



San Antonio Museum of Art

Financial Statements with Supplementary Information Years Ended September 30, 2017 and 2016

San Antonio Museum of Art

Financial Statements
with Supplementary Information
Years Ended September 30, 2017 and 2016

San Antonio Museum of Art

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Independent Auditor's Report

To the Board of Trustees of the
San Antonio Museum of Art
San Antonio, Texas

We have audited the accompanying financial statements of the San Antonio Museum of Art (the Museum), which comprise the statements of financial position as of September 30, 2017 and 2016, the related statements of activities and changes in net assets, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of September 30, 2017 and 2016, the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

May 24, 2018

Financial Statements

San Antonio Museum of Art
Statements of Financial Position

<i>September 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 4,581,534	\$ 10,232,893
Pledges, grants and accounts receivable - net	2,865,782	3,251,642
Investments, at fair value	51,532,227	48,160,681
Inventory	110,219	94,740
Prepaid expenses and other assets	338,970	42,804
Land and fixed assets, net	22,138,591	16,356,418
Total Assets	\$ 81,567,323	\$ 78,139,178
Liabilities and Net Assets		
Liabilities		
Accounts Payable:		
Trade and accrued expenses	\$ 449,727	\$ 416,151
Construction in Process	265,543	366,316
Deferred revenue	284,673	15,500
Total Liabilities	999,943	797,967
Net Assets		
Unrestricted:		
Operating	1,105,162	4,070
Board designated - endowment	-	172,649
Investment in land and fixed assets	21,873,048	15,990,102
Total Unrestricted	22,978,210	16,166,821
Temporarily restricted	17,959,608	21,523,656
Permanently restricted	39,629,562	39,650,734
Total Net Assets	80,567,380	77,341,211
Total Liabilities and Net Assets	\$ 81,567,323	\$ 78,139,178

The accompanying notes are an integral part of these financial statements.

San Antonio Museum of Art
Statement of Activities and Changes in Net Assets

Year ended September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Other				
Contributions and Grants:				
Government	\$ 356,900	\$ 980,000	\$ -	\$ 1,336,900
Private sector	1,804,440	2,016,324	223,828	4,044,592
Memberships	208,946	-	-	208,946
Admissions	343,288	-	-	343,288
Special events - net of direct expenses of \$450,457	289,005	-	-	289,005
Investment income - net of direct expense of \$162,567	-	344,471	-	344,471
Net realized and unrealized gain on investments	-	5,198,632	-	5,198,632
Gift shop and auxiliaries	330,952	-	-	330,952
Rental income	95,328	-	-	95,328
Miscellaneous	169,768	-	-	169,768
Gain on disposals	361,884	-	-	361,884
Net assets released from restrictions	12,348,475	(12,103,475)	(245,000)	-
Total Support, Revenue, and Other	16,308,986	(3,564,048)	(21,172)	12,723,766
Expenses				
Program:				
Museum program activities	7,334,563	-	-	7,334,563
Gift shop	433,656	-	-	433,656
Management and general	736,485	-	-	736,485
Fundraising	864,848	-	-	864,848
Total Expenses	9,369,552	-	-	9,369,552
Changes in Net Assets before				
Collection Items Not Capitalized	6,939,434	(3,564,048)	(21,172)	3,354,214
Collection items purchased but not capitalized	(128,045)	-	-	(128,045)
Change in Net Assets	6,811,389	(3,564,048)	(21,172)	3,226,169
Net Assets, beginning of year	16,166,821	21,523,656	39,650,734	77,341,211
Net Assets, end of year	\$ 22,978,210	\$ 17,959,608	\$ 39,629,562	\$ 80,567,380

The accompanying notes are an integral part of these financial statements.

San Antonio Museum of Art
Statement of Activities and Changes in Net Assets

Year ended September 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Other				
Contributions and Grants:				
Government	\$ 387,924	\$ -	\$ -	\$ 387,924
Private sector	1,570,163	2,795,507	548,763	4,914,433
Memberships	234,787	-	-	234,787
Admissions	371,937	-	-	371,937
Special events - net of direct expenses of \$292,606	543,082	-	-	543,082
Investment income - net of direct expense of \$210,044	-	367,141	-	367,141
Net realized and unrealized gain on investments	-	3,653,806	-	3,653,806
Gift shop and auxiliaries	347,181	-	-	347,181
Rental income	33,392	-	-	33,392
Miscellaneous	15,943	-	-	15,943
Gain on disposals	629,257	-	-	629,257
Net assets released from restrictions	4,145,766	(4,145,766)	-	-
Total Support, Revenue, and Other	8,279,432	2,670,688	548,763	11,498,883
Expenses				
Program:				
Museum program activities	6,764,939	-	-	6,764,939
Gift shop	358,776	-	-	358,776
Management and general	730,490	-	-	730,490
Fundraising	756,320	-	-	756,320
Total Expenses	8,610,525	-	-	8,610,525
Changes in Net Assets before				
Collection Items Not Capitalized	(331,093)	2,670,688	548,763	2,888,358
Collection items purchased but not capitalized	(320,050)	-	-	(320,050)
Change in Net Assets	(651,143)	2,670,688	548,763	2,568,308
Net Assets, beginning of year	16,817,964	18,852,968	39,101,971	74,772,903
Net Assets, end of year	\$ 16,166,821	\$ 21,523,656	\$ 39,650,734	\$ 77,341,211

The accompanying notes are an integral part of these financial statements.

