30	123,111	111,076
Professional services	252,612	53,050	50,474	1,613	1,745	363	-	19,618	63,431	59,475	25,318	105	527,804	415,829
Staff development and travel	2,089	397	-	111	31	15	3,125	50	4,458	3,583	660	-	14,519	64,098
Bank fees and merchant credit card fees	554	-	157	5,448	1,955	43	5,677	8,159	168	4,615	604	109	27,489	38,946
Dues/subscription, reference material, and licenses	9,188	12,113	10,189	682	642	136	160	615	-	9,464	18,487	286	61,962	41,172
Software maintenance	35,387	4,561	2,631	877	351	175	-	795	8,316	4,398	763	-	58,254	31,330
Capital purchases	1,156	589	2,799	872	45	635	699	-	16,099	-	-	3,819	26,713	64,227
<b>Total expenses</b>	<b>\$ 1,396,061</b>	<b>\$ 536,628</b>	<b>\$ 516,078</b>	<b>\$ 142,679</b>	<b>\$ 43,218</b>	<b>\$ 74,080</b>	<b>\$ 326,994</b>	<b>\$ 344,413</b>	<b>\$ 727,955</b>	<b>\$ 393,351</b>	<b>\$ 279,988</b>	<b>\$ 94,882</b>	<b>\$ 4,876,327</b>	<b>\$ 5,361,083</b>

## National Museum of Wildlife Art of the United States

### Statement of Cash Flows

Year Ended April 30, 2021  
(with comparative totals for 2020)

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 4,449,717	\$ 2,018,874
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	820,196	846,915
Contributions restricted for endowment	(653,800)	(1,004,105)
Change in value of beneficial interest in remainder trust	(526,432)	(72,204)
Net (gain) loss on investments	(4,500,889)	641,629
Accession of art	12,464	231,602
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	3,747	31,723
Pledges receivable	849,209	(2,648,810)
Prepaid expenses	8,298	18,651
Inventory	29,457	(8,649)
Accounts payable	(14,211)	(191,471)
Accrued expenses	52,016	40,785
Advance contribution	48,198	411,014
Net cash provided by operating activities	577,970	315,954
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(45,387)	(873,852)
Accession of art	(12,464)	(231,602)
Purchases of investments	(12,785,115)	(13,209,496)
Proceeds from sales and maturities of investments	12,999,970	12,972,418
Net cash provided by (used in) investing activities	157,004	(1,342,532)
<b>Cash Flows Provided by Financing Activities</b> - Proceeds from restricted contributions	653,800	1,004,105
<b>Net Increase (Decrease) in Cash</b>	1,388,774	(22,473)
<b>Cash</b> - Beginning of year	2,542,073	2,564,546
<b>Cash</b> - End of year	<u>\$ 3,930,847</u>	<u>\$ 2,542,073</u>

April 30, 2021

**Note 1 - Nature of Business**

National Museum of Wildlife Art of the United States (the "Museum"), a nonprofit corporation, was incorporated in the state of Wyoming on August 18, 1986. The Museum's mission is to impart knowledge and inspire appreciation of humanity's relationship with wildlife and nature through art and education.

**Note 2 - Significant Accounting Policies**

***Risks and Uncertainties***

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. During the year ended April 30, 2021, the Museum had to postpone or cancel many events due to government orders and convert some live events to virtual. The Museum closed in mid-March 2020 and reopened in early June 2020.

Management responded by applying for and receiving Paycheck Protection Program (PPP) funds in the amount of \$441,000 in April 2020 and \$459,212 in January 2021 (see Note 7). In addition, because of the direct and indirect impacts of the continuing pandemic, the Museum's activities, cash flows, and financial condition could be negatively impacted in the future, but the extent of the impact cannot be reasonably estimated.

***Summarized Comparative Information***

The financial information presented for comparative purposes for the year ended April 30, 2020 is not intended to be a complete financial statement presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Museum's 2020 financial statements, from which the summarized information was derived.

