



San Antonio Museum of Art

Financial Statements
with Supplementary Information
Years Ended September 30, 2018 and 2017

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



San Antonio Museum of Art

Financial Statements
with Supplementary Information
Years Ended September 30, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017, 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

January 28, 2019

Financial Statements

San Antonio Museum of Art
Statements of Financial Position

<i>September 30,</i>	2018	2017
Assets		
Cash and cash equivalents	\$ 4,449,997	\$ 4,581,534
Pledges, grants and accounts receivable - net	3,348,950	2,865,782
Investments, at fair value	52,944,218	51,532,227
Inventory	114,755	110,219
Prepaid expenses and other assets	269,691	338,970
Land and fixed assets, net	21,681,772	22,138,591
Total Assets	\$ 82,809,383	\$ 81,567,323
Liabilities and Net Assets		
Liabilities		
Accounts Payable:		
Trade and accrued expenses	\$ 396,180	449,727
Construction in Process	-	265,543
Deferred revenue	260,195	284,673
Total Liabilities	656,375	999,943
Net Assets		
Unrestricted:		
Operating	1,578,333	1,105,162
Investment in land and fixed assets	21,681,772	21,873,048
Total Unrestricted	23,260,105	22,978,210
Temporarily restricted	18,890,738	17,959,608
Permanently restricted	40,002,165	39,629,562
Total Net Assets	82,153,008	80,567,380
Total Liabilities and Net Assets	\$ 82,809,383	\$ 81,567,323

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, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Other				
Contributions and Grants:				
Government	\$ 347,000	\$ 757,000	\$ -	\$ 1,104,000
Private sector	1,808,618	2,818,091	367,540	4,994,249
Memberships	259,646	-	-	259,646
Admissions	665,476	-	-	665,476
Special events - net of direct expenses of \$371,740	528,585	-	-	528,585
Investment income - net of direct expense of \$180,076	-	600,419	-	600,419
Net realized and unrealized gain on investments	-	3,285,523	-	3,285,523
Gift shop and auxiliaries	412,121	-	-	412,121
Rental income	97,409	-	-	97,409
Miscellaneous	127,559	-	-	127,559
Gain on disposals	855,164	-	-	855,164
Net assets released from restrictions	6,524,840	(6,529,903)	5,063	-
Total Support, Revenue, and Other	11,626,418	931,130	372,603	12,930,151
Expenses				
Program:				
Museum program activities	8,679,626	-	-	8,679,626
Gift shop	531,371	-	-	531,371
Management and general	776,340	-	-	776,340
Fundraising	842,671	-	-	842,671
Total Expenses	10,830,008	-	-	10,830,008
Changes in Net Assets before				
Collection Items Not Capitalized	796,410	931,130	372,603	2,100,143
Collection items purchased but not capitalized	(514,515)	-	-	(514,515)
Change in Net Assets	281,895	931,130	372,603	1,585,628
Net Assets, beginning of year	22,978,210	17,959,608	39,629,562	80,567,380
Net Assets, end of year	\$ 23,260,105	\$ 18,890,738	\$ 40,002,165	\$ 82,153,008

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 \$292,606	289,005	-	-	289,005
Investment income - net of direct expense of \$210,044	-	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

