

LONG ISLAND CHILDREN'S MUSEUM

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



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Independent Auditor's Report

The Board of Trustees
Long Island Children's Museum

Opinion

We have audited the accompanying financial statements of Long Island Children's Museum (the "Museum"), which comprise the statements 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 result 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

December 4, 2025

LONG ISLAND CHILDREN'S MUSEUM

Statements of Financial Position

	June 30	
	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 502,239	\$ 375,773
Investments, at fair value	2,601,358	2,439,327
Grants receivable	955,535	1,217,708
Accounts receivable	85,990	84,017
Inventory	57,597	56,841
Prepaid expenses	64,608	93,020
Property and equipment, net	<u>771,110</u>	<u>348,559</u>
Total assets	<u>\$ 5,038,437</u>	<u>\$ 4,615,245</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 190,214	\$ 296,461
Deferred membership revenue	310,379	367,564
Loans payable	<u>464,918</u>	<u>478,405</u>
Total liabilities	<u>965,511</u>	<u>1,142,430</u>
Net assets		
Without donor restrictions	311,492	268,607
With donor restrictions	<u>3,761,434</u>	<u>3,204,208</u>
Total net assets	<u>4,072,926</u>	<u>3,472,815</u>
Total liabilities and net assets	<u>\$ 5,038,437</u>	<u>\$ 4,615,245</u>

See notes to financial statements.

LONG ISLAND CHILDREN'S MUSEUM

Statements of Activities

	Year Ended June 30					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Public support:						
Individuals	\$ 113,283	\$ 300,000	\$ 413,283	\$ 16,175	\$ 384,000	\$ 400,175
Corporations	358,617	256,400	615,017	221,580	-	221,580
Foundations	164,605	10,363	174,968	252,800	120,000	372,800
Federal	63,877	-	63,877	35,040	250,000	285,040
State	40,000	60,000	100,000	21,135	585,000	606,135
County	-	577,000	577,000	250,500	-	250,500
Town	30,000	-	30,000	-	-	-
Special events, gross	558,839	170,398	729,237	599,384	200,000	799,384
Other	36,518	-	36,518	27,471	-	27,471
Contributions of nonfinancial assets	<u>266,405</u>	<u>-</u>	<u>266,405</u>	<u>257,509</u>	<u>-</u>	<u>257,509</u>
Total support	<u>1,632,144</u>	<u>1,374,161</u>	<u>3,006,305</u>	<u>1,681,594</u>	<u>1,539,000</u>	<u>3,220,594</u>
Revenue:						
Admissions	2,328,144	-	2,328,144	2,529,948	-	2,529,948
Memberships	479,329	-	479,329	477,862	-	477,862
Retail sales (net of cost of goods sold of \$138,270 and \$159,130 for 2025 and 2024, respectively)	149,254	-	149,254	183,840	-	183,840
Birthday parties	310,516	-	310,516	385,663	-	385,663
Education fees	289,778	-	289,778	306,797	-	306,797
Theatre performances	62,929	-	62,929	56,920	-	56,920
Museum rentals	94,629	-	94,629	75,606	-	75,606
Vending machines	6,744	-	6,744	6,701	-	6,701
Investment return, net	<u>278,624</u>	<u>-</u>	<u>278,624</u>	<u>268,366</u>	<u>-</u>	<u>268,366</u>
Total revenue	<u>3,999,947</u>	<u>-</u>	<u>3,999,947</u>	<u>4,291,703</u>	<u>-</u>	<u>4,291,703</u>
Total public support and revenue before release from restrictions	5,632,091	1,374,161	7,006,252	5,973,297	1,539,000	7,512,297
Net assets released from restrictions	<u>816,935</u>	<u>(816,935)</u>	<u>-</u>	<u>370,476</u>	<u>(370,476)</u>	<u>-</u>
Total public support and revenue	<u>6,449,026</u>	<u>557,226</u>	<u>7,006,252</u>	<u>6,343,773</u>	<u>1,168,524</u>	<u>7,512,297</u>
Expenses:						
Program services	<u>5,001,837</u>	<u>-</u>	<u>5,001,837</u>	<u>5,149,374</u>	<u>-</u>	<u>5,149,374</u>
Supporting activities						
Management and general	624,175	-	624,175	637,973	-	637,973
Fundraising	<u>780,129</u>	<u>-</u>	<u>780,129</u>	<u>722,097</u>	<u>-</u>	<u>722,097</u>
Total supporting services	<u>1,404,304</u>	<u>-</u>	<u>1,404,304</u>	<u>1,360,070</u>	<u>-</u>	<u>1,360,070</u>
Total expenses	<u>6,406,141</u>	<u>-</u>	<u>6,406,141</u>	<u>6,509,444</u>	<u>-</u>	<u>6,509,444</u>
Increase (decrease) in net assets	42,885	557,226	600,111	(165,671)	1,168,524	1,002,853
Net assets, beginning of year	<u>268,607</u>	<u>3,204,208</u>	<u>3,472,815</u>	<u>434,278</u>	<u>2,035,684</u>	<u>2,469,962</u>
Net assets, end of year	<u>\$ 311,492</u>	<u>\$ 3,761,434</u>	<u>\$ 4,072,926</u>	<u>\$ 268,607</u>	<u>\$ 3,204,208</u>	<u>\$ 3,472,815</u>

