

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

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OMB No 1545-0047

2019

Department of the Treasury Internal Revenue Service

For calendar year 2019 or other tax year beginning 2019, and ending 2019

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions)

D Employer identification number (Employees' trust, see instructions)

B Exempt under section

- X 501(c)(3)
408(e) 220(e)
408A 530(a)
529(a)

Print or Type

CRYSTAL BRIDGES-MUSEUM OF AMERICAN ART, INC

20-1359710

Number, street, and room or suite no If a P O box, see instructions

600 MUSEUM WAY

E Unrelated business activity code (See instructions)

City or town, state or province, country, and ZIP or foreign postal code

BENTONVILLE, AR 72712

723320

C Book value of all assets at end of year

F Group exemption number (See instructions)

1457220696

G Check organization type X 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses 2 Describe the only (or first) unrelated trade or business here ATCH 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes X No

J The books are in care of TRACY CUDE Telephone number 479-418-5726

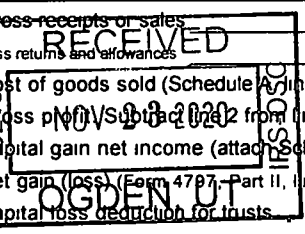
Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales (934,869), Cost of goods sold (459,032), and Total Combine lines 3 through 12 (908,936).

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) (Deductions must be directly connected with the unrelated business income.)

Table with 3 columns: Line number, Description, Amount. Rows include Compensation of officers (421,814), Depreciation (20,070), and Total deductions (927,250).

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Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 32-39 for unrelated business taxable income calculations.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-45 for tax computation.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 46-56 for tax and payment details.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Line number, Description, and Yes/No. Includes lines 57-59 regarding foreign activities and tax-exempt interest.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer ROD BIGELOW, Date 11/09/2020, Title EXECUTIVE DIRECTOR. Includes a box for IRS discussion consent.

Paid Preparer Use Only: Print/Type preparer's name KENT C CROUCH, Preparer's signature, Date 11/9/20, Firm's name WALTON ENTERPRISES, LLC, Firm's EIN 62-1665434, Firm's address P.O. BOX 1860, BENTONVILLE, AR 72712, Phone no 479-464-1500.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **LOWER OF COST OR MARKET**

1 Inventory at beginning of year	1	196,392.	6 Inventory at end of year	6	137,462.
2 Purchases	2	380,760.	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	459,032.
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach schedule)**	4b	19,342.			
5 Total. Add lines 1 through 4b	5	596,494.			X

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions) **4B ATCH 5

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
Total dividends-received deductions included in column 8				

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income (loss), 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income (loss), 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

Table with 5 columns: 1. Description of income, 2. Amount of income, 3. Deductions directly connected (attach schedule), 4. Set-asides (attach schedule), 5. Total deductions and set-asides (col 3 plus col 4).

Totals

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

Table with 7 columns: 1. Description of exploited activity, 2. Gross unrelated business income from trade or business, 3. Expenses directly connected with production of unrelated business income, 4. Net income (loss) from unrelated trade or business, 5. Gross income from activity that is not unrelated business income, 6. Expenses attributable to column 5, 7. Excess exempt expenses.

Totals

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs.

Totals (carry to Part II, line (5))

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I ▶						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col (A).	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 26

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

OMB No 1545-0047

2019

For calendar year 2019 or other tax year beginning _____, 2019, and ending _____, 20____.

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

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501(c)(3) Organizations Only

Name of the organization **CRYSTAL BRIDGES-MUSEUM OF AMERICAN ART, INC** Employer identification number **20-1359710**

Unrelated Business Activity Code (see instructions) ▶ **523000**

Describe the unrelated trade or business ▶ **THE TAXPAYER RECEIVES UBTI FROM PASS-THROUGH ENTITIES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances	c Balance ▶	1 c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4 b		
c Capital loss deduction for trusts		4 c		
5 Income (loss) from a partnership or an S corporation (attach statement)	ATCH 6	5 232,528.		232,528.
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13 232,528.		232,528.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) (Deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)		14		
15 Salaries and wages		15		
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21 a			21 b
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule)		27		
28 Total deductions. Add lines 14 through 27		28		
29 Unrelated business taxable income before net operating loss deduction Subtract line 28 from line 13		29		232,528.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30		1,937,958.
31 Unrelated business taxable income Subtract line 30 from line 29		31		

