

Financial Statements and Report of
Independent Certified Public
Accountants

Whitney Museum of American Art

June 30, 2025 and 2024

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GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017

D +1 212 599 0100

F +1 212 370 4520

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Whitney Museum of American Art

Opinion

We have audited the financial statements of Whitney Museum of American Art (the "Museum"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of June 30, 2025 and 2024, and the changes in its net assets and its 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 the Museum 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 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 the Museum's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 US 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Museum's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's 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.

Grant Thornton LLP

New York, New York
November 10, 2025

Whitney Museum of American Art
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 39,042,000	\$ 16,895,000
Accounts receivable, net	1,992,000	2,183,000
Contributions and grants receivable, net	14,409,000	21,438,000
Publications and sales inventory	4,126,000	4,118,000
Prepaid expenses, deposits and other assets	8,576,000	3,067,000
Investments	690,372,000	580,040,000
Net pension asset	1,051,000	-
Right-of-use assets, operating leases, net	11,936,000	15,378,000
Property held for sale	-	2,200,000
Property, plant and equipment, net	367,079,000	371,990,000
Collections	-	-
Total assets	<u><u>\$ 1,138,583,000</u></u>	<u><u>\$ 1,017,309,000</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 7,642,000	\$ 7,333,000
Deferred revenue	742,000	956,000
Deferred traveling and accrued exhibition fees	732,000	960,000
Operating lease liabilities	12,993,000	16,466,000
Bonds payable, net of premium and deferred issuance costs	89,017,000	91,538,000
Accrued pension obligation	-	368,000
Total liabilities	<u>111,126,000</u>	<u>117,621,000</u>
Net assets		
Net assets without donor restrictions	497,148,000	396,094,000
Net assets with donor restrictions	<u>530,309,000</u>	<u>503,594,000</u>
Total net assets	<u>1,027,457,000</u>	<u>899,688,000</u>
Total liabilities and net assets	<u><u>\$ 1,138,583,000</u></u>	<u><u>\$ 1,017,309,000</u></u>

The accompanying notes are an integral part of these financial statements.

Whitney Museum of American Art

STATEMENT OF ACTIVITIES

Year ended June 30, 2025

	Net Assets without Donor Restrictions			Net Assets with Donor Restrictions	
	Operations	Board-Designated	Total	Restrictions	2025 Total
Operating revenue and support					
Admissions	\$ 7,516,000	\$ -	\$ 7,516,000	\$ -	\$ 7,516,000
Memberships	9,324,000	-	9,324,000	-	9,324,000
Contributions for operations	8,029,000	-	8,029,000	-	8,029,000
Contributions for programs	-	-	-	16,136,000	16,136,000
In-kind contributions	199,000	-	199,000	-	199,000
Benefit and special events income, net of \$1,459,000 of related expenses	5,852,000	-	5,852,000	-	5,852,000
Investment return designated for current operations	21,267,000	-	21,267,000	-	21,267,000
Publications and sales income, net of \$1,515,000 of cost of goods sold	1,173,000	-	1,173,000	-	1,173,000
Traveling exhibition fees, net of \$76,000 of related expenses	147,000	-	147,000	-	147,000
Fees, royalties and other	2,815,000	-	2,815,000	-	2,815,000
Gain on sale of assets	96,074,000	-	96,074,000	-	96,074,000
Net assets released from restrictions for programs	15,998,000	-	15,998,000	(15,998,000)	-
Total operating revenue and support	168,394,000	-	168,394,000	138,000	168,532,000
Operating expenses					
Program expenses					
Exhibitions	32,503,000	-	32,503,000	-	32,503,000
Conservation and curatorial	5,383,000	-	5,383,000	-	5,383,000
Education programs	5,545,000	-	5,545,000	-	5,545,000
Memberships	3,802,000	-	3,802,000	-	3,802,000
Retail, special events and publications	2,157,000	-	2,157,000	-	2,157,000
Total program expenses	49,390,000	-	49,390,000	-	49,390,000
Supporting services expenses					
Management and general	25,573,000	-	25,573,000	72,000	25,645,000
Fundraising	3,250,000	-	3,250,000	-	3,250,000
Total supporting services expenses	28,823,000	-	28,823,000	72,000	28,895,000
Total operating expenses	78,213,000	-	78,213,000	72,000	78,285,000
Excess of operating revenues and support over operating expenses	90,181,000	-	90,181,000	66,000	90,247,000
Nonoperating activities					
Investment return in excess of amounts designated for operations and purchases of art	-	4,106,000	4,106,000	30,310,000	34,416,000
Investment return designated for purchases of art	1,041,000	-	1,041,000	(1,041,000)	-
Net assets released from restrictions for capital	10,000,000	-	10,000,000	(10,000,000)	-
Contributions for capital	-	-	-	9,200,000	9,200,000
Contributions for endowments	-	-	-	2,159,000	2,159,000
Depreciation	(11,121,000)	-	(11,121,000)	-	(11,121,000)
Interest expense, net of amortization of bond premium and issuance costs	(1,152,000)	-	(1,152,000)	-	(1,152,000)
Net assets released from restrictions for purchases of art	5,044,000	-	5,044,000	(5,044,000)	-
Purchases of art	(5,044,000)	-	(5,044,000)	-	(5,044,000)
Investment return on non-endowment assets	5,813,000	1,160,000	6,973,000	1,065,000	8,038,000
Board-designated transfers	(84,965,000)	84,965,000	-	-	-
Net periodic pension charges other than service cost	(21,000)	-	(21,000)	-	(21,000)
Change in post-retirement health and other benefits other than net periodic pension charges and service cost	1,047,000	-	1,047,000	-	1,047,000
CHANGES IN NET ASSETS	10,823,000	90,231,000	101,054,000	26,715,000	127,769,000
Net assets					
Beginning of year	339,949,000	56,145,000	396,094,000	503,594,000	899,688,000
End of year	\$ 350,772,000	\$ 146,376,000	\$ 497,148,000	\$ 530,309,000	\$ 1,027,457,000

The accompanying notes are an integral part of this financial statement.

Whitney Museum of American Art

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Net Assets without Donor Restrictions			Net Assets with Donor Restrictions	
	Operations	Board-Designated	Total	Restrictions	Total
Operating revenue and support					
Admissions	\$ 7,738,000	\$ -	\$ 7,738,000	\$ -	\$ 7,738,000
Memberships	8,974,000	-	8,974,000	-	8,974,000
Contributions for operations	7,441,000	-	7,441,000	-	7,441,000
Contributions for programs	-	-	-	23,130,000	23,130,000
In-kind contributions	223,000	-	223,000	-	223,000
Benefit and special events income, net of \$1,353,000 of related expenses	5,264,000	-	5,264,000	-	5,264,000
Investment return designated for current operations	23,486,000	-	23,486,000	-	23,486,000
Publications and sales income, net of \$1,284,000 of cost of goods sold	787,000	-	787,000	-	787,000
Traveling exhibition fees, net of \$812,000 of related expenses	478,000	-	478,000	-	478,000
Fees, royalties and other	4,497,000	-	4,497,000	-	4,497,000
Net assets released from restrictions for programs	13,260,000	-	13,260,000	(13,260,000)	-
Total operating revenue and support	72,148,000	-	72,148,000	9,870,000	82,018,000
Operating expenses					
Program expenses					
Exhibitions	26,414,000	-	26,414,000	-	26,414,000
Conservation and curatorial	4,834,000	-	4,834,000	-	4,834,000
Education programs	4,723,000	-	4,723,000	-	4,723,000
Memberships	3,584,000	-	3,584,000	-	3,584,000
Retail, special events and publications	1,791,000	-	1,791,000	-	1,791,000
Total program expenses	41,346,000	-	41,346,000	-	41,346,000
Supporting services expenses					
Management and general	27,823,000	-	27,823,000	82,000	27,905,000
Fundraising	3,137,000	-	3,137,000	-	3,137,000
Total supporting services expenses	30,960,000	-	30,960,000	82,000	31,042,000
Total operating expenses	72,306,000	-	72,306,000	82,000	72,388,000
(Deficiency) excess of operating revenues and support over operating expenses	(158,000)	-	(158,000)	9,788,000	9,630,000
Nonoperating activities					
Investment return in excess of amounts designated for operations and purchases of art	-	2,647,000	2,647,000	45,658,000	48,305,000
Investment return designated for purchases of art	851,000	-	851,000	(851,000)	-
Contributions for capital	-	-	-	1,450,000	1,450,000
Contributions for endowments	-	-	-	7,668,000	7,668,000
Depreciation	(10,721,000)	-	(10,721,000)	-	(10,721,000)
Interest expense, net of amortization of bond premium and issuance costs	(1,187,000)	-	(1,187,000)	-	(1,187,000)
Proceeds from the sale of art	-	-	-	-	-
Net assets released from restrictions for purchases of art	7,170,000	-	7,170,000	(7,170,000)	-
Purchases of art	(7,145,000)	-	(7,145,000)	-	(7,145,000)
Investment return on non-endowment assets	1,918,000	-	1,918,000	799,000	2,717,000
Net periodic pension charges other than service cost	59,000	-	59,000	-	59,000
Change in post-retirement health and other benefits other than net periodic pension charges and service cost	1,909,000	-	1,909,000	-	1,909,000
CHANGES IN NET ASSETS	(7,304,000)	2,647,000	(4,657,000)	57,342,000	52,685,000
Net assets					
Beginning of year	347,253,000	53,498,000	400,751,000	446,252,000	847,003,000
End of year	\$ 339,949,000	\$ 56,145,000	\$ 396,094,000	\$ 503,594,000	\$ 899,688,000

The accompanying notes are an integral part of this financial statement.

