

Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500-SF.

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [X] a single-employer plan [] a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
B This return/report is [] the first return/report [] the final return/report [] an amended return/report [] a short plan year return/report (less than 12 months)
C Check box if filing under: [X] Form 5558 [] automatic extension [] DFVC program [] special extension (enter description)
D If the plan is a collectively-bargained plan, check here []
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here []

Part II Basic Plan Information—enter all requested information

1a Name of plan: RETIREMENT PLAN OF FORTH WORTH MUSEUM OF SCIENCE AND HISTORY
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/1974
2a Plan sponsor's name (employer, if for a single-employer plan): FORT WORTH MUSEUM OF SCIENCE AND HISTORY
2b Employer Identification Number (EIN): 75-0755335
2c Sponsor's telephone number: 817-255-9468
2d Business code (see instructions): 531390
3a Plan administrator's name and address: [X] Same as Plan Sponsor.
3b Administrator's EIN
3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report.
4b EIN
4d PN
5a Total number of participants at the beginning of the plan year: 47
5b Total number of participants at the end of the plan year: 44
5c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item): 0
5c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item): 0
5d(1) Total number of active participants at the beginning of the plan year: 1
5d(2) Total number of active participants at the end of the plan year: 1
5e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested: 0

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Row 1: Filed with authorized/valid electronic signature, 10/02/2025, ASHLEY HANSEN. Row 2: Signature of employer/plan sponsor, Date, Enter name of individual signing as employer or plan sponsor.

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year: 557411. (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1809547	1879287
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	1809547	1879287
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	183305	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	185158	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		368463
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	215260	
e Certain deemed and/or corrective distributions (see instructions) .	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	44900	
g Other expenses	8g	38563	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		298723
i Net income (loss) (subtract line 8h from line 8c)	8i		69740
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <u>11</u>
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	0
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a** 0

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? Yes No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN OF FORTH WORTH MUSEUM OF SCIENCE AND HISTORY</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FORT WORTH MUSEUM OF SCIENCE AND HISTORY</u>	D Employer Identification Number (EIN) <u>75-0755335</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information

1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	<u>1807595</u>
	b Actuarial value	2b	<u>1807595</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	<u>30</u>	<u>2031836</u>
	b For terminated vested participants	<u>18</u>	<u>651305</u>
	c For active participants	<u>1</u>	<u>26447</u>
	d Total	<u>49</u>	<u>2709588</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>5.06 %</u>
6	Target normal cost		
	a Present value of current plan year accruals	6a	<u>0</u>
	b Expected plan-related expenses	6b	<u>84000</u>
	c Target normal cost	6c	<u>84000</u>

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	<u>08/25/2025</u> Date
	<u>JERIN GRAY</u> Type or print name of actuary	<u>23-08979</u> Most recent enrollment number
	<u>PRINCIPAL FINANCIAL GROUP</u> Firm name	<u>515-235-6038</u> Telephone number (including area code)
	<u>PO BOX 9394</u> <u>DES MOINES, IA 50306-9394</u> Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>14.82</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		237
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.14</u> %		12
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		249
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	66.69 %
15	Adjusted funding target attainment percentage	15	66.69 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	61.25 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	66.69 %

Part IV Contributions and Liquidity Shortfalls		18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
04/15/2024	47772	0					
07/12/2024	47772	0					
10/11/2024	23381	0					
01/14/2025	39748	0					
08/14/2025	24632	0					
			Totals ▶	18(b)	183305	18(c)	

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	176658
20	Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
c	If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost				
21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	3rd segment: 5.59 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items				
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
26 Demographic and benefit information				
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....				27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years				
28 Unpaid minimum required contributions for all prior years				28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....				29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....				30 0

Part VIII Minimum Required Contribution For Current Year				
31 Target normal cost and excess assets (see instructions):				
a Target normal cost (line 6c)				31a 84000
b Excess assets, if applicable, but not greater than line 31a				31b 0
32 Amortization installments:	Outstanding Balance		Installment	
a Net shortfall amortization installment	902466		92655	
b Waiver amortization installment.....	0		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount				33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....				34 176655
	Carryover balance	Prefunding balance	Total balance	
35 Balances elected for use to offset funding requirement	0	0	0	
36 Additional cash requirement (line 34 minus line 35)				36 176655
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)				37 176658
38 Present value of excess contributions for current year (see instructions)				
a Total (excess, if any, of line 37 over line 36)				38a 3
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....				38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)				39 0
40 Unpaid minimum required contributions for all years				40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)				
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2021				

Structured Attachment Department of the Treasury Internal Revenue Service	Schedule SB, line 26a Schedule of Active Participant Data	2024 This Form is Open to Public Inspection
Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		

Name of Plan	RETIREMENT PLAN OF FORTH WORTH MUSEUM OF SCIENCE AND HISTORY						
Plan Year Begin Date	01/01/2024	Plan Year End Date	12/31/2024	EIN	75-0755335	PN	001

Attained Age	YEARS OF CREDITED SERVICE					
	Under 1			1 to 4		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0

Attained Age	YEARS OF CREDITED SERVICE					
	5 to 9			10 to 14		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0

Name of Plan	RETIREMENT PLAN OF FORTH WORTH MUSEUM OF SCIENCE AND HISTORY						
Plan Year Begin Date	01/01/2024	Plan Year End Date	12/31/2024	EIN	75-0755335	PN	001

Attained Age	YEARS OF CREDITED SERVICE					
	15 to 19			20 to 24		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0

Attained Age	YEARS OF CREDITED SERVICE					
	25 to 29			30 to 34		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0
50 to 54	1	0	0	0	0	0
55 to 59	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0

Name of Plan	RETIREMENT PLAN OF FORTH WORTH MUSEUM OF SCIENCE AND HISTORY						
Plan Year Begin Date	01/01/2024	Plan Year End Date	12/31/2024	EIN	75-0755335	PN	001

Attained Age	YEARS OF CREDITED SERVICE					
	35 to 39			40 & Up		
	No.	Average		No.	Average	
		Compensation	Cash Balance		Compensation	Cash Balance
Under 25	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0

**Fort Worth Museum of
Science and History**

Financial Statements

September 30, 2024 and 2023

Fort Worth Museum of Science and History
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Independent Auditor's Report

To the Board of Trustees
Fort Worth Museum of Science and History

Opinion

We have audited the accompanying financial statements of the Fort Worth Museum of Science and History (the "Museum") (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

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

Sproles Woodard LLP

Fort Worth, Texas
February 10, 2025

Fort Worth Museum of Science and History
Statements of Financial Position
As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 158,772	\$ 136,908
Restricted cash	2,564,494	3,256,736
	<u>2,723,266</u>	<u>3,393,644</u>
Accounts receivable	29,325	20,741
Prepaid expenses	130,950	41,946
Inventory	48,407	18,786
Contributions receivable, net	6,300,287	10,227,559
Property and equipment, net (including finance lease right of use assets, net of \$25,536 in 2024 and \$29,914 in 2023)	59,371,132	53,040,362
Investment - restricted for long-term purposes	2,668,159	2,402,871
Right of use asset	215,875	209,094
Collections (Note 1)		
	<u>\$ 71,487,401</u>	<u>\$ 69,355,003</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 981,690	\$ 1,453,336
Accrued payroll expenses	361,466	246,829
Advance tuition and fees	347,522	334,657
Other liabilities	65,640	49,940
Finance lease obligations		7,908
Line of credit	3,290,000	1,450,000
Pension liability	711,865	942,336
Operating lease liability	215,875	209,094
	<u>5,974,058</u>	<u>4,694,100</u>
Net Assets		
Without donor restrictions	51,626,557	42,591,718
With donor restrictions	13,886,786	22,069,185
	<u>65,513,343</u>	<u>64,660,903</u>
	<u>\$ 71,487,401</u>	<u>\$ 69,355,003</u>

See accompanying notes to financial statements.

