

Financial Statements  
June 30, 2025 and 2024

# Minnesota Children's Museum

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Financial Statements

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## Independent Auditor's Report

To the Board of Directors  
Minnesota Children's Museum  
St. Paul, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Minnesota Children's Museum (the Museum), which comprise the statements of financial position as of June 30, 2025 and 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 these 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 for 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 GAAS 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 GAAS, 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.

*Eide Bailly LLP*

Minneapolis, Minnesota  
November 13, 2025

Minnesota Children's Museum  
Statements of Financial Position  
June 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 641,749	\$ 983,944
Grants and promises to give, net	488,253	641,181
Accounts receivable	80,417	110,961
Prepaid expenses and other	88,671	109,551
Operating investments	9,023,429	6,732,152
Land, building and improvements, equipment, furniture and fixtures, exhibits, and art sculpture, net	25,098,751	25,193,592
Finance lease right-of-use assets	59,193	1,174
Endowment investments	9,079,970	8,484,422
	<u>\$ 44,560,433</u>	<u>\$ 42,256,977</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 304,993	\$ 140,826
Contractors payable	95,165	85,589
Other accrued expenses	672,881	636,757
Deferred revenue	1,980,562	2,133,074
Note payable	-	115,955
Finance lease liability	60,595	1,298
	<u>3,114,196</u>	<u>3,113,499</u>
<b>Net Assets</b>		
<b>Without donor restrictions</b>		
Undesignated	28,759,862	29,298,142
Board-designated fixed asset reserve	161,602	800,000
Board-designated traveling exhibit	495,990	-
Board-designated endowment	4,268,576	3,988,603
	<u>33,686,030</u>	<u>34,086,745</u>
<b>With donor restrictions</b>		
Purpose and time restricted	2,948,813	560,914
Accumulated earnings	896,391	580,816
Perpetual in nature	3,915,003	3,915,003
	<u>7,760,207</u>	<u>5,056,733</u>
	<u>41,446,237</u>	<u>39,143,478</u>
<b>Total net assets</b>	<u>41,446,237</u>	<u>39,143,478</u>
<b>Total liabilities and net assets</b>	<u>\$ 44,560,433</u>	<u>\$ 42,256,977</u>

Minnesota Children's Museum  
Statements of Activities  
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated and Board-Designated Fixed Asset Reserve and Travel Exhibit</u>	<u>Board- Designated Endowment</u>		
Revenue, Support, and Gains				
Museum admissions	\$ 1,882,099	\$ -	\$ -	\$ 1,882,099
Memberships	1,630,708	-	-	1,630,708
Exhibit rentals and sales	1,468,054	-	-	1,468,054
Net investment return	400,233	458,144	516,404	1,374,781
Other revenue	571,530	-	-	571,530
Grants and contributions	890,728	-	3,382,157	4,272,885
Government grants	1,140,192	-	-	1,140,192
Gross special events revenue				
Ticket sales and auction	356,102	-	-	356,102
In-kind contributions	36,259	-	-	36,259
Less cost of direct benefit to donors	(64,007)	-	-	(64,007)
Net special events revenue	328,354	-	-	328,354
Net assets released from restrictions pursuant to endowment spending-rate distribution formula	379,000	(178,171)	(200,829)	-
Net assets released from restrictions - other	994,258	-	(994,258)	-
 Total revenue, support, and gains	 <u>9,685,156</u>	 <u>279,973</u>	 <u>2,703,474</u>	 <u>12,668,603</u>
Expenses				
Program service expenses	8,175,211	-	-	8,175,211
Administration expenses	1,440,542	-	-	1,440,542
Fundraising expenses	750,091	-	-	750,091
 Total expenses	 <u>10,365,844</u>	 <u>-</u>	 <u>-</u>	 <u>10,365,844</u>
Change in Net Assets	(680,688)	279,973	2,703,474	2,302,759
Net Assets, Beginning of Year	<u>30,098,142</u>	<u>3,988,603</u>	<u>5,056,733</u>	<u>39,143,478</u>
Net Assets, End of Year	<u>\$ 29,417,454</u>	<u>\$ 4,268,576</u>	<u>\$ 7,760,207</u>	<u>\$ 41,446,237</u>

Minnesota Children's Museum  
Statements of Activities  
Year Ended June 30, 2024