Whitney Museum of American Art
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2025

	Exhibitions	Conservation and Curatorial	Education Programs	Memberships	Retail, Special Events and Publications	Total Program Expenses	Management and General	Fundraising	Total Supporting Services Expenses	Total
Compensation	\$ 13,178,000	\$ 3,531,000	\$ 2,880,000	\$ 1,074,000	\$ 1,401,000	\$ 22,064,000	\$ 12,830,000	\$ 2,012,000	\$ 14,842,000	\$ 36,906,000
Employee benefits	1,269,000	415,000	310,000	142,000	194,000	2,330,000	2,720,000	232,000	2,952,000	5,282,000
Employee benefits-pension and 403(b)	564,000	197,000	147,000	56,000	69,000	1,033,000	743,000	94,000	837,000	1,870,000
Payroll taxes	882,000	237,000	208,000	73,000	99,000	1,499,000	1,196,000	134,000	1,330,000	2,829,000
Storage	4,280,000	-	-	-	-	4,280,000	322,000	-	322,000	4,602,000
Construction	1,758,000	-	2,000	-	-	1,760,000	7,000	1,000	8,000	1,768,000
Installation	414,000	-	-	-	-	414,000	-	-	-	414,000
Professional fees	598,000	9,000	290,000	383,000	60,000	1,340,000	1,021,000	31,000	1,052,000	2,392,000
Insurance	421,000	100,000	100,000	37,000	67,000	725,000	378,000	-	378,000	1,103,000
Fine art insurance	-	496,000	-	-	-	496,000	-	-	-	496,000
Printing and reproduction	291,000	1,000	15,000	958,000	3,000	1,268,000	9,000	2,000	11,000	1,279,000
Postage and couriers	49,000	2,000	3,000	560,000	1,000	615,000	9,000	10,000	19,000	634,000
Advertising and public relations	1,927,000	-	3,000	-	-	1,930,000	7,000	-	7,000	1,937,000
Other marketing costs	713,000	18,000	52,000	6,000	10,000	799,000	346,000	3,000	349,000	1,148,000
Telephone	3,000	-	-	1,000	1,000	5,000	149,000	1,000	150,000	155,000
Utilities	762,000	145,000	163,000	53,000	97,000	1,220,000	546,000	-	546,000	1,766,000
Packing and crating	307,000	-	-	-	-	307,000	-	-	-	307,000
Shipping	576,000	-	-	-	-	576,000	-	1,000	1,000	577,000
Other exhibition costs	205,000	88,000	7,000	1,000	-	301,000	-	14,000	14,000	315,000
Building supplies, services, maintenance and repairs	163,000	-	12,000	-	-	175,000	2,600,000	-	2,600,000	2,775,000
Fellowships	-	-	150,000	-	-	150,000	417,000	-	417,000	567,000
Consultants and honorarium	694,000	3,000	684,000	49,000	83,000	1,513,000	497,000	231,000	728,000	2,241,000
Travel	215,000	59,000	50,000	27,000	5,000	356,000	143,000	92,000	235,000	591,000
Meals	86,000	24,000	104,000	17,000	4,000	235,000	60,000	170,000	230,000	465,000
Lodging	126,000	26,000	25,000	6,000	-	183,000	49,000	128,000	177,000	360,000
Dues and subscriptions	25,000	2,000	103,000	2,000	3,000	135,000	560,000	30,000	590,000	725,000
Other	2,997,000	30,000	237,000	357,000	60,000	3,681,000	1,036,000	64,000	1,100,000	4,781,000
Total operating expenses	32,503,000	5,383,000	5,545,000	3,802,000	2,157,000	49,390,000	25,645,000	3,250,000	28,895,000	78,285,000
Depreciation	4,225,000	1,014,000	1,014,000	372,000	676,000	7,301,000	3,347,000	473,000	3,820,000	11,121,000
Interest expense, net of amortization of bond premium and issuance costs	438,000	105,000	105,000	39,000	70,000	757,000	346,000	49,000	395,000	1,152,000
Total expenses	\$ 37,166,000	\$ 6,502,000	\$ 6,664,000	\$ 4,213,000	\$ 2,903,000	\$ 57,448,000	\$ 29,338,000	\$ 3,772,000	\$ 33,110,000	\$ 90,558,000

The accompanying notes are an integral part of this financial statement.

Whitney Museum of American Art
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	Exhibitions	Conservation and Curatorial	Education Programs	Memberships	Retail, Special Events and Publications	Total Program Expenses	Management and General	Fundraising	Total Supporting Services Expenses	Total
Compensation	\$ 11,522,000	\$ 3,561,000	\$ 2,586,000	\$ 1,036,000	\$ 1,258,000	\$ 19,963,000	\$ 13,613,000	\$ 2,122,000	\$ 15,735,000	\$ 35,698,000
Employee benefits	1,305,000	486,000	345,000	119,000	194,000	2,449,000	2,318,000	261,000	2,579,000	5,028,000
Employee benefits-pension and 403(b)	517,000	216,000	139,000	53,000	69,000	994,000	654,000	105,000	759,000	1,753,000
Payroll taxes	766,000	238,000	183,000	70,000	85,000	1,342,000	792,000	136,000	928,000	2,270,000
Rent	-	-	8,000	-	-	8,000	-	-	-	8,000
Storage	3,958,000	-	-	-	-	3,958,000	460,000	-	460,000	4,418,000
Construction	1,557,000	-	4,000	-	1,000	1,562,000	-	-	-	1,562,000
Installation	797,000	-	-	-	-	797,000	-	-	-	797,000
Professional fees	287,000	54,000	232,000	347,000	30,000	950,000	1,602,000	41,000	1,643,000	2,593,000
Insurance	-	-	-	-	-	-	858,000	-	858,000	858,000
Fine art insurance	-	-	-	-	-	-	493,000	-	493,000	493,000
Printing and reproduction	241,000	-	10,000	867,000	-	1,118,000	6,000	3,000	9,000	1,127,000
Postage and couriers	104,000	2,000	3,000	501,000	2,000	612,000	16,000	8,000	24,000	636,000
Advertising and public relations	1,677,000	-	3,000	-	-	1,680,000	-	-	-	1,680,000
Other marketing costs	343,000	23,000	20,000	42,000	7,000	435,000	215,000	10,000	225,000	660,000
Telephone	5,000	-	-	-	1,000	6,000	111,000	-	111,000	117,000
Utilities	150,000	-	14,000	-	-	164,000	1,346,000	-	1,346,000	1,510,000
Packing and crating	348,000	-	-	-	-	348,000	-	-	-	348,000
Shipping	538,000	-	-	-	-	538,000	-	-	-	538,000
Other exhibition costs	255,000	28,000	75,000	1,000	-	359,000	1,000	3,000	4,000	363,000
Building supplies, services, maintenance and repairs	109,000	-	10,000	1,000	1,000	121,000	2,168,000	-	2,168,000	2,289,000
Fellowships	-	-	21,000	-	-	21,000	505,000	-	505,000	526,000
Consultants and honorarium	731,000	65,000	542,000	58,000	66,000	1,462,000	1,011,000	11,000	1,022,000	2,484,000
Travel	147,000	63,000	60,000	35,000	5,000	310,000	131,000	53,000	184,000	494,000
Meals	82,000	38,000	97,000	25,000	5,000	247,000	142,000	50,000	192,000	439,000
Lodging	80,000	35,000	47,000	7,000	1,000	170,000	71,000	23,000	94,000	264,000
Dues and subscriptions	11,000	1,000	92,000	-	6,000	110,000	355,000	33,000	388,000	498,000
Other	884,000	24,000	232,000	422,000	60,000	1,622,000	1,037,000	278,000	1,315,000	2,937,000
Total operating expenses	26,414,000	4,834,000	4,723,000	3,584,000	1,791,000	41,346,000	27,905,000	3,137,000	31,042,000	72,388,000
Depreciation	4,231,000	1,018,000	986,000	318,000	604,000	7,157,000	3,055,000	509,000	3,564,000	10,721,000
Interest expense, net of amortization of bond premium and issuance costs	469,000	113,000	109,000	35,000	67,000	793,000	338,000	56,000	394,000	1,187,000
Total expenses	\$ 31,114,000	\$ 5,965,000	\$ 5,818,000	\$ 3,937,000	\$ 2,462,000	\$ 49,296,000	\$ 31,298,000	\$ 3,702,000	\$ 35,000,000	\$ 84,296,000

The accompanying notes are an integral part of this financial statement.

