BROOKLYN CHILDREN'S MUSEUM CORPORATION

Financial Statements for the years ended June 30, 2024 and June 30, 2023

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Independent Auditor's Report

To the Board of Trustees of
Brooklyn Children's Museum Corporation

Opinion

We have audited the accompanying financial statements of Brooklyn Children's Museum Corporation (the "Museum"), which comprise the statement of financial position as of June 30, 2024 and June 30, 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 June 30, 2024 and June 30, 2023 and the results of its activities 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.

Condon O'Meara McGinty & Donnelly LLP

January 8, 2025

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Financial Position

Assets

	June 30 2024	June 30 2023
Cash and cash equivalents	$ 1,069,736	$ 1,150,082
Contributions receivable, net		
Without donor restrictions	1,018,122	928,941
With donor restrictions for future periods and programs	75,000	150,000
Employee retention payroll tax credits receivable	-	96,801
Prepaid expenses and other assets	116,534	96,239
Investments, at fair value	3,675,210	3,218,532
Property and equipment, net	1,594,065	1,311,983
Total assets	**$ 7,548,667**	**$ 6,952,578**

Liabilities and Net Assets

	2024	2023
Liabilities		
Line of credit	$ -	$ 133,925
Accounts payable and accrued expenses	408,336	560,516
Due to City of New York	20,205	40,415
Deferred revenue	72,748	131,810
SBA loans	504,522	173,493
Refundable advances	78,020	-
Accrued postretirement benefits	2,070,131	2,776,711
Total liabilities	3,153,962	3,816,870
Net assets (deficit)		
Without donor restrictions	665,666	(127,229)
With donor restrictions	3,729,039	3,262,937
Total net assets	4,394,705	3,135,708
Total liabilities and net assets	**$ 7,548,667**	**$ 6,952,578**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Activities
Year Ended June 30, 2024
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Contributions and contracts				
Individuals	$ 51,822	$ 37,000	$ 88,822	$ 115,804
Corporations	72,047	146,880	218,927	228,420
Foundations	181,725	274,000	455,725	467,287
Government and state	695,640	92,000	787,640	826,939
Appropriations from City of New York	2,880,491	-	2,880,491	3,055,813
Admission fees	1,240,443	-	1,240,443	1,290,669
Membership fees	289,089	-	289,089	229,753
Fundraising events, net of direct expenses of $119,409 in 2024 and $115,317 in 2023	464,259	-	464,259	420,314
Space rentals	735,635	-	735,635	579,679
Other earned income	182,756	-	182,756	166,018
Investment return, net	274	543,466	543,740	261,580
Sub-total	6,794,181	1,093,346	7,887,527	7,642,276
Net assets released from restrictions	627,244	(627,244)	-	-
Total support and revenue	7,421,425	466,102	7,887,527	7,642,276
Expenses				
Program services				
Exhibitions	1,059,239	-	1,059,239	899,123
Collections	218,100	-	218,100	211,207
Education	1,601,754	-	1,601,754	1,362,913
Visitor services	716,373	-	716,373	814,315
Maintenance and security	1,372,852	-	1,372,852	1,462,782
Marketing and public affairs	382,242	-	382,242	411,649
Total program services	5,350,560	-	5,350,560	5,161,989
Supporting activities				
General and administrative	1,275,611	-	1,275,611	1,267,344
Development	544,073	-	544,073	400,671
Total supporting activities	1,819,684	-	1,819,684	1,668,015
Total expenses	7,170,244	-	7,170,244	6,830,004
Increase in net assets before postretirement benefits adjustment	251,181	466,102	717,283	812,272
Postretirement benefits adjustment	541,714	-	541,714	152,698
Increase in net assets	**792,895**	**466,102**	**1,258,997**	**964,970**
Net assets (deficit), beginning of year	**(127,229)**	**3,262,937**	**3,135,708**	**2,170,738**
Net assets, end of year	**$ 665,666**	**$ 3,729,039**	**$ 4,394,705**	**$ 3,135,708**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and contracts			
Individuals	$ 64,508	$ 51,296	$ 115,804
Corporations	97,920	130,500	228,420
Foundations	197,600	269,687	467,287
Government and state	671,939	155,000	826,939
Appropriations from City of New York	3,055,813	-	3,055,813
Admission fees	1,290,669	-	1,290,669
Membership fees	229,753	-	229,753
Fundraising events, net of direct expenses of $115,317	420,314	-	420,314
Space rentals	579,679	-	579,679
Other earned income	166,018	-	166,018
Investment return, net	7	261,573	261,580
Sub-total	6,774,220	868,056	7,642,276
Net assets released from restrictions	576,589	(576,589)	-
Total support and revenue	7,350,809	291,467	7,642,276
Expenses			
Program services			
Exhibitions	899,123	-	899,123
Collections	211,207	-	211,207
Education	1,362,913	-	1,362,913
Visitor services	814,315	-	814,315
Maintenance and security	1,462,782	-	1,462,782
Marketing and public affairs	411,649	-	411,649
Total program services	5,161,989	-	5,161,989
Supporting activities			
General and administrative	1,267,344	-	1,267,344
Development	400,671	-	400,671
