

**CHILDREN'S MUSEUM, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

June 30, 2025 and 2024

CHILDREN'S MUSEUM, INC.  
Houston, Texas

CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Children's Museum, Inc.  
Houston, Texas

***Opinion***

We have audited the consolidated financial statements of Children's Museum, Inc. which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children's Museum, Inc. as of June 30, 2025 and 2024, and the changes in its net assets, and its cash flows for the fiscal year 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 Children's Museum, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Children's Museum, Inc.'s ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

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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 Children's Museum, Inc.'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 Children's Museum, Inc.'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 statement of financial position and consolidating statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, 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 information has been subjected to the auditing procedures applied in the audits 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 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 consolidated financial statements as a whole.

  
Crowe LLP

Houston, Texas  
December 5, 2025

CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash	\$ 13,113,279	\$ 9,352,341
Inventory	379,077	388,615
Accounts receivable	305,249	705,960
Pledges receivable, net	5,084,937	4,227,619
Pledges receivable for donated use of facilities, net	180,000	334,314
Property and equipment, net	17,697,521	15,170,070
Investments	26,810,693	26,553,097
Prepaid expenses and other assets	<u>171,274</u>	<u>110,498</u>
 Total assets	 <u>\$ 63,742,030</u>	 <u>\$ 56,842,514</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,127,037	\$ 1,346,193
Deferred revenue	<u>991,547</u>	<u>944,127</u>
Total liabilities	2,118,584	2,290,320
 Net assets		
Without donor restrictions	23,072,728	23,128,902
With donor restrictions	<u>38,550,718</u>	<u>31,423,292</u>
Total net assets	<u>61,623,446</u>	<u>54,552,194</u>
 Total liabilities and net assets	 <u>\$ 63,742,030</u>	 <u>\$ 56,842,514</u>

See accompanying notes to consolidated financial statements.

CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>Revenue</b>			
Contributions	\$ 1,084,566	\$ 11,474,118	\$ 12,558,684
Membership fees	1,575,429	-	1,575,429
Special events	1,692,176	-	1,692,176
Direct donor benefit costs of special events	(375,168)	-	(375,168)
Admissions	4,431,389	-	4,431,389
Program fees	958,628	-	958,628
Museum gift shop and café sales	1,600,666	-	1,600,666
Cost of goods sold	(767,798)	-	(767,798)
Government grants	10,000	-	10,000
Parking fees	1,170,938	-	1,170,938
Donated use of facilities	25,686	-	25,686
Investment return, net	496,231	2,890,806	3,387,037
Other revenue	304,799	-	304,799
Total revenue	<u>12,207,542</u>	<u>14,364,924</u>	<u>26,572,466</u>
Net assets released from restrictions			
Program and capital campaign expenditures	6,537,498	(6,537,498)	-
Endowment earnings appropriated for operations	700,000	(700,000)	-
Totals	<u>19,445,040</u>	<u>7,127,426</u>	<u>26,572,466</u>
<b>Expenses</b>			
Program services			
Exhibitions and education	12,018,312		12,018,312
Membership and public outreach	1,723,812	-	1,723,812
Gift shop and café	951,511	-	951,511
Visitor services	715,109	-	715,109
Total program services	<u>15,408,744</u>	<u>-</u>	<u>15,408,744</u>
Supporting services			
Management and general	2,709,963	-	2,709,963
Fundraising and membership development	1,382,507	-	1,382,507
Total expenses	<u>19,501,214</u>	<u>-</u>	<u>19,501,214</u>
Changes in net assets	(56,174)	7,127,426	7,071,252
Net assets, beginning of year	<u>23,128,902</u>	<u>31,423,292</u>	<u>54,552,194</u>
<b>Net assets, end of year</b>	<u><u>\$ 23,072,728</u></u>	<u><u>\$ 38,550,718</u></u>	<u><u>\$ 61,623,446</u></u>

(Continued)

CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>Revenue</b>			
Contributions	\$ 685,956	\$ 3,483,748	\$ 4,169,704
Membership fees	1,464,864	-	1,464,864
Special events	1,500,871	-	1,500,871
Direct donor benefit costs of special events	(437,754)	-	(437,754)
Admissions	4,600,831	-	4,600,831
Program fees	1,380,502	-	1,380,502
Museum gift shop and café sales	1,776,888	-	1,776,888
Cost of goods sold	(745,531)	-	(745,531)
Government grants	18,160	-	18,160
Parking fees	1,232,495	-	1,232,495
Donated use of facilities	37,116	-	37,116
Investment return, net	549,618	2,509,472	3,059,090
Other revenue	407,833	-	407,833
Total revenue	<u>12,471,849</u>	<u>5,993,220</u>	<u>18,465,069</u>
Net assets released from restrictions			
Program and capital campaign expenditures	4,420,498	(4,420,498)	-
Endowment earnings appropriated for operations	621,000	(621,000)	-
Totals	<u>17,513,347</u>	<u>951,722</u>	<u>18,465,069</u>
<b>Expenses</b>			
Program services			
Exhibitions and education	11,785,378	-	11,785,378
Membership and public outreach	1,303,523	-	1,303,523
Gift shop and café	943,362	-	943,362
Visitor services	712,305	-	712,305
Total program services	<u>14,744,568</u>	<u>-</u>	<u>14,744,568</u>
Supporting services			
Management and general	2,290,322	-	2,290,322
Fundraising and membership development	1,019,701	-	1,019,701
Total expenses	<u>18,054,591</u>	<u>-</u>	<u>18,054,591</u>
Changes in net assets	(541,244)	951,722	410,478
Net assets, beginning of year	<u>23,670,146</u>	<u>30,471,570</u>	<u>54,141,716</u>
<b>Net assets, end of year</b>	<u><u>\$ 23,128,902</u></u>	<u><u>\$ 31,423,292</u></u>	<u><u>\$ 54,552,194</u></u>

See accompanying notes to consolidated financial statements.

CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2025

	Program Services					Supporting Services		
	Exhibitions and Education	Membership and Public Outreach	Gift Shop and Café	Visitor Services	Total Program Services	Management and General	Fundraising and Membership Development	Total Expenses
Salaries and wages	\$ 5,661,462	\$ 797,996	\$ 578,070	\$ 276,429	\$ 7,313,957	\$ 1,103,502	\$ 776,244	\$ 9,193,703
Fringe benefits	828,019	139,264	45,811	17,144	1,030,238	172,856	106,655	1,309,749
Payroll taxes	446,028	62,071	47,395	13,068	568,562	76,705	57,519	702,786
Advertising	-	22,352	-	-	22,352	402,790	-	425,142
Bank and credit card fees	-	58,321	45,280	198,703	302,304	41,147	50,116	393,567
Contract labor	482,722	328,083	-	25,957	836,762	90,526	51,474	978,762
Depreciation	1,201,929	24,097	56,908	9,825	1,292,759	286,235	20,821	1,599,815
Dues and subscriptions	50,218	62,274	3,844	-	116,336	28,207	4,684	149,227
Electricity	215,212	3,558	8,403	1,451	228,624	6,458	3,074	238,156
Equipment rental	19,994	-	8,964	-	28,958	2,922	1,690	33,570
Exhibit maintenance	668,503	-	-	5,967	674,470	-	-	674,470
Insurance	358,620	6,510	15,373	10,790	391,293	11,815	5,625	408,733
Janitorial	327,992	4,374	12,417	876	345,659	9,188	3,571	358,418
Other occupancy	230,823	4,430	10,736	1,687	247,676	8,204	3,799	259,679
Other utilities	67,576	1,303	3,077	11,207	83,163	2,365	1,126	86,654
Postage and delivery	5,058	6,257	52	10	11,377	528	5,276	17,181
Printing	78,250	88,853	2,134	3,034	172,271	1,483	38,041	211,795
Professional fees	118	384	-	-	502	202,342	170,400	373,244
Rent and storage fees	358,270	-	-	-	358,270	35,264	-	393,534
Repair and maintenance	347,793	5,665	14,608	14,245	382,311	11,018	4,773	398,102
Supplies	548,307	89,599	80,861	99,727	818,494	129,371	62,319	1,010,184
Telephone	25,342	4,066	1,220	407	31,035	3,253	2,846	37,134
Travel	84,103	3,984	2,151	-	90,238	9,730	2,697	102,665
Other	11,973	10,371	14,207	24,582	61,133	74,054	9,757	144,944
Totals	<u>\$ 12,018,312</u>	<u>\$ 1,723,812</u>	<u>\$ 951,511</u>	<u>\$ 715,109</u>	<u>\$ 15,408,744</u>	<u>\$ 2,709,963</u>	<u>\$ 1,382,507</u>	<u>\$ 19,501,214</u>

(Continued)



CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2024

	Program Services					Supporting Services		
	Exhibitions and <u>Education</u>	Membership and Public <u>Outreach</u>	Gift Shop and Café	Visitor <u>Services</u>	Total Program <u>Services</u>	Management and General	Fundraising and Membership <u>Development</u>	Total <u>Expenses</u>
Salaries and wages	\$ 5,491,921	\$ 588,964	\$ 565,586	\$ 274,120	\$ 6,920,591	\$ 1,009,415	\$ 606,650	\$ 8,536,656
Fringe benefits	823,161	85,527	35,813	15,107	959,608	167,299	73,044	1,199,951
Payroll taxes	417,445	45,259	46,070	13,300	522,074	71,900	44,694	638,668
Advertising	-	-	-	-	-	465,443	-	465,443
Bank and credit card fees	-	52,227	54,533	206,558	313,318	36,861	37,632	387,811
Contract labor	597,963	340,781	32,305	30,675	1,001,724	95,453	80,841	1,178,018
Depreciation	1,194,501	19,104	45,116	7,789	1,266,510	34,673	16,507	1,317,690
Dues and subscriptions	33,811	36,397	1,469	-	71,677	37,195	3,990	112,862
Electricity	162,815	2,992	7,065	1,220	174,092	5,430	2,585	182,107
Equipment rental	17,607	-	7,410	-	25,017	1,613	1,025	27,655
Exhibit maintenance	748,679	-	-	1,971	750,650	-	-	750,650
Insurance	300,496	5,507	13,007	9,884	328,894	9,996	4,759	343,649
Janitorial	296,702	5,324	12,574	2,171	316,771	9,664	4,600	331,035
Other occupancy	207,145	4,145	9,789	6,454	227,533	5,523	1,866	234,922
Other utilities	72,847	1,390	3,282	10,284	87,803	1,522	201	89,526
Postage and delivery	6,542	804	-	-	7,346	678	6,155	14,179
Printing	85,948	27,092	-	7,942	120,982	2,966	36,453	160,401
Professional fees	1,560	8,026	-	-	9,586	84,715	37,700	132,001
Rent and storage fees	338,529	-	-	-	338,529	25,035	-	363,564
Repair and maintenance	266,756	4,695	11,087	8,192	290,730	8,521	4,056	303,307
Supplies	589,318	70,161	90,683	100,482	850,644	136,778	36,398	1,023,820
Telephone	24,629	3,818	1,145	382	29,974	3,055	2,673	35,702
Travel	104,734	510	965	373	106,582	14,842	7,897	129,321
Other	2,269	800	5,463	15,401	23,933	61,745	9,975	95,653
Totals	<u>\$ 11,785,378</u>	<u>\$ 1,303,523</u>	<u>\$ 943,362</u>	<u>\$ 712,305</u>	<u>\$ 14,744,568</u>	<u>\$ 2,290,322</u>	<u>\$ 1,019,701</u>	<u>\$ 18,054,591</u>

See accompanying notes to consolidated financial statements.

CHILDREN'S MUSEUM, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 7,071,252	\$ 410,478
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Net realized and unrealized gain on investments	(2,214,906)	(1,926,072)
Fair value of stock contributed	(104,314)	(46,200)
Depreciation	1,599,815	1,317,690
Contributions restricted for endowment	-	(40,000)
Change in discount on pledges receivable	(25,686)	(48,389)
Pledges received restricted for capital expansion	(2,400,000)	-
Pledges receivable for donated use of facilities	180,000	180,000
Changes in operating assets and liabilities:		
Inventory	9,538	(33,449)
Accounts receivable	400,711	(128,079)
Pledges receivable	(87,318)	573,895
Employee retention credit receivable	-	259,278
Prepaid expenses and other assets	(60,776)	40,308
Accounts payable and accrued expenses	(265,795)	390,809
Deferred revenue	47,420	(48,977)
Net cash from operating activities	<u>4,149,941</u>	<u>901,292</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(4,080,627)	(1,858,877)
Proceeds from sale of investments	61,487	54,373
Redemption of money market mutual funds held as investments	300,546	38,344
Close out of certificates of deposit held as investments	1,699,591	2,583,613
Net cash from investing activities	<u>(2,019,003)</u>	<u>817,453</u>
<b>Cash flows from financing activities</b>		
Proceeds from collections of pledges restricted for capital expansion	630,000	-
Proceeds from collections of pledges restricted for endowment	1,000,000	1,040,000
Net cash from financing activities	<u>1,630,000</u>	<u>1,040,000</u>
Net change in cash	3,760,938	2,758,745
Cash, beginning of year	<u>9,352,341</u>	<u>6,593,596</u>
<b>Cash, end of year</b>	<u><u>\$ 13,113,279</u></u>	<u><u>\$ 9,352,341</u></u>
<b>Supplemental Disclosures</b>		
Non-cash investing and financing transactions		
Property and equipment purchased with accounts payable	<u><u>\$ 46,639</u></u>	<u><u>\$ -</u></u>

See accompanying notes to consolidated financial statements.

