

HOLOCAUST MUSEUM HOUSTON

Consolidated Financial Statements

June 30, 2025 and 2024



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Independent Auditor's Report

To the Board of Trustees of
Holocaust Museum Houston

To the Board of Directors of
Holocaust Museum Houston Foundation
Houston, Texas

Opinion

We have audited the consolidated financial statements of Holocaust Museum Houston (a nonprofit corporation) and Holocaust Museum Houston Foundation (a nonprofit corporation) (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization 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 (U.S. GAAP).

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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The consolidating supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Metairie, LA
October 21, 2025

HOLOCAUST MUSEUM HOUSTON
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,298,857	\$ 312,031
Pledges Receivable		
Capital Campaign, Net	30,000	100,000
Protectors Campaign, Net	1,665,756	-
Other, Net	584,671	678,009
Employee Retention Credit Receivable	299,855	299,855
Inventory	26,246	32,959
Prepaid Expenses and Other Assets	155,480	219,826
Total Current Assets	4,060,865	1,642,680
Pledges Receivable, Net of Current Portion		
Protectors Campaign, Net	2,595,084	-
Other, Net	147,776	196,020
Investments	13,603,479	12,445,870
Property and Equipment, Net	32,619,171	33,964,021
Total Assets	\$ 53,026,375	\$ 48,248,591
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 239,869	\$ 248,030
Lines of Credit	1,000,000	1,430,000
Deferred Revenue	219,523	251,266
Total Current Liabilities	1,459,392	1,929,296
Lines of Credit, Net of Current Portion	1,500,000	2,500,000
Total Liabilities	2,959,392	4,429,296
Net Assets		
Without Donor Restrictions	35,312,123	34,439,142
With Donor Restrictions	14,754,860	9,380,153
Net Assets	50,066,983	43,819,295
Total Liabilities and Net Assets	\$ 53,026,375	\$ 48,248,591

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

HOLOCAUST MUSEUM HOUSTON
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	\$ 3,213,828	\$ 6,994,131	\$ 10,207,959
In-Kind Contributions	70,017	-	70,017
Special Events, Net (Revenues of \$1,724,793 Less Expenses of \$570,076)	1,154,717	-	1,154,717
Membership Fees	485,159	-	485,159
Admissions, Tours, and Programs	292,596	-	292,596
Merchandise Sales	62,974	-	62,974
Rental and Other Income	117,199	-	117,199
Investment Return, Net	424,511	962,348	1,386,859
	5,821,001	7,956,479	13,777,480
Net Assets Released from Donor Restrictions	2,581,770	(2,581,770)	-
Total Support and Revenues	8,402,771	5,374,709	13,777,480
Expenses			
Program Services	4,710,766	-	4,710,766
Supporting Services			
Management and General	1,356,045	-	1,356,045
Fundraising	1,462,981	-	1,462,981
Total Expenses	7,529,792	-	7,529,792
Change in Net Assets	872,979	5,374,709	6,247,688
Net Assets, Beginning of Fiscal Year	34,439,142	9,380,153	43,819,295
Net Assets, End of Fiscal Year	\$ 35,312,121	\$ 14,754,862	\$ 50,066,983

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

HOLOCAUST MUSEUM HOUSTON
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	\$ 1,498,338	\$ 888,312	\$ 2,386,650
In-Kind Contributions	79,548	-	79,548
Special Events, Net (Revenues of \$2,043,920 Less Expenses of \$546,826)	1,497,094	-	1,497,094
Membership Fees	497,162	-	497,162
Admissions, Tours, and Programs	439,726	-	439,726
Merchandise Sales	153,204	-	153,204
Rental and Other Income	167,687	-	167,687
Investment Return, Net	446,892	915,609	1,362,501
	4,779,651	1,803,921	6,583,572
Net Assets Released From Donor Restrictions	1,933,991	(1,933,991)	-
Total Support and Revenues	6,713,642	(130,070)	6,583,572
Expenses			
Program Services	5,583,265	-	5,583,265
Supporting Services			
Management and General	1,625,944	-	1,625,944
Fundraising	1,378,794	-	1,378,794
Total Expenses	8,588,003	-	8,588,003
Change in Net Assets	(1,874,361)	(130,070)	(2,004,431)
Net Assets, Beginning of Fiscal Year	36,313,503	9,510,223	45,823,726
Net Assets, End of Fiscal Year	\$ 34,439,142	\$ 9,380,153	\$ 43,819,295