Total supporting activities	1,668,015	-	1,668,015
Total expenses	6,830,004	-	6,830,004
Increase in net assets before postretirement benefits adjustment	520,805	291,467	812,272
Postretirement benefits adjustment	152,698	-	152,698
Increase in net assets	**673,503**	**291,467**	**964,970**
Net assets (deficit), beginning of year	**(800,732)**	**2,971,470**	**2,170,738**
Net assets (deficit), end of year	**$ (127,229)**	**$ 3,262,937**	**$ 3,135,708**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Functional Expenses
Year Ended June 30, 2024
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	2024												2023
	Program Services							Supporting Activities					
	Exhibitions	Collections	Education	Visitor Services	Maintenance and Security	Marketing and Public Affairs	Total Program Services	General and Admin-istrative	Direct Cost of Special Event	Development (Operating)	Total Supporting Activities	Total	Total
Salaries, wages and benefits	$ 611,546	$ 99,096	$ 1,175,751	$ 527,649	$ 914,475	$ 241,032	$ 3,569,549	$ 167,828	$ -	$ 288,901	$ 456,729	$ 4,026,278	$ 3,468,101
Professional fees	185,299	63,639	237,712	22,511	67,966	65,993	643,120	580,587	-	162,507	743,094	1,386,214	1,391,714
Catering, facility rental, printing and other	-	-	-	-	-	-	-	-	119,409	-	119,409	119,409	115,317
Office expenses	12,150	11,631	8,194	18,406	2,076	8,903	61,360	75,391	-	1,195	76,586	137,946	109,235
Supplies	101,845	20,986	79,872	84,482	55,064	1,770	344,019	3,197	-	12,662	15,859	359,878	504,183
Travel and meetings	15,142	13,303	32,893	1,446	-	-	62,784	15,287	-	4,988	20,275	83,059	93,325
Marketing	-	-	-	-	-	60,567	60,567	-	-	-	-	60,567	70,124
Equipment	-	8,617	-	-	79,727	-	88,344	17,832	-	-	17,832	106,176	152,762
Maintenance and utilities	4,333	780	9,302	4,220	178,081	1,858	198,574	986	-	2,269	3,255	201,829	354,088
Insurance	-	-	-	-	-	-	-	296,720	-	-	296,720	296,720	255,117
Other	110,266	48	761	57,659	806	2,119	171,659	71,369	-	71,551	142,920	314,579	259,051
Sub-total	**1,040,581**	**218,100**	**1,544,485**	**716,373**	**1,298,195**	**382,242**	**5,199,976**	**1,229,197**	**119,409**	**544,073**	**1,892,679**	**7,092,655**	**6,773,017**
Depreciation	18,658	-	57,269	-	74,657	-	150,584	46,414	-	-	46,414	196,998	172,304
Total expenses	**1,059,239**	**218,100**	**1,601,754**	**716,373**	**1,372,852**	**382,242**	**5,350,560**	**1,275,611**	**119,409**	**544,073**	**1,939,093**	**7,289,653**	**6,945,321**
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-	(119,409)	-	(119,409)	(119,409)	(115,317)
Total expenses reported by function on the statement of activities	**$ 1,059,239**	**$ 218,100**	**$ 1,601,754**	**$ 716,373**	**$ 1,372,852**	**$ 382,242**	**$ 5,350,560**	**$ 1,275,611**	**$ -**	**$ 544,073**	**$ 1,819,684**	**$ 7,170,244**	**$ 6,830,004**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services							Supporting Activities				
	Exhibitions	Collections	Education	Visitor Services	Maintenance and Security	Marketing and Public Affairs	Total Program Services	General and Admin-istrative	Direct Cost of Special Event	Development (Operating)	Total Supporting Activities	Total
Salaries, wages and benefits	$ 524,466	$ 55,482	$ 927,259	$ 553,470	$ 776,954	$ 252,299	$ 3,089,930	$ 223,751	$ -	$ 154,420	$ 378,171	$ 3,468,101
Professional fees	88,651	120,475	223,026	75,082	64,424	71,799	643,457	594,898	-	153,359	748,257	1,391,714
Catering, facility rental, printing and other	-	-	-	-	-	-	-	-	115,317	-	115,317	115,317
Office expenses	10,028	465	18,606	9,106	3,778	5,404	47,387	61,310	-	538	61,848	109,235
Supplies	187,973	17,288	115,116	81,516	86,501	1,473	489,867	7,410	-	6,906	14,316	504,183
Travel and meetings	6,907	8,445	44,814	3,230	-	148	63,544	26,386	-	3,395	29,781	93,325
Marketing	-	-	-	-	-	70,124	70,124	-	-	-	-	70,124
Equipment	12,397	7,709	20,715	18,212	73,525	5,360	137,918	11,305	-	3,539	14,844	152,762
Maintenance and utilities	4994	614	10,121	6,033	323,160	2,619	347,541	4,818	-	1,729	6,547	354,088
Insurance	-	-	-	-	-	-	-	255,117	-	-	255,117	255,117
Other	47,637	729	3,256	67,666	-	2,423	121,711	60,555	-	76,785	137,340	259,051
Sub-total	**883,053**	**211,207**	**1,362,913**	**814,315**	**1,328,342**	**411,649**	**5,011,479**	**1,245,550**	**115,317**	**400,671**	**1,761,538**	**6,773,017**
Depreciation	16,070	-	-	-	134,440	-	150,510	21,794	-	-	21,794	172,304
Total expenses	**899,123**	**211,207**	**1,362,913**	**814,315**	**1,462,782**	**411,649**	**5,161,989**	**1,267,344**	**115,317**	**400,671**	**1,783,332**	**6,945,321**
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-	(115,317)	-	(115,317)	(115,317)
Total expenses reported by function on the statement of activities	**$ 899,123**	**$ 211,207**	**$ 1,362,913**	**$ 814,315**	**$ 1,462,782**	**$ 411,649**	**$ 5,161,989**	**$ 1,267,344**	**$ -**	**$ 400,671**	**$ 1,668,015**	**$ 6,830,004**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Cash Flows

