

Children's Museum of Pittsburgh
Pittsburgh, Pennsylvania

Consolidated Financial Statements and Supplementary Information
For the years ended June 30, 2025 and 2024

and Independent Auditor's Report Thereon



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Independent Auditor's Report

To the Board of Directors
Children's Museum of Pittsburgh
Pittsburgh, Pennsylvania

Opinion

We have audited the consolidated financial statements of the Children's Museum of Pittsburgh and its subsidiary (Museum), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Children's Museum of Pittsburgh and its subsidiary as of June 30, 2025 and 2024, and the changes in their net assets and their 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 Consolidated Financial Statements section of our report. We are required to be independent of Children's Museum of Pittsburgh and its subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplementary Information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Schneider Downs & Co, Inc.

Pittsburgh, Pennsylvania

November 14, 2025

Children's Museum of Pittsburgh

Consolidated Statements of Financial Position As of June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents		
Cash and cash equivalents	\$ 7,323,900	\$ 8,008,380
Restricted cash and cash equivalents, current	4,260,414	1,654,414
Total cash and cash equivalents	11,584,314	9,662,794
Receivables		
Pledges receivable	2,151,466	1,328,272
Accounts receivable	178,180	144,858
Total receivables	2,329,646	1,473,130
Inventories	52,993	44,131
Prepaid expenses	130,124	142,059
Total current assets	14,097,077	11,322,114
Property, equipment and exhibits, net of accumulated depreciation of \$25,970,782 and \$24,475,656 for 2025 and 2024, respectively	20,242,386	20,696,600
Investments	10,225,083	9,243,861
Leverage loan receivable	-	6,035,700
Right-of-use assets, operating leases	1,744,955	39,022
Other noncurrent assets	330,340	279,557
Total assets	\$ 46,639,841	\$ 47,616,854
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,307,801	\$ 988,701
Other liabilities, current		
Contract liabilities, current	2,274,116	2,389,686
Total current liabilities	3,581,917	3,378,387
New Market Tax Credit loans	-	9,140,000
Operating lease liabilities	1,754,935	40,626
Other liabilities, noncurrent	330,340	279,557
Total noncurrent liabilities	2,085,275	9,460,183
Total liabilities	5,667,192	12,838,570
Net assets		
Net assets with donor restrictions	18,976,667	14,197,416
Net assets without donor restrictions	21,995,982	20,580,868
Net assets	40,972,649	34,778,284
Total liabilities and net assets	\$ 46,639,841	\$ 47,616,854

See accompanying notes to consolidated financial statements.

Children's Museum of Pittsburgh

Consolidated Statements of Activities and Changes in Net Assets For the years ended June 30, 2025 and 2024

	Without Donor Restrictions 2025	With Donor Restrictions 2025	Total 2025	Without Donor Restrictions 2024	With Donor Restrictions 2024	Total 2024
Support and revenues:						
Gifts and grants	\$ 2,552,872	\$ 3,075,066	\$ 5,627,938	\$ 2,593,091	\$ 1,215,700	\$ 3,808,791
Capital campaign revenue	-	1,490,000	1,490,000	-	1,789,450	1,789,450
In-kind support	723,387	-	723,387	672,212	-	672,212
Fiscal sponsorship	412,971	555,029	968,000	-	-	-
Special event	475,325	-	475,325	410,670	-	410,670
Sponsorships	31,000	7,500	38,500	40,000	-	40,000
Total Support	4,195,555	5,127,595	9,323,150	3,715,973	3,005,150	6,721,123
Other revenues:						
Admissions	1,285,894	-	1,285,894	1,281,591	-	1,281,591
Memberships	772,808	-	772,808	733,448	-	733,448
Program and contracted revenue	202,306	-	202,306	159,314	-	159,314
Retail and cafe sales	168,831	-	168,831	218,803	-	218,803
Parking	343,760	-	343,760	368,614	-	368,614
Business development	1,782,622	335,974	2,118,596	1,677,630	214,439	1,892,069
Other income	715,365	-	715,365	742,252	-	742,252
Net investment return	462,428	1,520,747	1,983,175	486,402	1,576,377	2,062,779
Total other revenues	5,734,014	1,856,721	7,590,735	5,668,054	1,790,816	7,458,870
Net assets released from restriction	1,738,332	(1,738,332)	-	2,016,341	(2,016,341)	-
Endowment draw	466,733	(466,733)	-	395,763	(395,763)	-
Total support and revenues	12,134,634	4,779,251	16,913,885	11,796,131	2,383,862	14,179,993
Expenses:						
Program	9,940,588	-	9,940,588	9,884,230	-	9,884,230
General and administrative	2,933,725	-	2,933,725	2,946,940	-	2,946,940
Fundraising	949,507	-	949,507	744,754	-	744,754
Total expenses	13,823,820	-	13,823,820	13,575,924	-	13,575,924
Changes in net assets before gain on disposal of new market tax credits	(1,689,186)	4,779,251	3,090,065	(1,779,793)	2,383,862	604,069
Gain on disposal of new market tax credits (see Note 10)	3,104,300	-	3,104,300	-	-	-
Changes in net assets	1,415,114	4,779,251	6,194,365	(1,779,793)	2,383,862	604,069
Net assets at beginning of year	20,580,868	14,197,416	34,778,284	22,360,661	11,813,554	34,174,215
Net assets at end of year	\$ 21,995,982	\$ 18,976,667	\$ 40,972,649	\$ 20,580,868	\$ 14,197,416	\$ 34,778,284

See accompanying notes to consolidated financial statements.