Whitney Museum of American Art

STATEMENTS OF CASH FLOWS

Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities	\$ 127,769,000	\$ 52,685,000
Changes in net assets		
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	11,121,000	10,721,000
Gain on sale of assets	(96,074,000)	-
Amortization of bond premium	(2,627,000)	(2,598,000)
Amortization of deferred issuance costs	106,000	108,000
In-kind contributions	(199,000)	(223,000)
Receipt of contributed securities	(2,033,000)	(5,138,000)
Proceeds from sale of contributed securities	2,033,000	5,138,000
Proceeds from sale of art	-	(11,287,000)
Purchases of art	5,044,000	7,145,000
Net unrealized and realized gain on investments	(58,640,000)	(70,993,000)
Contributions restricted for endowment	(5,445,000)	(11,566,000)
Change in operating assets and liabilities:		
Increase in accounts receivable, prepaid expenses, deposits and other assets	(5,318,000)	(1,082,000)
Decrease (increase) in contributions receivable	7,228,000	(2,277,000)
Decrease in art sale receivable	-	11,287,000
(Increase) decrease in publications and sales inventories	(8,000)	230,000
Decrease (increase) in right-of-use assets, operating leases, net	3,442,000	(1,694,000)
Increase (decrease) in accounts payable and accrued expenses	309,000	(4,575,000)
(Decrease) increase in deferred revenue	(214,000)	82,000
Decrease in net pension asset / accrued pension obligation	(1,419,000)	(2,028,000)
Decrease in deferred traveling and accrued exhibition fees	(228,000)	(995,000)
(Decrease) increase in operating lease liabilities	(3,473,000)	1,821,000
Net cash used in operating activities	<u>(18,626,000)</u>	<u>(25,239,000)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,087,000)	(13,809,000)
Proceeds from sale of investments	155,036,000	108,843,000
Purchase of investments	(206,728,000)	(90,780,000)
Proceeds from sale of assets	98,151,000	11,287,000
Purchases of art	(5,044,000)	(7,145,000)
Net cash provided by investing activities	<u>35,328,000</u>	<u>8,396,000</u>
Cash flows from financing activities		
Contributions restricted for endowment	5,445,000	11,566,000
Net cash provided by financing activities	<u>5,445,000</u>	<u>11,566,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,147,000	(5,277,000)
Cash and cash equivalents		
Beginning of year	16,895,000	22,172,000
End of year	<u><u>\$ 39,042,000</u></u>	<u><u>\$ 16,895,000</u></u>
Supplemental data		
Cash paid for interest	<u>\$ 3,663,000</u>	<u>\$ 3,663,000</u>
Receipt of contributed securities	<u>\$ 2,033,000</u>	<u>\$ 5,138,000</u>
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ -</u>	<u>\$ 4,983,000</u>

The accompanying notes are an integral part of these financial statements.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 - ORGANIZATION

Whitney Museum of American Art (the "Museum") was founded in 1930 by Gertrude Vanderbilt Whitney. It is dedicated to presenting, collecting, and inspiring dialogue around American art of the 20th and 21st centuries. The Museum serves a wide variety of audiences from its New York City location.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Net Asset Classifications

The Museum reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions

Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Trustees and management, for the Museum to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by the Museum's Board of Trustees or may be limited by legal requirements or contractual agreements with outside parties.

Net Assets with Donor Restrictions

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. A portion of the Museum's net assets with donor restrictions are subject to donor-imposed restrictions that require the Museum to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity, but allow for the expenditure of net investment income earned on the corpus for either specified or unspecified purposes.

Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with original maturities of three months or less when purchased. The Museum includes money market funds as cash equivalents, with the exception of those money market funds which are part of the long-term investment strategy of the Museum (Note 3).

Publications and Sales Inventory

Inventory consists of books, exhibition catalogues, posters, note cards and other merchandise valued at the lower of average cost or fair value. Inventory consists of \$3,533,000 and \$3,329,000 of finished goods and \$593,000 and \$789,000 of work in process at June 30, 2025 and 2024, respectively.

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Investments

Equity securities are carried at fair value based on the last reported sales price as of the reporting date. Fixed-income securities are valued by external investment managers using quoted market prices as of the reporting date.

Alternative investments include investments in limited partnerships, private equity and hedge funds. The Museum values these investments using the net asset value ("NAV") provided by the investment managers of the underlying funds. As a general rule, investment managers of funds value investments based upon the best information available for given circumstances and may incorporate assumptions that are the investment manager's best estimate after consideration of a variety of internal and external factors. The funds may make investments in securities that are publicly traded, which are generally valued based on observable market prices, unless a restriction exists. Investments for which observable market prices do not exist are reported at fair value as determined by the fund's investment manager. The Museum's management may consider other factors in assessing the fair value of these investments. Some of these funds may not have readily ascertainable fair values and may be subject to withdrawal restrictions. The fair value of the funds represents the amount the Museum expects to receive at the reporting date if it had liquidated its investments. Because alternative investments may not be readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. Certain of the partnerships enter into contractual commitments including futures and option contracts and other derivative financial instruments. These contracts are valued by the partnerships at the last reported sales price and involve elements of market risk in excess of the amounts recognized on the partnership statement of financial condition. Risks arise from the potential changes in securities values and interest rates. The Museum records its share of the net income or loss for the accounting period in proportion to its participating ownership percentage in each partnership.

Purchases and sales of securities are reflected on a trade-date basis. Realized gains and losses on sales of securities are determined on an average-cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded as earned on an accrual basis.

Unrealized gains and losses are determined by comparison of specific costs of acquisition to fair values at the last day of the fiscal year.

A portion of the Museum's investments are pooled to facilitate their management. Investment income is allocated among the individual components of net assets without donor restrictions and net assets with donor restrictions based on donor restrictions or the absence thereof, using a percentage of participation in the investment pool based on their carrying value or fair value.

The Museum manages its investment portfolio on a total-return basis. To preserve the investments' long-term value, the Museum makes available to be spent each year 5% of the endowment investment portfolio's average fair value for the preceding three years ending December 31, excluding investment and custodial fees (the "spending rate").

Art Collection

The Museum has an extensive collection of art, including paintings, sculptures, photographs, drawings, prints, and films and videos. The collection is maintained under the care of the Registration Department staff and is held for research, education and public exhibition in furtherance of public service, rather than for financial gain. As a matter of policy, proceeds from the sale of collection items are used to acquire other items for the collection. The Museum does not include either the cost or the value of its collection in its statement of financial position, nor does it recognize gifts of collection items as revenues on its statement

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

of activities. Since items acquired for the collection by purchase are not capitalized, the cost of those acquisitions is reported as decreases in net assets in the statement of activities.

Measure of Operations

The Museum includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations includes investment income equal to a defined spending rate, and interest earned from short-term investments and cash held for working capital. It excludes contributions for capital and the endowment, depreciation of the Museum's property, plant and equipment, purchases and sales of collection items, investment return in excess of (less than) the amounts designated for current operations and purchases of art, investment return on non-endowment investments, interest expense, periodic pension charges other than net periodic benefit cost and service cost, transfers and reclassification of net assets, and board-designated contributions and related activities.

Revenue Recognition

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Museum recognizes revenue when control of the promised goods or services is transferred to the Museum's outside parties in an amount that reflects the consideration the Museum expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Museum recognizes contracts with customers as goods or services are transferred or provided in accordance with ASC 606.

The Museum has multiple revenue sources that are accounted for as exchange transactions, including admissions, membership dues, benefit and special event income, publications and sales income, traveling exhibition fees, and fees, royalties and other revenue.

Contributions

The Museum recognizes revenue from contributions in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). In accordance with ASU 2018-08, the Museum evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Museum applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Museum evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Museum is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The Museum records cash and unconditional promises to give as revenue in the period received. Unconditional contributions (pledges) are recorded at the net present value of the amounts expected to be collected. Conditional contributions are recognized as revenue when the conditions (i.e., barriers) on which they depend have been met.

The Museum records unconditional contributions as restricted revenue (i.e., net assets with donor restrictions) if they are received with donor stipulations that limit their use either through purpose or time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends,

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

restricted net assets are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions.

The Museum benefits from volunteers who provide support to various Museum programs. Such contributed services do not meet the criteria for recognition of contributed services as defined by U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements.

In-Kind Contributions

During the years ended June 30, 2025 and 2024, the Museum received in-kind contributions recognized at fair value totaling \$199,000 and \$223,000, respectively. Such gifts are not subject to donor restrictions and have been provided in support of the Museum's operations.

