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National Museum of Wildlife Art of the United  
States

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**Financial Report**  
**April 30, 2023**

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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, 2023 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, 2023 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Plante & Moran, PLLC*

September 6, 2023

# National Museum of Wildlife Art of the United States

## Statement of Financial Position

**April 30, 2023**  
(with comparative totals for 2022)

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,909,744	\$ 3,110,137
Reserve investment	565,766	550,066
Investments	1,062,167	577,928
Receivables:		
Accounts receivable	100,528	750
Pledges receivable - Current portion	305,000	-
Inventory	117,096	127,241
Prepaid expenses	90,720	8,936
Total current assets	5,151,021	4,375,058
<b>Long-term Investments</b>	22,178,398	22,934,165
<b>Pledges Receivable - Net of current portion</b>	1,099,243	1,365,553
<b>Beneficial Interest in Remainder Trust</b>	2,817,359	2,358,951
<b>Property and Equipment - Net</b>	9,975,847	10,708,134
Total assets	<b>\$ 41,221,868</b>	<b>\$ 41,741,861</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 86,978	\$ 71,865
Accrued expenses and deferred revenue	208,046	192,200
Total liabilities	295,024	264,065
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	10,685,362	11,322,854
Board designated:		
Endowment	3,249,675	3,365,387
Reserves (operating, capital, program, and conservation)	1,374,902	1,351,793
Total without donor restrictions	15,309,939	16,040,034
With donor restrictions	25,616,905	25,437,762
Total net assets	40,926,844	41,477,796
Total liabilities and net assets	<b>\$ 41,221,868</b>	<b>\$ 41,741,861</b>

## National Museum of Wildlife Art of the United States

### Statement of Activities and Changes in Net Assets

**Year Ended April 30, 2023**  
**(with comparative totals for 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue, Gains (Losses), and Other Support</b>				
Contributions and grants	\$ 1,447,704	\$ 1,175,353	\$ 2,623,057	\$ 2,817,753
Western Visions show and sale	1,014,865	-	1,014,865	412,992
Admissions	583,499	-	583,499	645,774
Gift shop sales	507,784	-	507,784	469,683
Memberships	215,598	-	215,598	243,343
Other revenue	64,936	11,304	76,240	79,231
Building rental fee	238,613	-	238,613	190,026
Change in value of beneficial interest in remainder trust	-	458,408	458,408	33,548
Investment gain (loss) - Net	80,448	325,259	405,707	(1,104,535)
Total revenue, gains, and other support	4,153,447	1,970,324	6,123,771	3,787,815
Net assets released from restrictions	1,791,181	(1,791,181)	-	-
Total revenue, gains, other support, and net assets released from restrictions	5,944,628	179,143	6,123,771	3,787,815
<b>Expenses</b>				
Program services:				
Curatorial and conservation	1,538,587	-	1,538,587	1,502,833
Collections and exhibits	573,735	-	573,735	570,629
Educational programs	575,076	-	575,076	501,164
Admissions	245,475	-	245,475	228,701
Memberships	73,485	-	73,485	55,546
Docent program	82,931	-	82,931	78,793
Museum shop	556,325	-	556,325	481,683
Western Visions show and sale	934,190	-	934,190	458,141
Total program services	4,579,804	-	4,579,804	3,877,490
Support services:				
Management and general	862,960	-	862,960	763,991
Fundraising	603,735	-	603,735	554,110
Marketing	329,618	-	329,618	288,779
Building rental	104,666	-	104,666	95,006
Total support services	1,900,979	-	1,900,979	1,701,886
Total expenses	6,480,783	-	6,480,783	5,579,376
<b>(Decrease) Increase in Net Assets - Before accession of art</b>	(536,155)	179,143	(357,012)	(1,791,561)
<b>Accession of Art</b>	(193,940)	-	(193,940)	(352,150)
<b>(Decrease) Increase in Net Assets</b>	(730,095)	179,143	(550,952)	(2,143,711)
<b>Net Assets - Beginning of year</b>	16,040,034	25,437,762	41,477,796	43,621,507
<b>Net Assets - End of year</b>	<b>\$ 15,309,939</b>	<b>\$ 25,616,905</b>	<b>\$ 40,926,844</b>	<b>\$ 41,477,796</b>

See notes to financial statements.

