

San Antonio Museum of Art

Financial Statements
and Supplementary Information
Years Ended September 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



San Antonio Museum of Art

Financial Statements and Supplementary Information
Years Ended September 30, 2025 and 2024

San Antonio Museum of Art

Contents

Independent Auditor’s Report	3-4
Financial Statements	
Statements of Financial Position as of September 30, 2025 and 2024	6
Statements of Activities and Changes in Net Assets for the Years Ended September 30, 2025 and 2024	7-8
Statements of Cash Flows for the Years Ended September 30, 2025 and 2024	9
Notes to Financial Statements	10-24
Supplementary Information	
Independent Auditor’s Report on Supplementary Information	26
City of San Antonio Grant Compliance	27
Schedules of Cash Receipts and Disbursements for the Years Ended September 30, 2025 and 2024	28



Independent Auditor's Report

The Board of Trustees
San Antonio Museum of Art
San Antonio, Texas

Opinion

We have audited the financial statements of San Antonio Museum of Art (the Museum), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities and changes in net assets, 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 September 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 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 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 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 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 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 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.

BDO USA, P.C.

March 2, 2026

Financial Statements

San Antonio Museum of Art
Statements of Financial Position

<i>September 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 7,563,334	\$ 8,511,858
Pledges, grants, and accounts receivable - current	163,122	533,755
Prepaid expenses and other assets	354,783	308,240
Pledges and grants receivable - long term	174,022	274,022
Investments, at fair value	64,400,051	61,005,399
Land and fixed assets, net	17,168,132	17,113,533
Total Assets	\$ 89,823,444	\$ 87,746,807
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 458,211	\$ 400,626
Deferred revenue	615,080	558,363
Total Liabilities	1,073,291	958,989
Net Assets		
Without donor restrictions:		
Operating	3,469,620	4,333,471
Investment in land and fixed assets	17,168,132	17,113,533
Total Without Donor Restrictions	20,637,752	21,447,004
With Donor Restrictions	68,112,401	65,340,814
Total Net Assets	88,750,153	86,787,818
Total Liabilities and Net Assets	\$ 89,823,444	\$ 87,746,807

See accompanying notes to financial statements.

San Antonio Museum of Art

Statement of Activities and Changes in Net Assets

Year ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other			
Memberships	\$ 581,073	\$ -	\$ 581,073
Admissions	709,961	-	709,961
Gift shop and auxiliaries, net	193,250	-	193,250
Contributions and grants:			
Government	410,835	-	410,835
Private sector	2,118,254	1,096,041	3,214,295
Investment income, net	-	5,258,953	5,258,953
Miscellaneous	762,142	-	762,142
Net assets released from restrictions	3,583,407	(3,583,407)	-
Total Support, Revenue, and Other	8,358,922	2,771,587	11,130,509
Expenses			
Program:			
Museum program activities	6,976,659	-	6,976,659
Gift shop	229,676	-	229,676
Management and general	1,088,113	-	1,088,113
Fundraising	687,082	-	687,082
Total Expenses	8,981,530	-	8,981,530
Changes in Net Assets, before collection items purchased but not capitalized	(622,608)	2,771,587	2,148,979
Collection Items Purchased but Not Capitalized	(186,644)	-	(186,644)
Change in Net Assets	(809,252)	2,771,587	1,962,335
Net Assets, beginning of year	21,447,004	65,340,814	86,787,818
Net Assets, end of year	\$ 20,637,752	\$ 68,112,401	\$ 88,750,153

See accompanying notes to financial statements.