Fort Worth Museum of Science and History
Statements of Activities
For the Years Ended September 30, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses) and Other Support			
Theater admissions	\$ -	\$ -	\$ -
Exhibit admissions	1,700,420		1,700,420
Education tuition and class fees	984,545		984,545
Planetarium admissions	49,997		49,997
Contributions	7,323,241	210,027	7,533,268
Contributions in-kind	89,593		89,593
Facility and event rentals	225,078		225,078
Museum membership contributions	339,762		339,762
Museum membership dues	219,962		219,962
Store sales (net of cost of goods sold of \$129,379)	176,642		176,642
Investment return, net		287,511	287,511
Other income	234,331		234,331
Net assets released from restrictions	8,679,937	(8,679,937)	-
	<u>20,023,508</u>	<u>(8,182,399)</u>	<u>11,841,109</u>
Expenses			
Program services			
Education	1,830,067		1,830,067
Planetarium	180,090		180,090
Program and visitor services	3,991,250		3,991,250
	<u>6,001,407</u>	<u>-</u>	<u>6,001,407</u>
Supporting services			
Management and general	4,393,833		4,393,833
Fundraising and marketing	821,611		821,611
	<u>5,215,444</u>	<u>-</u>	<u>5,215,444</u>
Pension-related losses other than net periodic pension cost	(228,182)	-	(228,182)
Change in Net Assets	9,034,839	(8,182,399)	852,440
Net assets at beginning of year	42,591,718	22,069,185	64,660,903
Net Assets at End of Year	\$ 51,626,557	\$ 13,886,786	\$ 65,513,343

See accompanying notes to financial statements.

Fort Worth Museum of Science and History
Statements of Activities
For the Years Ended September 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses) and Other Support			
Theater admissions	\$ -	\$ -	\$ -
Exhibit admissions	1,657,841		1,657,841
Education tuition and class fees	812,199		812,199
Planetarium admissions	37,682		37,682
Contributions	3,475,357	18,086,820	21,562,177
Contributions in-kind	168,359		168,359
Facility and event rentals	154,418		154,418
Museum membership contributions	319,466		319,466
Museum membership dues	237,927		237,927
Store sales (net of cost of goods sold of \$58,237)	90,597		90,597
Investment return, net		107,034	107,034
Other income	292,646		292,646
Net assets released from restrictions	9,127,920	(9,127,920)	-
	<u>16,374,412</u>	<u>9,065,934</u>	<u>25,440,346</u>
Expenses			
Program services			
Education	1,634,059		1,634,059
Planetarium	164,286		164,286
Program and visitor services	5,030,523		5,030,523
	<u>6,828,868</u>	<u>-</u>	<u>6,828,868</u>
Supporting services			
Management and general	4,119,813		4,119,813
Fundraising and marketing	1,083,621		1,083,621
	<u>5,203,434</u>	<u>-</u>	<u>5,203,434</u>
Pension-related gains other than net periodic pension cost	(299,366)	-	(299,366)
	<u>4,641,476</u>	<u>9,065,934</u>	<u>13,707,410</u>
Change in Net Assets	4,641,476	9,065,934	13,707,410
Net assets at beginning of year	37,950,242	13,003,251	50,953,493
Net Assets at End of Year	<u>\$ 42,591,718</u>	<u>\$ 22,069,185</u>	<u>\$ 64,660,903</u>

See accompanying notes to financial statements.

Fort Worth Museum of Science and History
Statements of Functional Expenses
For the Years Ended September 30, 2024 and 2023

	2024							
	Program				Subtotal	Management and General Expense	Development Expense	Total
	Education	Planetarium	Program and Visitor Services					
Salaries and wages	\$ 1,244,085	\$ 118,467	\$ 1,332,732	\$ 2,695,284	\$ 1,603,763	\$ 559,932	\$ 4,858,979	
Employee benefits and pension	34,772	5,151	76,391	116,314	462,921	21,562	600,797	
Payroll taxes	95,166	9,024	101,313	205,503	115,107	31,743	352,353	
Interest expense				-	228,334		228,334	
Bad Debt expense	450			450		2,000	2,450	
Bank fees				-	6,061		6,061	
Credit card service charges	22,371	279	43,595	66,245	13,973	18,590	98,808	
Late fees assessed				-	948		948	
Mailing services			195	195		17	212	
Professional fees	23,970		129,060	153,030	527,425	5,071	685,526	
Supplies	82,615	6,008	289,215	377,838	70,997	2,883	451,718	
Utilities	130		1,057	1,187	461,595	1,451	464,233	
Advertising and printing	1,651		159,794	161,445	1,364	145,475	308,284	
Donor recognition				-		208	208	
Donations to organizations				-	383	250	633	
Guest service expense			25	25			25	
Travel	6,863	250	7,444	14,557	7,922	5,003	27,482	
Registration fees/seminars	4,617		565	5,182	8,469	1,750	15,401	
Local meetings- staff, board	2,270		451	2,721	4,576	561	7,858	
Books and publications	41		90	131	1,048		1,179	
General insurance/bonding				-	155,664		155,664	
Membership dues	628		109	737	9,133	18,290	28,160	
Repair and maintenance	2,234	175	148,679	151,088	345,779		496,867	
Computer expenses	395	1,044	3,784	5,223	19,498	270	24,991	
Rental expenses	32,443		3,311	35,754	38,396		74,150	
Print shipping			250	250			250	
Film print rental			159,000	159,000			159,000	
Exhibit shipping			11,700	11,700			11,700	
Property taxes (non-store)				-	2,456		2,456	
Depreciation expense	275,366	39,692	1,522,490	1,837,548	307,127	6,555	2,151,230	
Miscellaneous expense				-	894		894	
	<u>1,830,067</u>	<u>180,090</u>	<u>3,991,250</u>	<u>6,001,407</u>	<u>4,393,833</u>	<u>821,611</u>	<u>11,216,851</u>	
Pension fund cost					(228,182)		(228,182)	
Total	\$ 1,830,067	\$ 180,090	\$ 3,991,250	\$ 6,001,407	\$ 4,165,651	\$ 821,611	\$ 10,988,669	

See accompanying notes to financial statements.