	Without Donor Restrictions			Total
	Undesignated and Board-Designated Fixed Asset Reserve	Board- Designated Endowment	With Donor Restrictions	
Revenue, Support, and Gains				
Museum admissions	\$ 2,089,245	\$ -	\$ -	\$ 2,089,245
Memberships	1,617,653	-	-	1,617,653
Exhibit rentals and sales	1,392,468	-	-	1,392,468
Net investment return	272,948	404,666	550,247	1,227,861
Other revenue	627,843	-	-	627,843
Grants and contributions	629,497	110,000	422,861	1,162,358
Government grants	1,226,878	-	-	1,226,878
Gross special events revenue				
Ticket sales and auction	329,918	-	-	329,918
In-kind contributions	59,242	-	-	59,242
Less cost of direct benefit to donors	(94,651)	-	-	(94,651)
Net special events revenue	294,509	-	-	294,509
In-kind contributions	725,000	-	-	725,000
Net assets released from restriction pursuant to endowment spending-rate distribution formula	327,000	(151,459)	(175,541)	-
Net assets released from restrictions - other	805,555	-	(805,555)	-
<b>Total revenue, support, and gains</b>	<b>10,008,596</b>	<b>363,207</b>	<b>(7,988)</b>	<b>10,363,815</b>
Expenses				
Program service expense	7,693,524	-	-	7,693,524
Administration expenses	1,370,959	-	-	1,370,959
Fundraising expense	633,399	-	-	633,399
<b>Total expenses</b>	<b>9,697,882</b>	<b>-</b>	<b>-</b>	<b>9,697,882</b>
Change in Net Assets	310,714	363,207	(7,988)	665,933
Net Assets, Beginning of Year	29,787,428	3,625,396	5,064,721	38,477,545
Net Assets, End of Year	<u>\$ 30,098,142</u>	<u>\$ 3,988,603</u>	<u>\$ 5,056,733</u>	<u>\$ 39,143,478</u>

Minnesota Children's Museum  
Statements of Functional Expenses  
Year Ended June 30, 2025

	Program Services			Administration	Fundraising	Total Expenses
	Experience and Outreach	Traveling Exhibit Production and Design	Total Program Services			
Salaries and Wages	\$ 3,549,434	\$ 269,046	\$ 3,818,480	\$ 684,859	\$ 459,773	\$ 4,963,112
Payroll Taxes	268,600	20,180	288,780	49,165	33,840	371,785
Employee Benefits	407,001	30,498	437,499	36,729	47,276	521,504
Accounting and Finance Service Fees	-	-	-	42,315	-	42,315
Professional Fees and Contracted Services	44,626	12	44,638	65,935	6,415	116,988
Other Professional Fees and Contracted Services	109,775	984	110,759	43,160	21,619	175,538
Maintenance/Equipment/Rent	376,101	700	376,801	76,836	72,532	526,169
Information Technology	66,179	2,030	68,209	30,814	3,159	102,182
Travel	6,943	122,253	129,196	1,966	386	131,548
Training/Meetings	39,432	2,263	41,695	12,863	72,867	127,425
Supplies	225,373	47,424	272,797	3,884	38,600	315,281
Postage and Shipping	42,393	72,903	115,296	2,270	12,164	129,730
Utilities	239,799	-	239,799	41,250	-	281,049
Printing, Photography, and Graphics	101,348	4,901	106,249	2,696	12,250	121,195
Promotion and Advertising	235,484	9,480	244,964	27,587	4,548	277,099
Insurance	326	-	326	113,793	-	114,119
Fees/Permits/License	116,628	97,853	214,481	57,498	13,582	285,561
Legal	4,527	1,228	5,755	1,533	28	7,316
Other Expenses	19,885	40,000	59,885	3,945	15,059	78,889
Depreciation and Amortization	1,312,985	286,617	1,599,602	141,444	-	1,741,046
	<u>7,166,839</u>	<u>1,008,372</u>	<u>8,175,211</u>	<u>1,440,542</u>	<u>814,098</u>	<u>10,429,851</u>
Less Expenses Included with Revenues on the Statement of Activities						
Cost of direct benefit to donors	-	-	-	-	(64,007)	(64,007)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,007)</u>	<u>(64,007)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 7,166,839</u>	<u>\$ 1,008,372</u>	<u>\$ 8,175,211</u>	<u>\$ 1,440,542</u>	<u>\$ 750,091</u>	<u>\$ 10,365,844</u>

