



San Antonio Museum of Art

Financial Statements with Supplementary Information Years Ended September 30, 2016 and 2015

San Antonio Museum of Art

Financial Statements
with supplementary information
Years Ended September 30, 2016 and 2015

San Antonio Museum of Art

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Tel: 210-342-8000
Fax: 210-342-0866
www.bdo.com

9901 IH-10, Suite 500
San Antonio, TX 78230

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, 2016 and 2015, the related statements of activities and change 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, 2016 and 2015, 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, LPA

May 16, 2017

Financial Statements

San Antonio Museum of Art
Statements of Financial Position

<i>September 30,</i>	2016	2015
Assets		
Cash and cash equivalents	\$ 10,232,893	\$ 9,017,547
Pledges, grants and accounts receivable - net	3,251,642	4,122,161
Investments, at fair value	48,160,681	45,812,593
Inventory	94,740	65,665
Prepaid expenses and other assets	42,804	51,570
Land and fixed assets, net	16,356,418	16,284,963
Total Assets	\$ 78,139,178	\$ 75,354,499
Liabilities and Net Assets		
Liabilities		
Accounts Payable:		
Trade and accrued expenses	\$ 416,151	\$ 523,867
Construction in process	366,316	-
Deferred revenue	15,500	57,729
Total Liabilities	797,967	581,596
Net Assets		
Unrestricted:		
Operating	4,070	360,352
Board designated - endowment	172,649	172,649
Investment in land and fixed assets	15,990,102	16,284,963
Total Unrestricted	16,166,821	16,817,964
Temporarily restricted	21,523,656	18,852,968
Permanently restricted	39,650,734	39,101,971
Total Net Assets	77,341,211	74,772,903
Total Liabilities and Net Assets	\$ 78,139,178	\$ 75,354,499

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	626,738	2,795,507	548,763	3,971,008
Memberships	1,178,212	-	-	1,178,212
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	645,200	-	-	645,200
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
Statement of Activities and Changes in Net Assets

Year ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Other				
Contributions and Grants:				
Government	\$ 347,025	\$ -	\$ -	\$ 347,025
Private sector	952,086	4,186,728	161,879	5,300,693
Memberships	1,112,878	-	-	1,112,878
Admissions	363,209	-	-	363,209
Special events - net of direct expenses of \$139,995	365,256	-	-	365,256
Investment income - net of direct expense of \$136,500	462	694,281	-	694,743
Net realized and unrealized (loss) on investments	-	(2,614,717)	-	(2,614,717)
Gift shop and auxiliaries	370,015	-	-	370,015
Rental income	76,060	-	-	76,060
Miscellaneous	13,364	-	-	13,364
Net assets released from restrictions	2,409,581	(2,409,581)	-	-
Total Support, Revenue, and Other	6,009,936	(143,289)	161,879	6,028,526
Expenses				
Program:				
Museum program activities	6,039,153	-	-	6,039,153
Gift shop	526,328	-	-	526,328
Management and general	707,877	-	-	707,877
Fundraising	952,055	-	-	952,055
Total Expenses	8,225,413	-	-	8,225,413
Changes in Net Assets before				
Collection Items Not Capitalized	(2,215,477)	(143,289)	161,879	(2,196,887)
Collection items purchased but not capitalized	(132,900)	-	-	(132,900)
Change in Net Assets	(2,348,377)	(143,289)	161,879	(2,329,787)
Net Assets, beginning of year	19,166,341	18,996,257	38,940,092	77,102,690
Net Assets, end of year	\$ 16,817,964	\$ 18,852,968	\$ 39,101,971	\$ 74,772,903