San Antonio Museum of Art

Statement of Activities and Changes in Net Assets

Year ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other			
Memberships	\$ 762,462	\$ -	\$ 762,462
Admissions	795,961	-	795,961
Gift shop and auxiliaries, net	165,750	-	165,750
Contributions and grants:			
Government	415,836	-	415,836
Private sector	1,846,915	1,258,170	3,105,085
Investment income, net	-	10,736,827	10,736,827
Miscellaneous	877,048	-	877,048
Net assets released from restrictions	3,339,294	(3,339,294)	-
Total Support, Revenue, and Other	8,203,266	8,655,703	16,858,969
Expenses			
Program:			
Museum program activities	6,729,572	-	6,729,572
Gift shop	220,285	-	220,285
Management and general	985,369	-	985,369
Fundraising	742,074	-	742,074
Total Expenses	8,677,300	-	8,677,300
Changes in Net Assets, before collection items purchased but not capitalized	(474,034)	8,655,703	8,181,669
Collection Items Purchased but Not Capitalized	(197,806)	-	(197,806)
Change in Net Assets	(671,840)	8,655,703	7,983,863
Net Assets, beginning of year	22,118,844	56,685,111	78,803,955
Net Assets, end of year	\$ 21,447,004	\$ 65,340,814	\$ 86,787,818

See accompanying notes to financial statements.

San Antonio Museum of Art

Statements of Cash Flows

<i>Year ended September 30,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,962,335	\$ 7,983,863
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	883,806	923,596
Realized and unrealized gain on investments	(3,868,824)	(9,663,435)
Changes in operating assets and liabilities:		
Pledges, grants, and accounts receivable	470,633	602,407
Inventory	-	(2,592)
Prepaid expenses and other assets	(46,543)	37,013
Accounts payable and accrued expenses	57,585	(19,613)
Deferred revenue	56,717	(286,767)
Net Cash Used in Operating Activities	(484,291)	(425,528)
Cash Flows from Investing Activities		
Purchase of investments	(23,446,508)	(17,998,192)
Distributions received from endowment investments	1,864,298	2,240,534
Proceeds from sale of investments	22,056,382	16,924,800
Purchase of fixed assets and construction in process	(938,405)	(44,290)
Net Cash Provided by (Used in) Investing Activities	(464,233)	1,122,852
Net Increase (Decrease) in Cash and Cash Equivalents	(948,524)	697,324
Cash and Cash Equivalents, beginning of year	8,511,858	7,814,534
Cash and Cash Equivalents, end of year	\$ 7,563,334	\$ 8,511,858

See accompanying notes to financial statements.

San Antonio Museum of Art

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

The San Antonio Museum of Art (the Museum) is a not-for-profit organization whose mission is to bring people together with art by collecting, preserving, and presenting significant works of art representing a broad range of history and cultures, advancing human connection and understanding, and inspiring curiosity, creativity, and discovery. In accordance with the highest professional standards, the Museum holds these collections for the benefit of the community and future generations.

Summary of Significant Accounting Policies

The accounting and reporting policies followed by the Museum in the preparation of its financial statements conform to accounting principles generally accepted in the United States of America (GAAP) and are summarized as follows:

Basis of Presentation

The accompanying financial statements of the Museum have been prepared on the accrual basis of accounting in accordance with GAAP, following the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Organizations*.

The Museum reports information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions - This class consists of net assets that are available for use in general operations and are not subject to donor (or certain grantor) restrictions. The governing board may designate from net assets without donor restrictions for an operating reserve or board-designated endowment. The board has not designated any assets as of September 30, 2025 or 2024.

With Donor Restrictions - This class consists of net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be held in perpetuity. Donor-imposed restrictions are released when a restriction expires—that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Museum considers cash and cash equivalents to include cash balances and highly liquid investments purchased with a maturity of three months or less. Carrying value approximates fair value. Cash and equivalents that are part of long-term investments are shown within investments as those resources are not available for operational purposes.

San Antonio Museum of Art

Notes to Financial Statements

Pledges, Grants, and Accounts Receivable

Pledges, grants, and accounts receivable at September 30, 2025 and 2024 consisted primarily of amounts owed to the Museum from donors, sponsors, and members. Accounts receivables are carried at original invoice amounts and are stated in the financial statements at the amount net of allowance for credit losses. The Museum determines allowance for credit losses using an expected loss methodology, which considers several factors, including collection experience, current and future economic market conditions, and a review of the status of the account balances. The Museum writes off estimated credit losses when they are deemed uncollectable. No allowance accounts were deemed uncollectable during the periods presented.