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

HOLOCAUST MUSEUM HOUSTON
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services				Supporting Services			
	Exhibitions	Education	Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and Benefits	\$ 502,292	\$ 633,826	\$ 611,637	\$ 1,747,755	\$ 568,546	\$ 881,597	\$ 1,450,143	\$ 3,197,898
Advertising	117,125	189	840	118,154	26,467	14,887	41,354	159,508
Audiovisual	-	-	390	390	-	-	-	390
Awards	38	200	1,997	2,235	496	2,034	2,530	4,765
Bad Debt Expense	-	-	-	-	(518)	36,725	36,207	36,207
Bank and Merchant Fees	107	286.00	75	468	78,667	616	79,283	79,751
Catering	7,613	36,925	26,023	70,561	4,676	30,244	34,920	105,481
Computer Services and Software	49,728	21,933	47,613	119,274	47,469	86,222	133,691	252,965
Contract Services	254,289	46,127	93,443	393,859	120,533	183,869	304,402	698,261
Depreciation	972,444	82,136	149,422	1,204,002	104,491	36,357	140,848	1,344,850
Dues and Subscriptions	4,218	1,396	1,647	7,261	7,608	487	8,095	15,356
Education Sponsorships	-	950	1,466	2,416	-	270	270	2,686
Engraving	80	148	211	439	790	3,173	3,963	4,402
Equipment	3,195	2,734	2,031	7,960	4,718	658	5,376	13,336
Honorariums	2,000	48,920	25,488	76,408	-	300	300	76,708
Insurance	115,783	20,568	36,737	173,088	57,188	10,472	67,660	240,748
Interest Expense	-	-	-	-	214,051	-	214,051	214,051
Janitorial	64,315	11,145	20,212	95,672	11,459	4,647	16,106	111,778
Meals and Entertainment	1,208	4,982	1,495	7,685	2,594	570	3,164	10,849
Permits	15	-	-	15	1,523	-	1,523	1,538
Photography	600	1,650	1,481	3,731	500	2,612	3,112	6,843
Postage and Shipping	56,269	743	1,545	58,557	6,868	37,914	44,782	103,339
Printing and Publications	177	2,196	5,008	7,381	20,400	59,020	79,420	86,801
Professional Development	-	9,162	500	9,662	3,235	769	4,004	13,666
Rentals	4,124	14,660	11,389	30,173	9,485	146	9,631	39,804
Repairs and Maintenance	81,663	13,539	27,256	122,458	14,927	5,645	20,572	143,030
Security	5,694	989	2,187	8,870	1,017	552	1,569	10,439
Signage	2,870	227	3,085	6,182	616	1,519	2,135	8,317
Storage	39,654	-	8,478	48,132	8,119	-	8,119	56,251
Store Cost of Sales	-	-	37,246	37,246	-	-	-	37,246
Supplies	1,094	13,455	5,998	20,547	4,121	2,719	6,840	27,387
Travel	16,109	142,227	1,380	159,716	12,948	5,328	18,276	177,992
Utilities	109,288	21,752	34,894	165,934	20,338	7,914	28,252	194,186
Other Expenses	2,231	1,193	1,111	4,535	2,713	45,715	48,428	52,963
Total Expenses	\$ 2,414,223	\$ 1,134,258	\$ 1,162,285	\$ 4,710,766	\$ 1,356,045	\$ 1,462,981	\$ 2,819,026	\$ 7,529,792

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

HOLOCAUST MUSEUM HOUSTON
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services				Supporting Services			
	Exhibitions	Education	Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and Benefits	\$ 712,629	\$ 630,673	\$ 583,255	\$ 1,926,557	\$ 630,656	\$ 707,829	\$ 1,338,485	\$ 3,265,042
Advertising	236,879	644	751	238,274	16,833	30,932	47,765	286,039
Audiovisual	61	-	-	61	45	-	45	106
Awards	485	326	2,692	3,503	2,281	5,714	7,995	11,498
Bad Debt Expense	-	-	-	-	(1,442)	164,520	163,078	163,078
Bank and Merchant Fees	-	-	42	42	81,532	758	82,290	82,332
Catering	14,670	30,495	24,949	70,114	10,991	17,235	28,226	98,340
Computer Services and Software	51,137	19,139	55,025	125,301	35,570	86,388	121,958	247,259
Contract Services	190,693	25,063	63,399	279,155	265,273	89,062	354,335	633,490
Depreciation	1,185,763	138,157	225,376	1,549,296	161,047	60,858	221,905	1,771,201
Dues and Subscriptions	4,257	1,257	2,391	7,905	6,969	1,753	8,722	16,627
Education Sponsorships	-	1,700	445	2,145	500	-	500	2,645
Engraving	76	128	446	650	576	855	1,431	2,081
Equipment	6,399	943	3,351	10,693	6,219	1,222	7,441	18,134
Honorariums	100,500	18,600	685	119,785	-	200	200	119,985
Insurance	110,184	20,194	35,079	165,457	34,490	10,211	44,701	210,158
Interest Expense	-	-	-	-	251,200	-	251,200	251,200
Janitorial	66,029	11,408	20,627	98,064	11,731	4,967	16,698	114,762
Meals and Entertainment	15,031	1,191	934	17,156	2,340	1,299	3,639	20,795
Permits	-	-	-	-	918	-	918	918
Photography	1,750	1,675	1,700	5,125	950	3,775	4,725	9,850
Postage and Shipping	39,484	127	5,607	45,218	3,001	32,288	35,289	80,507
Printing and Publications	1,284	5,226	5,681	12,191	17,471	62,196	79,667	91,858
Professional Development	3,650	12,209	1,435	17,294	2,850	1,734	4,584	21,878
Rentals	263,192	10,865	8,076	282,133	10,358	1,811	12,169	294,302
Repairs and Maintenance	64,563	11,011	21,778	97,352	15,750	4,591	20,341	117,693
Security	4,655	808	1,460	6,923	1,031	337	1,368	8,291
Signage	5,682	-	-	5,682	634	6,326	6,960	12,642
Storage	46,335	-	7,184	53,519	14,301	-	14,301	67,820
Store Cost of Sales	-	-	134,487	134,487	-	-	-	134,487
Supplies	13,275	5,247	8,444	26,966	6,985	2,416	9,401	36,367
Travel	46,366	62,290	11,292	119,948	3,841	13,177	17,018	136,966
Utilities	100,346	19,826	32,089	152,261	22,502	7,267	29,769	182,030
Other Expenses	5,366	820	3,822	10,008	8,541	59,073	67,614	77,622
Total Expenses	\$ 3,290,741	\$ 1,030,022	\$ 1,262,502	\$ 5,583,265	\$ 1,625,944	\$ 1,378,794	\$ 3,004,738	\$ 8,588,003

