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# Holocaust Memorial Foundation of Illinois

(a not-for-profit corporation)

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**Financial Report**  
**December 31, 2024**

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## **Independent Auditor's Report**

To the Board of Directors  
Holocaust Memorial Foundation of Illinois

### **Report on the Audits of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Holocaust Memorial Foundation of Illinois (the "Foundation"), which comprise the statement of financial position as of December 31, 2024 and 2023 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

#### ***Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS and *Government 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.

To the Board of Directors  
Holocaust Memorial Foundation of Illinois

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025 on our consideration of Holocaust Memorial Foundation of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Holocaust Memorial Foundation of Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Holocaust Memorial Foundation of Illinois' internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

May 29, 2025

## Holocaust Memorial Foundation of Illinois

### Statement of Financial Position

December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 11,804,093	\$ 9,989,747
Certificates of deposit - Non-negotiable	1,527,170	1,455,220
Investments	32,617,511	30,354,786
Receivables:		
Pledges receivable - Net of allowance for doubtful accounts and discount on present value	4,108,630	5,447,418
Interest receivable	130,793	130,041
Inventory	61,130	42,080
Note receivable	515,033	521,630
Prepaid expenses	440,766	408,876
Right-of-use asset - Net	1,160,212	1,151,008
Property and equipment - Net	32,963,605	34,179,230
	<u>\$ 85,328,943</u>	<u>\$ 83,680,036</u>
Total assets		
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 300,729	\$ 239,332
Deferred revenue	1,257,681	2,167,356
Other accrued expenses	151,363	85,041
Operating lease liability	517,395	524,029
Deferred compensation	955,988	830,047
	<u>3,183,156</u>	<u>3,845,805</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restrictions	76,255,610	72,353,459
With donor restrictions	5,890,177	7,480,772
	<u>82,145,787</u>	<u>79,834,231</u>
Total net assets		
	<u>\$ 85,328,943</u>	<u>\$ 83,680,036</u>
Total liabilities and net assets		

## Holocaust Memorial Foundation of Illinois

# Statement of Activities and Changes in Net Assets

Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains (Loss), and Other Support</b>						
Contributions	\$ 1,936,196	\$ 846,965	\$ 2,783,161	\$ 1,261,697	\$ 2,265,899	\$ 3,527,596
Grants	2,793,058	1,135,224	3,928,282	3,078,341	601,003	3,679,344
Contributed nonfinancial assets	160,114	-	160,114	346,448	-	346,448
Special event income	4,031,554	536,150	4,567,704	3,816,179	39,275	3,855,454
Membership dues	281,558	-	281,558	303,942	-	303,942
Admissions income	519,280	-	519,280	611,620	-	611,620
Gift shop income	130,058	-	130,058	159,250	-	159,250
Speaker income	10,658	-	10,658	4,904	-	4,904
Other	27,148	-	27,148	56,771	-	56,771
Interest and dividend income - Net of investment expenses	1,323,918	14,878	1,338,796	1,077,340	16,769	1,094,109
Realized and unrealized gain (loss) on investments	1,464,573	-	1,464,573	2,395,462	(59,912)	2,335,550
Net assets released from restrictions	4,123,812	(4,123,812)	-	3,269,929	(3,269,929)	-
<b>Total revenue, gains (loss), and other support</b>	<b>16,801,927</b>	<b>(1,590,595)</b>	<b>15,211,332</b>	<b>16,381,883</b>	<b>(406,895)</b>	<b>15,974,988</b>
<b>Expenses</b>						
Program services:						
Program services	3,218,973	-	3,218,973	3,299,974	-	3,299,974
Program operations	3,987,165	-	3,987,165	3,982,055	-	3,982,055
Support services:						
General and administrative	1,596,353	-	1,596,353	1,350,698	-	1,350,698
Special events	1,688,800	-	1,688,800	1,280,094	-	1,280,094
Development	1,048,123	-	1,048,123	1,302,494	-	1,302,494
Supporting operations	1,360,362	-	1,360,362	1,267,515	-	1,267,515
<b>Total expenses</b>	<b>12,899,776</b>	<b>-</b>	<b>12,899,776</b>	<b>12,482,830</b>	<b>-</b>	<b>12,482,830</b>
<b>Increase (Decrease) in Net Assets</b>	<b>3,902,151</b>	<b>(1,590,595)</b>	<b>2,311,556</b>	<b>3,899,053</b>	<b>(406,895)</b>	<b>3,492,158</b>
<b>Net Assets - Beginning of year</b>	<b>72,353,459</b>	<b>7,480,772</b>	<b>79,834,231</b>	<b>68,454,406</b>	<b>7,887,667</b>	<b>76,342,073</b>
<b>Net Assets - End of year</b>	<b>\$ 76,255,610</b>	<b>\$ 5,890,177</b>	<b>\$ 82,145,787</b>	<b>\$ 72,353,459</b>	<b>\$ 7,480,772</b>	<b>\$ 79,834,231</b>

