

**MUSEUM OF THE CITY OF NEW YORK, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

MUSEUM OF THE CITY OF NEW YORK, INC.

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
Museum of the City of New York, Inc.  
New York, New York

### **Opinion**

We have audited the accompanying financial statements of Museum of the City of New York, Inc. (the "Museum"), which comprise the statements of financial position as of June 30, 2024 and 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 Museum of the City of New York, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

New York, New York  
March 4, 2025

MUSEUM OF THE CITY OF NEW YORK, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 7,498,824	\$ 5,818,488
Investments	37,763,378	34,737,583
Contributions and grants receivable, net	4,184,507	6,590,767
Prepaid expenses and other assets	57,595	139,335
Inventory	148,360	200,184
Property and equipment, net	18,813,205	19,374,831
Operating lease right-of-use assets	1,257,599	1,532,010
Collections (Note 2)	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 69,723,468</u>	 <u>\$ 68,393,198</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 939,602	\$ 692,213
Deferred revenue	264,524	231,299
Operating lease right-of-use liabilities	<u>1,487,620</u>	<u>1,784,215</u>
 Total Liabilities	 <u>2,691,746</u>	 <u>2,707,727</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions:		
Operating	10,296,814	10,137,308
Board-designated endowment	6,662,542	6,156,991
Plant	<u>18,813,205</u>	<u>19,374,831</u>
 Total Net Assets Without Donor Restrictions	 <u>35,772,561</u>	 <u>35,669,130</u>
With donor restrictions:		
Purpose and time restricted	4,724,487	4,759,443
Perpetual in nature	<u>26,534,674</u>	<u>25,256,898</u>
 Total Net Assets With Donor Restrictions	 <u>31,259,161</u>	 <u>30,016,341</u>
 Total Net Assets	 <u>67,031,722</u>	 <u>65,685,471</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 69,723,468</u>	 <u>\$ 68,393,198</u>

The accompanying notes are an integral part of these financial statements.

**MUSEUM OF THE CITY OF NEW YORK, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

		Without Donor Restrictions	With Donor Restrictions			Total
			Purpose and Time Restricted	Perpetual in Nature		Total
<b>OPERATING REVENUES, GAINS (LOSSES) AND OTHER SUPPORT:</b>						
Membership		\$ 399,684	\$ -	\$ -	\$ -	\$ 399,684
Rental fees and other sales	\$ 1,252,247					
Cost of sales	(45,217)	1,207,030	-	-	-	1,207,030
Licensing and other fees		372,774	-	-	-	372,774
Museum shop	706,794					
Cost of sales	(360,587)	346,207	-	-	-	346,207
Investment income	5,327,199					
Management fees	(155,917)	1,637,780	339,064	3,194,438	3,533,502	5,171,282
Educational programs		308,836	-	-	-	308,836
Admissions		988,974	-	-	-	988,974
Contributions and other grants:						
New York City - Department of Cultural Affairs		1,669,912	-	-	-	1,669,912
New York State - Council on the Arts		61,750	-	-	-	61,750
Other grants and contributions		1,571,108	1,901,810	-	1,901,810	3,472,918
In-kind contributions		575,750	-	-	-	575,750
Special events	1,308,690					
Direct expenses of special events	(263,754)	1,044,936	-	-	-	1,044,936
Net assets released from restrictions		4,192,492	(2,275,830)	(1,916,662)	(4,192,492)	-
Total Operating Revenues, Gains (Losses) and Other Support		14,377,233	(34,956)	1,277,776	1,242,820	15,620,053
<b>OPERATING EXPENSES:</b>						
Program services:						
Museum shop		656,737	-	-	-	656,737
Collection care		3,166,168	-	-	-	3,166,168
Educational programs		1,421,864	-	-	-	1,421,864
Exhibition and publications		6,607,299	-	-	-	6,607,299
Total Program Services Expenses		11,852,068	-	-	-	11,852,068
Supporting services:						
Management and general		1,724,375	-	-	-	1,724,375
Membership and development		2,025,219	-	-	-	2,025,219
Total Supporting Services Expenses		3,749,594	-	-	-	3,749,594
Total Operating Expenses		15,601,662	-	-	-	15,601,662
CHANGE IN NET ASSETS FROM OPERATIONS		(1,224,429)	(34,956)	1,277,776	1,242,820	18,391
<b>NON-OPERATING REVENUES:</b>						
Other non-operating revenue		28,037	-	-	-	28,037
Deaccession income		1,299,823	-	-	-	1,299,823
CHANGE IN NET ASSETS		103,431	(34,956)	1,277,776	1,242,820	1,346,251
NET ASSETS, BEGINNING OF YEAR		35,669,130	4,759,443	25,256,898	30,016,341	65,685,471
NET ASSETS, END OF YEAR		\$ 35,772,561	\$ 4,724,487	\$ 26,534,674	\$ 31,259,161	\$ 67,031,722

The accompanying notes are an integral part of these financial statements.