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

HOLOCAUST MUSEUM HOUSTON
Consolidated Statements of Cash Flow
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 6,247,688	\$ (2,004,431)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Provision for Allowance for Uncollectible Pledges Receivable	(46,207)	(161,760)
Change in Discount on Pledges Receivable - Capital and Protectors Campaign	(184,753)	8,308
Change in Reserve for Slow-Moving Inventory	(4,462)	8,487
Depreciation	1,344,850	1,771,201
Fair Value of Stock Contributed	-	(162,122)
Contributions Restricted for Endowment	(293,819)	(123,167)
Realized and Unrealized Gain on Investments	(1,035,153)	(1,019,625)
Changes in Operating Assets and Liabilities		
Pledges Receivable - Protectors Campaign	(5,831,502)	-
Pledges Receivable - Other	158,682	1,617,570
Inventory	11,175	29,625
Prepaid Expenses and Other Assets	64,346	99,483
Accounts Payable and Accrued Expenses	(8,161)	(91,950)
Deferred Revenue	(31,743)	7,104
Net Cash Provided by (Used in) Operating Activities	390,941	(21,277)
Cash Flows from Investing Activities		
Reinvestment of Dividends and Interest	(351,706)	(342,876)
Purchases of Investments	(736,446)	(3,407,432)
Proceeds from Sale of Investments	965,696	4,225,626
Net Cash (Used in) Provided by Investing Activities	(122,456)	475,318
Cash Flows from Financing Activities		
Borrowings on Lines of Credit	920,000	1,725,000
Payments on Lines of Credit	(2,350,000)	(2,945,336)
Contributions Restricted for Endowment	293,819	123,167
Collections on Pledges Receivable - Capital Campaign	66,444	710,671
Collections on Pledges Receivable - Protectors Campaign	1,788,078	-
Net Cash Provided by (Used in) Financing Activities	718,341	(386,498)
Net Increase in Cash and Cash Equivalents	986,826	67,543
Cash and Cash Equivalents, Beginning of Fiscal Year	312,031	244,488
Cash and Cash Equivalents, End of Fiscal Year	\$ 1,298,857	\$ 312,031
Supplemental Cash Flow Information		
Interest Paid	\$ 214,051	\$ 251,200

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

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies

Holocaust Museum Houston (the Museum) is a Texas nonprofit corporation located in Houston, Texas. The Museum's mission is to establish and maintain a memorial to the millions of individuals who perished during World War II at the hands of the Nazis, and to continue to educate and enlighten people by promoting and presenting programs on remembrance, understanding, and prevention.

The Houston Holocaust Museum Foundation, Inc. dba Holocaust Museum Houston Foundation (the Foundation) is a Texas nonprofit corporation. The Foundation operates exclusively for charitable and educational purposes in connection with the Museum. The Museum is the sole member of the Foundation. Distributions by the Foundation are limited to the Museum or to another qualified organization designated by the Museum.

Basis of Consolidation

These consolidated financial statements include the assets, liabilities, net assets, and activities of the Museum and the Foundation (collectively, the Organization). All balances and transactions between the consolidated entities have been eliminated. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Program Services

The Organization's program services, consists of the following:

- Exhibitions - There are four permanent exhibitions: 1) the Holocaust Gallery, 2) the Human Rights Gallery, 3) the Diaries Gallery, and 4) the Samuel Bak Gallery. Rotating temporary exhibitions explore a variety of themes including the Holocaust, human rights, and genocide. Virtual tours are available for all permanent exhibitions except the Diaries Gallery and select temporary exhibitions.
- Education - Teaches students and teachers about the dangers of hatred, apathy, and prejudice through a variety of programs including on-site workshops, virtual sessions, and sending educators to Houston area classrooms.
- Other - Includes:
 - Library Services - Provides research materials serving the needs of students and researchers of all ages. The collection houses over 10,000 items relating to the Holocaust.
 - Public Programming - Offers a variety of lectures, panel discussions, and film viewings for public in-person and virtual attendance relating to the Holocaust with both a local and world-wide view.
 - Visitor and Volunteer Services - Trains volunteers and docents to serve visitors and enhance the visitor's experience using their knowledge of the galleries and exhibition content. They stand as Museum ambassadors teaching how each of us can emulate upstander behavior.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The Organization's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Boards.
- Net Assets With Donor Restrictions - Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Cash and Cash Equivalents

Highly liquid investments with original maturities of three months or less are considered cash and cash equivalents.

Pledges Receivable, Net

Pledges are recorded as revenue in the year they are received unless they contain a conditional promise to give. Pledges receivable that are expected to be collected within one year are recorded at their realizable value. Pledges that are expected to be collected in more than one year are recorded net of a discount to reflect the present value of the estimated future cash flow of the pledges.

An allowance is made for uncollectible pledges receivable based on the Organization's analysis of past collection experience and other judgmental factors. Based on these factors, the allowance for uncollectible pledges totaled \$198,243 and \$173,636 at June 30, 2025 and 2024, respectively.

Inventory

Inventory is valued at the lower of cost or net realizable value. Inventory is reported net of a reserve for slow-moving inventory of \$37,493 and \$41,955 at June 30, 2025 and 2024, respectively.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies (Continued)

Investments and Investment Return, Net

Investments in marketable equity and debt securities are reported at fair value. Investment income, including unrealized gains and losses, is reported in the consolidated statements of activities and changes in net assets as an increase or decrease in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Investment income (loss) whose use is restricted by the donor is reported as an increase or decrease in net assets with donor restrictions until expended in accordance with donor-imposed restrictions. Donated marketable securities are recorded as contributions at their fair market values at the date of donation. The Organization's policy is to sell donated securities within a short period of time and to record the difference between the fair value and the proceeds from the sale of securities as a realized gain or loss.

Property and Equipment, Net

Property and equipment are reported at cost if purchased and at estimated fair market value at the date of contribution if donated. Expenditures for major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from three to forty years.

Impairment of Long-Lived Assets

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment losses recorded during the fiscal years ended June 30, 2025 and 2024.