Children's Museum of Pittsburgh

Consolidated Statements of Functional Expenses For the year ended June 30, 2025

	Education, Learning and Research	Business Development	Museum Experience	Fiscal Sponsorship	Special Projects	Total Program	General and Administrative	Fundraising	Total Expenses
Personnel costs	\$ 1,051,666	\$ 203,912	\$ 2,082,785	\$ -	\$ 542,212	\$ 3,880,575	\$ 1,556,297	\$ 431,268	\$ 5,868,140
Office and administrative	1,958	21,405	10,631	21,337	13,886	69,217	15,383	56,351	140,951
Rent and exhibit rental	420	11,628	249,440	-	2,070	263,558	23,955	53,187	340,700
Utilities	50,428	10,291	264,169	-	52,698	377,586	88,266	20,555	486,407
Supplies	73,346	75,138	187,116	2,250	54,003	391,853	59,004	21,478	472,335
Service contracts	314,841	373,776	563,471	270,794	173,242	1,696,124	412,085	204,147	2,312,356
Royalties	-	350,381	-	-	-	350,381	3,867	-	354,248
Advertising	-	7,042	25,722	67,491	7,340	107,595	217,826	586	326,007
Insurance	-	-	-	-	-	-	153,386	-	153,386
Cost of goods sold	-	-	88,245	-	-	88,245	-	-	88,245
Professional fees	-	-	26,073	-	-	26,073	240,860	-	266,933
Travel and meetings	27,487	9,017	25,644	24,029	82,048	168,225	13,895	13,089	195,209
Depreciation	-	153,859	632,419	-	630,874	1,417,152	77,974	-	1,495,126
Miscellaneous	45	6	178,642	2,728	1,140	182,561	42,127	56,449	281,137
Interest	-	-	319,253	-	-	319,253	-	-	319,253
In-kind	41,931	119	560,140	-	-	602,190	28,800	92,397	723,387
Total expenses	\$ 1,562,122	\$ 1,216,574	\$ 5,213,750	\$ 388,629	\$ 1,559,513	\$ 9,940,588	\$ 2,933,725	\$ 949,507	\$ 13,823,820

See accompanying notes to consolidated financial statements.

Children's Museum of Pittsburgh

Consolidated Statements of Functional Expenses For the year ended June 30, 2024

	Education, Learning and Research	Business Development	Museum Experience	Special Projects	Total Program	General and Administrative	Fundraising	Total Expenses
Personnel costs	\$ 1,795,495	\$ 291,869	\$ 1,892,624	\$ 197,127	\$ 4,177,115	\$ 1,550,487	\$ 326,805	\$ 6,054,407
Office and administrative	7,390	56,243	22,425	5,989	92,047	13,929	13,724	119,700
Rent and exhibit rental	420	13,840	231,832	5,160	251,252	9,924	336	261,512
Utilities	79,227	13,434	219,603	18,910	331,174	82,249	14,511	427,934
Supplies	102,099	213,481	241,926	40,467	597,973	67,330	18,084	683,387
Service contracts	175,775	388,140	553,539	116,570	1,234,024	485,483	232,859	1,952,366
Royalties	-	305,112	3,616	-	308,728	-	-	308,728
Advertising	-	7,609	15,954	1,874	25,437	199,478	-	224,915
Insurance	-	-	-	-	-	147,908	-	147,908
Cost of goods sold	-	-	100,901	-	100,901	-	-	100,901
Professional fees	-	2,500	3,285	21,097	26,882	182,301	-	209,183
Travel and meetings	41,117	11,290	37,364	92,900	182,671	51,513	14,760	248,944
Depreciation	-	236,970	700,642	610,317	1,547,929	86,131	-	1,634,060
Miscellaneous	500	1,000	204,337	20,660	226,497	41,407	50,063	317,967
Interest	-	-	212,800	-	212,800	-	-	212,800
In-kind	36,000	-	532,800	-	568,800	28,800	73,612	671,212
Total expenses	\$ 2,238,023	\$ 1,541,488	\$ 4,973,648	\$ 1,131,071	\$ 9,884,230	\$ 2,946,940	\$ 744,754	\$ 13,575,924

See accompanying notes to consolidated financial statements.

Children's Museum of Pittsburgh

Consolidated Statements of Cash Flows For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 6,194,365	\$ 604,069
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Amortization of right-of-use asset	53,866	102,507
Depreciation	1,495,126	1,634,060
Realized and unrealized gain on investments	(1,493,096)	(1,548,482)
Gain on disposal of new market tax credits	(3,104,300)	-
(Increase) decrease in operating assets:		
Accounts receivable	(33,322)	(115,130)
Pledges receivable	(823,194)	674,109
Other receivable	-	266,678
Other assets	(47,710)	(127,898)
Increase (decrease) in operating liabilities:		
Accounts payable, accrued expenses and other liabilities	369,883	(53,819)
Operating lease liability	(45,490)	(108,922)
Contract liabilities	(115,570)	422,155
Total adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	(3,743,807)	1,145,258
Net cash provided by (used in) operating activities	2,450,558	1,749,327
Cash flows from investing activities		
Purchase of property, equipment and exhibits	(1,040,912)	(2,244,511)
Purchases of investments	(2,969,987)	(2,242,463)
Proceeds from sales of investments	3,481,861	2,697,775
Net cash provided by (used in) investing activities	(529,038)	(1,789,199)
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,921,520	(39,872)
Cash, cash equivalents, and restricted cash at beginning of year	9,662,794	9,702,666
Cash, cash equivalents, and restricted cash at end of year	\$ 11,584,314	\$ 9,662,794

Supplemental cash flow information

Cash paid during the year for

Interest- reserved for New Market Tax Credit Loans	\$ 319,253	\$ 212,800
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Noncash investing and financing activities

Right-of-use assets acquired in exchange for new operating lease liabilities	1,759,799	5,089
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See accompanying notes to consolidated financial statements.

Children's Museum of Pittsburgh

Notes to the Consolidated Financial Statements

June 30, 2025 and and 2024

1. Nature of Organization

Children's Museum of Pittsburgh (Museum) , comprised of the Children's Museum of Pittsburgh (CMP) and Children's MuseumLAB Advancement Initiative (CMAI or MuseumLAB), is a not-for-profit organization established in 1980 and opened in 1983 to serve children in the tristate area. At the heart of the Museum is its mission to provide innovative and inclusive museum experiences that inspire kindness, joy, creativity and curiosity for all learners. The Museum forges connections with artists, community partners and neighbors to work on behalf of children, youth and families.

Interactive museum experiences are at the core of the Museum's mission. Each of the Museum's permanent exhibits is grounded in its longstanding Play with Real Stuff philosophy, which asserts that children need a solid foundation of developmentally appropriate learning activities that are concrete, real, and relevant to their lives. The Museum is a place for learners of all ages to experience never-before-seen, one-of-a-kind museum experiences.