Statements of Cash Flows

<i>Years ended September 30,</i>	2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ 1,585,628	\$ 3,226,169
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contributions received for permanent endowment	(367,540)	(223,828)
Contributions received for capital campaign	(3,573,256)	(2,996,324)
Depreciation and amortization	1,970,281	2,165,776
Loss on disposal of assets	107,900	180,689
Gain on involuntary conversion of assets	(951,681)	(542,573)
Bad debt expense	-	5,000
Net realized and unrealized gains on investments	(3,285,523)	(5,198,632)
Changes in operating assets and liabilities:		
Contributions, grants and accounts receivable	(483,168)	380,860
Inventory	(4,536)	(15,479)
Prepaid expenses and other assets	69,279	(296,166)
Accounts payable, accrued expenses, and construction in process	(319,090)	(67,197)
Deferred revenue	(24,478)	269,173
Net cash used in operating activities	(5,276,184)	(3,112,532)
Cash Flows from Investing Activities		
Purchase of investments	(7,807,954)	(5,468,400)
Proceeds from sale of investments	9,681,486	7,295,486
Insurance proceeds - involuntary conversion	951,681	664,262
Proceeds on disposal of assets	-	70,000
Purchase of fixed assets and construction in process	(1,621,362)	(8,320,327)
Net cash (used in) provided by investing activities	1,203,851	(5,758,979)
Cash Flows from Financing Activities		
Contributions received for permanent endowment	367,540	223,828
Contributions received for capital campaign	3,573,256	2,996,324
Net cash provided by financing activities	3,940,796	3,220,152
Net (decrease) increase in Cash and Cash Equivalents	(131,537)	(5,651,359)
Cash and cash equivalents, beginning of year	4,581,534	10,232,893
Cash and cash equivalents, end of year	\$ 4,449,997	\$ 4,581,534
Non-cash activities:		
Change in pledge discount	\$ (42,020)	\$ (11,948)

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, 2018 and 2017, 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, 2018 and 2017.

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.

We use net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, fund of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

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 Financial Statements

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 6).

Construction in Process

The Museum constructed a new physical plant which was placed in service on July 31, 2018.

The Museum is in the process of completing gallery renovations, replacement of various roofs and other projects. The Museum incurred and capitalized construction cost of \$353,331 and \$198,368 the years ended September 30, 2018 and 2017, respectively on projects that have not been placed in service as of September 30, 2018.

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; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the fair value of the service received. No significant goods or services were received by the museum for the years ended September 30, 2018 or 2017.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs, exclusive of in-kind costs, were \$183,455 and \$99,229 for the years ended September 30, 2018 and 2017, 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.

San Antonio Museum of Art

Notes to Financial Statements

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

Museum Collections (Continued)

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, 2018 and 2017, 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).

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, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to record, 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. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2019. Early adoption is permitted. In transition a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11 was issued in June 2018 that also permit entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. 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, 2018.

2. Concentration of Credit Risk

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

San Antonio Museum of Art

Notes to Financial Statements

2. Concentration of Credit Risk (Continued)

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, 2018 and 2017, the Museum had uninsured cash balances in excess of FDIC insurance limits; however, management has not experienced any losses as a result.

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>2018</i>	Within One Year	Within Five Years	After Five Years	Total
Pledges receivable	\$ 1,047,500	\$ 1,080,000	\$ 250,000	\$ 2,377,500
Grants receivable	890,200	-	-	890,200
Accounts receivable	194,920	-	-	194,920
Less: Discount to present value at 3.05%	-	(75,352)	(38,318)	(113,670)
Net Contributions and Grant Receivable	\$ 2,132,620	\$ 1,004,648	\$ 211,682	\$ 3,348,950

<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

Private sector contributions revenue was as follows:

	2018	2017
Endowment	\$ 367,540	\$ 223,828
Capital Campaign	2,818,091	2,016,324
Operating and programs	1,808,618	1,804,440
Total Private Sector Contributions Revenue	\$ 4,994,249	\$ 4,044,592

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:

	2018 Fair Value	2017 Fair Value
Money market funds	\$ 527,715	\$ 1,782,128
Common stock	8,012,013	6,951,236
Equity Funds:		
Foreign large cap growth	6,726,541	5,313,214
Large cap growth	14,618,443	12,325,648
Emerging Markets	1,722,013	2,303,913
Bond Funds:		
High yield bond	2,815,299	2,746,770
Intermediate-term bond	2,718,191	2,767,226
World bond	4,035,670	4,121,184
Other Funds:		
Core fixed income	5,143,826	5,167,174
International value	6,624,507	8,053,734
Total Investments	\$ 52,944,218	\$ 51,532,227

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, 2018 and 2017.

