
National Museum of Wildlife Art of the United
States

Financial Report
April 30, 2022

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Independent Auditor's Report

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

Opinion

We have audited the 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, 2022 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of April 30, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Museum and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Museum's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



September 8, 2022

National Museum of Wildlife Art of the United States

Statement of Financial Position

April 30, 2022
(with comparative totals for 2021)

	2022	2021
Assets		
Current Assets		
Cash	\$ 3,110,137	\$ 3,930,847
Reserve investment	550,066	-
Investments	577,928	636,403
Receivables:		
Accounts receivable	750	-
Pledges receivable - Current portion	-	165,000
Inventory	127,241	106,926
Prepaid expenses	8,936	20,957
Total current assets	4,375,058	4,860,133
Long-term Investments	22,934,165	24,568,189
Pledges Receivable - Net of current portion	1,365,553	1,634,601
Beneficial Interest in Remainder Trust	2,358,951	2,325,403
Property and Equipment - Net	10,708,134	10,917,924
Total assets	\$ 41,741,861	\$ 44,306,250
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 71,865	\$ 40,042
Accrued expenses and deferred revenue	192,200	185,489
Advance contribution	-	459,212
Total liabilities	264,065	684,743
Net Assets		
Without donor restrictions:		
Undesignated	11,322,854	11,538,878
Board designated:		
Endowment	3,365,387	3,654,095
Reserves (operating, capital, program, and conservation)	1,351,793	1,257,191
Total without donor restrictions	16,040,034	16,450,164
With donor restrictions	25,437,762	27,171,343
Total net assets	41,477,796	43,621,507
Total liabilities and net assets	\$ 41,741,861	\$ 44,306,250

National Museum of Wildlife Art of the United States

Statement of Activities and Changes in Net Assets

Year Ended April 30, 2022
(with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Other Support				
Contributions and grants	\$ 1,833,492	\$ 984,261	\$ 2,817,753	\$ 3,096,599
Western Visions show and sale	412,992	-	412,992	347,903
Admissions	645,774	-	645,774	247,319
Gift shop sales	469,683	-	469,683	260,058
Memberships	243,343	-	243,343	218,374
Other revenue	77,691	1,540	79,231	98,754
Building rental fee	190,026	-	190,026	42,180
Change in value of beneficial interest in remainder trust	-	33,548	33,548	526,432
Investment (loss) gain - Net	(154,165)	(950,370)	(1,104,535)	4,500,889
Total revenue, gains, and other support	3,718,836	68,979	3,787,815	9,338,508
Net Assets Released from Restrictions	1,802,560	(1,802,560)	-	-
Total revenue, gains, other support, and net assets released from restrictions	5,521,396	(1,733,581)	3,787,815	9,338,508
Expenses				
Program services:				
Curatorial and conservation	1,502,833	-	1,502,833	1,396,061
Collections and exhibits	570,629	-	570,629	536,628
Educational programs	501,164	-	501,164	516,078
Admissions	228,701	-	228,701	142,679
Memberships	55,546	-	55,546	43,218
Docent program	78,793	-	78,793	74,080
Museum shop	481,683	-	481,683	326,994
Western Visions show and sale	458,141	-	458,141	344,413
Total program services	3,877,490	-	3,877,490	3,380,151
Support services:				
Management and general	763,991	-	763,991	727,955
Fundraising	554,110	-	554,110	393,351
Marketing	288,779	-	288,779	279,988
Building rental	95,006	-	95,006	94,882
Total support services	1,701,886	-	1,701,886	1,496,176
Total expenses	5,579,376	-	5,579,376	4,876,327
(Decrease) Increase in Net Assets - Before accession of art	(57,980)	(1,733,581)	(1,791,561)	4,462,181
Accession of Art	(352,150)	-	(352,150)	(12,464)
(Decrease) Increase in Net Assets	(410,130)	(1,733,581)	(2,143,711)	4,449,717
Net Assets - Beginning of year	16,450,164	27,171,343	43,621,507	39,171,790
Net Assets - End of year	<u>\$ 16,040,034</u>	<u>\$ 25,437,762</u>	<u>\$ 41,477,796</u>	<u>\$ 43,621,507</u>