**MUSEUM OF THE CITY OF NEW YORK, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

		Without Donor Restrictions	With Donor Restrictions			
			Purpose and Time Restricted	Perpetual in Nature	Total	Total
OPERATING REVENUES, GAINS (LOSSES) AND OTHER SUPPORT:						
Membership		\$ 289,362	\$ -	\$ -	\$ -	\$ 289,362
Rental fees and other sales	\$ 1,200,843					
Cost of sales	<u>(66,835)</u>	1,134,008	-	-	-	1,134,008
Licensing and other fees		312,826	-	-	-	312,826
Museum shop	719,245					
Cost of sales	<u>(323,257)</u>	395,988	-	-	-	395,988
Investment income (loss)	4,032,432					
Management fees	<u>(139,802)</u>	1,186,059	276,370	2,430,201	2,706,571	3,892,630
Educational programs		235,625	-	-	-	235,625
Admissions		879,939	-	-	-	879,939
Contributions and other grants						
New York City - Department of Cultural Affairs		1,836,161	-	-	-	1,836,161
New York State - Council on the Arts		100,000	-	-	-	100,000
Other grants and contributions		3,082,433	5,441,131	-	5,441,131	8,523,564
In-kind contributions		745,137	-	-	-	745,137
Special events	2,614,343					
Direct expenses of special events	<u>(580,212)</u>	2,034,131	-	-	-	2,034,131
Net assets released from restrictions		<u>6,156,165</u>	<u>(5,183,469)</u>	<u>(972,696)</u>	<u>(6,156,165)</u>	<u>-</u>
Total Operating Revenues Gains and Other Support		<u>18,387,834</u>	<u>534,032</u>	<u>1,457,505</u>	<u>1,991,537</u>	<u>20,379,371</u>
OPERATING EXPENSES:						
Program services:						
Museum shop		434,893	-	-	-	434,893
Collection care		3,134,198	-	-	-	3,134,198
Educational programs		1,450,842	-	-	-	1,450,842
Exhibition and publications		<u>9,012,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,012,257</u>
Total Program Services Expenses		<u>14,032,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,032,190</u>
Supporting services:						
Management and general		1,763,559	-	-	-	1,763,559
Membership and development (fundraising)		<u>2,309,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309,561</u>
Total Supporting Services Expenses		<u>4,073,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,073,120</u>
Total Operating Expenses		<u>18,105,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,105,310</u>
CHANGE IN NET ASSETS FROM OPERATIONS		282,524	534,032	1,457,505	1,991,537	2,274,061
NON-OPERATING REVENUES:						
Deaccession income		<u>1,836,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,836,007</u>
CHANGE IN NET ASSETS		2,118,531	534,032	1,457,505	1,991,537	4,110,068
NET ASSETS, BEGINNING OF YEAR		<u>33,550,599</u>	<u>4,225,411</u>	<u>23,799,393</u>	<u>28,024,804</u>	<u>61,575,403</u>
NET ASSETS, END OF YEAR		\$ 35,669,130	\$ 4,759,443	\$ 25,256,898	\$ 30,016,341	\$ 65,685,471

The accompanying notes are an integral part of these financial statements.