Unconditional promises to give are recognized as revenue and pledges receivable when made and reported at fair value based upon estimated future cash flows. Allowances are recorded for estimated uncollectible promises. Conditional promises to give are recognized as revenue when the conditions have been met.

Unconditional promises to give that are expected to be collected within one year are reported at the net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated cash flows. The discounts on those amounts are computed using market interest rates applicable to the years in which the promises are expected to be received (see Note 4).

Revenue Recognition

Under ASC 606, *Revenue from Contracts with Customers*, the Museum recognizes revenue streams which applies to all contracts with customers, except for contracts that are within the scope of other standards, such as contributions and financial instruments. Under ASC 606, an entity recognizes revenue when it transfers control of the promised goods or services to its customer, in an amount that reflects the consideration which the entity expects to receive in exchange for these goods or services. If control transfers to the customer over time, an entity selects a method to measure progress that is consistent with the objective of depicting its performance. The majority of the Museum's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Management has determined the following revenue streams are subject to the guidance of ASC 606:

Memberships - Memberships are on a one-year basis and are recorded at the beginning of the membership year. No material difference exists between recognizing the membership at a point in time instead of over time.

Admission and Gift Shop - The Museum charges general admission fees and exhibit fees for non-member visitors to the Museum; revenue is recognized upon admission to the Museum. Revenue from the Museum gift shop is recognized when merchandise is purchased and delivered to the customer.

Contributions and Grants - Revenue from contributions and grants are recognized under Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958)*. The Museum recognizes pledges as receivables and revenue when the unconditional promises to give are received. Conditional challenge grants and pledges are recorded as revenue as the grant conditions are met. Revenue from restricted reimbursable type grants is recognized in accordance with grant terms

San Antonio Museum of Art

Notes to Financial Statements

when allowable expenditures are made. All other grants are recognized as revenue when the grant notice is received.

Investments

Investments in marketable securities are stated at fair value as of the statements of financial position date. Investments acquired by gift are valued at amounts representing estimated fair value at the date of the gift.

Fair Value of Financial Instruments

The FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 - This level consists of inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Museum has the ability to access.

Level 2 - This level consists of inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - This level consists of inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Museum uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, fund of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Inventory

Inventory is comprised of gift shop inventory items and is stated at the lower of cost or market. Inventory is carried at average cost.

Land and Fixed Assets

Fixed asset purchases are recorded at cost and include the cost of those improvements which increase the economic useful lives of the assets. Repairs and maintenance are charged to operations as incurred. When fixed assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities and changes in net assets for the respective period. Depreciation is provided in amounts sufficient to distribute the cost of depreciable assets over their estimated service lives, on a straight-line basis. Furniture and equipment are depreciated over three to ten years, and the building and building improvements are depreciated over three to 40 years. Land has an unlimited useful life and, therefore, is not depreciated. Collections of art are not capitalized (see Note 7).

San Antonio Museum of Art

Notes to Financial Statements

Deferred Revenue

Deferred revenue represents revenue attributable to event sponsorships that have not yet been completed or fulfilled as of September 30, 2025 and 2024.

Contributed Nonfinancial Assets

A substantial number of volunteers have made significant contributions of their time to assist the Museum, especially its fundraising and educational programs; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by GAAP. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the fair value of the service received. No significant goods or services were received by the Museum for the years ended September 30, 2025 or 2024.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$364,902 and \$316,735 for the years ended September 30, 2025 and 2024, respectively.

Museum Collections

In conformity with industry practice, Museum collection items purchased or donated are not recorded as assets in the accompanying statements of financial position. Even though not reflected in the statements of financial position, the Museum's collections represent one of its most valuable assets. Purchases of collection items are reported as decreases in net assets without donor restrictions, or as decreases in net assets subject to specific time or purpose restrictions. From time to time, the Museum may deaccession collection items to refine its collections in accordance with its mission statement and collection goals. Funds obtained through the deaccessioning of an object can only be used to purchase works of art.