See notes to financial statements.

LONG ISLAND CHILDREN'S MUSEUM

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

	<u>Program Services</u>				<u>Support Services</u>			<u>Totals</u>	
	<u>Exhibitions</u>	<u>Education</u>	<u>Visitors Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>2025</u>	<u>2024</u>
Salaries	\$ 391,413	\$ 1,606,734	\$ 940,791	\$ 2,938,938	\$ 304,600	\$ 373,756	\$ 678,356	\$ 3,617,294	\$ 3,582,250
Payroll taxes and benefits	67,939	241,906	144,441	454,286	64,467	59,434	123,901	578,187	539,778
Promotions	26,749	109,802	64,293	200,844	-	-	-	200,844	178,314
Banking and credit card charges	12,314	50,547	29,597	92,458	9,582	11,758	21,340	113,798	114,560
Professional fees	7,823	128,821	129,102	265,746	97,773	122,070	219,843	485,589	654,702
Food and catering	408	11,178	101	11,687	7,262	90,084	97,346	109,033	24,889
Traveling exhibition	89,932	-	-	89,932	-	-	-	89,932	131,601
Repairs and maintenance	40,448	674	65,084	106,206	-	-	-	106,206	96,824
Telephone and internet	3,687	6,091	863	10,641	2,870	3,521	6,391	17,032	39,137
Postage and printing	-	19,218	2,329	21,547	5,414	15,436	20,850	42,397	52,295
Dues, fees and publications	-	21,552	29	21,581	11,936	1,779	13,715	35,296	42,340
Office expense	224	69	854	1,147	3,224	-	3,224	4,371	5,654
Custodial services	15,436	63,366	37,103	115,905	12,042	14,740	26,782	142,687	158,330
Materials and supplies	61,526	74,893	39,251	175,670	540	17,514	18,054	193,724	225,444
Conferences and training	671	8,313	1,270	10,254	15,433	1,728	17,161	27,415	21,867
Insurance	18,634	76,491	44,788	139,913	14,501	17,793	32,294	172,207	180,686
Furniture and equipment rental	-	1,900	-	1,900	13,879	283	14,162	16,062	18,674
Miscellaneous	440	32,610	-	33,050	13,378	12	13,390	46,440	46,894
Utilities	28,827	118,332	69,287	216,446	39,478	27,526	67,004	283,450	257,509
Technology	293	6,451	16,811	23,555	528	13,776	14,304	37,859	62,328
Subtotal	766,764	2,578,948	1,585,994	4,931,706	616,907	771,210	1,388,117	6,319,823	6,434,076
Depreciation and amortization	9,340	38,341	22,450	70,131	7,268	8,919	16,187	86,318	75,368
Total functional expenses	\$ 776,104	\$ 2,617,289	\$ 1,608,444	\$ 5,001,837	\$ 624,175	\$ 780,129	\$ 1,404,304	\$ 6,406,141	\$ 6,509,444

See notes to financial statements.