Fort Worth Museum of Science and History
Statements of Functional Expenses
For the Years Ended September 30, 2024 and 2023

	2023						
	Program				Management and General Expense	Development Expense	Total
	Education	Planetarium	Program and Visitor Services	Subtotal			
Salaries and wages	\$ 1,091,567	\$ 97,833	\$ 1,053,193	\$ 2,242,593	\$ 1,439,012	\$ 506,052	\$ 4,187,657
Employee benefits and pension	29,962	5,111	50,276	85,349	456,414	13,985	555,748
Payroll taxes	83,441	7,451	80,182	171,074	110,357	32,885	314,316
Interest expense				-	76,478		76,478
Bad Debt expense				-		321,000	321,000
Bank fees				-	3,889	14,890	18,779
Credit card service charges	20,254		37,936	58,190	6,725	15,043	79,958
Late fees assessed				-	165		165
Professional fees	31,023		1,934,347	1,965,370	466,403	27,636	2,459,409
Supplies	78,308		269,910	348,218	68,060	3,096	419,374
Utilities	23		92	115	473,401	1,520	475,036
Advertising and printing	1,986	54	75,256	77,296	2,776	113,907	193,979
Donor recognition			33	33	243	1,991	2,267
Donations to organizations	350			350	2,500		2,850
Guest service expense			775	775	351		1,126
Travel	9,526		10,994	20,520	75,453	10,646	106,619
Registration fees/seminars	2,250		5,824	8,074	1,564	3,825	13,463
Local meetings-staff, board	1,887		1,533	3,420	4,539	899	8,858
Books and publications			112	112		48	160
General insurance/bonding				-	132,087		132,087
Membership dues	528		92	620	13,449	8,903	22,972
Repair and maintenance	1,920	4,171	10,772	16,863	386,547	75	403,485
Computer expenses	7,399	863	4,564	12,826	14,874	111	27,811
Rental expenses			3,436	3,436	76,586		80,022
Film print rental		9,360	(22,386)	(13,026)			(13,026)
Exhibit shipping			15,010	15,010			15,010
Property taxes (non-store)				-	2,745		2,745
Depreciation expense	273,635	39,443	1,498,572	1,811,650	305,195	6,514	2,123,359
Miscellaneous expense				-		595	595
	<u>1,634,059</u>	<u>164,286</u>	<u>5,030,523</u>	<u>6,828,868</u>	<u>4,119,813</u>	<u>1,083,621</u>	<u>12,032,302</u>
Pension fund cost					(299,366)		(299,366)
Total	<u>\$ 1,634,059</u>	<u>\$ 164,286</u>	<u>\$ 5,030,523</u>	<u>\$ 6,828,868</u>	<u>\$ 3,820,447</u>	<u>\$ 1,083,621</u>	<u>\$ 11,732,936</u>

See accompanying notes to financial statements.

Fort Worth Museum of Science and History
Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 852,440	\$ 13,707,410
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension-related changes	(230,471)	(166,650)
Depreciation	2,151,230	2,123,359
Disposal of property, plant and equipment	330	1,901,548
Net (gain). loss on disposal of property and equipment	(13,111)	2,857
Net investment gains	(244,824)	(74,950)
Change in:		
Accounts receivable	(8,584)	1,378
Prepaid expenses	(89,004)	(10,614)
Inventory	(29,621)	(17,784)
Contributions receivable, net	3,927,272	(9,292,459)
Accounts payable	(469,147)	971,198
Accrued payroll expenses	114,637	(21,254)
Advance tuition and fees	12,865	84,023
Other liabilities	15,700	12,422
Net cash provided by operating activities	5,989,712	9,220,484
Cash Flows From Investing Activities		
Purchase of investments	(572,788)	(109,319)
Proceeds from sale of investments	552,324	97,829
Proceeds from sale of property and equipment	17,666	
Purchase of property and equipment	(8,489,384)	(10,523,916)
Net cash used in investing activities	(8,492,182)	(10,535,406)
Cash Flows From Financing Activities		
Payments on finance lease	(7,908)	(10,944)
Payments on line of credit	(363,835)	
Proceeds from issuance - line of credit	2,203,835	700,000
Net cash provided by financing activities	1,832,092	689,056
Net Change in Cash and Cash Equivalents	(670,378)	(625,866)
Cash and cash equivalents at beginning of year	3,393,644	4,019,510
Cash and Cash Equivalents at End of Year	\$ 2,723,266	\$ 3,393,644
<i>Supplementary Cash Flow Information</i>		
Cash paid for interest	\$ 228,334	\$ 76,478
Donated goods and services received	\$ 89,593	\$ 168,359
Disposals of property and equipment	\$ 113,369	\$ 3,643,461
Disposals of property and equipment and related write-off of accounts payable	\$ 2,499	

See accompanying notes to financial statements.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies

Organization and History

The Fort Worth Museum of Science and History (the “Museum”) is a nonprofit organization that was established on May 21, 1941 to promote, through the establishment and maintenance of a museum and allied projects, a program which would bring about better understanding and appreciation of science, history, and the arts.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

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

Net assets without donor restrictions are available for use in general operations and not subject to external restrictions and may be used for any purpose designated by the Board.

Net assets with donor restrictions are those which are 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, either through the passage of time or the fulfillment of the purpose for which the resource was restricted.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash investments. Cash equivalents are certain highly liquid investments with an initial maturity of ninety days or less. The Museum had no cash equivalents as of September 30, 2024 and 2023.

Restricted Cash

Restricted cash is donor-restricted amounts limited in use for a specific purpose or project.

Accounts Receivable

Accounts receivable are expected to be collected within one year and are recorded at cost of the goods or service provided. The Museum periodically reviews all accounts receivable for amounts that are considered uncollectible. If a receivable is deemed uncollectible, the amount is written off in that year.

Inventory

Gift shop merchandise inventory is carried at the lower of cost or market determined by the first-in, first-out method.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies- (Continued)

Property and Equipment

Property and equipment purchases are recorded at cost. Donated assets are recorded at fair value at the date of donation. Repair and maintenance costs are expensed as incurred, while expenditures for major expansion, renewals, and betterments of property and equipment are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Useful lives range from 2 to 39 years. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting gain or loss is reflected in the Statements of Activities.

Collections

In conformity with the practice followed by many museums, artifacts, specimens, and art objects purchased and donated are not included in the Statements of Financial Position. Contributions of collection items are not recognized in the Statements of Activities. Purchases of collection items are recorded as artifact acquisitions in the year acquired. The Museum holds its collection for public exhibition, education, and research rather than for financial gain. It protects, cares for, preserves, and keeps its collections unencumbered, subject to a policy that requires proceeds from deaccessions or insurance recoveries to be reflected as increases in the appropriate net asset classes and used to acquire other collection objects or care for the current collection.

Deferred Revenue

Deferred revenue consists primarily of tuition payments prior to the period in which they are earned.

Investments and Investment Return

Investments consist of marketable securities. Marketable securities consist of short-term investments, fixed income mutual funds, equity securities, and certificates of deposit and are carried at fair value, using quoted market prices (where available). If quoted market prices are not available, estimated fair values are determined based on quoted market prices of financial instruments with similar characteristics. Net realized and unrealized gains and losses on investments are reflected in the Statements of Activities. Dividends and interest income are recorded during the period earned.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Advertising

The Museum expenses advertising costs as they are incurred. Advertising expenses amounted to \$140,804 and \$24,146 for the years ended September 30, 2024 and 2023, respectively.