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>	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 2,568,308	\$ (2,329,787)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contributions received for permanent endowment	(548,763)	(161,879)
Contributions received for capital campaign	(2,795,507)	(3,870,728)
Depreciation and amortization	1,017,992	1,053,731
Loss on disposal of assets	11,838	7,845
Gain on involuntary conversion of assets	(641,095)	-
Bad debt expense	1,100	54,308
Net realized and unrealized (gains) loss on investments	(3,653,806)	2,614,717
Changes in operating assets and liabilities:		
Contributions, grants and accounts receivable	869,419	572,284
Inventory	(29,075)	33,160
Prepaid expenses and other assets	8,766	(32,785)
Accounts payable, accrued expenses, and construction in process	258,600	29,392
Deferred revenue	(42,229)	(90,457)
Net cash (used in) operating activities	(2,974,452)	(2,120,199)
Cash Flows from Investing Activities		
Purchase of investments	(3,100,000)	(7,219,646)
Sale of investments	4,405,718	8,100,171
Insurance proceeds - involuntary conversion	659,517	-
Purchase of fixed assets and construction in process	(1,119,707)	(158,310)
Net cash provided by (used in) provided by investing activities	845,528	722,215
Cash Flows from Financing Activities		
Contributions received for permanent endowment	548,763	161,879
Contributions received for capital campaign	2,795,507	3,870,728
Net cash provided by financing activities	3,344,270	4,032,607
Net Increase in Cash and Cash Equivalents	1,215,346	2,634,623
Cash and cash equivalents, beginning of year	9,017,547	6,382,924
Cash and cash equivalents, end of year	\$ 10,232,893	\$ 9,017,547
Non-cash activities:		
Amortization of pledge discount	\$ 117,709	\$ 61,879

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

San Antonio Museum of Art

Notes to Endowment Schedules

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 Endowment Schedules

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

Pledges, Grants and Accounts Receivable

Accounts and pledges receivable at September 30, 2016 and 2015, 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, 2016 and 2015.

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 Endowment Schedules

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.

The fair value of the majority of the Museum's financial instruments was determined based on Level 1 inputs. The fair value of certain financial instruments was determined based on Level 2 inputs. The valuation techniques used to measure the fair value of the Level 2 instruments was valued based on quoted market prices or model driven valuations, using significant inputs derived from, or corroborated by, observable market data. The Museum does not have any Level 3 financial instruments.

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.

San Antonio Museum of Art

Notes to Endowment Schedules

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

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).

Construction In Process

The Museum is constructing a new physical plant scheduled to be completed in July 2017, at which time depreciation will commence. The Museum incurred and capitalized construction cost of \$864,854 and \$49,882 for the years ended September 30, 2016 and 2015, respectively. The estimated cost to be incurred in fiscal year 2017 to complete the physical plant is approximately \$7,400,000.

In addition the Museum is also in the process of completing gallery renovations and replacement of various roofs. These projects are anticipated to be completed throughout fiscal year 2017. The Museum incurred and capitalized construction cost of \$290,853 and \$43,405 for the years ended September 30, 2016 and 2015, respectively. The estimated cost to be incurred in fiscal year 2017 to complete the renovations and roofs is approximately \$2,400,000.

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 \$127,054 and \$155,354 for the years ended September 30, 2016 and 2015, respectively.

San Antonio Museum of Art

Notes to Endowment Schedules

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

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.

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, 2016 and 2015, the Museum did not recognize any interest or penalties in the financial statements.

Tax years after 2013 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).

San Antonio Museum of Art

Notes to Endowment Schedules

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

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.

Fair Value (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Equivalent)

In May 2015, FASB issued ASU 2015-07, *Fair Value (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Equivalent)*, which allows for those entities that have elected the practical expedient to use the net asset value (NAV) as a measure of fair value and to no longer categorize these investments within the fair value hierarchy. The practical expedient criteria differ from the criteria used to categorize other fair value measurements within the hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV. The ASU is effective for the Museum's fiscal years beginning after December 15, 2016, with early application permitted and should be applied retrospectively. The retrospective approach requires that an investment for which fair value is measured using the NAV practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. Management is currently evaluating the impact of the ASU on its financial statements.

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.

San Antonio Museum of Art

Notes to Endowment Schedules

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

Accounting Pronouncements issued but Not Yet Adopted (Continued)

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, 2016, the Museum had uninsured cash balances.