LONG ISLAND CHILDREN'S MUSEUM

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Program Services				Support Services			Total
	Exhibitions	Education	Visitors Services	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 434,742	\$ 1,809,302	\$ 783,173	\$ 3,027,217	\$ 258,153	\$ 296,880	\$ 555,033	\$ 3,582,250
Payroll taxes and benefits	66,857	234,783	119,276	420,916	65,208	53,654	118,862	539,778
Promotions	25,608	106,574	46,132	178,314	-	-	-	178,314
Banking and credit card charges	13,903	57,861	25,046	96,810	8,256	9,494	17,750	114,560
Professional fees	36,967	114,026	80,762	231,755	181,737	241,210	422,947	654,702
Food and catering	1,363	15,719	301	17,383	7,145	361	7,506	24,889
Traveling exhibition	130,756	845	-	131,601	-	-	-	131,601
Repairs and maintenance	14,476	3,640	78,149	96,265	559	-	559	96,824
Telephone and internet	4,750	19,767	8,556	33,073	2,821	3,243	6,064	39,137
Postage and printing	487	21,388	4,521	26,396	991	24,908	25,899	52,295
Dues, fees and publications	165	19,085	2,796	22,046	19,504	790	20,294	42,340
Office expense	38	861	23	922	4,718	14	4,732	5,654
Custodial services	19,215	79,969	34,615	133,799	11,409	13,122	24,531	158,330
Materials and supplies	86,818	63,284	47,727	197,829	14,198	13,417	27,615	225,444
Conferences and training	1,066	8,175	2,963	12,204	9,001	662	9,663	21,867
Insurance	21,928	91,260	39,503	152,691	13,021	14,974	27,995	180,686
Furniture and equipment rental	108	1,193	2,353	3,654	11,841	3,179	15,020	18,674
Miscellaneous	2,097	42,970	522	45,589	717	588	1,305	46,894
Utilities	31,251	130,061	56,298	217,610	18,558	21,341	39,899	257,509
Technology	<u>1,521</u>	<u>23,262</u>	<u>14,827</u>	<u>39,610</u>	<u>4,705</u>	<u>18,013</u>	<u>22,718</u>	<u>62,328</u>
Subtotal	894,116	2,844,025	1,347,543	5,085,684	632,542	715,850	1,348,392	6,434,076
Depreciation and amortization	<u>9,147</u>	<u>38,066</u>	<u>16,477</u>	<u>63,690</u>	<u>5,431</u>	<u>6,247</u>	<u>11,678</u>	<u>75,368</u>
Total functional expenses	<u>\$ 903,263</u>	<u>\$ 2,882,091</u>	<u>\$ 1,364,020</u>	<u>\$ 5,149,374</u>	<u>\$ 637,973</u>	<u>\$ 722,097</u>	<u>\$ 1,360,070</u>	<u>\$ 6,509,444</u>

See notes to financial statements.

LONG ISLAND CHILDREN'S MUSEUM

Statements of Cash Flows

	Year Ended	
	June 30	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Increase in net assets	\$ 600,111	\$ 1,002,853
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	86,318	75,368
Realized and unrealized (gain) on investments	(187,187)	(206,138)
Donation with perpetual donor restrictions	(300,000)	(300,000)
Changes in:		
Grants receivable	262,173	(922,024)
Accounts receivable	(1,973)	(60,384)
Employee retention credits receivable	-	180,295
Inventory	(756)	(5,190)
Prepaid expenses	28,412	96,380
Accounts payable and accrued expenses	(106,247)	(61,391)
Deferred membership revenue	<u>(57,185)</u>	<u>72,629</u>
Net cash provided by (used in) operating activities	<u>323,666</u>	<u>(127,602)</u>
Cash flows from investing activities		
Purchases of property and equipment	(508,869)	(140,447)
Purchases of investments	(342,186)	(407,639)
Proceeds from sale of investments	394,234	110,835
Change in money market	<u>(26,892)</u>	<u>(17,481)</u>
Net cash (used in) investing activities	<u>(483,713)</u>	<u>(454,732)</u>
Cash flows from financing activities		
Payments to loan payable	(13,487)	(13,125)
Donation with perpetual donor restriction	<u>300,000</u>	<u>300,000</u>
Net cash provided by financing activities	<u>286,513</u>	<u>286,875</u>
Net increase (decrease) in cash	126,466	(295,459)
Cash, beginning of year	<u>375,773</u>	<u>671,232</u>
Cash, end of year	<u>\$ 502,239</u>	<u>\$ 375,773</u>

See notes to financial statements.

LONG ISLAND CHILDREN'S MUSEUM

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

Note 1 – Nature of organization

The Long Island Children's Museum (the "Museum") is an education institution incorporated in 1990 in the State of New York. The Museum presents exhibits and programs for families from all of Long Island, Queens county and the New York City metropolitan area, as well as schoolchildren from pre-school through eighth grade from throughout Long Island. The Museum also provides in-depth educational enrichment programs to high need schools and community agencies serving low-income children and families. The Museum connects all our communities' children, and those who care for them, to one another and to a life of wonder, imagination and exploration. Here, children discover their passions and their relationship to the world we share.