The Museum employs full-time employees to manage the stewardship of the collection items in accordance with the collection and acquisition policy and under the direction of the executive director and board of directors. Each item is numbered and catalogued in a continuous inventory tracking system.

Federal Income Tax Exemption

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC). The Museum follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which requires recognition and disclosure of uncertain tax positions in the financial statements. The Museum's management believes that it has appropriate support for any tax positions taken and that it has no material uncertain tax positions. Accordingly, it will not recognize any related liability. For the years ended September 30, 2025 and 2024, the Museum did not recognize any interest or penalties in the financial statements.

Tax years after 2022 remain open to examination by the taxing jurisdictions to which the Museum is subject, and these periods have not been extended beyond the applicable statute of limitations.

San Antonio Museum of Art

Notes to Financial Statements

Estimates

The preparation of financial statements in conformity with 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of fundraising and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been directly allocated among program, fundraising, and general and administrative expenses based on actual figures associated with each function or an allocation of time and effort (see Note 14).

Leases (Topic 842)

The Museum accounted for leases under ASC 842, *Leases (Topic 842)*. The guidance requires lessees to recognize a lease liability and right-of-use (ROU) asset for all leases with the exception of short-term leases whose terms are 12 months or less. The Museum determined that the lease components with non-consecutive periods are immaterial to the financial statements. As such, no ROU asset or liability has been recorded as of September 30, 2025 and 2024.

Reclassification

Certain amounts in the prior years presented have been reclassified to conform to the current-year financial statement presentation. The reclassifications have no effect on previously reported net assets.

2. Concentration of Credit Risk

Financial instruments which potentially subject the Museum to a concentration of credit risk consist principally of cash.

The Museum maintains multiple bank accounts in San Antonio, Texas. All of a depositor's accounts at an insured depository institution, including all non-interest-bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category. At September 30, 2025 and 2024, the Museum had uninsured cash balances in excess of FDIC insurance limits; however, management has not experienced any losses as a result.

San Antonio Museum of Art

Notes to Financial Statements

3. Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

<i>September 30,</i>	2025	2024
Cash and cash equivalents	\$ 7,563,334	\$ 8,511,858
Less: amounts with donor restrictions	(2,984,582)	(3,835,415)
Pledges, grants, and accounts receivable - current	163,122	507,777
Less: amounts with donor restrictions	(100,000)	(350,000)
	\$ 4,641,874	\$ 4,834,220

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 and various receivables. Upon board approval, the Museum may also draw upon the available line of credit (see Note 8).

In addition to the financial assets available to meet general expenditures over the next 12 months, the Museum operates with a balanced budget and anticipates earned revenues and annual support contributions sufficient to cover general expenditures not provided by endowment spending rate or other donor-restricted sources.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. The exception is for donor-restricted endowments purposed for general operations, which have been grouped together and are subject to an annual spending rate of 4.5% as described in Note 15. Although there is no intent to spend more than this 4.5% appropriated for general expenditure as part of the Board's annual budget approval and appropriation, the Board could approve a higher percentage appropriation, if necessary. The Museum's distribution for the next fiscal period is \$1,707,893.

4. Pledges, Grants, and Accounts Receivable

Pledges, grants, and accounts receivable are recorded at the discounted present value of expected future cash flows. Pledges, grants, and accounts receivable at September 30, and the expected date of receipt, are listed as follows:

September 30, 2025

	Within One Year	Within Five Years	Total
Pledges receivable	\$ 19,527	\$ -	\$ 19,527
Grants receivable	102,576	200,000	302,576
Accounts receivable	41,019	-	41,019
Less: discount to present value at 4.00%	-	(25,978)	(25,978)
Net Contributions and Grant Receivable	\$ 163,122	\$ 174,022	\$ 337,144