***Cash***

The Museum considers all investments with an original maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio. At April 30, 2021, there were no cash equivalents held outside of the investment portfolio. Of the total cash balance as of April 30, 2021, \$1,499,692 represents amounts with donor restrictions. Periodically throughout the year ended April 30, 2021, the Museum maintained balances in excess of federally insured limits.

***Investments***

The Museum reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is recorded on the statement of activities and changes in net assets as investment income without donor restrictions unless restricted by donors or law.

***Accounts Receivable***

Accounts receivable relate to small outstanding operating and exhibit pledges without donor restrictions and facility rental fees. The Museum provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts are written off to bad debts when deemed uncollectible. Management considers all accounts receivable collectible, and, therefore, an allowance for doubtful accounts has not been recorded at April 30, 2021.

**Note 2 - Significant Accounting Policies (Continued)**

***Inventory***

Inventory is stated at the lower of average cost or net realizable value. Inventory consists of items held for sale, including reproductions of the Museum's collection; books on art, artists, wildlife, and western heritage; and other items designed to enhance visitors' experiences. Major classes of inventory are activities, audiovisual, books, clothes, holiday, housewares, jewelry/accessories, posters/prints, and stationery.

***Property and Equipment***

Property and equipment are recorded at cost or, if donated, at the fair value on the date of donation. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets, which range from 5 to 20 years. Assets with an initial purchase price under \$2,000 are expensed in the year purchased.

***Classification of Net Assets***

Net assets of the Museum are classified based on the presence or absence of donor-imposed restrictions according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Museum's management and the board of trustees.

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

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

Earnings, gains, and losses on restricted net assets are classified as without donor restrictions unless specifically restricted by the donor or by applicable state law. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions.

***Contributions***

The Museum reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor-restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Museum reports the expiration of donor restrictions when the assets are placed in service.

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as net assets without donor restrictions. Other restricted gifts are reported as net assets with donor restrictions.

April 30, 2021

**Note 2 - Significant Accounting Policies (Continued)**

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible pledges is provided when evidence indicates amounts promised by donors may not be collectible.

***Revenue Recognition***

The Museum generates its exchange revenue from multiple sources, as described below:

**Western Visions Art Show**

Annually, the Museum hosts an art show during which the Museum sells works of art by select artists. Tickets for admission to the show are sold in advance and are deferred until the event takes place. The Museum recognizes the sale of art and items from this event as point of sale revenue and pays the artist a commission.

**Admissions**

Admissions revenue includes daily ticket sales for an individual for admission to the Museum for a single day. Revenue is recognized on the date of admission.

**Gift Shop Sales**

The Museum operates a gift shop. Revenue for sales of items is recognized at the point of sale.

**Memberships**

The Museum offers various membership packages, which include unlimited access to the Museum, guest passes, discounts on gift shop and restaurant purchases, and subscriptions to all Museum publications for one- or two-year periods. Certain membership levels include access to additional events. The Museum recognizes membership revenue over the time of the individual membership period. Unearned dues are recorded as deferred revenue, which is included in accrued expenses on the accompanying statement of financial position.

**Other Information**

Total accounts receivable outstanding as of April 30, 2021 and 2020 related to contracts with customers were \$0 and \$1,965, respectively.

Total deferred revenue related to contracts with customers as of April 30, 2021 and 2020 was \$42,318 and \$36,995, respectively.

Total revenue from contracts with customers for the year ended April 30, 2021 was \$1,214,588.

**Facility Rental**

The Museum offers space rentals for private events and corporate events/parties. Revenue is recognized at the time of the event in accordance with accounting guidance for leases.

**Restaurant Lease**

The Museum has an on-site restaurant that it contracts with a third party to rent out and run. The Museum recognizes a percentage of monthly sales and a percentage of catering revenue as building rental fee revenue in accordance with accounting guidance for leases.