## Holocaust Memorial Foundation of Illinois

## Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services			Support Services					Total
	Program Services	Program Operations	Total	General and Administrative	Special Events	Development	Supporting Operations	Total	
Salaries, benefits, and payroll taxes	\$ 1,767,164	\$ 695,275	\$ 2,462,439	\$ 1,173,047	\$ -	\$ 892,699	\$ 206,240	\$ 2,271,986	\$ 4,734,425
Advertising and public relations	12,381	-	12,381	-	-	-	200,408	200,408	212,789
Bad debt expense	-	-	-	-	-	24,385	-	24,385	24,385
Bank and credit card charges	7,681	-	7,681	-	51,283	31,932	-	83,215	90,896
Conferences and meetings	224,218	-	224,218	20,336	-	635	3,830	24,801	249,019
Consultants and temporary help	33,064	-	33,064	160,026	-	4,750	-	164,776	197,840
Contributions	-	-	-	712	-	-	-	712	712
Cost of goods sold	-	61,151	61,151	-	-	-	-	-	61,151
Depreciation	-	2,049,056	2,049,056	-	-	-	616,337	616,337	2,665,393
Fundraising expenses	-	-	-	-	1,605,653	75,315	-	1,680,968	1,680,968
Education programs	630,282	-	630,282	-	-	8,472	-	8,472	638,754
Exhibition costs and maintenance	471,028	-	471,028	-	-	-	-	-	471,028
Information technology	-	156,744	156,744	-	-	-	46,495	46,495	203,239
In-kind expenses	-	-	-	128,250	31,864	-	-	160,114	160,114
Insurance	-	54,490	54,490	27,046	-	-	16,163	43,209	97,699
Interest	-	-	-	1,587	-	-	-	1,587	1,587
Office expenses	47,187	55,941	103,128	3,028	-	9,935	17,104	30,067	133,195
Opportunity grants	25,968	-	25,968	-	-	-	-	-	25,968
Professional fees	-	-	-	82,321	-	-	-	82,321	82,321
Building operations	-	490,182	490,182	-	-	-	127,917	127,917	618,099
Security	-	424,326	424,326	-	-	-	125,868	125,868	550,194
<b>Total functional expenses</b>	<b>\$ 3,218,973</b>	<b>\$ 3,987,165</b>	<b>\$ 7,206,138</b>	<b>\$ 1,596,353</b>	<b>\$ 1,688,800</b>	<b>\$ 1,048,123</b>	<b>\$ 1,360,362</b>	<b>\$ 5,693,638</b>	<b>\$ 12,899,776</b>