San Antonio Museum of Art

Notes to Financial Statements

September 30, 2024

	Within One Year	Within Five Years	Total
Pledges receivable	\$ 274,527	\$ -	\$ 274,527
Grants receivable	102,576	300,000	402,576
Accounts receivable	156,652	-	156,652
Less: discount to present value at 4.00%	-	(25,978)	(25,978)
Net Contributions and Grant Receivable	\$ 533,755	\$ 274,022	\$ 807,777

Private sector contributions revenue was as follows:

September 30,	2025	2024
Operating and programs	\$ 3,214,295	\$ 3,105,085
Total Private Sector Contributions Revenue	\$ 3,214,295	\$ 3,105,085

5. Investments

Investments are presented in the financial statements at fair value. Total investments are composed of the following:

September 30,	2025	2024
Money market funds	\$ 475,330	\$ 2,564,725
Common stock	11,041,055	9,743,040
Equity funds:		
Foreign large cap growth	5,786,706	7,892,808
Large cap growth	21,256,111	16,059,385
Emerging markets	-	1,168,177
Small cap growth	4,592,654	3,354,167
Bond funds:		
Short-term bond	2,418,309	5,318,217
Intermediate-term bond	5,084,098	2,961,930
Other funds:		
International value fund	7,533,573	7,986,427
Total return bond	6,212,215	3,956,523
Total Investments	\$ 64,400,051	\$ 61,005,399

6. Fair Values of Financial Instruments

The Museum records investments at fair value. See Note 1 for descriptions of levels used to determine fair value. The following represents the fair value measurements of the investments of the Museum on a recurring basis as of September 30, 2025 and 2024:

Money market funds, equities, bond funds, equity funds, and fixed income fund held by the Museum at fiscal year-end are valued at the fair value of shares at quoted market prices.

Investments held at NAV consist of the total return bond.

San Antonio Museum of Art

Notes to Financial Statements

Pledges receivable are stated at the original amount pledged by the contributor net of any allowance deemed necessary by management and discounted to the present value of expected cash flow. For the years ended September 30, 2025 and 2024, no allowance was deemed necessary by management based on historical experience with the respective donors. See Note 4 for discount information.

The following tables set forth by level, within the fair value hierarchy, the Museum's assets at fair value:

September 30, 2025

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 475,330	\$ -	\$ -	\$ 475,330
Common stock	11,041,055	-	-	11,041,055
Equity funds:				
Foreign large cap growth	5,786,706	-	-	5,786,706
Large cap growth	21,256,111	-	-	21,256,111
Emerging markets	-	-	-	-
Small cap growth	4,592,654	-	-	4,592,654
Bond funds:				
Short-term bond	2,418,309	-	-	2,418,309
Intermediate-term bond	5,084,098	-	-	5,084,098
Other fund:				
International value fund	7,533,573	-	-	7,533,573
Investment, at fair value	\$ 58,187,836	\$ -	\$ -	58,187,836
Funds measured at NAV:				
Total return bond				6,212,215
Total Investments				\$ 64,400,051

September 30, 2024

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,564,725	\$ -	\$ -	\$ 2,564,725
Common stock	9,743,040	-	-	9,743,040
Equity funds:				
Foreign large cap growth	7,892,808	-	-	7,892,808
Large cap growth	16,059,385	-	-	16,059,385
Emerging markets	1,168,177	-	-	1,168,177
Small cap growth	3,354,167	-	-	3,354,167
Bond funds:				
Short-term bond	5,318,217	-	-	5,318,217
Intermediate-term bond	2,961,930	-	-	2,961,930
International value fund	7,986,427	-	-	7,986,427
Investment, at fair value	\$ 57,048,876	\$ -	\$ -	57,048,876
Funds measured at NAV:				
Total return bond				3,956,523
Total Investments				\$ 61,005,399

San Antonio Museum of Art

Notes to Financial Statements

7. Land and Fixed Assets

Major classifications of land and fixed assets are summarized below:

<i>September 30,</i>	2025	2024
Buildings, improvements, and landscaping	\$ 38,312,485	\$ 38,166,896
Furniture and equipment	1,489,512	1,489,513
Land and land improvements	4,533,075	4,533,074
Construction in progress	792,816	-
Total Land and Fixed Assets	45,127,888	44,189,483
Accumulated depreciation and amortization	(27,959,756)	(27,075,950)
Net Land and Fixed Assets	\$ 17,168,132	\$ 17,113,533

For the years ended September 30, 2025 and 2024, the Museum disposed of no fixed assets.

8. Line of Credit

In 2024, the Museum obtained a \$1,000,000 revolving line of credit with a bank. Interest only payments at U.S. Prime rate of 8.30% are due monthly until it's maturity on August 13, 2025. In 2025, this revolving line of credit was renewed with a new interest rate of U.S. Prime rate of 7.24% which matures on August 26, 2026. As of September 30, 2025 and 2024, no draws were taken on this revolving line of credit.

9. Art Collection

The Museum's collections are made up of artifacts of historical significance, scientific specimens, and art objects that are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

Contributions include only recorded cash receipts and pledges and do not include gifts of works of art received by the Museum, valued at \$1,765,696 and \$2,319,695 (unaudited) for the years ended September 30, 2025 and 2024, respectively. As required by GAAP, the Museum's accounting policy requires that art objects held for display, either purchased by the Museum or donated to the Museum, are not included in the statements of financial position. Purchased artwork is expensed in the year of purchase. Art collection expense was \$179,450 and \$197,806 for the years ended September 30, 2025 and 2024, respectively, which is included in the statements of activities and changes in net assets.

Gifts of cash or other property restricted by donors for the purchase of items for the collection are classified as net assets subject to purpose restrictions until expended, and acquisitions are made in accordance with the terms of the gift.

San Antonio Museum of Art

Notes to Financial Statements

10. Grants

The City of San Antonio (the City) provided support of \$410,835 and \$415,835 for the years ended September 30, 2025 and 2024, respectively, for the operations of the Museum.

11. Employees' Benefit Plan

The Museum has a defined contribution benefit plan for employees who have completed one year and 1,000 hours of employment, and who are at least 21 years old. The cost of the plan to the Museum was 5% of the annual compensation of the participants in 2025 and 2024. Benefit plan expense, included in salaries and benefits in the functional classification of expenses, was \$128,817 and \$53,389 for the years ended September 30, 2025 and 2024, respectively.

12. Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods are as follows:

<i>September 30,</i>	2025	2024
Perpetual in nature:		
Program and education	\$ 1,693,005	\$ 1,693,005
Exhibitions	1,933,134	1,933,134
Art acquisitions	4,891,900	4,891,900
Gallery and building maintenance	10,107,841	10,107,841
General museum support	4,614,857	4,614,857
Staff positions	17,752,423	17,524,658
	40,993,160	40,765,395
Subject to expenditure for specified purpose:		
Endowed earnings	24,134,659	20,740,004
Programs	193,488	236,391
Exhibitions	308,141	278,544
Art acquisitions	410,370	365,370
Construction and maintenance	1,873,680	2,014,957
General operations	198,903	940,153
	27,119,241	24,575,419
Total Net Assets with Donor Restrictions	\$ 68,112,401	\$ 65,340,814

San Antonio Museum of Art

Notes to Financial Statements

13. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, or by occurrence of other events specified by donors.