For over 40 years, the Museum has been an institution that specialized in providing meaningful, engaging experiences for elementary school-aged children and younger and their families. Its 13 core exhibits, artist experiences and art collection continue to delight and inspire children and families. In April 2019, the Museum added MuseumLab to its campus to deliver exceptional museum programming for the region by creating museum experiences specifically for older kids. MuseumLab builds on the Museum's four decades of community development investments in its North Side neighborhood, helping to prepare the workforce of the future and creating new opportunities to conduct robust learning research.

As a complement to its community development work, the Museum has emerged as a national leader in learning, design and research with recognition from the museum and library field and local and national education leaders. The Museum leads the field around the maker movement and has helped to open hundreds of makerspaces around the region and the United States. At the same time, the Museum has become well-known as a leading creator of traveling exhibits for rental and is sought after for design and consulting services nationally. The Museum's reputation as a leading provider of high-quality, research-based experiences for children, families and educators is at an all-time high.

The combination of Children's Museum and MuseumLab programs has created an extensive selection of museum and educational experiences for children of all ages and their families. In addition to its 13 permanent exhibits and art collection, the Museum commissions new interactive art, partners with hundreds of local working artists and engages in accessibility and inclusion programming for all families. The Museum also

Children's Museum of Pittsburgh

Notes to the Consolidated Financial Statements

June 30, 2025 and and 2024

creates and presents educational programs that connect with and engage all types of learners in 21st century skills. Teacher education, youth programs and classes on the Museum's floor provide opportunities for learning and play. Visiting a children's museum focused on real stuff, children and adults alike have opportunities to try new things, explore creative outlets and take a fresh, new look at the world around them. Children are encouraged to find their own answers through hands-on exploration. Outreach programs provide services to the general public outside the Museum, primarily in schools and libraries.

The Museum is a catalyst for positive change and works to use its resources to improve the quality of its immediate neighborhood with the goal of creating a safe, family-friendly destination. The physical structure of the Museum provides inspiration in its unique architecture incorporating three centuries and the latest in "green" technologies. MuseumLab is the first building in the United States to achieve a Universal Design certificate from the Center for Inclusive Design and Environmental Access (IDeA) at the University of Buffalo for its design that is welcoming to all.

In 2018, the Museum established CMAI as a nonprofit organization to hold the MuseumLab's fixed assets and Qualified Low-Income Community Investment (QLICI) loans. This transaction took place to facilitate the new market tax credit structure in conjunction with the creation of the MuseumLab. Note 10 provides further information on this transaction and facility. The Museum is the sole voting member of CMAI and uses the MuseumLab for its exclusive benefit and use. Therefore, CMAI is consolidated into the financial statements of the Museum.

2. Summary of Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements include the accounts of CMP and CMAI. The consolidated organizations are herein referred to as the Museum. All intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Accounting

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Children's Museum of Pittsburgh

Notes to the Consolidated Financial Statements **June 30, 2025 and and 2024**

c. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

The Museum considers all highly liquid investments with an original maturity of 12 months or less when purchased to be cash equivalents. Restricted cash consists of donor-restricted funds that are to be used for specific projects. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market accounts.

The Museum maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 for each institution. The Museum's cash balances at times exceeded federally insured limits. The Museum has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2025, the Museum's cash accounts exceeded federally insured limits by approximately \$11,334,000.

e. Restricted Cash

Amounts included in restricted cash represent donor-restricted funds that are to be used for specific projects. The restriction will lapse when the funds are used for specific projects as restricted by the donors. The restricted cash accounts are invested in cash and cash equivalents, totaling \$4,260,414 and \$1,654,414 as of June 30, 2025 and 2024, respectively.

f. Pledges Receivable

Unconditional written promises to give (pledges) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the pledges. An allowance for uncollectible promises to give is estimated by the Museum based on factors such as historical collection experience and review of the current status of receivables and judgment. Conditional promises to give are recognized when

Children's Museum of Pittsburgh

Notes to the Consolidated Financial Statements **June 30, 2025 and and 2024**

the conditions on which they depend, which consist of both a barrier and a right of return or release, are met.

g. Receivables

Accounts receivable include amounts billed and currently due from customers of which the Museum has an unconditional right to receive. The amounts due are stated at their estimated net realizable value. The Museum extends credit to its customers and does not require collateral. An allowance for credit losses is maintained to provide for the estimated amount of receivables that will not be collected. The allowance is based on the Museum's assessment of the collectibility of receivables with similar risk characteristics on a pooled basis. It is derived from the Museum's historical collection experience and review of the current status of receivables and judgment. Decisions to charge off receivables are based on management's judgment after consideration of the facts and circumstances surrounding potential uncollectible accounts. The Museum writes off uncollectible receivables against the allowance when the likelihood of collection is remote. Recoveries of receivables previously written off are recognized as an offset to provision for credit loss in the year of recovery. There is no allowance for expected credit losses recorded as of June 30, 2025 and 2024.

h. Investments

Investments are reported at fair value within the consolidated statement of financial position. Adjustments to reflect increases or decreases in fair value, referred to as unrealized gains and losses, are reported in the consolidated statement of activities and changes in net assets. Investments consist of equity securities, fixed-income obligations and other investment securities.

The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market. (See Note 5.)

Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Investment securities are exposed to various risks caused by changes in interest rates, general market volatility and credit risk, etc. Due to the level of risk associated with certain investment securities, it is possible that changes in the near term could materially affect account balances and the amounts reported in the consolidated statements of activities and the consolidated statements of financial position.

Children's Museum of Pittsburgh

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

The investment portfolio is managed by professional investment advisors and managers in accordance with the Museum's investment policy.

i. Property, Equipment and Exhibits

Property, equipment and exhibits is recorded at cost. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, equipment and exhibits assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations.

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property, plant, and equipment is depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property, plant, and equipment are as follows: buildings and improvements: 3 - 50 years; equipment: 2 - 20 years; and exhibits: 3 - 10 years. The Museum's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Museum's assets. The Museum periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Museum reports gifts of property, plant, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Museum reviews the carrying value of property, equipment and exhibits for impairment whenever events and 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. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The Museum identified no events or changes in circumstances that necessitated an evaluation for impairment of property, equipment or exhibits for the fiscal years ended June 30, 2025 and 2024.