Collections

The Organization's collections are made up of historical artifacts, works of art, books, and other items pertaining to education, research, and curatorial purposes. Each of the items are preserved and cared for and activities verifying existence and assessing condition are performed periodically. Collections are not recorded as assets in the consolidated statements of financial position, rather they are recorded as an expense in the period they are acquired.

The Organization has never sold an item from its collection. In the unlikely event that a collection item was sold or disposed of, the proceeds would be used to further the Organization's mission.

Revenue Recognition

The Organization records special events revenue equal to the gross proceeds paid by participants less the fair value of costs directly benefitting the participants. Revenue from special events are recognized when the event occurs, and performance obligations are met. Amounts received in advance of events are reported as deferred revenue in the consolidated statements of financial position.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Membership fees, which are generally nonrefundable, are recorded as revenues in the period in which they are earned. Membership fees paid in advance are deferred for the portion of the membership that pertains to future periods.

Merchandise sales consist primarily of book sales, exhibition related items, and other branded items. Revenue is recognized at the time of purchase.

Deferred revenue consists of amounts received for special events and membership fees collected in connection with the Organization's activities that apply to future periods. The following provides information about significant changes in deferred revenue for the years ended June 30, 2025 and 2024:

	2025	2024
Deferred Revenue, Beginning of Year	\$ 251,266	\$ 244,162
Increases in Deferred Revenue Due to Cash		
Received During the Period	219,523	251,266
Revenue Recognized	(251,266)	(244,162)
Deferred Revenue, End of Year	\$ 219,523	\$ 251,266

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are those with measurable performance or other barriers, and a right of return, and are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

Donated securities, goods and services are recognized at estimated fair value at the date of donation. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Fair Value Measurements

The carrying amounts of pledges receivable and accounts payable and accrued expenses approximate fair value, because of the short-term nature of these instruments. Investments are carried at fair value.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies (Continued)

Advertising

Advertising costs are expensed as incurred. The Organization expensed \$159,508 and \$286,039 during the fiscal years ended June 30, 2025 and 2024, respectively.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various services. Accordingly, actual results could differ from those estimates.

Federal Income Tax

The Organization is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code (the Code). The Museum is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi) and the Foundation is classified as a Type I supporting organization under §509(a)(3). Contributions to the Organization are tax-deductible within the limitations prescribed by the Code. The Museum may receive income from unrelated business activities; however, no unrelated business income tax was due at June 30, 2025 and 2024. The Organization files annual federal information returns.

Uncertain tax positions are recognized in the consolidated financial statements only if that position is more-likely-than-not of being sustained upon examination by taxing authorities, based on the technical merits of the position. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense. The Organization did not recognize any uncertain tax positions, or any interest and penalties related to uncertain tax positions.

The Organization's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Functional Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques as determined by management.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 1. Form of Organization and Summary of Significant Accounting Policies (Continued)

Functional Expenses (Continued)

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Benefits	Time and Effort
Depreciation	Square Footage
Computer Services and Software	Department Head Count
Rentals	Square Footage
Utilities	Square Footage
Other Occupancy	Square Footage

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist primarily of cash and cash equivalents and pledges receivable. At times, the Organization maintains deposits in federally insured financial institutions in excess of federally insured limits. The Organization has not experienced any losses related to such accounts. Cash and cash equivalents are placed with highly-accredited, quality financial institutions and management believes it is not exposed to any significant credit risk. The Organization's cash and cash equivalents in excess of federally insured limits were \$1,026,216 as of June 30, 2025. There were no cash and cash equivalents in excess of federally insured limits as of June 30, 2024.

As of and for the fiscal years ended June 30, 2025 and 2024, pledges from five donors and one donor accounted for approximately 60% and 15%, respectively, of pledges receivable and there were no concentrations from donor contributions received.

Investment Risk

Investment securities consist primarily of mutual funds that could subject the Organization to losses in the event of a general downturn in the public securities markets. Due to normal security market fluctuations, it is possible that changes in net values of investment securities will occur in the near-term and that such change could materially affect the amounts recorded in the consolidated statements of financial position.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 2. Availability and Liquidity

Total financial assets held by the Organization, and the amounts of those financial assets that could be made readily available to meet general expenditures within one year of the consolidated statement of financial position dates, were as follows at June 30:

	2025	2024
Financial Assets at Fiscal Year-End		
Cash and Cash Equivalents	\$ 1,298,857	\$ 312,031
Pledges Receivable - Capital Campaign, Net	30,000	100,000
Pledges Receivable - Protectors Campaign, Net	4,260,840	-
Pledges Receivable - Other, Net	732,447	874,029
Employee Retention Credit Receivable	299,855	299,855
Prepaid Expenses	155,480	219,826
Investments	13,603,479	12,445,870
Total Financial Assets	20,380,958	14,251,611
Financial Assets not Available for General Expenditure		
Less: Net Assets With Donor Restrictions	(14,754,860)	(9,380,153)
Less: Board-Designated for Endowment	(4,075,072)	(3,975,717)
Less: Amounts Held as Collateral Under Lending Agreements	(342,339)	(62,581)
Add: Net Assets With Purpose Restrictions to be Met in Less than One Year	1,387,926	335,489
Add: Budget Approved Releases of Board-Designated Funds and Endowment Appropriation Approved for Upcoming Year	192,618	201,313
Financial Assets Available to Meet General Expenditures within One Year	\$ 2,789,231	\$ 1,369,962

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities (see Note 4), and lines of credit (see Note 7).

