

**National September 11 Memorial and Museum
at the World Trade Center**

Financial Statements

December 31, 2024 and 2023

Independent Auditors' Report

**Board of Trustees
National September 11 Memorial and Museum
at the World Trade Center**

Opinion

We have audited the accompanying financial statements of the National September 11 Memorial and Museum at the World Trade Center, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National September 11 Memorial and Museum at the World Trade Center as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the National September 11 Memorial and Museum at the World Trade Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the National September 11 Memorial and Museum at the World Trade Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National September 11 Memorial and Museum at the World Trade Center'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 National September 11 Memorial and Museum at the World Trade Center's ability to continue as a going concern for a reasonable period of time.

**Board of Trustees
National September 11 Memorial and Museum
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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.

PKF O'Connor Davies, LLP

June 10, 2025

**National September 11 Memorial and Museum
at the World Trade Center**

Statements of Financial Position

	December 31	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 20,830,584	\$ 20,680,423
Investments	63,045,912	59,832,844
Accounts and other receivables, net of allowance for credit losses of \$484,579 in 2024 and 2023	2,624,635	2,647,197
Government grants receivable	725,037	1,524,852
Contributions receivable, net	6,223,036	5,677,507
Prepaid expenses and other assets	4,159,923	3,749,808
Merchandise inventory	556,332	515,989
Right of use assets - operating leases, net	12,779,133	14,470,606
Buildings, property and equipment, net	434,729,292	458,361,171
Construction in progress	2,168,429	1,607,544
	<u>\$ 547,842,313</u>	<u>\$ 569,067,941</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 11,613,844	\$ 8,480,568
Deferred revenue	2,320,284	2,380,397
Loan payable	5,769,231	10,384,615
Leases payable	17,634,312	18,796,931
Total Liabilities	<u>37,337,671</u>	<u>40,042,511</u>
Net Assets		
Without donor restrictions	504,562,207	521,292,576
With donor restrictions	5,942,435	7,732,854
Total Net Assets	<u>510,504,642</u>	<u>529,025,430</u>
	<u>\$ 547,842,313</u>	<u>\$ 569,067,941</u>

See notes to financial statements

**National September 11 Memorial and Museum
at the World Trade Center**

Statements of Activities

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND OTHER SUPPORT						
Museum revenue	\$ 69,026,391	\$ -	\$ 69,026,391	\$ 65,669,670	\$ -	\$ 65,669,670
Merchandise sales, net of cost of goods sold of \$2,821,698 and \$2,914,331	6,801,786	-	6,801,786	6,643,423	-	6,643,423
Government grants	4,496,437	-	4,496,437	3,537,622	175,000	3,712,622
Contributions	4,766,688	2,035,576	6,802,264	3,206,638	3,509,035	6,715,673
Special events, net of costs of \$1,483,806 and \$1,377,764	2,455,350	200,000	2,655,350	3,036,324	1,500,000	4,536,324
In-kind contributions	623,433	-	623,433	106,534	-	106,534
Net assets released from restrictions	4,025,995	(4,025,995)	-	2,726,841	(2,726,841)	-
Total Operating Revenue and Other Support	<u>92,196,080</u>	<u>(1,790,419)</u>	<u>90,405,661</u>	<u>84,927,052</u>	<u>2,457,194</u>	<u>87,384,246</u>
OTHER INCOME						
Investment return	3,617,040	-	3,617,040	3,267,234	-	3,267,234
Other income	218,911	-	218,911	219,782	-	219,782
Total Other Income	<u>3,835,951</u>	<u>-</u>	<u>3,835,951</u>	<u>3,487,016</u>	<u>-</u>	<u>3,487,016</u>
Total Operating Revenue and Other Support and Other Income	<u>96,032,031</u>	<u>(1,790,419)</u>	<u>94,241,612</u>	<u>88,414,068</u>	<u>2,457,194</u>	<u>90,871,262</u>
OPERATING EXPENSES						
Memorial and museum program activities	59,108,310	-	59,108,310	52,991,502	-	52,991,502
Management and general	20,681,270	-	20,681,270	19,094,342	-	19,094,342
Fundraising	5,251,507	-	5,251,507	4,326,908	-	4,326,908
Total Operating Expenses	<u>85,041,087</u>	<u>-</u>	<u>85,041,087</u>	<u>76,412,752</u>	<u>-</u>	<u>76,412,752</u>
Change in Net Assets from Operating Activities Before Depreciation and Amortization and Collections Acquisitions by Purchase	10,990,944	(1,790,419)	9,200,525	12,001,316	2,457,194	14,458,510
Depreciation and amortization	(27,697,813)	-	(27,697,813)	(27,277,720)	-	(27,277,720)
Collections acquisitions by purchase	(23,500)	-	(23,500)	(20,002)	-	(20,002)
Change in Net Assets from Operating Activities	<u>(16,730,369)</u>	<u>(1,790,419)</u>	<u>(18,520,788)</u>	<u>(15,296,406)</u>	<u>2,457,194</u>	<u>(12,839,212)</u>
NON-OPERATING ACTIVITIES						
Loan payable partial forgiveness	-	-	-	208,000	-	208,000
Change in Net Assets	<u>(16,730,369)</u>	<u>(1,790,419)</u>	<u>(18,520,788)</u>	<u>(15,088,406)</u>	<u>2,457,194</u>	<u>(12,631,212)</u>
NET ASSETS						
Beginning of year	<u>521,292,576</u>	<u>7,732,854</u>	<u>529,025,430</u>	<u>536,380,982</u>	<u>5,275,660</u>	<u>541,656,642</u>
End of year	<u>\$ 504,562,207</u>	<u>\$ 5,942,435</u>	<u>\$ 510,504,642</u>	<u>\$ 521,292,576</u>	<u>\$ 7,732,854</u>	<u>\$ 529,025,430</u>