Children's Museum of Pittsburgh

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

j. Inexhaustible Collections

In conformity with practice followed by many museums, inexhaustible collections are not included because their values are not readily determinable. Items held by the Museum include paintings, models, dolls and puppets. Proceeds from deaccessions or insurance recoveries are reflected as increases in the statements of activities and are used for the acquisition of collections.

k. Leases

Leases are recognized under Accounting Standards Codification (ASC) 842, Leases (Topic 842). The Museum determines whether a contract contains a lease at contract inception and classifies it as either finance or operating. A contract contains a lease if there is an identified asset and the Museum has the right to control the asset.

The Museum is a lessee in multiple noncancelable operating leases. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The majority of leases entered into include one or more options to renew or terminate. The exercise of lease renewal and termination options is at the Museum's sole discretion. Renewal option periods and termination options are included in the expected lease term and the measurement of the ROU asset and lease liability when exercise of the options is reasonably certain to occur.

The Museum has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

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

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (less) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, the Museum has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Museum is reasonably certain to exercise. The Museum recognizes short-term lease cost on a straight-line basis over the lease term.

The Museum made an accounting policy election for all classes of underlying assets to not separate the lease and non-lease components of a contract. For all other underlying classes of assets, the Museum separates lease and non-lease components to determine the lease payment.

I. Net Assets

The Museum classifies resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories. Accordingly, net assets of the Museum and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Museum. These net assets may be used at the discretion of the Museum's management and board of directors (Board). Net assets without donor restrictions include net assets designated by the Board for specific purposes.

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Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Museum or by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The Museum reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-imposed contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. 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.

m. Revenue Recognition

The Museum recognizes revenue when goods or services promised are transferred to customers in an amount that reflects the consideration to which the Museum expects to be entitled in exchange for those goods or services by following a five-step process: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price; and (5) recognize revenue when or as the Museum satisfies a performance obligation. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

The Museum includes admissions, memberships and other activities, such as Museum sales and parking, as revenue. The Museum also has business development sales, such as contracted revenue and exhibit sales revenue. Other revenue that may qualify under Financial Accounting Standards Board (FASB) Topic 606, Revenue from Contracts with Customers (Topic 606), such as sponsorships revenue, does not represent a material value and is not included. Most of the Museum's revenues are earned from government grants, private gifts and grants, investment income, endowment income and net realized and unrealized gains on operating and endowment investments, and are not derived from contracts with customers and do not qualify for inclusion under Topic 606.

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The following significant revenue-generating transactions are within the scope of ASC 606, which are presented in the consolidated statement of activities and changes in net assets:

Admissions Revenue - The Museum recognizes revenue from admissions charges when a customer purchases ticket sales upon admission to priced exhibits. Admissions revenue is recognized at a point in time because the customers simultaneously receive and consume the benefits provided by the Museum upon payment for admissions, which is when the Museum satisfies its performance obligation. The price for admissions varies based on age of the customer.

Membership Dues - The Museum recognizes revenue over time as the benefits are consumed over time. Any portion of the membership fee for future benefits is classified as a contract liability (deferred revenue, membership) on the consolidated statement of financial position. Prices for membership vary based on the level of membership and the benefits associated with each level. Due to the timeframe over which membership dues are earned, all contract liabilities are earned in the subsequent year.

Retail and Café Sales - The Museum recognizes revenue from retail and café sales at the time of sale. Retail sales are derived from providing goods in the Museum store. Café sales are earned through an agreement with a company to operate the café through 2026 and are based on a percentage of net sales. The price varies based on the item purchased. Both the retail store and café are located on the Museum grounds and are available to customers visiting the grounds. Parking sales are recognized at a point in time upon payment because the customers simultaneously receive and consume the benefits provided by the Museum upon payment, which is when the Museum satisfies its performance obligation.

Business Development Revenue - The Museum generates business development revenue from traveling exhibit rentals and exhibit sales. Revenues for traveling exhibit rentals are recognized over the period of the rental agreement and were approximately \$1,426,000 and \$1,195,000 in 2025 and 2024, respectively. Revenues for exhibit sales and traveling exhibit rentals that are received in advance of performance under the contract are deferred and recognized in the year revenue recognition criteria are met. Revenues for exhibit sales are recognized on a percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that estimates of costs and revenues will change within the near term. Contract costs include all material and labor costs and fringe benefits. Selling, general and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are recorded in the period in which such losses are determined. Profits are included in revenues when their realization is reasonably assured. Revenue recognized for exhibit sales and contracted revenue was approximately \$715,000 and \$711,000 in 2025 and 2024, respectively.

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Liabilities from membership dues and business development revenue that have not yet been earned are presented within contract liabilities on the consolidated statement of financial position. Contract liabilities were approximately \$2,274,000, \$2,390,000 and \$1,968,000 as of June 30, 2025 and 2024 and July 1, 2023, respectively.

The Museum applies the practical expedient as allowed for within the accounting standards and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less. There was revenue recognized during the years ended June 30, 2025 and 2024 from performance obligations that were satisfied or partially satisfied in prior periods. This includes membership revenue and business development revenue, as these are recognized over time and contracts span over fiscal years.

n. Contributions and Grants

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 consolidated statement of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Museum reports the support as without donor restrictions.

Gifts and Grants - Gifts and grants are deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution accounting guidance. Under this guidance, revenue related to conditional grants and contracts is recorded when the conditions are met. Most grants are on a cost reimbursement basis and require the Museum to incur eligible expenses prior to the release of funds. The Museum reports these grants as changes in net assets without donor restrictions when restrictions are met in the same period. Unexpended amounts received but not yet earned are reported as deferred revenue.

Contributed Nonfinancial Assets - Contributed nonfinancial assets (in-kind support) are recorded at fair value at the date of donation. Contributions of services are reported as revenue only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Museum if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. The majority of in-kind support is made up of rent for the land and facilities provided by the City of Pittsburgh,

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as discussed in Note 13. The fair value of the goods and services as reflected in the accompanying consolidated financial statements as both revenue and expense. In-kind support for the years ended June 30, 2025 and 2024 was approximately \$723,000 and \$672,000, respectively.