San Antonio Museum of Art

Notes to Endowment Schedules

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>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	-	-	2,482
Less: Discount to present value at 2.00%	-	(57,830)	(84,012)	(141,842)
Net Contributions and Grant Receivable	\$ 1,000,984	\$ 1,334,670	\$ 915,988	\$ 3,251,642

<i>2015</i>	Within One Year	Within Five Years	After Five Years	Total
Contributions receivable	\$ 1,134,500	\$ 1,612,500	\$ 1,500,000	\$ 4,247,000
Grants receivable	138,810	-	-	138,810
Accounts receivable	8,117	-	-	8,117
Less: Discount to present value at 2.52%	-	(65,480)	(206,286)	(271,766)
Net Contributions and Grant Receivable	\$ 1,281,427	\$ 1,547,020	\$ 1,293,714	\$ 4,122,161

Private sector contributions revenue was as follows:

	2016	2015
Endowment	\$ 548,763	\$ 161,879
Capital Campaign	2,795,507	3,870,728
Operating and programs	626,738	1,268,086
Total Private Sector Contributions Revenue	\$ 3,971,008	\$ 5,300,693

San Antonio Museum of Art

Notes to Endowment Schedules

4. Investments

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

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 870,606	\$ 870,606	\$ 662,901	\$ 662,902
Common stock	5,240,933	6,172,311	8,010,173	8,150,947
Equity Funds:				
Foreign large cap growth	4,982,066	5,646,710	5,369,910	5,362,507
Large cap growth	10,627,062	12,705,940	9,572,800	10,851,680
Emerging Markets	2,025,586	2,087,258	2,014,529	1,742,916
Bond Funds:				
High yield bond	2,772,998	2,549,007	2,643,920	2,349,442
Intermediate-term bond	2,248,288	2,706,481	2,265,651	2,641,510
World bond	4,325,219	3,641,564	4,698,980	4,017,078
Other Funds:				
Core fixed income	4,434,083	5,082,771	2,034,083	2,550,973
International value	4,280,754	6,698,033	4,860,198	7,482,638
Total Investments	\$41,807,595	\$48,160,681	\$ 42,133,145	\$ 45,812,593

5. Fair Values of Financial Instruments

The Museum uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. See note 1. The following represents the fair value hierarchy for the balances of the assets of the Museum measured at fair value on a recurring basis as of September 30, 2016 and 2015.

The following methods and assumptions were used by the Museum in estimating the fair value disclosures for financial assets:

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

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, 2016 and 2015 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 Endowment Schedules

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:

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
Other Funds:				
Core fixed income	-	5,082,771	-	5,082,771
International value	-	6,698,033	-	6,698,033
Total Investments	\$ 36,269,061	\$ 11,891,620	\$ -	\$ 48,160,681

2015	Level 1	Level 2	Level 3	Total
Money market funds	\$ 662,902	\$ -	\$ -	\$ 662,902
Common stock	5,767,820	2,383,127	-	8,150,947
Equity Funds:				
Foreign large cap growth	5,362,507	-	-	5,362,507
Large cap growth	10,851,680	-	-	10,851,680
Emerging Markets	1,742,916	-	-	1,742,916
Bond Funds:				
High yield bond	2,349,442	-	-	2,349,442
Intermediate-term bond	2,641,510	-	-	2,641,510
World bond	4,017,078	-	-	4,017,078
Other Funds:				
Core fixed income	-	2,550,973	-	2,550,973
International value	-	7,482,638	-	7,482,638
Total Investments	\$ 33,395,855	\$ 12,416,738	\$ -	\$ 45,812,593

San Antonio Museum of Art

Notes to Endowment Schedules

6. Land and Fixed Assets

Major classifications of land and fixed assets are summarized below:

	2016	2015
Buildings, improvements, and landscaping	\$ 28,060,511	\$ 28,290,098
Furniture and equipment	1,644,323	1,752,373
Land and land improvements	3,628,597	3,628,597
Total Land and Fixed Assets	33,333,431	33,671,068
Less: Accumulated depreciation and amortization	(18,132,720)	(17,479,392)
Construction in Progress	1,155,707	93,287
Net Land and Fixed Assets	\$ 16,356,418	\$ 16,284,963

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	659,517
Gain on involuntary conversion	\$ 641,095

Additional insurance proceeds are anticipated by the Museum and will be recognized as the funds are received, but that amount is not reasonably determinable at this time so it has not been recorded.

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.

San Antonio Museum of Art

Notes to Endowment Schedules

8. Art Collection (Continued)

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 \$320,050 and \$132,900 for the years ended September 30, 2016 and 2015, 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.