National Museum of Wildlife Art of the United States

Statement of Functional Expenses

Year Ended April 30, 2022
(with comparative totals for 2021)

	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	2022	2021
Salaries and benefits	\$ 563,742	\$ 148,763	\$ 284,537	\$ 157,123	\$ 11,443	\$ 58,726	\$ 234,143	\$ 152,820	\$ 415,129	\$ 395,553	\$ 147,998	\$ 90,163	\$ 2,660,140	\$ 2,297,468
Cost of goods/Artist commissions/Awards	-	-	4,000	-	-	-	216,605	208,002	-	12,823	-	-	441,430	367,918
Advertising, promotion, and entertainment	11,874	350	2,198	105	7,115	7,105	2,257	29,071	33,681	30,905	77,875	894	203,430	136,012
Occupancy	206,794	92,251	53,392	18,882	7,785	3,390	5,674	3,058	72,587	6,127	17	2,687	472,644	414,881
Depreciation	350,520	178,697	103,094	34,365	13,746	6,873	-	-	121,287	-	-	-	808,582	820,196
Supplies, postage/delivery, and printing	25,491	30,847	1,622	196	5,820	420	185	18,650	1,997	8,256	20,159	310	113,953	123,111
Professional services	301,295	64,010	34,896	1,468	5,028	264	-	32,273	81,188	78,665	24,341	393	623,821	527,804
Staff development and travel	10,878	1,299	2,900	135	1,286	1,059	3,723	3,200	12,540	6,207	1,884	-	45,111	14,519
Bank fees and merchant credit card fees	388	6	63	14,688	2,630	-	12,375	9,487	962	3,386	-	216	44,201	27,489
Dues/subscription, reference material, and licenses	10,489	48,568	7,164	641	261	128	670	785	-	4,388	16,027	343	89,464	61,962
Software maintenance	19,162	4,511	2,603	868	347	786	4,760	795	7,315	6,176	478	-	47,801	58,254
Capital purchases	2,200	1,327	4,695	230	85	42	1,291	-	17,305	1,624	-	-	28,799	26,713
Total expenses	\$ 1,502,833	\$ 570,629	\$ 501,164	\$ 228,701	\$ 55,546	\$ 78,793	\$ 481,683	\$ 458,141	\$ 763,991	\$ 554,110	\$ 288,779	\$ 95,006	\$ 5,579,376	\$ 4,876,327

National Museum of Wildlife Art of the United States

Statement of Cash Flows

Year Ended April 30, 2022
(with comparative totals for 2021)

	2022	2021
Cash Flows from Operating Activities		
(Decrease) increase in net assets	\$ (2,143,711)	\$ 4,449,717
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	808,582	820,196
Contributions restricted for endowment	(282,600)	(653,800)
Change in value of beneficial interest in remainder trust	(33,548)	(526,432)
Net loss (gain) on investments	1,104,535	(4,500,889)
Accession of art	352,150	12,464
Changes in operating assets and liabilities that (used) provided cash:		
Accounts receivable	(750)	3,747
Pledges receivable	434,048	849,209
Inventory	(20,315)	29,457
Prepaid expenses	12,021	8,298
Accounts payable	31,823	(14,211)
Accrued expenses and deferred revenue	6,711	52,016
Advance contribution	(459,212)	48,198
Net cash (used in) provided by operating activities	(190,266)	577,970
Cash Flows from Investing Activities		
Purchase of property and equipment	(598,792)	(45,387)
Accession of art	(352,150)	(12,464)
Purchases of investments	(7,678,672)	(12,785,115)
Proceeds from sales and maturities of investments	7,716,570	12,999,970
Net cash (used in) provided by investing activities	(913,044)	157,004
Cash Flows Provided by Financing Activities - Proceeds from restricted contributions	282,600	653,800
Net (Decrease) Increase in Cash	(820,710)	1,388,774
Cash - Beginning of year	3,930,847	2,542,073
Cash - End of year	\$ 3,110,137	\$ 3,930,847

April 30, 2022

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

Summarized Comparative Information

The financial information presented for comparative purposes for the year ended April 30, 2021 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 2021 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, 2022, there were no cash equivalents held outside of the investment portfolio. Of the total cash balance as of April 30, 2022, \$1,570,402 represents amounts with donor restrictions. Periodically throughout the year ended April 30, 2022, the Museum maintained balances in excess of federally insured limits.