Functional Expense Allocations

The costs of the program and supporting services have been summarized on a functional basis in the Statements of Functional Expenses. The Statements of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services on a reasonable basis that is consistently applied. Salaries, wages, and benefits are charged directly to the program for which work has been done based on management estimate of time and effort. Overhead costs and depreciation are allocated on a square footage basis.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies- (Continued)

Fair Value Measurements

The Museum follows FASB Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*. Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is defined as 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. Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels to ensure consistency and comparability. The valuation hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobserved inputs (Level 3) described as follows.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including general partner estimates and recent third-party appraisals.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate, for any given asset or liability, is based on the lowest level of input that is significant to the fair value measurement. The Museum's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Museum in estimating the fair values of its financial instruments on a recurring basis:

Marketable securities: All of the Museum's marketable securities are valued by the custodian, broker, or the account manager using a nationally recognized third-party pricing service. The Museum gives highest priority to quoted prices in active markets for identical assets accessed at the measurement date and classifies all such assets as Level 1. The Museum gives a Level 2 priority to valuation prices where the valuation process involves inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies- (Continued)

Revenue Recognition for Contracts with Customers

The Museum's revenue streams under contracts with customers are comprised of membership dues, grants, education, admissions, and retail shops.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Museum determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether visitors or participants (customers) can benefit from the resources, and whether the resources are readily available. The Museum also performs an analysis to determine if membership dues constitute separate performance obligations. The Museum's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Museum recognizes the revenue over a period of time if the customer receives and consumes the benefit that the Museum provides, or if the Museum's performance does not create an asset with an alternative use and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the good or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the good.

The transaction price is calculated as the amount of consideration to which the Museum expects to be entitled, such as merchant price, event agreement, price of membership, and course fees set in advance. In some situations, such as course fees for education programs or memberships, the Museum bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Museum recognizing contract liabilities upon receipt of payment.

The following explains the performance obligations related to each revenue stream and how they are recognized.

Membership Dues – The Museum sells memberships of various categories that typically last for a one-year term. Membership dues are earned over the course of one year, representing the period over which The Museum satisfies the performance obligation. Because The Museum's performance obligations relate to contracts with a duration of less than one year, The Museum has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. memberships of various categories that typically last for a one-year term. The Museum recognizes membership revenue ratably over the membership term. Payment is received at the point of membership sales. Payment is received at the point of membership sales. Membership dues on the Statements of Activities consist of both contribution revenue and exchange revenue.

Grants – The Museum receives certain grants that are contingent upon the availability of funds and the scientific progress of the related project. The exchange grants are reviewed for performance obligations. As the performance obligations are met, revenue is recognized, typically as costs are incurred.

Education – The Museum generates revenue from providing educational classes or programs to the public. Revenue is recorded at the time the class or program is held.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies- (Continued)

Admissions and Gift shop– The Museum generates revenue from ticket sales and merchandise sales. Ticket sales are recognized at the time the transaction is executed as that is the point in time when the Museum satisfies the performance obligation. Merchandise sales at gift shop are recognized at the point in time when the sale occurs, and the visitor takes possession of the item purchased.

Contributions

Contributions, including unconditional promises to give, are recorded when pledges are made by the respective donors. All contributions are available for unrestricted use unless specifically restricted by the donor. Long-term unconditional promises to give are recorded as contributions at the net present value of the amounts expected to be collected. The discounts on these amounts are computed using the risk-free interest rates applied to expected cash flows after any allowance for doubtful accounts applicable to the years in which the promises are received. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable in amount. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions of cash or other assets with donor-imposed restrictions, whose restrictions are met in the same fiscal year, are reported as without donor restrictions. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Donated Assets and Services

Donated materials and professional services are recorded as revenue at their estimated values at the date of receipt. Necessary services donated by persons with specialized skills are reported as net assets without restrictions at the fair value of those services during the period the service is provided. Donated services help both Museum programs and general operations. Services donated by persons without specialized skills are not recorded due to the difficulty of objectively determining their value.

The Museum operates on land owned by the City of Fort Worth for \$1 per year. Certain additions to buildings and improvements to the premises are recorded at cost and included in the Statements of Financial Position. The current ground lease permits the Museum continued use through October 2042. The Museum has not recognized amounts pertaining to the lease with the City of Fort Worth in the Statements of Activities.

Federal Income Taxes

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Museum has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Unrelated business income during 2024 and 2023 was immaterial. Management of the Museum considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Museum's status as a not-for-profit entity. Management believes the Museum met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements.

Fort Worth Museum of Science and History

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies- (Continued)

Underwater Endowment Funds

The Museum considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Museum has one endowments underwater as of September 30, 2024 and 2023, (see Note 11).

Operating and Finance Leases

The Museum determines if an arrangement is a lease at inception. A contract/agreement is or contains a lease if the contract/agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease right-of-use (ROU) assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term, which is determined as the non-cancelable period, including periods for which termination options are reasonably certain of not being exercised, and periods for which renewal options are reasonably certain of being exercised. The lease liabilities are measured by discounting the future lease payments using either a risk-free rate unless an implicit rate is readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Assets held under finance leases are recorded at the lower of the net present value of the minimum lease payments or fair value of the leased assets at the inception of the lease. As applicable, a finance lease ROU asset is amortized over the shorter of the estimated useful life of the asset or the term of the related lease. Amortization expense is computed using the straight-line method and is included in depreciation expense. Variable lease payments are not considered in the determination of the lease payments for purposes of measuring lease ROU assets and liabilities. Such variable lease payments are recognized as an expense in the period during which the related obligation is incurred.

Accounting Pronouncements Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 affects any lessee (for capital and operating leases) and lessor (for sales-type, direct financing, and operating leases). Under ASU 2016-02, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. This standard requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position an Operating Lease Liability, a liability to make lease payments, and an Operating Lease Right of Use (“ROU”) Asset, representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. As discussed further in Note 14, the Museum adopted this ASU as of October 1, 2022.

In August 2018, FASB issued ASU No. 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*. The amendments in this ASU modify the disclosure requirements for employers that sponsor defined benefit pension or other post-retirement plans. The standard did not have a material impact on the Museum’s financial statements and disclosures as of September 30, 2023.

Fort Worth Museum of Science and History

Notes to Financial Statements

2. Investments

Investments in marketable equity and debt securities are carried at fair value and are comprised of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 404,400	\$ 480,029
Stocks	1,279,183	1,060,805
Mutual funds	825,944	721,889
Fixed income	158,632	140,148
	<u>\$ 2,668,159</u>	<u>\$ 2,402,871</u>

The following schedule summarizes the investment return on marketable equity and debt securities for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net investment income:		
Investment income	\$ 42,687	\$ 32,088
Net investment gains:		
Net realized gains	149,192	989
Net unrealized gains	95,632	73,957
	<u>244,824</u>	<u>74,946</u>
Total investment return	<u>\$ 287,511</u>	<u>\$ 107,034</u>

3. Contributions Receivable, Net

Unconditional promises to give consist of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Capital campaign	\$ 3,347,843	\$ 9,629,016
Other	2,952,444	598,543
	<u>\$ 6,300,287</u>	<u>\$ 10,227,559</u>
These amounts are receivable in:		
Less than one year	\$ 4,895,144	\$ 6,808,039
One to five years	1,462,500	3,632,700
Total unconditional promises to give	6,357,644	10,440,739
Less discount to net present value	(57,357)	(213,180)
Net unconditional promises to give	<u>\$ 6,300,287</u>	<u>\$ 10,227,559</u>

Unconditional promises to give expected to be received in more than one year were discounted at 3.58% and 4.25% in 2024 and 2023, respectively. Discount rates used to value unconditional promises to give are based on the original date of the gift.