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 \$102,100 and \$88,661 for the years ended September 30, 2016 and 2015, respectively. The leases expire at various dates through February 2020. Minimum rental commitments on these leases are as follows:

Years ending September 30,

2017	\$	101,001
2018		100,452
2019		53,732
2020		12,655
<hr/>		
Total	\$	267,840

10. Grants

The City of San Antonio (the City) provided support of \$347,025 for the year ended September 30, 2016 and 2015, for the operations of the Museum. The City has budgeted \$347,000 for the 2017 fiscal year for the Museum.

11. Employees' Pension Plan

The Museum has a money purchase 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 2016 and 2015. Pension plan expense was \$67,607 and \$78,420 for the years ended September 30, 2016 and 2015, respectively.

San Antonio Museum of Art

Notes to Endowment Schedules

12. Temporarily Restricted Net Assets

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

	2016	2015
Programs and exhibitions	\$ 1,858,300	\$ 1,396,113
Art acquisitions	4,630,675	3,993,943
Construction and Endowment:		
Latin American Art Center	1,537,757	1,320,292
Lenora and Walter F. Brown Asian Art Wing	627,831	398,572
River Landing	286,754	244,818
Granberg Parking Lot	106,763	106,763
Arden Grove Property	29,329	29,329
Physical Plant Relocation	4,510,439	4,993,599
Denman Galleries	851,711	743,488
Other galleries/buildings	4,240,973	3,506,315
General operating/endedowed positions	2,621,294	2,119,571
Miscellaneous	221,830	165
Total Temporarily Restricted Net Assets	\$ 21,523,656	\$ 18,852,968

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:

	2016	2015
Art acquisitions	\$ 4,661,325	\$ 4,396,148
Building maintenance	3,387,947	3,387,947
Curatorial	16,830,201	16,712,492
Educational programs, exhibitions, presentations:		
Latin American Art	3,234,657	3,234,657
Asian Art	3,635,457	3,635,457
Other	3,274,133	3,124,911
General museum support	4,627,014	4,610,359
Total Permanently Restricted Net Assets	\$ 39,650,734	\$ 39,101,971

San Antonio Museum of Art

Notes to Endowment Schedules

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.

	2016	2015
Purpose of Restrictions Satisfied:		
Programs and exhibitions	\$ 3,038,977	\$ 2,218,576
Art acquisitions	320,050	132,900
Construction, improvements, and purchase of facilities	786,739	58,105
Total Net Assets Released from Restriction	\$ 4,145,766	\$ 2,409,581

15. Functional Classification of Expenses

Museum expenses were incurred for:

2016	Museum Program Activities	Programs			Total
		Gift Shop	Management and General	Fund-raising	
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

San Antonio Museum of Art

Notes to Endowment Schedules

15. Functional Classification of Expenses (Continued)

2015	Museum Program Activities	Programs			Fund- raising	Total
		Gift Shop	Management and General			
Salaries and benefits	\$ 3,090,208	\$ 192,169	\$ 276,697	\$ 308,938	\$ 3,868,012	
Contracted services	805,122	2,427	122,566	160,031	1,090,146	
Supplies, consumables, and maintenance	413,550	8,070	8,961	7,354	437,935	
Communications	305,104	4,172	13,858	252,580	575,714	
Depreciation and amortization	786,926	64,488	85,774	116,543	1,053,731	
Utilities	288,685	23,658	31,466	42,753	386,562	
Exhibit rental and operating	121,340	376	72,329	22,767	216,812	
Travel and transportation	140,210	5,355	389	16,079	162,033	
Other general and administrative	88,008	1,076	95,837	25,010	209,931	
Gift shop cost of inventory sold	-	224,537	-	-	224,537	
Total Expenses	\$ 6,039,153	\$ 526,328	\$ 707,877	\$ 952,055	\$ 8,225,413	

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 Endowment Schedules

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 2016 and 2015, the distribution percentage was 4.5% for each year. 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 Endowment Schedules

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, 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 Endowment Schedules

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 of endowment net assets for expenditure	-	(1,931,752)	-	(1,931,752)
Endowment Net Assets, End of Year	\$ 172,649	\$ 10,846,303	\$ 37,256,033	\$ 48,274,985

Endowment Net Asset Composition by Type of Fund as of September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 8,779,963	36,542,458	\$ 45,322,421
Board-designated endowment funds	172,649	-	-	172,649
Total Funds	\$ 172,649	\$ 8,779,963	36,542,458	\$ 45,495,070