The Organization's governing boards have designated a portion of its net assets without donor restrictions for endowment purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Foundation board. At June 30, 2025 and 2024, \$4,075,072 and \$3,975,717, respectively, was designated for the endowment. The board-designated endowment is governed by the Foundation board. The Museum has an operating line of credit that matures in December 2025 which the Organization expects to renew at similar terms. The Museum has a capital campaign line of credit that requires a principal payment of \$1,000,000 in April 2026.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 3. Pledges Receivable, Net

Unconditional pledges receivable are expected to be collected as follows at June 30:

	2025	2024
Pledges Receivable Expected to be Collected in:		
Less than One Year	\$ 2,396,927	\$ 899,009
One to Five Years	3,024,300	263,600
Total Pledges Receivable	5,421,227	1,162,609
Less: Allowance For Uncollectible Pledges	(198,243)	(173,636)
Less: Discount To Present Value	(199,697)	(14,944)
Total Pledges Receivable, Net	\$ 5,023,287	\$ 974,029

Pledges receivable due greater than one year are discounted to their present value at the time the pledge is made using the current U.S. Treasury security rate. The discount rates during fiscal years ended 2025 and 2024 was 4%.

Note 4. Investments and Fair Value Measurements

Fair value is defined as the exchange price that would be received for 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 market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Certain of the Organization's financial assets are measured at fair value on a recurring basis. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the financial instruments. The fair value of Level 3 financial instruments is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 4. Investments and Fair Value Measurements (Continued)

Financial instruments measured at fair value on a recurring basis were as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Investments				
Domestic Equity Mutual Funds	\$ 5,637,341	\$ -	\$ -	\$ 5,637,341
Fixed Income Mutual Funds	3,693,008	-	-	3,693,008
International Equity Mutual Funds	2,128,874	-	-	2,128,874
Emerging Markets Mutual Funds	965,118	-	-	965,118
Real Estate Investment Trust Mutual Funds	1,179,138	-	-	1,179,138
Total Investments	\$ 13,603,479	\$ -	\$ -	\$ 13,603,479
June 30, 2024	Level 1	Level 2	Level 3	Total
Investments				
Domestic Equity Mutual Funds	\$ 4,971,342	\$ -	\$ -	\$ 4,971,342
Fixed Income Mutual Funds	3,438,745	-	-	3,438,745
International Equity Mutual Funds	1,993,543	-	-	1,993,543
Emerging Markets Mutual Funds	914,385	-	-	914,385
Real Estate Investment Trust Mutual Funds	1,127,855	-	-	1,127,855
Total Investments	\$ 12,445,870	\$ -	\$ -	\$ 12,445,870

Mutual funds are valued at the publicly-quoted daily closing price as reported by the fund and are deemed to be actively-traded.

The valuation method may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date. There have been no changes in methodologies used at June 30, 2025 and 2024.

Note 5. Property and Equipment

Property and equipment consisted of the following at June 30:

	2025	2024
Land	\$ 3,577,887	\$ 3,577,887
Building and Building Improvements	37,511,067	37,511,067
Furniture and Equipment	3,057,563	3,057,563
Artwork	633,489	633,489
	44,780,006	44,780,006
Less: Accumulated Depreciation	(12,160,835)	(10,815,985)
Total Property and Equipment, Net	\$ 32,619,171	\$ 33,964,021

Depreciation expense amounted to \$1,344,850 and \$1,771,201 for the fiscal years ended June 30, 2025 and 2024, respectively.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 6. Investment Return, Net

Investment return, net consisted of the following for the fiscal years ended June 30:

	2025	2024
Interest and Dividends	\$ 373,081	\$ 367,053
Realized and Unrealized Gain on Investments	1,035,153	1,019,625
Custodial and Management Fees	(21,375)	(24,177)
Total Investment Return, Net	\$ 1,386,859	\$ 1,362,501

Note 7. Lines of Credit

Operating Line of Credit

The Museum has an unsecured revolving line of credit agreement with a bank. The agreement was re-negotiated in July 2022 to extend the credit line of \$1,000,000 through July 2024. The line was again re-negotiated in July 2024 to extend the credit line through December 2025 and increase the amount to \$2,000,000. The line of credit bears interest at the 30-day Secured Overnight Financing Rate (SOFR) plus 2%. Interest rates applied to the credit line was 6.32% at June 30, 2025. At June 30, 2025 and 2024, there was \$-0- and \$430,000, respectively outstanding to be repaid on the line of credit. The line of credit has a liquidity maintenance requirement of maintaining monthly liquidity of at least \$3,500,000 in the Foundation's investment account. For the fiscal year ended, June 30, 2025 this requirement was met.

Capital Campaign Line of Credit

The Museum entered into a \$15,000,000 revolving line of credit agreement with a bank to finance the construction and campaign operations of the capital campaign (see Note 12). As of October 4, 2020, advances were no longer available. In February 2023, terms of the note were amended to adjust the interest rate to bear interest at the Term SOFR-1 Month rate plus 1.50% (5.82% at June 30, 2025). The line is secured by capital campaign pledges receivable and cash amounting to \$2,474,060 and \$112,581 at June 30, 2025 and 2024, respectively. Monthly interest payments are due through April 2028. Effective April 1, 2021, the Museum entered into an interest rate swap agreement with the bank to cap interest at 2% of the following notional amounts: \$3,500,000 at the effective date, decreasing to \$1,500,000 in March 2023, \$500,000 in March 2024. The swap agreement expired in February 2025 and was not renewed.

Future payments on the line of credit are as follows:

Year Ending June 30,	Amount
2026	\$ 1,000,000
2027	1,000,000
2028	500,000
Total	\$ 2,500,000

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 8. Employee Retention Credit

Prior to the 2021 fiscal year end, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act provided for an employee retention tax credit (ERC), which is a refundable credit against certain employee qualified wages.

The Museum has elected to account for the ERC under ASC Topic 958, *Not-for-Profit Entities*, which allows for treatment of the tax credit as contribution revenue. Under the guidance, the Organization recognized the credit as a receivable and revenue during the fiscal year ended June 30, 2023. The employee retention credit receivable was \$299,855 at June 30, 2025 and 2024 and is included in the consolidated statements of financial position.