**Note 2 - Significant Accounting Policies (Continued)**

***Volunteer Services***

A number of volunteers have donated significant amounts of their time in the Museum's program service. These volunteer services are not recordable under accounting principles generally accepted in the United States of America. The value of the volunteer services is not disclosed, as no objective basis is available to measure the value of such services. The number of hours of contributed services totaled 1,447 during the year ended April 30, 2021.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs have been allocated between the various program and support services on several bases and estimates. Depreciation, facility costs, and security are allocated by square footage utilized. Information technology and certain management and general costs are allocated based on a percentage of salary costs. Salaries are reported based on the employee's assigned department or allocated based on square footage for certain employees. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Income Taxes***

The Museum is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). The Museum also has been determined not to be a private foundation under Section 509(a)(1) of the IRC, but it is a public charity. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Museum and recognize a tax liability if the Museum has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Museum and has concluded that, as of April 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

***Advertising Expense***

Advertising costs are expensed during the year in which they are incurred. Advertising expense for the year ended April 30, 2021 was \$92,221.

***Use of Estimates***

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

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including August 30, 2021, which is the date the financial statements were available to be issued.

**Note 3 - Liquidity and Availability of Resources**

The Museum is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Museum must maintain sufficient resources to meet those responsibilities to its donors.

April 30, 2021

**Note 3 - Liquidity and Availability of Resources (Continued)**

The Museum has \$1,794,422 in unrestricted and board-designated operating reserve cash not subject to donor or other contractual restrictions, which make them available for use within one year. The Museum has a goal to maintain cash and equivalent balances for a minimum of 60 days of ordinary business expenses (exclusive of depreciation). Because of the seasonal environment in which the Museum resides and the cyclical nature of visitors and events, it budgets to have its financial assets available as its general expenditures, liabilities, and other obligations come due through the first eight months of the year. At the end of the 11th month, a distribution of approximately 4 percent (average of last 12 quarters) from the earnings of the donor-restricted endowment and the board-designated endowment is drawn for use in general operating to finish out the year. Per policy, however, up to 5 percent can be distributed, if need be and approved by the board, from the endowments, and, in case of emergency, the board-designated endowment consisting of \$3,654,095 at April 30, 2021 could be voted by the board to be used in a different manner. The Museum can also draw on a \$500,000 line of credit it maintains with the Bank of Jackson Hole. It has three additional board-designated reserves in cash of \$568,700 that could be used in the event of an unanticipated liquidity need with board approval.

**Note 4 - Pledges Receivable**

Included in pledges receivable are promises to give from foundations and individuals. Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a risk-free rate of return discount rate for the expected term of the pledge.

The following is a summary of pledges receivable:

Gross promises to give before unamortized discount	\$ 1,845,000
Less allowance for net present value discount	<u>(45,399)</u>
Net pledges receivable	<u>\$ 1,799,601</u>
Amounts due in:	
Less than one year	\$ 165,000
One to five years	1,120,000
More than five years	<u>560,000</u>
Total	<u>\$ 1,845,000</u>

**Note 5 - Investments**

The details of the Museum’s investments in trading securities at April 30, 2021 are as follows:

Cash equivalents	\$ 2,225,907
Equity mutual funds and exchange-traded funds	9,329,131
Common stock	2,697,665
Fixed-income mutual funds and exchange-traded funds	2,045,858
Corporate bonds	3,110,135
Alternative investment mutual funds	4,815,189
Commodities	<u>980,707</u>
Total	<u>\$ 25,204,592</u>

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**Note 6 - Property and Equipment**

Property and equipment are summarized as follows:

Land	\$ 509,930
Land improvements	2,927,001
Buildings	9,904,498
Building improvements	3,856,248
Building renovation	4,624,617
Equipment	835,151
Furniture and fixtures	452,596
Vehicles	<u>43,229</u>
Total cost	23,153,270
Accumulated depreciation	<u>12,235,346</u>
Net property and equipment	<u>\$ 10,917,924</u>

**Note 7 - Advance Contribution**

During the year ended April 30, 2020, the Museum received a Paycheck Protection Program term note through its primary financial institution of \$441,000. The note was issued pursuant to the CARES Act's PPP.