MUSEUM OF THE CITY OF NEW YORK, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services			
	Museum Shop	Collection Care	Educational Programs	Exhibition and Publications	Total	Management and General	Membership and Development	Special Events	Total
Salaries and related expenses	\$ 456,766	\$ 1,758,927	\$ 1,004,703	\$ 4,003,107	\$ 7,223,503	\$ 1,211,022	\$ 1,573,290	\$ -	\$ 10,007,815
Outside services	34,457	143,308	144,745	586,468	908,978	89,694	175,911	-	1,174,583
Legal and accounting	-	7,659	-	-	7,659	142,554	-	-	150,213
Depreciation and amortization	80,716	166,762	89,998	192,658	530,134	62,793	39,482	-	632,409
Public relations	3,000	-	13,520	302,855	319,375	500	1,799	-	321,674
Design, shipping and fabrication	15,447	3,669	6,220	613,847	639,183	13,734	40,555	-	693,472
Printing	696	9,396	16,142	35,623	61,857	7,714	43,115	-	112,686
Occupancy	14,029	638,560	50,273	351,797	1,054,659	50,141	53,782	-	1,158,582
Supplies and expenses	10,780	221,277	20,992	131,057	384,106	20,622	7,632	11,513	423,873
Computing services	4,336	56,706	17,353	107,089	185,484	13,171	23,533	-	222,188
Cost of sales	360,587	-	-	-	360,587	45,217	-	-	405,804
Insurance	4,875	87,109	17,468	139,757	249,209	15,437	18,686	-	283,332
Miscellaneous	31,635	72,795	40,450	143,041	287,921	96,993	47,434	252,241	684,589
Total Expenses	1,017,324	3,166,168	1,421,864	6,607,299	12,212,655	1,769,592	2,025,219	263,754	16,271,220
Less: Direct cost of special events deducted from revenue on the statement of activities	-	-	-	-	-	-	-	(263,754.00)	(263,754)
Less: Cost of sales netted against rental fees and other sales	-	-	-	-	-	(45,217)	-	-	(45,217)
Less: Cost of sales netted against museum shop income	(360,587)	-	-	-	(360,587)	-	-	-	(360,587)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 656,737</u>	<u>\$ 3,166,168</u>	<u>\$ 1,421,864</u>	<u>\$ 6,607,299</u>	<u>\$ 11,852,068</u>	<u>\$ 1,724,375</u>	<u>\$ 2,025,219</u>	<u>\$ -</u>	<u>\$ 15,601,662</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF THE CITY OF NEW YORK, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services			
	Museum Shop	Collection Care	Educational Programs	Exhibition and Publications	Total	Management and General	Membership and Development	Special Events	Total
Salaries and related expenses	\$ 231,783	\$ 1,729,256	\$ 1,059,059	\$ 3,852,696	\$ 6,872,794	\$ 1,182,925	\$ 1,687,999	\$ -	\$ 9,743,718
Outside services	38,739	154,630	143,798	770,643	1,107,810	139,276	264,485	-	1,511,571
Legal and accounting	24	7,453	86	21,122	28,685	147,735	2,557	-	178,977
Depreciation and amortization	71,884	153,070	72,027	207,910	504,891	56,874	54,708	-	616,473
Public relations	2,350	-	8,925	265,729	277,004	6,802	2,665	-	286,471
Design, shipping and fabrication	14,141	18,706	2,474	2,620,429	2,655,750	19,968	86,597	-	2,762,315
Printing	523	7,078	3,545	27,372	38,518	3,808	45,656	-	87,982
Occupancy	18,733	706,650	69,694	472,320	1,267,397	51,862	73,659	-	1,392,918
Supplies and expenses	13,936	173,835	20,723	242,658	451,152	44,232	12,572	208,250	716,206
Computing services	5,408	87,520	21,984	125,274	240,186	15,706	20,718	-	276,610
Cost of sales	323,257	-	-	18	323,275	66,835	-	-	390,110
Insurance	3,568	63,599	12,784	108,682	188,633	11,298	13,676	-	213,607
Miscellaneous	33,804	32,401	35,743	297,404	399,352	83,073	44,269	371,962	898,656
Total Expenses	758,150	3,134,198	1,450,842	9,012,257	14,355,447	1,830,394	2,309,561	580,212	19,075,614
Less: Direct cost of special events deducted from revenue on the statement of activities	-	-	-	-	-	-	-	(580,212)	(580,212)
Less: Cost of sales netted against rental fees and other sales	-	-	-	-	-	(66,835)	-	-	(66,835)
Less: Cost of sales netted against museum shop income	(323,257)	-	-	-	(323,257)	-	-	-	(323,257)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 434,893</u>	<u>\$ 3,134,198</u>	<u>\$ 1,450,842</u>	<u>\$ 9,012,257</u>	<u>\$ 14,032,190</u>	<u>\$ 1,763,559</u>	<u>\$ 2,309,561</u>	<u>\$ -</u>	<u>\$ 18,105,310</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF THE CITY OF NEW YORK, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,346,251	\$ 4,110,068
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	632,409	616,473
Noncash lease expense	274,411	267,250
Deferred rent	-	(262,965)
Investment gains	(4,640,804)	(3,578,907)
Interest and dividends restricted for long-term investment	(111,486)	(141,857)
Changes in assets:		
Contributions and grants receivable	2,406,260	(2,153,787)
Prepaid expenses and other assets	81,740	(90,906)
Inventory	51,824	18,423
Changes in liabilities:		
Accounts payable and accrued expenses	247,389	282,789
Deferred revenue	33,225	123,164
Operating lease liabilities	<u>(296,595)</u>	<u>(15,045)</u>
Net Cash Provided By (Used In) Operating Activities	<u>24,624</u>	<u>(825,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(70,783)	(128,875)
Purchase of investments	(7,003,872)	(5,280,850)
Proceeds from sale of investments	<u>8,618,881</u>	<u>5,660,764</u>
Net Cash Provided By Investing Activities	<u>1,544,226</u>	<u>251,039</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for long-term investment	-	300,000
Interest and dividends restricted for long-term investment	<u>111,486</u>	<u>141,857</u>
Net Cash Provided By Financing Activities	<u>111,486</u>	<u>441,857</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,680,336	(132,404)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,818,488</u>	<u>5,950,892</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,498,824</u>	<u>\$ 5,818,488</u>
NONCASH FINANCING ACTIVITIES:		
Right-of-use assets obtained in exchange for lease obligations:		
Operating	<u>\$ -</u>	<u>\$ 1,799,260</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 1 - Nature of Organization

Museum of the City of New York, Inc. (the "Museum") celebrates and interprets New York City (the "City"), educating the public about its distinctive character, especially its heritage of diversity, opportunity, and perpetual transformation. Founded in 1923 as a private, non-profit corporation, the Museum connects the past, present, and future of the City. It serves the people of New York and visitors from around the world through exhibitions, school and public programs, publications, and collections.

The Museum is located at 1220 Fifth Avenue, New York, N.Y.

The Museum's primary sources of revenues are contributions and grants as well as net revenue from special events. The Museum also operates a gift shop that earns additional revenues.

The Museum is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Museum is subject to federal income tax on any unrelated business taxable income.

Note 2 - Summary of Significant Accounting Policies

Adoption of ASU No. 2016-13

On July 1, 2023, the Museum adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and all subsequently issued related amendments, using the modified retrospective approach. ASU No. 2016-13 changed the methodology used to recognize impairment of the Museum's contract receivables. Under the ASU, financial assets are presented at the net amount expected to be collected, requiring immediate recognition of estimated credit losses expected to occur over the asset's remaining life. This is in contrast to previous accounting principles generally accepted in the United States of America ("U.S. GAAP"), under which credit losses were not recognized until it was probable that a loss had been incurred. The Museum performed its current expected credit loss ("CECL") calculation based on historical accounts receivable write-offs, including consideration of then-existing economic and reasonable and supportable forecasts about collectability. The adoption of this ASU did not have a significant impact on the Museum's financial statements.