Membership Dues

The Museum apportions fees from memberships between contributions and exchange transactions and recognizes revenue for the contribution portion upon receipt and the exchange transaction component according to the membership term. The exchange transactions for individual and corporate membership categories are recognized in the applicable year that the subscription commences. The exchange transactions for multi-year memberships are recognized over the term of the subscription.

Benefits and Special Events

Benefits and special events income results from the Museum's efforts to produce a wide variety of events around large annual fundraisers and rentals of the Museum's facilities. The revenue is recognized in the period that the benefits and events are held, and is presented net of related expenses.

Admission Fees

Admission fees are from daily attendance and group visits to the Museum. Revenue is recognized upon sale for access to the Museum's exhibition galleries and programs.

Fees, Royalties and Other

Fees, royalties and other primarily relate to revenue sharing contracts associated with the Museum's 945 Madison Avenue building and its restaurants. Royalties are recognized as earned, according to the terms of the aforementioned contracts.

Functional Allocation of Expenses

The costs of providing the Museum's programs are summarized and presented in the statements of activities and functional expenses. Management and general expenses include executive and financial administration, human resources and information services. Fundraising expenses of the Museum include salaries and employee benefits of program staff that develop proposals for fundraising; solicit contributions for those needs and for endowment purposes from individuals, corporations, government agencies and foundations; and the conduct of special fundraising events. Building maintenance and other operating costs are allocated to program areas and supporting services based on head count.

Advertising and public relations costs are expensed when incurred. During 2025 and 2024, the Museum incurred advertising and public relations expenses of \$1,937,000 and \$1,680,000, respectively, excluding Museum labor and overhead.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

Property Held for Sale

In May 2023, the Museum entered into a purchase and sale agreement to sell property located at 945 Madison Avenue (the "Property") in the amount of \$100,000,000. As of June 30, 2024, the Property had a cost value of \$13,726,000 and accumulated depreciation of \$11,526,000, resulting in a net book value of \$2,200,000.

In November 2024, the Museum finalized the sale of the Property. Net of closing costs, proceeds from the sale totaled \$98,151,000. As of the sale date, the Property had a cost value of \$13,726,000 and accumulated depreciation of \$11,649,000, resulting in a net book value of \$2,077,000. The total gain from the sale of the Property totaled \$96,074,000.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and expenditures in excess of \$2,500 are capitalized. The Museum's building and capital improvements, office furniture and equipment are depreciated on a straight-line basis over their estimated useful lives (building - 50 years; capital improvements, office furniture and equipment - 3 to 15 years or the remaining useful life of the building, whichever is shorter). Leasehold improvements are amortized on a straight-line basis over the shorter of the lives of the assets or the terms of the leases to which they pertain.

Deferred Traveling and Accrued Exhibition Fees

Deferred traveling and accrued exhibition fees of \$732,000 and \$960,000 at June 30, 2025 and 2024, respectively, relate to in-house and traveling exhibitions for which advance payments from patrons have been received but the exhibition has not yet begun.

Bond Premiums and Deferred Financing Costs

Included in bonds payable at June 30, 2025 and 2024, is \$16,402,000 and \$19,029,000, respectively, of bond premiums related to the 2021 Refunding Revenue Bonds issuance. These premiums are amortized on a straight-line basis over the life of the bonds, which approximates the effective interest method. Amortization totaled \$2,627,000 and \$2,598,000 for the years ended June 30, 2025 and 2024, respectively. Also included in bonds payable are deferred issuance costs related to the 2021 Refunding Revenue Bonds issuance of \$645,000 and \$751,000 at June 30, 2025 and 2024, respectively. These costs are amortized on a straight-line basis over the life of the bonds. Amortization expense totaled \$106,000 and \$108,000 for the years ended June 30, 2025 and 2024, respectively.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The more significant estimates made relate to the valuation of contributions receivable, valuation of alternative investments, and actuarial assumptions used in the calculation of the accrued pension obligation. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments which potentially subject the Museum to concentrations of credit risk consist principally of cash and cash equivalents and investments in fixed income funds, equity funds and alternative investments measured at NAV. The Museum maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Museum's cash investments are

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

placed with high-credit quality financial institutions. The Museum has not experienced, nor does it anticipate any losses with respect to such accounts.

Five donors represented 57% and 44% of contributions receivable at June 30, 2025 and 2024, respectively. Three donors represented 31% and 26% of contributions revenue for the years ended June 30, 2025 and 2024, respectively.

Tax Status

The Museum follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Museum is exempt from federal income tax under Internal Revenue Code (the “Code”) Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Museum has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Museum has determined that there are no material uncertain tax positions that require recognition or disclosure in its financial statements. In addition, the Museum has not recorded a provision for income taxes, as it has no material tax liability from unrelated business income activities.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the 2025 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses, or changes in net assets as reflected in the 2024 financial statements.

NOTE 3 - INVESTMENTS

The Museum follows guidance with respect to accounting and reporting for the fair value of its financial assets and liabilities. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure and report fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between participants on the measurement date. Fair value reporting requires an entity to determine the unit of account, the mechanism of a hypothetical transfer, and the appropriate markets for the asset or liability being measured.

The guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities’ own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure and report fair value.

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The following describes the hierarchy of inputs used to measure and report fair value and the primary valuation methodologies used by the Museum for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 - Quoted prices in active markets that the Museum has the ability to access for identical assets and liabilities for which significant observable inputs exist. Market price data is generally obtained from exchange or dealer markets. The Museum does not adjust the quoted price for such assets and liabilities. Investments included in Level 1 may include certain equity and fixed income securities, registered mutual funds and exchange-traded funds.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the respective asset or liability. This includes use of model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Inputs are obtained from various sources, including market participants, dealers and brokers.
- Level 3 - Unobservable inputs, as they trade infrequently or not at all, that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

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 Museum 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 estimate of fair value at the reporting date.

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. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors. The Museum considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is, therefore, based upon the pricing transparency of the instrument and does not necessarily correspond to the Museum's perceived risk of that investment.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

The Museum's investment portfolio, at fair value, consists of the following at June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 27,475,000	\$ 8,192,000
Fixed income investments	139,617,000	86,367,000
Equity investments	136,037,000	105,745,000
 Total investments included in the fair value hierarchy	 303,129,000	 200,304,000
 Investments measured at NAV	 379,395,000	 375,159,000
Investment redemption receivables	7,334,000	4,361,000
Pending investment purchases	514,000	216,000
 Total investments	 <u>\$ 690,372,000</u>	 <u>\$ 580,040,000</u>

The Museum submitted redemption requests relative to certain of its investment funds, which remained outstanding as of June 30, 2025 and 2024. Such amounts have been reflected as investment redemption receivables in the portfolio above and were collected in full subsequent to each respective year-end.

Amounts reflected as pending investment purchases in the portfolio above reflect cash disbursed to investment funds that have not yet been credited to the Museum's capital account as of June 30, 2025 and 2024. Such purchases settled subsequent to year-end.

As of June 30, 2025 and 2024, the Museum held investments, at fair value, in the following categories:

	2025	2024
Endowment investments	\$ 539,754,000	\$ 489,054,000
Non-endowment investments	149,747,000	90,169,000
Other investments*	871,000	817,000
 Total investments	 <u>\$ 690,372,000</u>	 <u>\$ 580,040,000</u>

* Gift annuities and funds held by bond trustee.

As of June 30, 2025 and 2024, the Museum had the following investments, which represented more than 5% of total net assets:

	2025		2024	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Adage Capital Partners	\$ 117,165,000	11.40%	\$ 123,147,000	13.69%
Vanguard Institutional Index	112,736,000	10.97%	83,706,000	9.30%
U.S. Treasury Fixed Income Investments	121,417,000	11.82%	76,421,000	8.49%

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Investment return (loss) and its classification in the statement of activities for the year ended June 30, 2025 follows:

	<u>Net Assets without Donor Restrictions</u>			
	<u>Operations</u>	<u>Board- Designated for Endowment and Other</u>	<u>Net Assets with Donor Restrictions</u>	<u>2025 Total</u>
Investment return on endowment investments:				
Dividends and interest	\$ -	\$ 417,000	\$ 2,861,000	\$ 3,278,000
Realized gains	-	3,721,000	22,959,000	26,680,000
Unrealized gains	-	2,936,000	23,162,000	26,098,000
Less: advisory and custody fees	-	(46,000)	(327,000)	(373,000)
Total investment return on endowment investments	-	7,028,000	48,655,000	55,683,000
Investment return designated for current operations	<u>21,267,000</u>	<u>(2,922,000)</u>	<u>(18,345,000)</u>	<u>-</u>
Investment return on non-endowment and other investments:				
Dividends and interest	2,199,000	69,000	76,000	2,344,000
Realized gains and losses	109,000	-	462,000	571,000
Unrealized gains	3,645,000	1,113,000	533,000	5,291,000
Less: advisory and custody fees	<u>(140,000)</u>	<u>(22,000)</u>	<u>(6,000)</u>	<u>(168,000)</u>
Investment return on non-endowment and other investments	<u>5,813,000</u>	<u>1,160,000</u>	<u>1,065,000</u>	<u>8,038,000</u>
Total investment return, net	<u>\$ 27,080,000</u>	<u>\$ 5,266,000</u>	<u>\$ 31,375,000</u>	<u>\$ 63,721,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Investment return and its classification in the statement of activities for the year ended June 30, 2024 follows:

	<u>Net Assets without Donor Restrictions</u>			
	<u>Operations</u>	<u>Board- Designated for Endowment and Other</u>	<u>Net Assets with Donor Restrictions</u>	<u>2024 Total</u>
Investment return (loss) on endowment investments:				
Dividends and interest	\$ -	\$ 241,000	\$ 1,968,000	\$ 2,209,000
Realized gains	-	4,911,000	39,267,000	44,178,000
Unrealized gains	-	2,657,000	23,255,000	25,912,000
Less: advisory and custody fees	-	(55,000)	(453,000)	(508,000)
Total investment return on endowment investments	-	7,754,000	64,037,000	71,791,000
Investment return designated for current operations	<u>23,486,000</u>	<u>(5,107,000)</u>	<u>(18,379,000)</u>	<u>-</u>
Investment return (loss) on non- endowment and other investments:				
Dividends and interest	1,930,000	-	35,000	1,965,000
Realized gains and losses	642,000	-	297,000	939,000
Unrealized gains	(510,000)	-	474,000	(36,000)
Less: advisory and custody fees	<u>(144,000)</u>	<u>-</u>	<u>(7,000)</u>	<u>(151,000)</u>
Investment return on non-endowment and other investments	<u>1,918,000</u>	<u>-</u>	<u>799,000</u>	<u>2,717,000</u>
Total investment return, net	<u>\$ 25,404,000</u>	<u>\$ 2,647,000</u>	<u>\$ 46,457,000</u>	<u>\$ 74,508,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The Museum's financial assets that are measured at fair value on a recurring basis at June 30, 2025 are as follows:

	Fair Value at June 30, 2025	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 27,475,000	\$ 27,475,000	\$ -	\$ -
Fixed income investments	139,617,000	139,617,000	-	-
Equity investments	136,037,000	136,037,000	-	-
Total investments included in the fair value hierarchy	303,129,000	<u>\$ 303,129,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	379,395,000			
Investment redemption receivables	7,334,000			
Pending investment purchases	<u>514,000</u>			
Total investments	<u>\$ 690,372,000</u>			

The Museum's financial assets that are measured at fair value on a recurring basis at June 30, 2024 are as follows:

	Fair Value at June 30, 2024	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 8,192,000	\$ 8,192,000	\$ -	\$ -
Fixed income investments	86,367,000	86,367,000	-	-
Equity investments	105,745,000	105,745,000	-	-
Total investments included in the fair value hierarchy	200,304,000	<u>\$ 200,304,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	375,159,000			
Investment redemption receivables	4,361,000			
Pending investment purchases	<u>216,000</u>			
Total investments	<u>\$ 580,040,000</u>			

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Equity and fixed-income investments consist of investments in publicly-traded equities, mutual funds, and funds that invest in equity and fixed income-based strategies. The fair values of publicly-traded investments are based on quoted market prices as of the reporting date. Investments that are listed on an exchange are valued, in general, at the last reported sale price (or, if there is no sales price, at the last reported bid price, or, in the absence of reported bid prices, at the mean between the last reported bid and asked prices thereof).

The Museum uses NAV to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The value represents the ownership interest in the hedge fund or respective partnership. The NAV of the investments held by limited partnerships and hedge funds that do not have readily determinable fair values are determined by the general partner or hedge fund manager and are based on appraisals, or other estimates that require varying degrees of judgment. The Museum performs due diligence around these investments to ensure NAV is an appropriate measure of fair value as of June 30. Because of the inherent uncertainty of valuing these investments and certain underlying investments held by them, the Museum's estimate of fair value may differ significantly from the values that would have been used had a ready market for such investments existed. These investments may be illiquid and thus there can be no assurance that the Museum will be able to realize the value of such investments in a timely manner. For partnership interests, gains and losses are dependent upon the general partners' distributions during the life of each partnership.

Per the applicable guidance, disclosures are presented by major asset category by the nature and risks of the Museum's investments. All percentages are based on NAV as of June 30, 2025 and 2024.

Category of Investment	Number of Funds	Fair Value Determined Using NAV at June 30, 2025	Unfunded Commitments	Redemption Terms	Redemption Restrictions and Terms
Equity investment funds	3	\$ 140,741,000	N/A	Monthly - 7.47% Quarterly - 83.25% Semi-annually - 9.28%	90.72% have no lock-up; 9.28% have 3-year lock-up; and two funds have gate triggers that range from 20-33% of fund level NAV.
Equity long/short	5	37,155,000	N/A	Monthly - 20.72% Quarterly - 77.10% N/A - 2.18%	97.82% have no lock-up; 2.18% do not permit redemption requests; two funds have gate triggers that range from 20-25% of fund level NAV; and one fund has a gate that triggers at 25% of investor level NAV / quarter.
Multi-strategy and other	21	144,654,000	\$ 31,687,000	Weekly - 15.98% Monthly - 10.66% Quarterly - 17.47% Semi-annually - 0.01% Annually - 0.02% Every 3 years - 19.37% N/A - 36.49%	46.80% have no lock-up; 42.08% have lock-ups that range from 1 to 9 years; 11.12% do not permit redemption requests; three funds have gate triggers that range from 10-25% of fund level NAV; and one fund has a gate that triggers at 25% of investor level NAV / quarter.
Private equity	16	56,845,000	9,374,000	N/A	N/A
	45	\$ 379,395,000	\$ 41,061,000		

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Category of Investment	Number of Funds	Fair Value Determined Using NAV at June 30, 2024	Unfunded Commitments	Redemption Terms	Redemption Restrictions and Terms
Equity investment funds	2	\$ 133,846,000	N/A	Quarterly - 92.01% Semi-annually - 7.99%	92.01% have no lock-up; 7.99% have 3-year lock-up; and two funds have gate triggers that range from 20-33% of fund level NAV.
Equity long/short	4	34,878,000	N/A	Quarterly - 96.79% N/A - 3.21%	96.79% have no lock-up; 3.21% do not permit redemption requests; one fund has a gate that triggers at 25% of fund level NAV; and one fund has a gate that triggers at 25% of investor level NAV / quarter.
Multi-strategy and other	21	143,115,000	\$ 28,906,000	Weekly - 16.04% Monthly - 10.71% Quarterly - 29.52% Semi-annually - 0.01% Annually - 0.05% Every 3 years - 15.23% N/A - 28.44%	57.63% have no lock-up; 31.29% have lock-ups that range from 2 to 10 years; 11.08% do not permit redemption requests; four funds have gate triggers that range from 10-25% of fund level NAV; and two funds have gates that triggers at 25% of investor level NAV / quarter.
Private equity	17	63,320,000	13,185,000	N/A	N/A
	<u>44</u>	<u>\$ 375,159,000</u>	<u>\$ 42,091,000</u>		

NOTE 4 - CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

Contributions and grants receivable, discounted to present value at June 30, 2025 and 2024 consist of unconditional promises to give and are due from the following:

	2025	2024
Individuals	\$ 7,596,000	\$ 7,297,000
Corporations	5,681,000	8,574,000
Foundations	1,898,000	6,192,000
Government, NY State and City	19,000	270,000
Gross contributions and grants receivable	15,194,000	23,333,000
Less: allowance for doubtful accounts	(175,000)	(175,000)
Less: discount to present value (at rates between 3.51% and 4.83%)	(610,000)	(720,000)
	<u>\$ 14,409,000</u>	<u>\$ 21,438,000</u>

The Museum has been notified of certain intentions to give. However, given their conditional nature, they have not been recorded on the accompanying financial statements.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

The gross contributions receivable at June 30, 2025 are due to be collected as follows:

Year Ended June 30:

2026	\$ 9,718,000
2027	2,393,000
2028	569,000
2029	569,000
2030	389,000
Thereafter	<u>1,556,000</u>
	<u>\$ 15,194,000</u>

New York City's investment of capital funding of \$52,000,000 obligated the Museum to operate the Museum's building project ("Project") for the benefit of the people of the City of New York as a not-for-profit world-class art museum, or for such other cultural, educational or artistic uses and/or related purposes approved by the City for a period of 30 years from the completion of the Project. The Museum believes that it has complied with this and all provisions associated with the capital funding arrangement with the City.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, is comprised of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 34,662,000	\$ 34,662,000
Building and capital improvements	417,311,000	412,664,000
Furniture, fixtures and equipment	24,310,000	23,737,000
Construction-in-progress	<u>2,889,000</u>	<u>2,022,000</u>
	479,172,000	473,085,000
Less: accumulated depreciation	<u>(112,093,000)</u>	<u>(101,095,000)</u>
	<u>\$ 367,079,000</u>	<u>\$ 371,990,000</u>

Depreciation totaled \$11,121,000 and \$10,721,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 - LEASES

The Museum assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the Museum's right to control the use of an identified asset for a period of time in exchange for consideration. The Museum leases office, storage and studio space under non-cancelable lease agreements, for which the related right-of-use ("ROU") assets and lease liabilities have been recorded in the accompanying statements of financial position. These leases expire on various dates through fiscal 2034 and are subject to escalation for real estate taxes and other building operating expenses. The Museum measures its lease assets and liabilities using a risk-free rate of return selected based on the term of the lease. The Museum considered the likelihood of exercising renewal or termination terms in measuring its ROU assets and liabilities. The Museum has included renewal periods in its assessment of lease terms

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

when provided for in the lease, and excluded such renewal periods in the calculation of ROU assets and lease liabilities where renewal is not reasonably assured. The Museum's lease payments are based on fixed payments. The Museum has no variable or short-term leases. The leases contain no termination options or residual value guarantees.