	Year Ended June 30 2024	Year Ended June 30 2023
Cash flows from operating activities		
Increase in net assets	$ 1,258,997	$ 964,970
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Contribution with perpetual donor restrictions	(37,500)	(60,633)
Depreciation	196,998	172,304
Donated investments	-	(20,320)
Proceeds from donated investments	-	20,320
Net realized (gain) on sale of investments	(47,721)	(88,425)
Change in unrealized value of investments	(420,464)	(125,357)
(Increase) decrease in assets		
Contributions receivable	(14,181)	403,849
Employee retention payroll tax credits receivable	96,801	38,314
Prepaid expenses and other assets	(20,295)	6,233
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(152,180)	(105,408)
Due to City of New York	(20,210)	(20,210)
Deferred revenue	(59,062)	71,658
Refundable advances	78,020	-
Accrued postretirement benefits	(706,580)	(344,432)
Net cash provided by operating activities	152,623	912,863
Cash flows from investing activities		
Purchases of investments	(516,623)	(398,599)
Proceeds from sales of investments	528,130	345,334
Purchases of property and equipment	(479,080)	(549,182)
Net cash (used in) investing activities	(467,573)	(602,447)
Cash flows from financing activities		
Contribution with perpetual donor restrictions	37,500	60,633
Proceeds from line of credit	-	133,925
Repayments of line of credit	(133,925)	(147,768)
Repayment of note payable	-	(10,000)
Proceeds from SBA loans	349,300	25,000
Repayments of SBA loans - net of adjustments	(18,271)	645
Net cash provided by financing activities	234,604	62,435
Net increase (decrease) in cash and cash equivalents	**(80,346)**	**372,851**
Cash and cash equivalents, beginning of year	**1,150,082**	**777,231**
Cash and cash equivalents, end of year	**$ 1,069,736**	**$ 1,150,082**
Consists of:		
Cash	$ 1,067,488	$ 1,147,715
Money market account	2,248	2,367
Total	$ 1,069,736	$ 1,150,082
Supplemental disclosure of cash flows information:		
Cash paid for interest	$ 18,909	$ 16,097

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements
June 30, 2024 and June 30, 2023

Note 1 – Nature of organization and summary of significant accounting policies

Nature of Organization

Brooklyn Children's Museum Corporation (the "Museum") was founded in 1899 as the world's first museum designed especially for children and families. The Museum has always been located in Crown Heights, Brooklyn, and remains committed to serving families in the borough, with a particular focus on those living in Central Brooklyn. Roughly 300,000 children and caregivers annually are served by the Museum's exhibits and programs.

Inspired by the energy and diversity of our borough, the Museum's mission is to create experiences that ignite curiosity, celebrate identity, and cultivate joyful learning. The Museum's exhibits explore art, world cultures, natural sciences and civic engagement through hands-on, sensory experiences. The Museum hosts public programs, school field trips, and free after school and summer camp programs for elementary students, and a teen program highlighting museum careers.

Museum exhibits include *World Brooklyn*, a recreated street featuring child-size replicas of real Brooklyn stores; *Neighborhood Nature*, an exploration of the borough's ecosystems; *Brooklyn Voices*, an area that highlights stories of the borough's history; *Totally Tots*, an early childhood sensory learning space; and, *ColorLab*, an art studio featuring experiences that highlight Black art and artists. The Museum presents daily public programs, including live animal encounters, music workshops, and art-making activities, as well as one to five day festivals highlighting cultures and traditions of Brooklyn communities.

Annually, the Museum hosts original temporary exhibitions in its visiting exhibits gallery. In 2018, the Museum presented *Block Party*, an exploration of the iconic Brooklyn block party. In the 2019 fiscal year, the Museum built *TapeScape*, an interactive, climbable sculpture created from 15 miles of packing tape. In the 2020 fiscal year, the Museum hosted *Survival of the Slowest* and *Under the Canopy*, both of which brought live animals from around the world to Brooklyn to teach children about conservation and species preservation. In the 2021 fiscal year, the Museum opened *Oyster City*, telling the story of how oysters have been re-introduced to New York's waterway, and *Makeryard*, a makerspace prompting children to build their own structures and sculptures using recycled materials. In the 2022 fiscal year, the Museum opened *A-Maze-D*, a life-size maze created from cardboard boxes and including art and puzzles and *ArtRink*, a 3,000 square foot synthetic ice-rink flanked by interactive art installations.

