Report of Independent Auditors and
Consolidated Financial Statements

Georgia O’Keeffe Museum and Subsidiaries

December 31, 2025 and 2024

Table of Contents

Report of Independent Auditors

The Board of Trustees
Georgia O'Keeffe Museum and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Georgia O'Keeffe Museum and Subsidiaries, a New Mexico nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Georgia O'Keeffe Museum and Subsidiaries as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Georgia O'Keeffe Museum and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia O'Keeffe Museum and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Georgia O'Keeffe Museum and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia O'Keeffe Museum and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Baker Tilly US, LLP

Albuquerque, New Mexico
July 30, 2026

Consolidated Financial Statements

Georgia O'Keeffe Museum and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,878,393	$ 4,387,999
Investment securities		
Other funds	36,288,476	31,382,507
Inventory, net	271,791	283,964
Unconditional promises to give, net	3,470,588	1,210,836
Other assets	414,189	384,798
Total current assets	46,323,437	37,650,104
NON-CURRENT ASSETS		
Property and equipment, net	39,331,546	28,548,403
Right-of-use assets	1,184,822	1,313,718
Intangible assets, net	770,400	730,145
Unconditional promises to give, long term, net	764,695	4,574,324
Investment securities		
Board designated funds	60,060,137	56,245,929
Other funds	80,480,286	84,570,483
Total investment securities	140,540,423	140,816,412
Total non-current assets	182,591,886	175,983,002
TOTAL ASSETS	$ 228,915,323	$ 213,633,106
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other liabilities	$ 1,914,131	$ 1,439,909
Current portion of operating lease liabilities	146,603	118,852
Total current liabilities	2,060,734	1,558,761
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	1,098,545	1,245,137
Total liabilities	3,159,279	2,803,898
NET ASSETS		
Without donor restriction		
Undesignated	83,560,063	68,230,630
Board designated for art acquisition	41,385,989	39,043,785
Board designated for operating	2,803,097	2,259,234
Board designated for campus project	15,871,051	14,942,910
Total without donor restriction	143,620,200	124,476,559
With donor restriction	82,135,844	86,352,649
Total net assets	225,756,044	210,829,208
TOTAL LIABILITIES AND NET ASSETS	$ 228,915,323	$ 213,633,106

See accompanying notes.

Georgia O’Keeffe Museum and Subsidiaries
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2025

	Year Ended December 31, 2025		
	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions, donations, and grants, net	$ 1,190,407	$ 4,792,891	$ 5,983,298
Admissions	2,922,769	-	2,922,769
Retail, net of cost of sales of $1,079,383	1,584,872	-	1,584,872
Tours	876,525	-	876,525
Memberships	363,449	-	363,449
Program fees	64,599	-	64,599
Endowment support for current activities	1,136,271	774,708	1,910,979
Other	317,649	-	317,649
Total revenues, gains, and public support before investment income	8,456,541	5,567,599	14,024,140
INVESTMENT INCOME			
Net realized and unrealized income	6,718,002	1,165,211	7,883,213
Re-invested dividends and interest	4,545,512	1,802,790	6,348,302
Interest income	43,765	-	43,765
Total investment income	11,307,279	2,968,001	14,275,280
Total revenues and support, net	19,763,820	8,535,600	28,299,420
Net assets released from restrictions	12,752,405	(12,752,405)	-
Total revenues, support, and net assets released from restrictions	32,516,225	(4,216,805)	28,299,420
EXPENSES			
Program expense	9,129,964	-	9,129,964
Management and general	1,760,518	-	1,760,518
Fundraising	1,487,102	-	1,487,102
Total expenses	12,377,584	-	12,377,584
CHANGE IN NET ASSETS BEFORE CHANGES RELATED TO COLLECTION ITEMS NOT CAPITALIZED	20,138,641	(4,216,805)	15,921,836
CHANGE IN NET ASSETS RELATED TO COLLECTION ITEMS NOT CAPITALIZED			
Purchase of collection items	(995,000)	-	(995,000)
CHANGE IN NET ASSETS	19,143,641	(4,216,805)	14,926,836
NET ASSETS, beginning of year	124,476,559	86,352,649	210,829,208
NET ASSETS, end of year	$ 143,620,200	$ 82,135,844	$ 225,756,044

See accompanying notes.