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

Note 2 – Summary of significant accounting policies

Basis of accounting

The financial statements of the Museum have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

Use of estimates

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

Functional allocation of expenses

The cost of providing the Museum's program and supporting services has been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program and supporting services in ratios determined by management.

Investments

Investments are recorded at fair value based on publicly quoted market prices. Net realized and unrealized gains or (losses) on the investments are recorded in the statements of activities as increases or decreases in net assets.

Allowance for credit losses

As of June 30, 2025 and June 30, 2024, the Museum had no allowance for credit losses for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts, current and future anticipated economic conditions. The Museum did not increase the allowance for credit losses and did not have any bad debt write-offs in 2025.

LONG ISLAND CHILDREN'S MUSEUM**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Fair value measurements

For assets measured at fair value on a recurring basis, accounting standards require quantitative disclosure about the fair value measurement separately for each major class of assets. The Museum's investments have been classified in the highest level of hierarchy (Level 1). The fair value of the investments are based on quoted prices in active markets for identical assets.

Financial reporting

The Museum reports information regarding its financial position and activities in two classes of net assets, which are as follows:

Without donor restrictionsOperating

Represent resources, if any, that are not subject to donor-imposed restrictions.

Board-designated reserve fund

The Museum was the recipient of two unrestricted gifts from two Trustees that totaled \$250,000. The Board voted to classify these funds as a board-designated reserve fund governed by specific procedures as described in the related Board adopted policy. The purpose of this fund is to assist the Museum to manage operations during periods of low cash levels (see note 3).

With donor restrictions

Represent those resources the use of which has been restricted by donors for specific purposes and/or the passage of time. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Included in this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Museum.

Grants and grants receivable

Grants are recorded as revenue upon the receipt of cash or unconditional pledges. Grants are considered available for general use, unless specifically restricted by the donor. Conditional grants are recorded when the specified conditions have been met. Any grants to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

LONG ISLAND CHILDREN'S MUSEUM**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Grants and grants receivable (continued)

Funding contracts are often subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements.

All grants receivable are expected to be paid during the 2026 fiscal year.

Revenue recognitionMembership revenue

Membership revenue is recognized as revenue over the year-long term of the membership. Deferred membership revenue consists of memberships that will be earned in future periods.

Admissions and all other sources of revenue

Revenue from admissions and all other sources of revenue are recognized at a point in time when earned.

Inventory

Inventory consists of educational retail products that further the mission of the Museum and are reported at the lower of cost or market value using an average cost method.

Property and equipment

Property and equipment are recorded at their original costs, or if contributed, at their appraised values at the dates of contribution. Depreciation of exhibits (upon installation), furniture, fixtures and equipment is provided using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are being amortized on the straight-line method, over the lesser of the life of the lease or the estimated useful lives of the assets.

Contributed nonfinancial assets

The Museum receives labor services rendered by volunteers who support the Museum's programs and activities. These amounts have not been reflected in the accompanying financial statements as they do not meet the requirements for recognition under generally accepted accounting principles. During the 2025 and 2024 fiscal-years, the total number of hours donated by volunteers amounted to approximately 14,800 and 8,300, respectively.

LONG ISLAND CHILDREN'S MUSEUM**Notes to Financial Statements (continued)****June 30, 2025 and June 30, 2024****Note 2 – Summary of significant accounting policies (continued)****Contributed nonfinancial assets (continued)**

The Museum receives other contributed nonfinancial assets, which are an integral part of the activities of the Museum and would have had to be purchased by the Museum if they had not been donated. Other contributed nonfinancial assets have been recorded at their estimated fair value based on what it would have cost if purchased independently and have been reflected as support and corresponding expenses in the accompanying statements of activities.

Advertising costs

Advertising costs are expensed as incurred.

Concentrations of credit risk

The Museum's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and receivables. The Museum places its cash with what it believes to be a quality financial institution. At times during the year, the balances in Museum's accounts exceeded the FDIC insurance limit. However, the Museum has not experienced any losses in these accounts to date. 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 aforementioned risks, it is at least reasonably possible that changes in these risks could have a material effect on the amounts reported in the statements of financial position at June 30, 2025. The Museum's receivables consist principally of grants from donors. The Museum's receivables are deemed collectible by management. The Museum believes no significant concentrations of credit risk exist with respect to its cash, investments and receivables.