In the 2023 fiscal year, the Museum opened two new spaces, a 6,500 square foot branch of Brooklyn Public Library and a 175-seat auditorium and movie theater. The Museum also presented two temporary exhibits in the 2023 fiscal year, *Jurassic Mini-Golf*, a child-sized golf course flanked by animatronic dinosaurs, and *Sound Field*, a series of large-scale, fantastical instruments activated by visitors.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Nature of Organization (continued)

In the 2024 fiscal year, *ArtRink* returned with the theme "We Grow." The Museum opened *Opposites Abstract*. The visiting exhibit was based on the exploration of opposites, inspired by Mo Willems' bestselling children's book of the same name. Taking inspiration from the eye-popping, emotive, and highly accessible words and images in the book, the exhibits prompts visitors of all ages to investigate opposites through hands-on experiences, art-making, and performance. The Museum also opened *Nature's Engineers* as a new Science, Technology, Engineering, and Mathematics ("STEM") inspired makerspace. *Nature's Engineers* aims to inspire a new generation of problem solvers and innovators by connecting them with nature's intricate systems and cycles. With its mission rooted in guided inquiry and creativity the space promises a unique, hands-on learning experience that blends the exploration of the natural world with STEM principles.

The Museum is committed to making its exhibits and programs accessible to all children, offering free hours on Thursdays and Sundays; free admission to families enrolled in Head Start programs; and free admission for families of military service members, firefighters, and police officers, EBT/SNAP card holders, schoolteachers and staff and healthcare workers. Roughly half of Museum visitors attend for free or at a reduced rate, and over 30% are served at no charge. It is the Museum's policy never to turn a visitor away for lack of funds.

During the COVID-19 emergency health crisis, the Museum closed between March and August 2020, reopening in September 2020 with service three days a week. Despite the pandemic, the Museum served 175,000 children and caregivers in the 2022 fiscal year through in-person programs. From May 2021 through August 2022, the Museum hosted a City of New York vaccination clinic on its site, providing nearly 40,000 vaccinations at no charge. In the 2023 fiscal year, the Museum restored 5-day-a-week service and served approximately 260,000 children and caregivers.

The Museum is a member of the Cultural Institutions Group of the City of New York (the "CIG"), a group of arts and culture organizations on City-owned property, and accordingly, receives an appropriation in the City of New York budget, as well as substantial capital support.

Net assets

The Museum reports information regarding its financial position and activities according to specific classes of net assets, as follows:

Without donor restrictions

Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Museum. Included in net assets without donor restrictions is the Board-designated fund. The Board-designated fund had been segregated for investment by the Board of Trustees.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Net assets (continued)

With donor restrictions

Net assets with donor restrictions consist of contributions that are restricted by the donor for a specific purpose or the passage of time and/or must remain intact in perpetuity. The investment return earned on such donor restricted endowment funds may be spent in accordance with the donor's terms.

Contributions

The Museum reports contributions as support with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

Donated services

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Museum. These services do not meet the criteria under accounting principles generally accepted in the United States of America to be recorded as donated services and have not been included in the financial statements.

Cash equivalents

The Museum considers highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Allowance for doubtful accounts

As of June 30, 2024 and June 30, 2023, the Museum has an allowance for doubtful accounts of $585, for any possible uncollectible contributions. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Investments

The Museum reports investments at fair value in the statement of financial position. The fair value of the investments is based on publicly quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities as increases or decreases in net assets with temporary donor restrictions.

Fair value measurements

The Financial Accounting Standards Board (FASB) established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Museum's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Property and equipment

Property and equipment are recorded at cost. Expenditures for property and equipment are capitalized for assets in excess of a nominal amount and that have a useful life greater than one year. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5 to 20 years.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support and revenue in net assets with temporary donor restrictions. It is the Museum's policy to imply a time restriction, based on when the asset is placed in service, on donations of property and equipment that are not restricted as to their use by the donor or contributions of cash or other assets restricted by the donor for the purchase of property and equipment. Accordingly, these donations are recorded as support with temporary donor restrictions. The Museum reclassifies net assets with temporary donor restrictions to net assets without donor restrictions for the entire amount of the donated property and equipment once it is placed in service.

The Museum included the Capital Expansion cost of exhibit design, fabrication and installation in property and equipment. In addition, the Museum also capitalizes the investment in new exhibits.

The Museum uses a facility owned by the City of New York. Capital additions, improvements, and equipment funded by the City of New York and for which the Museum does not have title, are not capitalized by the Museum. The building expansion was funded and is owned by the City of New York. Property and equipment acquired using the Museum's funds are reflected as assets in the accompanying statement of financial position.