Supplemental statement of financial position information related to operating leases at June 30, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
ROU assets	\$ 27,599,000	\$ 28,376,000
Less: accumulated amortization	<u>(15,663,000)</u>	<u>(12,998,000)</u>
	<u>\$ 11,936,000</u>	<u>\$ 15,378,000</u>
 Weighted-average remaining lease term	 4.53 years	5.21 years
Weighted-average discount rate	2.00%	1.76%
 <u>Year Ended June 30:</u>		
2026		\$ 3,889,000
2027		4,031,000
2028		2,378,000
2029		664,000
2030		684,000
Thereafter		<u>2,436,000</u>
 Total lease obligations, gross		14,082,000
 Less: amounts representing interest with rates ranging from 0.52% to 4.77%		<u>(1,089,000)</u>
 Total lease liabilities		<u>\$ 12,993,000</u>

Rent expense (including escalation costs) amounted to \$4,602,000 and \$4,426,000 for the years ended June 30, 2025 and 2024, respectively. During fiscal 2024, the Museum entered into a new storage lease expiring in fiscal year 2034.

The components of lease cost for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	<u>\$ 3,718,000</u>	<u>\$ 3,516,000</u>

Supplemental cash flow information related to leases for the years ended June 30, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 3,750,000</u>	<u>\$ 3,387,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 7 - BONDS PAYABLE, NET OF PREMIUM AND DEFERRED ISSUANCE COSTS

Bonds payable at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Series 2021 Bonds	\$ 73,260,000	\$ 73,260,000
Bond premium, net of accumulated amortization of \$11,552,000 and \$8,925,000, respectively	16,402,000	19,029,000
Debt issuance costs, net of accumulated amortization of \$480,000 and \$374,000, respectively	<u>(645,000)</u>	<u>(751,000)</u>
	<u>\$ 89,017,000</u>	<u>\$ 91,538,000</u>

In August 2011, The Trust for Cultural Resources of the City of New York (the "Trust") issued Whitney Museum of American Art Revenue Bonds, Series 2011 for the purpose of providing funds for construction of a new museum building. The bonds had varying interest rates ranging from 4.0% to 5.25% due in varying amounts with final maturity in 2031.

In January 2021, the Trust issued Whitney Museum of American Art Refunding Revenue Bonds, Series 2021, for the purpose of refunding the then outstanding balance of the Series 2011 bonds. The bonds have a fixed interest rate of 5.0% and are due in 2031, and were issued at a premium of \$27,954,000, net of deferred issuance costs of \$1,125,000. Coincident to the refunding of the Series 2011 outstanding balance, the Museum wrote-off \$632,000 of unamortized Series 2011 bond premiums and \$391,000 of Series 2011 deferred issuance costs, resulting in a \$241,000 net gain on the extinguishment of bonds payable in fiscal 2021.

The Series 2021 bonds consist of the following amount and maturity at June 30, 2025 and 2024:

	<u>Principal</u>	<u>Rate</u>	<u>Maturity</u>
Series 2021 Bonds	\$ 73,260,000	5.0%	July 1, 2031

NOTE 8 - PENSION PLAN

The Museum has a defined benefit pension plan (the "Plan") covering substantially all of its employees. The benefits are computed on the basis of years of credited service and the average compensation, as defined, in the Plan. The normal monthly retirement benefit is the greater of (1) 1% of average monthly earnings plus 0.65% of average monthly earnings in excess of "covered compensation" multiplied by years of credited service (up to a maximum of 30 years) and (2) the annuity value of the following account: the lump-sum value of a participant's accrued benefit as of June 30, 1991, plus 3% of yearly earnings for each year of credited service after June 30, 1991, and before July 1, 2008 plus monthly interest earned on a participant's account beginning July 31, 1991. The Museum's funding policy is to contribute annually the minimum amount based upon the related actuarial determinations. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Pension costs are accounted for on the basis of the projected unit credit method. The Plan was amended to freeze benefit accruals effective June 30, 2015.

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The following table provides information with respect to the defined benefit plan as of and for the years ended June 30, 2025 and 2024:

	2025	2024
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 11,927,000	\$ 12,842,000
Interest cost	582,000	602,000
Settlements	(789,000)	-
Benefits paid	(357,000)	(652,000)
Actuarial gain	(301,000)	(865,000)
	<u>11,062,000</u>	<u>11,927,000</u>
Benefit obligation at end of year		
Change in fair value of plan assets		
Fair value of plan assets at beginning of year	11,559,000	10,446,000
Actual return on plan assets	1,307,000	1,480,000
Employer contributions	393,000	285,000
Benefits paid	(357,000)	(652,000)
Settlements	(789,000)	-
Administrative expenses paid	-	-
	<u>12,113,000</u>	<u>11,559,000</u>
Fair value of plan assets at end of year		
Funded status at end of year - asset (liability)	<u>\$ 1,051,000</u>	<u>\$ (368,000)</u>
Amounts recognized in the statements of financial position consist of		
Net pension asset / (Accrued pension obligation)	<u>\$ 1,051,000</u>	<u>\$ (368,000)</u>
Amounts recognized in net assets without donor restrictions consist of		
Net loss	<u>\$ (833,000)</u>	<u>\$ 214,000</u>
Accumulated benefit obligation at end of year	<u>\$ 11,062,000</u>	<u>\$ 11,927,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

	2025	2024
Components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions		
Service cost	\$ -	\$ 225,000
Interest cost	582,000	602,000
Expected return on plan assets	(502,000)	(686,000)
Settlements	(59,000)	-
Amortization of net loss	-	25,000
Net periodic benefit cost	<u>21,000</u>	<u>166,000</u>
Other changes in plan assets and benefit obligation recognized in net assets without donor restrictions		
Current year net gain and amortized gain for year	<u>(1,047,000)</u>	<u>(1,909,000)</u>
Total recognized in net assets without donor restrictions	<u>(1,047,000)</u>	<u>(1,909,000)</u>
Total recognized in net periodic benefit cost and net assets without donor restrictions	<u><u>\$ (1,026,000)</u></u>	<u><u>\$ (1,743,000)</u></u>
Weighted-average assumptions as of June 30 used for obligations:		
Discount rate	5.35%	5.30%
Expected return on plan assets	6.25%	7.00%
Weighted-average assumptions used for net periodic benefit cost for year ended June 30:		
Discount rate	5.30%	4.90%
Expected return on plan assets	6.25%	7.00%

The Museum determines its expected return on plan assets assumption by evaluating both historical returns of major asset classes and estimates of future returns over the next 20 years. Current market factors, such as inflation and interest rates, as well as asset diversification are evaluated when long-term capital market assumptions are determined. Historical returns are reviewed to verify reasonability and appropriateness.

The estimated net actuarial loss for the Plan that is expected to be amortized in net periodic benefit cost in fiscal year 2026 is \$0.

Estimated contributions expected to be paid by the Museum during the fiscal year ended June 30, 2026 total \$0.

The Museum's pension plan invests primarily in equity and debt securities that are within prudent levels of risk and provide for necessary liquidity requirements. The long-term objective is to limit the variability of its pension funding requirements while maintaining funding at levels that will ensure the payment of obligations as they come due. The Museum's plan assets are measured against benchmarks established by the Museum's advisors and the Investment Committee of the Museum's Board of Trustees, who has the authority to recommend changes as deemed appropriate.