# National Museum of Wildlife Art of the United States

## Statement of Functional Expenses

Year Ended April 30, 2023  
(with comparative totals for 2022)

	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	2023	2022
Salaries and benefits	\$ 581,560	\$ 168,826	\$ 333,960	\$ 172,264	\$ 12,987	\$ 59,798	\$ 293,618	\$ 173,222	\$ 391,482	\$ 401,618	\$ 180,431	\$ 98,322	\$ 2,868,088	\$ 2,660,140
Cost of goods/Artist commissions/Awards	5,000	1,400	4,000	-	-	-	235,681	591,219	-	14,725	-	-	852,025	441,430
Advertising, promotion, and entertainment	16,840	771	2,528	120	2,104	9,707	2,700	59,652	24,108	59,433	84,464	475	262,902	203,430
Occupancy	236,614	104,318	62,555	19,892	9,173	3,953	5,608	3,080	76,906	14,711	-	2,122	538,932	472,644
Depreciation	364,729	185,940	107,273	35,758	14,303	7,152	-	-	126,203	-	-	-	841,358	808,582
Supplies, postage/delivery, and printing	7,576	14,712	3,618	188	12,711	579	115	25,391	2,004	10,529	18,357	-	95,780	113,953
Professional services	269,644	50,412	37,702	1,318	3,719	363	46	52,737	190,258	75,206	24,672	2,657	708,734	623,821
Staff development and travel	17,082	5,539	5,669	495	14,765	338	4,185	2,282	32,449	3,132	3,485	-	89,421	45,111
Bank fees and merchant credit card fees	251	-	80	12,678	2,774	-	12,091	9,282	382	6,514	-	-	44,052	44,201
Dues/subscription, reference material, and licenses	11,705	33,859	7,631	708	333	222	847	500	-	10,091	17,248	330	83,474	89,464
Software maintenance	22,488	5,979	4,118	1,146	458	790	-	16,825	9,009	7,749	681	-	69,243	47,801
Capital purchases	5,098	1,979	5,942	908	158	29	1,434	-	10,159	27	280	760	26,774	28,799
<b>Total expenses</b>	<b>\$ 1,538,587</b>	<b>\$ 573,735</b>	<b>\$ 575,076</b>	<b>\$ 245,475</b>	<b>\$ 73,485</b>	<b>\$ 82,931</b>	<b>\$ 556,325</b>	<b>\$ 934,190</b>	<b>\$ 862,960</b>	<b>\$ 603,735</b>	<b>\$ 329,618</b>	<b>\$ 104,666</b>	<b>\$ 6,480,783</b>	<b>\$ 5,579,376</b>

## National Museum of Wildlife Art of the United States

### Statement of Cash Flows

Year Ended April 30, 2023  
(with comparative totals for 2022)

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (550,952)	\$ (2,143,711)
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Depreciation	841,358	808,582
Contributions restricted for endowment	-	(282,600)
Change in value of beneficial interest in remainder trust	(458,408)	(33,548)
Net (gain) loss on investments	(405,707)	1,104,535
Accession of art	193,940	352,150
Changes in operating assets and liabilities that (used) provided cash:		
Accounts receivable	(99,778)	(750)
Pledges receivable	(38,690)	434,048
Inventory	10,145	(20,315)
Prepaid expenses	(81,784)	12,021
Accounts payable	15,113	31,823
Accrued expenses and deferred revenue	15,846	6,711
Advance contribution	-	(459,212)
Net cash used in operating activities	(558,917)	(190,266)
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(109,071)	(598,792)
Accession of art	(193,940)	(352,150)
Purchases of investments	(11,217,381)	(7,678,672)
Proceeds from sales and maturities of investments	11,878,916	7,716,570
Net cash provided by (used in) investing activities	358,524	(913,044)
<b>Cash Flows Provided by Financing Activities</b> - Proceeds from restricted contributions	-	282,600
<b>Net Decrease in Cash</b>	(200,393)	(820,710)
<b>Cash</b> - Beginning of year	3,110,137	3,930,847
<b>Cash</b> - End of year	<u>\$ 2,909,744</u>	<u>\$ 3,110,137</u>

**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, 2022 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 2022 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, 2023, there were no cash equivalents held outside of the investment portfolio. Of the total cash balance as of April 30, 2023, \$1,408,263 represents amounts with donor restrictions. Periodically throughout the year ended April 30, 2023, 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.