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Children's Museum, Inc., DBA Children's Museum Houston, (the "Museum") operates as a non-profit corporation serving the Greater Houston area. Parents founded the Museum in 1980 in response to the need for interdisciplinary exhibits and programs for families of children ages 0-12. The Museum's mission is to improve the trajectories of children in Greater Houston through innovative, child-centered learning. This mission is brought to life by fueling learning through play, fostering a sense of belonging, inspiring engagement with others, and advancing equity for all. In operating the Museum and providing community-based outreach at locations across Greater Houston, the Museum's educators support the developmental and educational enrichment of children, cultivating sustained engagement in experiential, play-based learning activities. These activities empower parents to knowledgeably and confidently serve as their children's first and most influential teachers and enable children to explore new and emerging interests.

In July 2013, the Museum formed a limited liability company, Fort Bend Children's Discovery Center, LLC (the "LLC"), to operate the Fort Bend Children's Discovery Center. The Museum is the sole member of the LLC.

Basis of Consolidation: These consolidated financial statements include the assets, liabilities, net assets and activities of the Museum and the LLC (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 (U.S. GAAP).

Federal Income Tax Status: The Organization is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code (IRC) and is classified as public charities under §170(b)(1)(A)(vi). Contributions to the Organization are tax deductible within the limitations prescribed by the IRC. The Organization files annual federal information returns that are subject to routine examination; however, there are no examinations for any tax periods currently in progress.

The Organization records charges for uncertain tax positions when they are considered probable. Based on their evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements.

Cash: Cash consists of demand deposit accounts which may exceed the federally insured limit per depositor, per institution.

Inventory: Inventories of merchandise purchased for resale through the Organization's gift shop and café are stated at lower of cost and net realizable value determined by the specific identification method.

Account Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to credit losses, and an adjustment to a valuation allowance based on its assessment of the current and expected status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for credit losses was considered necessary at June 30, 2025 and 2024.

Pledges Receivable: Pledges receivable that are expected to be collected within one year are reported at net realizable value. Pledges receivable that are expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions revenue.

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CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

An allowance for uncollectible pledges is estimated based on management's periodic evaluation of past loss experience, known adverse situations that may affect the donor's ability to pay, and current economic conditions. It is possible that management's estimate regarding the collectability of these balances will change in the near term resulting in a change in the carrying value of pledges receivable.

Property and Equipment: Property and equipment are reported at cost if purchased or at fair value at the date of gift, if donated. Expenditures less than \$1,500 are expensed when incurred. Depreciation is calculated using the straight-line method over estimated useful lives of 10 to 30 years for parking garage and buildings and improvements, 10 years for permanent exhibits, and three to five years for furniture, fixtures, and equipment.

Impairment Loss 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 was no impairment loss recorded during the fiscal years ended June 30, 2025 and 2024.

Investments: Investments are reported at fair value. The Organization's management determines the investment valuation policies utilizing information provided by investment advisors and custodians. Investment return is reported in the consolidated statements of activities as an increase in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions. Investment return whose use is restricted by the donor is reported as an increase in net assets with donor restrictions until expended in accordance with donor-imposed restrictions.

Net Asset Classification: Contributions, investment return, and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and 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 Board of Directors.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-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 maintained 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.

Contributions: Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Donor-restricted contributions whose restrictions are satisfied in the same year the contribution is received are recorded as net assets without donor restrictions. Conditional contributions are recognized in the same manner when the conditions are substantially met.

Donated Materials, Donated Use of Facilities, and Services: Donated materials and use of facilities are recognized at fair value as contributions without donor restrictions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. 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. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under U.S. GAAP.

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(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government Grants: Support funded by grants is recognized as the Museum performs the contracted services under grant agreements. Grant revenue is considered conditional and recognized as earned when the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency, and in the event of such an audit, adjustments may be required.

Membership Dues: Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided. The Museum generally determines standalone selling prices based on the prices charged to members. The Museum recognizes revenue from membership dues over the membership period, which is generally one year. Dues charged to members are for the general rights of membership which include unlimited access to the museum's exhibits and online interactive activities as well as invitations to members-only parties and events. Membership contracts with customers may include multiple performance obligations.

For such arrangements, the Museum allocates revenue to each performance obligation based on its relative standalone selling price. During the 2025 and 2024 fiscal year, management believes performance obligations contained within the contract separate from the membership are not material to the financial statements and as such, the amounts are included and recognized as membership dues over the period of the membership. Dues that are related to a subsequent year are deferred and recorded as revenue during the year in which the membership performance obligation is satisfied.

Special Events: The Museum records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Fees for Service: Revenue from admissions and program fees, government grants, museum gift shop and café sales, and parking fees are recognized when the related services are provided, or a sale occurs. Amounts received in advance of the services being provided are recognized as deferred revenue.

