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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Tyler Museum of Art
Tyler, Texas

We have audited the accompanying statement of financial position of Tyler Museum of Art (a nonprofit corporation), as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year's summarized comparative information has been derived from the Museum's 2009 financial statements and, in our report dated November 20, 2009, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tyler Museum of Art as of June 30, 2010, and the changes in its net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Bryant & Welborn, L.L.P.

May 25, 2011

TYLER MUSEUM OF ART
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010 (with comparative totals for 2009)

	2010				2009 Totals
	Operating	Unrestricted Acquisition and Quasi- Endowment	Temporarily Restricted	Total	
<u>Revenue and Support</u>					
Memberships	\$ 269,106	\$ 17,000	\$ -	\$ 286,106	\$ 303,317
Gifts	205,141	6,850	-	211,991	228,245
Gifts - capital campaign	-	80,000	865,727	945,727	2,242,681
Gifts - use of property	189,028	-	-	189,028	186,946
Grants	88,850	-	-	88,850	84,350
Major fund raisers	252,317	-	-	252,317	254,573
Shop sales	8,217	-	-	8,217	8,919
Café income	17,245	-	-	17,245	17,348
Dividends and interest net of fees of \$12,354	5	18,898	8,594	27,497	30,037
Exhibition income	3,102	-	-	3,102	2,902
Net realized investment gain (loss)	-	64,497	-	64,497	(63,007)
Net unrealized investment gain (loss)	-	79,151	-	79,151	(153,732)
Education income	5,492	-	-	5,492	38,647
Miscellaneous	965	-	-	965	7,441
Net assets released from restrictions	5,322,516	-	(5,322,516)	-	-
Total revenue and support	\$ 6,361,984	\$ 266,396	\$ (4,448,195)	\$ 2,180,185	\$ 3,188,667
<u>Expenses</u>					
Bad debt expense	\$ 875	\$ -	\$ -	\$ 875	\$ 5,400
Capital campaign costs	151,584	-	-	151,584	108,774
Capital campaign-allocated salaries	124,682	-	-	124,682	94,242
Capital improvements	-	-	-	-	1,050
Computer	11,646	-	-	11,646	7,750
Credit card fees	6,591	-	-	6,591	6,935
Depreciation	65,656	-	-	65,656	69,221
Education	14,567	-	-	14,567	42,559
Exhibition expense	92,621	-	-	92,621	94,305
General museum	966	-	-	966	1,682
Insurance	47,665	-	-	47,665	44,171
Interest expense	2,501	-	-	2,501	1,333
Labor expense	545,817	-	-	545,817	565,328
Legal and audit	12,990	-	-	12,990	12,813
Library	851	-	-	851	1,566
Maintenance and security	4,704	-	-	4,704	3,686
Major fund raisers	57,752	-	-	57,752	69,801

(continued)

TYLER MUSEUM OF ART
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010 (with comparative totals for 2009)

	2010				2009 Totals
	Operating	Unrestricted Acquisition and Quasi- Endowment	Temporarily Restricted	Total	
<u>Expenses, continued</u>					
Membership	\$ 36,278	\$ -	\$ -	\$ 36,278	\$ 46,480
Miscellaneous	2,469	-	-	2,469	3,361
Office supplies	3,461	-	-	3,461	5,014
Permanent collection	4,370	-	-	4,370	14,217
Postage	3,656	-	-	3,656	3,351
Professional memberships	2,653	-	-	2,653	2,984
Promotion	28,388	-	-	28,388	46,262
Rent	205,813	-	-	205,813	201,899
Retraction of Unconditional Promises to Give	3,407,999	-	-	3,407,999	550,000
Shop and café sales	28,389	-	-	28,389	27,566
Staff training	2,967	-	-	2,967	2,654
Telephone	5,067	-	-	5,067	5,857
Travel	1,346	-	-	1,346	6,463
Vehicle	1,290	-	-	1,290	2,906
Total expenses	4,875,614	-	-	4,875,614	2,049,630
Interfund transfers - net	(1,421)	76,571	(75,150)	-	-
Funds appropriated for expenditures	40,311	(40,311)	-	-	-
Acquisitions of art	-	(12,200)	-	(12,200)	(56,536)
Change in net assets	1,525,260	290,456	(4,523,345)	(2,707,629)	1,082,501
Net assets, beginning of period	2,406,285	1,403,007	6,830,215	10,639,507	9,557,006
Net assets, end of period	\$ 3,931,545	\$ 1,693,463	\$ 2,306,870	\$ 7,931,878	\$ 10,639,507