Fiscal Sponsorship - The Museum entered into a fiscal sponsorship agreement with Remake Learning to sponsor Remake Learning Days, the mission of which is to ignite a conversation about the importance of intergenerational learning and why parents and caregivers should learn alongside their children. As part of the fiscal sponsorship agreement, the Museum received funds restricted for this purpose and incurred expenses on behalf of Remake Learning Days in the amount of \$412,971. The Museum has determined that sponsorship of the initiative would be consistent with its goals and tax-exempt purposes. In consideration for services provided by the Museum, the Museum received administrative fees of \$24,342 during the year ended June 30, 2025.

o. Functional Allocation of Expenses

The costs of providing the Museum's program and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Expenses related directly to program services or supporting activities are charged directly, while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities. The consolidated 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. Expenses allocated include insurance, administration and some facilities costs. The Museum allocates these costs based on each program or supporting service category's percentage of total functional expenses prior to the allocation. All other expenses are charged directly to the program or supporting service benefited.

p. Advertising Costs

The Museum has a policy of expensing advertising costs in the period incurred. Advertising expense was \$326,008 and \$224,915 in 2025 and 2024, respectively.

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q. Income Taxes

The Museum is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Museum's exempt function. The Museum may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Museum's exempt function. The Museum has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of June 30, 2025 and 2024, the Museum believes that it has not generated any unrelated business taxable income.

Generally, the Museum is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2022.

r. Fair Value Measurements

The Museum measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three levels based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Museum has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Museum does not adjust the quoted price for such instruments.

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- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Museum must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Museum maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument; whether the financial instrument is new to the market and not yet established; the characteristics specific to the transaction; liquidity; and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

s. Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are issued or are available to be issued. The Museum's management evaluated events that occurred after June 30, 2025 through November 14, 2025, the date when the consolidated financial statements were available to be issued.

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3. Liquidity and Availability of Resources

The Museum's cash flows have seasonal variation during the year attributable to the timing of fundraising events, admissions, grants, contributions, programs and memberships. Expenditures are managed to match the seasonal variation in cash flows. The Museum's financial assets available for general use, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, at June 30, 2025 and 2024 consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents - unrestricted	\$ 7,323,900	\$ 8,008,380
Accounts receivable	178,180	144,858
Pledges receivable for operations	965,307	786,627
Endowment draw	466,733	395,763
Total Financial Assets Available	8,934,120	9,335,628
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,934,120	\$ 9,335,628

The Museum is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner, or in a future period, the Museum must maintain sufficient resources to meet those responsibilities to its donors. As part of the Museum's liquidity management, it has a policy to segregate restricted cash and equivalents to be available as expenditures and other obligations become due. In addition, included in unrestricted cash and cash equivalents is approximately \$1,467,000 of Board-designated funds, which could be made available to fund general expenditures, if necessary. The Museum also has a revolving line of credit with \$1,000,000 of availability as of June 30, 2025 and 2024, from which it could draw in the event of a liquidity need. (See Note 9.)

The Museum's endowment consists of donor-restricted endowment funds. Income from the donor-restricted endowment is restricted for specific purposes with the exception of the spending appropriation available for general use. The rate of the draw approximated 5% for the years ended June 20, 2025 and 2024. This percentage is applied to a 36-month average market value of the investments at the prior year-end as described in Note 6.

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4. Pledges Receivable

Pledges receivable consist of the following at June 30:

	2025	2024
Pledges due within one year	\$ 2,151,466	\$ 1,328,272

No discount rate was used at June 30, 2025 or 2024.

5. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following is a description of the valuation methodologies and inputs used for assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis.

Equity Funds and Fixed-Income Holdings

Equity funds and fixed-income holdings include investments in common stock, U.S. Treasury securities and cash and cash equivalents. Whenever available, the Museum obtains quoted prices in active markets for identical assets at the statement of financial position date to measure equity securities with readily determinable fair values. Market price data is generally obtained from exchange or dealer markets.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
June 30, 2025				
Investments:				
Equity funds	\$ 8,426,158	\$ -	\$ -	\$ 8,426,158
Fixed-income holdings	1,798,925	-	-	1,798,925
Total investments	\$ 10,225,083	\$ -	\$ -	\$ 10,225,083
June 30, 2024				
Investments:				
Equity funds	\$ 7,422,102	\$ -	\$ -	\$ 7,422,102
Fixed-income holdings	1,821,759	-	-	1,821,759
Total investments	\$ 9,243,861	\$ -	\$ -	\$ 9,243,861

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6. Endowment

The Museum's endowment consists of various individual funds established or designated primarily for support of the Museum's mission. Its endowment includes donor-restricted endowment funds. A portion of the endowment consists of \$3,500,000 of funds that were endowed by foundations. These funds are to be held in perpetuity, with the Museum using the income from the investments for operations. Additionally, net assets of \$1,000,000 were endowed by an anonymous donor. These funds are also to be held in perpetuity, with the Museum using the income from the investments for the Growth Capital Fund (see Note 12). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Museum's Board has elected to be governed by the Commonwealth of Pennsylvania's Act 141 (Act 141) for the donor-restricted endowment funds. Act 141 is a total return policy that allows a nonprofit to choose to treat a percentage of the average market value of the endowment's donor-restricted investments held in perpetuity as income each year. The long-term preservation of the real value of the assets must be taken into consideration when the Board elects the amount. The Museum has elected a policy to allow the corpus of the donor-restricted net assets held in perpetuity to be sustained even if the investment is less than the corpus.

In accordance with Act 141, the Museum has adopted a written investment policy, of which a section specifically relates to the endowment fund. The Museum considers the following factors in making a determination to set a spending rate for the donor-restricted endowment funds:

- Protecting the corpus of the endowment fund
- Preserving the spending power of the assets
- Obtaining maximum investment return with reasonable risk and operational consideration
- Complying with applicable laws

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Changes in endowment net assets for the years ended June 30 are as follows:

	Total
Endowment net assets, July 1, 2023	\$ 7,887,214
Net investment return	1,521,890
Appropriation of endowment assets pursuant to spending rate policy	(442,102)
Endowment net assets, June 30, 2024	8,967,002
Net investment return	1,493,096
Appropriation of endowment assets pursuant to spending rate policy	(513,632)
Endowment net assets, June 30, 2025	\$ 9,946,466

Return Objectives and Risk Parameters

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a reasonable level of funding to programs supported by its endowment while seeking to enhance the purchasing power of the fund's corpus by striving for long-term growth. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board, the donor-restricted endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a blended benchmark of equity, fixed income, private equity and alternatives.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. Investment advisers, at the discretion of the finance committee, are given guidelines to the percentage that can be committed to a particular investment or investment category.