Fort Worth Museum of Science and History

Notes to Financial Statements

4. Property and Equipment, Net

Property and equipment consist of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Building	\$ 60,627,466	\$ 60,552,284
Land	423,225	423,225
Omni Theater building	6,564,602	6,564,602
Exhibits in progress	21,494,787	13,448,450
Permanent exhibits	13,552,294	13,311,824
Planetarium/Laser equipment	92,883	92,883
Furniture, fixtures, and equipment	1,914,251	1,902,860
Computer equipment	1,989,830	2,020,959
Automobile and vans	57,427	23,332
Construction in progress		330
Leasehold improvements	512,247	512,247
	<u>107,229,012</u>	<u>98,852,996</u>
Accumulated depreciation	<u>(47,857,880)</u>	<u>(45,812,634)</u>
Total property and equipment	<u>\$ 59,371,132</u>	<u>\$ 53,040,362</u>

Depreciation expense was \$2,151,230 and \$2,123,359 for the years ended September 30, 2024 and 2023, respectively.

5. Line of Credit

On April 18, 2018, the Museum entered into a line of credit agreement with PlainsCapital Bank. On July 8, 2022, the Museum amended the line of credit with PlainsCapital Bank, amending the maturity date and increased the limit to \$2,000,000. On June 15, 2023, the Museum amended the line of credit with PlainsCapital Bank, amending the maturity date and increased the limit to \$3,000,000. On June 15, 2024, the Museum amended the line of credit with PlainsCapital Bank, amending the maturity date and increased the limit to \$4,000,000. The line of credit bears interest of 8.5% per year, with a maturity date of June 15, 2025. Effective September 19, 2024, the interest rate was reduced to 8%. As of September 30, 2024 and 2023, the outstanding balance was \$3,290,000 and \$1,450,000, respectively. The line of credit is secured by property and capital campaign receivables. Interest paid was \$228,334 and \$76,478 during the years ended September 30, 2024 and 2023, respectively.

On June 15, 2023, the Museum entered into a new revolving line of credit facility with PlainsCapital Bank, with a limit of \$5,000,000. The line of credit bears interest of prior to maturity date or event of default the lesser of (a) the maximum rate or (b) the lesser of (i) the PRIME rate minimum one-half of one percent (0.50%), or (ii) 18% (interest rate ceiling). Maturity date of the earliest of (i) the acceleration of the indebtedness pursuant to the terms of the loan documents, or (ii) June 15, 2026. As of September 30, 2024 and 2023, the outstanding balance was \$0.

Fort Worth Museum of Science and History

Notes to Financial Statements

6. Net Assets

The Museum's net asset categories are as follow at September 30:

	<u>2024</u>	<u>2023</u>
Net Assets Without Donor Restrictions		
Undesignated	\$ 51,626,557	\$ 42,591,718
Net Assets With Donor Restrictions		
Endowments		
Temporary restricted		
Capital expenditures and maintenance	(416,195)	(568,496)
Medical exhibit maintenance	5,310	3,122
Professional development	43,933	28,345
Scholarships and internships	111,001	19,942
Teen volunteer programs	6,670	2,294
Strategic planning	11,687,270	20,135,181
Permanently restricted		
Capital expenditures and maintenance	2,157,609	2,157,609
Accumulated losses on endowment funds	(1,000,000)	(1,000,000)
Scholarships and internships	809,010	809,010
Youth involvement program	100,000	100,000
Medical science exhibit	50,000	50,000
Operations	332,178	332,178
	<u>13,886,786</u>	<u>22,069,185</u>
	<u>\$ 65,513,343</u>	<u>\$ 64,660,903</u>

7. Deferred Compensation Annuity Plan

The Museum sponsors a tax-deferred annuity plan for its full-time employees under the provisions of Internal Revenue Code Section 403(b). Under the plan the Museum makes a matching contribution after one year of service of fifty percent of the employee's contribution, up to six percent of their pay. The Museum also may make additional, discretionary contributions subject to the plan document. Contributions to the plan amounted to \$40,343 for the year ended September 30, 2024, and \$35,077 for the year ended September 30, 2023.

Fort Worth Museum of Science and History

Notes to Financial Statements

8. Liquidity and Availability

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 158,772	\$ 136,908
Restricted cash	2,564,494	3,256,736
Accounts receivable	29,325	20,741
Inventory	48,407	18,786
Contributions receivable, net	6,300,287	10,227,559
Investments	2,668,159	2,402,871
Total financial assets at September 30	11,769,444	16,063,601
Less amounts not available to be used within one year, due to:		
Restricted cash	2,564,494	3,256,736
Contributions receivable - capital campaign, net	3,347,843	9,629,016
Investments	2,668,159	2,402,871
	<u>8,580,496</u>	<u>15,288,623</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,188,948</u>	<u>\$ 774,978</u>

The Museum has a line of credit with PlainsCapital Bank that can be utilized for general operations if necessary.

9. Contributions In-Kind

The Museum received contributions-in-kind for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Advertising	\$ 13,888	\$ 48,060
Auction	59,451	41,130
Catering	15,993	17,644
Other	261	61,525
Total contributions in-kind	<u>\$ 89,593</u>	<u>\$ 168,359</u>

The Museum was provided advertising services at no cost with an estimated fair market value of \$13,888 and \$48,060 for the years ended September 30, 2024 and 2023, respectively, which is included in contributions in the Statements of Activities. All gifts-in-kind received by the Museum for the years ended September 30, 2024 and 2023 were considered without donor restrictions and able to be used by the Museum as determined by the board of directors and management. Non-cash contributions of goods and services received by the Museum have been recorded at fair value. The contributed value of these goods and services, totaling \$89,593 and \$168,359 for the years ended September 30, 2024 and 2023, respectively.

Fort Worth Museum of Science and History

Notes to Financial Statements

10. Retirement Plan

The Museum has a non-contributory defined benefit pension plan covering all full-time employees of age 21 or older upon completion of one year of service. The benefits are based on one percent of average monthly compensation during the final five years of employment multiplied by the employee's years of service.

The Museum froze the plan effective December 31, 2006. The Museum will continue to contribute amounts needed to meet funding requirements of the plan. However, no additional benefits will be accrued.

Contributions to the plan are determined and made in accordance with ERISA requirements and are limited to amounts that are allowable by the Internal Revenue Service. Employer contributions expected to be paid during the fiscal year ending September 30, 2024 and 2023 are \$176,794 and \$227,434, respectively.

The following table sets forth the plan's funded status and amounts recognized in the Museum's financial statements for the years ended September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Projected benefit obligation	\$ 2,593,449	\$ 2,585,999
Employer contribution	226,518	147,689
Benefits paid	(220,359)	(280,206)
Fair value of plan assets	1,881,584	1,643,663
Net unfunded status of the plan	(711,865)	(942,336)

The unfunded portion of the obligation is included as a liability in accounts payable and accrued expenses in the Statements of Financial Position.

As of September 30, 2024 and 2023, amount recognized in the Statements of Activities consists of:

	<u>2024</u>	<u>2023</u>
Amortization of net loss	\$ 110,750	\$ 121,731
Net gain (loss)	117,432	177,635
Total net (gain) loss	<u>\$ 228,182</u>	<u>\$ 299,366</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

10. Retirement Plan- (Continued)

Components of net periodic pension cost and other amounts recognized as changes in unrestricted net assets for the years ended September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Net periodic pension cost:		
Interest cost	\$ 138,764	\$ 137,721
Expected return on plan assets	(25,285)	20,953
Net loss amortization	<u>110,750</u>	<u>121,731</u>
Net periodic pension cost	<u>\$ 224,229</u>	<u>\$ 280,405</u>

The estimated net loss for the plan that will be amortized from changes in unrestricted net assets into net periodic pension cost over the next fiscal year is \$177,927.