Basis of Accounting

The financial statements are prepared on the accrual basis in accordance with U.S. GAAP.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the amount of revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

The Museum considers all liquid investments with original maturities of three months or less to be cash equivalents. Operating and deposit accounts restricted internally by the board are considered to be cash and cash equivalents on the statements of financial position and cash flows. Uninvested cash and cash equivalents held in accounts managed by professional fund advisors are included within investments.

Investments

Investments in marketable securities are stated at fair value based on quoted market prices. Investments in hedge funds are recorded at net asset value (NAV) as a practical expedient. Investment income consists of gains and losses on the sale of investments, unrealized gains and losses, and interest and dividends, net of investment fees, which are recorded as operating activities and recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Museum's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at June 30, 2024 and 2023 in accordance with FASB ASC Topic 820.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Contributions and Grants Receivable

The Museum determines whether an allowance doubtful contributions and grants receivables ("allowance") should be provided for contributions and grants receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current and expected economic conditions, and historical information. The allowance is adjusted based upon management's assessment of the collectability of the contributions and grants receivable. Receivables are written off against the allowance when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Management has determined that no allowance was necessary at June 30, 2024 and 2023.

Inventory

Inventory, which consists of finished goods held for sale in connection with the Museum's gift shop operation, is valued at the lower of cost or net realizable value, with cost determined using the first in, first out (FIFO) method and net realizable value defined as the estimated selling prices in the ordinary course of business.

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are charged to expense on the straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building improvements	50 years
Furniture and equipment	5 years
Computer equipment	2-3 years
Leasehold improvements	10 years

The buildings occupied by the Museum are constructed on properties owned by the City and the Museum. Titles to the buildings are held by the City; however, under an agreement with the City, the Museum has exclusive rights to use the facilities.

The City, as owner of certain of the Museum's land and of all its buildings, also at times directly contracts for, manages, and pays the cost of certain capital projects. Those costs are not reflected in the financial statements.

Long-Lived Asset Impairment

The Museum evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Long-Lived Asset Impairment (cont'd.)

No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Collections

The Museum's collections, which were acquired through purchases and contributions since its inception, are not recognized as assets on the statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. As a matter of policy, proceeds from deaccessions shall be used to fund the purchase of other images or objects or the direct care of collections and are reflected as increases in the appropriate net asset classes. Detailed inventory records, however, are maintained for collections. The value of the collection is not readily determinable, and the Museum is not fully insured for the cost of its replacement. The Museum strives to preserve and maintain its collection.

Contract Liabilities

Revenue from rental fees for events occurring in future periods is deferred and recognized according to the rental agreement. All contract liabilities are expected to be recognized into revenue in the following year.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and are not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Museum either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Museum overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

In-kind Contributions

The Museum receives various forms of gifts-in-kind ("GIKs"), including utilities and legal services. GIKs are reported as contributions at their estimated fair value on the date of receipt and are reported as expense when utilized. GIKs are valued based upon appraisal reports received from third parties. Donated GIKs are not sold, and goods are only utilized for program use.

Non-financial contributions by category	Type of contributions for beneficiaries	Valuation	2024	2023
Utilities	Utilities from the New York Department of Cultural Affairs ("DCA")	Appraisal reports received from independent third parties	\$ 503,606	\$ 572,698
Legal services	Outside legal services	Appraisal reports received from independent third parties	72,144	172,439
			<u>\$ 575,750</u>	<u>\$ 745,137</u>

Government Grants

Support funded by grants is recognized as the Museum performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Revenue Recognition

As referenced in Note 9, licensing, rental and other fees, museum shop and admissions, educational programs, and special events revenues are recognized as the Museum satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or at the amount that reflects the consideration the Museum expects to receive in exchange for providing goods or services. The Museum determines the transaction price based on standard charges for goods and services provided.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Special Events

The Museum conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenues in the accompanying financial statements.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statements of activities on a net basis.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and membership and development categories based on estimated time spent by employees, square footage and other methods.

Leases

The Museum applies a two-model approach to all leases in which it is a lessee and classifies leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the Museum. Lease classification is evaluated at the inception of the lease agreement. Regardless of classification, the Museum records a right-of-use asset and a lease liability for all leases with a term greater than 12 months. In order to calculate the lease liability, certain assumptions related to lease terms and discount rates are made. Renewal options are evaluated in the determination of lease terms. When available, the Museum uses the rate implicit in the lease or a borrowing rate based on similar debt to discount lease payments. However, when a lease does not provide a readily determinable implicit rate, and the Museum's existing debt does not have similar terms, the Museum uses the U.S. Treasury rate constant maturity at each lease commencement date to discount lease payments. At June 30, 2024 and 2023, the Museum applied a discount rate of 4.69% for operating leases.

Advertising

Advertising costs are expensed as incurred and are included in public relations in the statements of functional expenses.

Measure of Operations

The Museum includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting activities and excludes other nonoperating revenues, including forgiveness of debt.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounting for Uncertainty in Income Taxes

The Museum has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Museum is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Museum believes it is no longer subject to income tax examinations for years prior to 2021.