San Antonio Museum of Art

Notes to Endowment Schedules

16. Endowment Funds (Continued)

Changes in Endowment Net Assets for the Year Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 172,649	\$ 12,595,021	\$ 36,254,337	\$ 49,022,007
Investment Return:				
Interest and dividends, net	-	689,599	-	689,599
Net gains (realized and unrealized)	-	(2,614,717)	-	(2,614,717)
Total Investment Return	-	(1,925,118)	-	(1,925,118)
Amortization of discount	-	-	(61,879)	(61,879)
Contributions	-	-	100,000	100,000
Receipt on pledge	-	-	250,000	250,000
Appropriations of endowment net assets for expenditure	-	(1,889,940)	-	(1,889,940)
Endowment Net Assets, End of Year	\$ 172,649	\$ 8,779,963	\$ 36,542,458	\$ 45,495,070

17. Subsequent Events

Management has evaluated events subsequent to September 30, 2016 and through May 16, 2017, which is the date the financial statements were available to be issued.



Tel: 210-342-8000
Fax: 210-342-0866
www.bdo.com

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 16, 2017

SAN ANTONIO MUSEUM of ART

May 16, 2017

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 2015 and 2016 agreement with the City of San Antonio.

The \$347,025 in funds you granted us for the use in 2015 and 2016 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. Lubber, 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>	2016	2015
Cash Receipts		
City of San Antonio Grant	\$ 347,025	\$ 347,025
Cash Disbursements		
Salaries	(347,025)	(347,025)
Total Cash Disbursements	(347,025)	(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, 2016

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,240	\$ -	\$ -	\$ 15,240
Distributions	-	-	-	-	-	-	-	-	-	-	-	(15,240)	-	-	(15,240)
Net Assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	172,649	-	-	172,649
Unrestricted - Board Designated															
Net Assets, end of year	-	-	-	-	-	-	-	-	-	-	-	172,649	-	-	172,649
Temporarily Restricted Net Assets															
Investment income	28,580	29,416	11,246	71,314	8,269	28,227	21,178	17,810	7,562	17,144	22,095	6,416	9,850	-	279,107
Investment expenses	(10,830)	(11,147)	(4,262)	(27,024)	(3,133)	(10,696)	(8,003)	(6,749)	(2,866)	(6,497)	(8,373)	(2,431)	(3,733)	-	(105,744)
Investment gains	188,307	193,818	74,098	469,870	54,481	185,976	138,679	117,347	49,823	112,958	145,579	27,049	64,902	-	1,822,887
Net assets, beginning of year	142,742	31,134	281,957	292,453	187,408	98,761	180,268	304,301	128,898	218,143	412,781	16,497	317,975	-	2,613,318
Net Assets Available for Distributions															
Distributions	348,799	243,221	363,039	806,613	247,025	302,268	332,122	432,709	183,417	341,748	572,082	47,531	388,994	-	4,609,568
Distributions	118,102	121,558	46,472	294,690	34,170	116,640	65,670	73,597	31,248	70,845	91,303	26,514	40,705	-	1,131,514
Temporarily Restricted															
Net Assets, end 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
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	2,250,000	1,562,224	1,177,712	500,343	1,208,446	1,425,784	105,354	501,697	-	20,179,879
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	254,657	-	-	254,657
Adjustment to prior year draw	-	-	-	-	-	-	-	-	-	-	-	(21,647)	-	-	(21,647)
Total Assets, end of year	\$ 2,466,154	\$ 2,538,321	\$ 970,417	\$ 6,153,617	\$ 713,515	\$ 2,435,628	\$ 1,828,676	\$ 1,536,824	\$ 652,512	\$ 1,479,349	\$ 1,906,563	\$ 532,030	\$ 849,986	\$ -	\$ 24,063,592
Funds Transferred in 2017 Related to 2015 and 2016 Transactions															
	-	-	-	-	-	500,000	-	-	-	-	-	(254,657)	-	16,667	262,010
FY 2017 Total Assets Reflecting Cash Transfers															
	\$ 2,466,154	\$ 2,538,321	\$ 970,417	\$ 6,153,617	\$ 713,515	\$ 2,935,628	\$ 1,828,676	\$ 1,536,824	\$ 652,512	\$ 1,479,349	\$ 1,906,563	\$ 277,373	\$ 849,986	\$ 16,667	\$ 24,325,602

