BROOKLYN CHILDREN'S MUSEUM CORPORATION

Financial Statements
for the years ended
June 30, 2025
and
June 30, 2024

COMD
Certified Public Accountants

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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, 2025 and June 30, 2024 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, 2025 and June 30, 2024 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

May 11, 2026

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Financial Position

Assets

	June 30 2025	June 30 2024
Cash and cash equivalents	$ 4,860,804	$ 1,069,736
Contributions receivable, net		
Without donor restrictions	582,968	1,018,122
With donor restrictions for future periods and programs	200,000	75,000
Prepaid expenses and other assets	186,660	116,534
Investments, at fair value	3,887,125	3,675,210
Property and equipment, net	1,428,458	1,594,065
Total assets	**$11,146,015**	**$ 7,548,667**

Liabilities and Net Assets

	2025	2024
Liabilities		
Accounts payable and accrued expenses	$ 519,688	$ 408,336
Due to City of New York	-	20,205
Deferred revenue	223,585	72,748
SBA loans	470,583	504,522
Refundable advances	495,399	78,020
Accrued postretirement benefits	2,381,368	2,070,131
Total liabilities	4,090,623	3,153,962
Net assets		
Without donor restrictions	296,475	665,666
With donor restrictions	6,758,917	3,729,039
Total net assets	7,055,392	4,394,705
Total liabilities and net assets	**$11,146,015**	**$ 7,548,667**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Activities
Year Ended June 30, 2025
(With Summarized Comparative Information for the Year Ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Contributions and contracts				
Individuals	$ 96,028	$ 6,000	$ 102,028	$ 88,822
Corporations	75,826	236,739	312,565	218,927
Foundations	233,150	2,955,000	3,188,150	455,725
Government and state	772,013	3,250	775,263	787,640
Appropriations from City of New York	3,248,717	-	3,248,717	2,880,491
Admission fees	1,141,105	-	1,141,105	1,240,443
Membership fees	278,575	-	278,575	289,089
Fundraising events, net of direct expenses of $139,158 in 2025 and $119,409 in 2024	449,777	-	449,777	464,259
Space rentals	843,266	-	843,266	735,635
Other earned income	201,083	-	201,083	182,756
Investment return, net	18,134	333,297	351,431	543,740
Sub-total	7,357,674	3,534,286	10,891,960	7,887,527
Net assets released from restrictions	504,408	(504,408)	-	-
Total support and revenue	7,862,082	3,029,878	10,891,960	7,887,527
Expenses				
Program services				
Exhibitions	1,040,910	-	1,040,910	1,059,239
Collections	88,985	-	88,985	218,100
Education	1,795,685	-	1,795,685	1,601,754
Visitor services	808,916	-	808,916	716,373
Maintenance and security	1,808,236	-	1,808,236	1,372,852
Marketing and public affairs	450,363	-	450,363	382,242
Total program services	5,993,095	-	5,993,095	5,350,560
Supporting activities				
General and administrative	1,223,582	-	1,223,582	1,275,611
Development	533,191	-	533,191	544,073
Total supporting activities	1,756,773	-	1,756,773	1,819,684
Total expenses	7,749,868	-	7,749,868	7,170,244
Increase in net assets before postretirement benefits adjustment	112,214	3,029,878	3,142,092	717,283
Postretirement benefits adjustment	(481,405)	-	(481,405)	541,714
Increase (decrease) in net assets	**(369,191)**	**3,029,878**	**2,660,687**	**1,258,997**
Net assets, beginning of year	**665,666**	**3,729,039**	**4,394,705**	**3,135,708**
Net assets, end of year	**$ 296,475**	**$ 6,758,917**	**$ 7,055,392**	**$ 4,394,705**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and contracts			
Individuals	$ 51,822	$ 37,000	$ 88,822
Corporations	72,047	146,880	218,927
Foundations	181,725	274,000	455,725
Government and state	695,640	92,000	787,640
Appropriations from City of New York	2,880,491	-	2,880,491
Admission fees	1,240,443	-	1,240,443
Membership fees	289,089	-	289,089
Fundraising events, net of direct expenses of $119,409	464,259	-	464,259
Space rentals	735,635	-	735,635
Other earned income	182,756	-	182,756
Investment return, net	274	543,466	543,740
Sub-total	6,794,181	1,093,346	7,887,527
Net assets released from restrictions	627,244	(627,244)	-
Total support and revenue	7,421,425	466,102	7,887,527
Expenses			
Program services			
Exhibitions	1,059,239	-	1,059,239
Collections	218,100	-	218,100
Education	1,601,754	-	1,601,754
Visitor services	716,373	-	716,373
Maintenance and security	1,372,852	-	1,372,852
Marketing and public affairs	382,242	-	382,242
Total program services	5,350,560	-	5,350,560
Supporting activities			
General and administrative	1,275,611	-	1,275,611
Development	544,073	-	544,073
Total supporting activities	1,819,684	-	1,819,684
Total expenses	7,170,244	-	7,170,244
Increase in net assets before postretirement benefits adjustment	251,181	466,102	717,283
Postretirement benefits adjustment	541,714	-	541,714
Increase in net assets	**792,895**	**466,102**	**1,258,997**
Net assets (deficit), beginning of year	**(127,229)**	**3,262,937**	**3,135,708**
Net assets, end of year	**$ 665,666**	**$ 3,729,039**	**$ 4,394,705**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Functional Expenses
Year Ended June 30, 2025
(With Summarized Comparative Information for the Year Ended June 30, 2024)