Collections

Consistent with the policies of many other Museums, the value of the Museum's collections is not reflected in the statement of financial position. Accessions of collection items are expensed in the year that the items are acquired. Contributed collection items are not reflected in the financial statements. Proceeds from de-accessions or insurance recoveries are used to acquire other items for the collection.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Collections (continued)

Contributions for the purchase of items for the collection are classified as net assets with temporary donor restrictions until acquisitions are made. The cost of these items is reported as a separate program expense.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Museum's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments and contributions receivable. The Museum places its cash and cash equivalents with what it believes to be quality financial institutions. The Museum's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2024. The Museum routinely assesses the financial strength of its holdings in its investment portfolio. The Museum monitors the collectability of its receivables on an ongoing basis. As a consequence, the Museum's management believes concentrations of credit risk are limited.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Subsequent events

The Museum has evaluated events and transactions for potential recognition or disclosure through January 8, 2025, which is the date the financial statements were available to be issued.

Note 2 – Contributions receivable

Contributions receivable consist of the following as of June 30, 2024 and June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions for Future Periods and Programs	Total
Due within one year	$1,018,707	$ 75,000	$1,093,707
Less: allowance for doubtful accounts	(585)	-	(585)
Total, June 30, 2024	$1,018,122	$ 75,000	$1,093,122
Total, June 30, 2023	$ 928,941	$ 150,000	$1,078,941

Note 3 – Investments and money market account

The following is a summary of investments at fair value and money market account held by the Museum as of June 30, 2024 and June 30, 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Investments				
Money market funds	$ 1,135,400	$ 1,145,453	$ 1,213,548	$ 1,215,697
Equities	854,142	1,934,897	846,006	1,528,623
U.S. Treasuries and corporate bonds	603,177	594,860	496,951	474,212
Sub-total	2,592,719	3,675,210	2,556,505	3,218,532
Money market account	2,248	2,248	2,367	2,367
Total	$ 2,594,967	$ 3,677,458	$ 2,558,872	$ 3,220,899

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 3 – Investments and money market account (continued)

For the years ended June 30, 2024 and June 30, 2023, net investment return consists of the following:

	2024	2023
Interest and dividends	$ 98,983	$ 68,077
Realized gain on sale of investments	47,721	88,425
Change in unrealized value of investments	420,464	125,357
Investment management fees	(23,428)	(20,279)
Total	$ 543,740	$ 261,580

Note 4 – Property and equipment

A summary of the property and equipment and accumulated depreciation as of June 30, 2024 and June 30, 2023 is as follows:

	2024	2023
Exhibits	$ 10,902,764	$10,239,684
Building improvements	1,036,560	1,220,560
Furniture, fixtures and equipment	1,270,173	1,270,173
Total	13,209,497	12,730,417
Less: accumulated depreciation	11,615,432	11,418,434
Net property and equipment	$ 1,594,065	$ 1,311,983

Note 5 – Notes payable

In June 2009, the Museum and certain Board Members executed unsecured notes payable totaling $225,000, which were due June 25, 2011 through July 15, 2011. The proceeds from the notes were used for general operations of the Museum. The notes required quarterly interest payments at the prime rate plus 2.0% per annum. It was the intention of one of the Board Members to forgive their note of $100,000 over ten years. Accordingly, the final $10,000 balance on their note was forgiven in the 2020 fiscal year. One of the other Board Member's note of $100,000 was extended and required annual principal payments of $10,000. The interest rate remained the same on all notes. As of June 30, 2023, the note has been paid in full.

Note 6 – Lines of credit and SBA loans

Line of credit

During January 2023, the Museum obtained a $400,000 unsecured revolving line of credit (the "line") due on demand or if no demand is made, due in one payment of all outstanding principal plus all accrued unpaid interest in February 2024. The line required regular monthly payments of all accrued interest at the Prime Rate plus 2.0 percentage points per annum beginning in March 2023. The line may be prepaid at any time without a prepayment penalty. During February 2024, the line was modified converting the new line to an on-demand line of credit, with no maturity date, at the same interest rate and subject to a clean down period as defined in the agreement. As of June 30, 2024, there was no outstanding balance on the line.

SBA loans

Economic Injury Disaster Loan

During November 2020, the Museum was approved for a $150,000 Economic Injury Disaster Loan ("EIDL") with the U.S. Small Business Administration ("SBA") to provide disaster relief from the COVID-19 pandemic. The EIDL included a 12-month deferment period, therefore, commencing November 2021, the EIDL requires monthly payments of $641 applicable first to a fixed interest rate of 2.75% per annum and the balance to a reduction of principal. The EIDL will be amortized over 360 months, will mature in November 2050 and is collateralized by a security interest in the certain business assets of the Museum. As of June 30, 2024, the outstanding balance on the EIDL was $144,821.