See notes to financial statements

**National September 11 Memorial and Museum
at the World Trade Center**

Statements of Functional Expenses

	Year Ended December 31, 2024				Year Ended December 31, 2023			
	Memorial and Museum Program Activities	Management and General	Fundraising	Total Expenses	Memorial and Museum Program Activities	Management and General	Fundraising	Total Expenses
Salaries	\$ 17,004,436	\$ 7,404,558	\$ 2,797,489	\$ 27,206,483	\$ 14,210,225	\$ 6,269,149	\$ 2,216,725	\$ 22,696,099
Payroll taxes and fringe benefits	4,027,967	1,630,904	737,632	6,396,503	3,262,516	1,359,432	509,046	5,130,994
Occupancy costs	4,459,530	2,303,523	-	6,763,053	3,921,191	2,958,945	-	6,880,136
Insurance	2,909,418	1,671,532	13,831	4,594,781	2,586,219	1,633,461	8,263	4,227,943
Professional and other fees	573,594	2,686,887	1,235,795	4,496,276	563,393	1,538,504	570,166	2,672,063
Engineering and janitorial services	12,066,618	1,340,735	-	13,407,353	11,285,402	1,253,934	-	12,539,336
Security	10,473,350	31,097	-	10,504,447	9,820,088	-	-	9,820,088
Information technology	1,304,228	1,387,709	-	2,691,937	1,232,567	1,249,875	2,513	2,484,955
Marketing and advertising	31,431	1,772,569	304,360	2,108,360	29,542	1,546,035	332,050	1,907,627
Cost of goods sold	2,821,698	-	-	2,821,698	2,914,331	-	-	2,914,331
Cost of special events	-	-	1,483,806	1,483,806	-	-	1,377,764	1,377,764
Commemorative programmatic events	1,142,636	-	-	1,142,636	1,124,270	-	-	1,124,270
Repairs and maintenance	2,097,955	-	-	2,097,955	2,058,806	170	66	2,059,042
Office supplies, printing, postage, and credit card processing	2,562,479	9,840	76,540	2,648,859	2,483,434	70,038	600,361	3,153,833
Telephone and internet	167,118	167,118	-	334,236	146,800	146,800	-	293,600
Dues and subscriptions	57,287	150,976	28,511	236,774	53,941	95,551	47,564	197,056
Travel and meetings	158,925	104,482	56,841	320,248	138,114	47,786	35,932	221,832
Bad debt expense	-	-	-	-	-	890,651	-	890,651
Other expenses	71,338	19,340	508	91,186	74,994	34,011	4,222	113,227
Subtotal	61,930,008	20,681,270	6,735,313	89,346,591	55,905,833	19,094,342	5,704,672	80,704,847
Less: cost of goods sold	(2,821,698)	-	-	(2,821,698)	(2,914,331)	-	-	(2,914,331)
Less: cost of special events	-	-	(1,483,806)	(1,483,806)	-	-	(1,377,764)	(1,377,764)
Total Expenses Before Depreciation and Amortization	59,108,310	20,681,270	5,251,507	85,041,087	52,991,502	19,094,342	4,326,908	76,412,752
Depreciation and amortization	27,185,886	503,720	8,207	27,697,813	27,026,466	251,254	-	27,277,720
Total Functional Expenses	<u>\$ 86,294,196</u>	<u>\$ 21,184,990</u>	<u>\$ 5,259,714</u>	<u>\$ 112,738,900</u>	<u>\$ 80,017,968</u>	<u>\$ 19,345,596</u>	<u>\$ 4,326,908</u>	<u>\$ 103,690,472</u>