Minnesota Children's Museum  
Statements of Functional Expenses  
Year Ended June 30, 2024

	Program Services			Administration	Fundraising	Total Expenses
	Experience and Outreach	Traveling Exhibit Production and Design	Total Program Services			
Salaries and Wages	\$ 3,008,935	\$ 531,225	\$ 3,540,160	\$ 681,107	\$ 411,368	\$ 4,632,635
Payroll Taxes	230,691	39,814	270,505	46,790	30,421	347,716
Employee Benefits	353,991	53,154	407,145	54,216	42,164	503,525
Accounting and Finance Service Fees	6,300	-	6,300	43,345	-	49,645
Professional Fees and Contracted Services	61,507	-	61,507	48,955	42,094	152,556
Other Professional Fees and Contracted Services	162,115	7,747	169,862	24,650	19,599	214,111
Maintenance/Equipment/Rent	370,940	1,700	372,640	80,933	20,133	473,706
Information Technology	58,868	5,661	64,529	29,784	504	94,817
Travel	1,972	90,244	92,216	736	92	93,044
Training/Meetings	32,454	2,022	34,476	9,994	74,484	118,954
Supplies	219,538	35,770	255,308	4,441	45,897	305,646
Postage and Shipping	30,908	44,656	75,564	2,258	14,026	91,848
Utilities	229,638	-	229,638	38,810	-	268,448
Printing, Photography, and Graphics	88,541	2,986	91,527	1,936	7,703	101,166
Promotion and Advertising	237,701	26,277	263,978	30,637	4,720	299,335
Insurance	350	-	350	106,211	-	106,561
Fees/Permits/License	100,621	61,719	162,340	42,109	12,077	216,526
Legal	7,272	838	8,110	3,094	268	11,472
Other Expenses	-	-	-	73	2,500	2,573
Depreciation and Amortization	1,283,115	304,254	1,587,369	120,880	-	1,708,249
	<u>6,485,457</u>	<u>1,208,067</u>	<u>7,693,524</u>	<u>1,370,959</u>	<u>728,050</u>	<u>9,792,533</u>
Less Expenses Included with Revenues on the Statement of Activities						
Cost of direct benefit to donors	-	-	-	-	(94,651)	(94,651)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,651)</u>	<u>(94,651)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 6,485,457</u>	<u>\$ 1,208,067</u>	<u>\$ 7,693,524</u>	<u>\$ 1,370,959</u>	<u>\$ 633,399</u>	<u>\$ 9,697,882</u>

See Notes to Financial Statements

Minnesota Children's Museum  
Statements of Cash Flows  
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 2,302,759	\$ 665,933
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,741,046	1,708,249
Realized and unrealized gain on operating investments	(363,791)	(113,927)
Endowment net investment return	(974,548)	(954,913)
Contributed property and equipment capitalized	-	(725,000)
Contributions restricted to endowment	-	(500)
Changes in operating assets and liabilities		
Grants and promises to give, net	152,928	619,080
Accounts receivable	30,544	(12,630)
Prepaid expenses and other	20,880	12,987
Accounts payable	164,167	(69,745)
Contractors payable	9,576	(16,262)
Other accrued expenses	36,124	94,803
Deferred revenue	(152,512)	174,852
Net Cash from Operating Activities	2,967,173	1,382,927
Investing Activities		
Purchases of property and equipment	(1,633,554)	(671,897)
Purchase of operating investments	(2,827,486)	(5,383,942)
Purchase of endowment investments	(605,054)	(2,248,272)
Proceeds from sale of operating investments	900,000	4,332,671
Proceeds from sale of endowment investments	985,865	2,466,946
Net Cash used for Investing Activities	(3,180,229)	(1,504,494)
Financing Activities		
Collections of contributions restricted to endowment	-	500
Principal payments on notes and capital leases	(129,139)	-
Net Cash from Financing Activities	(129,139)	500
Net Change in Cash and Cash Equivalents	(342,195)	(121,067)
Cash and Cash Equivalents, Beginning of Year	983,944	1,105,011
Cash and Cash Equivalents, End of Year	\$ 641,749	\$ 983,944
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 2,897	\$ 2,731
Supplemental Disclosure of Noncash Investing and Financing Activity		
Donated art sculpture	\$ -	\$ 725,000
Lease liabilities arising from obtaining right of use assets	72,481	-

**Note 1 - Summary of Significant Accounting Policies****Organizational Purpose**

At the Minnesota Children's Museum (the Museum), the mission is sparking children's learning through play. The Museum's vision for the community is: Kids play more. Adults do, too. All families thrive as a happier, healthier, and more innovative community through the radiant power of play.