At June 30, 2025 and 2024, the Museum's target allocation percentages for plan assets were 75% equity securities and 25% fixed-income securities. The targets may be adjusted periodically to reflect current market conditions and trends as well as inflation levels, interest rates and the trend thereof.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

The Museum's pension plan weighted-average asset allocation at June 30, 2025 and 2024 by asset category is as follows:

	<u>2025</u>	<u>2024</u>
Equity securities	36.0%	33.9%
Alternative investments	64.0%	66.1%
	<u>100%</u>	<u>100%</u>

The Museum's pension plan assets are comprised of the following at June 30, 2025:

		<u>Based on</u>		
	<u>Fair Value at June 30, 2025</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Equity securities	\$ 4,364,000	\$ 4,364,000	\$ -	\$ -
Total plan assets included in the fair value hierarchy	4,364,000	<u>\$ 4,364,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	<u>7,749,000</u>			
Total fair value of plan assets	<u>\$ 12,113,000</u>			

The Museum's pension plan assets are comprised of the following at June 30, 2024:

		<u>Based on</u>		
	<u>Fair Value at June 30, 2024</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Equity securities	\$ 3,919,000	\$ 3,919,000	\$ -	\$ -
Total plan assets included in the fair value hierarchy	3,919,000	<u>\$ 3,919,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	<u>7,640,000</u>			
Total fair value of plan assets	<u>\$ 11,559,000</u>			

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Per the applicable guidance, disclosures are presented by major asset category by the nature and risks of the Museum's investments.

Category of Investment	Number of Funds	Fair Value Determined Using NAV at June 30, 2025	Unfunded Commitments	Redemption Terms	Redemption Restrictions and Terms
Equity investment funds	2	\$ 3,622,000	N/A	Daily	N/A
Multi-strategy and other	1	4,127,000	N/A	Daily	N/A
	3	\$ 7,749,000	N/A		

Category of Investment	Number of Funds	Fair Value Determined Using NAV at June 30, 2024	Unfunded Commitments	Redemption Terms	Redemption Restrictions and Terms
Equity investment funds	2	\$ 3,636,000	N/A	Daily	N/A
Multi-strategy and other	1	4,004,000	N/A	Daily	N/A
	3	\$ 7,640,000	N/A		

Future benefits are expected to be paid as follows:

2026	\$ 1,530,000
2027	820,000
2028	900,000
2029	760,000
2030	780,000
Thereafter	3,980,000
	<u>\$ 8,770,000</u>

NOTE 9 - LOANS AND LINES OF CREDIT PAYABLE

At June 30, 2025 and 2024, the Museum had available a \$10,000,000 unsecured line of credit (the "facility"). The term of the facility is one year, which may be extended subject to Bank approval. The line of credit expires on January 19, 2026. Under the terms of the line of credit agreement, the Museum may borrow funds as needed, with repayment due in full on the last day of the term of the facility, subject to a 30-day clean-up provision. As of June 30, 2025 and 2024, the Museum had no amounts drawn under the facility. The interest rate charged on any outstanding principal amount borrowed is the Secured Overnight Financing Rate plus .75%.

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 10 - NET ASSETS

The Museum's net assets without donor restrictions at June 30, 2025 and 2024 are comprised of held for operations, which totaled \$350,772,000 and \$339,949,000, respectively, and board-designated for the following purposes:

	Changes in Board-Designated Net Assets			
	Endowment	Capital	Strategic Initiatives	Total
Board-designated net assets, June 30, 2023	\$ 53,498,000	\$ -	\$ -	\$ 53,498,000
Contributions	-	-	-	-
Investment return	2,647,000	-	-	2,647,000
Board-designated net assets, June 30, 2024	56,145,000	-	-	56,145,000
Contributions	24,965,000	40,000,000	20,000,000	84,965,000
Investment return	4,106,000	773,000	387,000	5,266,000
Board-designated net assets, June 30, 2025	<u>\$ 85,216,000</u>	<u>\$ 40,773,000</u>	<u>\$ 20,387,000</u>	<u>\$ 146,376,000</u>

Operating Funds - All revenue and support received and all expenses for general operations are presented in this category. These are the funds that are part of the budget approved by the Board of Trustees and managed by departments across the Museum. Unlike donor-restricted funds, these areas are directly influenced by institutional policy and management decisions and therefore can be budgeted closely.

Board-designated Funds - Designated funds include gifts, operating surpluses, and amounts set aside by the Museum's Board as a quasi-endowment fund, together with all earnings thereon, that are subject to the annual spending policy. Designated funds also include proceeds from the sale of assets set aside for capital expenditures and strategic initiatives.

Net assets with donor restrictions as of June 30, 2025 and 2024, which are subject to expenditure for donor-specified purposes, are as follows:

	2025	2024
Exhibition programs	\$ 8,542,000	\$ 12,888,000
Purchase of works of art	14,345,000	15,716,000
Support of other Museum programs	37,176,000	36,305,000
Endowment earnings with purpose restrictions (Note 11)	182,293,000	152,891,000
	<u>\$ 242,356,000</u>	<u>\$ 217,800,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Net assets with donor restrictions comprising the Museum's permanent endowment as of June 30, 2025 and 2024, the income from which is subject to the Museum's spending policy and appropriation, consist of the following:

	2025	2024
Endowment funds for general operating support	\$ 142,192,000	\$ 142,195,000
Endowment funds, the earnings from which are restricted for:		
Support of exhibition programs	39,677,000	38,910,000
Artists First Funds (Exhibitions and Curatorial)	7,853,000	6,861,000
Purchases of works of art	12,176,000	11,776,000
Curatorial support	26,975,000	26,975,000
Other programs	59,080,000	59,077,000
	<u>\$ 287,953,000</u>	<u>\$ 285,794,000</u>

NOTE 11 - ENDOWMENT

The Museum's endowment consists of 152 individual funds established for a variety of purposes. The Endowment includes both donor-restricted endowment funds and funds designated by the Museum's Board of Trustees to function as endowments. As required by U.S. GAAP net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA contains provisions that govern charitable institutions' appropriation and use, among other things, of donor-restricted endowment funds. NYPMIFA updated certain provisions of prior endowment management law that had become outdated. Most significantly, under prior law, charitable institutions were required to maintain the "historic dollar value" of endowment funds, meaning that institutions could appropriate only a prudent portion of a fund if the value of the fund was greater than the dollar value of the donor's contribution(s) to the fund (i.e., the "historic dollar value"), and the appropriation would not take the fund below that amount; or a prudent portion only of the income from the fund, if the value of the fund was less than the historic dollar value.

Under NYPMIFA, a detailed prudence standard governs appropriation from endowment funds, and there is no longer a requirement to maintain historic dollar value. Prudent appropriation from an endowment fund whose value is less than its historic dollar value is permitted. In particular, NYPMIFA provides that, unless a donor expresses a contrary intention in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it "determines is prudent for the uses, benefits, purposes and duration for which the fund is established," without regard for historic dollar value. As with prior law, NYPMIFA retains the requirement that in making any decision to appropriate, "the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances." It further provides a new requirement that the institution "shall consider, if relevant" the following eight factors in deciding whether or not to appropriate from an endowment:

- The duration and preservation of its endowment fund;
- The purposes of the Museum and its endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

- The expected total return from income and the appreciation of endowment investments;
- Other resources of the Museum;
- Alternatives to expenditure of the endowment fund; and
- The investment policy of the Museum.

The provisions of NYPMIFA allowing prudent appropriation without regard to historic dollar value apply to funds created after its effective date of September 17, 2010. Donors of funds created before that date were given the option of requiring institutions to continue to observe the historic dollar value restrictions contained in prior law. Some donors of Museum funds have elected this option. Moreover, as with prior law, a donor may incorporate in a gift instrument a specific restriction on appropriation that is different from either NYPMIFA or prior law. Certain of the Museum's funds are governed by such instruments. Thus, the Museum has funds that fall into three categories with respect to appropriation: those from which it may prudently appropriate without regard to historic dollar value; those from which it may prudently appropriate appreciation only above historic dollar value; and those whose appropriation is governed by specific instructions in the constitutive gift instrument.

The Museum's spending policy rate is designed to stabilize annual spending levels and to preserve the real value of the investment portfolio over time. To preserve the portfolio's long-term value, the Museum makes available to be spent each fiscal year 5% of each fund's allocable portion of the portfolio's average fair value, net of fees and taxes (if any), as of December 31 of each of the preceding three years. This spending policy is consistent with the Museum's objectives to utilize earnings to support programs, while preserving capital and ensuring future endowment growth.

Endowment funds are invested with Investment Managers charged with meeting or exceeding the representative index, universe or blended market index and universe that most closely corresponds to the Investment Manager's style of investment management. The investment strategy emphasizes long-term appreciation of the assets and consistency of total portfolio returns to support general operations while ensuring endowment preservation of capital.