Georgia O'Keeffe Museum and Subsidiaries
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2024

	Year Ended December 31, 2024		
	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions, donations, and grants, net	$ 930,032	$ 4,984,271	$ 5,914,303
Admissions	2,782,993	-	2,782,993
Retail, net of cost of sales of $1,039,362	1,435,901	-	1,435,901
Tours	754,770	-	754,770
Memberships	344,444	-	344,444
Program fees	91,574	-	91,574
Endowment support for current activities	1,136,275	773,922	1,910,197
Other	248,373	-	248,373
Total revenues, gains, and public support before investment loss	7,724,362	5,758,193	13,482,555
INVESTMENT INCOME			
Net realized and unrealized income	3,729,812	271,952	4,001,764
Re-invested dividends and interest	3,432,283	1,877,037	5,309,320
Interest income	19,826	-	19,826
Total investment income	7,181,921	2,148,989	9,330,910
Total revenues and support, net	14,906,283	7,907,182	22,813,465
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	(1,070,160)	-	(1,070,160)
Net assets released from restrictions	5,888,405	(5,888,405)	-
Total revenues, support, and net assets released from restrictions	19,724,528	2,018,777	21,743,305
EXPENSES			
Program expense	8,853,993	-	8,853,993
Management and general	1,635,255	-	1,635,255
Fundraising	1,340,335	-	1,340,335
Total expenses	11,829,583	-	11,829,583
CHANGE IN NET ASSETS BEFORE CHANGES RELATED TO COLLECTION ITEMS NOT CAPITALIZED	7,894,945	2,018,777	9,913,722
CHANGE IN NET ASSETS RELATED TO COLLECTION ITEMS NOT CAPITALIZED			
Purchase of collection items	(766,464)	-	(766,464)
CHANGE IN NET ASSETS	7,128,481	2,018,777	9,147,258
NET ASSETS, beginning of year	117,348,078	84,333,872	201,681,950
NET ASSETS, end of year	$ 124,476,559	$ 86,352,649	$ 210,829,208

See accompanying notes.

Georgia O'Keeffe Museum and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 5,391,944	$ 1,259,921	$ 1,078,611	$ 7,730,476
Depreciation and amortization	817,442	50,976	21,103	889,521
Professional services	809,605	129,418	165,508	1,104,531
Occupancy	604,855	71,217	21,514	697,586
Information technology	285,540	34,184	23,170	342,894
Insurance	276,661	29,573	8,797	315,031
Supplies	266,040	20,981	15,678	302,699
Bank charges	222,783	5,806	14,270	242,859
Travel and meals	122,805	27,628	82,634	233,067
Advertising and marketing	98,221	42,095	-	140,316
Other expenses	60,272	19,896	11,685	91,853
Repairs and maintenance	54,902	11,062	3,290	69,254
Postage and shipping	33,373	3,476	7,944	44,793
Printing	28,605	9,077	19,701	57,383
Other program related	22,772	-	-	22,772
Professional development	17,140	5,158	3,557	25,855
Dues and subscriptions	17,004	15,050	9,640	41,694
In-kind expenses	-	25,000	-	25,000
Total expenses	$ 9,129,964	$ 1,760,518	$ 1,487,102	$ 12,377,584

See accompanying notes.

Georgia O'Keeffe Museum and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 5,348,895	$ 1,182,111	$ 966,456	$ 7,497,462
Depreciation and amortization	851,725	58,213	25,006	934,944
Professional services	668,820	100,440	143,530	912,790
Occupancy	601,116	71,461	24,041	696,618
Information technology	277,163	32,661	25,405	335,229
Insurance	254,279	25,373	7,549	287,201
Supplies	220,551	14,756	15,485	250,792
Bank charges	203,973	1,083	12,580	217,636
Travel and meals	87,565	11,424	54,212	153,201
Advertising and marketing	73,272	31,402	-	104,674
Other expenses	104,576	19,604	11,494	135,674
Repairs and maintenance	61,181	11,863	3,534	76,578
Postage and shipping	17,982	2,638	6,884	27,504
Printing	44,301	13,444	15,945	73,690
Other program related	6,135	-	-	6,135
Professional development	16,299	23,481	19,214	58,994
Dues and subscriptions	16,160	13,551	9,000	38,711
In-kind expenses	-	21,750	-	21,750
Total expenses	$ 8,853,993	$ 1,635,255	$ 1,340,335	$ 11,829,583

See accompanying notes.