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Spending Policy and How the Investment Objectives Relate to Spending Policy

The Museum annually transfers between 2% and 7% of the previous 36-month market value average of the donor-restricted endowment fund to net assets without donor restrictions for use in current and future operations. The rate of the draw approximated 5% for the years ended June 30, 2025 and 2024. The Museum believes that this spending policy is consistent with its objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

7. Board-Designated Funds

The purpose of the Museum's board-designated fund is to provide resources for facility or exhibit needs in accordance with the Museum's ongoing capital needs assessment. The fund may also be used to sustain operations of the Museum due to unforeseen or significant circumstances that jeopardize ongoing operations. Upon review and approval of management's recommendation to the finance committee for use of the funds, the finance committee will make a recommendation to the Board for approval of use of funds. Approval of a use of funds requires a majority vote of the Board.

8. Property, Equipment and Exhibits

The historical costs of the Museum's property, equipment and exhibits and related accumulated depreciation balances at June 30 were as follows:

	2025	2024
Equipment	\$ 2,165,735	\$ 2,035,712
Building and land	650,000	650,000
Building improvements	33,165,845	32,898,388
Exhibits	8,562,643	8,196,336
Construction-in-progress	1,668,945	1,391,820
Property, equipment, and exhibits, gross	46,213,168	45,172,256
Less - Accumulated depreciation	(25,970,782)	(24,475,656)
Property, equipment, and exhibits, net	\$ 20,242,386	\$ 20,696,600

Depreciation expense related to property, equipment and exhibits was approximately \$1,495,000 and \$1,634,000 for the years ended June 30, 2025 and 2024, respectively.

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9. Line of Credit

The Museum entered into a \$1,000,000 revolving line of credit agreement with PNC Bank, National Association (PNC Bank) during December 2019 that bears interest at the daily 1M Secured Overnight Financing Rate (4.32% as of June 30, 2025) plus 1.35%. This agreement also provides an alternative interest rate, which is the higher of the prime rate and the sum of the Overnight Bank Funding Rate plus 0.50%. This agreement has been extended to December 23, 2025. There were no borrowings outstanding and no interest has been expensed under this line of credit at June 30, 2025 and 2024, respectively.

10. New Market Tax Credit Loans and Leveraged Loan Receivable

During 2018, the Museum entered into a series of transactions through its affiliate CMAI to create a new market tax credit (NMTC) structure to assist in the renovation of the old Carnegie Free Library of Allegheny into the MuseumLab. These transactions allow for additional funding that is not typically available through traditional financing. The Museum and Community Development Enterprises (CDEs) loaned funds to CMAI to use in this renovation and construction project. The Museum's \$6,035,700 in leveraged loans to CMAI helped CMAI receive approximately \$9,140,000 in funds after transactions costs and fees.

As part of the NMTC transactions, the Museum entered into an option agreement with PNC New Markets Investment Partners, LLC (PNC NMIP) (100% owner of PNC NMTC), a participant in the transaction. Under terms of the option agreement, PNC NMIP sold its ownership interest obtained in the agreement to the Museum for \$1,000 during the 120-day put period that commenced on May 1, 2025, the last day of the tax credit investment period. On May 16, 2025, the mortgage was satisfied with PNC NMIP effectively forgiving the note receivable and the notes payable that were entered into as part of the NMTC transactions. Exercise of this option effectively extinguish the Museum's note receivable and notes payable described below. The Museum recognized a gain on disposal of new market tax credits of approximately \$3,104,000, which is the amount approximating the difference in the book value of the note receivable and the notes payable at the time the option agreement was entered into.

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A summary of the original terms of the NMTC financing is as follows:

PNC CDE 85, LLC (PNC) and Pittsburgh Urban Initiatives Sub-CDE 23, LP (PUI), collectively known as CDEs, provided new market tax credit enhanced mortgage loans (NMTC loans) to CMAI to finance the Museum Lab. These loans were made in conjunction with the leveraged loan from CMP.

The CDEs received allocations of NMTC pursuant to Section 45D of the Internal Revenue Code in order to assist eligible businesses in making investments in certain low-income communities. The availability of NMTC allowed PNC NMIP to invest \$3,264,300 in Children's Way Investment Fund, LLC (Investment Fund). In addition, the Museum made a leveraged loan of \$6,035,700 from the proceeds of the PNC Bank Short-Term Bridge Loan and the Museum equity. The Investment Fund used the combined amount to make equity contributions of \$8,000,000 to PUI and \$1,300,000 to PNC. The CDEs, in turn, used the contributions to make the NMTC loans to CMAI. The NMTC loans are secured by the assignment of leases and rents and interest in leasehold improvements related to construction of MuseumLab and a guarantee by the Museum.

Interest was payable quarterly, which commenced in June 2018 through April 2025, at the following interest rates:

Description	Principal	
	Amounts	Interest Rates
PNC	\$ 1,300,000	2.00
PUI	7,840,000	2.00
Total New Market Tax Credit Loans	\$ 9,140,000	

The Museum began receiving quarterly interest payments of 3.02% on the leveraged loans from the Investment Fund in June 2018, which continued through May 2025. Amounts received from the Investment Fund as payment on the leveraged loans were used to make interest payments on the NMTC loans.