San Antonio Museum of Art

Statements of Cash Flows

<i>Years ended September 30,</i>	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 3,226,169	\$ 2,568,308
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contributions received for permanent endowment	(223,828)	(548,763)
Contributions received for capital campaign	(2,996,324)	(2,795,507)
Depreciation and amortization	2,165,776	1,017,992
Loss on disposal of assets	180,689	11,838
Gain on involuntary conversion of assets	(542,573)	(641,095)
Bad debt expense	5,000	1,100
Net realized and unrealized gains on investments	(5,198,632)	(3,653,806)
Changes in operating assets and liabilities:		
Contributions, grants and accounts receivable	380,860	869,419
Inventory	(15,479)	(29,075)
Prepaid expenses and other assets	(296,166)	8,766
Accounts payable, accrued expenses, and construction in process	(67,197)	258,600
Deferred revenue	269,173	(42,229)
Net cash used in operating activities	(3,112,532)	(2,974,452)
Cash Flows from Investing Activities		
Purchase of investments	(5,468,400)	(3,100,000)
Sale of investments	7,295,486	4,405,718
Insurance proceeds - involuntary conversion	664,262	659,517
Proceeds on disposal of assets	70,000	-
Purchase of fixed assets and construction in process	(8,320,327)	(1,119,707)
Net cash (used in) provided by investing activities	(5,758,979)	845,528
Cash Flows from Financing Activities		
Contributions received for permanent endowment	223,828	548,763
Contributions received for capital campaign	2,996,324	2,795,507
Net cash provided by financing activities	3,220,152	3,344,270
Net (decrease) increase in Cash and Cash Equivalents	(5,651,359)	1,215,346
Cash and cash equivalents, beginning of year	10,232,893	9,017,547
Cash and cash equivalents, end of year	\$ 4,581,534	\$ 10,232,893
Non-cash activities:		
Change in pledge discount	\$ (11,948)	\$ 117,709

The accompanying notes are an integral part of these financial statements.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

The San Antonio Museum of Art (the Museum) is a not-for-profit organization whose mission is to collect, preserve, exhibit, and interpret significant works of art representing a broad range of history and world cultures. In accordance with the highest professional standards, the Museum holds these collections for the benefit of the community and future generations. It is the Museum's responsibility to educate and engage diverse audiences, provide transformational experiences, strengthen our shared understanding of humanity, and encourage a sense of wonder and discovery.

Summary of Significant Accounting Policies

The accounting and reporting policies followed by the Museum in the preparation of its financial statements conform to accounting principles generally accepted in the United States of America (GAAP) and are summarized as follows.

Basis of Presentation

The accompanying financial statements of the Museum have been prepared on the accrual basis of accounting in accordance with GAAP, following the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Organizations*. The financial statements, accordingly, reflect all significant receivables, payables and other liabilities.

The Museum is required to report information regarding its financial position and activities according to three classes of net assets, as follows:

Unrestricted - Resources that are not subject to donor-imposed restrictions. Board-designated amounts are considered unrestricted under GAAP.

Temporarily Restricted - Resources subject to donor-imposed restrictions that will be met by actions of the Museum and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted - Resources subject to donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Museum.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Museum considers cash and cash equivalents to be cash balances and highly liquid investments purchased with a maturity of three months or less. Carrying value approximates fair value. Cash and equivalents that are part of long-term investments are shown within investments as those resources are not available for operational purposes.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Pledges, Grants and Accounts Receivable

Accounts and pledges receivable at September 30, 2017 and 2016, consisted primarily of amounts owed the Museum from donors, sponsors, and members. Management reviews outstanding receivables at year-end. In evaluating collectability, management maintains regular contact with those that owe the Museum to ensure future payment. Management has deemed these amounts are fully collectible at year-end; therefore, no allowance for bad debts has been computed as of September 30, 2017 and 2016.

Unconditional promises to give are recognized as revenue and pledges receivable when made and reported at fair value based upon estimated future cash flows. Allowances are recorded for estimated uncollectible promises. Conditional promises to give are recognized as revenue when the conditions have been met.

Unconditional promises to give that are expected to be collected within one year are reported at the net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated cash flows. The discounts on those amounts are computed using market interest rates applicable to the years in which the promises are expected to be received (note 3).

Revenue Recognition

In accordance with GAAP, revenue is recorded when earned rather than when received. The following summarizes the revenue recognition policies for the major classifications of revenue:

Contributions and Grants - The Museum recognizes pledges as receivables and revenue when the unconditional promises to give are received. Conditional challenge grants and pledges are recorded as revenue as the grant conditions are met. Revenue from restricted reimbursable type grants is recognized in accordance with grant terms when allowable expenditures are made. All other grants are recognized as revenue when the grant notice is received. Based on historical experience with grant collectability, all grants are estimated to be collectible. Therefore, the Museum does not provide an allowance for uncollectible grants receivable.

Membership - Memberships to the Museum are sold for various levels and designations with an accelerated cost structure based on the benefits provided to the member. Membership revenue is recognized on the accrual basis and recognized over the time period to which the membership is applicable.

Admission and Gift Shop - The Museum charges general admission fees and exhibit fees for non-member visitors to the Museum; revenue is recognized upon admission to the museum. Revenue from the Museum gift shop is recognized when merchandise is purchased and delivered to the customer.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Special Events - Special Events are hosted throughout the year to introduce new exhibits or as annual fundraisers. Revenue associated with these events is collected in the form of table sales, admission tickets, raffle tickets, and other forms of contribution by the attendees. Revenue is recognized in the period the event occurs. Any amounts collected in advance of the event are record as deferred revenue.

Investments

Investments are recorded at fair value at quoted market prices (see note 5).

Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of FASB ASC defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Museum has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Inventory

Inventory is comprised of gift shop inventory items and is stated at the lower of cost or market. Inventory is carried at average cost.