Investments

The Museum invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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.

The reserve investment on the statement of financial position consists of a portion of the investment portfolio that is designated by the board for reserves.

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, 2022.

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.

Note 2 - Significant Accounting Policies (Continued)

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. Repairs and maintenance activities are expensed as incurred.

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, 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.

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.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Museum's year ending April 30, 2023 and will be applied using the retrospective method.

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.

Facility Rental

The Museum offers space rentals for private events and corporate events/parties. Revenue is recognized at the point in time the event takes place.

Other Information

The beginning balance of accounts receivable outstanding as of May 1, 2021 related to contracts with customers was \$0.

Deferred revenue related to contracts with customers was \$97,499 as of April 30, 2022. The beginning balance of deferred revenue as of May 1, 2021 related to contracts with customers was \$114,943.

Total revenue from contracts with customers for the year ended April 30, 2022 was \$1,971,838.

April 30, 2022

Note 2 - Significant Accounting Policies (Continued)

Restaurant Lease

The Museum contracts with a third party to rent out and run its on-site restaurant. 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.

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 2,068 during the year ended April 30, 2022.

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, 2022, 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, 2022 was \$90,264.

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 September 8, 2022, 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.

The Museum has \$1,346,188 in unrestricted and board-designated operating reserve cash and accounts receivable 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 8 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 \$3,365,387 at April 30, 2022 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 four additional board-designated reserves in cash totaling \$744,363 that could be used with board approval in the event of an unanticipated liquidity need.

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 of 0.5 percent for the expected term of the pledge.

The following is a summary of pledges receivable:

Gross promises to give before unamortized discount	\$ 1,400,000
Less allowance for net present value discount	<u>(34,447)</u>
Net pledges receivable	<u>\$ 1,365,553</u>
Amounts due in:	
One to five years	\$ 1,120,000
More than five years	<u>280,000</u>
Total	<u>\$ 1,400,000</u>

Note 5 - Investments

The details of the Museum's investments at April 30, 2022 are as follows:

Cash equivalents	\$ 685,242
Equity mutual funds and exchange-traded funds	9,126,863
Common stock	2,719,436
Fixed-income mutual funds and exchange-traded funds	3,234,281
Corporate bonds	2,766,416
Alternative investment mutual funds	4,417,518
Commodity exchange-traded funds	1,047,307
Government securities	<u>65,096</u>
Total	<u>\$ 24,062,159</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	3,742,322
Building renovation	4,624,617
Equipment	833,772
Furniture and fixtures	601,645
Vehicles	<u>75,554</u>
Total cost	23,219,339
Accumulated depreciation	<u>12,511,205</u>
Net property and equipment	<u>\$ 10,708,134</u>

Note 7 - Advance Contribution

During the year ended April 30, 2021, the Museum received a PPP loan in the amount of \$459,212. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan maybe fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The Museum may use the funds on qualifying expenditures over a covered period up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of five years, with interest accruing at a rate of 1 percent and monthly payments of principal and interest beginning 10 months after the conclusion of the covered period.

Any request for forgiveness is subject to review and approval of the SBA, including review of qualifying expenditures and staffing and salary levels.

Under accounting principles generally accepted in the United States of America (U.S. GAAP), government grants, including certain forgivable government loans, are recognized as income in the period in which the Museum has substantially overcome all measurable performance-related barriers necessary to be entitled to keep the grant funds. As of April 30, 2022, the Museum has assessed that all requirements for forgiveness were achieved and, therefore, has recorded contribution and grants revenue of \$459,212 consistent with generally accepted accounting principles.

The Museum applied for and received notification from the SBA of forgiveness of the entire loan on October 7, 2021.