Weighted-average assumptions used in the accounting for the Museum's retirement plan were:

	<u>2024</u>	<u>2023</u>
Weighted-average assumptions used to determine benefit obligations at September 30		
Discount rate	4.70%	5.65%
Weighted-average assumptions used to determine net periodic benefit cost at September 30		
Discount rate	5.65%	5.25%
Expected return on plan assets	6.75%	6.50%

The rate of return on assets is based on historical long-term investment performance.

The Museum employs a balanced approach to its investment strategy with long-term capital growth as the primary objective. To achieve this goal, the Museum seeks to maintain forty percent to sixty percent of the portfolio in equity securities and the remainder in fixed income and other securities.

The plan's asset allocation percentages are as follows:

	<u>2024</u>	<u>2023</u>
Equity securities	62.05%	61.66%
Fixed income	29.74%	29.57%
Other	8.21%	8.77%
	<u>100.00%</u>	<u>100.00%</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

10. Retirement Plan- (Continued)

The schedule below classifies the Museum's retirement plans assets carried at fair value based upon the three-tier hierarchy required by ASC 820 as of September 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 1,167,409	\$ 1,167,409	\$ -	\$ -
Fixed income	559,667	559,667		
Other	154,508	154,508		
	<u>\$ 1,881,584</u>	<u>\$ 1,881,584</u>	<u>\$ -</u>	<u>\$ -</u>

The schedule below classifies the Museum's retirement plans assets carried at fair value based upon the three-tier hierarchy required by ASC 820 as of September 30, 2023:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 1,013,445	\$ 1,013,445	\$ -	\$ -
Fixed income	486,109	486,109		
Other	144,109	144,109		
	<u>\$ 1,643,663</u>	<u>\$ 1,643,663</u>	<u>\$ -</u>	<u>\$ -</u>

Future expected benefit payments are as follows:

2025	\$ 250,000
2026	250,000
2027	250,000
2028	240,000
2029	230,000
2030-2034	980,000
	<u>\$ 2,200,000</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

11. Endowments

The Museum's endowments consist of six individual donor-restricted funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Museum has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (the "Act") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with explicit donor stipulations (d) funds restricted by time until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Act.

The Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity or for donor-specified period(s).

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Museum has a policy of appropriating for distribution each year five percent of the endowment balance based on an average of the preceding eight quarters (rolling eight quarter average). In establishing this policy, the Museum considered the long-term expected return on its endowment. Accordingly, over the long term, the Museum expects the current spending policy to allow its endowment to grow annually. This is consistent with the Museum's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Fort Worth Museum of Science and History

Notes to Financial Statements

11. Endowments- (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Museum has interpreted the Act to permit spending from underwater endowments in accordance with prudent measures required under law.

Endowment net assets are comprised of the following at September 30, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted endowment funds	\$ -	\$ 2,225,497	\$ 2,225,497
	<u>\$ -</u>	<u>\$ 2,225,497</u>	<u>\$ 2,225,497</u>

Endowment net assets are comprised of the following at September 30, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted endowment funds	\$ -	\$ 1,960,210	\$ 1,960,210
	<u>\$ -</u>	<u>\$ 1,960,210</u>	<u>\$ 1,960,210</u>

At September 30, 2024, funds with original gift values of \$3,448,797, fair values of \$2,668,159, and deficiencies of \$1,000,000 were reported in net assets with donor restrictions. The Museum anticipates repaying \$1,000,000 of these funds in full with operating revenues in future years. As of September 30, 2024, \$0 was paid back to the endowment.

At September 30, 2023, funds with original gift values of \$3,448,797, fair values of \$2,402,871, and deficiencies of \$1,000,000 were reported in net assets with donor restrictions. The Museum anticipates repaying \$1,000,000 of these funds in full with operating revenues in future years. As of September 30, 2023, \$0 was paid back to the endowment.

The changes in endowment net assets for the year ended September 30, 2024 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
September 30, 2023	\$ -	\$ 1,960,210	\$ 1,960,210
Investment return:			
Investment income, net		42,687	42,687
Net realized gain		149,192	149,192
Net unrealized loss		95,632	95,632
Total investment return	-	287,511	287,511
Appropriation of endowment assets for expenditure		(22,224)	(22,224)
September 30, 2024	<u>\$ -</u>	<u>\$ 2,225,497</u>	<u>\$ 2,225,497</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

11. Endowments- (Continued)

The changes in endowment net assets for the year ended September 30, 2023 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
September 30, 2022	\$ -	\$ 1,873,766	\$ 1,873,766
Investment return:			
Investment income, net		32,088	32,088
Net realized gain		989	989
Net unrealized gain		73,957	73,957
Total investment return	-	107,034	107,034
Appropriation of endowment assets for expenditure		(20,590)	(20,590)
September 30, 2023	\$ -	\$ 1,960,210	\$ 1,960,210

12. Fair Value Measurements

The schedule below classifies the Museum's assets carried at fair value based upon the three-tier hierarchy required by ASC 820 as of September 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 404,400	\$ 404,400	\$ -	\$ -
Stocks	1,279,183	1,279,183		
Mutual funds	825,944	825,944		
Fixed income	158,632	158,632		
	<u>\$ 2,668,159</u>	<u>\$2,668,159</u>	<u>\$ -</u>	<u>\$ -</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

12. Fair Value Measurements

The schedule below classifies the Museum's assets carried at fair value based upon the three-tier hierarchy required by ASC 820 as of September 30, 2023:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 480,029	\$ 480,029	\$ -	\$ -
Stocks	1,060,805	1,060,805		
Mutual funds	721,889	721,889		
Fixed income	140,148	140,148		
	<u>\$ 2,402,871</u>	<u>\$ 2,402,871</u>	<u>\$ -</u>	<u>\$ -</u>

13. Related Party Transactions

During 2024 and 2023, the Museum had an agreement with a member of the Board of Trustees in which the Board member provided professional services to the Museum in return for compensation of \$12,360 and \$2,520, respectively.

14. Leases

The Museum leases certain office equipment under multiple operating leases, which expire in various years through 2025. During 2023, the Museum adopted and is applying the provisions of ASU 2016-02 *Leases (Topic 842)* to its operating leases. The adoption of this ASU has resulted in the recognition of an operating lease liability with a corresponding operating lease right of use asset of the same amount based on the present value of future minimum rental payments of these leases. The Museum has elected to apply the short-term lease exception to all leases of one year or less.

During 2024, the operating lease liability of \$215,875 with a corresponding operating lease right of use asset of the same amount based on the present value of future minimum rental payments of these leases. The discount rate used for these leases accounted for under ASU 2016-02 range from the 2 to 5 year daily-treasury-rate rate of 3.55% to 4.02% as of October 1, 2023.

During 2023, the operating lease liability of \$209,094 with a corresponding operating lease right of use asset of the same amount based on the present value of future minimum rental payments of these leases. The discount rate used for these leases accounted for under ASU 2016-02 range from the 2 to 5 year daily-treasury-rate rate of 3.79% to 4.01% as of October 1, 2022.