Subsequent events

The Museum has evaluated events and transactions for potential recognition or disclosure through December 4, 2025, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The Museum's working capital and cash flow is subject to variations during the year due to the seasonal nature of cash receipts for admissions and other earned income and the concentration of grants near the end of the fiscal year due to the timing of its fundraising gala event. In order to manage liquidity, The Museum's Board of Trustees designated funds of \$550,000, which consists of a \$250,000 Working Capital Reserve Fund, and a \$300,000 Bridge Loan from our Endowment Fund, as available to draw upon to meet cash flow needs. The draw down requirements from either fund require written notification to the Finance and Executive Committees of the Board. Due to the cancellation of expected Federal Grants, the Museum has a combined total of \$500,000 outstanding from these funds. The \$250,000 drawn down from the Working Capital Reserve Fund will be paid back pending a grant receivable due in the second half of fiscal 2026. The drawing down of the Bridge Loan shall bear interest at a rate of 3% per year payable beginning on September 1, 2025 and LICM will repay the principal amount of the loan in equal annual installments of \$30,000 beginning in fiscal year 2027. The Director of Finance updates the Board of Trustees monthly on cash flow.

LONG ISLAND CHILDREN'S MUSEUM

Notes to Financial Statements (continued)

June 30, 2025 and June 30, 2024

Note 3 – Liquidity and availability of financial assets (continued)

The following is a summary of the Museum's financial assets as of June 30, 2025 and June 30, 2024, reduced by amounts not available for general use within one year of the statements of financial position date due to donor-imposed restrictions or internal designations:

	<u>2025</u>	<u>2024</u>
Cash	\$ 502,239	\$ 375,773
Investments, at fair value	2,601,358	2,439,327
Grants receivable	955,535	1,217,708
Accounts receivable	<u>85,990</u>	<u>84,017</u>
Total financial assets	4,145,122	4,116,825
Less: contractual or donor-imposed restrictions:		
Endowment funds	(2,240,000)	(1,940,000)
Board-designations:		
Working capital reserve fund	-	(263,700)
Restricted cash	<u>(400,395)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,504,727</u>	<u>\$ 1,913,125</u>

Note 4 – Accounts receivable and unearned dues revenue

The following is a summary of the Museum's accounts receivable and unearned dues revenue for the years ended June 30, 2025 and June 30, 2024:

	<u>2025</u>	<u>2024</u>
Grants and accounts receivable, beginning of year	<u>\$1,301,725</u>	<u>\$ 319,317</u>
Grants and accounts receivable, end of year	<u>\$1,041,525</u>	<u>\$1,301,725</u>
Deferred membership revenue, beginning of year	<u>\$ 367,564</u>	<u>\$ 294,395</u>
Deferred membership revenue, end of year	<u>\$ 310,379</u>	<u>\$ 367,564</u>

Note 5 – Investments, at fair value

Investments, comprising the endowment, consist of the following as of June 30, 2025 and June 30, 2024:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 48,253	\$ 48,253	\$ 21,361	\$ 21,361
Fixed income – corporate bond	844,596	836,861	831,817	782,501
Exchange traded fund – U.S. large cap	461,386	713,617	506,857	691,159
Equities	<u>880,234</u>	<u>1,002,627</u>	<u>891,292</u>	<u>944,306</u>
	<u>\$ 2,234,469</u>	<u>\$ 2,601,358</u>	<u>\$ 2,251,327</u>	<u>\$ 2,439,327</u>

LONG ISLAND CHILDREN'S MUSEUM

Notes to Financial Statements (continued)

June 30, 2025 and June 30, 2024

Note 5 – Investments, at fair value (continued)

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

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 91,437	\$ 62,228
Realized and unrealized gain	<u>187,187</u>	<u>206,138</u>
Total	<u>\$ 278,624</u>	<u>\$ 268,366</u>

Note 6 – Property and equipment

At each fiscal year end, property and equipment consisted of the following:

	<u>June 30</u>	
	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 8,846,841	\$ 8,809,386
Exhibits	4,412,900	3,956,086
Furniture and fixtures	637,749	636,134
Equipment	<u>602,384</u>	<u>589,399</u>
Total property and equipment	14,499,874	13,991,005
Less: accumulated depreciation and amortization	<u>(13,728,764)</u>	<u>(13,642,446)</u>
Total property and equipment, net	<u>\$ 771,110</u>	<u>\$ 348,559</u>

Depreciation and amortization expense for fiscal years 2025 and 2024 was \$86,318 and \$75,368, respectively.

LONG ISLAND CHILDREN'S MUSEUM

Notes to Financial Statements (continued)

June 30, 2025 and June 30, 2024

Note 7 – Net assets with donor restrictions

Net assets with donor-imposed restrictions consists of net asset with temporary and perpetual donor restrictions.