## Holocaust Memorial Foundation of Illinois

## Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Support Services					Total
	Program Services	Program Operations	Total	General and Administrative	Special Events	Development	Supporting Operations	Total	
Salaries, benefits, and payroll taxes	\$ 1,497,968	\$ 603,715	\$ 2,101,683	\$ 819,296	\$ -	\$ 805,397	\$ 175,265	\$ 1,799,958	\$ 3,901,641
Advertising and public relations	18,516	-	18,516	-	-	-	128,199	128,199	146,715
Bad debt expense	-	-	-	-	-	210,520	-	210,520	210,520
Bank and credit card charges	10,713	-	10,713	-	50,262	35,019	-	85,281	95,994
Conferences and meetings	87,459	-	87,459	17,804	-	2,150	1,789	21,743	109,202
Consultants and temporary help	33,196	-	33,196	109,740	-	214,627	-	324,367	357,563
Contributions	-	-	-	1,246	-	-	-	1,246	1,246
Cost of goods sold	-	123,188	123,188	-	-	-	-	-	123,188
Depreciation	-	2,036,870	2,036,870	-	-	-	612,547	612,547	2,649,417
Fundraising expenses	-	-	-	-	1,217,460	17,485	-	1,234,945	1,234,945
Education programs	958,630	-	958,630	-	-	4,990	-	4,990	963,620
Exhibition costs and maintenance	612,813	-	612,813	-	-	-	-	-	612,813
Information technology	-	161,769	161,769	-	-	-	47,986	47,986	209,755
In-kind expenses	-	53,677	53,677	264,476	12,372	-	15,923	292,771	346,448
Insurance	-	62,245	62,245	24,185	-	-	18,464	42,649	104,894
Interest	-	-	-	697	-	-	-	697	697
Office expenses	60,394	50,277	110,671	4,770	-	12,306	16,804	33,880	144,551
Opportunity grants	20,285	-	20,285	-	-	-	-	-	20,285
Professional fees	-	-	-	108,484	-	-	-	108,484	108,484
Building operations	-	471,514	471,514	-	-	-	126,309	126,309	597,823
Security	-	418,800	418,800	-	-	-	124,229	124,229	543,029
<b>Total functional expenses</b>	<b>\$ 3,299,974</b>	<b>\$ 3,982,055</b>	<b>\$ 7,282,029</b>	<b>\$ 1,350,698</b>	<b>\$ 1,280,094</b>	<b>\$ 1,302,494</b>	<b>\$ 1,267,515</b>	<b>\$ 5,200,801</b>	<b>\$ 12,482,830</b>

## Holocaust Memorial Foundation of Illinois

### Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 2,311,556	\$ 3,492,158
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	2,665,393	2,649,417
Bad debt	24,385	210,520
Realized and unrealized gain on investments	(1,464,573)	(2,335,550)
Increase in right-of-use asset	(9,204)	(9,588)
Contributions restricted for long-term purposes	(77,888)	(129,292)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Pledges receivable	1,314,403	(173,325)
Interest receivable	(752)	(16,868)
Accounts receivable	-	68,726
Inventory	(19,050)	19,106
Prepaid expenses	(31,890)	(191,775)
Accounts payable	61,397	167,183
Deferred revenue	(909,675)	604,767
Other accrued expenses	66,322	(128,301)
Deferred compensation	125,941	11,647
Operating lease liability	(6,634)	(6,249)
Net cash and cash equivalents provided by operating activities	4,049,731	4,232,576
<b>Cash Flows from Investing Activities</b>		
Purchases of investments and certificates of deposit	(20,497,907)	(15,050,174)
Proceeds from sales of investments	19,627,799	15,358,903
Payments on notes receivable	6,597	6,212
Capital expenditures	(1,449,762)	(1,066,156)
Net cash and cash equivalents used in investing activities	(2,313,273)	(751,215)
<b>Cash Flows Provided by Financing Activities - Contributions restricted for long-term purposes</b>	77,888	129,292
<b>Net Increase in Cash and Cash Equivalents</b>	1,814,346	3,610,653
<b>Cash and Cash Equivalents - Beginning of year</b>	9,989,747	6,379,094
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 11,804,093</b>	<b>\$ 9,989,747</b>

December 31, 2024 and 2023

### Note 1 - Nature of Organization

Holocaust Memorial Foundation of Illinois (a not-for-profit corporation) (the "Foundation") was formed in September 1981 to present vehicles of education, remembrance, recording, and collecting memorabilia and documentation of the period of time referred to as the Holocaust and the Pre-War European Jewish Culture. The Foundation operates a 65,000 square-foot museum in Skokie, Illinois known as Illinois Holocaust Museum and Education Center. As disclosed in the subsequent events section of Note 2, the Skokie location will be temporarily closed for capital projects starting in June 2025.

### Note 2 - Significant Accounting Policies

#### ***Basis of Presentation***

The financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

#### ***Classification of Net Assets***

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

#### ***Board-designated Net Assets***

Board-designated net assets are net assets without donor restrictions designated by the board primarily for future special and educational projects. These designations are based on board actions, which can be altered or revoked at a future time by the board.