Land and Fixed Assets

Fixed asset purchases are recorded at cost and include the cost of those improvements which increase the economic useful lives of the assets. Repairs and maintenance are charged to operations as incurred. When fixed assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities for the respective period. Depreciation is provided in amounts sufficient to distribute the cost of depreciable assets over their estimated service lives, on a straight-line basis. Furniture and equipment are depreciated over 3-10 years, and the building and building improvements are depreciated over 3-40 years. Land has an unlimited useful life and, therefore, is not depreciated. Collections of art are not capitalized (see note 8).

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Construction In Process

The Museum is constructing a new physical plant scheduled to be completed in fiscal year 2018, at which time depreciation will commence. The Museum incurred and capitalized construction cost of \$6,633,352 and \$864,854 for the years ended September 30, 2017 and 2016, respectively. The physical plant was placed in service in 2018 with a total project cost of \$7,400,000.

The Museum is in the process of completing gallery renovations, replacement of various roofs during and other projects. The Museum incurred and capitalized construction cost of \$197,667 and \$290,853 the years ended September 30, 2017 and 2016, respectively. Projects related to these costs are placed in service and depreciated as they are completed.

Deferred Revenue

Deferred revenue represents revenue attributable to event sponsorships that have not yet been completed or fulfilled.

Contributed Services

A substantial number of volunteers have made significant contributions of their time to assist the Museum, especially its fundraising and educational programs. The value of these contributed services does not meet guidelines for financial statement recognition.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs, exclusive of in-kind costs, were \$99,229 and \$127,054 for the years ended September 30, 2017 and 2016, respectively.

Museum Collections

In conformity with industry practice, museum collection items purchased or donated are not recorded as assets in the accompanying statement of financial position. Even though not reflected in the statement of financial position, the Museum's collections represent one of its most valuable assets. Purchases of collection items are reported as decreases in unrestricted net assets or as decreases in temporarily restricted net assets if the assets used to purchase the items were restricted by donors. It is the Museum's policy not to sell collection items. Any proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

The Museum employs full-time employees to manage the stewardship of the collection items in accordance with the collection and acquisition policy and under the direction of the executive director and board of directors. Each item is numbered and catalogued in a continuous inventory tracking system.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Federal Income Tax Exemption

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC). The Museum follows the provisions of FASB ASC 740-10 on *Accounting for Uncertainty in Income Taxes*, which requires recognition and disclosure of uncertain tax positions in the financial statements. The Museum's management believes that it has appropriate support for any tax positions taken and that it has no material uncertain tax positions. Accordingly, it will not recognize any related liability. For the years ended September 30, 2017 and 2016, the Museum did not recognize any interest or penalties in the financial statements.

Tax years after 2014 remain open to examination by the taxing jurisdictions to which the Museum is subject, and these periods have not been extended beyond the applicable statute of limitations.

Estimates

The preparation of financial statements in conformity with GAAP 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.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of activities, accordingly, certain costs have been allocated between programs and supporting services benefited (see note 15).

Reclassification

Certain prior year amounts have been reclassified for consistency with current year presentation.

Accounting Pronouncements issued but Not Yet Adopted

Revenue from Contracts with Customers (Topic 606)

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for the Museum until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements issued but Not Yet Adopted (Continued)

Leases (Topic 842)

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Museum's fiscal years beginning after December 15, 2019 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Museum's financial statements for fiscal years beginning after December 15, 2017.

Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their financial statements.

2. Concentration of Credit Risk

Financial instruments which potentially subject the Museum to a concentration of credit risk consist principally of cash.

The Museum maintains multiple bank accounts in San Antonio, Texas. All of a depositor's accounts at an insured depository institution, including all non-interest-bearing transaction accounts, are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category. At September 30, 2017 and 2016, the Museum had uninsured cash balances.

San Antonio Museum of Art

Notes to Financial Statements

3. Pledges, Grants and Accounts Receivable

Pledges, grants and accounts receivable are recorded at the discounted present value of expected future cash flows. Pledges, grants and accounts receivable at September 30, and the expected date of receipt, are listed as follows:

<i>2017</i>	Within One Year	Within Five Years	After Five Years	Total
Pledges receivable	\$ 637,462	\$ 1,065,000	\$ 750,000	\$ 2,452,462
Grants receivable	525,000	-	-	525,000
Accounts receivable	42,110	-	-	42,110
Less: Discount to present value at 2.33%	-	(57,122)	(96,668)	(153,790)
Net Contributions and Grant Receivable	\$ 1,204,572	\$ 1,007,878	\$ 653,332	\$ 2,865,782
<i>2016</i>	Within One Year	Within Five Years	After Five Years	Total
Pledges Receivable	\$ 634,000	\$ 1,330,000	\$ 1,000,000	\$ 2,964,000
Grants receivable	164,502	62,500	-	227,002
Accounts receivable	202,482	-	-	202,482
Less: Discount to present value at 1.60%	-	(57,830)	(84,012)	(141,842)
Net Contributions and Grant Receivable	\$ 1,000,984	\$ 1,334,670	\$ 915,988	\$ 3,251,642

Private sector contributions revenue was as follows:

	2017	2016
Endowment	\$ 223,828	\$ 548,763
Capital Campaign	2,016,324	2,795,507
Operating and programs	1,804,440	1,570,163
Total Private Sector Contributions Revenue	\$ 4,044,592	\$ 4,914,433

San Antonio Museum of Art

Notes to Financial Statements

4. Investments

Investments are presented in the financial statements at fair value. Total investments are composed of the following:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 1,798,959	\$ 1,782,128	\$ 870,606	\$ 870,606
Common stock	5,583,918	6,951,236	5,240,933	6,172,311
Equity Funds:				
Foreign large cap growth	4,139,287	5,313,214	4,982,066	5,646,710
Large cap growth	10,167,816	12,325,648	10,627,062	12,705,940
Emerging Markets	1,844,304	2,303,913	2,025,586	2,087,258
Bond Funds:				
High yield bond	2,923,332	2,746,770	2,772,998	2,549,007
Intermediate-term bond	2,325,510	2,767,226	2,248,288	2,706,481
World bond	4,341,311	4,121,184	4,325,219	3,641,564
Other Funds:				
Core fixed income	4,434,083	5,167,174	4,434,083	5,082,771
International value	4,277,780	8,053,734	4,280,754	6,698,033
Total Investments	\$41,836,300	\$51,532,227	\$ 41,807,595	\$ 48,160,681

5. Fair Values of Financial Instruments

The Museum records investments at fair value. See note 1 for descriptions of levels used to determine fair value. The following represents the fair value measurements of the investments of the Museum on a recurring basis as of September 30, 2017 and 2016.