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11. Net Assets Without Donor Restrictions

Net assets without donor restrictions comprises the following as of June 30:

	2025	2024
Undesignated	\$ 20,529,099	\$ 19,067,291
Designated by the Board	1,466,883	1,513,577
Total net assets without donor restrictions	\$ 21,995,982	\$ 20,580,868

12. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2025	2024
Subject to expenditures for specified purpose:		
Capital campaign	\$ 3,279,450	\$ 1,789,450
Exhibits/programs	4,204,488	1,821,641
Growth Capital Fund	1,546,263	1,619,323
Total net assets subject to expenditures for specified purpose	9,030,201	5,230,414
Perpetual in nature and subject to the Museum's spending policy and appropriation:		
Park maintenance	118,598	111,064
Museum operations	8,847,356	7,871,270
Growth Capital Fund	980,512	984,668
Total net assets subject to restriction in perpetuity and subject to the Museum's spending policy and appropriation	9,946,466	8,967,002
Total net assets with donor restrictions	\$ 18,976,667	\$ 14,197,416

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The sources of net assets released from restrictions are as follows for the years ended June 30:

	2025	2024
Satisfaction of purpose restrictions:	-	-
Capital Projects	\$ -	\$ 945,000
Growth Capital Fund	518,639	207,663
Operations:	-	-
Exhibits/programs	1,219,693	863,678
Total net assets released from restrictions	\$ 1,738,332	\$ 2,016,341

All acquisition of land, buildings, and equipment were deemed placed in service at time of release from restrictions.

13. Leases

The Museum leases a parking lot and office equipment.

In November 2002, the Museum executed a land lease agreement with the City of Pittsburgh. The lease is for an initial term of 30 years and provides for renewal options, which both parties will negotiate at that time. Rental payments under the lease agreement are \$1 per year. The Museum is responsible for all operating costs and repairs and maintenance, including taxes, assessments, water and sewer rents and all other governmental changes or levies. The Museum has recorded \$180,000 and \$240,000 as in-kind rent for the value of this lease for the fiscal years ended June 30, 2025 and 2024, respectively.

In September 2004, the Museum executed a land lease agreement. During fiscal 2014, this property was sold to a new owner that requires the Museum to pay for all operating costs and repairs and maintenance, including taxes, utilities and all other government charges and levies. During March 2025, a new lease agreement was signed for a term of 20 years.

In January 2018, the Museum executed a land lease agreement with the City of Pittsburgh. The lease includes the building formerly called Carnegie Free Library of Allegheny, which is used as the Museum's MuseumLab. The initial lease term is for 29 years for \$1 per year. The Museum has recorded \$360,000 as in-kind rent for the value of this lease for the fiscal years ended 2025 and 2024.

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Components of lease expense were as follows for the years ended June 30:

		2025	2024
Operating lease cost	\$	56,728	\$ 105,301

Information regarding lease terms and discount rates as of June 30 is as follows:

	2025	2024
Weighted-average remaining lease term (years):		
Operating leases	7.1	1.3
Weighted-average discount rate (%):		
Operating leases	3.4	3.0

Supplemental statement of financial position information related to leases is as follows as of June 30:

	2025	2024
Operating leases:		
Operating lease ROU assets	\$ 1,744,955	\$ 39,022
Operating lease liabilities	\$ 1,754,935	\$ 40,626

Supplemental cash flow information related to leases is as follows for the years ended June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 46,748	\$ 111,716

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Maturities of lease liabilities are as follows as of June 30, 2025:

Year	Operating Leases
2026	\$ 113,947
2027	111,623
2028	114,413
2029	117,273
Thereafter	2,270,614
Total lease payments	2,727,870
Less imputed interest	972,935
Total lease liabilities	\$ 1,754,935

14. Employee Benefits

The Museum offers its employees health insurance, dental insurance, life insurance, short-term and long-term disability insurance, accidental death and dismemberment insurance and up to a 3% discretionary salary match for deposit to a 403(b) defined contribution retirement plan. Employees who waive health insurance receive one additional week of vacation. Employee benefit expense approximated \$603,000 and \$582,000 for the years ended June 30, 2025 and 2024, respectively. During the fiscal year ended 2014, the Museum added a 457(b) savings plan to offer eligible employees the opportunity to accumulate supplemental retirement savings. Amounts payable under this plan, included in accrued expenses in the accompanying consolidated statements of financial position, and the related fair value of assets held by the Museum, included in other noncurrent assets in the accompanying consolidated statements of financial position, are approximately \$330,000 and \$280,000 as of June 30, 2025 and 2024, respectively.

Supplementary Information

Children's Museum of Pittsburgh

Consolidating Statements of Financial Position As of June 30, 2025 and 2024

	Total Consolidated		
	The Children's Museum of Pittsburgh 2025	Children's MuseumLAB Advancement Initiative 2025	Total 2025
Assets			
Current Assets			
Cash and cash equivalents			
Cash and cash equivalents	\$ 7,323,901	\$ (1)	\$ 7,323,900
Restricted cash and cash equivalents, current	4,260,412	2	4,260,414
Total cash and cash equivalents	11,584,313	1	11,584,314
Receivables			
Pledges receivable	2,151,466	-	2,151,466
Accounts receivable	178,180	-	178,180
Total receivables	2,329,646	-	2,329,646
Inventories	52,993	-	52,993
Prepaid expenses	130,124	-	130,124
Total current assets	14,097,076	1	14,097,077
Property, equipment and exhibits, net of accumulated depreciation of \$25,970,782	9,970,445	10,271,941	20,242,386
Investments	10,225,083	-	10,225,083
Right-of-use assets, operating leases	1,744,955	-	1,744,955
Other noncurrent assets	330,340	-	330,340
Total assets	\$ 36,367,899	\$ 10,271,942	\$ 46,639,841
Liabilities and net assets			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 1,307,801	\$ -	\$ 1,307,801
Other liabilities, current			
Contract liabilities, current	2,274,116	-	2,274,116
Total current liabilities	3,581,917	-	3,581,917
Operating lease liabilities	1,754,935	-	1,754,935
Other liabilities, noncurrent	330,340	-	330,340
Total noncurrent liabilities	2,085,275	-	2,085,275
Total liabilities	5,667,192	-	5,667,192
Net assets			
Net assets with donor restrictions	18,976,667	-	18,976,667
Net assets without donor restrictions	11,724,040	10,271,942	21,995,982
Net assets	30,700,707	10,271,942	40,972,649
Total liabilities and net assets	\$ 36,367,899	\$ 10,271,942	\$ 46,639,841

See independent auditor's report on supplementary information.