#### ***Revenue Recognition***

The following revenue streams are included in the revenue standard ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*:

- Gift shop income
- Admissions income
- Membership dues
- Other

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. The Foundation'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 Foundation recognizes the revenue over a period of time if the customer receives and consumes the benefits that the Foundation provided or if the Foundation's performance does not create an asset with 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 goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

**Note 2 - Significant Accounting Policies (Continued)**

The transaction price is calculated as the amount of consideration to which the Foundation expects to be entitled (such as sale price, admission price, and price of membership). Payment is typically expected at the point of sale. In some situations, the Foundation bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Foundation recognizing contract liabilities upon receipt of payment. Total contract liabilities as of December 31, 2024 and 2023 were \$382,622 and \$371,246, respectively, and are included in deferred revenue on the statement of financial position. Total contract liabilities as of January 1, 2023 were \$372,114. Revenue recognized in 2024 and 2023 that was included in the contract liability balance at the beginning of the year was \$210,216 and \$221,302, respectively.

***Performance Obligations***

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

**Gift Shop Income**

The Foundation generates revenue from implied agreements for a specific exchange of merchandise priced at a market value and recognized at time of performance.

**Admissions**

The Foundation charges for entrance to the museum priced at a level determined by the Foundation to be reasonable and recognized at date of admission.

**Membership Dues**

The Foundation earns dues from its members for memberships. Membership dues are earned over the course of one or two years, representing the period over which the Foundation satisfies the performance obligation.

**Other**

The Foundation receives other income, including room rental fees, which is recognized at the time of performance.

***Pledges Receivable***

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

***Contributions and Support***

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. However, if a restriction is fulfilled for an individual gift in its entirety in the same period in which the contribution is received, the Foundation reports the support as without donor restrictions. Expenses are recorded as decreases in net assets without donor restrictions.

Revenue from conditional contributions is recognized in the period when qualified expenditures have been incurred in compliance with the grantor's conditions. Cash received before conditions are met is recorded as deferred revenue. The Foundation had \$875,059 and \$1,796,110 of conditional cash received included in the balance of deferred revenue as of December 31, 2024 and 2023, respectively.

December 31, 2024 and 2023

### Note 2 - Significant Accounting Policies (Continued)

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at December 31, 2024, contributions approximating \$670,000 have not been recognized in the accompanying statement of activities and changes in net assets because the conditions on which they depend have not yet been met. The conditional promises to give relate to events required to occur in 2025. There were no promises to give that have not been recognized in the accompanying statement of activities and changes in net assets at December 31, 2023.

#### ***Special Events Income***

Special event income consists of ticket and sponsorship revenue from various fundraising events held by the Foundation throughout the year, the largest of which is the annual Humanitarian Awards dinner. It also includes contributions received toward the event.

#### ***Cash and Cash Equivalents***

The Foundation maintains interest-bearing checking and money market accounts at various financial institutions, which it classifies as cash and cash equivalents for the purpose of the statement of cash flows. The Foundation considers all highly liquid debt instruments or certificates of deposit with an original maturity of three months or less and money market accounts to be cash equivalents. The cash and cash equivalents may at times exceed the federally insured limits.

The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these investments.

#### ***Certificates of Deposit***

The Foundation has investments in certificates of deposit as of December 31, 2024 and 2023. The certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

#### ***Investments***

All investments are carried at fair value. Changes in fair value are reported in the statement of activities and changes in net assets. It is the Foundation's policy to immediately liquidate donations of stock.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

#### ***Inventory***

Gift shop inventory is stated at the lower of cost or net realizable value, with cost determined by the average cost method.

#### ***Property and Equipment***

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method. Purchases of property and equipment over \$1,000 with a useful life of greater than one year are capitalized.

#### ***Leases***

The Foundation has an operating lease, as described in Note 7. The Foundation recognizes expense for the operating lease on a straight-line basis over the lease term. The Foundation recognized operating lease right-of-use asset and related lease liability equal to present value of the fixed rental payments over the term of the lease. Operating right-of-use assets are amortized over the remaining term of the lease.

**Note 2 - Significant Accounting Policies (Continued)**

The Foundation elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all leases.

**Income Taxes**

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

**Management 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Collection**

The value of the Foundation’s collection is not included in the financial statements. The cost of objects purchased is reported as other changes in net assets in the statement of activities and changes in net assets. The Foundation’s policy is to maintain and continue to acquire material evidence, art, and artifacts of victims and survivors of the Holocaust (principally from 1933 to 1945). From time to time, objects may be sold in accordance with the Foundation’s collection management policy. Deaccession, the process used to permanently remove an object from the Foundation’s collection, may result only if certain conditions have been met. All proceeds realized from deaccessions are allocated to purchase other objects for the Foundation’s collection.