Deferred Revenue: Deferred revenue relates to membership fees and special events where cash has been received, but services have not yet been performed. These revenues are recognized in the period when the services are rendered, and performance obligations are met. Deferred revenue was \$991,547 and \$944,127 at June 30, 2025 and 2024, respectively. During 2025 and 2024, revenue of \$944,127 and \$993,104, respectively, that was included in deferred revenue at the beginning of the respective fiscal year was recognized.

Advertising Costs: Advertising costs are expensed as incurred. The total advertising costs charged to expense were \$425,142 and \$465,443 for the fiscal years ended June 30, 2025 and 2024, respectively.

Use of Estimates: Management must make estimates and assumptions to prepare financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used. Significant estimates include, but are not limited to, the allowance for uncollectible pledges receivable, discounted present value of future pledges, and the estimated useful life of property and equipment.

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. Accordingly, these expenses require allocation on a reasonable basis that is consistently applied. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques as determined by management.

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(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Allocated expenses include the following:

<u>Expense Type</u>	<u>Allocation Method</u>
Salaries and benefits	Time and effort
Exhibit maintenance	Time and effort
Other	Time and effort
Salaries and benefits – buildings and grounds	Square footage
Janitorial	Square footage
Utilities	Square footage
Other occupancy/facilities	Square footage
Depreciation	Square footage
Telephone	Full-time equivalent
Contract labor	Full-time equivalent or time and effort

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position dates, comprise the following at June 30:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end		
Cash	\$ 13,113,279	\$ 9,352,341
Accounts receivable	305,249	705,960
Pledges receivable, net	5,264,937	4,561,933
Investments	26,810,693	26,553,097
Total financial assets	<u>45,494,158</u>	<u>41,173,331</u>
Financial assets not available for general expenditure		
Less: net assets with donor restrictions	\$ (38,550,718)	\$ (31,423,292)
Less: Board-designations:		
Reserve fund	(4,327,102)	(6,355,902)
Future exhibit programs	(405,793)	(405,793)
Facility replacement	(235,923)	(235,923)
Add: net assets with purpose restrictions to be met in less than one year	9,730,025	4,793,405
Add: endowment appropriation approved for upcoming year	<u>900,000</u>	<u>700,000</u>
Total financial assets available for general expenditure within one year	<u>\$ 12,604,647</u>	<u>\$ 8,245,826</u>

(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 2 – LIQUIDITY AND AVAILABILITY (Continued)**

Assets unavailable for general expenditures include receivable balances with donor-imposed restrictions, designated reserve to be used upon Board approval for general operations (see Note 7), as well as pledges receivable to be received after one year, and pledges receivable for donated building space (see Note 3).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Museum considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Museum regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of available funds. The Museum's Board of Directors has designated a portion of its resources without donor restrictions as Board-designated. Although the Museum does not intend to spend from the Board-designated funds, amounts from the Board-designated funds could be made available if necessary.

**NOTE 3 – PLEDGES RECEIVABLE**

Pledges receivable include operating pledges, endowment pledges, and pledges receivable for donated use of facilities and are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Pledges receivable in less than one year	\$ 2,940,000	\$ 2,201,250
Pledges receivable in one to five years	<u>2,346,584</u>	<u>2,408,016</u>
Total pledges receivable	5,286,584	4,609,266
Discount to present value ranging from 0.19% to 8.0%	<u>(21,647)</u>	<u>(47,333)</u>
Total pledges receivable, net	<u>\$ 5,264,937</u>	<u>\$ 4,561,933</u>

The Fort Bend Children's Discovery Center: During 2017, the Organization entered into a lease agreement for the use of Fort Bend Children's Discovery Center's building and land. The agreement is for a term of 99 years, which expires on May 20, 2115. The lease is cancelable by either party with a one-year written notice. Management has determined the estimated economic useful life of the assets to be equal to the useful life of the leasehold improvements, which is 10 years. The lease was recognized as a pledge receivable for \$1,800,000, discounted to net present value, and annual rent expense of \$180,000 is recorded over 10 years and is included in other occupancy expense.

At June 30, 2025 and 2024, the pledge receivable and net assets with donor restrictions related to the donated use of the facilities was \$180,000 and \$334,314, respectively. Additionally, the unamortized discount at June 30, 2025 and 2024 related to this pledge receivable was \$-0- and \$25,686, respectively. Management performed a risk-based analysis and determined the appropriate discount rate for this pledge was 8%.