The Museum serves the community as a welcoming space for all families to engage in playful learning. Core to the Museum's mission is providing open-ended play experiences that not only delight children, but also help instill a lifelong love of learning by nurturing real-world skills children need. The Museum encourages parents to support their children's playful learning to maximize skill development in the critical early childhood years. The Museum remains committed to ensuring that all families have access to the Museum through the Play for All access program and efforts to improve the Museum's impact with families facing adversities through community partnerships. Through this work, the Museum envisions a community that grows more inclusive as families play together and learn from each other.

The Museum operates 11 galleries developed with the latest research in playful learning. The Museum is the leading producer of traveling exhibits for the children's museum industry, reaching hundreds of thousands of individuals annually. The Museum's current portfolio consists of 12 active exhibits, which are rented to children's museums, science museums, and other family-serving entities across North America. The Museum's traveling exhibit program leverages the Museum's core strength of producing engaging exhibits that foster children's learning.

The Museum's programs are categorized as follows:

Experience and Outreach – Includes all aspects of championing the power of play in the Museum's community and providing a high-quality visitor experience at the Museum. This includes admissions, memberships, field trips and other group events, special programming, safety, operations, evaluation, community partnerships, access programs, parent resources, and other work to support and encourage playful learning in the Museum and beyond.

Traveling Exhibit Production and Design – Includes exhibit maintenance for active exhibits on tour throughout North America, along with the design and production of new exhibits to build the Museum's portfolio of traveling exhibits.

**Cash and Cash Equivalents**

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature or other long-term purposes are excluded from this definition.

**Grants and Promises to Give**

Grants and unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Grants and unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise to give is expected to be received. Amortization of the discount is included in contribution revenue. Grants and unconditional promises to give in more than one year are discounted at 2%. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible grants and promises to give is provided based upon management's judgment, including factors such as prior collection history, type of contribution, and nature of fundraising activity. There was an allowance for uncollectible grants and promises to give as of June 30, 2025 and 2024, of approximately \$8,060, and \$3,411, respectively.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are stated at unpaid balances, less any allowance for credit losses. Management provides for probable credit loss amounts through a provision for bad debt expense based on its assessment of the current status of individual accounts, third-party contracts, and other circumstances which may affect the ability of clients to meet their obligations. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at June 30, 2025 and 2024 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Management considers all receivables to be fully collectible at year end and accordingly, an allowance for credit losses has not been recorded as of June 30, 2025 and 2024 and there were no additions, charge-offs, or recoveries during the years ended June 30, 2025 and 2024. The Museum's accounts receivable as of July 1, 2023, was \$186,271.

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are exposed to various risks such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term, and that such changes could materially affect the amounts reported in the statement of financial position.

**Land, Building and Improvements, Equipment, Furniture and Fixtures, Exhibits, and Art Sculpture**

The Museum capitalizes land, buildings, equipment, furniture and fixtures, exhibits, and art sculptures when the cost per item is in excess of \$5,000. Donated fixed assets are capitalized at their fair market value or appraised value. Costs of current repairs and minor replacements are charged to expense as incurred. The Museum provides for depreciation of buildings, equipment, furniture and fixtures, exhibits, and art sculptures on a straight-line basis over the estimated useful lives of the assets as follows, or in the case of capitalized leased assets, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities:

Land	40 years
Building and improvements	3 - 40 years
Equipment	3 - 5 years
Furniture and fixtures	5 - 15 years
Exhibits	3 - 15 years
Art Sculpture	20 years

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a Board-designated endowment, fixed asset reserve and new traveling exhibit. In August 2024 the Board of Directors approved a matching gift fundraising campaign that would match new donations 1:1 with a board designated fund earmarked solely for the creation of new traveling exhibits. The fundraising campaign raised \$638K toward this initiative, and to fulfill the match \$638K was moved from the Fixed Asset Board Designated Fund to the newly created Traveling Exhibits Designated Fund. In FY25 the Minnesota Children's Museum spent \$142K of the Traveling Exhibits Board Designated Fund resulting in a year end balance of \$496K. The Donor Restricted Traveling Exhibit fund was fully released in FY25.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Museum reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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. The Museum reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. There were no conditional contributions received for the years ended June 30, 2025 and 2024.