	2025												2024
	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	$ 680,994	$ 73,594	$ 1,270,837	$ 558,985	$ 1,052,922	$ 286,987	$ 3,924,319	$ 185,276	$ -	$ 279,539	$ 464,815	$ 4,389,134	$ 4,026,278
Professional fees	111,495	3,092	250,466	43,584	122,487	67,491	598,615	537,375	-	146,520	683,895	1,282,510	1,386,214
Catering, facility rental, printing and other	-	-	-	-	-	-	-	-	139,158	-	139,158	139,158	119,409
Office expenses	14,385	549	14,209	15,501	5,683	9,134	59,461	78,738	-	9,477	88,215	147,676	137,946
Supplies	105,845	5,723	93,350	122,235	105,254	1,696	434,103	28,308	-	17,494	45,802	479,905	359,878
Travel and meetings	7,803	3,152	48,794	3,292	367	-	63,408	15,693	-	2,613	18,306	81,714	83,059
Marketing	98	-	-	-	-	78,525	78,623	-	-	-	-	78,623	60,567
Equipment	-	1,723	201	516	135,824	85	138,349	16,268	-	-	16,268	154,617	106,176
Maintenance and utilities	8,779	1,152	18,500	8,170	347,754	4,103	388,458	2,100	-	4,184	6,284	394,742	201,829
Insurance	-	-	-	-	-	-	-	284,128	-	-	284,128	284,128	296,720
Other	76,680	-	935	56,633	21	2,342	136,611	46,058	-	73,364	119,422	256,033	314,579
Sub-total	**1,006,079**	**88,985**	**1,697,292**	**808,916**	**1,770,312**	**450,363**	**5,821,947**	**1,193,944**	**139,158**	**533,191**	**1,866,293**	**7,688,240**	**7,092,655**
Depreciation	34,831	-	98,393	-	37,924	-	171,148	29,638	-	-	29,638	200,786	196,998
Total expenses	**1,040,910**	**88,985**	**1,795,685**	**808,916**	**1,808,236**	**450,363**	**5,993,095**	**1,223,582**	**139,158**	**533,191**	**1,895,931**	**7,889,026**	**7,289,653**
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-	(139,158)	-	(139,158)	(139,158)	(119,409)
Total expenses reported by function on the statement of activities	**$ 1,040,910**	**$ 88,985**	**$ 1,795,685**	**$ 808,916**	**$ 1,808,236**	**$ 450,363**	**$ 5,993,095**	**$ 1,223,582**	**$ -**	**$ 533,191**	**$ 1,756,773**	**$ 7,749,868**	**$ 7,170,244**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Functional Expenses
Year Ended June 30, 2024