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, 2018 and 2017 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:

2018	Level 1	Level 2	Level 3	Total
Money market funds	\$ 527,715	\$ -	\$ -	\$ 527,715
Common stock	8,012,013	-	-	8,012,013
Equity Funds:				
Foreign large cap growth	6,726,541	-	-	6,726,541
Large cap growth	14,618,443	-	-	14,618,443
Emerging Markets	1,722,013	-	-	1,722,013
Bond Funds:				
High yield bond	2,815,299	-	-	2,815,299
Intermediate-term bond	2,718,191	-	-	2,718,191
World bond	4,035,670	-	-	4,035,670
Investment at Fair Value	\$ 41,175,885	-	-	\$ 41,175,885
Funds measured at NAV-				
Core fixed income				5,143,826
International value				6,624,507
Total Investments				\$ 52,944,218

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			\$ 38,311,319
Funds measured at NAV				
Core fixed income				5,167,174
International value				8,053,734
Total Investments				\$ 51,532,227

San Antonio Museum of Art

Notes to Financial Statements

6. Land and Fixed Assets

Major classifications of land and fixed assets are summarized below:

	2018	2017
Buildings, improvements, and landscaping	\$ 36,417,691	\$ 29,751,571
Furniture and equipment	1,317,862	1,588,933
Land and land improvements	4,533,075	3,628,597
Total Land and Fixed Assets	42,268,628	34,969,101
Accumulated depreciation and amortization	(20,940,187)	(19,661,529)
Construction in Progress	353,331	6,831,019
Net Land and Fixed Assets	\$ 21,681,772	\$ 22,138,591

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 was recoverable through insurance. Under GAAP the Museum recognized the impairment and subsequent insurance recovery, in the financial statements.

During fiscal year 2018 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.

On September 2, 2017 a gallery in the Museum sustained water damage associated with a plumbing malfunction. Damage was recoverable through insurance. Under GAAP the Museum recognized the impairment and subsequent insurance recovery, in the financial statements.

During fiscal year 2018 additional insurance proceeds of \$287,419 were received related to the plumbing malfunction. As the full disposal of assets were recorded in the fiscal year 2017 the full amount of insurance proceeds is included in the gain on disposals in the statement of activities.

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 Financial Statements

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 \$514,515 and \$128,045 for the years ended September 30, 2018 and 2017, 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 \$93,232 and \$103,037 for the years ended September 30, 2018 and 2017, respectively. The leases expire at various dates through February 2021. Minimum rental commitments on these leases are as follows:

Years ending September 30,

2019	\$	55,232
2020		14,155
2021		500
<hr/>		
Total	\$	69,887

10. Grants

The City of San Antonio (the City) provided support of \$347,000 for the years ended September 30, 2018 and 2017, 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 2018 and 2017. Pension plan expense was \$82,345 and \$62,943 for the years ended September 30, 2018 and 2017, respectively.

San Antonio Museum of Art

Notes to Financial Statements

12. Temporarily Restricted Net Assets

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

	2018	2017
Programs and exhibitions	\$ 3,753,111	\$ 3,181,407
Art acquisitions	5,728,345	5,172,585
Construction and Endowment:		
Lenora and Walter F. Brown Asian Art Wing	35,253	35,253
River Landing	190,996	180,596
Arden Grove Property	29,329	29,329
Physical Plant Relocation	-	372,543
Denman Galleries	816,048	788,785
Other galleries/buildings	3,762,534	4,098,324
General operating/endowed staff positions	4,575,122	4,100,786
Total Temporarily Restricted Net Assets	\$ 18,890,738	\$ 17,959,608

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:

	2018	2017
Art acquisitions	\$ 4,821,664	\$ 4,816,601
Building maintenance	9,769,696	9,769,696
Endowed staff positions	17,656,952	17,300,810
Programs and Education	1,692,505	1,692,505
Exhibitions	1,544,989	1,544,989
General museum support	4,516,359	4,504,961
Total Permanently Restricted Net Assets	\$ 40,002,165	\$ 39,629,562

San Antonio Museum of Art

Notes to Financial Statements

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.

