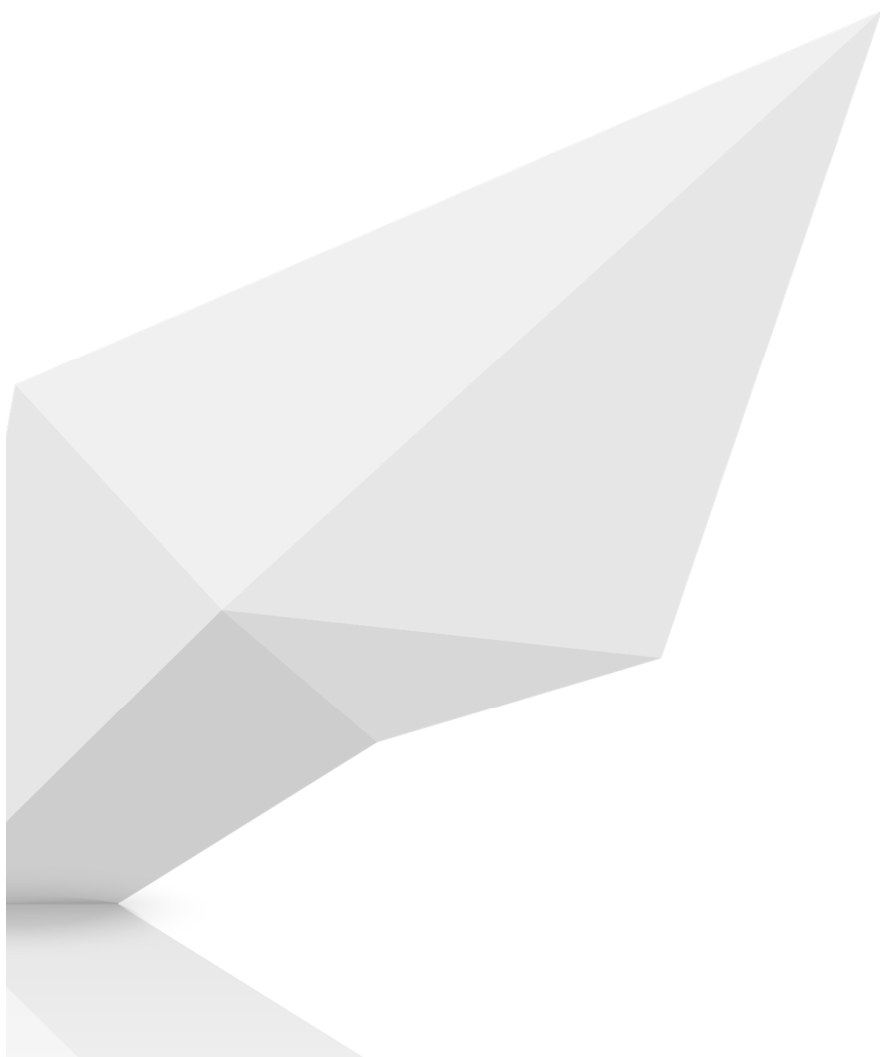


Milwaukee Art Museum, Inc. and Subsidiary

Consolidated Financial Statements and
Supplementary Information

Years Ended August 31, 2020 and 2019



WIPFLI

Independent Auditor's Report

Board of Trustees
Milwaukee Art Museum, Inc. and Subsidiary
Milwaukee, Wisconsin

Report on the *Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Milwaukee Art Museum, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of August 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidating 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Milwaukee Art Museum, Inc. and Subsidiary as of August 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information appearing on pages 35 through 42 is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP
Milwaukee, Wisconsin

December 22, 2020

Milwaukee Art Museum, Inc. and Subsidiary

Consolidated Statements of Financial Position

August 31, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and cash equivalents	\$ 3,213,914	\$ 3,524,387
Accounts receivable - Net	249,501	534,719
Current portion of pledges receivable	2,700,305	2,579,936
Current portion of other receivables	189,772	186,714
Investment income receivable	9,412	13,289
Inventories - Net	269,140	286,774
Prepaid expenses	482,291	546,675
Total current assets	7,114,335	7,672,494
Investments	60,357,823	57,841,022
Pledges receivable, less current portion	1,725,771	249,902
Other receivable - Net, less current portion	1,129,228	1,253,286
Beneficial interest in assets held in trust	388,898	349,168
Property and equipment - Net	95,956,318	98,555,845
Art Collection - See Note 1		
TOTAL ASSETS	\$ 166,672,373	\$ 165,921,717
Liabilities and Net Assets		
Current liabilities:		
Current maturities of debt	\$ 254,816	\$ 300,372
Accounts payable and accrued expenses	1,891,407	1,843,010
Deferred revenue	911,792	1,229,180
Total current liabilities	3,058,015	3,372,562
Long-term liabilities:		
Deferred lease expense	101,098	103,540
Long-term debt, less current maturities	2,020,640	2,224,337
Total long-term liabilities	2,121,738	2,327,877
Total liabilities	5,179,753	5,700,439
Net assets:		
Without donor restrictions:		
Board designated	7,970,272	6,508,538
Undesignated	96,481,627	98,968,925
Total without donor restrictions	104,451,899	105,477,463
With donor restrictions	57,040,721	54,743,815
Total net assets	161,492,620	160,221,278
TOTAL LIABILITIES AND NET ASSETS	\$ 166,672,373	\$ 165,921,717

See accompanying notes to consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary
Consolidated Statements of Activities
Year Ended August 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue:						
Contributions and membership	\$ 4,371,803	\$ 659,521	\$ 5,031,324	\$ 5,163,674	\$ 571,440	\$ 5,735,114
Grants and sponsorships	17,500	5,396,416	5,413,916	17,500	5,625,044	5,642,544
Milwaukee County	1,100,000	-	1,100,000	1,100,000	-	1,100,000
Admission, tour fees, and parking	2,469,180	-	2,469,180	4,016,919	-	4,016,919
Rental income	209,463	-	209,463	186,265	-	186,265
Education programs	41,273	-	41,273	47,852	-	47,852
Exhibition and curatorial income	72,803	-	72,803	120,171	-	120,171
Retail operations - Net of cost of sales	276,611	-	276,611	530,252	-	530,252
Food and beverage operations - Net of cost of sales	901,682	-	901,682	1,861,216	-	1,861,216
Facility rental income	522,148	-	522,148	541,253	-	541,253
Fundraising events and auxiliary activities	2,161	143,461	145,622	55,687	527,584	583,271
Other	83,123	3,880	87,003	18,525	(3,000)	15,525
Paycheck Protection Program Grant	1,619,700	-	1,619,700	-	-	-
Investment income - Net	373,205	3,496,567	3,869,772	207,725	1,380,354	1,588,079
Net assets released from restrictions and transfers	7,497,913	(7,497,913)	-	6,265,873	(6,265,873)	-
Net assets transferred between funds	-	-	-	373,000	(373,000)	-
Contributions restricted for endowment or building	56,418	73,080	129,498	1,143,029	2,887,864	4,030,893
Total operating support and revenue	19,614,983	2,275,012	21,889,995	21,648,941	4,350,413	25,999,354
Operating expenses:						
Program services	15,662,813	-	15,662,813	17,841,206	-	17,841,206
General and administrative	3,219,588	-	3,219,588	3,208,729	-	3,208,729
Financial development and volunteer services	1,572,274	-	1,572,274	2,034,048	-	2,034,048
Total operating expenses	20,454,675	-	20,454,675	23,083,983	-	23,083,983
Change in net assets from operating activities	(839,692)	2,275,012	1,435,320	(1,435,042)	4,350,413	2,915,371
Nonoperating revenue, expense, gains, and losses:						
Acquisition of art	(373,936)	-	(373,936)	(1,462,282)	-	(1,462,282)
Net assets released to fund acquisitions of art	368,365	(368,365)	-	1,462,282	(1,462,282)	-
Contributions restricted for acquisition of art	-	374,259	374,259	-	308,619	308,619
Other	(180,301)	16,000	(164,301)	181,279	10,000	191,279
Total nonoperating revenue, gains, and losses	(185,872)	21,894	(163,978)	181,279	(1,143,663)	(962,384)
CHANGE IN NET ASSETS	(1,025,564)	2,296,906	1,271,342	(1,253,763)	3,206,750	1,952,987
NET ASSETS AT BEGINNING OF YEAR	105,477,463	54,743,815	160,221,278	106,731,226	51,537,065	158,268,291
NET ASSETS AT END OF YEAR	\$ 104,451,899	\$ 57,040,721	\$ 161,492,620	\$ 105,477,463	\$ 54,743,815	\$ 160,221,278