Note 3 - Concentration of Credit Risk

The Museum maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At June 30, 2024 and 2023, and periodically throughout the years then ended, the Museum's balances exceeded these limits.

Approximately 39% and 43% of all contributions and grants were received from two donors/grantors in 2024 and 2023, respectively. In addition, approximately 43% and 30% of all contributions and grants receivable as of June 30, 2024 and 2023, respectively, were due from two donors/grantors.

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024 and 2023.

Equities and mutual funds are stated at fair value using Level 1 and 2 inputs based on quoted market prices of identical securities in active markets.

Fixed income securities are stated at fair value using Level 1 and 2 inputs based on pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Alternative investments - Valued at NAV as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Cash - Valued at amortized cost, which approximates fair value.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 4 - Fair Value Measurement (cont'd.)

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities:				
Domestic	\$ 27,308,040	\$ -	\$ -	\$ 27,308,040
Fixed income securities:				
U.S. government obligations	-	1,564,603	-	1,564,603
Corporate obligations	-	730,619	-	730,619
Foreign obligations	-	73,451	-	73,451
Mutual funds:				
Fixed income	1,566,670	-	-	1,566,670
Cash and cash equivalents	<u>303,024</u>	<u>-</u>	<u>-</u>	<u>303,024</u>
Total investments, at fair value	<u>\$ 29,177,734</u>	<u>\$ 2,368,673</u>	<u>\$ -</u>	31,546,407
Alternative investments (a):				
Equity long/short hedge funds measured at net asset value				4,428,725
Multi strategy hedge funds measured at net asset value				<u>1,788,246</u>
Total investments				<u>\$ 37,763,378</u>

- a) In accordance with FASB ASC Subtopic 820-10, certain investments that were measured at net asset value ("NAV") per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 4 - Fair Value Measurement (cont'd.)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities:				
Domestic	\$ 23,650,337	\$ -	\$ -	\$ 23,650,337
Fixed income securities:				
U.S. government obligations	-	1,434,006	-	1,434,006
Corporate obligations	-	772,656	-	772,656
Foreign obligations	-	91,171	-	91,171
Mutual funds:				
Fixed income	1,424,260	-	-	1,424,260
Equities	364,268	-	-	364,268
Cash and cash equivalents	1,244,575	-	-	1,244,575
Total investments, at fair value	<u>\$ 26,683,440</u>	<u>\$ 2,297,833</u>	<u>\$ -</u>	28,981,273
Alternative investments (a):				
Equity long/short hedge funds measured at net asset value				4,087,215
Multi strategy hedge funds measured at net asset value				<u>1,669,095</u>
Total investments				<u>\$ 34,737,583</u>

- a) In accordance with FASB ASC Subtopic 820-10, certain investments that were measured at net asset value ("NAV") per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 4 - Fair Value Measurement (cont'd.)

Alternative Investments

Investments in certain entities measured at fair value using the net asset value per share as a practical expedient consist of the following at June 30, 2024 and 2023:

	<u>Fair Value</u> 2024	<u>Fair Value</u> 2023	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice period</u>
Equity Long/Short term Hedge Funds:				
King Street Capital, Ltd. (a)	\$ 48,923	\$ 61,120	Not Redeemable	Not Redeemable
Valinor Capital Partners Offshore, Ltd. (b)	166,516	128,252	Not Redeemable	Not Redeemable
Riva Ridge Overseas Fund (c)	2,319,720	2,125,845	Quarterly	90 days
Corre Partners Management, LLC (d)	1,893,566	1,771,998	Quarterly	90 days
Multistrategy Hedge Funds:				
Taconic Opportunity Offshore Fund (e)	<u>1,788,246</u>	<u>1,669,095</u>	Quarterly	60 days
	<u>\$ 6,216,971</u>	<u>\$ 5,756,310</u>		

There were no unfunded commitments at June 30, 2024 and 2023.

- a) King Street Capital, Ltd.: Investments include public equity and fixed-income markets globally with a focus in distressed companies, equity, bonds, foreign exchange, warrants and options. Although not redeemable directly by the Museum, the fund is in the process of redeeming the classes of shares held by the Museum. Timing of full redemption is unknown as of the date of this report.
- b) Valinor Capital Partners Offshore, Ltd. ("Valinor"): Valinor's investment objective is to generate long-term, superior, risk-adjusted returns by investing primarily in publicly traded equity securities. Valinor will seek to achieve the investment objective by employing a strict fundamentals-based investment strategy. Although not redeemable directly by the Museum, the fund is in the process of redeeming the remainder of the classes of shares held by the Museum. Timing of full redemption is unknown as of the date of this report.
- c) Riva Ridge Overseas Fund: Small event-driven/distressed hedge fund with long/short positions. Short portfolio predominantly composed of larger single-name, high dollar priced, high yield bonds.
- d) Corre Partners Management, LLC: Deep value, event driven funds that aim to achieve equity-like returns while taking less risk by investing across the capital structure. Investors may also be charged a redemption fee of 5% of the amount redeemed if the redemption is not made at least one year from the date of purchase.
- e) Taconic Opportunity Offshore Fund: Multi-strategy fund with positions in arbitrage, credit, special situations and reorganizations. Additionally, portfolio hedging focuses on protecting the portfolio in a severe market dislocation.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 5 - Contributions and Grants Receivable