See notes to financial statements

**National September 11 Memorial and Museum
at the World Trade Center**

Statements of Cash Flows

	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (18,520,788)	\$ (12,631,212)
Adjustments to reconcile change in net assets to net cash from operating activities		
Discount to present value of receivables	(160,206)	458,258
Bad debt expense	-	890,651
Depreciation and amortization	27,697,813	27,277,720
Net realized and unrealized (gain) on investments	(987,581)	(644,022)
Donated stock	(55,214)	-
Amortization of office build-out allowance	-	(202,535)
Amortization of right to use assets - operating lease	1,890,179	2,263,026
Amortization of imputed interest - leases payable	704,485	301,428
Amortization of in-kind rent contribution	-	1,053,164
Gain on disposal of equipment	(8,844)	-
Loan payable partial forgiveness	-	(208,000)
Changes in Operating Assets and Liabilities		
Accounts and other receivables	22,562	(472,742)
Government grants receivable	799,815	2,416,969
Contributions receivable	(385,323)	(3,435,569)
Prepaid expenses and other assets	(410,115)	(505,368)
Merchandise inventory	(40,343)	(104,515)
Accounts payable and accrued expenses	3,133,276	1,094,518
Payments on lease payable	(2,065,810)	(448,214)
Due to Port Authority of New York	-	(2,041,667)
Deferred revenue	(60,113)	157,540
Net Cash from Operating Activities	<u>11,553,793</u>	<u>15,219,430</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of buildings, property and equipment	(4,057,090)	(3,961,827)
Change in construction in progress	(560,885)	(210,560)
Purchases of investments	(46,657,785)	(67,449,283)
Proceeds from sale of investments	44,487,512	62,403,495
Net Cash from Investing Activities	<u>(6,788,248)</u>	<u>(9,218,175)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan payable	<u>(4,615,384)</u>	<u>(4,407,385)</u>
Net Change in Cash and Cash Equivalents	150,161	1,593,870
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>20,680,423</u>	<u>19,086,553</u>
End of year	<u>\$ 20,830,584</u>	<u>\$ 20,680,423</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Interest paid	\$ 19,342	\$ 34,010
NON-CASH FINANCING ACTIVITIES		
Partial forgiveness of loan payable	-	208,000

See notes to financial statements

National September 11 Memorial and Museum at the World Trade Center

Notes to Financial Statements
December 31, 2024 and 2023

1. Organization and Tax Status

Through commemoration, exhibitions, and educational programs, the National September 11 Memorial and Museum at the World Trade Center (the “Organization”) remembers and honors the 2,983 people killed in the horrific attacks of September 11, 2001 (“9/11”) and February 26, 1993, as well as those who risked their lives to save others and all who demonstrated extraordinary compassion in the aftermath of the attacks.

Since its opening in 2014, the National September 11 Memorial Museum (the “Museum”) has welcomed over 25 million visitors. The National September 11 Memorial (the “Memorial”) has welcomed over 82 million visitors since its opening in 2011. This unique and sacred space helps connect visitors from over 175 countries around the world, not only to the events of 2001 and 1993, but also to each other in a shared experience of reflection, remembrance, and community.

Museum education programs serve thousands of students, teachers, and families every year, focusing on the history of the day, the importance of memorialization and the lessons of resilience and recovery. Public programming is dedicated to deepening the audience’s understanding of 9/11’s continuing impact in America and around the world through film screenings, moderated conversations, and performances.