	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	$ 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
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
Catering, facility rental, printing and other	-	-	-	-	-	-	-	-	119,409	-	119,409	119,409
Office expenses	12,150	11,631	8,194	18,406	2,076	8,903	61,360	75,391	-	1,195	76,586	137,946
Supplies	101,845	20,986	79,872	84,482	55,064	1,770	344,019	3,197	-	12,662	15,859	359,878
Travel and meetings	15,142	13,303	32,893	1,446	-	-	62,784	15,287	-	4,988	20,275	83,059
Marketing	-	-	-	-	-	60,567	60,567	-	-	-	-	60,567
Equipment	-	8,617	-	-	79,727	-	88,344	17,832	-	-	17,832	106,176
Maintenance and utilities	4,333	780	9,302	4,220	178,081	1,858	198,574	986	-	2,269	3,255	201,829
Insurance	-	-	-	-	-	-	-	296,720	-	-	296,720	296,720
Other	110,266	48	761	57,659	806	2,119	171,659	71,369	-	71,551	142,920	314,579
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**
Depreciation	18,658	-	57,269	-	74,657	-	150,584	46,414	-	-	46,414	196,998
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**
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-	(119,409)	-	(119,409)	(119,409)
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**

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Statement of Cash Flows

	Year Ended June 30	
	2025	**2024**
Cash flows from operating activities		
Increase in net assets	$ 2,660,687	$ 1,258,997
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Contribution with perpetual donor restrictions	(1,000)	(37,500)
Depreciation	200,786	196,998
Donated investments	(16,381)	-
Proceeds from donated investments	16,381	-
Net realized (gain) on sale of investments	(192,747)	(47,721)
Change in unrealized value of investments	(66,987)	(420,464)
(Increase) decrease in assets		
Contributions receivable	310,154	(14,181)
Employee retention payroll tax credits receivable	-	96,801
Prepaid expenses and other assets	(70,126)	(20,295)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	111,352	(152,180)
Due to City of New York	(20,205)	(20,210)
Deferred revenue	150,837	(59,062)
Refundable advances	417,379	78,020
Accrued postretirement benefits	311,237	(706,580)
Net cash provided by operating activities	3,811,367	152,623
Cash flows from investing activities		
Purchases of investments	(2,038,327)	(516,623)
Proceeds from sales of investments	2,086,146	528,130
Purchases of property and equipment	(35,179)	(479,080)
Net cash provided by (used in) investing activities	12,640	(467,573)
Cash flows from financing activities		
Contribution with perpetual donor restrictions	1,000	37,500
Repayments of line of credit	-	(133,925)
Proceeds from SBA loans	-	349,300
Repayment of SBA loans	(33,939)	(18,271)
Net cash provided by (used in) financing activities	(32,939)	234,604
Net increase (decrease) in cash and cash equivalents	**3,791,068**	**(80,346)**
Cash and cash equivalents, beginning of year	**1,069,736**	**1,150,082**
Cash and cash equivalents, end of year	**$ 4,860,804**	**$ 1,069,736**
Supplemental disclosure of cash flows information:		
Cash paid for interest	$ 9,480	$ 18,909

See notes to financial statements.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements
June 30, 2025 and June 30, 2024

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, 2025 and June 30, 2024

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 exhibit 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.

In the 2025 fiscal year, the Museum celebrated its 125th anniversary with a year-long series of programs highlighting its history and enduring commitment to Brooklyn families. A new visiting exhibition, *In The Works*, focused on the themes of play, creativity, and construction – inviting children to build collaboratively and experiment with large-scale materials. *ArtRink* returned for its final season before the Museum transitions to a new roller rink experience for the winter months beginning in fiscal 2026.

During fiscal year 2025, the Museum served nearly 300,000 visitors once again, with approximately one-third attending free of charge through a variety of access initiatives, including free hours on Thursdays and Saturdays, free admission for EBT/SNAP cardholders, families of military service members, firefighters, police officers, educators, healthcare workers, and Head Start families. The Museum remains steadfast in its policy never to turn a visitor away for lack of funds.

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.

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.

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

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 credit losses

As of June 30, 2025 and June 30, 2024, the Museum has an allowance for credit losses of $585, for any possible uncollectible contributions. There were no additions to or write-offs from the allowance during the 2025 or 2024 fiscal years. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current and anticipated future economic conditions.

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.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

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

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.

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.

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

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, 2025. 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.