Georgia O'Keeffe Museum and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets before changes related to collection items not capitalized	$ 15,921,836	$ 9,913,722
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	889,521	934,944
Donated investments	(105,117)	(1,698,339)
Net realized and unrealized gain	(9,794,192)	(6,504,510)
Re-invested dividends and interest	(6,348,302)	(4,716,771)
Loss on disposal of property and equipment	-	1,070,160
Reserve on unconditional promises to give	(289,004)	(154,901)
Reserve on inventory	1,820	7,549
Changes in assets and liabilities		
Inventory	10,353	65,157
Unconditional promises to give	1,914,249	3,363,078
Other assets	(29,391)	3,599
Accounts payable and other liabilities	474,222	280,729
Net change in right-of-use assets and liabilities	10,055	33,514
Net cash from operating activities	2,656,050	2,597,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(11,613,765)	(5,179,611)
Purchases of investment securities	(9,016,235)	(14,053,418)
Proceeds from sales of investment securities	20,558,498	16,835,600
Purchases of intangible assets	(99,154)	(223,191)
Purchase of collections items	(995,000)	(766,464)
Net cash from investing activities	(1,165,656)	(3,387,084)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,490,394	(789,153)
CASH AND CASH EQUIVALENTS, beginning of year	4,387,999	5,177,152
CASH AND CASH EQUIVALENTS, end of year	$ 5,878,393	$ 4,387,999
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Investments donated in exchange for payments on pledges	$ 75,368	$ 1,646,213

See accompanying notes.

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of activities – To inspire all current and future generations, the Georgia O'Keeffe Museum (the Museum) preserves, presents, and advances the artistic legacy of Georgia O'Keeffe (O'Keeffe) and Modernism through innovative public engagement, education, and research. The Museum accomplishes this by presenting exhibitions nationally and internationally, caring for the permanent collection, providing excellent public programs, cutting edge conservation techniques, access to the library and archives, research by outside scholars about Modernism, and serving as stewards for two of O'Keeffe's historic homes and studios.

The Museum is located in Santa Fe, New Mexico. It was incorporated on November 29, 1995, and opened to the public on December 17, 1997.

The accompanying consolidated financial statements include the accounts of the Museum's controlled not-for-profit subsidiary, The O'Keeffe Museum Foundation (the Foundation), formerly the Supporting Organization for the Georgia O'Keeffe Museum. The Foundation, which was incorporated January 5, 2016, under the Nonprofit Corporations Act of the State of New Mexico, supports the Museum. The Foundation has a wholly owned for profit subsidiary, GOKM Innovations Inc. All intercompany activity between the Museum and its subsidiaries has been eliminated in these consolidated financial statements as of and for the years ended December 31, 2025 and 2024.

Use of estimates in preparing consolidated financial statements – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant accounting policies – 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 of America.

Net assets without donor restrictions are assets not subject to stipulations imposed by the donor and are currently available for expenditures. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by explicit donor restrictions. Contributions are reported as without donor restriction where donor-imposed restrictions are met in the same reporting period as they are received. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

These consolidated financial statements have been prepared to focus on the Museum as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of account balances and transactions into two classes of net assets as follows:

Net assets without donor restrictions and board-designated net assets – Net assets that are not subject to donor-imposed stipulations.

Undesignated – Revenues and expenses associated with the principal mission of the Museum.

Board designated – The board-designated net assets have been established by the Museum's Board of Trustees for art acquisition, campus project costs, and operations. Accumulated funds are subject to conditions and policies established by the Museum's Board of Trustees.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Museum pursuant to those stipulations. Other donor restrictions are perpetual in nature whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and cash equivalents – For purposes of the consolidated statements of cash flows, the Museum considers cash on hand and in banks and highly liquid instruments with original maturities of three months or less to be cash equivalents. The Museum maintains its cash and cash equivalents in accounts at various banks and institutions. The balances in these institutions may, at times, exceed federally insured limits. However, the Museum has an agreement with its primary financial institution which provides insurance coverage up to $1,000,000.