Contributions and grants receivable consisted of the following at June 30, 2024 and 2023:

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 754,404	\$ 2,173,063	\$ 2,927,467
Due within one to five years	-	1,300,000	1,300,000
	754,404	3,473,063	4,227,467
Less: unamortized discount	-	(42,960)	(42,960)
	<u>\$ 754,404</u>	<u>\$ 3,430,103</u>	<u>\$ 4,184,507</u>
	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 1,273,284	\$ 2,902,643	\$ 4,175,927
Due within one to five years	-	2,457,800	2,457,800
	1,273,284	5,360,443	6,633,727
Less: unamortized discount	-	(42,960)	(42,960)
	<u>\$ 1,273,284</u>	<u>\$ 5,317,483</u>	<u>\$ 6,590,767</u>

The discount rates used ranged from 0.25% to 4.52% at June 30, 2024 and 2023.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 6 - Conditional Gifts and Grants and Future Commitments

The Museum receives conditional promises to give and grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. The following are commitments that extend beyond June 30, 2024 that are not recognized in the financial statements:

Conditional Promise to Give/Grant	Term	Amount	Earned through June 30, 2024	Available
New York State - Council of the Arts	1/1/2021 - 12/31/2024	<u>\$ 150,000</u>	<u>\$ (5,000)</u>	<u>\$ 145,000</u>

Note 7 - Property and Equipment

Property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Building	\$ 28,492,405	\$ 28,492,405
Furniture and equipment	3,711,039	3,711,039
Computer equipment	1,031,967	961,184
Leasehold improvements	64,506	64,506
Construction in progress	<u>4,105</u>	<u>4,105</u>
	33,304,022	33,233,239
Accumulated depreciation	(14,426,311)	(13,793,902)
Accumulated amortization	<u>(64,506)</u>	<u>(64,506)</u>
	<u>\$ 18,813,205</u>	<u>\$ 19,374,831</u>

Depreciation and amortization expense was \$632,409 and \$616,473 for the years ended June 30, 2024 and 2023, respectively.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 8 - Leases

The Museum leases warehouse space to house part of its permanent collection under a 14-year lease which will expire September 30, 2028.

The following table represents lease activity for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Lease cost:		
Operating lease cost	<u>\$ 274,411</u>	<u>\$ 267,250</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 326,419</u>	<u>\$ 326,419</u>
Weighted-average remaining lease term - operating leases	<u>4.25 years</u>	<u>5.25 years</u>
Weighted-average discount rate - operating leases	<u>2.50%</u>	<u>2.50%</u>

The future minimum lease payments under noncancelable operating lease with terms greater than one year are listed below as of June 30, 2024:

<u>Years Ending June 30:</u>	
2025	\$ 349,668
2026	361,907
2027	374,573
2028	387,683
2029	<u>97,747</u>
Total minimum lease payments	1,571,578
Less: Amount representing interest	<u>83,958</u>
Present value of future payments	1,487,620
Less: Current lease liabilities	<u>326,419</u>
Long-term lease liabilities	<u>\$ 1,161,201</u>

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 9 - Revenue from Contracts

Membership, Licensing, Rental and Other Fees

Revenue from contracts with others is recognized as the Museum satisfies performance obligations under its contracts over time. Revenue is reported at the estimated transaction price or amount that reflects the consideration the Museum expects to receive in exchange for providing goods or services. The Museum determines the transaction price based on standard charges for goods and services provided. The Museum recognizes contract liabilities as they relate to the Museum's obligation for goods or services to a customer when some consideration has already been received from the customer.

Museum Shop and Admissions Revenue

Museum shop revenue is recognized as the performance obligation is satisfied at a point in time, generally when the goods are provided to customers and the Museum does not believe it is required to provide additional goods related to that sale.

Fees received in connection with the tours of exhibitions organized by the Museum are recognized as revenues when the exhibition is shown (admission). These fees are recognized at a point in time and when the Museum does not believe it is required to provide additional services related to that sale.

Educational Programs Revenue

Revenue from contracts with individuals for educational program services is reported at the amount that reflects the consideration the Museum expects to receive in exchange for providing instruction. These amounts are due from individuals who register for the event.

Revenue is recognized as performance obligations are satisfied, which is ratably over the course of the program. Generally, the Museum bills and collects the fees from the individuals upon registration for the course.

If an individual withdraws within three days of the registration date, the individual is entitled to a full refund. No refunds are awarded after the three days prior to the close of the registration period.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 9 - Revenue from Contracts (cont'd.)

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration the Museum expects to receive in exchange for the direct cost of the benefits received by the participant at the event. These revenues are recognized at the point in time that the event takes place.

Transaction Price and Recognition

The Museum determines the transaction price based on standard charges for goods and services provided. Consideration amounts are not variable, and the contracts do not have significant financing components. For the years ended June 30, 2024 and 2023, the Museum recognized revenue of \$2,202,110 and \$1,971,821, respectively, from goods and services that transfer to the customer over time.

For the years ended June 30, 2024 and 2023, the Museum recognized revenue of \$1,598,931 and \$1,856,139, respectively, from goods and services that transfer to the customer at a point in time.

The Museum has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payers (for example, customer, governmental programs and others) that have different reimbursement and payment methodologies.
- Museum's line of business that provided the service.