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(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 2,977,070	\$ 2,977,070
Buildings and improvements	22,136,252	19,271,563
Permanent exhibits	15,410,473	13,799,181
Education annex building	2,938,002	2,938,002
Parking garage	2,283,905	2,283,905
Equipment	775,111	760,013
Furniture and fixtures	348,704	324,211
	<u>46,869,517</u>	<u>42,353,945</u>
Less: accumulated depreciation	(29,712,059)	(28,112,244)
Total depreciable assets, net	<u>17,157,458</u>	<u>14,241,701</u>
Construction in progress	<u>540,063</u>	<u>928,369</u>
Total property and equipment, net	<u><u>\$ 17,697,521</u></u>	<u><u>\$ 15,170,070</u></u>

Depreciation expense was \$1,599,815 and \$1,317,690 for the fiscal years ended June 30, 2025 and 2024, respectively.

Approximately \$1,200,000 of the total cost of the parking garage was paid through a federal grant passed through to the Organization from the Greater Southeast Management District (the "District") and from the Federal Transportation Agency (FTA). Upon completion of the parking garage in December 2007, the Organization entered into a 26½-year lease with the District at a cost of \$1 per year that allows for public parking for individuals not using public transit. Under the terms of the lease agreement and the grant award, the FTA will maintain an 80% ownership interest in the parking garage throughout the term of the lease, at which time all ownership interests transfer to the Organization. The lease may be canceled by the Organization upon return of a pro-rata share of the federal funding amortized over the life of the lease.

**NOTE 5 – INVESTMENTS**

Investments are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Mutual funds	\$ 26,810,693	\$ 23,619,888
Certificates of deposit	<u>-</u>	<u>2,933,209</u>
Total investments	<u><u>\$ 26,810,693</u></u>	<u><u>\$ 26,553,097</u></u>

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position and consolidated statements of activities.

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(Continued)



CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 5 – INVESTMENTS (Continued)**

Investment return includes earnings on cash and consists of the following for the fiscal years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 1,233,618	\$ 1,187,391
Net realized and unrealized gain on investments	2,214,906	1,926,072
Investment management fees	<u>(61,487)</u>	<u>(54,373)</u>
Investment return, net	<u>\$ 3,387,037</u>	<u>\$ 3,059,090</u>

**NOTE 6 – FAIR VALUE MEASUREMENTS**

U.S. GAAP requires that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability. As of June 30, 2025 and 2024, there are no Level 3 assets or liabilities.

Assets measured at fair value are as follows:

<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds				
Investment grade				
bonds	\$ 10,432,798	\$ -	\$ -	\$ 10,432,798
International equity	6,798,341	-	-	6,798,341
U.S. small-cap equity	<u>9,579,554</u>	<u>-</u>	<u>-</u>	<u>9,579,554</u>
Total assets measured				
at fair value	<u>\$ 26,810,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,810,693</u>

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(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

**NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)**

June 30, 2024

Investments

Mutual funds

Investment grade

bonds

\$	9,004,735	\$	-	\$	-	\$	9,004,735
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International equity

7,036,184	-	-	7,036,184
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U.S. small-cap equity

7,578,969	-	-	7,578,969
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Certificates of deposit

-	2,933,209	-	2,933,209
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Total assets measured

at fair value

\$	23,619,888	\$	2,933,209	\$	-	\$	26,553,097
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Valuation methods used for assets measured at fair value are as follows:

- *Mutual Funds* – Mutual funds are valued at the reported net asset value (NAV) of shares held.
- *Certificates of Deposit, U.S. Treasury Securities, Corporate Bonds, and Mortgage-Backed Securities* – Certificates of deposit, U.S. Treasury securities, corporate bonds and mortgage-backed securities are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas, which may include market-corroborated inputs for credit risk factors, interest rate and yield curves, and broker quotes to calculate fair values.

These valuation methods 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.

**NOTE 7 – NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Undesignated		
Children's Museum Houston	\$ (553,525)	\$ (128,433)
Fort Bend Children's Discovery Center – undesignated	959,914	1,089,647
Board-designated		
Property	17,482,154	14,725,870
Reserve fund	4,327,102	6,355,902
Future exhibit programs	405,793	405,793
Facility replacement	235,923	235,923
Fort Bend Children's Discovery Center – property	215,367	444,200
Total net assets without donor restrictions	<u>\$ 23,072,728</u>	<u>\$ 23,128,902</u>

As of June 30, 2025 and 2024, the Museum retained a deficit in undesignated net assets of \$553,525 and \$128,433, respectively. The deficit balance in Children's Museum Houston's undesignated category is attributed to the timing of reimbursements for expenses incurred from the Board Designated Reserve fund. These reimbursements were made from the Board Designated Reserve fund to Children's Museum Houston's undesignated category in July, 2025 and 2024.