See accompanying notes to consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended August 31, 2020

	Program						Supporting Services		
	Audience, Communication and Member			Business Operations	Building Services	Total	Financial Development and Volunteer		Total
	Education	Development	Curatorial				General and Administrative	Services	
Wages and salaries	\$ 601,464	\$ 1,176,367	\$ 1,535,459	\$ 1,058,017	\$ 1,651,899	\$ 6,023,206	\$ 1,380,790	\$ 783,461	\$ 8,187,457
Employee benefits	107,398	211,239	317,961	232,570	416,939	1,286,107	386,982	129,436	1,802,525
Professional services	23,349	66,387	3,841	11,935	3,411	108,923	362,746	143,010	614,679
Supplies	24,342	21,313	26,909	76,603	92,787	241,954	11,824	664	254,442
Staff, conferences, and training	3,974	3,125	36,128	2,020	4,416	49,663	50,119	441	100,223
Dues, memberships, publications, and subscriptions	686	13,879	26,989	175	-	41,729	38,510	5,205	85,444
Equipment rental, maintenance, and purchases	6,074	118,601	12,958	21,982	(39,484)	120,131	661,952	-	782,083
Building repairs, maintenance, and services	-	16,166	-	-	655,324	671,490	-	-	671,490
Depreciation	-	-	-	-	4,295,553	4,295,553	-	-	4,295,553
Insurance	-	-	82,163	-	-	82,163	201,583	-	283,746
Telephone and utilities	300	1,440	863	150	956,384	959,137	11,271	238	970,646
Advertising, marketing, and promotions	25,913	385,435	-	1,078	9,334	421,760	-	-	421,760
Postage, shipping, and mailhouse services	2,546	253	2,577	950	38	6,364	2,423	96,858	105,645
Printing	2,477	71,270	1,335	-	-	75,082	-	957	76,039
Education and public programs	128,530	-	-	-	-	128,530	-	-	128,530
Curatorial, conservation, and registrarial	-	6,418	266,291	-	-	272,709	-	-	272,709
Exhibitions	-	18,082	699,090	-	-	717,172	-	-	717,172
Facility rental	1,378	87,453	-	-	(46,525)	42,306	(3,960)	1,756	40,102
Special events - fundraising	-	28,955	-	-	-	28,955	-	302,500	331,455
Donor, member, and volunteer	4,706	212	-	1,150	-	6,068	4,169	18,343	28,580
Uncollected pledges	-	-	-	-	-	-	-	62,682	62,682
Bank and ticket fees	2,839	60,784	112	32,380	-	96,115	24,429	25,261	145,805
Other expense	1,710	(26,981)	9,126	3,841	-	(12,304)	86,750	1,462	75,908
Totals	\$ 937,686	\$ 2,260,398	\$ 3,021,802	\$ 1,442,851	\$ 8,000,076	\$ 15,662,813	\$ 3,219,588	\$ 1,572,274	\$ 20,454,675

See accompanying notes to consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended August 31, 2019

	Program						Supporting Services		
	Audience, Communication and Member			Business Operations	Building Services	Total	Financial Development and Volunteer		Total
	Education	Development	Curatorial				General and Administrative	Services	
Wages and salaries	\$ 615,508	\$ 1,346,473	\$ 1,568,692	\$ 1,288,844	\$ 1,634,524	\$ 6,454,041	\$ 1,437,377	\$ 708,699	\$ 8,600,117
Employee benefits	105,215	229,897	316,064	227,042	308,127	1,186,345	226,507	117,378	1,530,230
Professional services	13,133	104,975	2,147	27,093	45,532	192,880	279,497	200,605	672,982
Supplies	52,274	10,064	23,900	131,147	124,913	342,298	13,420	12,074	367,792
Staff, conferences, and training	10,628	11,291	55,327	2,894	6,162	86,302	56,949	6,938	150,189
Dues, memberships, publications, and subscriptions	1,039	9,416	38,260	585	-	49,300	30,172	1,224	80,696
Equipment rental, maintenance, and purchases	580	166,829	20,962	13,352	10,045	211,768	639,071	-	850,839
Building repairs, maintenance, and services	-	-	-	-	1,039,022	1,039,022	-	-	1,039,022
Depreciation	-	-	-	44,006	4,002,173	4,046,179	135,176	-	4,181,355
Insurance	-	-	89,528	-	-	89,528	216,318	-	305,846
Telephone and utilities	301	1,520	1,075	153	1,021,690	1,024,739	9,131	400	1,034,270
Advertising, marketing, and promotions	99,875	647,358	-	636	-	747,869	-	-	747,869
Postage, shipping, and mailhouse services	3,066	1,643	4,473	(2,642)	83	6,623	21,832	112,511	140,966
Printing	5,291	124,433	1,458	-	-	131,182	-	265	131,447
Education and public programs	208,670	-	-	-	-	208,670	-	-	208,670
Curatorial, conservation, and registrarial	-	9,510	395,268	-	-	404,778	-	-	404,778
Exhibitions	-	108,524	1,325,567	-	-	1,434,091	-	-	1,434,091
Facility rental	1,248	51,539	-	-	(71,795)	(19,008)	(7,160)	15,134	(11,034)
Special events - fundraising	-	-	-	-	-	-	-	758,225	758,225
Donor, member, and volunteer	16,120	2,644	-	960	-	19,724	13,412	49,470	82,606
Uncollected pledges	-	-	-	-	-	-	-	16,531	16,531
Bank and ticket fees	2,347	87,197	92	55,460	-	145,096	27,160	30,935	203,191
Other expense	1,809	12,668	22,912	2,390	-	39,779	109,867	3,659	153,306
Totals	\$ 1,137,104	\$ 2,925,980	\$ 3,865,725	\$ 1,791,920	\$ 8,120,476	17,841,206	\$ 3,208,729	\$ 2,034,048.00	\$ 23,083,983

See accompanying notes to consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary

Consolidated Statements of Cash Flows

Years Ended August 31, 2020 and 2019

	2020	2019
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 1,271,342	\$ 1,952,987
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Provision for (recovery of) inventory obsolescence	26,336	(120,545)
Provision for (recovery of) uncollectable pledges receivable	(10,000)	(18,500)
Provision for (recovery of) accounts receivable doubtful accounts	25,000	-
Discount on pledges receivable	54,500	194,400
Depreciation and amortization	4,295,553	4,181,355
Contributions restricted for long-term investments, and capital expenditures	(129,498)	(4,030,893)
Contributions restricted for acquisitions of art	(374,259)	(308,619)
Net realized gains on sale of investments	(643,321)	(1,166,661)
Net change in unrealized gains and losses on investments	(3,146,806)	(300,610)
Change in beneficial interest in assets held in trust	(39,730)	11,903
Changes in assets and liabilities:		
Accounts receivable	260,218	9,633
Pledges receivable	(1,640,737)	(315,402)
Other receivables	121,000	98,872
Investment income receivable	3,877	932
Inventories	(8,702)	165,954
Prepaid expenses	64,384	98,575
Accounts payable and accrued expenses	48,397	319,361
Deferred lease expense	(2,442)	1,568
Deferred revenue	(317,388)	146,100
Net cash (used in) provided by operating activities	(142,276)	920,410
Cash flows from investing activities:		
Purchases of investments	(7,750,900)	(22,130,698)
Proceeds from sale of investments	9,024,226	18,821,400
Purchases of property and equipment	(1,696,026)	(1,863,175)
Net cash used in investing activities	(422,700)	(5,172,473)
Cash flows from financing activities:		
Receipts on debt financing	-	1,610,369
Payments on debt financing	(249,254)	(859,240)
Contributions received restricted for acquisition of art	374,259	308,619
Contributions received restricted for long-term investments and capital expenditures	129,498	4,030,893
Net cash provided by financing activities	254,503	5,090,641
(Decrease) increase in cash and cash equivalents	(310,473)	838,578
Cash and cash equivalents at beginning of year	3,524,387	2,685,809
Cash and cash equivalents at end of year	\$ 3,213,914	\$ 3,524,387

See accompanying notes to consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Milwaukee Art Museum, Inc. (the "Art Museum") is a not-for-profit corporation and premier art museum with collections and exhibitions of internationally recognized excellence. Through its partnerships with volunteers, corporations, educational institutions, and art organizations, the Art Museum is committed to advancing the appreciation and understanding of the visual arts through collection, preservation, display, research, publication, education, and interpretation.