Net assets with temporary donor restrictions

At June 30, 2025, net assets with donor restrictions, consisted of the following:

	Balance At June 30, 2024	Support	Released from Restrictions	Balance At June 30, 2025
Saltwater Stories	\$ 870,000	\$ 355,000	\$ (378,000)	\$ 847,000
County of Nassau	-	327,000*	(44,727)	282,273
Dinosaur Exhibit	-	25,000	-	25,000
Westbury STEM4 All	61,708	-	(61,708)	-
New York Humanities	1,000	-	(1,000)	-
Restricted for Time	224,000	270,398	(224,000)	270,398
Music Programming	60,000	-	(60,000)	-
Together to Kindergarten	35,000	-	(35,000)	-
Various Educational Programs	12,500	96,763	(12,500)	96,763
Total	<u>\$ 1,264,208</u>	<u>\$ 1,074,161</u>	<u>\$ (816,935)</u>	<u>\$ 1,521,434</u>

*This grant was originally awarded for the 2025 fiscal year. It was subsequently changed to the period June 1, 2025 through May 31, 2026. Accordingly, a majority of the grant is reflected as temporarily restricted at June 30, 2025 and will be spent and released from restriction during the 2026 fiscal year.

Net assets with perpetual donor restrictions

At June 30, 2025 and June 30, 2024, net assets with perpetual donor restrictions totaled \$2,240,000 and \$1,940,000, respectively.

Note 8 – Endowment funds

The endowment

The Museum's endowment is composed of two funds established for purposes to be defined by the donor of the larger of the funds.

Return objectives and risk parameters

The Board of Trustees has adopted investment and spending policies for the Museum's endowment assets that seek to provide a predictable stream of funding to programs supported by its endowment, and maintain purchasing power of the endowment over time.

LONG ISLAND CHILDREN'S MUSEUM**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 8 – Endowment funds (continued)**Strategies employed for achieving objectives

To satisfy its long-term rate of return objectives, the Museum's investment policy calls for the reliance on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation with prudent risk constraints. The Museum's current endowment fund contains provisions within the gift instrument that supersede the Museum's investment policy.

Spending policy and relationship to investment objectives

Appropriations from the endowment funds will be made on a fund-by-fund basis and in accordance with any specific directives on spending that the donor has imposed. The Museum will establish a spending rate that will balance the need for resources for the Museum with the objective of growing the endowment fund.

Note 9 – Contributed nonfinancial assetsUse of land

In January 2002, the Museum took occupancy of its Mitchell Field, Garden City, New York exhibit and office space. The Museum has entered into a 20-year renewable lease for this space, which is owned by the County of Nassau (the "County"), and was unoccupied prior to the County permitting the Museum to utilize the space. Due to the Museum serving the public interest by constructing and maintaining a museum within the formerly unoccupied premises, and in consideration of the benefit to the County from the operation of the facility, and for special rates offered to school children, youth groups, etc., the amount of rent to be collected as a rental fee shall be reduced to zero. Accordingly, the Museum has not recorded any rental value in the accompanying financial statements. Also pursuant to the lease, the County has agreed to provide all utilities that are required for the operation of the Museum, excluding telephone service, free of charge. The Museum recorded revenue and corresponding expense for these contributed utilities totaling \$266,405 for 2025 and \$257,509 for 2024. During December 2021, the lease was renewed for 20-years effective June 15, 2018.

Note 10 – Loans payable

At June 30, 2025, loans payable consisted of the following:

Economic Injury Disaster Loan

During the 2020 fiscal year, the Museum applied for an Economic Injury Disaster Loan ("EIDL") to provide disaster relief from the COVID-19 pandemic and on May 19, 2020, the loan was approved for \$150,000.

On July 27, 2021, the Museum applied for an amendment to the EIDL. The amendment was approved and the Museum received an additional \$350,000.

LONG ISLAND CHILDREN'S MUSEUM

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

Note 10 – Loans payable (continued)

Economic Injury Disaster Loan (continued)

Repayment of the EIDL commenced November 2022 and requires monthly payments of \$2,206 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, until May 2050, when the entire unpaid principal balance and all accrued and unpaid interest would be due and payable. The EIDL is collateralized by a security interest, as defined in the EIDL documents.

As of June 30, 2025, the required annual principal payments on the EIDL is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 13,866
2027	14,252
2028	14,649
2029	15,057
2030	15,476
2030 and thereafter	<u>391,618</u>
Total	<u>\$ 464,918</u>