Investment securities – Investment securities are carried by the Museum at fair value in accordance with GAAP. The fair value of investment securities is determined based on quoted market prices and estimates of value for non-traded securities (see Note 2). Investment securities are comprised of a diversified portfolio of equity, fixed income, and other securities and include net assets with donor restrictions. Investment income, as well as unrealized gains and losses, is included in the statements of activities and changes in net assets in the accompanying consolidated financial statements based on restrictions on earnings. The Museum participates in the IntraFi Network Deposit programs, which allow for the placement of funds into interest-bearing deposit accounts at multiple Federl Deposit Insurance Corporation (FDIC)-insured financial institutions through a single banking relationship. These deposits are classified as cash equivalents due to their liquidity and accessibility. Under this program, individual deposit amounts are allocated across a network of participating banks in amounts below the FDIC insurance limit. As a result, the entire balance placed through IntraFi remains fully insured by the FDIC.

Inventory – Inventory consists of retail store merchandise for resale and is stated at the lower of average cost or market. Cost is determined using the first in, first out method. Management believes that the cost of inventory held at December 31, 2025 and 2024, exceeded the estimated market value by $33,116 and $31,296, respectively, and this has been recorded by Management as an allowance for obsolescence.

Unconditional promises to give – Promises to give consist of unconditional promises to give over the expected term of the donor's pledges, which can vary from within one year to greater than five years. The present value of promises to give, using a discount rate equivalent to the five-year U.S. Treasury note rate at the date of the promise to give, for one to five years, is recognized as net assets with donor restrictions in the accompanying consolidated financial statements. Unconditional promises to give are stated at the outstanding unpaid balance, less an allowance for doubtful accounts. The Museum provides for losses on receivables using the allowance method. Such amounts are generally considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Museum's policy to charge off uncollectible receivables when management determines the receivables will not be collected.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and equipment – Property and equipment are stated at cost, or if donated, at the estimated fair market value at the date of donation. Depreciation is recorded over the estimated useful lives of depreciable assets using the straight-line method. The estimated useful lives range from five to seven years for furniture, fixtures, and equipment, 15 years for leasehold improvements, and 39 years for buildings and building improvements. Maintenance and repair costs that do not extend the lives of the related assets are expensed as incurred. The Museum has a $15,000 capitalization threshold.

Intangible assets – Intangible assets include development of new revenue-generating initiatives, brand positioning and licensing, which are stated at cost, or if donated, at the estimated fair market value at the date of donation. As of December 31, 2025, intangible assets had a total cost of $891,263 and accumulated amortization of $120,863, resulting in a net carrying amount of $770,400. As of December 31, 2024, intangible assets had a total cost of $792,109 and accumulated amortization of $61,964, resulting in a net carrying amount of $730,145. Amortization is recorded over the estimated useful lives of depreciable assets using the straight-line method. The estimated useful lives is 15 years for intangible assets. Amortization expense related to the intangible assets was $58,899 and $41,572 for the years ended December 31, 2025 and 2024, respectively. Future annual amortization expense is as follows: 2026 to 2037 – $59,418; 2038 – $39,026; 2039 – $17,846; and 2040 – $512.

Impairment of long-lived assets and long-lived assets to be disposed of – The Museum reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. In 2024, the Museum recognized an impairment loss of $1,070,160 related to the removal of a building structure in connection with the Museum's new campus development plan. The impairment loss reflects the net book value of the structure, which was removed to accommodate future construction activities. This loss is included in the statement of activities and changes in net assets under loss on disposal of property and equipment. Additional details regarding the campus development plan are provided in Note 4. No impairment losses were recognized during the year ended December 31, 2025.

Artwork and research collection – Collection items, which have been acquired through purchases and contributions since the Museum's inception, are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors.

Leases – Operating leases are included in non-current assets, current maturities of lease liabilities, and noncurrent long-term lease liabilities in the statement of financial position. The Museum has no finance leases as of December 31, 2025 or 2024. Right-of-use (ROU) assets represent the Museum's ROU leased assets over the term of the lease. Lease liabilities represent the Museum's contractual obligation to make lease payments arising from the lease.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Museum uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Museum has elected to use the risk-free rate expedient and uses the U.S. Treasury rate as its discount rate for all asset classes. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any repayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause a significant economic penalty to the Museum if the option were not exercised. Lease expenses are recognized on a straight-line basis over the lease term. The Museum has elected not to recognize an ROU asset and obligation for leases with an initial term of 12 months or less. The expense associated with short-term leases is included in rent expense on the accompanying statement of activities and changes in net assets.