Museum Center Park, Inc. (MCP) was formed in 2017 and is a not-for-profit corporation organized to accept, acquire, operate, and manage property in furtherance of the purposes of the Art Museum. The Art Museum is the sole corporate member of MCP.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Art Museum and MCP (collectively, the "Organization"). The entities are consolidated since the Art Museum is the sole corporate member of MCP and appoints its directors. All significant inter-organizational transactions have been eliminated in consolidation.

Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

The Organization maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated net assets for an operating reserve, deaccessioning fund, and Board-designated endowment.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Art Collection

The Art Museum's collection comprises more than 32,000 works of art that are held for public exhibition, education, or research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items.

The value of the art objects in the permanent collection is excluded from the accompanying consolidated statements of financial position. An addition of a work of art to the permanent collection is made either by donation from a benefactor or through a purchase from Art Museum acquisition funds. The Art Museum's funds for acquisitions may be classified as with donor restrictions, which are perpetual in nature, for which only the income earned on the principal balance may be used for acquisitions; or with donor restrictions for which both the principal and earned income may be used for acquisitions; or without restrictions, representing funds designated by the board to be used for acquisitions. Proceeds from deaccessions of collection items are reflected as increases in the appropriate net asset class.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents, excluding amounts classified as investments.

Accounts Receivable

Accounts receivable are generally uncollateralized client obligations due upon receipt. Payments of accounts receivable are allocated to the specific invoices identified on the client's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Management individually reviews all past due accounts receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of accounts receivable have been reduced by allowances of \$6,000 and \$34,000 that reflect management's estimates of uncollectable accounts at August 31, 2020 and 2019, respectively.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges are recorded as receivables in the year pledged. Promises to give whose eventual uses are restricted by donors are recorded as increases in net assets with donor restrictions. Promises to give without donor restrictions to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received.

Pledges receivable are reported in the consolidated statements of financial position net of unamortized discounts and an allowance for uncollectable promises to give. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate that approximates the rate of government securities applicable to the years in which payments are to be received. As of August 31, 2020, the discount rates ranged between 0.12% and 0.28%. As of August 31, 2019, the discount rates ranged between 1.39% and 1.76%. Amortization of the discount is recorded as a change to contributions and membership revenue in the accompanying consolidated statements of activities. An allowance for uncollectable accounts is determined by management based on past collection history.

Pledges receivable consist primarily of promises for the annual campaign, the facility expansion project, and exhibition and education programs.

Other Receivables

Other receivables relate to a settlement with Milwaukee County (the "County") related to building improvements that were previously paid by the Art Museum. This settlement is to be received in annual installments of \$190,000 through 2027 from the County. Other receivables are reported in the consolidated statements of financial position net of unamortized discounts and an allowance for uncollectable accounts. Other receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate that approximates the rate of government securities applicable to the years in which payments are to be received. As of August 31, 2020, the discount rates ranged between 0.12% and 0.28%. As of August 31, 2019, the discount rates ranged between 1.39% and 1.76%. Amortization of the discount is recorded as a change to operating support and revenue in the accompanying consolidated statements of activities. No allowance for uncollectable accounts is deemed necessary as management believes the amount is fully collectible.

Inventories

Inventories consist of retail items, publications, and food and beverage items and are valued at the lower of cost, determined using the average cost method, or net realizable value.

Prepaid Expenses

Prepaid expenses primarily include insurance and technology expenditures for monthly and annual contracts. The costs are expensed in the period the coverage occurs.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments are carried at fair value in the accompanying consolidated statements of financial position. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated based on specific identification of the securities sold. Investments received as gifts are stated at the fair value at the date of donation. Investment management and custodian fees are recorded as a reduction of investment income for financial reporting purposes.

Interest and dividend income and realized and unrealized gains or losses are reported as increases in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income or as increases in net assets without donor restrictions in all other cases.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Property and equipment are recorded at cost on the date of acquisition or fair value at the date of donation if received as a contribution. Depreciation is provided on the straight-line basis over the estimated useful lives as follows:

	Useful Lives
Building	30 to 50 years
Building improvements	10 to 50 years
Land improvements	10 to 25 years
Leasehold improvements	10 to 15 years
Furniture and equipment	3 to 10 years

The Organization periodically assesses the recoverability of long-lived assets (including property and equipment) when indications of potential impairment, based on estimated, undiscounted future cash flows, exist. Management considers such factors as current results, trends, and future prospects, in addition to other economic factors, in determining whether there is an impairment of the asset. The Organization determined that no evaluations of recoverability were necessary during the years ended August 31, 2020 and 2019.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenue consists of funds received in advance for facility rentals, memberships, and other services that are to be performed at a future date. Revenues are recognized in the period in which the services are performed.

Deferred Lease Expense

The Organization recognizes rent expense on a straight-line basis over the noncancelable lease term for a lease agreement that provides free-rent occupancy periods or has known escalation clauses that increase rent annually.

Contributed Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Donated services are recognized as contributions, at the donor's estimated fair value, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. No donated services were recorded for the years ended August 31 2020 and 2019.

Admissions and Memberships

Admission revenue is recorded when received. Membership revenue is recorded when received unless related to future annual membership periods, in which case the revenue is deferred until earned.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs charged to expense during the years ended August 31, 2020 and 2019, were \$421,760 and \$747,869, respectively.

Purchases and Sales of Art

All revenue and expenses associated with the purchases and sales of art objects, including restricted giving and the release and use of donor restricted funds for such purposes, are considered nonoperating revenues and expenses.

Income Taxes

The Art Museum and MCP are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Art Museum and MCP are also exempt from state income taxes on related income.

As of August 31, 2019, the Art Museum had a net operating loss carryforward sufficient to cover the net gain recorded, therefore no income tax provision was recorded. As of August 31, 2020, management has elected not to record a provision for income tax or deferred tax asset related to net operation loss carry forwards as management believes the amount is not significant to the overall financial statements.

MCP does pay property taxes on certain property. Property taxes were \$152,535 and \$65,883 for the years ended August 31, 2020 and 2019, respectively.

Subsequent Events

Subsequent events have been evaluated through December 22, 2020, which is the date the consolidated financial statements were available to be issued.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs have been charged directly to functions when appropriate. Cost related to employees working in multiple functional categories have been allocated based on estimated time and effort. Occupancy costs have been allocated based on square footage.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958) - *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. The contribution guidance requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization adopted this ASU in 2020. Adoption of this standard did not have a material impact on the Organization.

New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for the Organization in 2021. The Organization is currently evaluating the impact of the provisions of ASU No. 2014-09.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for the Organization in 2023, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Art Museum is currently evaluating the impact of the provisions of ASU No. 2016-02.