	2018	2017
Purpose of Restrictions Satisfied:		
Programs and exhibitions	\$ 4,999,214	\$ 3,918,228
Art acquisitions	513,631	128,045
Construction, improvements and purchase of facilities	1,011,995	8,057,202
Permanently restricted assets released:		
General museum support **	-	245,000
Total Net Assets Released from Restriction	\$ 6,524,840	\$ 12,348,475

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

15. Functional Classification of Expenses

Museum expenses were incurred for:

	Programs				Total
	Museum Program Activities	Gift Shop	Management and General	Fund- raising	
2018					
Salaries and benefits	\$ 3,433,117	\$ 187,204	\$ 356,117	\$ 262,195	\$ 4,238,633
Contracted services	1,882,800	5,215	96,183	71,945	2,056,143
Supplies, consumables, and maintenance	294,895	10,257	3,313	564	309,029
Communications	91,130	1,549	13	50,623	143,315
Depreciation and amortization	1,579,067	96,671	141,238	153,305	1,970,281
Utilities	324,671	19,876	29,039	31,521	405,107
Exhibit rental and operating	147,065	763	34,091	26,825	208,744
Programmatic and auxiliary expenses	182,517	95	-	193,217	375,829
Travel and transportation	360,391	6,244	1,601	1,581	369,817
Other general and administrative	383,973	12,600	114,745	50,895	562,213
Gift shop cost of inventory sold	-	190,897	-	-	190,897
Total Expenses	\$ 8,679,626	\$ 531,371	\$ 776,340	\$ 842,671	\$10,830,008

San Antonio Museum of Art

Notes to Financial Statements

15. Functional Classification of Expenses (Continued)

2017	Programs			Fund-raising	Total
	Museum Program Activities	Gift Shop	Management and General		
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

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 2018 and 2017, the distribution percentage was 6.65%. 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, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 14,676,348	\$ 38,267,870	\$ 52,944,218
Board-designated endowment funds	-	-	-	-
Total Funds	\$ -	\$ 14,676,348	\$ 38,267,870	\$ 52,944,218

Changes in Endowment Net Assets for the Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ 13,550,354	\$ 37,981,873	\$ 51,532,227
Investment Return:				
Interest and dividends, net	-	600,419	-	600,419
Net gains (realized and unrealized)	-	3,285,523	-	3,285,523
Total Investment Return	-	3,885,942	-	3,885,942
Release of permanently restricted assets	-	-	-	-
Change in amortization of discount	-	-	-	-
Contributions	-	-	285,997	285,997
Receipt on pledge	-	-	-	-
Appropriations and transfers	-	(2,759,948)	-	(2,759,948)
Endowment Net Assets, End of Year	\$ -	\$ 14,676,348	\$ 38,267,870	\$ 52,944,218

San Antonio Museum of Art

Notes to Financial Statements

16. Endowment Funds (Continued)

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

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

17. Subsequent Events

Management has evaluated events subsequent to September 30, 2018 and through January 28, 2019, which is the date the financial statements were available to be issued.

Supplementary Information



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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

January 28, 2019



San Antonio
Museum
of Art

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

January 28, 2019

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 2018 agreement with the City of San Antonio.

