Texas Business Hall of Fame Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2025 and 2024

Texas Business Hall of Fame Foundation

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Independent Auditors' Report

To the Board of Directors of
Texas Business Hall of Fame Foundation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Texas Business Hall of Fame Foundation, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, of functional expenses, and of 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 Texas Business Hall of Fame Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Texas Business Hall of Fame Foundation 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 Texas Business Hall of Fame Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Texas Business Hall of Fame 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 Texas Business Hall of Fame 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

August 20, 2026

Texas Business Hall of Fame Foundation

Statements of Financial Position as of December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 211,995	$ 228,627
Other assets	16,164	18,332
Contributions receivable, net *(Note 3)*	907,396	1,397,065
Investments *(Note 4)*:		
Operating	4,636,075	4,018,239
Endowment *(Note 6)*	1,803,677	1,575,060
TOTAL ASSETS	$ 7,575,307	$ 7,237,323
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 25,457	$ 3,469
Net assets:		
Without donor restrictions	4,460,367	3,914,788
With donor restrictions *(Notes 5 and 6)*	3,089,483	3,319,066
Total net assets	7,549,850	7,233,854
TOTAL LIABILITIES AND NET ASSETS	$ 7,575,307	$ 7,237,323

See accompanying notes to financial statements.

Texas Business Hall of Fame Foundation

Statement of Activities for the year ended December 31, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Annual awards dinner	$ 1,591,626		$ 1,591,626
Direct donor benefits of annual awards dinner	(529,147)		(529,147)
Third-party auction proceeds	32,608		32,608
Financial contributions	357,973	$ 614,800	972,773
Loss on valuation of contributions receivable		(530,000)	(530,000)
Nonfinancial contributions *(Note 7)*	11,394		11,394
Net investment return	550,535	230,617	781,152
Total revenue	2,014,989	315,417	2,330,406
Net assets released from restrictions:			
Program expenditures	545,000	(545,000)	
Total	2,559,989	(229,583)	2,330,406
EXPENSES:			
Program services:			
Scholars	930,694		930,694
Hall of Fame honoree recognitions	660,175		660,175
Total program services	1,590,869		1,590,869
Management and general	258,369		258,369
Fundraising	165,172		165,172
Total expenses	2,014,410		2,014,410
CHANGES IN NET ASSETS	545,579	(229,583)	315,996
Net assets, beginning of year	3,914,788	3,319,066	7,233,854
Net assets, end of year	$ 4,460,367	$ 3,089,483	$ 7,549,850

See accompanying notes to financial statements.

Texas Business Hall of Fame Foundation

Statement of Activities for the year ended December 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Annual awards dinner	$ 1,484,026		$ 1,484,026
Direct donor benefits of annual awards dinner	(444,578)		(444,578)
Third-party auction proceeds	28,809		28,809
Financial contributions	331,887	$ 301,359	633,246
Nonfinancial contributions *(Note 7)*	60,310		60,310
Net investment return	430,574	148,680	579,254
Total revenue	1,891,028	450,039	2,341,067
Net assets released from restrictions:			
Program expenditures	576,500	(576,500)	
Total	2,467,528	(126,461)	2,341,067
EXPENSES:			
Program services:			
Scholars	869,746		869,746
Hall of Fame honoree recognitions	657,770		657,770
Total program services	1,527,516		1,527,516
Management and general	245,395		245,395
Fundraising	154,351		154,351
Total expenses	1,927,262		1,927,262
CHANGES IN NET ASSETS	540,266	(126,461)	413,805
Net assets, beginning of year	3,374,522	3,445,527	6,820,049
Net assets, end of year	$ 3,914,788	$ 3,319,066	$ 7,233,854

See accompanying notes to financial statements.

Texas Business Hall of Fame Foundation

Statement of Functional Expenses for the year ended December 31, 2025

	SCHOLARS	HALL OF FAME	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and related expenses	$ 286,379	$ 240,005	$ 526,384	$ 174,083	$ 51,370	$ 751,837
Scholar awards	529,000		529,000			529,000
Professional fees	70,778	293,563	364,341	49,683	92,705	506,729
Meeting facilities, food, and beverage	14,432	64,091	78,523	9,431	4,022	91,976
Printing and duplication	3,093	32,308	35,401	283	10,285	45,969
Travel	10,883	15,157	26,040	600	3,516	30,156
Software and website	9,586	8,034	17,620	5,827	1,720	25,167
Bank and credit card fees				14,540		14,540
Rental and storage	2,642	2,214	4,856	1,606	474	6,936
Supplies and equipment	2,080	2,646	4,726	1,223	554	6,503
Communications and marketing	862	722	1,584	524	155	2,263
Other	959	1,435	2,394	569	371	3,334
Total expenses	$ 930,694	$ 660,175	$ 1,590,869	$ 258,369	$ 165,172	2,014,410
Direct donor benefits of annual awards dinner						529,147
Total						$ 2,543,557

See accompanying notes to financial statements.