Fort Worth Museum of Science and History

Notes to Financial Statements

14. Leases- (Continued)

The leases provide for various renewal terms. The option to renew one equipment lease was considered when assessing the value of the right of use asset because the Museum was reasonably certain that it would exercise its option to renew the lease. The option to renew the remaining leases were not considered when assessing the value of the right of use asset because the Museum was not reasonably certain that it would exercise its option to renew the leases. Lease expense for lease payments is recognized on a straight-line basis over the lease term. None of our lease agreements contain any material residual value guarantees. Total lease expense was approximately \$74,150 and \$80,022 for the years ended September 30, 2024 and 2023, respectively. Additional information about the Museums leases are as follows:

	<u>2024</u>	<u>2023</u>
Other information:		
Cash paid for amount included in measuring operating lease liabilities:		
Operating cash flow from operating leases	\$ 66,855	\$ 76,109
Lease assets obtained in exchange for lease obligation:		
Operating leases	\$ 274,888	\$ 268,913
Weighted-average remaining lease term (years)	4.87	5.35
Weighted-average discount rate	3.72%	3.82%

The future minimum payments under these leases are:

2025	\$ 60,721
2026	60,721
2027	59,377
2028	58,033
2029	58,033
Thereafter	<u>4,513</u>
	301,398
Less: interest	<u>(85,523)</u>
	<u>\$ 215,875</u>

Fort Worth Museum of Science and History

Notes to Financial Statements

15. Concentrations

Financial instruments which potentially subject the Museum to concentrations of credit risk are cash and cash equivalents, contributions, and investments. The Museum maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents based on the limited amount of time cash exceeds the federally insured limits. Cash balances exceeded federally insured limits by \$2,492,886 and \$3,075,947 at September 30, 2024 and 2023, respectively.

The Museum currently invests primarily in U.S. Government obligations and corporate stocks, mutual funds and fixed income. Management believes diversity within the portfolio avoids significant concentration of credit risk with respect to these investments.

There were four donor contributions that amounted to \$3,873,016 and four donor contributions that amounted to \$15,200,000 during 2024 and 2023, respectively, which individually exceeded five percent of total contribution revenue.

16. Subsequent Events

On November 5, 2024, the Jane & John Foundation paid the remaining \$2,100,000 of their pledge contribution. Of this amount, \$1,050,000 was not originally due until January 2026. The new Jane & John Justin Foundation Omni Theatre opened to the public on December 14, 2024. The Omni Theater features advanced technology that will immerse guests in a new 8K digital experience and is the first LED digital dome of its size in a Museum. The opening of the theater will provide immediate revenue and positive net income recognition for the Museum. With the additional revenue from the Omni Theater, the Museum will avoid further draws from the operating line of credit and have the ability to pay it down over the next 3 year period. On December 17, 2024, the Museum took a \$750,000 draw on the \$5,000,000 revolving line of credit in relation to the Omni Theater renovation. As Omni pledge payments are made, the Museum will pay down the line of credit. On December 26, 2024, the Museum received an operating pledge payment for \$2,000,000. With those funds, the Museum immediately paid down their Line of Credit \$1,800,000. The Museum has evaluated subsequent events through February 10, 2025, which is the date the financial statements were available to be issued.

Assumptions prescribed by law

Mortality	Before benefit payment period IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female.
	During benefit payment period IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female.

Assumptions selected by actuary

Inflation	2.40% increase per year. Our long-term inflation assumption considered the current economic environment, recent and historical data, and forecasts from Federal Reserve Bank FOMC, Congressional Budget Office, and Survey of Professional Forecasters. See Long-Term Capital Market Assumptions link.
Asset return	6.75% for the current plan year. The asset return is developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions. The calculated return is on an arithmetic mean basis. For details, see the Long-Term Capital Market Assumptions link.
Expected expense	The expected expense included in target normal cost is an estimate based on prior year expenses paid from plan assets, with an updated estimate of PBGC premiums. This is the best estimate available of upcoming year's expenses.
Retirement	Active and inactive participants are assumed to retire at normal retirement age as defined in Plan provisions . This assumption is based on the results of recent experience analysis and anticipated future experience.
Disability	None.
Marriage	100% married; husbands are 0 years older than wives. This assumption does not have material impact on the results of this report and has been selected based on our best estimate of active workforce.
Withdrawal	None. Due to the size of the plan and limited experience, we're not recognizing a withdrawal assumption prior to retirement.
Form of benefit	Participants are assumed to receive their benefits on the normal form at the assumed retirement age.

Methods prescribed by law

Liability measure	Funding target is the present value of the benefits accrued on the valuation date. Target normal cost is based on benefits expected to accrue during the current plan year and includes an estimate of plan expenses for the year.
Lump sum payments	Lump sum payments are valued using the plan's funding target interest rates as required, per IRS guidance. These rates are currently higher than the actual rates used to determine lump sum distributions. Therefore, plan liabilities do not currently recognize this additional cost and this may result in the plan not accumulating adequate assets. You may wish to consider additional contributions.

Methods selected by plan sponsor

Asset method	Market value
Segment rates	24-month average with no weighting to prior law basis. Use rates where December is the last month included in the average.
PBGC premium basis	Your plan is a small plan as defined by PBGC. Variable rate premiums are calculated using census, market value of assets and interest rates in effect on the current valuation date. Interest rates are the one-month average of corporate bond rates. You elected this Standard interest rate method for the 01/01/2020 plan year and the method must be used for five years before a change can be made.

Segment 1 years 0-5	Segment 2 years 5-20	Segment 3 years 20+
5.01%	5.13%	5.15%

Methods elected by actuary

Retirees	Assets and liabilities for current and future retirees are included.
Vested benefits	A benefit is included in vested benefits if it meets the requirements under PBGC. The benefit is multiplied by the participant's vesting percentage applicable to each benefit on the valuation date. The following ancillary benefits are always treated as nonvested: disability benefits payable to retirement age unless in pay status, pre-retirement death benefits in excess of the survivor annuity death benefit and post retirement death benefits for non-retired participants except as noted in the Plan provisions.

Assumptions and methods elected by actuary - plan accounting (ASC 960)

With the exceptions below, all assumptions and methods are the same as those used in determining your plan’s regular funding target and target normal cost.

Mortality Based on Pri-2012 Total dataset base rate mortality table projected generationally using the using the Principal Mortality Improvement Scale (Principal 2023).

Mortality base rates

Before benefit payment period

Employee amount-weighted, male and female

During benefit payment period

Retiree amount-weighted, male and female

The Society of Actuaries (SOA) is an actuarial organization that periodically reviews mortality data and publishes mortality tables and improvement scales. In October 2019, the SOA released the Pri-2012 Mortality Tables for private-sector retirement plans in the U.S. The Pri-2012 report contains different sets of mortality tables based on complete dataset or various subsets. The Total dataset base rate table was selected based on information provided by the plan sponsor.

Pri-2012 section 12.4. provided three approaches for designated beneficiaries in the calculation of joint-and-survivor annuities. We believe “Approach 1” is reasonable for this plan.

Mortality improvement

Principal 2023 MI scale is based on MIM-2021-v4 application tool issued by SOA in October 2023 with the following parameters:

Parameter	Principal 2023
Historical dataset	SSA
Whittaker-Henderson Graduation	Order 3
Interpolation Structure	Basic
Graduated MI data last year ("jumping off" point)	2017
H/D transition ultimate year by age/cohort	2029/2029
Weight placed on interpolation by cohort	50%
Initial Slope periods (constraint)	2016-2017 (0.000)
LTR	SSA LTR 2023
COVID-19 or Excess load	None ¹

¹Based on the sponsor’s input, plan experience does not show a need for long-term excess death or Covid death load adjustments.