Revenues and Other Support

Contributions, donations, and grants – The Museum reports contributions received as net assets without donor restrictions or net assets with donor restrictions, depending on the absence or existence and nature of any donor restrictions. All donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (i.e. when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions. If the restriction is satisfied in the same period the contribution is received, the contribution is reported as net assets without donor restrictions.

Admissions, retail, guided tours, memberships, and program fees – The Museum recognizes revenue at a point in time when the performance obligation has been satisfied.

Donated services and facilities – Contributions of services and facilities are recognized in the consolidated financial statements if the amounts received enhance or create non-financial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition, other donated services are provided by a variety of unpaid volunteers that benefit the Museum's programs. During 2025 and 2024, no amounts were recognized in the accompanying consolidated statements of activities and changes in net assets because the criteria for recognition of such volunteer effort have not been satisfied.

Donated assets – Donated marketable securities and other noncash donations are recorded as contributions at the estimated fair values at the date of donation.

Advertising – The Museum expenses advertising costs as they are incurred. The Museum incurred advertising costs of $140,316 and $104,674 during 2025 and 2024, respectively.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, occupancy, and insurance, which are allocated on a square-footage and usage basis, as well as payroll and related expense, supplies, advertising and marketing, travel and meals, and other expenses which are allocated on the basis of estimates of time and effort.

Income taxes – The Museum and the Foundation are not-for-profit organizations and qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

The FASB issued authoritative guidance relating to the accounting for the uncertainty in income taxes. The guidance clarifies the accounting for uncertainty in income taxes recognized in consolidated financial statements in accordance with GAAP. The guidance also requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Museum’s information returns to determine whether the tax positions are “more likely than not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. In addition, guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure and transition was also provided. As of December 31, 2025 and 2024, the Museum performed a comprehensive review of its material tax positions in accordance with recognition and measurement standards established by GAAP. As a result of this review, the Museum had no unreported income derived from unrelated business activities and did not identify any entity level tax positions that would not meet the more likely than not threshold.

Subsequent events evaluation – Subsequent events are events or transactions that occur after the consolidated statements of financial position date but before the consolidated financial statements are available to be issued. The Museum recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position, including the estimates inherent in the process of preparing consolidated financial statements. The Museum’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the consolidated statements of financial position date and before consolidated financial statements are available to be issued.

The Museum has evaluated subsequent events through July 30, 2026, which is the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2024 consolidated financial statements in order for them to conform to the current year financial statement presentation.

Note 2 – Fair Value Measurements

In determining fair value, the Museum uses various valuation approaches within the fair value measurement framework of accounting standards. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The standards define levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Money market funds are primarily invested in direct obligations of the U.S. Treasury, U.S. Government agencies, repurchase agreements, and money markets with maturities of 13 months or less which have observable Level 1 pricing inputs, including quoted prices for similar assets in active or non-active markets.

Real estate, private equity, and private partnership funds are valued based on the fund's net asset value per share at the fund's reporting date using pricing inputs, including audited consolidated financial statements of the funds and over-the-counter transactions near year end.

The estimated share of real estate funds, private equity, and private partnership funds where there are unfunded capital commitments is based on fund net asset value. The use of net asset value as fair value is deemed appropriate as the investments do not have finite lives, or significant restrictions on redemptions.

The following table sets forth by level, within the fair value hierarchy, the Museum's investment securities at fair value as of December 31, 2025:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Emerging markets	$ 8,741,115	$ -	$ -	$ 8,741,115
Domestic small-mid cap	3,307,357	-	-	3,307,357
Domestic mid cap	3,402,580	-	-	3,402,580
Domestic fixed income	40,571,750	-	-	40,571,750
International large cap	26,235,517	-	-	26,235,517
Domestic large cap	18,808,828	-	-	18,808,828
Money market funds	35,530,865	-	-	35,530,865
Total assets in the fair value hierarchy	$ 136,598,012	$ -	$ -	136,598,012
Investments measured at NAV – practical expedient				40,230,887
Investments at fair value				$ 176,828,899