Disaster Loan

During June 2022, the Museum was approved for a $374,300 SBA Disaster Loan ("DL") to repair damages associated with Hurricane Ida. The DL included an 18-month deferment period, commencing December 2023, the DL requires monthly payments of $2,699 applicable first to interest at a fixed rate of 2.00% per annum and the balance to a reduction of principal. As security for the DL, the Museum granted the SBA a security interest in certain of its business assets. The DL matures in June 2037. As of June 30, 2024, the outstanding balance under the DL was $359,701.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 6 – Lines of credit and loans payable (continued)

The following are the required annual principal payments on the EIDL and DL based on amounts outstanding as of June 30, 2024:

Fiscal Year	EIDL	DL	Total Amount
2025	$ 3,757	$ 25,426	$ 29,183
2026	3,861	25,939	29,800
2027	3,969	26,463	30,432
2028	4,079	26,997	31,076
2029	4,193	27,542	31,735
2030 and after	124,962	227,334	352,296
Totals	$ 144,821	$ 359,701	$ 504,522

Note 7 – Refundable advances

Government grant advances

Government grants are recognized as revenue in the period received and when the conditions on which they depend have been substantially met. The Museum has received government grants where certain conditions have to be met in order for the revenue to be recognized. Reimbursements under government grants are subject to audit by the various government agencies. The effects of any potential audit disallowances are not reflected in these financial statements as management does not believe any disallowance will have a material effect on the financial statements. Amounts received prior to incurring qualifying expenditures are reported as refundable advances on the statement of financial position.

As of June 30, 2024, government grant advances totaled $78,020 and include $33,020, received from the Department of Cultural Affairs and $45,000 received from the New York State Council on the Arts.

Note 8 – Commitments

License agreement

In October 2011, the Museum and the City of New York Department of Cultural Affairs entered into a 25-year license agreement for the continued occupancy of the premises by the Museum which requires an annual payment by the Museum in the amount of one dollar per year. The Museum has an option to extend the license for an additional twenty-five years, as outlined in the agreement.

Earth Science Garden Exhibit

In May 2019, and subsequently updated in January 2020, the Museum entered into contracts for the design of exhibit and landscape elements of the Earth Science Garden at the Museum totaling $626,000 in design fees. Construction commencement of phase 1 led by New York City's Department of Design and Construction started in December 2023 and it is anticipated that phase 2, which will feature the aforementioned exhibit and landscape elements, will be completed in the fall of 2025 and the substantial completion date will be January 2029. As of June 30, 2024, $383,958 has been completed under the contract.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 8 – Commitments (continued)

Brooklyn Time Machine Exhibit

In February 2023, the Museum entered into a contract for the design of a new permanent exhibit called "Brooklyn Time Machine." It is anticipated that construction commencement will be in the fall of 2026 with an estimated completion of 2029.

Sub-license agreement

On December 11, 2020, the Museum entered into a 15-year sub-license agreement with the Brooklyn Public Library (the "Library"). The Library will rent approximately 6,380 square feet from the Museum for a base rent of $37 per square foot. This agreement allows the Library to reopen their Brower Park Branch which was closed in 2020 and ensures that the community of Crown Heights retains a local library. The branch of the Library was opened in July 2023.

Note 9 – Due to City of New York Department of Cultural Affairs

In April 2015, the Museum received a notice from the City of New York Department of Cultural Affairs ("DCLA") outlining that discrepancies had been discovered between the City-funded employee salary amounts reported by the Museum to the Cultural Institutions Retirement System ("CIRS") and DCLA Obligation Plan for fiscal years 2007 through 2012. As a result of such misreporting, it was determined the Museum owed the City of New York $202,095. The City of New York is permitting the amount owed to be repaid over a ten-year period in the amount of $20,210 each year commencing in July 2015. As of June 30, 2024, the outstanding balance owed to the City of New York was $20,205.

Note 10 – Net assets with temporary donor restrictions (time and purpose restrictions)

Activity of the net assets with temporary donor restrictions as of and for the years ended June 30, 2024 and June 30, 2023 is as follows:

	Balance at June 30, 2023	Contributions and Investment Return	Net Assets Released from Restrictions	Balance at June 30, 2024
Time restrictions				
Undepreciated portion Capital projects	$ 536,958	$ 92,000	$ -	$ 628,958
Endowments return	423,834	543,466	(110,412)	856,888
Future programs	371,911	420,380	(511,332)	280,959
Charles E. Inniss Fund for the Children of Brooklyn	71,398	-	(5,500)	65,898
Total	$ 1,404,101	$ 1,055,846	$ (627,244)	$ 1,832,703

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 10 – Net assets with temporary donor restrictions (time and purpose restrictions) (continued)

	Balance at June 30, 2022	Contributions and Investment Return	Net Assets Released from Restrictions	Balance at June 30, 2023
Time restrictions				
Undepreciated portion Capital projects	$ 381,958	$ 155,000	$ -	$ 536,958
Endowments return	262,413	261,573	(100,152)	423,834
Future programs	451,998	390,850	(470,937)	371,911
Charles E. Inniss Fund for the Children of Brooklyn	76,898	-	(5,500)	71,398
Total	$ 1,173,267	$ 807,423	$ (576,589)	$ 1,404,101

Note 11 – Endowments

Brooklyn Children's Museum follows, as required, the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds existing on or established after the date the law was enacted. The Museum's endowment consists of funds established for specific purposes, as well as Board-designated funds (without donor restrictions). The Museum is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors, including the duration and preservation of its donor restricted endowment funds. The Museum classifies the original value of gifts donated to the permanent endowment as net assets with perpetual donor restrictions. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions based on donor stipulations.