Children's Museum of Pittsburgh

Consolidating Statements of Financial Position (continued)

As of June 30, 2025 and 2024

	Total Consolidated			
	The Children's Museum of Pittsburgh 2024	Children's MuseumLAB Advancement Initiative 2024	Eliminating 2024	Total 2024
Assets				
Current Assets				
Cash and cash equivalents				
Cash and cash equivalents	\$ 8,008,380	\$ -	\$ -	\$ 8,008,380
Restricted cash and cash equivalents, current	1,612,545	41,869	-	1,654,414
Total cash and cash equivalents	9,620,925	41,869	-	9,662,794
Receivables				
Pledges receivable	1,328,272	-	-	1,328,272
Accounts receivable	144,858	-	-	144,858
Total receivables	1,473,130	-	-	1,473,130
Inventories	44,131	-	-	44,131
Prepaid expenses	142,059	-	-	142,059
Total current assets	11,280,245	41,869	-	11,322,114
Property, equipment and exhibits, net of accumulated depreciation of \$24,475,656	9,938,645	10,757,955	-	20,696,600
Investments	9,243,861	-	-	9,243,861
Leverage loan receivable	6,035,700	-	-	6,035,700
Due from related party	1,354,954	11,981,225	(13,336,179)	-
Right-of-use assets, operating leases	39,022	-	-	39,022
Other noncurrent assets	279,557	-	-	279,557
Total assets	\$ 38,171,984	\$ 22,781,049	\$ (13,336,179)	\$ 47,616,854
Liabilities and net assets				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 988,701	\$ -	\$ -	\$ 988,701
Other liabilities, current				
Contract liabilities, current	2,389,686	-	-	2,389,686
Total current liabilities	3,378,387	-	-	3,378,387
New Market Tax Credit loans	-	9,140,000	-	9,140,000
Operating lease liabilities	40,626	-	-	40,626
Due to related party	11,981,225	1,354,954	(13,336,179)	-
Other liabilities, noncurrent	279,557	-	-	279,557
Total noncurrent liabilities	12,301,408	10,494,954	(13,336,179)	9,460,183
Total liabilities	15,679,795	10,494,954	(13,336,179)	12,838,570
Net assets				
Net assets with donor restrictions	14,197,416	-	-	14,197,416
Net assets without donor restrictions	8,294,773	12,286,095	-	20,580,868
Net assets	22,492,189	12,286,095	-	34,778,284
Total liabilities and net assets	\$ 38,171,984	\$ 22,781,049	\$ (13,336,179)	\$ 47,616,854

See independent auditor's report on supplementary information.

Children's Museum of Pittsburgh

Consolidating Statements of Activities and Changes in Net Assets For the years ended June 30, 2025 and 2024

	Total Consolidated			
	The Children's Museum of Pittsburgh 2025	Children's MuseumLAB Advancement Initiative 2025	Eliminating 2025	Total 2025
Support and Revenue				
Support and Revenue				
Gift and grants	\$ 5,627,938	\$	\$	5,627,938
Capital campaign revenue	1,490,000			1,490,000
In-kind support	723,387			723,387
Fiscal sponsorship	968,000			968,000
Special event	475,325			475,325
Sponsorships	38,500			38,500
Total Support	9,323,150			9,323,150
Other revenue:				
Admissions	1,285,894			1,285,894
Memberships	772,808			772,808
Program and contracted revenue	202,306			202,306
Retail and cafe sales	168,831			168,831
Parking revenue	343,760			343,760
Business development	2,118,596			2,118,596
Other income	715,365	180,000	(180,000)	715,365
Investment return, net	1,983,173	2		1,983,175
Total other revenue	7,590,733	180,002	(180,000)	7,590,735
Total support and revenues	16,913,883	180,002	(180,000)	16,913,885
Expenses:				
Program	9,269,322	851,266	(180,000)	9,940,588
General and administrative	2,933,725			2,933,725
Fundraising	949,507			949,507
Total expenses	13,152,554	851,266	(180,000)	13,823,820
Changes in net assets before gain on disposal of new market tax credits	3,761,329	(671,264)		3,090,065
Gain on disposal of new market tax credits (see Note 10)	4,447,189	(1,342,889)		3,104,300
Changes in net assets	8,208,518	(2,014,153)		6,194,365
Net assets at beginning of year	22,492,189	12,286,095		34,778,284
Net assets at end of year	\$ 30,700,707	\$ 10,271,942	\$	\$ 40,972,649

See independent auditor's report on supplementary information.

Children's Museum of Pittsburgh

Consolidating Statements of Activities and Changes in Net Assets (continued)

For the years ended June 30, 2025 and 2024

	Total Consolidated			
	The Children's Museum of Pittsburgh 2024	Children's MuseumLAB Advancement Initiative 2024	Eliminating 2024	Total 2024
Support and Revenue				
Support and Revenue				
Gift and grants	\$ 3,808,791	\$ -	\$ -	\$ 3,808,791
Capital campaign revenue	1,789,450	-	-	1,789,450
In-kind support	672,212	-	-	672,212
Special event	410,670	-	-	410,670
Sponsorships	40,000	-	-	40,000
Total Support	6,721,123	-	-	6,721,123
Other revenue:				
Admissions	1,281,591	-	-	1,281,591
Memberships	733,448	-	-	733,448
Program and contracted revenue	159,314	-	-	159,314
Retail and cafe sales	218,803	-	-	218,803
Parking revenue	368,614	-	-	368,614
Business development	1,892,069	-	-	1,892,069
Other income	742,252	240,000	(240,000)	742,252
Investment return, net	2,062,770	9	-	2,062,779
Total other revenue	7,458,861	240,009	(240,000)	7,458,870
Total support and revenues	14,179,984	240,009	(240,000)	14,179,993
Expenses:				
Program	9,287,561	836,669	(240,000)	9,884,230
General and administrative	2,946,940	-	-	2,946,940
Fundraising	744,754	-	-	744,754
Total expenses	12,979,255	836,669	(240,000)	13,575,924
Changes in net assets	1,200,729	(596,660)	-	604,069
Net assets at beginning of year	21,291,460	12,882,755	-	34,174,215
Net assets at end of year	\$ 22,492,189	\$ 12,286,095	\$ -	\$ 34,778,284

See independent auditor's report on supplementary information.