Alternative investments, composed primarily of hedge funds and limited partnerships, which are not readily marketable, are measured at fair value, valued at net asset value per share as the practical expedient. The Museum reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

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, 2023.

**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. 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.

**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.

**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**

Accounts receivable related to contracts with customers were \$99,210 as of April 30, 2023. The beginning balance of accounts receivable outstanding as of May 1, 2022 related to contracts with customers was \$0.

Deferred revenue related to contracts with customers was \$115,276 as of April 30, 2023. The beginning balance of deferred revenue as of May 1, 2022 related to contracts with customers was \$97,499.

Total revenue from contracts with customers for the year ended April 30, 2023 was \$2,562,206.

**Restaurant Lease**

The Museum contracts with a third party to rent out and run its on-site restaurant. The contract expires on December 31, 2026. If certain conditions are met, the Museum or third party may terminate the contract with 180 days' notice. The Museum recognizes a percentage of monthly sales and a percentage of catering revenue as building rental fee revenue. The Museum recognized \$82,478 related to this lease in 2023, which is included in building rental fee on the accompanying statement of activities and changes in net assets.

**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 1,807 during the year ended April 30, 2023.

***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 has also 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, 2023, 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, 2023 was \$88,630.

***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 6, 2023, 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.

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

The Museum has \$1,520,186 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 6 months of the year. At the end of the 11th month, a distribution of approximately 5 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. This is in line with the Museum’s policy of up to 5 percent that can be distributed from the endowments, and, in case of emergency, the board-designated endowment consisting of \$3,249,675 at April 30, 2023 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 totaling \$547,061 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	\$ 1,425,000
Less allowance for net present value discount	<u>(20,757)</u>
Net pledges receivable	<u>\$ 1,404,243</u>
Amounts due in:	
Less than one year	\$ 305,000
One to five years	<u>1,120,000</u>
Total	<u>\$ 1,425,000</u>

**Note 5 - Investments**

The details of the Museum’s investments at April 30, 2023 are as follows:

Cash equivalents	\$ 2,210,222
Equity mutual funds and exchange-traded funds	7,313,186
Common stock	3,304,365
Fixed-income mutual funds and exchange-traded funds	3,690,461
Corporate bonds	2,613,337
Alternative investment mutual funds	360,224
Alternative investments	3,694,064
Government securities	<u>620,472</u>
Total	<u>\$ 23,806,331</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	3,820,724
Building renovation	4,624,617
Equipment	848,404
Furniture and fixtures	614,719
Vehicles	<u>75,554</u>
Total cost	23,325,447
Accumulated depreciation	<u>13,349,600</u>
Net property and equipment	<u>\$ 9,975,847</u>

**Note 7 - 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.

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 8 - 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 8.5 percent at April 30, 2023), with a floor of 3.75 percent. The line of credit expires in September 2023. As of financial statement issuance, the Museum does not intend to renew this agreement. There was no outstanding balance on the line of credit as of April 30, 2023.

**Note 9 - 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 \$81,871 to the Plan for the year ended April 30, 2023.

April 30, 2023

**Note 10 - 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 5.0 percent discount rate. The remaining beneficiary of the trust passed away subsequent to year end, and the Museum expects to receive the funds in fiscal year 2024.