The \$347,000 in funds you granted us for the use in 2018 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

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>	2018	2017
Cash Receipts		
City of San Antonio Grant	\$ 347,000	\$ 347,000
Cash Disbursements		
Salaries	(347,000)	(347,000)
Total Cash Disbursements	(347,000)	(347,000)
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, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted - Board Designated															
Net Assets, end of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets															
Investment income	38,540	39,668	15,165	96,165	11,150	50,951	28,578	24,017	10,197	23,118	29,795	1,878	13,283	708	383,213
Investment expenses	(8,909)	(9,170)	(3,506)	(22,230)	(2,578)	(11,758)	(6,606)	(5,552)	(2,357)	(5,344)	(6,887)	(434)	(3,071)	(162)	(88,564)
Investment gains	162,702	167,464	64,023	405,981	47,074	215,015	120,645	101,390	43,050	97,599	125,784	7,930	56,077	2,814	1,617,548
Transfers	-	-	-	-	-	(84,469)	-	-	-	-	-	-	-	-	(84,469)
Net assets, beginning 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
Net Assets Available for															
Distributions	532,412	432,208	435,290	1,264,771	300,148	293,381	490,177	547,122	232,001	451,891	714,033	29,543	452,278	4,279	6,179,534
Distributions	170,520	175,511	67,099	425,489	49,335	108,648	126,443	106,262	45,119	102,288	131,829	8,311	58,772	2,925	1,578,551
Temporarily Restricted															
Net Assets, end of year	361,892	256,697	368,191	839,282	250,813	184,733	363,734	440,860	186,882	349,603	582,204	21,232	393,506	1,354	4,600,983
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	10,417	10,417
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning 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
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	50,000	21,229,879
Total Assets, end of year	\$ 2,597,349	\$ 2,673,355	\$ 1,022,041	\$ 6,480,976	\$ 751,473	\$ 3,434,733	\$ 1,925,958	\$ 1,618,572	\$ 687,225	\$ 1,558,049	\$ 2,007,988	\$ 126,586	\$ 895,203	\$ 51,354	\$ 25,830,862

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2018

	John F. Carruthers Gallery Fund	Blackburn Gallery Endowment Fund	Cowden Gallery Endowment Fund	Denman Gallery 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 Endowment Fund	Whittington Gallery Fund	The J.Y. Golden Gallery Endowment Fund	Stevens Gallery 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	388	7,497	5,688	5,178	13,846	1,087	16,474	4,960	1,366	1,270	91	1,550	6,590	201	66,186
Investment expenses	(90)	(1,733)	(1,315)	(1,197)	(3,201)	(251)	(3,808)	(1,146)	(316)	(294)	(21)	(358)	(1,523)	(46)	(15,299)
Investment gains	1,635	31,648	24,014	21,861	58,451	4,591	69,549	20,938	5,766	5,363	381	6,544	27,821	847	279,409
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning 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
Net Assets Available for Distributions															
Distributions	7,834	188,216	158,303	121,707	251,108	28,061	183,147	111,822	35,919	31,155	(2,898)	11,320	73,296	540	1,199,530
Distributions	1,714	33,169	25,168	22,911	61,260	4,811	72,890	21,944	6,044	5,621	193	6,858	29,159	430	292,172
Temporarily Restricted Net Assets, end of year	6,120	155,047	133,135	98,796	189,848	23,250	110,257	89,878	29,875	25,534	(3,091)	4,462	44,137	110	907,358
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	100,000	400,000	13,485	3,553,175
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	\$ 26,101	\$ 505,227	\$ 383,349	\$ 348,976	\$ 933,109	\$ 73,286	\$ 1,110,256	\$ 334,252	\$ 92,055	\$ 85,613	\$ 6,115	\$ 104,462	\$ 444,137	\$ 13,595	\$ 4,460,533