Accounting Policies and Practical Expedients Elected

The Museum has elected the practical expedient allowed under FASB ASC Subtopic 606-10-32-18 and does not adjust the promised amount of consideration from customers and third parties for the effects of a significant financing component due to the Museum's expectation that the period between the time the service is provided to a customer and the time the customer or a third-party payer pays for that service will be one year or less.

The Museum is also applying an accounting policy election, which allows an entity to exclude from revenue any amounts collected from customers on behalf of third parties, such as sales taxes and other similar taxes the Museum collects concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 10 - Multiemployer Pension Plan

The Museum contributes to a multiemployer defined benefit pension plan under the terms of an agreement that covers its union-represented employees. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

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

The Museum's participation in this plan for the years ended June 30, 2024 and 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, if applicable.
- The most recent Pension Protection Act ("PPA") zone status available in 2024 is for the plan's year-end at June 30, 2024.
- The zone status is based on information 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 65 percent to 80 percent funded, and plans in the green zone are at least 80 percent funded.
- The "FIP/RP Status Pending/Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.
- The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act		FIP/RP Status  Pending/Implemented	Contributions for the Years		Surcharge Imposed	Expiration Date of Agreement
		Zone Status			Ended June 30,			
		2024	2023		2024	2023		
The Cultural Institutions Pension Plan	11-2001170 001	Green	Green	N/A	\$ 604,487	\$ 496,406	No	7/1/2024*

\*Subsequent to year end, the collective-bargaining agreement was extended through December 31, 2024.

Contributions to the plan for the year ended June 30, 2024 increased due to an increase in employees participating in the plan.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Exhibitions, collections and programs	\$ 4,061,987	\$ 4,257,274
Endowments:		
Perpetual in nature - endowment corpus:		
Louis Auchincloss Prize Endowment	770,527	697,829
Frederick AO Schwarz Family Endowment	1,988,472	1,824,261
Hearst Foundation - Education	286,963	268,035
Laura and Ray Johnson Fund	1,280,204	1,280,204
Mary Flagler Cary Endowment	100,000	100,000
Grace Mayer Conservation Fund	250,000	250,000
Charles E. Merrill - Education	50,000	50,000
Mary and Donald Oenslager Fund	200,000	200,000
Margareth and Stephen Ogden - Lecture series and exhibits for children and teenagers	468,596	411,061
Gallery Programming - Puffin Foundation	1,604,166	1,503,858
John and Barbara Robinson Fund - Education	1,897,113	1,667,102
Ronay Menschel Director/CEO of the Museum of the City of New York Endowment	3,491,823	3,204,862
Evelyn Spitalny - Music in Museum Concerts	49,432	42,820
Robert Jeffe - Lecture series	351,257	308,115
Robert and Elizabeth Jeffe Endowment Chief Curator	2,267,268	2,696,058
Thompson Family Foundation Endowment - Education	11,478,853	10,752,693
Total perpetual in nature	26,534,674	25,256,898
Subject to NFP endowment spending policy and appropriation:		
Accumulated investment gains restricted by donors for programs	662,500	502,169
Total endowments	27,197,174	25,759,067
	<u>\$ 31,259,161</u>	<u>\$ 30,016,341</u>

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 11 - Net Assets with Donor Restrictions (cont'd.)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Exhibitions, collections and programs	\$ 2,275,830	\$ 5,183,469
Restricted purpose spending-rate distributions and appropriations	<u>1,916,662</u>	<u>972,696</u>
	<u>\$ 4,192,492</u>	<u>\$ 6,156,165</u>

Note 12- Endowment Funds

The Museum's governing body is subject to the State of New York Prudent Management of Institutional Funds Act ("NYPMIFA"). As a result, the Museum classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservations of the fund
2. Purpose of the Museum and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Museum
7. Investment policies of the Museum

The Museum's endowment consists of approximately 16 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

Note 12 - Endowment Funds (cont'd.)

Endowment Net Asset Composition by Type of Fund at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		
		Unspent Accumulated Earnings	Original Gifts	Total
Board-designated endowment fund	\$ 6,662,542	\$ -	\$ -	\$ 6,662,542
Donor-restricted endowment fund	-	662,500	26,534,674	27,197,174
	<u>\$ 6,662,542</u>	<u>\$ 662,500</u>	<u>\$ 26,534,674</u>	<u>\$ 33,859,716</u>

Endowment Net Asset Composition by Type of Fund at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions		
		Unspent Accumulated Earnings	Original Gifts	Total
Board-designated endowment fund	\$ 6,156,991	\$ -	\$ -	\$ 6,156,991
Donor-restricted endowment fund	-	502,169	25,256,898	25,759,067
	<u>\$ 6,156,991</u>	<u>\$ 502,169</u>	<u>\$ 25,256,898</u>	<u>\$ 31,916,058</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		
		Unspent Accumulated Earnings	Original Gifts	Total
Endowment net assets, beginning of year	\$ 6,156,991	\$ 502,169	\$ 25,256,898	\$ 31,916,058
Investment income	868,672	170,331	3,194,438	4,233,441
Appropriation of endowment assets for expenditure	(363,121)	(10,000)	-	(373,121)
Released from restrictions	-	-	(1,916,662) *	(1,916,662)
Endowment net assets, end of year	<u>\$ 6,662,542</u>	<u>\$ 662,500</u>	<u>\$ 26,534,674</u>	<u>\$ 33,859,716</u>

\*Amounts were released based on spending rates and purposes instructed by the donors.