Money Market Funds, Equities, Bond Funds, and Equity Funds held by the Museum at fiscal year-end are valued at the fair value of shares at quoted market prices.

The core fixed income and international value funds are limited partnerships that are valued using net asset value (NAV) of the partnership assets held.

Pledges Receivable are stated at the original amount pledged by the contributor net of any allowance deemed necessary by management and discounted to the present value of expected cash flow. For the years ended September 30, 2017 and 2016 no allowance was deemed necessary by management based on historical experience with the respective donors. See note 3 for discount information.

San Antonio Museum of Art

Notes to Financial Statements

5. Fair Values of Financial Instruments (Continued)

The following tables set forth by level, within the fair value hierarchy, the Museum's assets at fair value as of September 30:

2017	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,782,128	\$ -	\$ -	\$ 1,782,128
Common stock	6,951,236	-	-	6,951,236
Equity Funds:				
Foreign large cap growth	5,313,214	-	-	5,313,214
Large cap growth	12,325,648	-	-	12,325,648
Emerging Markets	2,303,913	-	-	2,303,913
Bond Funds:				
High yield bond	2,746,770	-	-	2,746,770
Intermediate-term bond	2,767,226	-	-	2,767,226
World bond	4,121,184	-	-	4,121,184
Investment at Fair Value				38,311,319
Funds measured at NAV-				
Core fixed income				5,167,174
International value				8,053,734
Total Investments	\$ 38,311,319	\$ -	\$ -	\$ 51,532,227
2016	Level 1	Level 2	Level 3	Total
Money market funds	\$ 870,606	\$ -	\$ -	\$ 870,606
Common stock	6,061,495	110,816	-	6,172,311
Equity Funds:				
Foreign large cap growth	5,646,710	-	-	5,646,710
Large cap growth	12,705,940	-	-	12,705,940
Emerging Markets	2,087,258	-	-	2,087,258
Bond Funds:				
High yield bond	2,549,007	-	-	2,549,007
Intermediate-term bond	2,706,481	-	-	2,706,481
World bond	3,641,564	-	-	3,641,564
Investment at Fair Value				36,379,877
Funds measured at NAV				
Core fixed income				5,082,771
International value				6,698,033
Total Investments	\$ 36,269,061	\$ 110,816	\$ -	\$ 48,160,681

San Antonio Museum of Art

Notes to Financial Statements

6. Land and Fixed Assets

Major classifications of land and fixed assets are summarized below:

	2017	2016
Buildings, improvements, and landscaping	\$ 29,751,571	\$ 28,060,511
Furniture and equipment	1,588,933	1,644,323
Land and land improvements	3,628,597	3,628,597
Total Land and Fixed Assets	34,969,101	33,333,431
Accumulated depreciation and amortization	(19,661,529)	(18,132,720)
Construction in Progress	6,831,019	1,155,707
Net Land and Fixed Assets	\$ 22,138,591	\$ 16,356,418

During 2017 the Museum re-evaluated the useful lives and salvage values of their fixed assets. This resulted in a change in the depreciable basis of certain assets that will be amortized over the remaining useful lives of the assets and recorded as depreciation expense.

7. Involuntary Conversion

On April 12, 2016, the Museum sustained heavy roof damage from hailstorms, creating an impairment to the value of the assets. Damage is recoverable through insurance. Under GAAP the Museum recognized the impairment and subsequent insurance recovery, in the financial statements. Following is the recognition of this event for the year ended September 30, 2016.

Original cost of assets damaged	\$ 214,472
Less: accumulated depreciation	196,050
Net book value of assets damaged and impaired	18,422
Insurance proceeds received prior to year end	659,517
Gain on involuntary conversion	\$ 641,095

During fiscal year 2017 additional insurance proceeds of \$664,262 were received related to the roof damage. As the full disposal of assets were recorded in the fiscal year 2016 the full amount of insurance proceeds is included in the gain on disposals in the statement of activities.

San Antonio Museum of Art

Notes to Financial Statements

7. Involuntary Conversion (Continued)

On September 2, 2017 a gallery in the Museum sustained water damage associated with a plumbing malfunction. As of September 30, 2017 the damage to the gallery had been assessed and the associated assets were disposed of as follows:

Original cost of assets damaged	\$	235,000
Less: accumulated depreciation		113,311
<hr/>		
Net book value of assets damaged and impaired		121,689
Insurance proceeds received prior to year end		-
<hr/>		
Loss on involuntary conversion	\$	121,689
<hr/>		

Subsequent to year end, in December 2017 and January 2018, insurance proceeds of \$215,493 were received.

8. Art Collection

The Museum's collections are made up of artifacts of historical significance, scientific specimens, and art objects that are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

Contributions include only recorded cash receipts and pledges and do not include gifts of works of art received by the Museum. Prior to 1997, the Museum capitalized the cost of purchased collection items. In 1997, as required by GAAP, the Museum established a new accounting policy that art objects held for display, either purchased by the Museum or donated to the Museum, are not included in the Statements of Financial Position. Purchased art work is expensed in the year of purchase. Art collection expense was \$128,045 and \$320,050 for the years ended September 30, 2017 and 2016, respectively.