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2016

	John F. Carruthers Gallery Fund	Blackburn Gallery Maintenance Endowment Fund	Cowden Gallery Maintenance Endowment Fund	Denman Gallery Maintenance 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 Maintenance Endowment Fund	Whittington Gallery Fund	The J.Y. Golden Gallery Endowment Fund	Steves Gallery Maintenance Endowment Fund	Barclay-Goldsbury Spanish Colonial Gallery Fund	Page 2 of 4 Total
Unrestricted - Board Designated Net Assets														
Net assets, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted - Board Designated Net Assets, end of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets														
Investment income	287	5,559	4,218	3,840	10,268	806	12,217	3,678	1,013	942	65	-	144	43,037
Investment expenses	(109)	(2,107)	(1,598)	(1,455)	(3,891)	(306)	(4,629)	(1,394)	(384)	(357)	(25)	-	(55)	(16,310)
Investment gains	1,892	36,629	27,793	25,301	67,650	5,313	80,493	24,233	6,674	6,207	428	-	952	283,565
Net assets, beginning of year	3,918	112,419	100,791	69,351	111,117	17,066	16,579	61,675	22,109	18,311	(3,798)	-	(1,460)	528,078
Net Assets Available for Distributions	5,988	152,500	131,204	97,037	185,144	22,879	104,660	88,192	29,412	25,103	(3,330)	-	(419)	838,370
Distributions	1,187	22,973	17,431	15,868	42,429	3,332	50,483	15,198	4,186	3,893	269	-	597	177,846
Temporarily Restricted Net Assets, end of year	4,801	129,527	113,773	81,169	142,715	19,547	54,177	72,994	25,226	21,210	(3,599)	-	(1,016)	660,524
Permanently Restricted Net Assets														
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	13,485	3,053,175
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	-	13,485	3,053,175
Total Assets, end of year	\$ 24,782	\$ 479,707	\$ 363,987	\$ 331,349	\$ 885,976	\$ 69,583	\$ 1,054,176	\$ 317,368	\$ 87,406	\$ 81,289	\$ 5,607	\$ -	\$ 12,469	\$ 3,713,699
Funds Transferred in 2017 Related to 2015 and 2016 Transactions	-	-	-	-	-	-	-	-	-	-	-	100,000	-	100,000
FY 2017 Total Assets Reflecting Cash Transfers	\$ 24,782	\$ 479,707	\$ 363,987	\$ 331,349	\$ 885,976	\$ 69,583	\$ 1,054,176	\$ 317,368	\$ 87,406	\$ 81,289	\$ 5,607	\$ 100,000	\$ 12,469	\$ 3,813,699

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2016

	The Cowden Endowment	Russell Hill Rogers Chinese Scholar's Studio	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	MOA Conservator Fund	Page 3 of 4 Total
Unrestricted - Board Designated Net Assets														
Net assets, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted - Board Designated Net Assets, End of Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets														
Investment income	48,060	4,887	926	1,618	2,984	13,627	3,329	1,580	60	1,681	2,265	10,334	444	91,795
Investment expenses	(18,212)	(1,852)	(351)	(613)	(1,131)	(5,164)	(1,262)	(599)	(23)	(637)	(859)	(3,917)	(168)	(34,788)
Investment gains	316,657	32,200	6,097	10,655	19,660	89,782	21,938	10,438	395	11,099	14,963	68,247	2,935	605,066
Net assets, beginning of year	345,862	6,664	23,108	34,430	60,896	86,509	27,053	51,360	3,337	36,586	87,713	380,598	24,088	1,168,204
Net Assets Available for Distributions	692,367	41,899	29,780	46,090	82,409	184,754	51,058	62,779	3,769	48,729	104,082	455,262	27,299	1,830,277
Distributions	198,599	20,195	3,824	6,682	12,330	56,309	13,758	-	-	-	-	-	-	311,697
Temporarily Restricted Net Assets, End of Year	493,768	21,704	25,956	39,408	70,079	128,445	37,300	62,779	3,769	48,729	104,082	455,262	27,299	1,518,580
Permanently Restricted Net Assets														
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	3,653,306	400,000	53,903	100,132	187,395	1,047,377	250,000	77,163	1,528	100,084	96,531	459,730	12,061	6,439,210
Permanently Restricted Net Assets, End of Year	3,653,306	400,000	53,903	100,132	187,395	1,047,377	250,000	77,163	1,528	100,084	96,531	459,730	12,061	6,439,210
Total Assets, end of year	\$ 4,147,074	\$ 421,704	\$ 79,859	\$ 139,540	\$ 257,474	\$ 1,175,822	\$ 287,300	\$ 139,942	\$ 5,297	\$ 148,813	\$ 200,613	\$ 914,992	\$ 39,360	\$ 7,957,790
Funds Transferred in 2017 Related to 2015 and 2016 Transactions	-	-	-	10,000	-	-	-	(26,211)	-	(3,275)	(9,202)	(100,000)	-	(128,688)
FY 2017 Total Assets Reflecting Cash Transfers	\$ 4,147,074	\$ 421,704	\$ 79,859	\$ 149,540	\$ 257,474	\$ 1,175,822	\$ 287,300	\$ 113,731	\$ 5,297	\$ 145,538	\$ 191,411	\$ 814,992	\$ 39,360	\$ 7,829,102