**Functional Allocation of Expenses**

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs are charged to program services and support services on an actual basis when available. In addition, indirect costs, including depreciation, information technology, interest, building operations, and security, have been allocated between the program and support services based on relative square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including May 29, 2025, which is the date the financial statements were available to be issued.

The Foundation announced a temporary closure of the Skokie campus for capital projects, funded by State of Illinois appropriations and the Foundation’s Building Fund, beginning in June 2025 and scheduled to begin partial reopening in January 2026. In conjunction with the closing of the Skokie location, a new lease has been signed for a downtown Chicago location from February 2025 to February 2028. For the first year of the lease, monthly rent payments will be \$18,750 after donated rent consideration.

**Note 3 - Cash and Cash Equivalents**

Cash and cash equivalents consist of the following:

	2024	2023
Cash	\$ 3,301,163	\$ 5,687,213
Money market accounts	8,502,930	4,302,534
Total cash and cash equivalents	\$ 11,804,093	\$ 9,989,747

**Note 4 - Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2024 and 2023 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

Assets Measured at Fair Value on a Recurring Basis  
at December 31, 2024

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
<b>Assets</b>				
Exchange-traded funds	\$ 16,366	\$ -	\$ -	\$ 16,366
Corporate bonds	-	10,635,738	-	10,635,738
Asset-backed securities	-	29,739	-	29,739
Mutual funds	7,752,973	-	-	7,752,973
Variable annuities	-	621,303	-	621,303
Government securities	-	1,674,804	-	1,674,804
Preferred securities	-	814,814	-	814,814
Common stock	11,071,774	-	-	11,071,774
<b>Total assets</b>	<b>\$ 18,841,113</b>	<b>\$ 13,776,398</b>	<b>\$ -</b>	<b>\$ 32,617,511</b>

**Note 4 - Fair Value Measurements (Continued)**

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
<b>Assets</b>				
Corporate bonds	\$ -	\$ 10,843,058	\$ -	\$ 10,843,058
Asset-backed securities	-	35,002	-	35,002
Mutual funds	7,067,808	-	-	7,067,808
Variable annuities	-	519,639	-	519,639
Government securities	-	1,877,585	-	1,877,585
Preferred securities	-	911,289	-	911,289
Common stock	9,100,405	-	-	9,100,405
Total assets	\$ 16,168,213	\$ 14,186,573	\$ -	\$ 30,354,786

**Level 1 Inputs**

Mutual funds and common stock - Fair values were based on quoted market prices.

**Level 2 Inputs**

Corporate bonds, asset-backed securities, government securities, and preferred securities - Estimated fair values were based on similar investments that are traded on the secondary market.

Variable annuities - The fair value of the variable annuities is based on the present value of the guaranteed monthly payments over the term of the annuity.

**Note 5 - Property and Equipment**

Property and equipment are summarized as follows:

	2024	2023	Depreciable Life - Years
Buildings and improvements	\$ 48,295,142	\$ 48,272,982	5-40
Exhibitions	11,731,437	10,702,994	5-20
Furniture and equipment	2,282,842	2,091,695	4-20
Construction in progress	629,269	-	-
Exhibition in progress	36,864	458,115	10
Subtotal	62,975,554	61,525,786	
Accumulated depreciation	30,011,949	27,346,556	
Total	\$ 32,963,605	\$ 34,179,230	

Depreciation expense for 2024 and 2023 was \$2,665,393 and \$2,649,417, respectively.

As of December 31, 2024, the Foundation had total contract commitments of \$790,000 related to the completion of three new Holographic Theater exhibit films and approximately \$947,000 related to a 2025 capital infrastructure project discussed in the subsequent events section of Note 2.