Risks and Uncertainties

In March 2020, the World Health Organization characterized the coronavirus disease (COVID-19) as a global pandemic. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of August 31, 2020, management believes that a material impact on the organization's financial position and results of future operations is reasonably possible.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 2: Pledges Receivable

Pledges receivable are summarized as follows as of August 31:

	2020	2019
Less than one year	\$ 2,700,305	\$ 2,579,936
One to five years	1,792,368	361,000
<hr/>		
Gross pledges receivable	4,492,673	2,940,936
Less:		
Unamortized discount	(16,597)	(71,098)
Allowance for uncollectable accounts	(50,000)	(40,000)
<hr/>		
Pledges receivable - Net	4,426,076	2,829,838
Less - Current portion	(2,700,305)	(2,579,936)
<hr/>		
Pledges receivable, less current portion	\$ 1,725,771	\$ 249,902

Note 3: Other Receivables

Other receivables are summarized as follows as of August 31:

	2020	2019
Less than one year	\$ 190,000	\$ 190,000
One to five years	760,000	760,000
Six to nine years	380,000	570,000
<hr/>		
Gross receivable	1,330,000	1,520,000
Less:		
Unamortized discount	(11,000)	(80,000)
<hr/>		
Other receivables - Net	1,319,228	1,443,286
Less - Current portion	(190,000)	(190,000)
<hr/>		
Other receivables, less current portion	\$ 1,129,228	\$ 1,253,286

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 4: Inventories

Inventories consist of the following as of August 31:

	2020	2019
Store inventory	\$ 234,395	\$ 218,796
Publications inventory	22,706	19,884
Cafe inventory	58,233	67,952
Reserve for obsolescence	(46,194)	(19,858)
Inventories - Net	\$ 269,140	\$ 286,774

Note 5: Investments

Investments consist of the following at August 31:

	2020	2019
Money market funds	\$ 7,048,114	\$ 7,821,635
Equities	10,167,830	9,498,111
Fixed income mutual funds	9,067,643	9,440,720
Equity mutual funds	20,185,459	17,761,991
Alternative investments	13,888,777	13,318,565
Total investments	\$ 60,357,823	\$ 57,841,022

Investment income was as follows for the years ended August 31:

	2020	2019
Interest and dividend income, net of trustee and management fees	\$ 79,645	\$ 120,808
Net realized gains on sale of investments	643,321	1,166,661
Net change in unrealized gains and losses on investments	3,146,806	300,610
Total investment income	\$ 3,869,772	\$ 1,588,079

Investment trustee and management fees of \$142,920 and \$152,382 were paid by the Art Museum for the years ended August 31, 2020 and 2019, respectively.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 6: Beneficial Interest in Assets Held in Trust

The Art Museum is the income beneficiary of certain funds maintained by the Greater Milwaukee Foundation, a community support foundation. The Milwaukee Art Museum Endowment Fund (the "Endowment Fund") is a component fund of the Greater Milwaukee Foundation. The assets of the Endowment Fund were from donations without donor restrictions by third-party donors to the Art Museum and then transferred by the Art Museum to the Greater Milwaukee Foundation, with the Art Museum named as beneficiary. Periodic distributions of income are made to the Art Museum. Under GAAP, the fair value of the Endowment Fund of \$388,898 and \$349,168 as of August 31, 2020 and 2019, respectively, is recorded as a beneficial interest in assets held in trust in the accompanying consolidated statements of financial position. The Art Museum received income distributions of \$9,678 and \$15,008 from this fund during 2020 and 2019, respectively.

The Art Museum is also the income beneficiary of 12 other designated funds of the Greater Milwaukee Foundation. Because these funds have been established at the Greater Milwaukee Foundation by third-party donors (not established by the Art Museum) and due to the Greater Milwaukee Foundation's explicit variance power over the use of these funds, the Art Museum has not recorded any beneficial interest in these assets, nor does the Art Museum record an asset for any potential future distributions from these funds. The designated funds had a fair value of \$7,754,178 and \$7,261,952 at August 31, 2020 and 2019, respectively. The Art Museum received income distributions of \$269,147 and \$260,407 during 2020 and 2019, respectively, from these designated funds.

Note 7: Property and Equipment

Property and equipment consisted of the following as of August 31:

	2020	2019
Building	\$ 134,892,746	\$ 134,923,052
Building improvements	3,331,831	2,137,456
Land improvements	11,490,898	11,490,898
Leasehold improvements	642,193	642,193
Furniture and equipment	6,860,848	6,426,793
Construction in progress	227,930	217,640
Total property and equipment	157,446,446	155,838,032
Less - Accumulated depreciation	(61,490,128)	(57,282,187)
Property and equipment - Net	\$ 95,956,318	\$ 98,555,845

Construction in progress at August 31, 2020 and 2019, primarily consists of renovations and property acquisition costs.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 8: Debt

Operating Line of Credit

The Art Museum has a bank line of credit agreement with an available credit balance of \$3,000,000 as of August 31, 2020 and 2019. The line of credit bears interest at the London Interbank Offered Rate (LIBOR) plus 100 basis points and is collateralized by certain contributions receivable and investments. The agreement contains covenants that restrict the Art Museum with regard to additional debt, disposition of assets, and use of endowment funds and requires the maintenance of certain financial and reporting covenants. The line of credit agreement expires April 30, 2021. There were no borrowings under the line of credit at August 31, 2020 and 2019.

Construction Lines of Credit

In January 2018, MCP entered into a \$2,260,000 construction line of credit agreement in order to fund structural repairs and related improvements to MCP property. The amount outstanding at August 31, 2020 and 2019, was \$1,237,480 and \$1,326,436, respectively. The construction line of credit requires monthly payments of \$14,685 maturing on January 31, 2025, at which time any outstanding balance on the line is due. The line bears interest at 4.41%. Under the terms of the agreement, MCP is required to maintain a specific financial covenant. The line of credit is collateralized by Unit 2 of the Lakefront Pavilion Condominium and the airspace easement owned by Museum Center Park.

In December 2018, MCP entered into a \$836,150 construction note agreement in order to fund structural and repairs and related improvements to MCP. The amount outstanding at August 31, 2020 and 2019, was \$781,840 and \$836,150, respectively. The construction note requires monthly payments of \$7,998 and matures on January 31, 2025 at which time any outstanding balance on the note is due. The note bears an interest rate of 2.81%. Under the terms of the agreement, MCP is required to maintain a specific financial covenant. The line of credit is collateralized by Unit 2 of the Lakefront Pavilion Condominium and the airspace easement owned by Museum Center Park.

Notes Payable

In February 2019, MCP entered into a note with its parking management vendor to fund equipment. The note was in the amount of \$360,612 at inception. The amount outstanding at August 31, 2020 and 2019, was \$217,870 and \$308,023, respectively. The note requires monthly payments of \$7,513 for 48 months maturing in January of 2023. The note is non-interest-bearing. The note is secured by the parking garage.

In February 2019, the Art Museum entered into a note with its parking management vendor to fund equipment. The note was in the amount of \$63,337 at inception. The amount outstanding at August 31, 2020 and 2019, was \$38,266 and \$54,100, respectively. The note requires monthly payments of \$1,320 for 48 months maturing in January of 2023. The note is non-interest-bearing. The note is secured by the parking garage.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 8: Debt (Continued)

Future Minimum Payments

Future minimum payments of principal on the debt are as follows as of August 31, 2020:

	Museum Center Park
2021	\$ 254,816
2022	311,146
2023	257,286
2024	221,412
2025	230,036
Thereafter	1,000,760
Total debt	2,275,456
Less - Current maturities	(254,816)
Long-term debt, less current maturities	\$ 2,020,640

Interest

Interest expense during the years ended August 31, 2020 and 2019, totaled \$79,666 and \$79,145, respectively.

Note 9: Concentrations

The Organization maintains depository relationships with area financial institutions, including banks, which are Federal Deposit Insurance Corporation (FDIC) insured institutions. At times, deposits may exceed FDIC insurance limits. The Organization has not experienced any losses with these accounts. Management believes the Organization is not exposed to any significant credit risk on cash.

At August 31, 2020, pledges from two donors totaled 50% of total pledges receivable. At August 31, 2019, pledges from two donors totaled 47% of total pledges receivable.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 10: Board-Designated Net Assets

Certain net assets without donor restrictions are designated for specific purposes by the Board of Trustees as endowments or restricted by various internal operating and administrative arrangements of the Art Museum. A summary of Board-designated net assets is as follows as of August 31:

	2020	2019
Board-designated endowment	\$ 5,053,409	\$ 4,444,714
Deaccessioning fund	123,172	124,054
Board-designated reserve	2,793,691	1,939,770
Total Board-designated net assets	\$ 7,970,272	\$ 6,508,538

The deaccessioning fund consists of amounts resulting from the sale of art from the collection which are to be spent on acquisition of artwork.