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2016

	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	Fred J. Wilkins Fund	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,240
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,240)
Net assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,649
Unrestricted - Board Designated															
Net Assets, End of Year															
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	172,649
Temporarily Restricted Net Assets															
Investment income	5,280	1,801	15,228	110	-	4,160	12,504	1,767	16,436	47,889	12,311	8,003	14,901	140,390	554,329
Investment expenses	(2,001)	(683)	(5,772)	(42)	-	(1,576)	(4,739)	(669)	(6,229)	(18,150)	(4,666)	(3,033)	(5,647)	(53,207)	(210,049)
Investment gains	34,869	11,893	100,563	728	-	27,468	82,575	11,639	108,534	316,242	81,298	52,845	98,401	927,055	3,638,573
Net assets, beginning of year	150,853	41,707	271,084	3,968	-	78,225	296,225	46,993	336,397	2,449,469	540,419	160,849	210,401	4,586,590	8,896,190
Net Assets Available for															
Distributions															
Distributions	189,001	54,718	381,103	4,764	-	108,277	386,565	59,730	455,138	2,795,450	629,362	218,664	318,056	5,600,828	12,879,043
Distributions	-	-	-	-	-	-	-	7,300	-	-	-	-	-	7,300	1,628,357
Temporarily Restricted															
Net Assets, End of Year															
	189,001	54,718	381,103	4,764	-	108,277	386,565	52,430	455,138	2,795,450	629,362	218,664	318,056	5,593,528	11,250,686
Permanently Restricted Net Assets															
Contributions revenue															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable															
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year															
Net assets, beginning of year	278,500	104,728	967,164	5,000	-	260,000	720,531	100,000	1,000,000	1,444,460	460,623	489,842	1,001,224	6,832,072	36,504,336
Permanently Restricted															
Net Assets, End of Year															
	278,500	104,728	967,164	5,000	-	260,000	720,531	100,000	1,000,000	1,444,460	460,623	489,842	1,001,224	6,832,072	36,504,336
Fair value adjustment															
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	254,657
Adjustment for prior year draw															
Adjustment for prior year draw	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,647)
Total Assets, end of year															
	\$ 467,501	\$ 159,446	\$ 1,348,267	\$ 9,764	\$ -	\$ 368,277	\$ 1,107,096	\$ 152,430	\$ 1,455,138	\$ 4,239,910	\$ 1,089,985	\$ 708,506	\$ 1,319,280	\$ 12,425,600	\$ 48,160,681
Funds Transferred in 2017 Related to 2015 and 2016 Transactions															
	-	(25,937)	(52,716)	-	50,000	(22,087)	(17,171)	-	-	-	-	(14,273)	170,208	88,024	321,346
Total Endowment Assets Reflecting Due To/Due From on 9/30/2016															
	\$ 467,501	\$ 133,509	\$ 1,295,551	\$ 9,764	\$ 50,000	\$ 346,190	\$ 1,089,925	\$ 152,430	\$ 1,455,138	\$ 4,239,910	\$ 1,089,985	\$ 694,233	\$ 1,489,488	\$ 12,513,624	\$ 48,482,027

See independent auditor's report on supplementary information.