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.

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 the purpose of adequate insurance coverage. In addition, the Museum's facility is specifically designed to protect the collection from damage.

April 30, 2022

Note 8 - Art Collection (Continued)

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 4 percent at April 30, 2022) with a floor of 3.75 percent. The line of credit expires in September 2023. There was no outstanding balance on the line of credit as of April 30, 2022.

Note 10 - Retirement Plans

The Museum sponsors a 403(b) plan (the "Plan"). All employees may contribute to the Plan. The Plan provides for the Museum to make discretionary matching contributions subject to certain age, hours, service requirements, and restrictions specified in the plan document. The Museum contributed \$78,857 to the Plan for the year ended April 30, 2022.

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 2.2 percent discount rate.

Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of April 30, 2022 are available for the following purposes:

Subject to expenditure for a specified purpose:	
Promises to give, proceeds restricted for C. Rungius Catalog Raisonné	\$ 1,365,553
Purchase of property or equipment	682,914
Funding for art research and catalog creation and publishing	666,831
Funding of art and library acquisitions and their conservation	394,226
Contributions and sponsorships for future education and events	129,759
Contributions for future exhibits and related projects	125,127
Funding of Western Visions show and sale	80,705
Other	64,917
	<hr/>
Total subject to expenditure for a specified purpose	3,510,032
Endowments:	
Available for general use	9,041,381
Education	6,907,930
Beneficial interest in remainder trust held by others - Permanently restricted to general endowment	2,358,951
Research	1,381,412
Programs, exhibits, and mission	1,322,801
Art purchases	625,113
Conservation	290,142
	<hr/>
Total endowments	21,927,730
	<hr/>
Total	\$ 25,437,762
	<hr/> <hr/>

April 30, 2022

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, 2022 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.

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, 2022

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Mutual, closed-end, and exchange-traded funds	\$ 17,825,969	\$ -	\$ -	\$ 17,825,969
Corporate bonds	-	2,766,416	-	2,766,416
Common stock	2,719,436	-	-	2,719,436
Government securities	65,096	-	-	65,096
Total investments	20,610,501	2,766,416	-	23,376,917
Beneficial interest in remainder trust	-	-	2,358,951	2,358,951
Cash (not subject to classification) included in investment balances				685,242
Total assets	<u>\$ 20,610,501</u>	<u>\$ 2,766,416</u>	<u>\$ 2,358,951</u>	<u>\$ 26,421,110</u>

April 30, 2022

Note 13 - Fair Value Measurements (Continued)

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

Reserve investment	\$ 550,066
Investments	577,928
Long-term investments	22,934,165
Beneficial interest in remainder trust	<u>2,358,951</u>
Total	<u>\$ 26,421,110</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.

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.

Notes to Financial Statements

April 30, 2022

Note 14 - Endowments (Continued)

	Endowment Net Asset Composition by Type of Fund as of April 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 3,365,387	\$ -	\$ 3,365,387
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	16,970,727	16,970,727
Accumulated investment gains	-	2,598,052	2,598,052
Beneficial interest in remainder trust	-	2,358,951	2,358,951
Total	\$ 3,365,387	\$ 21,927,730	\$ 25,293,117
	Changes in Endowment Net Assets for the Fiscal Year Ended April 30, 2022		
	Board Designated	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 3,654,095	\$ 23,239,495	\$ 26,893,590
Investment return - Net	(160,357)	(916,264)	(1,076,621)
Change in value of beneficial interest in remainder trust	-	33,548	33,548
Contributions	-	282,600	282,600
Appropriation of endowment assets for expenditure	(128,351)	(711,649)	(840,000)
Endowment net assets - End of year	\$ 3,365,387	\$ 21,927,730	\$ 25,293,117

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or WUPMIFA requires the Museum to retain as a fund of perpetual duration. As of April 30, 2022, a deficiency of this nature exists in a donor-restricted endowment fund, which has an original gift value of \$653,800, a current fair value of \$625,113, and a deficiency of \$28,687. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of new endowment contributions and continued appropriation for certain programs that was deemed prudent by the Board.