Note 9. Net Assets Without Donor Restrictions

Net assets without donor restrictions were as follows for the fiscal years ended June 30:

	2025	2024
Undesignated	\$ 31,237,051	\$ 30,463,427
Board-Designated for Endowment	4,075,072	3,975,717
Total Net Assets Without Donor Restrictions	\$ 35,312,123	\$ 34,439,144

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2025	2024
Educational Programs	\$ 7,174,606	\$ 6,607,043
Protectors of the Museum	4,293,253	-
Exhibits	890,500	742,363
Visitor and Volunteer Services	722,096	668,348
Other	666,089	502,789
Lecture Series	501,470	473,164
Docent Program	288,665	182,508
Yom Ha'shoah Program	218,183	203,938
Total Net Assets With Donor Restrictions	\$ 14,754,862	\$ 9,380,153

Net assets with donor restrictions includes \$7,152,190 and \$6,861,411 of donor restricted endowment funds, restricted in perpetuity at June 30, 2025 and 2024, respectively.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 10. Net Assets With Donor Restrictions (Continued)

Net assets released from donor restrictions were as follows for fiscal years ended June 30:

	2025	2024
Protectors of the Museum	\$ 1,192,907	\$ -
Educational Programs	953,222	687,785
Visitor and Volunteer Services	172,752	137,111
Exhibits	150,165	872,782
Other	84,895	136,028
Lecture Series	27,829	100,285
Total Net Assets Released From Donor Restrictions	\$ 2,581,770	\$ 1,933,991

Note 11. Endowment Funds

The Foundation has donor-restricted endowment funds that are maintained in accordance with explicit donor stipulations. The Board of Directors of the Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) 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 Foundation classifies the original value of gifts donated to the endowment as net assets with donor restrictions.

The remaining portion of the donor-restricted endowment fund including earnings that have not been explicitly designated as unrestricted by the donor that is not classified in net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 11. Endowment Funds (Continued)

From time-to-time, the fair value of assets associated with the endowment fund may fall below the level that the donor or TUPMIFA requires the Foundation to retain as a fund of perpetual duration as a result of temporary unfavorable market fluctuations. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no deficiencies at June 30, 2025 and 2024.

The following table reports the composition of the Foundation's endowment by net asset class and a reconciliation of the beginning and ending balance of the Foundation's endowment funds:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2023	\$ 4,073,438	\$ 8,299,489	\$ 12,372,927
Investment Return, Net	444,985	915,609	1,360,594
Contributions	-	123,167	123,167
Operating Expenses	(321,143)	-	(321,143)
Releases of Board-Designated Funds	(221,563)	-	(221,563)
Appropriations for Expenditure	-	(353,437)	(353,437)
Endowment Net Assets, June 30, 2024	3,975,717	8,984,828	12,960,545
Investment Return, Net	424,465	962,348	1,386,813
Contributions	-	293,819	293,819
Operating Expenses	(123,053)	-	(123,053)
Releases of Board-Designated Funds	(202,057)	-	(202,057)
Appropriations for Expenditure	-	(436,706)	(436,706)
Endowment Net Assets, June 30, 2025	\$ 4,075,072	\$ 9,804,289	\$ 13,879,361

Endowment net assets composition as of June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025			
Board-Designated Endowment Funds	\$ 4,075,072	\$ -	\$ 4,075,072
Donor-Restricted Endowment Funds	-	9,804,289	9,804,289
Total Endowment Net Assets	\$ 4,075,072	\$ 9,804,289	\$ 13,879,361
June 30, 2024			
Board-Designated Endowment Funds	\$ 3,975,717	\$ -	\$ 3,975,717
Donor-Restricted Endowment Funds	-	8,984,828	8,984,828
Total Endowment Net Assets	\$ 3,975,717	\$ 8,984,828	\$ 12,960,545

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 11. Endowment Funds (Continued)

Endowment Spending Policy

The Foundation recognizes that the rationale for investing funds for future use assumes that the purchasing power of those funds will not be diminished over time. Therefore, the level of appropriation will be adjusted from time-to-time such that the endowment fund purchasing power will not be eroded by appropriation. Currently, this policy is to appropriate between -0-% and 5% of the fair market value of the funds annually. Additionally, restricted funds (those donated with express donor intention) will not be appropriated for use by the Foundation. If a restricted fund has not generated income or appreciation sufficiently to accommodate otherwise allowed appropriates, the Foundation will attempt to fund such appropriation from unrestricted funds.

Endowment Return Objectives and Risk Parameters

The investment objective of the Foundation for all funds is to ensure that future growth is sufficient to offset normal inflation plus support spending requirements of the Museum up to 5% of the fair value of the funds annually.

The Foundation believes that overall, the portfolio can endure average market risk over the long-term to achieve a level of income necessary to support the Museum.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the assets are managed as a balanced portfolio having two major asset components: an equity portion comprised of common stocks and a fixed income portion comprised of bonds and preferred stocks. Equity holdings in any one company should not exceed more than 5% of the market value of the Foundation's total portfolio. Not more than 25% of the market value of the equity portfolio should be invested in any one economic sector.

Note 12. Fundraising Campaigns

In October 2014, the Organization commenced a capital campaign to fund the expansion and improvement of the Museum building and associated endowment. The Organization raised approximately \$45,983,000 in contributions for the capital campaign. The capital campaign formally concluded in April 2019. Contributions to the capital campaign were recorded as net assets with donor restrictions until the funds were expended. As of June 30, 2025, approximately \$45,083,000 of contributions related to the capital campaign were released from donor restrictions. Total capital campaign pledges receivable at June 30, 2025 and 2024 amounted to \$30,000 and \$100,000, respectively.