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

ORGANIZATION'S FIRST UNRELATED TRADE OR BUSINESS ACTIVITY

THE ORGANIZATION OPERATES A MUSEUM STORE THAT PROVIDES THE PATRONS OF THE MUSEUM AN OPPORTUNITY TO SHOP FOR ITEMS THAT RELATE TO THE COLLECTION. WHILE A MAJORITY OF THE ITEMS SUPPORT THE MUSEUM'S EXEMPT PURPOSE, THERE ARE SOME ITEMS THAT DO NOT. THE ORGANIZATION ALSO HOSTS MANY EVENTS FOR MEMBERS IN THE COMMUNITY LIKE WEDDINGS, FAMILY REUNIONS, ETC. DURING THESE EVENTS THE MUSEUM PROVIDES EVENT SPACE RENTAL AND OTHER BENEFITS, SUCH AS CATERING AND EVENT STAFF.

ATTACHMENT 2

PART I - LINE 12 - OTHER INCOME

SERVICE REVENUE
EVENT SPACE RENTAL

14,263.
418,836.

PART I - LINE 12 - OTHER INCOME

433,099.

ATTACHMENT 3FORM 990T - PART II - LINE 27 - TOTAL OTHER DEDUCTIONS

SELLING EXPENSE	38,637.
SUPPLIES	710.
EVENT SET-UP/EXECUTION EXPENSE	58,363.
OTHER MISCELLANEOUS	15,922.
TRAVEL, MEALS, ENTERTAINMENT	2,252.
CHARGE CARD EXPENSE	41,807.
GENERAL OVERHEAD	327,675.

PART II - LINE 27 - OTHER DEDUCTIONS	<u>485,366.</u>
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Form 990T - Unrelated Trade or Business Loss Carryover

Attachment 4

Name of organization **CRYSTAL BRIDGES-MUSEUM OF AMERICAN ART, INC.** Employer identification number **20-1359710**

Unrelated Trade or Business Loss Carryover - Museum

	<u>Pre -2018 Losses</u>	<u>Losses Utilized</u>	<u>Remaining Pre -2018 Losses</u>
2013 Unrelated Trade or Business Income (Loss)	(396,527)	-	(396,527)
2014 Unrelated Trade or Business Income (Loss)	(1,728,842)		(1,728,842)
2015 Unrelated Trade or Business Income (Loss)	(767,337)		(767,337)
2017 Unrelated Trade or Business Income (Loss)	(1,370,122)		(1,370,122)
Total Unrelated Trade or Business Loss Carried to 2020	(4,262,828)	-	(4,262,828)

	<u>Post 2017 Losses</u>	<u>Losses Utilized</u>	<u>Remaining Post -2017 Losses</u>
2019 Unrelated Trade or Business Income (Loss)	(18,314)		(18,314)
Total Unrelated Trade or Business Loss Carried to 2020	(4,281,142)		(4,281,142)

Unrelated Trade or Business Loss Carryover - Partnership Investments

	<u>Post 2017 Losses</u>
2018 Unrelated Trade or Business Income (Loss)	(1,937,958)
2019 Unrelated Trade or Business Income (Loss)	232,528
Total Unrelated Trade or Business Loss Carried to 2019	(1,705,430)

ATTACHMENT 5

FORM 990T - SCHEDULE A - LINE 4B - OTHER COSTS

FREIGHT CHARGES

19,342.

TOTAL OTHER COSTS

19,342.

PARTNERSHIP INVESTMENTS

SCHEDULE M - INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS

ORDINARY INCOME (LOSS)	1,733,862.
DIVIDEND INCOME	49,649.
NET SHORT-TERM CAPITAL GAIN (LOSS)	349,098.
NET LONG-TERM CAPITAL GAIN (LOSS)	21,513.
SECTION 1231 GAIN (LOSS)	281,750.
SECTION 59(E) (2)	-1,747,973.
SECTION 174	-87,993.
OTHER INCOME	28,205.
OTHER DEDUCTIONS	-2,671.
COST DEPLETION	-393,002.
INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS	<u>232,438.</u>