While the legal form of the PPP agreement is a loan, the Museum concluded the loan represents, in substance, a grant that is expected to be forgiven and, therefore, has accounted for the agreement as a conditional contribution. The following measurable barriers must be substantially overcome before the contribution can be considered unconditional and recorded as revenue:

- Incur eligible expenses
- Maintain full-time equivalent counts and salary levels through the eligibility period

As of April 30, 2020, the Museum determined that the barriers were met to recognize forgiveness on approximately \$30,000 of the note. During the year ended April 30, 2021, the Museum applied for forgiveness and received notification of the entire loan balance from the Small Business Administration (SBA). Therefore, the Museum determined that the barriers were met to recognize the remaining balance as contributions and grants revenue.

During the year ended April 30, 2021, the Museum received \$459,212 in proceeds under the SBA's second round of the PPP. The new note is subject to similar terms and conditions as these previously described. Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. There can be no assurance that any portion of the loan will be forgiven. As of April 30, 2021, the Museum determined that the barriers were not met; as such, the full amount is recorded as an advance contribution on the accompanying statement of financial position.

**Note 8 - Art Collection**

In conformity with the practice followed by many museums, the Museum's art collection, which has been acquired through purchases and contributions since inception, is not recognized as an asset on the statement of financial position. Proceeds from the sales of collection items are used to acquire other items for the collection.

**April 30, 2021**

**Note 8 - Art Collection (Continued)**

Stewardship policies include written procedures for accession of art, deaccession of art, art on loan to the Museum, and art on loan from the Museum. The policies also include procedures for the care of the collection, such as preservation, safety and security, installation, and packaging and shipping. The policies detail the procedures for inventorying the collection, including labeling, monitoring, record keeping and record reconciliation, access reproduction, and insurance. The Museum tracks the collection at original purchased or donated value and uses a mutually agreed-upon value for loaned items as a whole for purposes of adequate insurance coverage. In addition, the Museum's facility is specifically designed to protect the collection from damage.

The Museum utilizes a TMS collections software that improves its ability to track and maintain detailed records on the art collection and enhance its capacity to share its works of art online.

**Note 9 - Line of Credit**

Under a line of credit agreement with a bank, the Museum has available borrowings of approximately \$500,000. Interest is payable monthly at a rate of 0.5 percent above the prime rate (an effective rate of 3.75 percent at April 30, 2021). The line of credit expires in September 2021. Subsequent to year end, the Museum began the process of renewing the line of credit. There was no outstanding balance on the line of credit as of April 30, 2021.

**Note 10 - Retirement Plans**

The Museum sponsors a 403(b) plan for substantially all employees. The plan provides for the Museum to make a discretionary matching contribution. Contributions to the plan totaled \$54,057 for the year ended April 30, 2021.

**Note 11 - Beneficial Interest in Assets Held by Third Parties**

The Museum is the beneficiary of a charitable remainder unitrust (CRUT), the assets of which are held by a third-party trustee. Under the terms of the CRUT, the Museum has the irrevocable right to receive the assets held in trust upon the death of the lead recipients. The Museum's beneficial interest in the CRUT's assets is reported at fair value based on the value of the CRUT's assets, less the present value of the amounts expected to be paid to the lead recipients, using a 1.0 percent discount rate.

April 30, 2021

**Note 12 - Net Assets with Donor Restrictions**

Net assets with donor restrictions as of April 30, 2021 are available for the following purposes:

Subject to expenditure for a specified purpose:	
Promises to give, proceeds restricted for:	
Exhibit matching contributions	\$ 25,000
C. Rungius Catalog Raisonné	1,774,601
	<u>1,799,601</u>
Total	1,799,601
Purchase of property or equipment	834,153
Funding of art and library acquisitions and their conservation	532,998
Funding for art research and catalog creation and publishing	473,444
Funding of special exhibits	146,547
Other	67,879
Contributions and sponsorships for future years	62,021
Funding of Western Visions show and sale	15,205
	<u>3,931,848</u>
Total subject to expenditure for a specified purpose	3,931,848
Endowments:	
Available for general use	9,510,175
Education	7,498,881
Beneficial interest in remainder trust held by others - Permanently restricted to general endowment	2,325,403
Research	1,499,920
Programs, exhibits, and mission	1,436,280
Art purchases	653,805
Conservation	315,031
	<u>23,239,495</u>
Total endowments	23,239,495
Total	<u>\$ 27,171,343</u>