Texas Business Hall of Fame Foundation

Statement of Functional Expenses for the year ended December 31, 2024

	SCHOLARS	HALL OF FAME	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and related expenses	$ 253,401	$ 169,568	$ 422,969	$ 162,520	$ 29,587	$ 615,076
Scholar awards	579,000		579,000			579,000
Professional fees	15,495	374,237	389,732	47,237	111,793	548,762
Meeting facilities, food, and beverage	334	59,449	59,783	1,426	2,045	63,254
Printing and duplication	2,002	13,486	15,488	765	3,220	19,473
Travel	3,904	29,820	33,724	1,975	5,676	41,375
Software and website	10,109	6,765	16,874	6,484	1,180	24,538
Bank and credit card fees				13,856		13,856
Rental and storage	4,099	2,743	6,842	2,628	479	9,949
Supplies and equipment	1,402	1,280	2,682	4,183	232	7,097
Communications and marketing				1,974		1,974
Other		422	422	2,347	139	2,908
Total expenses	$ 869,746	$ 657,770	$ 1,527,516	$ 245,395	$ 154,351	1,927,262
Direct donor benefits of annual awards dinner						444,578
Total						$ 2,371,840

See accompanying notes to financial statements.

Texas Business Hall of Fame Foundation

Statements of Cash Flows for the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 315,996	$ 413,805
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Contributions restricted for endowment	(50,000)	
Net realized and unrealized gain on investments	(640,348)	(516,628)
Loss on valuation of contributions receivable	530,000	
Changes in operating assets and liabilities:		
Other assets	2,168	42,964
Contributions receivable	(40,331)	54,514
Accounts payable	21,988	(15,625)
Net cash provided (used) by operating activities	139,473	(20,970)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	3,500,515	3,682,597
Purchase of investments	(4,060,308)	(3,183,995)
Net change in cash and money market mutual funds held as investments	353,688	(495,501)
Net cash provided (used) by investing activities	(206,105)	3,101
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	50,000	
NET CHANGE IN CASH	(16,632)	(17,869)
Cash, beginning of year	228,627	246,496
Cash, end of year	$ 211,995	$ 228,627

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Texas Business Hall of Fame Foundation (the Foundation) was organized in July 1982 as a nonprofit corporation in Texas to recognize Texas business leaders for their personal and professional accomplishments, to provide scholar awards for outstanding students, and to perpetuate and inspire the values of entrepreneurial spirit, personal integrity, and community leadership. The Foundation's activities include hosting an annual event where Texas business legends are inducted into the Texas Business Hall of Fame, and where awards are presented to entrepreneurial students attending Texas universities or business incubators, veterans, and teachers.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or used for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Donor-restricted endowment earnings are released when awards are made.

Annual awards dinner revenue is the total amount paid by sponsors and attendees of the event, includes elements of both a contribution and an exchange transaction, and is recognized when the dinner occurs. Direct donor benefits represent the cost of goods and services provided to attendees of the dinner. Event sponsorships received for future periods are recognized as refundable advances until the event takes place.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before the Foundation is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Contributions received before conditions have been met are reported as a refundable advance.

Donated materials and services – Donated materials are recognized at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Scholar awards are recognized as expense when the Foundation approves an unconditional commitment to an award recipient. Any commitments made but not yet funded are reported as scholar awards payable.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Professional fees, salaries and related costs are allocated on the basis of estimated time and effort expended. Occupancy costs, technology, communications, and general supplies are allocated in proportion to salaries and related costs.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	2025	2024
Financial assets:		
Cash	$ 211,995	$ 228,627
Contributions receivable, net	907,396	1,397,065
Investments	6,439,752	5,593,299
Total financial assets	7,559,143	7,218,991
Less financial assets not available for general expenditure:		
Donor-restricted endowment assets less planned appropriation	(1,740,594)	(1,523,060)
Restricted by donors for use in future periods or for future projects	(671,288)	(999,488)
Total financial assets available for general expenditure	$ 5,147,261	$ 4,696,443

Financial assets available for general expenditure include amounts expected to be released from donor restrictions and amounts expected to be appropriated by the Board of Directors from endowment earnings during the upcoming year. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing scholar awards and events that inspire the values of entrepreneurial spirit, personal integrity, and community leadership, to be general expenditures.

The Foundation is substantially supported by the annual dinner and contributions and regularly monitors liquidity required to meet its operating needs while striving to maximize the investment of available funds. 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 become due. Donor-restricted funds are invested for long-term appreciation and current income but, except for endowment assets to be maintained in perpetuity, remain available to be spent as provided for in the donor agreement.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2025 are expected to be collected as follows:

In one year	$ 236,108
In one to five years	595,000
Thereafter	120,000
Total contributions receivable	951,108
Discount to net present value at rates ranging from 0.93% to 2.07%	(43,712)
Contributions receivable, net	$ 907,396

At December 31, 2025 and 2024, approximately 54% and 56%, respectively, of contributions receivable are from three donors for fiscal year 2025 and one donor for fiscal year 2024.