In August 2024, the Museum commenced a campaign called Protectors of the Museum (Protectors campaign) to retire the remaining capital campaign line of credit, establish building reserve funds, and support operations. As of June 30, 2025, \$8,037,209 has been raised; \$3,929,799 for the capital campaign line of credit and reserves, \$2,248,501 for general operations, and \$1,858,909 for designated operations. As of the fiscal year ended June 30, 2025, \$1,192,907 of contributions related to the Protectors campaign were released from donor restrictions. Total Protectors campaign pledges receivable at June 30, 2025 and 2024 amounted to \$4,260,840 and \$-0-, respectively.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 12. Fundraising Campaigns (Continued)

At June 30, 2025 and 2024, the Organization had approximately \$7,456,000 of revocable planned gifts outstanding in relation to the capital campaign, which are not recorded in these consolidated financial statements.

Note 13. In-Kind Contributions

The Organization's in-kind contributions consisted of the following as of June 30:

	2025	2024	Usage
Travel	\$ 48,075	\$ 39,025	Education
Advertising	13,445	30,065	Fundraising
Food	8,224	8,342	Management & General
Gifts	-	1,665	Management & General
Supplies	273	451	Management & General
Total In-Kind Donations	\$ 70,017	\$ 79,548	

Advertising in-kind contributions were valued using prices of identical or similar products or services using pricing data of similar products or services under a "like-kind" methodology, considering the utility of the services and goods at the time of the contribution. Airline tickets are provided through use of donated United Airlines Jetstream dollars valued by the Jetstream dollars used per ticket. No in-kind contributions were restricted. The Organization does not sell donated in-kind contributions and only uses services and goods for its own program or supporting service use.

Note 14. Retirement Plans

The Organization has a 401(k) plan (the 401(k) Plan) covering all employees working at least 1,000 hours during the fiscal year. An employee is eligible to participate in the 401(k) Plan within 90 days of employment and is fully vested immediately. The 401(k) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Under the plan, participating employees may elect to defer up to 90% of their compensation and may elect to invest in any combination of the investment choices offered. The Organization matched 100% of employee contributions up to 3% of employee compensation and then 50% of employee contributions up to 6% of employee compensation.

The Organization made contributions to the plans of \$64,018 and \$81,203 during the fiscal years ended June 30, 2025 and 2024, respectively, which is included in salaries and benefits on the consolidated statements of functional expenses.

HOLOCAUST MUSEUM HOUSTON

Notes to Consolidated Financial Statement

Note 15. Inter-Entity Transactions

The Foundation makes periodic grants to the Museum to support Museum operations. The Foundation's contributions to the Museum totaled \$638,763 and \$575,000 during the fiscal years ended June 30, 2025 and 2024, respectively. These transactions were eliminated within consolidation.

From time-to-time, the Museum may transfer excess operating funds, at its discretion, to the Foundation to manage as part of the board-designated operating endowment. These amounts, along with other funds received by the Foundation, are invested to support various aspects of the Museum's operations.

Note 16. Related-Party Transactions

During the fiscal year ended June 30, 2025, certain members of the Board of Trustees contributed \$2,341,905 and paid \$12,955 of membership dues to the Organization. During the fiscal year ended June 30, 2024, certain members of the Board of Trustees contributed \$452,094 and paid \$20,905 of membership dues to the Organization. Board contributions and membership dues are included in net assets without donor restrictions on the consolidated statements of activities and changes in net assets.

At June 30, 2025 and 2024, certain members from the Board of Trustees pledged gifts in the amount of \$2,141,819 and \$312,331. At June 30, 2025, \$1,874,944 was included in pledges receivable – Protectors campaign, net and \$266,875 was included in pledges receivable - other, net. At June 30, 2024, \$312,331 was included in pledges receivable - other, net.

Note 17. Subsequent Events

Management has evaluated subsequent events through October 21, 2025, the date which the consolidated financial statements were available to be issued. In July, 2025, the Museum made a \$500,000 principal payment on the capital campaign line of credit (see Note 7). There are no other subsequent events that require disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Financial Position
June 30, 2025

Schedule I

	Museum	Foundation	Eliminations	Consolidated Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 1,297,551	\$ 1,306	\$ -	\$ 1,298,857
Pledges Receivable				
Capital Campaign, Net	5,000	25,000	-	30,000
Proectors Campaign, Net	1,665,756	-	-	1,665,756
Other, Net	502,871	81,800	-	584,671
Employee Retention Credit Receivable	299,855	-	-	299,855
Inventory	26,246	-	-	26,246
Prepaid Expenses and Other Assets	155,480	-	-	155,480
Due from Affiliate	-	20,000	(20,000)	-
Total Current Assets	3,952,759	128,106	(20,000)	4,060,865
Pledges Receivable, Net of Current Portion				
Proectors Campaign, Net	2,595,084	-	-	2,595,084
Other, Net	-	147,776	-	147,776
Investments	-	13,603,479	-	13,603,479
Property and Equipment, Net	32,619,171	-	-	32,619,171
Total Assets	\$ 39,167,014	\$ 13,879,361	\$ (20,000)	\$ 53,026,375

See independent auditor's report

HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Financial Position (Continued)
June 30, 2025

Schedule I

	Museum	Foundation	Eliminations	Consolidated Total
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 239,869	\$ -	\$ -	\$ 239,869
Due to Affiliate	20,000	-	(20,000)	-
Lines of Credit	1,000,000	-	-	1,000,000
Deferred Revenue	219,523	-	-	219,523
Total Current Liabilities	1,479,392	-	(20,000)	1,459,392
Lines of Credit, Net of Current Portion	1,500,000	-	-	1,500,000
Total Liabilities	2,979,392	-	(20,000)	2,959,392
Net Assets				
Without Donor Restrictions	31,237,049	4,075,072		35,312,121
With Donor Restrictions	4,950,573	9,804,289		14,754,862
Net Assets	36,187,622	13,879,361	-	50,066,983
Total Liabilities and Net Assets	\$ 39,167,014	\$ 13,879,361	\$ (20,000)	\$ 53,026,375