### **Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Museum's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

### **Revenue and Revenue Recognition**

The Museum recognizes revenue from museum admissions at the point in time its performance obligations related to services are provided. Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Museum recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately.

The Museum recognized exhibit rental as performance obligations are satisfied. Performance obligations are determined based on the nature of the exhibit rental services provided by the Museum. Revenue for performance obligations satisfied over time is recognized over the agreed upon rental period. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided. The Museum determines the transaction price based on contracted rates. Payments for exhibit rental are recorded as deferred revenue in the accompanying statements of financial position until the performance obligations are met.

The Museum recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. As of June 30, 2025 and 2024, the Museum did not have any conditional promises to give.

A portion of the Museum's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses.

Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Museum recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Museum recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

### **Donated Services and In-Kind Contributions**

Contributed goods are recorded at fair value at the date of donation. Contributed nonfinancial assets include donated professional services and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 12).

### **Advertising Costs**

Advertising costs are expensed as incurred and approximated \$277,000 and \$299,000 during the years ended June 30, 2025 and 2024, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, maintenance, information technology, insurance, and other expenses, which are allocated on the basis of estimates of time and effort. All other expenses are allocated based on actual expenses incurred.

### **Tax Exempt Status**

Minnesota Children's Museum is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1). The Museum is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Museum is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Museum has determined it does not have a filing requirement for the Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Museum believes it has appropriate support for any tax positions taken affecting its annual filing requirement, and as such, do not have any uncertain tax positions that are material to the financial statements. The Museum would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Estimates**

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used, and those differences could be material.

### **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and securities with financial institutions believed by the Museum to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable, grants and unconditional promises to give is considered to be limited due to high historical collection rates, and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Museum's mission. Investments are made by diversified investment managers whose performance is monitored by the Museum and the finance committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Museum and the finance committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Museum.

The Museum maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025 and 2024, the Museum had approximately \$466,000 and \$756,000 respectively, in excess of FDIC-insured limits.

### **Reclassification**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### **Subsequent Events**

The Museum has evaluated subsequent events through November 13, 2025, the date the financial statements were available to be issued.

**Note 2 - Liquidity and Availability**

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

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 641,749	\$ 983,944
Accounts and other receivables	80,417	110,961
Operating investments	9,023,429	6,732,152
Grants and promises to give, net	478,406	605,668
Endowment spending rate distributions and appropriations	<u>422,000</u>	<u>375,000</u>
	<u>\$ 10,646,001</u>	<u>\$ 8,807,725</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. To help manage unanticipated liquidity needs, the Museum has established a line of credit in the amount of \$1,200,000 (Note 6).

The Board-designated endowment of \$4,268,576 may be subject to an annual spending rate as described in Note 11. Although the Museum does not intend to spend from this Board-designated endowment, these amounts could be made available if necessary.

The Board designated the fixed asset reserve as of June 30, 2023, and could be made available if necessary. The balance as June 30, 2025 and 2024, is \$161,602 and \$800,000, respectively.

**Note 3 - Fair Value Measurement and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Museum's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise mutual funds and exchange traded funds (ETFs) with readily determinable fair values based on daily redemption values. Fixed income investments are classified within Level 2 based on custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

The following table presents assets measured at fair value on a recurring basis at June 30, 2025:

June 30, 2025	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Fixed income	\$ 6,904,172	\$ -	\$ 6,904,172	\$ -
Cash and cash equivalents (at cost)	2,119,257	-	-	-
	\$ 9,023,429	\$ -	\$ 6,904,172	\$ -
Endowment Investments				
Fixed income	\$ 2,412,670	\$ -	\$ 2,412,670	\$ -
Equities - mutual funds and ETFs	6,414,376	6,414,376	-	-
Cash and cash equivalents (at cost)	252,924	-	-	-
	\$ 9,079,970	\$ 6,414,376	\$ 2,412,670	\$ -

The following table presents assets measured at fair value on a recurring basis at June 30, 2024:

June 30, 2024	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Fixed income	\$ 4,448,719	\$ -	\$ 4,448,719	\$ -
Cash and cash equivalents (at cost)	2,283,433	-	-	-
	<u>\$ 6,732,152</u>	<u>\$ -</u>	<u>\$ 4,448,719</u>	<u>\$ -</u>
Endowment Investments				
Fixed income	\$ 2,272,458	\$ -	\$ 2,272,458	\$ -
Equities - mutual funds and ETFs	5,938,647	5,938,647	-	-
Cash and cash equivalents (at cost)	273,317	-	-	-
	<u>\$ 8,484,422</u>	<u>\$ 5,938,647</u>	<u>\$ 2,272,458</u>	<u>\$ -</u>

#### Note 4 - Grants and Promises to Give

The grants and unconditional promises to give consist of the following as of June 30:

	2025	2024
Programs	\$ 461,949	\$ 435,217
General operating	34,462	209,541
Total grants and promises to give	<u>\$ 496,411</u>	<u>\$ 644,758</u>
Amount due in		
Less than one year	\$ 491,411	\$ 638,258
One to five years	5,000	6,500
	496,411	644,758
Less discount to net present value (2%)	(98)	(166)
Less allowance for uncollectible promises to give	<u>(8,060)</u>	<u>(3,411)</u>
Grant and promises to give, net	<u>\$ 488,253</u>	<u>\$ 641,181</u>

At June 30, 2025, two donors accounted for 77% of total grants and unconditional promises to give. One donor accounted for approximately 42% of total contribution revenue for the year ended June 30, 2025.

At June 30, 2024, three donors accounted for 89% of total grants and unconditional promises to give. Three donors accounted for approximately 46% of total contribution revenue for the year ended June 30, 2024.

**Note 5 - Land, Building and Improvements, Equipment, Furniture and Fixtures, Exhibits, and Art Sculpture**

The Museum has the following fixed assets as of June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,600,000	\$ 1,600,000
Building and improvements	29,730,007	29,080,394
Equipment	853,014	509,338
Furniture and fixtures	425,646	425,646
Exhibits	13,337,783	12,907,945
Art Sculpture	776,676	776,676
Construction in progress	<u>642,698</u>	<u>434,081</u>
	47,365,824	45,734,080
Less accumulated depreciation and amortization	<u>(22,267,073)</u>	<u>(20,540,488)</u>
	<u>\$ 25,098,751</u>	<u>\$ 25,193,592</u>

In September 1995, the Museum opened its facility in downtown St. Paul. A portion of the construction financing was provided through public financing requiring that title to the property transfer to the City of St. Paul. The City of St. Paul and the Museum entered into a long-term lease agreement for the property to operate a children's museum. The lease was for 30 years beginning in December 1994 with the option to renew for five periods of ten years each. Rent was \$100 per year, plus minor additional amounts for insurance, assessments, and fees. The value assigned to the building was the construction costs of the facility. The portion of the lease attributed to the land had a fair market value of \$1,600,000 and was recorded as a contribution.

During the year ended June 30, 2017, the Museum substantially completed construction on the expansion and complete renovation of its facility in downtown St. Paul. A portion of the construction financing for the project was provided through public financing. In December 2015, in connection with the construction and related public financing, the Museum entered into an amended and restated lease agreement with the City of St. Paul. The new lease agreement terminated the existing lease with the Museum and established a new lease with the Museum. The initial lease term is for 20 years from the completion date of the capital improvement project with options for two successive renewal terms, the first shall be for 20 years after the initial term and the second shall be the balance of the period through December 15, 2074. No rental payments are required, but the agreement is a "Net" lease and all costs and expenses attributed to the property are the responsibility of the Museum. The lease contains various terms and conditions as defined in the agreement including continued operation of the facility as a museum. The additional value that was assigned to the building and improvements was the total construction costs of the expansion and renovation. The value assigned to the land is unchanged from the original lease agreement.

Depreciation expense, which includes the amortization of the land lease, was approximately \$1,741,000 and \$1,708,000 for the years ended June 30, 2025 and 2024, respectively.

During the year ended June 30, 2025, the Museum started a project for traveling exhibits with approximately \$482,000 in construction in progress at year end. The project is expected to be completed during fiscal year 2026.

During the year ended June 30, 2024, the Museum started a project to repair the elevators with approximately \$259,000 in construction in progress at year end. The project was completed during 2025.