December 31, 2024 and 2023

**Note 6 - Pledges Receivable**

The following are maturities on the pledges receivable as of December 31:

	2024	2023
Years ended December 31:		
Within one year	\$ 3,224,899	\$ 3,959,391
One to five years	1,068,440	1,713,580
More than five years	10,000	20,000
Total pledges receivable	4,303,339	5,692,971
Less:		
Discounts at rates from 4.01 to 4.79 percent	(63,940)	(107,908)
Allowance for doubtful accounts	(130,769)	(137,645)
Total	(194,709)	(245,553)
Net minimum pledges receivable	\$ 4,108,630	\$ 5,447,418

**Note 7 - Leases**

In July 2003, the Foundation entered into an agreement with the Village of Skokie, Illinois that included a lease to secure land for the new museum. The lease requires monthly rental payments of \$3,158 from July 2003 to June 2053 and includes an option to extend the lease for 50 years at \$15 per month. According to the provisions in the lease, the Foundation made an additional one-time special rent payment of \$302,300 in 2003. The Foundation recognized \$22,063 in rent expense from the lease for the years ended December 31, 2024 and 2023.

Future minimum annual commitments under the operating lease are as follows:

Years Ending December 31	Amount
2025	\$ 37,896
2026	37,896
2027	37,896
2028	37,896
2029	37,896
Thereafter	899,556
Total	1,089,036
Less amount representing interest	571,641
Present value of net minimum lease payments	\$ 517,395

The Foundation's right-of-use asset relates entirely to the lease described above, which is classified as an operating lease. The right-of-use asset and related lease liability have been calculated using a borrowing rate of 6 percent.

Expenses recognized under this lease for the years ended December 31, 2024 and 2023 consist of the following:

	2024	2023
Operating cash flows from operating leases	\$ 37,896	\$ 37,896

**Note 8 - Endowment**

The Foundation's endowment includes donor-restricted endowment funds established for educational purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no board-designated endowment funds.

**Interpretation of Relevant Law**

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of these net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Foundation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment fund, the Foundation 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 fund 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 Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation 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 Foundation
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of December 31, 2024	
	Without Donor Restrictions	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	\$ 386,371
Accumulated investment gains	-	57,098
Total	\$ -	\$ 443,469
	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2024	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year	\$ -	\$ 391,253
Contributions	-	37,888
Investment return - Investment income	-	14,878
Appropriation of endowment investment returns for expenditure	-	(550)
Endowment net assets - End of year	\$ -	\$ 443,469

December 31, 2024 and 2023

**Note 8 - Endowment (Continued)**

		Endowment Net Asset Composition by Type of Fund as of December 31, 2023	
		Without Donor Restrictions	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor		\$ -	\$ 349,033
Accumulated investment gains		-	42,220
Total		\$ -	\$ 391,253
Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2023			
		Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year		\$ -	\$ 305,103
Contributions		-	129,292
Investment return - Investment income		-	(43,142)
Endowment net assets - End of year		\$ -	\$ 391,253

***Return Objectives and Risk Parameters***

The Foundation 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 Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the respective benchmarks for the different asset classes provided for in the Foundation’s investment policy. These asset classes include high-grade corporate and government bonds and cash equivalents but specifically exclude any investment in hedge funds, commodities, and private equities. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually, net of management fees. Actual returns in any given year may vary from this amount.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation targets a balanced portfolio of primarily investment-grade rate fixed-income securities with staged maturities investments to achieve its long-term return objectives within prudent risk constraints.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

Based on the long-term objectives stated above, the Foundation will only spend the income generated by the endowment fund to support educational purposes stated in the agreements while preserving the related principal.

**Note 9 - Contributed Nonfinancial Assets**

The Foundation received in-kind contributions valued at \$160,114 and \$346,448 for the years ended December 31, 2024 and 2023, respectively. In 2024 and 2023, the in-kind contributions included pro bono professional services, travel vouchers, and prize donations.

Notes to Financial Statements

December 31, 2024 and 2023

**Note 9 - Contributed Nonfinancial Assets (Continued)**

In-kind donations recognized by the Foundation for the years ended December 31 are as follows:

	2024	2023
Auction and other items	\$ 31,864	\$ 81,972
Professional services	128,250	264,476
Total contributed nonfinancial assets	<u>\$ 160,114</u>	<u>\$ 346,448</u>

Unless otherwise noted, the contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed nonfinancial assets are valued and reported at their estimated fair value in the financial statements. Contributed goods and services are valued based on the face value of the items donated. Professional services are valued at the market prices to purchase similar services.