Gifts of cash or other property restricted by donors for the purchase of items for the collection are classified as temporarily restricted net assets until expended, and acquisitions are made in accordance with the terms of the gift.

San Antonio Museum of Art

Notes to Financial Statements

9. Leases

The Museum maintains several operating leases for copiers, a postage machine, and a phone system with average lease terms of five years. Total lease expense was \$103,037 and \$102,100 for the years ended September 30, 2017 and 2016, respectively. The leases expire at various dates through February 2020. Minimum rental commitments on these leases are as follows:

Years ending September 30,

2018	\$	101,952
2019		55,232
2020		14,655
<hr/>		
Total	\$	171,839

10. Grants

The City of San Antonio (the City) provided support of \$347,000 and \$347,025 for the years ended September 30, 2017 and 2016, respectively, for the operations of the Museum.

11. Employees' Pension Plan

The Museum has a defined contribution pension plan for employees who have completed one year and 1,000 hours of employment, and who are at least 21 years old. The cost of the plan to the Museum was 3% of the annual compensation of the participants in 2017 and 2016. Pension plan expense was \$62,943 and \$67,607 for the years ended September 30, 2017 and 2016, respectively.

12. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes or periods:

	2017	2016
Programs and exhibitions	\$ 3,181,407	\$ 1,858,300
Art acquisitions	5,172,585	4,630,675
Construction and Endowment:		
Latin American Art Center	-	1,537,757
Lenora and Walter F. Brown Asian Art Wing	35,253	627,831
River Landing	180,596	286,754
Granberg Parking Lot	-	106,763
Arden Grove Property	29,329	29,329
Physical Plant Relocation	372,543	4,510,439
Denman Galleries	788,785	851,711
Other galleries/buildings	4,098,324	4,240,973
General operating/endowed staff positions	4,100,786	2,843,124
<hr/>		
Total Temporarily Restricted Net Assets	\$ 17,959,608	\$ 21,523,656

San Antonio Museum of Art

Notes to Financial Statements

13. Permanently Restricted Net Assets

Permanently restricted net assets are assets which must be invested in perpetuity; however, the income from these investments is expendable to support the following activities:

	2017	2016
Art acquisitions	\$ 4,816,601	\$ 4,661,325
Building maintenance	9,769,696	9,769,696
Endowed staff positions	17,300,810	17,300,148
Programs and Education	1,692,505	1,690,005
Exhibitions	1,544,989	1,544,989
General museum support	4,504,961	4,684,571
Total Permanently Restricted Net Assets	\$ 39,629,562	\$ 39,650,734

14. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, or by occurrence of other events specified by donors.

	2017	2016
Purpose of Restrictions Satisfied:		
Programs and exhibitions	\$ 3,918,228	\$ 3,038,977
Art acquisitions	128,045	320,050
Construction, improvements and purchase of facilities	8,057,202	786,739
Permanently restricted assets released:		
General museum support **	245,000	-
Total Net Assets Released from Restriction	\$ 12,348,475	\$ 4,145,766

**Funds were released from a single named endowment with consent from the donor.

San Antonio Museum of Art

Notes to Financial Statements

15. Functional Classification of Expenses

Museum expenses were incurred for:

	Programs				
2017	Museum Program Activities	Gift Shop	Management and General	Fund- raising	Total
Salaries and benefits	\$ 3,620,670	\$ 175,030	\$ 277,837	\$ 320,940	\$ 4,394,477
Contracted services	903,314	2,441	127,264	114,749	1,147,768
Supplies, consumables, and maintenance	180,503	7,701	16,900	91,463	296,567
Communications	184,370	753	2,546	66,574	254,243
Depreciation and amortization	1,694,720	92,045	184,091	194,920	2,165,776
Utilities	355,205	19,292	38,585	40,854	453,936
Exhibit rental and operating	142,845	1,281	46,184	28,647	218,957
Travel and transportation	130,343	5,329	1,540	321	137,533
Other general and administrative	122,222	3,270	41,538	6,380	173,410
Gift shop cost of inventory sold	371	126,514	-	-	126,885
Total Expenses	\$ 7,334,563	\$ 433,656	\$ 736,485	\$ 864,848	\$ 9,369,552

San Antonio Museum of Art

Notes to Financial Statements

15. Functional Classification of Expenses (Continued)

2016	Programs			Fund-raising	Total
	Museum Program Activities	Gift Shop	Management and General		
Salaries and benefits	\$ 3,556,535	\$ 195,899	\$ 336,174	\$ 325,394	\$ 4,414,002
Contracted services	936,066	5,545	94,070	137,588	1,173,269
Supplies, consumables, and maintenance	469,870	5,246	14,684	23,717	513,517
Communications	306,994	3,259	21,139	135,516	466,908
Depreciation and amortization	796,579	43,265	86,529	91,619	1,017,992
Utilities	291,153	15,813	31,627	33,487	372,080
Exhibit rental and operating	111,058	715	92,350	-	204,123
Travel and transportation	180,922	5,396	658	8,499	195,475
Other general and administrative	115,762	489	53,259	500	170,010
Gift shop cost of inventory sold	-	83,149	-	-	83,149
Total Expenses	\$ 6,764,939	\$ 358,776	\$ 730,490	\$ 756,320	\$ 8,610,525

16. Endowment Funds

General Information

The Museum maintains various endowment funds established for a variety of purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board of Trustees to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Texas with an effective date of September 1, 2007. This policy defines the Museum's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

San Antonio Museum of Art

Notes to Financial Statements

16. Endowment Funds (Continued)

Background

In July, 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA) which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require the Museum to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although UPMIFA does not require that a specified amount be set aside as principal, it assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed, and will spend "income" by making distributions using a reasonable spending rate.