The Museum's long-term assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Museum, the Board of Trustees has taken into account the financial needs and circumstances of the Museum, the time horizon available for investment, the nature of the Museum's cash flows and liabilities, and other factors that affect their risk tolerance.

The Museum has a policy of spending the investment return generated from its net assets with perpetual donor restrictions, which is allowable under the donor guidelines. The Museum has adopted a spending policy whereby investment return for the Museum will be appropriated from the net assets with perpetual donor restrictions to meet the expenditure needs of the Museum in accordance with the spending rate adopted by the Board of Trustees in the approved annual budget for each fiscal year. The amount available for spending each year, if available, will be 5% of the average fair value of the net assets with perpetual donor restrictions as of March 31st of the last five years. The total distribution shall be set in advance of the upcoming fiscal year, and shall be included in the Annual Budget that is reviewed and adopted by the Board of Trustees.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 11 – Endowments (continued)

Net assets with perpetual donor restrictions

These net assets represent contributions and bequests made into the following funds and are restricted to investment in perpetuity. Investment return from these funds is recorded as net assets with temporary donor restrictions and is available to be spent in accordance with the donors' terms and as approved by the Board of Trustees.

Net assets with perpetual donor restrictions as of June 30, 2024 and June 30, 2023 are as follows:

	2024	2023
Brooklyn Institute of Arts and Sciences	$ 496,333	$ 496,333
90th Anniversary Capital Campaign	251,870	251,870
Centennial – Collections Central Endowment	1,000,000	1,000,000
Special Contribution Fund and Endowment	148,133	110,633
Total	$ 1,896,336	$ 1,858,836

Note 12 – Public support appropriations from the City of New York

The City of New York made the following appropriations to the Museum, which are included in public support without donor restrictions for the years ended June 30, 2024 and June 30, 2023:

	2024	2023
Department of Cultural Affairs		
Operational support	$ 2,554,651	$ 2,490,777
Energy	112,984	240,366
Pension	159,315	123,264
Other	53,541	201,406
Total	$ 2,880,491	$ 3,055,813

Note 12 – Public support appropriations from the City of New York (continued)

Projects supported by the City of New York are subject to audit at a later date.

In addition, capital expenditures to the Museum's facilities, in the amounts of $755,496 and $658,025 were made by the City of New York during the years ended June 30, 2024 and June 30, 2023, respectively. The City of New York has spent $65,500,712 on capital expenditures from the 2000 fiscal year through the 2024 fiscal year. In accordance with a directive from the City of New York, capital expenditures paid for by the City belong to the City of New York and are not included in these financial statements.

Note 13 – Pension and retirement plans and other postretirement benefits

Multiemployer pension plan

All eligible Museum employees are members in the Cultural Institutions Retirement System (CIRS) pension plan ("pension plan"), which is a multiemployer plan administered by the City of New York. The pension plan expense for the year ended June 30, 2024 was $213,411, of which $159,315 was funded by an appropriation from the City of New York. The pension plan expense for the year ended June 30, 2023 was $166,680, of which $123,264 was funded by an appropriation from the City of New York.

The risks of participating in a multiemployer plan are different from single-employer plans in the following respects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Museum chooses to stop participating in the multiemployer plan, the Museum may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 13 – Pension and retirement plans and other postretirement benefits (continued)

Multiemployer pension plan (continued)

The Museum's participation in the multiemployer plan for the years ended June 30, 2024 and June 30, 2023, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The third column lists the expiration date of the collective-bargaining agreement to which the pension plan is subject. The most recent Pension Protection Act zone status available in fiscal 2024 and 2023 is for the plan's year-end at June 30, 2023 and June 30, 2022, respectively. The zone status is based on information that the Museum received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are between 65 percent and 80 percent funded, and plans in the green zone are at least 80 percent funded.

Pension Fund	EIN/Pension Plan Number	Extended Expiration Date of Collective Bargaining Agreement	Pension Protection Act Zone Status		Contributions to the Plan	
			Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023
The Cultural Institutions Pension Plan	11-2001170/001	6/30/2025	Green	Green	$ 213,411	$ 166,680

Since the Plan is in the green zone, it is not subject to a financial improvement plan or a rehabilitation plan nor is a surcharge imposed.

401(k) savings plan

Eligible Museum employees can participate in the CIRS 401(k) savings plan (the "Savings Plan"). An eligible employee may contribute a portion of their compensation in accordance with Internal Revenue Service regulations. In accordance with the Collective Bargaining Agreement, the employer match for the Savings Plan was suspended for the 2013 through 2024 plan years.

Defined contribution retirement plan

The Museum has a defined contribution retirement plan for all eligible employees. The Museum does not contribute to the plan.

Other postretirement benefits

In addition to providing retirement plans, the Museum provides certain postretirement health and supplemental benefits for eligible retired employees. All of the Museum's non-union employees hired before June 30, 2007 and all union employees may become eligible for these benefits if they reach retirement age while working for the Museum and satisfy certain years of service requirements. The Museum funds its postretirement benefit cost on a pay-as-you-go basis.