Consistent with endowment accounting for not-for-profit organizations, for funds subject to an enacted version of Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Museum classifies as net assets with donor restrictions (a) the original value of gifts donated to its permanent endowment, (b) the original value of subsequent gifts to its permanent endowment, (c) the net realizable value of future payments to permanent endowment net assets in accordance with the donor's gift instrument (outstanding endowment pledges, net of applicable discount), and (d) accumulations, including appreciation, gains and income, to its permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

For financial reporting purposes, donor-restricted endowment fund appreciation, gains and income are classified as net assets with donor restrictions (accumulated gains) until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by law. Upon appropriation, appreciation and earnings are reclassified to net assets without donor restrictions.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

The Museum's endowment net assets consist of the following at June 30, 2025 and 2024:

Endowment Net Asset Composition by Type of Fund at June 30, 2025					
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions			Total
		Accumulated Gains	Original Gift	Total	
Donor-restricted endowment funds	\$ -	\$ 182,293,000	\$ 287,953,000	\$ 470,246,000	\$ 470,246,000
Board-designated endowment funds	85,216,000	-	-	-	85,216,000
Total endowment funds	<u>\$ 85,216,000</u>	<u>\$ 182,293,000</u>	<u>\$ 287,953,000</u>	<u>\$ 470,246,000</u>	<u>\$ 555,462,000</u>

Endowment Net Asset Composition by Type of Fund at June 30, 2024					
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions			Total
		Accumulated Gains	Original Gift	Total	
Donor-restricted endowment funds	\$ -	\$ 152,891,000	\$ 285,794,000	\$ 438,685,000	\$ 438,685,000
Board-designated endowment funds	56,145,000	-	-	-	56,145,000
Total endowment funds	<u>\$ 56,145,000</u>	<u>\$ 152,891,000</u>	<u>\$ 285,794,000</u>	<u>\$ 438,685,000</u>	<u>\$ 494,830,000</u>

The Museum's endowment net assets had the following changes for the years ended June 30, 2025 and 2024.

Changes in Endowment Net Assets for the Year Ended June 30, 2025					
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions			Total
		Accumulated Gains	Amounts Held in Perpetuity	Total	
Endowment funds, June 30, 2024	\$ 56,145,000	\$ 152,891,000	\$ 285,794,000	\$ 438,685,000	\$ 494,830,000
Investment gain					
Investment income	371,000	2,534,000	-	2,534,000	2,905,000
Net appreciation (realized and unrealized)	6,657,000	46,121,000	-	46,121,000	52,778,000
Total investment gain	7,028,000	48,655,000	-	48,655,000	55,683,000
Contributions	24,965,000	-	2,159,000	2,159,000	27,124,000
Appropriation of endowment funds for expenditure for operations	(2,922,000)	(18,345,000)	-	(18,345,000)	(21,267,000)
Appropriation of endowment funds for expenditure for purchases of art	-	(908,000)	-	(908,000)	(908,000)
Endowment funds, June 30, 2025	<u>\$ 85,216,000</u>	<u>\$ 182,293,000</u>	<u>\$ 287,953,000</u>	<u>\$ 470,246,000</u>	<u>\$ 555,462,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

Endowment funds as of June 30, 2025 include endowment investments of \$539,754,000, contributions receivable for the endowment of \$1,354,000, cash and cash equivalents of \$13,374,000, and cash in transit of \$980,000 which represents collections on contributions receivable for the endowment not yet deposited into the endowment investment portfolio. In fiscal 2025, the Board approved a \$21,267,000 appropriation of endowment funds for expenditure for operations, all of which was drawn during the fiscal year.

	Changes in Endowment Net Assets for the Year Ended June 30, 2024				
	Net Assets	Net Assets with Donor Restrictions			
	without Donor Restrictions	Accumulated Gains	Amounts Held in Perpetuity	Total	Total
Endowment funds, June 30, 2023	\$ 53,498,000	\$ 108,084,000	\$ 278,126,000	\$ 386,210,000	\$ 439,708,000
Investment gain					
Investment income	186,000	1,515,000	-	1,515,000	1,701,000
Net appreciation (realized and unrealized)	7,568,000	62,522,000	-	62,522,000	70,090,000
Total investment gain	7,754,000	64,037,000	-	64,037,000	71,791,000
Contributions	-	-	7,668,000	7,668,000	7,668,000
Appropriation of endowment funds for expenditure for operations	(5,107,000)	(18,379,000)	-	(18,379,000)	(23,486,000)
Appropriation of endowment funds for expenditure for purchases of art	-	(851,000)	-	(851,000)	(851,000)
Endowment funds, June 30, 2024	\$ 56,145,000	\$ 152,891,000	\$ 285,794,000	\$ 438,685,000	\$ 494,830,000

Endowment funds as of June 30, 2024 include endowment investments of \$489,054,000, contributions receivable for the endowment of \$4,641,000, and cash in transit of \$1,135,000, which represents collections on contributions receivable for the endowment not yet deposited into the endowment investment portfolio. In fiscal 2024, the Board approved a \$23,486,000 appropriation of endowment funds for expenditure for operations, all of which was drawn during the fiscal year.

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The endowment funds classified as net assets without donor restrictions and new assets with donor restrictions consist of the following at June 30, 2025 and 2024:

	2025	2024
Net assets without donor restrictions		
Board-designated endowment	\$ 85,216,000	\$ 56,145,000
Net assets with donor restrictions		
General operating support*	255,447,000	239,897,000
Artists First Funds (Exhibitions and Curatorial Support)	8,850,000	7,247,000
Acquisitions	19,624,000	17,827,000
Conservation	29,681,000	27,771,000
Curatorial	40,658,000	37,631,000
Director	7,022,000	6,790,000
Education	33,461,000	31,323,000
Exhibitions	56,360,000	52,364,000
Film and video	1,877,000	1,758,000
Independent study program	10,417,000	9,743,000
Internship	3,012,000	2,740,000
Library/publications	3,837,000	3,594,000
	<u>470,246,000</u>	<u>438,685,000</u>
Total endowment funds	<u>\$ 555,462,000</u>	<u>\$ 494,830,000</u>

*This category of net assets includes donor-restricted gifts to be held in perpetuity, the earnings from which are to be used for general operating support following Board appropriation for expenditure.

NOTE 12 - REVENUE RECOGNITION FROM EXCHANGE TRANSACTIONS

For the years ended June 30, 2025 and 2024, the Museum recognized revenue of \$1,916,000 and \$2,829,000, respectively, from amounts that were included in deferred revenue at the beginning of the fiscal year.

The performance obligations corresponding to the deferred revenue balances totaling \$1,474,000 and \$1,916,000 as of June 30, 2025 and 2024, respectively, are expected to be satisfied in the subsequent fiscal year, as follows:

	2025	2024
Admissions	\$ 592,000	\$ 806,000
Memberships	150,000	150,000
Traveling exhibition fees	732,000	960,000
	<u>\$ 1,474,000</u>	<u>\$ 1,916,000</u>

Whitney Museum of American Art

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE 13 - AVAILABILITY OF FINANCIAL ASSETS

The Museum regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Museum has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and a line of credit.

The following table presents the total financial assets held by the Museum as of June 30, 2025 and 2024 that could be readily made available within one year of the statement of financial position date to meet general expenditures:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 39,042,000	\$ 16,895,000
Accounts receivable, net	1,992,000	2,183,000
Contributions and grants receivable, due within one year	9,718,000	16,126,000
Non-endowment investments	149,747,000	90,169,000
	200,499,000	125,373,000
Less: contributions and grants receivable and art sale receivable, due within one year subject to donor restrictions	(6,343,000)	(10,075,000)
Less: cash and cash equivalents designated for endowment and capital	(13,522,000)	-
Less: Non-endowment investments designated for capital	(40,626,000)	-
Less: non-endowment investments, restricted for art acquisition	(9,535,000)	(8,696,000)
Add: anticipated appropriation of endowment funds for expenditure in the subsequent fiscal year	23,806,000	21,892,000
	154,279,000	128,494,000
Total financial assets available to management for general expenditures within one year	154,279,000	128,494,000
Liquidity resources		
Available line of credit	10,000,000	10,000,000
	10,000,000	10,000,000
Total financial assets and liquidity resources available to management for general expenditures within one year	\$ 164,279,000	\$ 138,494,000

Excluded from the detail provided above are all investments pertaining to the Museum's endowment fund. The Museum's endowment fund includes both donor-restricted investments (original gift amount and accumulated gains) and the Museum's board-designated endowment (quasi-endowment) (see Note 11 for a detail of the Museum's endowment fund). The extent of available financial assets as of June 30, 2025 and 2024, includes an approximation of the investment return that will be made available to fund current operations, pursuant to the Museum's Board approved endowment spending policy.

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 become due.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Museum is a party to litigation and other claims in the ordinary course of its business. In the opinion of management, the resolution of these matters will not have a material effect on the Museum's financial statements.

Whitney Museum of American Art
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2025 and 2024

In addition, the Museum enters into undertakings containing a variety of warranties and indemnifications that may expose the Museum to some risk of loss. The amount of future loss, if any, arising from such undertakings, while not quantifiable, is not expected to be significant. The Museum expects the risk of loss to be remote.

NOTE 15 - SUBSEQUENT EVENTS

The Museum performed an evaluation of subsequent events through November 10, 2025, which is the date the financial statements were issued. The Museum has determined that all events and transactions, required to be recognized in accordance with U.S. GAAP, are included in the accompanying financial statements in Note 3.