Endowment "Principal" Interpretation

The Museum has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment (the "Principal"). The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Investment Objectives

Endowment investments are managed by professional money managers under the direction of the Investment Committee of the Board of Trustees of the Museum. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices, while assuming a moderate level of investment risk.

To satisfy this performance objective, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment "Income" Appropriation (Spending Policy)

The Museum's policy is to appropriate for distribution each year a percentage of its endowment fund's average fair value based on a rolling average of the last 12 quarters. For 2017 and 2016, the distribution percentage are 6.65% and 4.5%, respectively. In establishing this policy, the Museum considered the long-term expected return on its endowment. This is consistent with the Museum's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as provide additional real growth through new gifts and investment return.

San Antonio Museum of Art

Notes to Financial Statements

16. Endowment Funds (Continued)

Endowment "Income" Appropriation (Spending Policy) (Continued)

In accordance with UPMIFA, in all its endowment spending activity, the Museum considers the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Museum and the donor-restricted endowment fund
3. General economic and investment market conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Museum, and
7. The investment policies of the Museum

Endowment Net Asset Composition by Type of Fund as of September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 13,550,354	\$ 37,981,873	\$ 51,532,227
Board-designated endowment funds	-	-	-	-
Total Funds	\$ -	\$ 13,550,354	\$ 37,981,873	\$ 51,532,227

San Antonio Museum of Art

Notes to Financial Statements

16. Endowment Funds (Continued)

Changes in Endowment Net Assets for the Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 172,649	\$ 10,846,303	\$ 37,256,033	\$ 48,274,985
Investment Return:				
Interest and dividends, net	-	344,471	-	344,471
Net gains (realized and unrealized)	-	5,198,632	-	5,198,632
Total Investment Return	-	5,543,103	-	5,543,103
Release of permanently restricted assets	-	-	(245,000)	(245,000)
Change in amortization of discount	-	-	9,019	9,019
Contributions	-	-	223,828	223,828
Receipt on pledge	-	-	550,000	550,000
Appropriations and transfers	(172,649)	(2,839,052)	187,993	(2,823,708)
Endowment Net Assets, End of Year	\$ -	\$ 13,550,354	\$ 37,981,873	\$ 51,532,227

Endowment Net Asset Composition by Type of Fund as of September 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 10,846,303	\$ 37,256,033	\$ 48,102,336
Board-designated endowment funds	172,649	-	-	172,649
Total Funds	\$ 172,649	\$ 10,846,303	\$ 37,256,033	\$ 48,274,985

San Antonio Museum of Art

Notes to Financial Statements

16. Endowment Funds (Continued)

Changes in Endowment Net Assets for the Year Ended September 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 172,649	\$ 8,779,963	\$ 36,542,458	\$ 45,495,070
Investment Return:				
Interest and dividends, net	-	344,286	-	344,286
Net gains (realized and unrealized)	-	3,653,806	-	3,653,806
Total Investment Return	-	3,998,092	-	3,998,092
Amortization of discount	-	-	(117,709)	(117,709)
Contributions	-	-	281,284	281,284
Receipt on pledge	-	-	550,000	550,000
Appropriations and transfers	-	(1,931,752)	-	(1,931,752)
Endowment Net Assets, End of Year	\$ 172,649	\$ 10,846,303	\$ 37,256,033	\$ 48,274,985

17. Subsequent Events

Management has evaluated events subsequent to September 30, 2017 and through May 24, 2018, which is the date the financial statements were available to be issued.

Supplementary Information



Tel: 210-820-3900
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9901 IH-10, Suite 500
San Antonio, TX 78230

Independent Auditor's Report on Supplementary Information

Our audits of the financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

May 24, 2018

SAN ANTONIO MUSEUM of ART

May 24, 2018

Ms. Debbie Racca-Sittre
City of San Antonio
Department of Arts and Culture
P.O. Box 839966
San Antonio, TX 78283-3966

Dear Ms. Racca-Sittre,

In accordance with our grant agreement, I hereby certify, to the best of my knowledge and belief that the San Antonio Museum of Art has complied with the requirements of our 2017 agreement with the City of San Antonio.

The \$347,000 in funds you granted us for the use in 2017 was properly monitored and used only for authorized purposes. A schedule of cash receipts and disbursements by budgeting cost category is enclosed as required.

Sincerely,



Katherine C. Luber, PhD
The Kelso Director

200 W. Jones Avenue
San Antonio, Texas 78215
210.978.8100
samuseum.org

San Antonio Museum of Art

Schedule of Cash Receipts and Disbursements

(City of San Antonio Grant)
by Budgeted Cost Category

<i>Years ended September 30,</i>	2017	2016
Cash Receipts		
City of San Antonio Grant	\$ 347,000	\$ 347,025
Cash Disbursements		
Salaries	(347,000)	(347,025)
Total Cash Disbursements	(347,000)	(347,025)
Net Cash Receipts in Excess of Disbursements	\$ -	\$ -

See accompanying independent auditor's report on supplementary information.