Note 11: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted as of August 31:

	2020	2019
Subject to appropriation or expenditure for a specified purpose:		
Facility expansion project	\$ 481,320	\$ -
Acquisition of art	7,694,703	6,991,671
Exhibitions	2,307,532	2,578,583
Education	2,161,589	1,945,797
Collection - Care and maintenance	497,635	489,315
Auxiliary activities	1,634,677	1,391,299
Program services	25,050	142,043
Operations	7,453,416	6,588,907
Total subject to appropriation or expenditure for a specific purpose	22,255,922	20,127,615
Endowments:		
Subject to endowment spending policy and appropriation:		
Operations	17,002,710	16,925,201
Education	2,863,871	2,842,704
Curatorial	12,365,191	12,291,052
Acquisitions	2,553,027	2,548,027
Other	-	9,216
Total endowments	34,784,799	34,616,200
Total net assets with donor restrictions	\$ 57,040,721	\$ 54,743,815

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 11: Net Assets with Donor Restriction (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended August 31:

	2020	2019
Education	\$ 1,068,459	\$ 1,176,552
Audience, communication, and member development	306,925	315,107
Presentation and curatorial	2,358,332	2,757,193
General, administrative and development	1,553,637	1,116,358
Renovations	1,951,089	721,107
Financial development and volunteer services	259,471	179,556
Endowments - Acquisition of art	368,365	1,462,282
Total net assets released from donor restrictions	\$ 7,866,278	\$ 7,728,155

Note 12: Endowments

The Art Museum's endowments consist of various funds established to benefit the Art Museum for a variety of purposes. The Art Museum's endowments include both donor-restricted endowments and funds designated by the Board of Trustees to function as an endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor-Restricted Endowments

The Art Museum has received various endowment gifts for which the donors have stipulated that the gift amount be invested and maintained in perpetuity to generate annual income that benefits the Art Museum for a variety of purposes.

The Board of Trustees of the Art Museum has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin state legislature, as requiring the Art Museum to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Art Museum classifies net assets with donor restrictions to be held in perpetuity (a) the original value of the donor's gifts to the endowment, (b) the original value of a donor's subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be held in perpetuity are classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Art Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

In accordance with UPMIFA, the Art Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the various funds, (b) the purposes of the donor-restricted endowment funds, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Art Museum, and (g) the Art Museum's investment policies.

Board-Designated Endowment

The Board of Trustees has set aside certain net assets for endowment purposes. Since these amounts are not restricted by the donor but are restricted only by board policy, the amounts have been classified as net assets without donor restrictions. The Board of Trustees may designate additional amounts from time to time to be added to the endowment fund.

Investment Return Objectives, Risk Parameters, and Strategies

The Art Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to preserve the fair value of the endowment assets. Under the Art Museum's investment policy, as approved by the Board of Trustees, the endowment assets are invested in a manner to produce a rate of return which will permit maximum support for the general operating fund to protect principal, grow the aggregate portfolio value in excess of the rate of inflation and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and ensure that any risk assumed is commensurate with the given investment vehicle and the Art Museum's objectives. The endowment funds are reviewed quarterly by the Art Museum Investment committee, which reports to the Art Museum Finance committee. Changes to the Art Museum investment policy are recommended by the Investment Committee, approved by the Finance Committee and by the Board of Trustees.

To achieve its investment goals, the Art Museum targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. The Art Museum's asset allocations include a blend of equity and debt securities, alternative investments, and cash equivalents.

Distributions

The annual distribution policy the Board of Trustees has set will allow distributions to be made available to operations of 5% of a trailing 12 quarter average market value of the with donor restrictions and board designated endowment investments available in quarterly installments. The Board of Trustees' approved investment policy states that the original principal balance of donor designated contributions to the endowment fund shall not be invaded or borrowed from for any reason.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

Changes in Endowment Net Assets

Changes in the endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Perpetual in Nature	
Endowment net assets at August 31, 2018	\$ 1,687,134	\$ 13,109,889	\$ 31,608,098	\$ 46,405,121
Contributions	2,683,571	6,235	2,880,349	5,570,155
Investment return:				
Interest and dividends	64,329	837,607	-	901,936
Net appreciation	97,545	441,003	-	538,548
Total investment return	161,874	1,278,610	-	1,440,484
Appropriations - Acquisition of art	-	(1,076,332)	-	(1,076,332)
Investment return appropriated for expenditures	(87,865)	(1,815,121)	-	(1,902,986)
Designated transfers - Other	-	(127,753)	127,753	-
Endowment net assets at August 31, 2019	4,444,714	11,375,528	34,616,200	50,436,442
Contributions	396,418	-	72,000	468,418
Investment return:				
Interest and dividends	83,872	816,189	-	900,061
Net appreciation	264,791	2,601,444	-	2,866,235
Total investment return	348,663	3,417,633	-	3,766,296
Appropriations - Acquisition of art	-	(38,083)	-	(38,083)
Investment return appropriated for expenditures	(136,386)	(1,630,108)	-	(1,766,494)
Designated transfers - Other	-	(96,599)	96,599	-
Endowment net assets at August 31, 2020	\$ 5,053,409	\$ 13,028,371	\$ 34,784,799	\$ 52,866,579

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

Endowment Net Assets

Endowment net assets consisted of the following:

<i>As of August 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Subject to Appropriation	Perpetual in Nature	
Donor-designated endowment funds	\$ -	\$ 13,028,371	\$ 34,784,799	\$ 47,813,170
Board-designated and other endowment funds	5,053,409	-	-	5,053,409
Totals	\$ 5,053,409	\$ 13,028,371	\$ 34,784,799	\$ 52,866,579

<i>As of August 31, 2019</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Subject to Appropriation	Perpetual in Nature	
Donor-designated endowment funds	\$ -	\$ 11,375,528	\$ 34,616,200	\$ 45,991,728
Board-designated and other endowment funds	4,444,714	-	-	4,444,714
Totals	\$ 4,444,714	\$ 11,375,528	\$ 34,616,200	\$ 50,436,442

Note 13: Unemployment Compensation

The Organization has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment compensation claims are paid to the state of Wisconsin as incurred. The Organization has obtained a letter of credit of \$139,606 to meet state funding requirements. There were no borrowings against this letter of credit at August 31, 2020 and 2019. The letter of credit expires in December 2024.

Note 14: Leases

The Organization leases office equipment, office space, and storage space under operating leases, which expire through September 2027. Rent expense for the years ended August 31, 2020 and 2019, totaled \$504,423 and \$536,659, respectively.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 14: Leases (Continued)

Future minimum payments under noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following for the years ended August 31:

2021	\$	510,556
2022		518,829
2023		527,208
2024		501,207
2025		492,563
Thereafter		807,926
<hr/>		
Total	\$	3,358,289

MCP has entered into operating leases as the lessor of building space. The leases expire at varying times through March of 2028. The leases contain options for renewal periods and early termination options. The leases contain terms to collect from the tenants additional rents based on certain expenses and increases in these expenses as defined in the lease agreements. Future minimum receipts under the base lease arrangements, not including additional rents or increases in expenses which may be collected in future periods, are as follows for the fiscal years ending August 31:

2021	\$	218,597
2022		228,601
2023		118,601
2024		61,933
2025		61,933
Thereafter		51,611
<hr/>		
Total	\$	741,276

Note 15: Operator Agreement

MCP has entered into an operating agreement for management and operation of its parking garage. As part of the agreement the operator will receive a management fee based on the amount of revenue collected. As part of agreement, MCP is guaranteed a minimum amount of revenue in the amount of \$1,885,000, with revenue over this amount being allocated between MCP and the operator based on the terms of the operating agreement. Due to COVID, there was an amendment that adjusted the minimum amount of revenue guaranteed from March 2020 through August 2020. The minimum amount of revenue in 2020 was \$1,414,500. As COVID continues, the operating agreement will be amended again for fiscal year 2021 which will change the guaranteed payment to a shared revenue calculation. The operating agreement's initial term ends in March of 2023 with a five year renewal option unless the operator terminates, thereafter the agreement will renew for twelve month terms unless either party terminates the agreement.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 16: Milwaukee County Support

Under an agreement with the County, the Art Museum is to receive from the County \$1,100,000 per year in support through 2023 and \$500,000 per year for 2024 through 2033. The agreement is considered contingent upon future events and, therefore, the future payments are not recorded as a receivable or contributions in the accompanying consolidated financial statements. The payments will be recorded as contributions when received. The Organization received \$1,100,000 in both 2020 and 2019 relating to this agreement.