The following table sets forth by level, within the fair value hierarchy, the Museum's investment securities at fair value as of December 31, 2024:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Emerging markets	$ 11,278,971	$ -	$ -	$ 11,278,971
Domestic small-mid cap	3,201,546	-	-	3,201,546
Domestic mid cap	3,224,680	-	-	3,224,680
Domestic fixed income	33,443,038	-	-	33,443,038
International large cap	22,646,100	-	-	22,646,100
Domestic large cap	17,454,124	-	-	17,454,124
Money market funds	35,398,674	-	-	35,398,674
Total assets in the fair value hierarchy	$ 126,647,133	$ -	$ -	126,647,133
Investments measured at NAV – practical expedient				45,551,786
Investments at fair value				$ 172,198,919

Investments measured at net asset value (NAV) – Assets measured at net asset value per share consist of an alternative investment various partnerships.

The private equity are "feeder" funds that are incorporated under the laws of the Cayman Islands. The objective of the HarbourVest Partners funds is to make investments with a primary emphasis on equity-oriented investments.

The private real estate funds include two real estate investment funds. The Morgan Stanley Prime Property Fund is a real estate investment trust and its objective is to acquire, own, hold for investment, and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation, or both. The Invesco U.S. Income Fund is to invest in a diversified portfolio of institutional quality real estate located in well-known primary and secondary markets throughout the United States.

The private partnership funds include six various funds. The objective of the Luxor Capital Partner funds, which are "feeder" funds, is to be substantially invested in the master fund. The other HH and HHEP LPs objectives are to make control investment in operating companies through acquisitions, build-ups, recapitalizations, restructurings, or significant minority stakes.

The following are the commitment and redemption provisions for investments held at NAV:

	Fair Value at December 31, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments measured at NAV				
Private equity	$ 22,001,143	$ 578,680	None	N/A
Private real estate	15,506,252	-	None	N/A
Private partnership	2,723,492	-	None	N/A
Total	$ 40,230,887	$ 578,680		

Investments held by the limited partnership generally are carried at fair value as determined by the respective general partners and may be based on various pricing models.

Note 3 – Unconditional Promises to Give

Unconditional promises to give at December 31 consisted of the following:

	2025	2024
With donor restriction for endowment	$ -	$ 1,000,000
With donor restriction for purpose	4,524,588	5,363,469
Reserve for change in value	-	(94,310)
	4,524,588	6,269,159
Less estimated discount to present value	(289,305)	(483,999)
Unconditional promises to give	$ 4,235,283	$ 5,785,160
Amounts due in		
Less than one year	$ 3,470,588	$ 1,210,836
One to five years	764,695	4,574,324
Total	$ 4,235,283	$ 5,785,160

Management reviews all pledges for collectability or other changes in valuation annually and provides, if necessary, a reserve to reflect the fair value of the asset. As of December 31, 2025 and 2024, the reserve was $0 and $94,310, respectively.

Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31:

	2025	2024
Building and building improvements	$ 24,297,254	$ 24,108,758
Construction in process	21,008,114	9,582,848
Furniture, fixtures, and equipment	1,159,609	1,159,609
	46,464,977	34,851,215
Less accumulated depreciation and amortization	(11,156,315)	(10,325,696)
Total depreciable assets, net	35,308,662	24,525,519
Land	4,022,884	4,022,884
Property and equipment, net	$ 39,331,546	$ 28,548,403

Depreciation expense for the years ended December 31, 2025 and 2024, was $830,622 and $893,372, respectively.

The Museum announced in 2021 the bold and inclusive vision to create a reimagined world-class museum facility and community green space. The new planned Museum building is 54,000 square feet on the one-acre lot. The site is located on the 100 block of Grant Avenue which is currently occupied by the Museum's Education Annex and related properties. The construction in process expense is related to the capitalizable construction costs associated with new campus plan. In 2024, the Museum entered into a construction contract for planned Museum building totaling $66,971,992. As of December 31, 2025, costs incurred under the contract were $21,008,114, and the remaining commitment was $45,963,878.