In 2025, the Foundation moved away from awarding more than one annual scholar award at any given partner university, which impacted a contribution receivable from a donor with a net realizable value of approximately $841,000 at December 31, 2024. The donor agreed to reduce their commitment accordingly by $530,000.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.

Assets measured at fair value at December 31 are as follows:

	2025	2024
Investments measured using Level 1 inputs:		
Exchange-traded funds	$ 4,159,386	$ 3,144,909
Fixed-income mutual funds	1,849,077	1,489,738
Cash and money market mutual funds	431,289	784,977
International equity mutual funds		173,675
Total assets measured at fair value	$ 6,439,752	$ 5,593,299

Valuation methods used for assets measured at fair value are as follows:

- *Exchange-traded funds* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds* are valued at the reported net asset value of shares held.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

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

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2025	2024
Subject to expenditure for specified purpose:		
Scholar awards	$ 1,147,538	$ 1,514,488
Veterans awards	135,000	211,250
Shaun Kennedy award	3,268	18,268
Total subject to expenditure for specified purpose	1,285,806	1,744,006
Endowments:		
Texas Legends Endowment:		
Accumulated net investment return	519,981	370,534
Required to be maintained in perpetuity	1,000,000	1,000,000
General operating:		
Accumulated net investment return	36,294	9,715
Required to be maintained in perpetuity	210,000	160,000
High school entrepreneurial awards:		
Accumulated net investment return	4,859	2,268
Required to be maintained in perpetuity	32,543	32,543
Total net assets with donor restrictions	$ 3,089,483	$ 3,319,066

NOTE 6 – ENDOWMENT

The Foundation's endowment consists of three donor-restricted funds established to support scholar awards and general operations. Donor-restricted endowment funds are subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The Foundation's Board of Directors has interpreted TUPMIFA as allowing the Foundation to appropriate for expenditure or accumulate as much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to explicit donor stipulations.

Donor-restricted endowment net assets are classified as *net assets with donor restrictions* until scholar awards are made. The Foundation identifies contributions to the endowment, plus any donor-stipulated accumulations, as *required to be maintained in perpetuity*. However, TUPMIFA does not preclude the Foundation from spending below the amount required to be maintained in perpetuity subject to prudent standards. An endowment fund is *underwater* if the fair value of the fund's investments fall below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent measures. There were no underwater funds at December 31, 2025 and 2024.

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

	WITH DONOR RESTRICTIONS		
	ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Endowment net assets, December 31, 2023	$ 285,837	$ 1,192,543	$ 1,478,380
Net investment return	148,680		148,680
Appropriations	(52,000)		(52,000)
Endowment net assets, December 31, 2024	382,517	1,192,543	1,575,060
Net investment return	230,617		230,617
Contributions		50,000	50,000
Appropriations	(52,000)		(52,000)
Endowment net assets, December 31, 2025	$ 561,134	$ 1,242,543	$ 1,803,677

Spending Policies and Investment Return Objectives

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment in such a manner as to preserve and enhance the net asset value. The Finance Committee and the Executive Committee provide investment guidance for, and monitor the growth and maintenance of, the endowment fund.

Distributions of up to 4.5% may be approved on an annual basis based upon the average market value of the investments as of December 31 of the preceding year.

NOTE 7 – NONFINANCIAL CONTRIBUTIONS

Contributed nonfinancial assets were recognized as follows:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	FISCAL YEAR 2025	FISCAL YEAR 2024
Costs of Directors Meeting including catering, lodging and house cleaning	Utilized for program directors meeting event	None	Fair value based on donor's actual costs.	$7,170	
Printing services, decorations, supplies, and awards	Utilized for induction dinner and scholar and veterans awards	None	Fair value estimated based on selling price of similar services and goods.	$4,224	$12,239
Costs of reception for Hall of Fame inductees, including food, beverages, valet, and entertainment	Utilized for induction dinner event	None	Fair value based on donor's actual costs.		$48,071
Total contributed nonfinancial assets				$11,394	$60,310

NOTE 8 – JOINT COST ALLOCATION

In 2025 and 2024, the Foundation held an annual induction dinner that included fundraising components as well as program components. The cost of producing the dinner included $378,885 and $447,172 for joint staging, decorating, audio/visual, and video production costs in 2025 and 2024, respectively, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

	2025	2024
Fundraising	$ 94,721	$ 111,793
Hall of Fame honoree recognitions	284,164	335,379
Total joint costs	$ 378,885	$ 447,172

NOTE 9 – RETIREMENT PLAN

The Foundation sponsors a 401(k) savings plan covering all employees completing three months of consecutive employment. Eligible employees may make voluntary, pre-tax contributions of their salary to the plan, subject to the Internal Revenue Service limits. The Foundation matches employee contributions up to 3% of each employee's salary. The Foundation contributed $11,672 and $13,439 to this plan during 2025 and 2024, respectively.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 20, 2026, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.