Note 17: Employee Benefit Plans

The Art Museum maintains an employee retirement plan qualified under Section 403(b) of the Code. The plan covers all Art Museum employees on their date of hire. The Art Museum matches employee contributions of 1% to 7% of gross salaries for qualified employees who have completed a minimum of one year of continuous employment of 1,000 hours or more. The match for the years ending August 31, 2020 and 2019, was 3% and 2%, respectively. Employees may make contributions to the plan up to the maximum amount allowed by the Code. The Art Museum's expenses related to this plan were \$133,383 and \$90,822 for the years ended August 31, 2020 and 2019, respectively.

The Art Museum also contributes to a pension plan for eligible security staff as specified by an agreement between the Art Museum and District #10 International Association of Machinists and Aerospace Workers, the labor union representing the security staff. The security staff represents approximately 16% of Art Museum employees. The current agreement is in effect until August 31, 2023. Expenses related to this plan for contributions on behalf of eligible union employees were \$64,947 and \$60,311 for the years ended August 31, 2020 and 2019, respectively.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 18: Fair Value Measurements

Information regarding assets measured at fair value on a recurring basis is as follows:

<i>As of August 31, 2020</i>	<u>Fair Value Measurements Using</u>			<u>Total Assets</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>at Fair Value</u>
Investments:				
Cash and cash equivalents:				
Money market funds	\$ -	\$ 7,048,114	\$ -	\$ 7,048,114
Equities:				
Domestic	7,573,332	-	-	7,573,332
Foreign	2,260,220	-	-	2,260,220
Privately held stock	-	-	334,278	334,278
Fixed income mutual funds	9,067,643	-	-	9,067,643
Equity mutual funds	20,185,459	-	-	20,185,459
Alternative investments measured using NAV practical expedient: *				
Defensive equity fund				3,864,969
Private real estate investment trust				2,653,621
Collective trust fund				3,833,650
Emerging markets debt				1,749,854
High yield bond fund				1,786,683
Total investments	39,086,654	7,048,114	334,278	60,357,823
Pledges and other receivables	-	5,745,076	-	5,745,076
Beneficial interest in assets held in trust	-	388,898	-	388,898
Totals	\$ 39,086,654	\$ 13,182,088	\$ 334,278	\$ 66,491,797

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 18: Fair Value Measurements (Continued)

<i>As of August 31, 2019</i>	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Investments:				
Cash and cash equivalents:				
Money market funds	\$ -	\$ 7,821,635	\$ -	\$ 7,821,635
Equities:				
Domestic	7,037,714	-	-	7,037,714
Foreign	2,126,119	-	-	2,126,119
Privately held stock	-	-	334,278	334,278
Fixed income mutual funds	9,440,720	-	-	9,440,720
Equity mutual funds	17,761,991	-	-	17,761,991
Alternative investments measured using NAV practical expedient: *				
Defensive equity fund				3,702,271
Private real estate investment trust				2,560,762
Collective trust fund				3,645,846
Emerging markets debt				1,708,103
High yield bond fund				1,701,583
Total investments	36,366,544	7,821,635	334,278	57,841,022
Pledges and other receivables	-	4,269,838	-	4,269,838
Beneficial interest in assets held in trust	-	349,168	-	349,168
Totals	\$ 36,366,544	\$ 12,440,641	\$ 334,278	\$ 62,460,028

*In accordance with FASB ASC 820-10, certain investments that are measured at fair value using net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 18: Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured using \$1 as the NAV.
- Equities, except for privately held stock, are valued at quoted market prices.
- Privately held stock is valued using a discounted cash flow method.
- Fixed income and equity mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held are open-ended mutual funds that are registered with the U.S. Security and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held are deemed to be actively traded.
- Alternative investments are valued based on the NAV of the underlying investments of the funds.
- Pledges and other receivables are valued at the present value of estimated future cash flows.
- Beneficial interest in assets held in charitable trusts are recorded net of a discount based upon the applicable Internal Revenue Code Section 7520 rate over the anticipated life expectancies of the donors. Beneficial interest in funds maintained by the Greater Milwaukee Foundation are valued based on the market value of the underlying assets, consisting mainly of equity and fixed income securities which are valued based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 18: Fair Value Measurements (Continued)

The following table presents additional information about the Organization's investments whose fair value is estimated using the reported NAV:

<i>As of August 31,</i>	2020	2019	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Defensive equity fund:					
Parametric Defensive Equity ^(A)	\$ 3,864,969	\$ 3,702,271	Monthly	5 days	\$ -
Private real estate investment trust:					
Barings Core Property Fund ^(B)	\$ 2,653,621	\$ 2,560,762	Quarterly	30 days	\$ -
Collective trust fund:					
Wellington Trust Company N.A. ^(C)	\$ 3,833,650	\$ 3,645,846	Monthly	Notice on calendar day of prior month	\$ -
Emerging markets debt:					
Logan Circle Partners ^(D)	\$ 1,749,854	\$ 1,708,103	Monthly	10 days	\$ -
High yield bond fund:					
Primus High Yield Bond Fund ^(E)	\$ 1,786,683	\$ 1,701,583	Monthly	10 days	\$ -

(A) The fund attempts to generate similar returns to the S&P 500 over a full market cycle with lower risk. The fund consists of S&P 500 securities and treasury bills. In addition, the fund sells fully collateralized call and put options on the S&P 500 to generate outgoing income. The fund seeks to structurally reduce equity market risk while adding a relatively uncorrelated risk premium to enhance returns. The fund seeks to reduce the magnitude of drawdowns and recover faster from stress events.

(B) The fund is a U.S. open-end diversified core fund that focuses on the four traditional property types and hotels. The fund is managed with an emphasis on research, targeting “barrier” markets, which are perceived to reduce the risk of oversupply and offer potential for outsized rent growth and appreciation.

(C) The collective trust seeks to outperform the MSCI Emerging Markets Index (the “Index”) over three to five years. The fund uses a highly diversified, research-driven strategy targeting an excess return over the Index.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 18: Fair Value Measurements (Continued)

- (D) The collective trust invests primarily in debt securities of issuers located in emerging market countries. The collective trust normally will hold fixed-income securities of government and government-related issuers and corporate issuers in emerging market countries. The investment advisor may invest in capital securities, which are hybrid securities that combine the characteristics of bonds and preferred stocks, in order to take advantage of the mispricing of subordinated risk within the marketplace. Amounts invested in Logan Circle may only be redeemed as of the last business day of a calendar month and with at least 10 business days' prior written notice, unless otherwise consented to by the general partner in its sole discretion.

- (E) The fund provides a conservative and prudent approach to investing in high yield that seeks to maximize risk-adjusted performance over a full market cycle. The strategy is based upon rigorous, proprietary credit analysis that seeks to invest in the bonds of companies with strong and/or improving financial characteristics, while avoiding those most likely to default. The primary objective is to preserve capital during all market environments by mitigating credit risk in the portfolio. Performance is generated through the compounding of interest income and capital appreciation.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 19: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of August 31:

	2020	2019
Cash and cash equivalents	\$ 3,213,914	\$ 3,524,387
Accounts receivable - Net	249,501	534,719
Current portion of other receivable	189,772	186,714
Less: Cash with donor restrictions	(513,795)	(745,840)
Total financial assets available for general expenditure within one year of the consolidated statement of financial position date	\$ 3,139,392	\$ 3,499,980

The Organization does not have a formal liquidity policy, but generally maintains financial assets in liquid form such as cash for over 90 days of operating expenses. In the event of a liquidity need, the Organization could also draw upon the unused portion of its \$3,000,000 line of credit. As more fully described in note 10, funds in the amount of \$7,970,272 have been put into board-designated net assets to fund board initiatives. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

Note 20: Reclassification

A reclassification has been made to the 2019 financial statements to conform to the 2020 classifications. This reclassification was between investment income and net assets released from restriction and designated contributions on the statement of cash flows. The reclassification had no affect on change in net assets.

Note 21: Paycheck Protection Program Grant

In March of 2020, the Organization received \$1,619,700 of an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic . The Organization has determined the award is a conditional grant.