**Note 13 - Fair Value Measurements**

Accounting standards require certain financial assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Museum's assets measured at fair value on a recurring basis at April 30, 2021 and the valuation techniques used by the Museum to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Museum has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Museum's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Notes to Financial Statements

April 30, 2021

**Note 13 - Fair Value Measurements (Continued)**

Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The beneficial interest in charitable remainder trust classified in Level 3 is valued using discounted cash flow techniques.

Assets Measured at Fair Value on a Recurring Basis at April 30, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Closed end, exchange traded, mutual funds, and commodities	\$ 17,170,885	\$ -	\$ -	\$ 17,170,885
Corporate bonds	-	3,110,135	-	3,110,135
Common stock	2,697,665	-	-	2,697,665
Total investments	19,868,550	3,110,135	-	22,978,685
Beneficial interest in remainder trust Cash (not subject to classification) included in investment balances	-	-	2,325,403	2,325,403
Total assets	<u>\$ 19,868,550</u>	<u>\$ 3,110,135</u>	<u>\$ 2,325,403</u>	<u>\$ 27,529,995</u>

Investments are reported on the statement of financial position as follows:

Investments	\$ 636,403
Long-term investments	24,568,189
Beneficial interest in remainder trust	2,325,403
Total	<u>\$ 27,529,995</u>

**Note 14 - Endowments**

The Museum's endowment is composed of donor-restricted and board-designated funds.

The Museum has an endowment portfolio the primary objective of which is to provide a long-term source of income (defined as appreciation and/or income) to be distributed annually in support of the Museum's mission and goals. As a secondary objective, the Museum seeks to maintain or enhance the real (inflation-adjusted) purchasing power of the Museum's endowment assets and/or reserve funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees (the "Board") to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Note 14 - Endowments (Continued)**

The Board approved an endowment policy in accordance with the Museum's understanding of the Wyoming Uniform Prudent Management of Institutional Funds Act (WUPMIFA). To satisfy its long-term objectives, the Museum acts with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Museum strives to construct a prudently managed, diversified portfolio of assets, including cash, stocks, bonds, and mutual funds, invested so as to minimize the risks of large losses on a long-term basis. The performance of the Museum's funds versus various relevant indices, consistent with the investment objectives stated above, and with emphasis on the longer term, are reviewed periodically. Absent explicit donor stipulations to the contrary, the Museum classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment plus the original value of any subsequent gifts. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by WUPMIFA. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Museum has classified as a fund of perpetual duration.

The endowment assets are invested in a manner that seeks to cover a distribution rate to be determined annually by the Board in accordance with museum policy. The Museum has a policy of appropriating for distribution a maximum of 5 percent of average market values of the endowment's underlying investments over a period of no less than 12 quarters, calculated consistent with applicable statutes. From time to time, market conditions may make it difficult or impossible to achieve the income target stated above, at which times the finance committee may recommend to the Board to temporarily suspend the income objective until market conditions again enable the Museum to attain the distribution target.

	Changes in Endowment Net Assets for the Fiscal Year Ended April 30, 2021		
	Board Designated	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 3,113,387	\$ 19,060,175	\$ 22,173,562
Investment income - Net	668,302	3,706,494	4,374,796
Change in value of beneficial interest in remainder trust	-	526,432	526,432
Contributions	-	653,800	653,800
Appropriation of endowment assets for expenditure	(127,594)	(707,406)	(835,000)
Endowment net assets - End of year	<u>\$ 3,654,095</u>	<u>\$ 23,239,495</u>	<u>\$ 26,893,590</u>