Subsequent events

The Museum has evaluated events and transactions for potential recognition or disclosure through May 11, 2026, 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, 2025 and June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions for Future Periods and Programs	Total
Due within one year	$ 583,553	$ 200,000	$ 783,553
Less: allowance for doubtful accounts	(585)	-	(585)
Total, June 30, 2025	$ 582,968	$ 200,000	$ 782,968
Total, June 30, 2024	$1,018,122	$ 75,000	$1,093,122

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

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, 2025 and June 30, 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Investments				
Money market funds	$ 1,108,722	$ 1,128,340	$ 1,135,400	$ 1,145,453
Equities	979,090	2,109,090	854,142	1,934,897
U.S. Treasuries and corporate bonds	649,835	649,695	603,177	594,860
Sub-total	2,737,647	3,887,125	2,592,719	3,675,210
Money market account	2,523	2,523	2,248	2,248
Total	$ 2,740,170	$ 3,889,648	$ 2,594,967	$ 3,677,458

For the years ended June 30, 2025 and June 30, 2024, net investment return consists of the following:

	2025	2024
Interest and dividends	$ 120,431	$ 98,983
Realized gain on sale of investments	192,747	47,721
Change in unrealized value of investments	66,987	420,464
Investment management fees	(28,734)	(23,428)
Total	$ 351,431	$ 543,740

Note 4 – Property and equipment

A summary of the property and equipment and accumulated depreciation as of June 30, 2025 and June 30, 2024 is as follows:

	2025	2024
Exhibits	$ 10,918,011	$ 10,902,764
Building improvements	1,036,560	1,036,560
Furniture, fixtures and equipment	1,290,105	1,270,173
Total	13,244,676	13,209,497
Less: accumulated depreciation	11,816,218	11,615,432
Net property and equipment	$ 1,428,458	$ 1,594,065

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 5 – 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, 2025, 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, 2025, the outstanding balance on the EIDL was $140,362.

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, 2025, the outstanding balance under the DL was $330,221.

The following are the required annual principal payments on the EIDL and DL based on amounts outstanding as of June 30, 2025:

Fiscal Year	EIDL	DL	Total Amount
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	4,310	28,098	32,408
2031 and after	119,950	195,182	315,132
Totals	$ 140,362	$ 330,221	$ 470,583

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 6 – 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, 2025, government grant advances totaled $495,399 and include $247,129, received from the National Endowment of the Humanities, $215,250 received from the New York State Council on the Arts, and $33,020 from the Department of Cultural Affairs.

Note 7 – 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 is now nearing completion.

Phase 1 is anticipated to reach substantial completion in October 2026, reflecting updates to the construction schedule to accommodate sequencing and scope adjustments identified during implementation. The Museum is currently working with City partners on funding, rephasing, and refinement of the final design scope for the remaining portions of the project. These refinements are being made in response to cost pressures related to tariffs, materials pricing, and landscape expenses that have emerged since the original design development.

Future phases will include the installation of exhibit and landscape elements designed to interpret Brooklyn's geology, ecosystems, and sustainability practices. The Museum remains committed to realizing the full Earth Science Garden vision as a cornerstone of its outdoor learning experiences, with completion targeted for January 2029 pending funding and design updates.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 7 – 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.

As of June 30, 2025, the Museum finalized an updated design for "Brooklyn Time Machine" supported by a $2.5 million gift from the Lilly Endowment, Inc. Construction is expected to commence in the fall of 2026 and will be phased in coordination with HVAC infrastructure upgrades occurring at that time.

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 8 – 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 permitted 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, 2025, the outstanding balance owed to the City of New York has been paid in full.

Note 9 – 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, 2025 and June 30, 2024 is as follows:

	Balance at June 30, 2024	Contributions and Investment Return	Net Assets Released from Restrictions	Balance at June 30, 2025
Time restrictions				
Undepreciated portion				
Capital projects	$ 628,958	$ 3,250	$ -	$ 632,208
Capital expansion	-	2,500,000	-	2,500,000
Endowments return	856,888	333,297	(120,676)	1,069,509
Future programs	280,959	696,739	(378,232)	599,466
Charles E. Inniss Fund for the Children of Brooklyn	65,898	-	(5,500)	60,398
Total	$ 1,832,703	$ 3,533,286	$ (504,408)	$ 4,861,581

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 9 – Net assets with temporary donor restrictions (time and purpose restrictions) (continued)

	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

Note 10 – 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.