Milwaukee Art Museum, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 21: Paycheck Protection Program Grant (Continued)

The Organization has interpreted the condition of the award to be the incurrence of eligible expenditures, adjusted for any decrease in full time equivalents and or salary/wage limitations, recognized ratably over the covered period of either 8 or 24 weeks. Should the conditions of the award not be substantially met or explicitly waived, all or a portion of the award will be treated as a loan bearing interest at 1% repayable in monthly amounts of principal and interest of \$91,149, commencing upon receipt of the notification of modification or denial of the Organization's loan forgiveness amount, and would be required to be repaid no later than April 15, 2022. The Organization has determined that the conditions of the award have been substantially met during the year ended August 31, 2020, and accordingly, the full amount of the award is recognized as revenue on the consolidated statements of activities.

Supplementary Information

Milwaukee Art Museum, Inc.

Consolidating Statements of Financial Position

August 31, 2020

Assets	Milwaukee Art Museum	Museum Center Park	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$ 2,599,623	\$ 614,291	\$ -	\$ 3,213,914
Accounts receivable - Net	89,489	160,012	-	249,501
Current portion of pledges receivable	2,700,305	-	-	2,700,305
Current portion of other receivable	189,772	-	-	189,772
Investment income receivable	9,412	-	-	9,412
Inventories - Net	269,140	-	-	269,140
Prepaid expenses	477,432	4,859	-	482,291
Total current assets	6,335,173	779,162	-	7,114,335
Investments	60,357,823	-	-	60,357,823
Pledges receivable, less current portion	1,725,771	-	-	1,725,771
Other receivable - Net, less current portion	1,129,228	-	-	1,129,228
Beneficial interest in assets held in trust	388,898	-	-	388,898
Property and equipment - Net	81,325,814	14,630,504	-	95,956,318
Due from related party	411,105	-	(411,105)	-
TOTAL ASSETS	\$ 151,673,812	\$ 15,409,666	\$ (411,105)	\$ 166,672,373
Liabilities and Net Assets	Milwaukee Art Museum	Museum Center Park	Eliminations	Total
Current liabilities:				
Current maturities of debt	\$ 15,834	\$ 238,982	\$ -	\$ 254,816
Accounts payable and accrued expenses	1,736,518	154,889	-	1,891,407
Deferred revenue	903,459	8,333	-	911,792
Total current liabilities	2,655,811	402,204	-	3,058,015
Long-term liabilities:				
Deferred lease expense	101,098	-	-	101,098
Due to related party	-	411,105	(411,105)	-
Long-term debt, less current maturities	22,432	1,998,208	-	2,020,640
Total long-term liabilities	123,530	2,409,313	(411,105)	2,121,738
Total liabilities	2,779,341	2,811,517	(411,105)	5,179,753
Net assets:				
Without donor restrictions:				
Board designated	7,970,272	-	-	7,970,272
Undesignated	83,883,478	12,598,149	-	96,481,627
Total without donor restrictions	91,853,750	12,598,149	-	104,451,899
With donor restrictions	57,040,721	-	-	57,040,721
Total net assets	148,894,471	12,598,149	-	161,492,620
TOTAL LIABILITIES AND NET ASSETS	\$ 151,673,812	\$ 15,409,666	\$ (411,105)	\$ 166,672,373

See Independent Auditor's Report.

Milwaukee Art Museum, Inc.

Consolidating Statements of Financial Position (Continued)

August 31, 2019

Assets	Milwaukee Art Museum	Museum Center Park	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$ 2,837,632	\$ 686,755	\$ -	\$ 3,524,387
Accounts receivable - Net	360,625	174,094	-	534,719
Current portion of pledges receivable	2,579,936	-	-	2,579,936
Other receivable - Net, less current portion	186,714	-	-	186,714
Investment income receivable	13,289	-	-	13,289
Inventories - Net	286,774	-	-	286,774
Prepaid expenses	542,135	4,540	-	546,675
Total current assets	6,807,105	865,389	-	7,672,494
Investments	57,841,022	-	-	57,841,022
Pledges receivable, less current portion	249,902	-	-	249,902
Other receivable - Net, less current portion	1,253,286	-	-	1,253,286
Beneficial interest in assets held in trust	349,168	-	-	349,168
Property and equipment - Net	83,268,548	15,287,297	-	98,555,845
Due from related party	470,485	-	(470,485)	-
TOTAL ASSETS	\$ 150,239,516	\$ 16,152,686	\$ (470,485)	\$ 165,921,717
Liabilities and Net Assets	Milwaukee Art Museum	Museum Center Park	Eliminations	Total
Current liabilities:				
Current maturities of debt	\$ 15,834	\$ 284,538	\$ -	\$ 300,372
Accounts payable and accrued expenses	1,683,680	159,330	-	1,843,010
Deferred revenue	1,220,847	8,333	-	1,229,180
Total current liabilities	2,920,361	452,201	-	3,372,562
Long-term liabilities:				
Deferred lease expense	103,540	-	-	103,540
Due to related party	-	470,485	(470,485)	-
Long-term debt, less current maturities	38,266	2,186,071	-	2,224,337
Total long-term liabilities	141,806	2,656,556	(470,485)	2,327,877
Total liabilities	3,062,167	3,108,757	(470,485)	5,700,439
Net assets:				
Without donor restrictions:				
Board designated	6,508,538	-	-	6,508,538
Undesignated	85,924,996	13,043,929	-	98,968,925
Total without donor restrictions	92,433,534	13,043,929	-	105,477,463
With donor restrictions	54,743,815	-	-	54,743,815
Total net assets	147,177,349	13,043,929	-	160,221,278
TOTAL LIABILITIES AND NET ASSETS	\$ 150,239,516	\$ 16,152,686	\$ (470,485)	\$ 165,921,717

See Independent Auditor's Report.

Milwaukee Art Museum, Inc.

Consolidating Statements of Activities

Year Ended August 31, 2020

	Milwaukee Art Museum	Museum Center Park	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Operating Fund:			
Operating support and revenue:			
Contributions and membership	\$ 4,371,803	\$ -	\$ 4,371,803
Grants and sponsorships	17,500	-	17,500
Milwaukee County	1,100,000	-	1,100,000
Admission, tour fees, and parking	1,054,520	1,414,660	2,469,180
Rental income	-	209,463	209,463
Education programs	41,273	-	41,273
Exhibition and curatorial income	72,803	-	72,803
Retail operations (net of cost of sales of \$318,189)	276,611	-	276,611
Food and beverage operations (net of cost of sales of \$331,389)	901,682	-	901,682
Facility rental income	522,148	-	522,148
Fundraising events and auxiliary activities	2,161	-	2,161
Other	83,123	-	83,123
Paycheck Protection Program Loan (see Note 21)	1,619,700	-	1,619,700
Investment income	373,205	-	373,205
Net assets released from restrictions and transfers	7,497,913	-	7,497,913
Net asset transferred between funds	-	-	-
Contributions restricted for endowment or building	56,418	-	56,418
Total operating support and revenue	17,990,860	1,624,123	19,614,983
Operating expenses:			
Program services	7,657,200	5,535	7,662,735
General and administrative	3,052,685	166,903	3,219,588
Financial development	1,572,274	-	1,572,274
Building services	6,334,814	1,665,264	8,000,078
Total operating services	18,616,973	1,837,702	20,454,675
Change in net assets from operating activities	(626,113)	(213,579)	(839,692)
Nonoperating revenue, expense, gains, and losses:			
Acquisition of art	(373,936)	-	(373,936)
Net assets released to fund acquisition of art	368,365	-	368,365
Contributions restricted for acquisition of art	-	-	-
Other	51,900	(232,201)	(180,301)
Total nonoperating revenue, expense, gains and losses	46,329	(232,201)	(185,872)
Change in net assets without donor restrictions	\$ (579,784)	\$ (445,780)	\$ (1,025,564)

Milwaukee Art Museum, Inc.