**Note 10 - Net Assets**

Donor-restricted net assets as of December 31 are available for the following purposes:

	2024	2023
Purpose restrictions:		
Daley Fund	\$ 1,076,164	\$ 1,076,164
Opportunity grants	25,000	78,333
Total purpose restrictions	1,101,164	1,154,497
Time restrictions	2,677,488	2,440,312
Time and purpose restrictions:		
Education programming	702,315	2,553,620
Special events	539,775	98,605
Strategic projects	378,125	680,862
Temporary exhibits	47,841	161,623
Educational endowment	443,469	391,253
Total time and purpose restrictions	<u>2,111,525</u>	<u>3,885,963</u>
Total	<u>\$ 5,890,177</u>	<u>\$ 7,480,772</u>

**Note 11 - Commitments**

Pursuant to the agreement with the Village of Skokie, Illinois in relation to securing land for the new museum, the Foundation entered into a letter of credit agreement with Bank of America, N.A. for the amount of \$100,000. The letter of credit is subject to renewal annually and must remain in effect as long as the lease agreement exists. The current letter of credit expires on July 31, 2025, and management expects that a new agreement will be reached once this extension expires.

**Note 12 - Deferred Compensation**

On May 5, 2004, the Foundation entered into an employment agreement with a former executive director. Per the terms of the agreement, the Foundation is obligated to pay additional compensation based upon a vested rate beginning on April 1, 2015 and continuing for 10 years. Thereafter, payments will continue for the greater of the remainder of the lives of the former executive director and his spouse or 10 years. In accordance with the former executive director's employment agreement, he was 95 percent vested with respect to additional compensation as of the last day of employment. The liability is recorded as deferred compensation on the statement of financial position.

December 31, 2024 and 2023

**Note 12 - Deferred Compensation (Continued)**

To provide partial funding against the liability, the Foundation maintains an annuity contract for the benefit of the former executive director and his spouse, which is recorded as an investment on the statement of financial position. The fair value of the annuity as of December 31, 2024 and 2023 was \$394,742 and \$400,510, respectively.

The Foundation also has a 457(b) deferred compensation plan for its immediate past chief executive officer. In 2023, the Foundation made a final contribution equal to 5 percent of the chief executive officer's previous year's salary and bonus to the plan.

On February 8, 2023, the Foundation entered into an employment agreement with the current chief executive officer. Per the terms of the agreement, the Foundation is to make contributions equal to 5 percent of the chief executive officer's salary and bonus each year into a deferred compensation vehicle. The liability is recorded as deferred compensation on the statement of financial position.

**Note 13 - 403(b) Plan**

The Foundation sponsors a 403(b) plan for all employees. The plan provides for the Foundation to make a discretionary matching contribution. Contributions to the plan totaled \$46,245 and \$45,714 for the years ended December 31, 2024 and 2023, respectively.

**Note 14 - Related Party Transactions**

The following is a description of transactions between the Foundation and related parties:

***Contributions***

For the years ended December 31, 2024 and 2023, the Foundation received contributions from its board and related parties totaling \$1,612,875 and \$1,125,124, respectively.

***Purchases***

The Foundation has a construction contract for upcoming renovations in which the owner's representative is a company of a board member. The Foundation complied with its bylaws and conflict of interest policy in selecting the owner's representative.

**Note 15 - Liquidity**

The following reflects the Foundation's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 11,804,093	\$ 9,989,747
Certificates of deposit	1,527,170	1,455,220
Investments	32,617,511	30,354,786
Receivables	<u>4,754,456</u>	<u>6,099,089</u>
Total financial assets at year end	50,703,230	47,898,842
Less those unavailable for general expenditures within one year due to - Contractual or donor-imposed restrictions:		
Restricted by donors with time or purpose restrictions less expected current pledge releases	5,446,708	7,088,346
Unappropriated donor-restricted endowment earnings	57,098	42,220
Net assets to be maintained in perpetuity	386,371	349,033
Long-term portion of note receivable	508,027	515,033
Board-designated funds	<u>4,706,429</u>	<u>2,228,319</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,598,597</u>	<u>\$ 37,675,891</u>

The Foundation is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year.

The Foundation has a goal to maintain financial assets, which consist of cash, investments, and receivables, on hand to meet one year of normal operating expenses, which are, on average, approximately \$10,000,000. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.