(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2025</u>	<u>2024</u>
Accumulated endowment earnings for general operations	\$ 12,226,819	\$ 10,036,013
Fort Bend Children's Discovery Center	10,000	10,000
Fort Bend Children's Discovery Center donated use of facilities	180,000	334,314
Exhibition, curatorial, and program support - other	5,345,654	3,885,495
O-PK Gallery	3,736,765	98,107
Future operations	467,606	475,489
To be held in perpetuity (including pledges receivable of \$2,000,000 in 2025 and \$3,000,000 in 2024).	<u>16,583,874</u>	<u>16,583,874</u>
Net assets with donor restrictions	<u>\$ 38,550,718</u>	<u>\$ 31,423,292</u>

**NOTE 9 – ENDOWMENT**

The Organization's endowment consists of two donor-restricted funds. One was established to support general operations and one was established to support the Organization's Inclusion of Children with Disabilities and Their Families Program. The Board of Directors of the Organization 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 Organization classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA.

In accordance with TUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate the donor-restricted endowment fund:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- 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 Organization
- The investment policies of the Organization

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 Organization to retain as a fund of perpetual duration as a result of temporary unfavorable market fluctuations. At June 30, 2025 and 2024, there were no deficiencies of this nature that required to be reported as net assets without donor restrictions.

(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 9 – ENDOWMENT** (Continued)

Investment Policy: The overriding investment objective is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at the rate of inflation over the endowment's investment horizon. To meet the stated investment objective, the investment strategy shall be to emphasize total return, that is, the aggregate return from capital appreciation and dividend and interest income.

The primary objective of the investment policy is the management of investments in such a manner as to emphasize long-term growth of principal while managing risk. The long-term goal is 4% return, net of investment management fees and expenses plus inflation.

These objectives have been established after a comprehensive review of current and projected financial requirements. The Board of Directors recognizes and acknowledges that some risk must be assumed to achieve the long-term objectives of the investment policy and in establishing risk tolerances for this investment policy; the Organization's ability to withstand short and intermediate-term variability were considered.

The investment horizon is defined as 10 years. However, due to capital market volatility, the return may vary significantly over shorter periods of time.

Spending Policy: Spending in any fiscal year will be no more than 4% of the endowment's average portfolio value (calculated on the basis of market values determined quarterly) for the five-year period ending the last day of the immediately preceding fiscal year. Distributions from the endowment will be at the direction of the Board of Directors and budget approval process, to allow flexibility with regard to distributions for endowment growth or preservation in times of great market distress. This discretion does not supersede any restricted gifts that mandate annual support for a particular program or facility.

Changes in net assets of the donor-restricted endowment fund are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, June 30, 2023	\$ -	\$ 20,691,415	\$ 20,691,415
Contributions	-	1,040,000	1,040,000
Investment gain, net	-	2,509,472	2,509,472
Appropriations for expenditure	-	(621,000)	(621,000)
	<hr/>	<hr/>	<hr/>
Endowment net assets, June 30, 2024	-	23,619,887	23,619,887
Contributions	-	1,000,000	1,000,000
Investment gain, net	-	2,890,806	2,890,806
Appropriations for expenditure	-	(700,000)	(700,000)
	<hr/>	<hr/>	<hr/>
Endowment net assets, June 30, 2025	<u>\$ -</u>	<u>\$ 26,810,693</u>	<u>\$ 26,810,693</u>

(Continued)

CHILDREN'S MUSEUM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 9 – ENDOWMENT** (Continued)

Endowment net assets composition is as follows:

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Donor-restricted endowment funds			
General operations fund	\$ -	\$ 22,710,693	\$ 22,710,693
Inclusion of Children with Disabilities and Their Families fund	-	1,000,000	1,000,000
Jihn Scholarship Fund	-	100,000	100,000
Kathrine G. McGovern Building of Children's Museum of Houston	-	3,000,000	3,000,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Endowment net assets, June 30, 2025	<u>\$ -</u>	<u>\$ 26,810,693</u>	<u>\$ 26,810,693</u>
Donor-restricted endowment funds			
General operations fund	\$ -	\$ 20,519,887	\$ 20,519,887
Inclusion of Children with Disabilities and Their Families fund	-	1,000,000	1,000,000
Jihn Scholarship Fund	-	100,000	100,000
Kathrine G. McGovern Building of Children's Museum of Houston	-	2,000,000	2,000,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Endowment net assets, June 30, 2024	<u>\$ -</u>	<u>\$ 23,619,887</u>	<u>\$ 23,619,887</u>

**NOTE 10 – CONCENTRATIONS**

Concentration of Credit Risk: The Organization maintains cash in financial institution accounts which, at times, exceeds federally insured limits. The Organization has not experienced any losses related to such accounts. Cash is placed with highly accredited, quality financial institutions and management believes it is not exposed to any significant credit risk.