Consolidating Statements of Activities (Continued)

Year Ended August 31, 2020

	Milwaukee Art Museum	Museum Center Park	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:			
Operating support and revenue:			
Contributions and membership	\$ 659,521	\$ -	\$ 659,521
Grants and sponsorships	5,396,416	-	5,396,416
Fundraising events and auxiliary activities	143,461	-	143,461
Other	3,880	-	3,880
Investment Income	3,496,567	-	3,496,567
Net assets released from restrictions and transfers	(7,497,913)	-	(7,497,913)
Net assets transferred between funds	-	-	-
Contributions restricted for endowment or building	73,080	-	73,080
Total operating support and revenue	2,275,012	-	2,275,012
Nonoperating revenue, support, gains, and losses:			
Net assets released to fund acquisitions of art	(368,365)	-	(368,365)
Contributions restricted for acquisition of art	374,259	-	374,259
Other	16,000	-	16,000
Total nonoperating revenue, support, gains, and losses	21,894	-	21,894
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	2,296,906	-	2,296,906
CHANGE IN NET ASSETS	1,717,122	(445,780)	1,271,342
NET ASSETS AT BEGINNING OF YEAR	147,177,349	13,043,929	160,221,278
NET ASSETS AT END OF YEAR	\$ 148,894,471	\$ 12,598,149	\$ 161,492,620

See Independent Auditor's Report.

Milwaukee Art Museum, Inc.

Consolidating Statements of Activities

Year Ended August 31, 2019

	Milwaukee Art Museum	Museum Center Park	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Operating Fund:			
Operating support and revenue:			
Contributions and membership	\$ 5,163,674	\$ -	\$ 5,163,674
Grants and sponsorships	17,500	-	17,500
Milwaukee County	1,100,000	-	1,100,000
Admission, tour fees, and parking	2,127,739	1,889,180	4,016,919
Rental income	-	186,265	186,265
Education programs	47,852	-	47,852
Exhibition and curatorial income	120,171	-	120,171
Retail operations (net of cost of sales of \$498,894)	530,252	-	530,252
Food and beverage operations (net of cost of sales of \$630,215)	1,861,216	-	1,861,216
Facility rental income	541,253	-	541,253
Fundraising events and auxiliary activities	55,687	-	55,687
Other	18,525	-	18,525
Investment income	207,725	-	207,725
Net assets released from restrictions and transfers	6,265,873	-	6,265,873
Net asset transferred between funds	373,000	-	373,000
Contributions restricted for endowment or building	1,143,029	-	1,143,029
Total operating support and revenue	19,573,496	2,075,445	21,648,941
Operating expenses:			
Program services	15,976,089	1,865,117	17,841,206
General and administrative	2,888,299	320,430	3,208,729
Financial development	2,034,048	-	2,034,048
Total operating services	20,898,436	2,185,547	23,083,983
Change in net assets from operating activities	(1,324,940)	(110,102)	(1,435,042)
Nonoperating revenue, expense, support, gains, and losses:			
Acquisition of art	(1,462,282)	-	(1,462,282)
Net assets released to fund acquisition of art	1,462,282	-	1,462,282
Contributions restricted for acquisition of art	-	-	-
Other	181,279	-	181,279
Total nonoperating revenue, expense, gains and losses	181,279	-	181,279
Change in net assets without donor restrictions	\$ (1,143,661)	\$ (110,102)	\$ (1,253,763)

Milwaukee Art Museum, Inc.

Consolidating Statements of Activities (Continued)

Year Ended August 31, 2019

	Milwaukee Art Museum	Museum Center Park	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:			
Operating support and revenue:			
Contributions and membership	\$ 571,440	\$ -	\$ 571,440
Grants and sponsorships	5,625,044	-	5,625,044
Fundraising events and auxiliary activities	527,584	-	527,584
Other	(3,000)	-	(3,000)
Investment Income	1,380,354	-	1,380,354
Net assets released from restrictions and transfers	(6,265,873)	-	(6,265,873)
Net assets transferred between funds	(373,000)	-	(373,000)
Contributions restricted for endowment or building	2,887,864	-	2,887,864
Total operating support and revenue	4,350,413	-	4,350,413
Nonoperating revenue, expense, gains, and losses:			
Net assets released to fund acquisition of art	(1,462,282)	-	(1,462,282)
Contributions restricted for acquisition of art	308,619	-	308,619
Other	10,000	-	10,000
Total nonoperating revenue, expense, gains and losses	(1,143,663)	-	(1,143,663)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	3,206,750	-	3,206,750
CHANGE IN NET ASSETS	2,063,089	(110,102)	1,952,987
NET ASSETS AT BEGINNING OF YEAR	145,114,260	13,154,031	158,268,291
NET ASSETS AT END OF YEAR	\$ 147,177,349	\$ 13,043,929	\$ 160,221,278

See Independent Auditor's Report.

Milwaukee Art Museum, Inc.

Schedule of Endowment Funds

August 31, 2020 and 2019

	2020	2019
Donor-restricted endowments:		
Abert Family Curator of American Art Fund	\$ 6,219,065	\$ 6,019,678
Albert Tooman Acquisition Fund	10,474	9,732
Boyd Fund	113,673	111,252
Bradley Conservation/Maintenance Fund	1,417,254	1,387,050
Bradley Foundation Fund	4,951,904	4,846,358
Catherine Jean Quirk Fund	99,838	97,711
CAS/Dimoff Fund	308,123	286,289
Constance P. Godfrey Acquisition Fund	1,815,472	1,722,291
Croasdaile Acquisition Fund	1,361,717	1,265,225
Doerfler Fund	143,091	132,952
Dunham Fund for Education	485,350	472,672
Endowment for Conservation	42,039	41,143
Endowment for Education	639,881	626,434
Eric C. Stern Fund	118,902	110,477
Esther S. Weber Memorial Education Fund	46,335	45,348
Expansion Operating Endowment	956,390	936,006
Florence Eiseman Foundation Fund	49,579	48,523
Frederick Layton Lecture Series Fund	242,015	236,859
Friends of Art Exhibition Fund	1,906,036	1,809,692
General Operating Endowment	7,692,032	7,528,317
Grootemaat Fund	57,687	56,458
Hambling Endowment	956,639	936,256
Hay Gift Annuity	2,491	2,440
Herzfeld Curator of Photography Fund	545,470	533,849
James H. Brachman Fund	79,111	77,426
Jill and Jack Pelisek Fund	100,879	89,019
Joan Marcus Memorial Fund	72,740	71,191
John Porter Retzer and Florence Horn Retzer Competition Fund	305,889	299,372
Katherine Smith Gift Annuity	11,286	11,088
LaBahn Fund	1,603,591	1,569,428
Laskin Fund	1,598,620	1,485,340
Lee, Barbara Brown, Director of Education Endowment	543,705	520,007
Miller Lewensohn Gift Annuity	9,189	9,021
NEA Challenge Endowment-Match	1,577,753	1,544,141
Orth Fund	173,498	169,802
Patti Baker Education Endowment Fund	1,409,139	1,379,119
Pellegrin Family Endowment for Education	352,961	345,441
Rene von Schleinitz Memorial Fund	151,823	141,065
Richard and Ethel Herzfeld Photography Exhibition Fund	3,366,042	3,240,073
Schuchardt Fund	25,326	25,809
Pieper Challenge Grant and Match	4,964,588	4,612,793
Vilski Gift Annuity	16,080	15,768
Virginia Booth Vogel Acquisition Fund	1,269,493	1,122,813
Total donor-restricted endowments	\$ 47,813,170	\$ 45,991,728

Milwaukee Art Museum, Inc.

Schedule of Endowment Funds (Continued)

August 31, 2020 and 2019

	2020	2019
Board-designated endowments:		
Ruth K. Abrams Fund	\$ 68,286	\$ 66,831
Board Designated Fund	1,500,511	1,399,366
Karen Johnson Boyd Fund	206,266	201,869
Gloff Fund	723,013	686,230
Nason Fund	1,153,385	1,096,223
Wilson Fund	1,297,958	892,072
Gift Annuity Reserve	103,990	102,123
Total Board-designated endowments	5,053,409	4,444,714
Total endowment funds	\$ 52,866,579	\$ 50,436,442

Endowment assets (liabilities) consisted of the following as of August 31:

	2020	2019
Investments	\$ 52,868,429	\$ 50,444,456
Other	(1,850)	(8,014)
Total endowment funds	\$ 52,866,579	\$ 50,436,442

See Independent Auditor's Report.