The postretirement benefit obligation and the net periodic postretirement benefit cost were computed using an assumed discount rate of 5.30% and 4.90%, respectively, for the fiscal years ended June 30, 2024 and June 30, 2023.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 13 – Pension and retirement plans and other postretirement benefits (continued)

Other postretirement benefits (continued)

The Museum continues to evaluate ways in which it can better manage these benefits and control the costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefits may have a significant effect on the amount of the reported obligation and future annual expense.

The following is a summary of the changes in the postretirement benefit obligation as of June 30, 2024 and June 30, 2023:

	2024	2023
Postretirement benefit obligation at the beginning of year		
a. Actives not fully eligible to retire	$ -	$ -
b. Actives fully eligible to retire	828,660	894,067
c. Retirees	1,948,051	2,227,076
d. Total	2,776,711	3,121,143
Interest cost	98,878	122,488
Actuarial (gain)	(685,460)	(288,104)
Benefits paid	(119,998)	(178,816)
Total postretirement benefit obligation at end of year	$2,070,131	$2,776,711
Consists of:		
a. Actives fully eligible to retire	$ 824,134	$ 828,660
b. Retirees	1,245,997	1,948,051
c. Total	$2,070,131	$2,776,711

Other components of the postretirement benefit costs for the years ended June 30, 2024 and June 30, 2023 are as follows:

	2024	2023
Interest cost	$ 98,878	$ 122,488
Actuarial (gain)	(685,460)	(288,104)
Benefits paid	(119,998)	(178,816)
Payments made by the Museum	164,866	191,734
Total	$ (541,714)	$ (152,698)

The estimated annual benefit payments are as follows:

Fiscal Year	Amount
2025	$ 115,126
2026	123,391
2027	132,626
2028	134,795
2029	136,847
2030-2034	715,902

For a non-funded plan, the expected contributions equal the benefit payments for the next fiscal year totaling $115,126.

Note 13 – Pension and retirement plans and other postretirement benefits (continued)

Other postretirement benefits (continued)

For measurement purposes, a projected health care cost trend rate of 5% was used for participants for 2024. The rate is assumed to be 5.0% by 2025. Increasing the assumed healthcare cost trend rate by 1% each year would result in an increase in the post-retirement benefit obligation of $261,917 as of June 30, 2024. Decreasing the assumed healthcare cost trend rate by 1% each year would result in a decrease in the post-retirement benefit obligation of $221,262 as of June 30, 2024.

Note 14 – Liquidity and availability of resources

The Museum regularly monitors the availability of resources required to meet its general expenditures, while also striving to maximize the investment of its available funds. The Museum has various sources of liquidity at its disposal, including cash and cash equivalents, money market funds and investments. In the event of an unanticipated liquidity need, the Museum could also draw upon its available line of credit as of June 30, 2024.

The Museum's endowment consists of funds established for specific purposes, as well as Board-designated funds (without donor restrictions). The Museum is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors, including the duration and preservation of its donor restricted endowment funds. The Museum classifies the original value of gifts donated to the donor restricted endowment fund as net assets with donor restrictions. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions (purpose and time restricted) based on donor stipulations.

As of June 30, 2024, the Board-designated funds totaled $1,563,441 ($856,888) of endowment return included in net assets with temporary donor restrictions and $706,553 for the Tullock Trust Fund included in net assets without donor restrictions). Although the Museum does not intend to spend from this board-designated fund, these amounts shall be made available in such circumstances as necessary to meet short term cash flow needs.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 14 – Liquidity and availability of resources (continued)

The table below presents financial assets available for general expenditures within one year of the statement of financial position date at June 30, 2024 and June 30, 2023:

	2024	2023
Cash and cash equivalents	$ 1,069,736	$ 1,150,082
Investments, at fair value	3,675,210	3,218,532
Contributions receivable, net	1,093,122	1,078,941
Employee retention payroll tax credits receivable	-	96,801
Total financial assets	5,838,068	5,544,356
Less: Donor-imposed restrictions:		
Perpetual donor restrictions	(1,896,336)	(1,858,836)
Temporary donor restrictions	(1,832,703)	(1,404,101)
Total donor-imposed restrictions	(3,729,039)	(3,262,937)
Less: Board-designated funds - Tullock Trust Fund	(706,553)	(706,553)
Financial Assets Available to meet cash needs for general expenditures within one year	$ 1,402,476	$ 1,574,866

Note 15 – Employee retention payroll tax credits

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislations (the "Acts") were signed into law. The Acts provided, among other things, a refundable credit of certain qualified wages per eligible employee for wages paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, the Museum filed amended payroll tax returns requesting refunds and recorded a receivable for such employee retention payroll tax credits. As of June 30, 2023, $96,801 was outstanding which was received during September 2023.

Note 16 – Litigation

The Museum is currently involved in a legal proceeding arising in the ordinary course of business. The Museum believes it has a defense for the proceeding and is vigorously defending the action. In the opinion of management, after consultation with outside legal counsel, the final disposition of the matter will not have a material effect on the Museum's financial statements.

Note 17 – Tax status

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Museum has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation within the meaning of Section 509(a)(1) of the Code.