See independent auditor's report

HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Financial Position
June 30, 2024

Schedule I

	Museum	Foundation	Eliminations	Consolidated Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 154,735	\$ 157,296	\$ -	\$ 312,031
Pledges Receivable				
Capital Campaign, Net	25,000	75,000	-	100,000
Other, Net	597,876	80,133	-	678,009
Employee Retention Credit Receivable	299,855	-	-	299,855
Inventory	32,959	-	-	32,959
Prepaid Expenses and Other Assets	218,482	1,344	-	219,826
Due from Affiliate	3,759	314	(4,073)	-
Total Current Assets	1,332,666	314,087	(4,073)	1,642,680
Pledges Receivable, Net of Current Portion				
Other, Net	-	196,020	-	196,020
Investments	-	12,445,870	-	12,445,870
Property and Equipment, Net	33,955,694	8,327	-	33,964,021
Total Assets	\$ 35,288,360	\$ 12,964,304	\$ (4,073)	\$ 48,248,591

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HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Financial Position (Continued)
June 30, 2024

Schedule I

	Museum	Foundation	Eliminations	Consolidated Total
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 248,030	\$ -	\$ -	\$ 248,030
Due to Affiliate	314	3,759	(4,073)	-
Lines of Credit	1,430,000	-	-	1,430,000
Deferred Revenue	251,266	-	-	251,266
Total Current Liabilities	1,929,610	3,759	(4,073)	1,929,296
Lines of Credit, Net of Current Portion	2,500,000	-	-	2,500,000
Total Liabilities	4,429,610	3,759	(4,073)	4,429,296
Net Assets				
Without Donor Restrictions	30,463,425	3,975,717		34,439,142
With Donor Restrictions	395,325	8,984,828		9,380,153
Net Assets	30,858,750	12,960,545	-	43,819,295
Total Liabilities and Net Assets	\$ 35,288,360	\$ 12,964,304	\$ (4,073)	\$ 48,248,591

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HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

Schedule II

	Museum		Foundation		Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions - Board-Designated	With Donor Restrictions		
Support and Revenues						
Contributions	\$ 3,881,871	\$ 6,700,312	\$ -	\$ 293,819	\$ (668,043)	\$ 10,207,959
In-Kind Contributions	70,017	-	-	-	-	70,017
Special Events, Net	1,154,717	-	-	-	-	1,154,717
Membership Fees	485,159	-	-	-	-	485,159
Admissions, Tours, and Programs	292,596	-	-	-	-	292,596
Merchandise Sales	62,974	-	-	-	-	62,974
Rental and Other Income	117,199	-	-	-	-	117,199
Investment Return, Net	46	-	424,465	962,348	-	1,386,859
	6,064,579	6,700,312	424,465	1,256,167	(668,043)	13,777,480
Net Assets Released From Donor Restrictions	2,145,064	(2,145,064)	436,706	(436,706)	-	-
Total Support and Revenues	8,209,643	4,555,248	861,171	819,461	(668,043)	13,777,480
Expenses						
Program Services	4,710,766	-	638,763	-	(638,763)	4,710,766
Supporting Services						
Management and General	1,262,272	-	123,053	-	(29,280)	1,356,045
Fundraising	1,462,981	-	-	-	-	1,462,981
Total Expenses	7,436,019	-	761,816	-	(668,043)	7,529,792
Change in Net Assets	773,624	4,555,248	99,355	819,461	-	6,247,688
Net Assets, Beginning of Fiscal Year	30,463,425	395,325	3,975,717	8,984,828	-	43,819,295
Net Assets, End of Fiscal Year	\$ 31,237,049	\$ 4,950,573	\$ 4,075,072	\$ 9,804,289	\$ -	\$ 50,066,983

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HOLOCAUST MUSEUM HOUSTON
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

Schedule II

	Museum		Foundation		Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions - Board-Designated	With Donor Restrictions		
Support and Revenues						
Contributions	\$ 2,102,618	\$ 765,145	\$ -	\$ 123,167	\$ (604,280)	\$ 2,386,650
In-Kind Contributions	79,548	-	-	-	-	79,548
Special Events, Net	1,497,094	-	-	-	-	1,497,094
Membership Fees	497,162	-	-	-	-	497,162
Admissions, Tours, and Programs	439,726	-	-	-	-	439,726
Merchandise Sales	153,204	-	-	-	-	153,204
Rental and Other Income	167,687	-	-	-	-	167,687
Investment Return, Net	1,907	-	444,985	915,609	-	1,362,501
	4,938,946	765,145	444,985	1,038,776	(604,280)	6,583,572
Net Assets Released From Donor Restrictions	1,580,554	(1,580,554)	353,437	(353,437)	-	-
Total Support and Revenues	6,519,500	(815,409)	798,422	685,339	(604,280)	6,583,572
Expenses						
Program Services	5,583,265	-	575,000	-	(575,000)	5,583,265
Supporting Services						
Management and General	1,334,081	-	321,143	-	(29,280)	1,625,944
Fundraising	1,378,794	-	-	-	-	1,378,794
Total Expenses	8,296,140	-	896,143	-	(604,280)	8,588,003
Change in Net Assets	(1,776,640)	(815,409)	(97,721)	685,339	-	(2,004,431)
Net Assets, Beginning of Fiscal Year	32,240,065	1,210,734	4,073,438	8,299,489	-	45,823,726
Net Assets, End of Fiscal Year	\$ 30,463,425	\$ 395,325	\$ 3,975,717	\$ 8,984,828	\$ -	\$ 43,819,295

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