**Note 11 - Net Assets with Donor Restrictions**

Net assets with donor restrictions as of April 30, 2023 are available for the following purposes:

Subject to expenditure for a specified purpose:	
Promises to give, proceeds restricted for C. Rungius Catalog Raisonné	\$ 1,404,243
Purchase of property or equipment	1,166,123
Funding for art research and catalog creation and publishing	428,062
Funding of art and library acquisitions and their conservation	383,267
Contributions and sponsorships for future education and events	297,802
Contributions for future exhibits and related projects	82,521
Funding of Western Visions show and sale	51,705
Other	<u>57,099</u>
Total subject to expenditure for a specified purpose	3,870,822
Endowments:	
Available for general use	8,882,600
Education	6,671,670
Beneficial interest in remainder trust held by others - Permanently restricted to general endowment	2,817,359
Research	1,333,915
Programs, exhibits, and mission	1,277,319
Art purchases	653,800
Conservation	280,165
Underwater endowments	<u>(170,745)</u>
Total endowments	<u>21,746,083</u>
Total	<u>\$ 25,616,905</u>

**Note 12 - 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, 2023 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.

Notes to Financial Statements

April 30, 2023

**Note 12 - Fair Value Measurements (Continued)**

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, 2023

	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	\$ 11,363,871	\$ -	\$ -	\$ 11,363,871
Common stock	3,304,365	-	-	3,304,365
Corporate bonds	-	2,613,337	-	2,613,337
Government securities	620,472	-	-	620,472
Total investments	15,288,708	2,613,337	-	17,902,045
Beneficial interest in remainder trust	-	-	2,817,359	2,817,359
Cash equivalents (not subject to classification) included in investment balances				2,210,222
Total	<u>\$ 15,288,708</u>	<u>\$ 2,613,337</u>	<u>\$ 2,817,359</u>	22,929,626
Investments measured at NAV - Alternative investments				<u>3,694,064</u>
Total assets				<u>\$ 26,623,690</u>

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

Reserve investment	\$ 565,766
Investments	1,062,167
Long-term investments	22,178,398
Beneficial interest in remainder trust	<u>2,817,359</u>
Total	<u>\$ 26,623,690</u>

**Note 12 - Fair Value Measurements (Continued)**

***Investments in Entities that Calculate Net Asset Value per Share***

The Museum holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

	Investments Held at April 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Multistrategy hedge funds	\$ 2,970,523	\$ -	Quarterly	Ranging from 30-90 days
Real estate funds	<u>723,541</u>	<u>-</u>	Monthly subject to certain limitations related to the total redemption requests as a percentage of the aggregate NAV	One month
Total	<u>\$ 3,694,064</u>	<u>\$ -</u>		

The multistrategy hedge funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this class includes investments in U.S. and foreign common stocks, arbitrage investments, and derivative instruments. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The real estate funds class includes a real estate fund that invests primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The following is a reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

Beneficial interest in remainder trust - Balance at beginning of year	\$ 2,358,951
Change in value	<u>458,408</u>
Beneficial interest in remainder trust - Balance at end of year	<u>\$ 2,817,359</u>

**Note 13 - 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 13 - 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 the original value of gifts donated to the permanent endowment plus the original value of any subsequent gifts as net assets with donor restrictions. 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 Board of the Museum had interpreted WUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Museum considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Museum has interpreted WUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

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 consistently 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.

	Endowment Net Asset Composition by Type of Fund as of April 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 3,249,675	\$ -	\$ 3,249,675
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	-	1,957,997	1,957,997
Beneficial interest in remainder trust	-	2,817,359	2,817,359
Total	\$ 3,249,675	\$ 21,746,083	\$ 24,995,758

Notes to Financial Statements

April 30, 2023

Note 13 - Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended April 30, 2023		
	Board Designated	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 3,365,387	\$ 21,927,730	\$ 25,293,117
Investment return - Net	53,998	315,235	369,233
Change in value of beneficial interest in remainder trust	-	458,408	458,408
Appropriation of endowment assets for expenditure	(169,710)	(955,290)	(1,125,000)
Endowment net assets - End of year	<u>\$ 3,249,675</u>	<u>\$ 21,746,083</u>	<u>\$ 24,995,758</u>

**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, 2023, a deficiency of this nature exists in three donor-restricted endowment funds, which together have an original gift value of \$9,536,399, a current fair value of \$9,365,654, and a deficiency of \$170,745. 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.