Donor Concentration: During the fiscal years ended June 30, 2025 and 2024, revenue from two, and four donors represented approximately 38% and 22% of contributions. Amounts due from these donors represented 28% and 8% of total pledges receivable, net.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

During the fiscal years ended June 30, 2025 and 2024, approximately 4% and 14%, respectively, of the Organization's contribution revenue was from Board members and affiliates. At June 30, 2025 and 2024, the pledges receivable from these Board members and affiliates, approximated 10% and 12%, respectively, of total pledges receivable, net of discount.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 5, 2025, which is the date that the financial statements were available for issuance.

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## **SUPPLEMENTARY INFORMATION**

CHILDREN'S MUSEUM, INC.  
SCHEDULE I – CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2025

	The Children's Museum, Inc.	Fort Bend Children's Discovery Center	Eliminations	Consolidated Total
<b>ASSETS</b>				
Cash	\$ 11,991,904	\$ 1,121,375	\$ -	\$ 13,113,279
Inventory	355,498	23,579	-	379,077
Accounts receivable	305,249	-	-	305,249
Intercompany receivable	73,449	-	(73,449)	-
Operating pledges receivable, net	5,084,937	-	-	5,084,937
Pledges receivable for donated use of facilities, net	-	180,000	-	180,000
Property and equipment, net	17,482,154	215,367	-	17,697,521
Investments	26,810,693	-	-	26,810,693
Prepaid expenses and other assets	169,764	1,510	-	171,274
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 62,273,648</u>	<u>\$ 1,541,831</u>	<u>\$ (73,449)</u>	<u>\$ 63,742,030</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable and accrued expenses	\$ 1,109,293	\$ 17,744	\$ -	\$ 1,127,037
Intercompany payable	-	73,449	(73,449)	-
Deferred revenue	906,190	85,357	-	991,547
Total liabilities	<u>2,015,483</u>	<u>176,550</u>	<u>(73,449)</u>	<u>2,118,584</u>
Net assets				
Without donor restrictions	21,897,447	1,175,281	-	23,072,728
With donor restrictions	38,360,718	190,000	-	38,550,718
Total net assets	<u>60,258,165</u>	<u>1,365,281</u>	<u>-</u>	<u>61,623,446</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 62,273,648</u>	<u>\$ 1,541,831</u>	<u>\$ (73,449)</u>	<u>\$ 63,742,030</u>

See independent auditor's report.

CHILDREN'S MUSEUM, INC.  
SCHEDULE II – CONSOLIDATING STATEMENT OF ACTIVITIES  
Year ended June 30, 2025

	The Children's Museum, Inc.	Fort Bend Children's Discovery Center	Eliminations	Consolidated Total
<b>Revenue</b>				
Contributions	\$ 12,387,671	\$ 171,013	\$ -	\$ 12,558,684
Membership fees	1,388,705	186,724	-	1,575,429
Special events	1,546,096	146,080	-	1,692,176
Direct donor benefit costs of special events	(335,036)	(40,132)	-	(375,168)
Admissions	4,068,205	363,184	-	4,431,389
Program fees	958,628	-	-	958,628
Museum gift shop and café sales	1,573,061	27,605	-	1,600,666
Cost of goods sold	(757,670)	(10,128)	-	(767,798)
Government grants	10,000	-	-	10,000
Parking fees	1,170,938	-	-	1,170,938
Donated use of facilities	-	25,686	-	25,686
Investment return, net	3,372,819	14,218	-	3,387,037
Other revenue	289,513	15,286	-	304,799
Total revenue	25,672,930	899,536	-	26,572,466
<b>Expenses</b>				
Program services				
Exhibitions and education	10,970,436	1,047,876	-	12,018,312
Membership and public outreach	1,681,308	42,504	-	1,723,812
Gift shop and café	951,409	102	-	951,511
Visitor services	670,993	44,116	-	715,109
Total program services	14,274,146	1,134,598	-	15,408,744
Supporting services				
Management and general	2,454,420	255,543	-	2,709,963
Fundraising and membership development	1,360,232	22,275	-	1,382,507
Total expenses	18,088,798	1,412,416	-	19,501,214
Changes in net assets	7,584,132	(512,880)	-	7,071,252
Net assets, beginning of year	52,674,033	1,878,161	-	54,552,194
<b>Net assets, end of year</b>	<u>\$ 60,258,165</u>	<u>\$ 1,365,281</u>	<u>\$ -</u>	<u>\$ 61,623,446</u>

See independent auditor's report.