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NOTES TO FINANCIAL STATEMENTS  
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Note 12 - Endowment Funds (cont'd.)

Changes in Endowment Net Assets for the Year Ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions		
		Unspent Accumulated Earnings	Original Gifts	Total
Endowment net assets, beginning of year	\$ 5,953,944	\$ 347,154	\$ 23,799,393	\$ 30,100,491
Investment loss	707,979	166,840	2,430,201	3,305,020
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	(204,932)	(11,825)	-	(216,757)
Released from restrictions	<u>(300,000)</u>	<u>-</u>	<u>(972,696) *</u>	<u>(1,272,696)</u>
Endowment net assets, end of year	<u>\$ 6,156,991</u>	<u>\$ 502,169</u>	<u>\$ 25,256,898</u>	<u>\$ 31,916,058</u>

\*Amounts were released based on spending rates and purposes instructed by the donors.

Investment and Spending Policies

The objective of the Museum is to maintain the principal endowment funds at the original amount designated by the donor and to generate investment income for the specified purpose. The investments are summarized in Note 4. Income is distributed on a total return basis to either non-donor designated funds or donor designated funds as designated by the donor. Certain donors have specified that investment income and losses, net of investment fees, be added to the corpus of the endowment funds and have established criteria different from the Museum's spending rate formula of 5% of the prior 5-year average balance as measured on a quarterly basis.

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NOTES TO FINANCIAL STATEMENTS  
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Note 12 - Endowment Funds (cont'd.)

Underwater Endowments

The governing body of the Museum has interpreted NYPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Museum considers a fund to be underwater if the fair value of the fund is less than the original value of initial and subsequent gift amounts donated to the fund.

For the year ended June 30, 2024, there were no underwater endowments. For the year ended June 30, 2023, a deficiency of this nature existed in one donor-restricted endowment fund, with an original gift value of \$100,000, a current fair value of \$98,566, and a deficiency of \$1,434. This deficiency resulted from unfavorable market fluctuation.

The Museum has interpreted NYPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Museum has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor stipulations or laws and regulations. The governing board did not appropriate any expenditures from the underwater endowment funds during the years ended June 30, 2024 and 2023.

Note 13 - Expansion

The City has advised the Museum that it has paid \$5,000 and \$36,433 for the renovation or purchase of equipment for the years ended June 30, 2024 and 2023, respectively.

These purchases are not included in the financial statements.

Note 14 - Sale of Collection Material

In 2024 and 2023, the Museum deaccessioned a collection of books and other items that were determined to be off-mission. The books and other items belonging to the Museum were auctioned in 2024 and 2023. The net proceeds were \$1,299,823 and \$1,836,007 for the years ended June 30, 2024 and 2023, respectively, which are included in other nonoperating revenues on the statements of activities.

MUSEUM OF THE CITY OF NEW YORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
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Note 15 - Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 7,498,824	\$ 5,818,488
Investments	37,763,378	34,737,583
Contributions and grants receivable, net	<u>4,184,507</u>	<u>6,590,767</u>
Total financial assets	49,446,709	47,146,838
Less:		
Donor-imposed restrictions:		
Purpose and time restricted	(4,724,487)	(4,759,443)
Perpetual in nature	<u>(26,534,674)</u>	<u>(25,256,898)</u>
Net financial assets after donor-imposed restrictions	18,187,548	17,130,497
Internal designations:		
Board-designated endowment	<u>(6,662,542)</u>	<u>(6,156,991)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,525,006</u>	<u>\$ 10,973,506</u>

The Museum's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment is subject to an annual spending rate of 5% as described in Note 12. Although the Museum does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Museum manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Museum regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. To achieve this goal, the Museum forecasts its future cash flows and monitors its liquidity on a monthly basis. The Museum has various sources of liquidity at its disposal, including cash and cash equivalents and marketable securities.

MUSEUM OF THE CITY OF NEW YORK, INC.  
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Note 16 - Contingencies

Paycheck Protection Program

The Small Business Administration (“SBA”) may undertake a review of a Paycheck Protection Program (“PPP”) loan of any size greater than \$150,000 during the six-year period following forgiveness or repayment of the loan. If selected, the review would include the loan forgiveness application, as well as whether the Museum met the eligibility requirements of the PPP and received the proper loan amount. The Museum received a PPP 1 loan in April 2020 and a PPP 2 loan in February 2021, in the amount of \$1,759,145 each. The Museum received full forgiveness of the PPP 1 in May 2021 and PPP 2 in October 2021. The Museum is subject to an SBA review until May 2027 and October 2027, respectively. Whether the Museum will be selected for an SBA review, as well as the timing and outcome, is not yet known.

Employee Retention Credit

The Internal Revenue Service (“IRS”) may undertake a review of the Employee Retention Credit (“ERC”) for a period of three years from the date the amended return was filed. The Museum filed for refunds of \$1,260,493 in November 2022 for the first, third and fourth quarters of 2021.

Note 17 - Subsequent Events

The Museum has evaluated all events or transactions that occurred after June 30, 2024 through March 4, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.