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2018

	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	Dr. Marion Oettinger LAAC Curator	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	64,808	1,248	2,336	4,023	18,375	84	1,762	2,042	93	2,545	3,258	11,560	2,663	688	115,485
Investment expenses	(14,981)	(288)	(540)	(930)	(4,248)	(24)	(443)	(469)	(21)	(584)	(739)	(2,679)	(611)	(158)	(26,715)
Investment gains	273,601	5,269	9,860	16,987	77,574	438	4,451	8,541	387	10,644	13,487	50,095	11,141	2,876	485,351
Transfers	-	-	-	-	-	(8,061)	-	-	-	-	(20,850)	(71,676)	-	-	(100,587)
Net assets, beginning 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
Net Assets Available for															
Distributions	1,001,132	35,727	57,610	101,579	272,297	498	5,770	60,943	4,847	75,159	112,485	320,980	83,414	35,300	2,167,741
Distributions	286,747	5,522	10,334	17,803	81,302	169	4,700	-	-	-	-	-	-	-	406,577
Temporarily Restricted															
Net Assets, End of Year	714,385	30,205	47,276	83,776	190,995	329	1,070	60,943	4,847	75,159	112,485	320,980	83,414	35,300	1,761,164
Permanently Restricted Net Assets															
Contributions revenue	-	-	-	-	-	-	270,518	-	-	-	-	-	-	-	270,518
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning 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
Permanently Restricted															
Net Assets, End of Year	3,653,306	53,903	110,132	187,395	1,047,377	5,000	270,518	79,663	1,528	100,084	96,531	459,730	100,000	12,061	6,177,228
Total Assets, end of year	\$ 4,367,691	\$ 84,108	\$ 157,408	\$ 271,171	\$ 1,238,372	\$ 5,329	\$ 271,588	\$ 140,606	\$ 6,375	\$ 175,243	\$ 209,016	\$ 780,710	\$ 183,414	\$ 47,361	\$ 7,938,392

See independent auditor's report on supplementary information.

San Antonio Museum of Art

Schedule of Endowment Investments - Continued

Year ended September 30, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted - Board Designated																
Net Assets, End of Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted Net Assets																
Investment income	8,162	2,189	22,270	171	2,438	6,033	18,289	1,624	802	23,973	74,086	19,046	10,836	25,692	215,611	780,495
Investment expenses	(1,874)	(509)	(5,114)	(39)	(560)	(1,385)	(4,227)	(373)	(184)	(5,487)	(17,007)	(4,372)	(2,509)	(5,858)	(49,498)	(180,076)
Investment gains	34,139	9,477	93,414	713	10,195	25,307	77,865	6,794	3,352	99,324	309,887	79,665	46,333	106,750	903,215	3,285,523
Transfers	-	(10,754)	(13,092)	-	-	(3,634)	(54,192)	(3,528)	(1,534)	(103,807)	-	-	(40,000)	(67,051)	(297,592)	(482,648)
Net assets, beginning of year	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
Net Assets Available for																
Distributions	283,533	45,660	561,250	6,750	17,854	153,678	534,935	7,683	4,029	585,571	3,657,296	850,924	253,428	444,252	7,406,843	16,953,648
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporarily Restricted																
Net Assets, End of Year	283,533	45,660	561,250	6,750	17,854	153,678	534,935	7,683	4,029	585,571	3,657,296	850,924	253,428	444,252	7,406,843	14,676,348
Permanently Restricted Net Assets																
Contributions revenue	-	-	-	-	-	-	-	3,528	1,534	-	-	-	-	-	5,062	285,997
Releases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	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
Permanently Restricted																
Net Assets, End of Year	278,500	104,728	967,164	5,000	150,000	260,000	720,531	103,528	51,809	1,000,000	1,444,460	460,623	489,842	1,271,403	7,307,588	38,267,870
Total Assets, end of year	\$ 562,033	\$ 150,388	\$ 1,528,414	\$ 11,750	\$ 167,854	\$ 413,678	\$ 1,255,466	\$ 111,211	\$ 55,838	\$ 1,585,571	\$ 5,101,756	\$ 1,311,547	\$ 743,270	\$ 1,715,655	\$ 14,714,431	\$ 52,944,218

See independent auditor's report on supplementary information.