Note 10 – 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, 2025 and June 30, 2024 are as follows:

	2025	2024
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	149,133	148,133
Total	$ 1,897,336	$ 1,896,336

Note 11 – 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, 2025 and June 30, 2024:

	2025	2024
Department of Cultural Affairs		
Operational support	$ 2,606,972	$ 2,554,651
Energy	247,255	112,984
Pension	180,916	159,315
Other	213,574	53,541
Total	$ 3,248,717	$ 2,880,491

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 $6,296,862 and $755,496 were made by the City of New York during the years ended June 30, 2025 and June 30, 2024, respectively. The City of New York has spent $71,797,574 on capital expenditures from the 2000 fiscal year through the 2025 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.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 12 – 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, 2025 was $237,082, of which $180,916 was funded by an appropriation from 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 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.
- The Museum's participation in the multiemployer plan for the years ended June 30, 2025 and June 30, 2024, 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 2025 and 2024 is for the plan's year-end at June 30, 2024 and June 30, 2023, 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.

		Extended Expiration Date of Collective	Pension Protection Act Zone Status		Contributions to the Plan	
Pension Fund	EIN/Pension Plan Number	Bargaining Agreement	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024
The Cultural Institutions Pension Plan	11-2001170/001	11/14/2027	Green	Green	$ 237,082	$ 213,411

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.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 12 – Pension and retirement plans and other postretirement benefits (continued)

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 2025 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 5.34% and 5.30%, respectively, for the fiscal years ended June 30, 2025 and June 30, 2024.

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, 2025 and June 30, 2024:

	2025	2024
Postretirement benefit obligation at the beginning of year		
a. Actives not fully eligible to retire	$ -	$ -
b. Actives fully eligible to retire	824,134	828,660
c. Retirees	1,245,997	1,948,051
d. Total	2,070,131	2,776,711
Interest cost	124,221	98,878
Actuarial (gain) loss	340,446	(685,460)
Benefits paid	(153,430)	(119,998)
Total postretirement benefit obligation at end of year	$2,381,368	$2,070,131
Consists of:		
a. Actives fully eligible to retire	$ 798,212	$ 824,134
b. Retirees	1,583,156	1,245,997
c. Total	$2,381,368	$2,070,131

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 12 – Pension and retirement plans and other postretirement benefits (continued)

Other postretirement benefits (continued)

Other components of the postretirement benefit costs for the years ended June 30, 2025 and June 30, 2024 are as follows:

	2025	2024
Interest cost	$ (124,221)	$ (98,878)
Actuarial (gain) loss	(340,446)	685,460
Benefits paid	153,430	119,998
Payments made by the Museum	(170,168)	(164,866)
Total	$ (481,405)	$ 541,714

The estimated annual benefit payments are as follows:

Fiscal Year	Amount
2026	$ 162,465
2027	165,114
2028	166,457
2029	166,656
2030	161,035
2031-2035	843,152

For a non-funded plan, the expected contributions equal the benefit payments for the next fiscal year totaling $162,465.

For measurement purposes, a projected health care cost trend rate of 5% was used for participants for 2025. The rate is assumed to be 5.0% by 2026. Increasing the assumed healthcare cost trend rate by 1% each year would result in an increase in the post-retirement benefit obligation of $280,536 as of June 30, 2025. Decreasing the assumed healthcare cost trend rate by 1% each year would result in a decrease in the post-retirement benefit obligation of $238,875 as of June 30, 2025.

Note 13 – 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.

BROOKLYN CHILDREN'S MUSEUM CORPORATION

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 13 – Liquidity and availability of resources (continued)

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, 2025, the Board-designated funds totaled $1,776,062 ($1,069,509 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.

The table below presents financial assets available for general expenditures within one year of the statement of financial position date at June 30, 2025 and June 30, 2024:

	2025	2024
Cash and cash equivalents	$ 4,860,804	$ 1,069,736
Investments, at fair value	3,887,125	3,675,210
Contributions receivable, net	782,968	1,093,122
Total financial assets	9,530,897	5,838,068
Less: Donor-imposed restrictions:		
Perpetual donor restrictions	(1,897,336)	(1,896,336)
Temporary donor restrictions	(4,861,581)	(1,832,703)
Total donor-imposed restrictions	(6,758,917)	(3,729,039)
Less: Board-designated funds - Tullock Trust Fund	(706,553)	(706,553)
Financial Assets Available to meet cash needs for general expenditures within one year	$ 2,065,427	$ 1,402,476

Note 14 – Litigation

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

Note 15 – 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.