See [Mortality documentation](#) for rationale and additional information.

Interest rate used to value liabilities	6.25% The interest rate used to value ASC 960 liabilities is developed as long-term expected geometric return on plan assets. Arithmetic expected return is calculated as the weighted average of broad asset classes' arithmetic returns of the plan's target asset allocation, and then converted to the geometric under lognormal distribution assumption. For details, see Long-Term Capital Market Assumptions link.
Treatment of administrative expenses	No adjustments are made for administrative expenses, either through a reduction in the discount rate or by calculating a present value of future expenses. Plan sponsors may change their administrative expense handling at any time. Our approach provides consistent handling of ASC 960 liabilities from year to year, whether expenses are paid with plan assets or directly by the employer. Note - expenses paid with plan assets are required to be included in funding normal cost. As a result, the plan is reimbursed annually through required funding. Exception – contributions are not required due to assets sufficiently in excess of liabilities to fund both expenses and normal cost. In this case, administrative expenses are taken from the excess assets.
Basis for lump sums	Interest rate Based on the three segment yield curve: 3.55%/3.95%/4.95% The plan document defines the lump sum interest rate based on IRC §417(e) rates which closely tie to the high quality corporate bond yields. According to our most recent study, the long-term expected yields for short/intermediate/long corporate bonds are 3.55%/3.95%/4.95%. For details, see Corporate AA yield in Table 3 of Long-Term Capital Market Assumptions link. Mortality We have selected the same mortality assumption for lump sum payments, but with a 50/50 blend of male and female total dataset base rates and mortality improvement scales. This reflects the IRS practice of defining lump sum mortality on a unisex basis.

Part II	Beginning of Year Carryover and Prefunding Balances	
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>14.82</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		237
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.14</u> %		12
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		249
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding Percentages	
14 Funding target attainment percentage	14	66.69 %
15 Adjusted funding target attainment percentage	15	66.69 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	61.25 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	66.69 %

Part IV	Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
04/15/2024	47772	0				
07/12/2024	47772	0				
10/11/2024	23381	0				
01/14/2025	39748	0				
08/14/2025	24632	0				
			Totals ▶	18(b)	183305	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	176658
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
(4) 4th		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost			
21 Discount rate:			
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items			
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
26 Demographic and benefit information			
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....			27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years			
28 Unpaid minimum required contributions for all prior years			28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....			29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....			30 0

Part VIII Minimum Required Contribution For Current Year			
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)	31a	84000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	902466	92655	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	176655	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	176655	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	176658	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)			
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2021			

Schedule SB, Line 2a - Explanation of Assets
Retirement Plan of Forth Worth Museum of Science and History
EIN 75-0755335 Plan No. 001

The market value of assets on line 2a does not equal assets shown on Schedule H, Schedule I or Form 5500-SF. Schedule H, Schedule I and Form 5500-SF use the full value of contributions received after plan year end. Line 2a includes the value of \$96,392 contributions received after the plan year end with a discounted value of \$94,440.

Schedule SB, Line 22 - Description Of Weighted Average Retirement Age
 Retirement Plan of Forth Worth Museum of Science and History
 EIN 75-0755335 Plan No. 001

Active participants are expected to retire at the plan's assumed retirement age. The retirement rate reflects only those participants who meet retirement eligibility. An active participant working past assumed retirement age is expected to retire at current age.

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
65	0.9655	1.0000	0.9655	62.7558
Total			0.9655	62.7558
Average				65.00

This report reflects the maximum benefit limits under Internal Revenue Code (IRC) Section 415 and maximum compensation limits under IRC Section 401 in effect on the first day of each plan year.

The following is a summary of plan provisions and does not alter the intent or meanings of the provisions contained in the contract or plan document. This report reflects the provisions of the plan signed 07/14/2020.

Plan eligibility

Age	Attained age 21.
Service	One year of service in which at least 1,000 hours worked.
Class	All employees excluding non-resident aliens and union.

Normal retirement benefit

Age	Attained age 65.
Form	Monthly annuity payable for life (optional forms may be elected in advance of retirement).
Amount (accrued benefit)	Benefits previously earned in the plan through 12/31/2006. No additional benefits will be earned after this date.

Early retirement benefit

Age	Attained age 55.
Service	Completed 10 years of service.
Form	Same as normal retirement benefit.
Amount	Accrued benefit on early retirement date reduced by 1/30 th per year for each year that the early retirement date precedes normal retirement date.

Late retirement benefit

Age	No maximum age.
Form	Same as normal retirement benefit.
Amount	Greater of accrued benefit on late retirement date or accrued benefit on normal retirement date actuarially increased to late retirement date.

Termination benefit

Vesting percentage	100% after five years of vesting service.
Form	Same as normal retirement benefit with income deferred until normal retirement date.
Amount	Accrued benefit on date of termination multiplied by the vesting percentage.

Survivor annuity death benefit (a vested benefit)

Eligibility	Qualified married participant fully or partially vested in an accrued benefit.
Form	Monthly annuity payable to spouse, deferred to participant's earliest retirement date if later than the date of death.
Amount	If death occurs, the amount paid to the surviving spouse is equal to the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

Definitions

Optional forms of benefit payments	<p>The optional forms of benefit payments are:</p> <ul style="list-style-type: none">• Monthly annuity payable for life, or 10 years certain and life• Monthly annuity payable as a survivorship life annuity with survivorship percentages of 50, 66 2/3, 75, or 100• Single sum payment <p>The optional form conversion basis is 7.5% interest and the mortality table in Revenue Ruling 95-6 for payments other than lump sums.</p> <p>The optional form conversion basis uses the applicable interest rate and applicable mortality table as set forth in Code Section 417 for lump sum payments. The applicable interest rate uses the second calendar month preceding the first day of the stability period which is the plan year.</p>
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Changes in Principal Eligibility or Benefit Provisions

There have been no changes in principal eligibility or benefit provisions since the last valuation.

Significant Event

The enrolled actuary has not been made aware that any significant events have occurred during the year.

Schedule SB, Line 32 - Schedule of Amortization Bases
Retirement Plan of Forth Worth Museum of Science and History
EIN 75-0755335 Plan No. 001

[Details of shortfall charges](#)

The historical information used to determine the total shortfall charge.

Date created	Present value	Remaining years	Shortfall charge
01/01/2024	\$(136,014)	15	\$(12,431)
01/01/2023	529,611	14	50,760
01/01/2022	24,692	13	2,494
01/01/2021	484,177	12	51,832
Total	\$902,466		\$92,655

Last year's total shortfall annual charge was \$105,086.

The total annual charge used in calculating your annual cost can't be less than zero.

Schedule SB, Line 25 – Change in Method
Retirement Plan of Forth Worth Museum of Science and History
EIN 75-0755335 Plan No. 001

The Employee Retirement Income Security Act of 1974, Section 103(c)(4), requires the plan administrator to furnish an explanation of a change in the enrolled actuary as part of the annual report. There was a change in enrolled actuaries since last year. The actuarial valuation work continues to be done by Principal Life Insurance Company. However, the individual involved with this plan as the enrolled actuary has changed due to a change in the plan assignment among enrolled actuaries at Principal Life Insurance Company.