San Antonio Museum of Art
Schedule of Endowment Investments

Year ended September 30, 2017

	Lenora & Walter F. Brown Asian Art Wing Fund	Brown Foundation Curator of Contemporary Art Fund	Folk Art Curator Endowment Fund	Kelso Director Fund	AT&T Director of Education Fund	Marie and Hugh Halff Jr. Curator Endowment	Asian Art Curator Endowment Fund	Western Antiquities Curator Fund	NEH-LAAC Curator Fund	LAAC Endowment Fund	NEH-LAAC Operations Fund	General Operating Fund	NEA Operating Fund	Zeller Herrmann Operating Fund	Page 1 of 4 Total
Unrestricted - Board Designated															
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,727	\$ -	\$ -	\$ 6,727
Distributions	-	-	-	-	-	-	-	-	-	-	-	(179,376)	-	-	(179,376)
Net Assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	172,649	-	-	172,649
Unrestricted - Board Designated															
Net Assets, end of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets															
Investment income	25,588	26,336	10,069	63,847	7,403	29,623	18,974	15,927	6,770	15,349	19,782	18,881	8,819	210	267,578
Investment expenses	(8,223)	(8,463)	(3,236)	(20,518)	(2,379)	(9,267)	(6,097)	(5,123)	(2,176)	(4,933)	(6,357)	(1,257)	(2,834)	(62)	(80,925)
Investment gains	261,574	269,228	102,928	652,685	75,680	307,449	193,959	162,802	69,209	156,908	202,150	37,962	90,154	2,281	2,584,969
Net assets, beginning of year	230,697	121,663	316,567	511,923	212,855	185,628	266,452	359,112	152,169	270,903	480,779	21,017	348,289	-	3,478,054
Net Assets Available for															
Distributions	509,636	408,764	426,328	1,207,937	293,559	513,433	473,288	532,718	225,972	438,227	696,354	76,603	444,428	2,429	6,249,676
Distributions	169,557	174,518	66,720	423,082	49,057	389,791	125,728	105,451	44,861	101,709	131,013	56,434	58,439	1,510	1,897,870
Temporarily Restricted															
Net Assets, end of year	340,079	234,246	359,608	784,855	244,502	123,642	347,560	427,267	181,111	336,518	565,341	20,169	385,989	919	4,351,806
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	39,583	39,583
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000
Receipt of accounts receivable	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000
Net assets, beginning of year	2,235,457	2,416,658	653,850	5,641,694	500,660	2,250,000	1,562,224	1,177,712	500,343	1,208,446	1,425,784	105,354	501,697	-	20,179,879
Permanently Restricted															
Net Assets, end of year	2,235,457	2,416,658	653,850	5,641,694	500,660	3,250,000	1,562,224	1,177,712	500,343	1,208,446	1,425,784	105,354	501,697	39,583	21,219,462
Total Assets, end of year	\$ 2,575,536	\$ 2,650,904	\$ 1,013,458	\$ 6,426,549	\$ 745,162	\$ 3,373,642	\$ 1,909,784	\$ 1,604,979	\$ 681,454	\$ 1,544,964	\$ 1,991,125	\$ 125,523	\$ 887,686	\$ 40,502	\$ 25,571,268

See independent auditor's report on supplementary information.

San Antonio Museum of Art
Schedule of Endowment Investments - Continued

Year ended September 30, 2017

	John F. Carruthers Gallery Fund	Blackburn Gallery Mainten. Endowment Fund	Cowden Gallery Mainten. Endowment Fund	Denman Gallery Mainten. Endowment Fund	Ferguson Decorative Arts Gallery Fund	Walter F. & Lenora Brown Asian Gallery Endowment Fund	Peggy & Lowry Mays Ming/Ching Gallery Fund	Pace- Wilson Gallery Fund	Schwartz Gallery Mainten. Endowment Fund	Whittington Gallery Fund	The J.Y. Golden Gallery Endowment Fund	Steves Gallery Mainten. Endowment Fund	Russell Hill Rogers Chinese Scholar's Studio	Barclay- Goldsbury Spanish Colonial Gallery Fund	Page 2 of 4 Total
Unrestricted - Board Designated															
Net Assets															
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Unrestricted - Board Designated															
Net Assets, end of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets															
Investment income	257	4,977	3,777	3,438	9,193	722	10,938	3,293	907	843	58	679	4,375	129	43,586
Investment expenses	(83)	(1,599)	(1,214)	(1,105)	(2,954)	(232)	(3,515)	(1,058)	(291)	(271)	(19)	(218)	(1,406)	(42)	(14,007)
Investment gains	2,629	50,881	38,607	35,144	93,972	7,380	111,812	33,661	9,271	8,622	595	7,680	44,729	1,322	446,305
Net assets, beginning of year	4,801	129,527	113,773	81,169	142,715	19,547	54,177	72,994	25,226	21,210	(3,599)	-	21,704	(1,016)	682,228
Net Assets Available for															
Distributions	7,604	183,786	154,943	118,646	242,926	27,417	173,412	108,890	35,113	30,404	(2,965)	8,141	69,402	393	1,158,112
Distributions	1,703	32,982	25,027	22,781	60,914	4,783	72,480	21,820	6,010	5,588	384	4,557	28,994	855	288,878
Temporarily Restricted															
Net Assets, end of year	5,901	150,804	129,916	95,865	182,012	22,634	100,932	87,070	29,103	24,816	(3,349)	3,584	40,408	(462)	869,234
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	100,000
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	19,981	350,180	250,214	250,180	743,261	50,036	999,999	244,374	62,180	60,079	9,206	-	400,000	13,485	3,453,175
Permanently Restricted															
Net Assets, end of year	19,981	350,180	250,214	250,180	743,261	50,036	999,999	244,374	62,180	60,079	9,206	100,000	400,000	13,485	3,553,175
Total Assets, end of year	\$ 25,882	\$ 500,984	\$ 380,130	\$ 346,045	\$ 925,273	\$ 72,670	\$ 1,100,931	\$ 331,444	\$ 91,283	\$ 84,895	\$ 5,857	\$ 103,584	\$ 440,408	\$ 13,023	\$ 4,422,409