Note 5 – Collections

The Museum's collections are made up of artwork and research collections that are held for public exhibition, education, and research in furtherance of public service rather than financial gain. The value of the art objects in the permanent collection is excluded from the accompanying consolidated statements of financial position. All works of art and collections are protected, kept unencumbered, cared for, and preserved, and are subject to strict organizational policies governing their use. Collection items are insured under a blanket insurance policy. Coverage is based on a percentage of the collection's appraised valuation, determined after consideration of the total valuation of the collection, storage and security conditions, and other relevant risk factors. Management periodically reviews collection valuations and coverage levels in consultation with its insurance advisors to assess whether coverage remains appropriate.

The collection is subject to a Museum policy established by the Museum's Board of Trustees (Board). The policy currently requires any proceeds for the sale of deaccessioned items from the collection be designated to acquire other items for the collection or for the direct care of works in the collections. Direct care includes costs associated with the conservation, preservation, registration, maintenance, storage, and safeguarding of collections, including analysis, treatment, inventory, research, framing, documentation, the related information technology to assure full documentation, and the provision of safe and secure, climate-controlled storage and museum spaces. The amount of direct care for the years ended December 31, 2025 and 2024, was $1,347,447 and $1,385,092, respectively. An addition of a work of art to the permanent collection is made either by donation from a benefactor or through a purchase funded by the Museum's art acquisition fund. The art acquisition fund is a Board-designated fund for acquisitions, where both the principal and earned income may be used for art acquisitions. Proceeds from deaccessions of collection items are reflected as increases to the Board-designated art acquisitions fund. During 2025 and 2024, the Museum purchased artwork for $995,000 and $766,464, respectively.

Note 6 – Leases

The Museum leases buildings under non-cancelable operating leases agreements, which expire at various dates through 2037.

As of December 31, 2025, the weighted-average remaining lease term is 5.56 years. As of December 31, 2024, the weighted-average remaining lease term was 5.89 years. As of December 31, 2025 and 2024, the weighted-average discount rate for the leases is 3.03%.

Operating cash flows from operating leases were $156,684 and $133,224 for the years ended December 31, 2025 and 2024, respectively. The Museum recognized the following expenses associated with its leases for the year ended December 31:

	2025	2024
Lease expense		
Operating lease expense	$ 166,738	$ 166,738
Short-term lease expense	54,712	46,623
Total	$ 221,450	$ 213,361

Future minimum lease payments required during the years ending December 31 are as follows:

2026	$ 146,802
2027	151,407
2028	156,160
2029	161,065
2030	117,338
Thereafter	817,016
Total	1,549,788
Less present value discount	(304,640)
Total lease liabilities	$ 1,245,148

Note 7 – Accounts Payable and Other Liabilities

Accounts payable and other liabilities consisted of the following at December 31:

	2025	2024
Accounts payable	$ 1,354,478	$ 876,161
Payroll liabilities	559,653	563,748
Total	$ 1,914,131	$ 1,439,909

Note 8 – Endowments and Designated Funds

The Board of the Museum's objective is to provide income to support mission critical programs while preserving capital and to maintain the long-term purchasing power of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Museum classifies net assets with donor restrictions as:

- The original value of gifts donated to the endowment, and
- The original value of subsequent gifts to the endowment.

The Museum's investment objective is to diversify investments to maximize long-term growth of assets within prudent risk constraints. In accordance with Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Museum and the donor-restricted endowment fund
3. General economic conditions

4. The possible effect of inflation and deflation

5. The expected total return from income and the appreciation of investments

6. Other resources of the Museum

7. The investment policies of the Museum

The Museum's endowment consists of several funds established for a variety of purposes. Donor-designated endowment funds consist of those with donor-imposed restrictions. Board-designated funds include an art acquisition fund and the campus project, among others.

Investment return objectives and risk parameters – The Museum has adopted investment and spending policies for endowment assets including those assets of donor-restricted funds that the Museum must hold in perpetuity, or the donor-specified period(s) as well as Board-designated funds.

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending appropriations – The Museum's appropriations policies are consistent with its objectives to utilize income to support mission-critical programs, while preserving capital and ensuring future growth of the endowment through new gifts and the investment portfolio. In 2023, the endowment appropriation was based on an amount up to 4.5% of the prior three-year average of the fair value of the endowment fund assets. Beginning with 2024, the formula for determining the appropriation changed. The new formula provides for a spending allocation up to the greater of the 2023 actual appropriation or 4.5% of the prior twelve quarter-end fair values of endowment fund assets. To ensure the preservation of capital, the appropriation cannot exceed 5.75% of the ending fair value of the endowment fund assets prior to the beginning of the fiscal year.