**Note 6 - Line of Credit**

During 2021, the Museum entered into a \$1,200,000 line of credit with a bank, secured by cash and investments. Borrowings under the line bear interest at the Secured Overnight Financing Rate, plus 2.375% (6.705% and 8.058% at June 30, 2025 and 2024, respectively). Accrued interest and principal are due upon demand by the bank. The borrowings on the line of credit as of June 30, 2025 and 2024, was \$0.

**Note 7 - Revenue from Contracts with Customers**

Deferred revenues are contract liabilities for billings in excess of revenue recognized. Deferred revenue consists of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Membership dues	\$ 704,979	\$ 745,871
Deferred exhibit income	1,133,008	1,241,739
Other deferred income	<u>142,575</u>	<u>145,464</u>
	<u>\$ 1,980,562</u>	<u>\$ 2,133,074</u>

The following table provides information about significant changes in deferred revenue for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year	\$ 2,133,074	\$ 1,958,222
Revenue earned from membership dues	1,630,708	1,617,653
Exhibit income earned	1,468,054	1,392,468
Other income earned	168,557	166,997
Collections of membership dues, exhibit and other income fees	<u>(3,419,831)</u>	<u>(3,002,266)</u>
Deferred revenue, end of year	<u>\$ 1,980,562</u>	<u>\$ 2,133,074</u>

**Note 8 - Notes Payable**

Notes payable consist of the following at June 30, 2025 and 2024:

	2025	2024
2.00% Note Payable to Venn Foundation, interest is due in annual installments of \$2,319 starting in November 2020, with two equal principal payments at November 2024 and May 2025, unsecured.	\$ -	\$ 115,955
	-	115,955

Interest for the years ended June 30, 2025 and 2024, consists of interest expense of \$1,398 and \$2,827, respectively.

**Note 9 - Leases**

The Museum leases copiers under a long-term, non-cancelable finance lease agreement. The lease expires in 2029 and provides options to renew. The Museum includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease.

The Museum has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Museum elected the practical expedient to not separate lease and non-lease components for the copiers lease.

Total lease costs for the year ended June 30, 2025 is as follows:

	2025
Finance lease cost	
Interest expense	\$ 3,280
Amortization of right-of-use assets	13,288

The following table summarizes the supplemental cash flow information for the year ended June 30, 2025:

	2025
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	\$ 3,280
Financing cash flows from finance leases	11,887
Right-of-use assets obtained in exchange for lease	
Finance leases	\$ 72,481

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	2025
Weighted-average remaining lease term	
Finance leases	4.0 Years
Weighted-average discount rate	
Finance leases	5.33%

The future minimum lease payments under noncancelable finance leases with terms greater than one year are listed below as of June 30, 2025:

2026		\$	16,545
2027			16,545
2028			16,545
2029			16,545
2030			1,382
Total lease payments			67,562
Less interest			(6,967)
Present value of lease liabilities		\$	60,595

**Note 10 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Subject to the passage of time	\$ 265,320	\$ 434,653
Subject to satisfaction of purpose restriction		
Future educational programs	2,683,493	126,261
	2,948,813	560,914

Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Available for general use	896,391	580,816
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
General use	<u>3,915,003</u>	<u>3,915,003</u>
Total endowments	<u>4,811,394</u>	<u>4,495,819</u>
	<u>\$ 7,760,207</u>	<u>\$ 5,056,733</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of the passage of time, or other events specified by donors as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 259,333	\$ 278,430
Satisfaction of purpose restrictions		
Future educational programs	734,925	527,125
Restricted-purpose spending rate distributions and appropriations		
General use	<u>200,829</u>	<u>175,541</u>
	<u>\$ 1,195,087</u>	<u>\$ 981,096</u>

### Note 11 - Endowments

The Museum's endowment consists of funds established by the donors to provide annual funding for general operations. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (the UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Museum retains in perpetuity (a) the original value of initial and subsequent gift amounts (including unconditional promises to give net of discount and allowance for doubtful accounts, including unconditional promises to give at fair value) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by the UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Museum has interpreted the UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2025 and 2024, there were no underwater endowments.