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2017

	The Cowden Endowment	Askin Fund	William Randolph Hearst Educational Programs Fund	Beretta Hops House Fund	Gloria Galt River Landing Fund	Claudia Huntington Marshall Miller Operating Fund	Mary Kargl Lecture Fund	Kelley Internship Program Fund	Bank of America Lecture Series Fund	Gloria Galt LAA Program Series Fund	Sue E. Denman Memorial Fund	Fred J. Wilkins Fund	MOA Conservator Fund	Page 3 of 4 Total
Unrestricted - Board Designated														
Net Assets														
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Unrestricted - Board Designated														
Net Assets, End of Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets														
Investment income	43,028	829	1,516	2,671	12,200	2,981	1,313	57	1,558	2,068	9,034	1,619	418	79,292
Investment expenses	(13,828)	(266)	(487)	(858)	(3,921)	(958)	(422)	(18)	(500)	(664)	(2,900)	(520)	(134)	(25,476)
Investment gains	439,861	8,470	15,568	27,309	124,714	30,472	13,369	580	16,042	21,249	92,433	16,692	4,311	811,070
Net assets, beginning of year	493,768	25,956	39,408	70,079	128,445	37,300	62,779	3,769	48,729	104,082	455,262	52,430	27,299	1,549,306
Net Assets Available for														
Distributions	962,829	34,989	56,005	99,201	261,438	69,795	77,039	4,388	65,829	126,735	553,829	70,221	31,894	2,414,192
Distributions	285,125	5,491	10,051	17,702	80,842	61,734	26,210	-	3,275	9,406	220,149	-	-	719,985
Temporarily Restricted														
Net Assets, End of Year	677,704	29,498	45,954	81,499	180,596	8,061	50,829	4,388	62,554	117,329	333,680	70,221	31,894	1,694,207
Permanently Restricted Net Assets														
Contributions revenue	-	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500
Releases	-	-	-	-	-	(245,000)	-	-	-	-	-	-	-	(245,000)
Transfers in	-	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	3,653,306	53,903	100,132	187,395	1,047,377	250,000	77,163	1,528	100,084	96,531	459,730	100,000	12,061	6,139,210
Permanently Restricted														
Net Assets, End of Year	3,653,306	53,903	110,132	187,395	1,047,377	5,000	79,663	1,528	100,084	96,531	459,730	100,000	12,061	5,906,710
Total Assets, end of year	\$ 4,331,010	\$ 83,401	\$ 156,086	\$ 268,894	\$ 1,227,973	\$ 13,061	\$ 130,492	\$ 5,916	\$ 162,638	\$ 213,860	\$ 793,410	\$ 170,221	\$ 43,955	\$ 7,600,917

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2017

	NEH and NEH Match Programs Fund	Daniel J. Sullivan Exhibition Endowment Fund	Louis A. & Frances B. Wagner Lecture Series Fund	Education & Docent Activities Fund	Staff Merit Bonus Fund	The Amy Shelton McNutt Exhibition Endowment Fund	Helen & Everett H. Jones Exhibition Fund	George His Endowment for Ancient Art	June His Endowment for Latin American Art	Brown Foundation Contemp. Art Acquisition Fund	Cullen Fund	Rider Fund	Timon Fund	The Kelso Endowment for Texas Art Fund	Page 4 of 4 Total	Endowment Total	
Unrestricted - Board Designated																	
Net Assets																	
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,727
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(179,376)
Net assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,649
Unrestricted - Board Designated																	
Net Assets, End of Year																	
Temporarily Restricted Net Assets																	
Investment income	4,967	1,516	13,962	105	475	3,761	11,644	319	161	15,453	45,043	11,579	7,385	15,186	131,556	522,012	
Investment expenses	(1,594)	(487)	(4,480)	(33)	(150)	(1,207)	(3,736)	(61)	(30)	(4,960)	(14,453)	(3,715)	(2,381)	(4,873)	(42,160)	(162,568)	
Investment gains	51,193	15,448	143,549	1,069	5,456	38,613	119,899	2,908	1,462	159,281	464,290	119,359	75,984	157,713	1,356,224	5,198,568	
Net assets, beginning of year	189,001	54,718	381,103	4,764	-	108,277	386,565	-	-	455,138	2,795,450	629,362	218,664	318,056	5,541,098	11,250,686	
Net Assets Available for																	
Distributions																	
Distributions	243,567	71,195	534,134	5,905	5,781	149,444	514,372	3,166	1,593	624,912	3,290,330	756,585	299,652	486,082	6,986,718	16,808,698	
Distributions	461	25,938	70,362	-	-	22,087	17,172	-	-	53,344	-	-	60,884	101,363	351,611	3,258,344	
Temporarily Restricted																	
Net Assets, End of Year																	
Temporarily Restricted	243,106	45,257	463,772	5,905	5,781	127,357	497,200	3,166	1,593	571,568	3,290,330	756,585	238,768	384,719	6,635,107	13,550,354	
Permanently Restricted Net Assets																	
Contributions revenue	-	-	-	-	50,000	-	-	100,000	50,275	-	-	-	-	-	200,275	242,358	
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(245,000)	
Transfers in	-	-	-	-	50,000	-	-	-	-	-	-	-	-	270,179	320,179	930,179	
Receipt of accounts receivable	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	50,000	550,000	
Net assets, beginning of year	278,500	104,728	967,164	5,000	-	260,000	720,531	-	-	1,000,000	1,444,460	460,623	489,842	1,001,224	6,732,072	36,504,336	
Permanently Restricted																	
Net Assets, End of Year																	
Permanently Restricted	278,500	104,728	967,164	5,000	150,000	260,000	720,531	100,000	50,275	1,000,000	1,444,460	460,623	489,842	1,271,403	7,302,526	37,981,873	
Total Assets, end of year	\$ 521,606	\$ 149,985	\$ 1,430,936	\$ 10,905	\$ 155,781	\$ 387,357	\$ 1,217,731	\$ 103,166	\$ 51,868	\$ 1,571,568	\$ 4,734,790	\$ 1,217,208	\$ 728,610	\$ 1,656,122	\$ 13,937,633	\$51,532,227	

See independent auditor's report on supplementary information.