<i>September 30,</i>	2025	2024
Purpose of restrictions satisfied:		
Programs and exhibitions	\$ 3,396,763	\$ 3,050,219
Art acquisitions	186,644	147,503
Staff positions	-	141,572
Total Net Assets Released from Restriction	\$ 3,583,407	\$ 3,339,294

14. Functional Classification of Expenses

Museum expenses were incurred for the following:

September 30, 2025

	<u>Programs</u>				Total
	Museum Program Activities	Gift Shop	Management and General	Fundraising	
Salaries and benefits	\$ 3,561,999	\$ 179,714	\$ 798,412	\$ 390,703	\$ 4,930,828
Contracted services	817,082	22,643	127,906	105,137	1,072,768
Supplies and maintenance	251,654	6,905	4,634	16,556	279,749
Communications	70,677	(204)	2,169	123	72,765
Depreciation and amortization	870,271	1,179	5,904	6,452	883,806
Utilities	431,370	-	1,541	-	432,911
Rental and operating	173,720	7,548	30,323	66,319	277,910
Exhibit and auxiliary expenses	129,236	-	257	45,683	175,176
Travel and transportation	59,017	1,230	18,970	3,992	83,209
Advertising	364,902	-	-	-	364,902
Other general and administrative	246,731	10,661	97,997	52,117	407,506
Gift shop cost of inventory sold	-	107,706	-	-	107,706
Total Expenses	6,976,659	337,382	1,088,113	687,082	9,089,236
Less: expenses netted with revenue	-	(107,706)	-	-	(107,706)
Total Functional Expenses	\$ 6,976,659	\$ 229,676	\$ 1,088,113	\$ 687,082	\$ 8,981,530

San Antonio Museum of Art

Notes to Financial Statements

September 30, 2024

	Programs				Total
	Museum Program Activities	Gift Shop	Management and General	Fundraising	
Salaries and benefits	\$ 3,250,897	\$ 172,211	\$ 724,952	\$ 409,926	\$ 4,557,986
Contracted services	924,349	18,448	130,646	118,890	1,192,333
Supplies and maintenance	260,497	7,783	6,289	9,200	283,769
Communications	74,903	(340)	3,093	2,529	80,185
Depreciation and amortization	910,062	1,179	5,903	6,452	923,596
Utilities	340,881	-	1,910	-	342,791
Rental and operating	122,767	7,579	33,729	59,641	223,716
Exhibit and auxiliary expenses	272,594	-	-	53,283	325,877
Travel and transportation	67,672	3,577	16,274	1,277	88,800
Advertising	316,735	-	-	-	316,735
Other general and administrative	188,215	9,848	62,573	80,876	341,512
Gift shop cost of inventory sold	-	143,838	-	-	143,838
Total Expenses	6,729,572	364,123	985,369	742,074	8,821,138
Less: expenses netted with revenue	-	(143,838)	-	-	(143,838)
Total Functional Expenses	\$ 6,729,572	\$ 220,285	\$ 985,369	\$ 742,074	\$ 8,677,300

15. Endowment Funds

General Information

The Museum maintains various endowment funds established for a variety of purposes. These endowments include donor-restricted endowment contributions. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Texas with an effective date of September 1, 2007. This policy defines the Museum's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

Background

In July 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA), which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require the Museum to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although UPMIFA does not require that a specified amount be set aside as principal, it assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed and will spend "income" by making distributions using a reasonable spending rate.

San Antonio Museum of Art

Notes to Financial Statements

Endowment “Principal” Interpretation

The Museum has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as restricted in perpetuity net assets the original value of gifts donated to the endowment (the Principal). The remaining portion of the donor-restricted endowment fund is classified as net assets restricted by time or purpose, until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Investment Objectives

Endowment investments are managed by professional money managers under the direction of the Investment Committee of the Board of Trustees of the Museum. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices, while assuming a moderate level of investment risk.

To satisfy this performance objective, 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). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment “Income” Appropriation (Spending Policy)

The Museum’s policy is to appropriate for distribution each year a percentage of its endowment fund’s average fair value based on a rolling average of the last 12 quarters. For 2025 and 2024, the distribution percentage was 4.5%. In establishing this policy, the Museum considered the long-term expected return on its endowment. This is consistent with the Museum’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as provide additional real growth through new gifts and investment return.