Endowments and Board-designated fund's net assets composition by type of fund consists of the following as of December 31:

	2025	2024
Donor-designated endowment funds	$ 82,135,844	$ 86,352,649
Board-designated funds		
Art acquisition	41,385,989	39,043,785
Campus project	15,871,051	14,942,910
Operating	2,803,097	2,259,234
Total	$ 142,195,981	$ 142,598,578

Changes in endowment and designated fund net assets for the year ended December 31, 2025, are as follows:

	Board Designated	Donor Designated
Endowment and designated fund net assets at December 31, 2024	$ 56,245,929	$ 86,352,649
Contributions designated by Board for the operating fund	690,769	-
Contributions	-	4,792,891
Investment gain	5,498,586	3,742,706
Purchase of Art	(995,000)	-
Appropriation of endowment assets for expenditure/release from restriction per spending policy	(1,136,271)	(774,708)
Release from restriction for construction	-	(11,406,238)
Release from restriction from other program support	-	(571,456)
Use of board designated reserve	(243,876)	-
Endowment and designated fund net assets at December 31, 2025	$ 60,060,137	$ 82,135,844

Changes in endowment and designated fund net assets for the year ended December 31, 2024, are as follows:

	Board Designated	Donor Designated
Endowment and designated fund net assets at December 31, 2023	$ 53,693,028	$ 84,333,872
Contributions designated by Board for the operating fund	1,600,896	-
Contributions	-	4,984,271
Investment gain	3,616,116	2,922,911
Purchase of Art	(766,464)	-
Appropriation of endowment assets for expenditure/release from restriction per spending policy	(1,136,275)	(773,922)
Release from restriction for construction	-	(4,389,059)
Release from restriction from other program support	(761,372)	(725,424)
Endowment and designated fund net assets at December 31, 2024	$ 56,245,929	$ 86,352,649

Note 9 – Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor, or the UPMIFA, requires the Museum to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2025 and 2024.

The Museum has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Note 10 – Net Assets

Net assets with donor restrictions consisted of the following components as of December 31:

	2025	2024
Subject to expenditure for specific purpose or passage of time		
Capital campaign building	$ 35,010,985	$ 40,478,009
Other programs	9,404,859	8,154,640
	44,415,844	48,632,649
Subject to restriction in perpetuity		
Operations	28,494,500	28,494,500
Historic properties	6,000,000	6,000,000
Exhibitions	1,625,000	1,625,000
Research center	1,600,500	1,600,500
	37,720,000	37,720,000
Total net assets with donor restrictions	$ 82,135,844	$ 86,352,649

Note 11 – Retirement Plan

The Museum has established a 403(b) retirement plan, covering full-time employees who have completed one full year of service. Employees may elect to defer a portion of their wages, and the Museum contributes up to 4% of the employee's salary to the plan. Employer matching accounts are 100% vested upon participation in the plan. During 2025 and 2024, the Museum made $164,689 and $138,702, respectively, in contributions to the 403(b) retirement plan.

Note 12 – Liquidity and Availability of Financial Assets

As part of the Museum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. This policy includes investment of cash in excess of daily requirements in short-term instruments.

The following reflects the Museum financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated balance sheets date. Amounts not available include amounts set aside for long-term investing of the Board-designated endowments that could be drawn upon if the governing board approves that action. Amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the consolidated statements of financial position date have not been subtracted as unavailable at December 31.

	2025	2024
Financial assets		
Cash and cash equivalents	$ 5,878,393	$ 4,387,999
Investment securities	176,828,899	172,198,919
Unconditional promises to give	4,235,283	5,785,160
Total financial assets	186,942,575	182,372,078
Less assets unavailable for general expenditures within one year due to		
Restricted by donor with time or purpose restrictions	42,760,286	46,850,483
Subject to appropriation and satisfaction of donor restrictions	37,720,000	37,720,000
Board-designated endowments	60,060,137	56,245,929
Financial assets available to meet cash needs for general expenditures within one year	$ 46,402,152	$ 41,555,666

The Museum is supported, in part, by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Museum must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year and, accordingly, are reflected in the above as a reduction of available amounts available for general use.