As of June 30, 2025, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	\$ 4,268,576	\$ -	\$ 4,268,576
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,915,003	3,915,003
Accumulated investment gains	-	896,391	896,391
	\$ 4,268,576	\$ 4,811,394	\$ 9,079,970

As of June 30, 2024, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	\$ 3,988,603	\$ -	\$ 3,988,603
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,915,003	3,915,003
Accumulated investment loss	-	580,816	580,816
	<u>\$ 3,988,603</u>	<u>\$ 4,495,819</u>	<u>\$ 8,484,422</u>

### Investment Objectives and Strategies

The Museum has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, the primary investment objective is achieving real growth in invested capital consistent with preservation of capital, maintenance of liquidity, and obtaining the best total return while minimizing market and investment risk. As of June 30, 2025 and 2024, these assets are invested in an endowment fund at Bank of America and are allocated to three major asset classes including cash and cash equivalents, fixed income securities, and mutual funds.

### Spending Policy

The Museum has a policy of appropriating for distribution each year approximately 3% to 5% of its endowment fund's 12-quarter trailing average fair value.

Changes in Endowment net assets for the years ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	\$ 3,988,603	\$ 4,495,819	\$ 8,484,422
Net investment return	458,144	516,404	974,548
Appropriation of endowment assets pursuant to spending-rate policy	-	(200,829)	(200,829)
Distributions from board-designated endowment pursuant to distribution policy	(178,171)	-	(178,171)
Endowment net assets, June 30, 2025	<u>\$ 4,268,576</u>	<u>\$ 4,811,394</u>	<u>\$ 9,079,970</u>

# Minnesota Children's Museum

Notes to Financial Statements

June 30, 2025 and 2024

Changes in Endowment net assets for the years ended June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 3,625,396	\$ 4,120,613	\$ 7,746,009
Net investment return	404,666	550,247	954,913
Contributions	110,000	500	110,500
Appropriation of endowment assets pursuant to spending-rate policy	-	(175,541)	(175,541)
Distributions from board-designated endowment pursuant to distribution policy	(151,459)	-	(151,459)
Endowment net assets, June 30, 2024	\$ 3,988,603	\$ 4,495,819	\$ 8,484,422

## Note 12 - In-Kind Contributions

The Museum records in-kind contributions at fair market value at the date of donation. In-kind contributions expended or capitalized are as follows for the year ended June 30, 2025:

	Program Services	Administration	Fundraising	Total
Donated auction items	\$ 36,259	\$ -	\$ -	\$ 36,259

In-kind contributions expended or capitalized are as follows for the year ended June 30, 2024:

	Program Services	Administration	Fundraising	Total
Donated auction items	\$ 42,842	\$ -	\$ -	\$ 42,842
Services	16,400	-	-	16,400
Sculpture	725,000	-	-	725,000
	\$ 784,242	\$ -	\$ -	\$ 784,242

During the year ended June 30, 2024, the Museum received a donation of a sculpture with a fair value of \$725,000 obtained from an arts appraiser opinion of value of similar sculptures by the same artist. The sculpture was capitalized.

Donated auction items were valued at the sale price during the action on the day of the event.

Donated services consisted of technology consulting services. Donated technology consulting services were used for program and administration activities and are recognized at fair value based on current rates for similar technology consulting services.

All in-kind contributions received during the years ended June 30, 2025 and 2024, were without donor restrictions.

**Note 13 - Leased Store and Food Court Revenue**

The Museum leased space to an organization that is paying a royalty ranging from 10% to 20% based on gross revenues generated from gift store sales, food service, vending, and catering operated by the tenant. The term of the agreement is from June 2017 to June 2027, with options for two additional five-year terms. Either party may terminate the lease agreement upon 90 days written notice. Royalty revenue was approximately \$89,900 and \$126,200 for the years ended June 30, 2025 and 2024, respectively, and is included in other revenue in the statement of activities.

**Note 14 - Retirement Plan**

The Museum established a defined contribution retirement plan under Section 403(b) of the IRC. The plan covers all employees who meet eligibility requirements and elect to participate in the plan. Effective January 1, 2025, the Museum matched 100% of the employee's contributions up to a maximum of 4% of the employee's compensation. Prior to that date, the Museum matched up to 3%. The retirement plan expense was approximately \$73,000 and \$79,100 for the years ended June 30, 2025 and 2024, respectively.

**Note 15 - Related Party Transactions**

Total contributions received from Board members for the years ended June 30, 2025 and 2024, was approximately \$148,000 and \$116,000, respectively. During the year ended June 30, 2025, lobbying services totaling \$70,297, were purchased from a company partially owned by a member of the Board of Directors.