In accordance with UPMIFA, in all its endowment spending activity, the Museum considers the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Museum and the donor-restricted endowment fund.
- General economic and investment market conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Museum.
- The investment policies of the Museum.

San Antonio Museum of Art

Notes to Financial Statements

Endowment Net Assets Composition by Type of Fund

September 30, 2025

	Purpose Restricted	Held in Perpetuity	Total
Donor-restricted endowment funds	\$ 24,134,659	\$ 40,993,160	\$ 65,127,819

September 30, 2024

	Purpose Restricted	Held in Perpetuity	Total
Donor-restricted endowment funds	\$ 20,740,004	\$ 40,515,395	\$ 61,255,399

Changes in Endowment Net Assets

Year ended September 30, 2025

	Purpose Restricted	Held in Perpetuity	Total
Endowment Net Assets, beginning of year	\$ 20,740,004	\$ 40,515,395	\$ 61,255,399
Investment return:			
Interest and dividends, net	1,390,129	-	1,390,129
Net gains (realized and unrealized)	3,868,824	-	3,868,824
Total Investment Return	5,258,953	-	5,258,953
Pledges received not invested	-	477,765	477,765
Appropriations and transfers	(1,864,298)	-	(1,864,298)
Endowment Net Assets, end of year	\$ 24,134,659	\$ 40,993,160	\$ 65,127,819

Year ended September 30, 2024

	Purpose Restricted	Held in Perpetuity	Total
Endowment Net Assets, beginning of year	\$ 12,243,711	\$ 40,265,395	\$ 52,509,106
Investment return:			
Interest and dividends, net	1,073,392	-	1,073,392
Net gains (realized and unrealized)	9,663,435	-	9,663,435
Total Investment Return	10,736,827	-	10,736,827
Contributions/pledges received	-	250,000	250,000
Appropriations and transfers	(2,240,534)	-	(2,240,534)
Endowment Net Assets, end of year	\$ 20,740,004	\$ 40,515,395	\$ 61,255,399

San Antonio Museum of Art

Notes to Financial Statements

16. Subsequent Events

Management has evaluated events subsequent to September 30, 2025 and through March 2, 2026, which is the date the financial statements were available to be issued.

Supplementary Information



Independent Auditor's Report on Supplementary Information

The Board of Trustees
San Antonio Museum of Art
San Antonio, Texas

We have audited the financial statements of San Antonio Museum of Art (the Museum) as of and for the years ended September 30, 2025 and 2024, and have issued our report thereon dated March 2, 2026 which contained an unmodified opinion on those and financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole and the financial statements. The Schedule of Cash Receipts and Disbursements is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the and financial statements. The information has been subjected to the auditing procedures applied in the audits of the and financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the and financial statements or to the and financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole and the financial statements.

BDO USA, P.C.

March 2, 2026



San Antonio
Museum
of Art

200 West Jones Avenue
San Antonio, Texas 78215
210.978.8100
samuseum.org

November 20, 2025

City of San Antonio
Department of Arts and Culture
P.O. Box 839966
San Antonio, TX, 78283-3966

Dear City of San Antonio,

In accordance with our grant agreement, I hereby certify, to the best of my knowledge and belief that the San Antonio Museum of Art has complied with the requirements of our 2025 agreement with the City of San Antonio.

The \$410,835.00 in funds you granted us for the use in 2025 was properly monitored and used only for authorized purposes. A schedule of cash receipts and disbursements by budgeting cost category is enclosed as required.

Sincerely,

Rosio Sotelo

Rosio Sotelo
Controller

San Antonio Museum of Art

Schedules of Cash Receipts and Disbursements

<i>September 30,</i>	2025	2024
Cash Receipts		
City of San Antonio Grant	\$ 410,835	\$ 410,835
Cash Disbursements		
Salaries	(410,835)	(410,835)
Total Cash Disbursements	(410,835)	(410,835)
Net Cash Receipts in Excess of Disbursements	\$ -	\$ -

See accompanying independent auditor's report on supplementary information.