Memorial and Museum visitors are brought together at a peaceful and contemplative site which consists of two reflecting pools formed in the footprints of the original Twin Towers and a plaza of trees. The Museum displays monumental artifacts linked to the events of 9/11, while presenting intimate stories of loss, compassion, reckoning and recovery that are central to telling the story of the 2001 and 1993 attacks.

The Organization was incorporated on February 11, 2014 and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization as described in Section 509(a). On December 31, 2019, the Organization was granted a permanent charter by the New York State Board of Regents. On that same day, the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (the “Foundation”) merged with the Organization and transferred all of its net assets, valued at \$608,846,380, to the Organization. The Organization remains as the continuing entity after the merger.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**National September 11 Memorial and Museum
at the World Trade Center**

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain items in the 2023 financial statements were reclassified to conform to the 2024 financial statements presentation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, money market funds and short-term investments which are highly liquid in nature. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. At times cash balances may exceed the FDIC limit. As of December 31, 2024 and 2023, the Organization's uninsured cash and cash equivalents balances on deposit totaled approximately \$20,306,000 and \$20,156,000.

Investments

The Organization invests a portion of its available cash in a highly liquid, separately managed fixed income bond portfolio with an average duration of six months. Investments on the Statements of Financial Position are reported at fair value based on quoted market prices. Investment return is reported net of investment expenses on the Statements of Activities. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times investment and cash holdings may exceed the SIPC limit. As of December 31, 2024 and 2023, the Organization's uninsured investment holdings totaled approximately \$62,546,000 and \$59,333,000.

Merchandise Inventory

Merchandise inventory is valued at the lower of weighted average cost or net realizable value.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of outstanding cash collections from Museum ticket resellers that are owed in the ordinary course of business and other receivables from various sources that are owed from non-ordinary operating activities within one year of the Statements of Financial Position date.

**National September 11 Memorial and Museum
at the World Trade Center**

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Accounts Receivable and Allowance for Credit Losses (continued)

Accounts receivable is recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented in the Statements of Financial Position. The Museum maintains allowances for credit losses resulting from the expected failure or inability of its customers to make the required payments. The Museum recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Museum's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Museum records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Museum assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Museum may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables.

Buildings, Property and Equipment

Buildings, property and equipment are stated at cost, or if donated, at fair value at the date of the gift, less accumulated depreciation and amortization. The Organization capitalizes all purchases of property and equipment greater than \$5,000. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years for furniture and equipment and computer hardware and software, to 15 to 39 years for the Memorial plaza and Museum building. Leasehold improvements are amortized over the terms of the lease agreement.

Repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred. At the time buildings, property and equipment are retired or disposed of, the buildings, property and equipment and related accumulated depreciation and amortization accounts are relieved of the applicable amounts, and any gain or loss is credited or charged to current operations.

Buildings, property and equipment assets are reviewed for impairment if the use of the assets significantly changes or another indicator of possible impairment is identified. If the carrying amount of an asset is not recoverable, the value is written down to the asset's fair value. There were no asset impairments for the years ended December 31, 2024 and 2023.

**National September 11 Memorial and Museum
at the World Trade Center**

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Deferred Revenue

Advance ticket purchases for Museum admissions and tours are deferred and recognized on the ticket date. The portion of membership fees paid in advance that includes an exchange element is deferred and recognized over the term of the membership. Contract assets were \$2,573,618 and contract liabilities were \$2,222,857 at January 1, 2023.

Leases

The Organization determines if an arrangement is a lease at inception. All leases are recorded on the Statements of Financial Position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

Operating lease right-of-use assets ("ROU") and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from operating leases are included in right-of-use asset and the related liabilities are included in lease payable in the Statements of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk free rate. Operating lease cost is recognized on a straight-line basis over the lease term as rent expense within management and general expenses in the Statements of Functional Expenses. Lease and non-lease components of lease agreements are accounted for separately. Lease terms may include options to extend or terminate the lease and when it is reasonably certain that the Organization will exercise that option such amounts are included in the ROU assets and lease liabilities.

Net Assets without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating expenses.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue 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, the net assets are reclassified as net assets without donor restriction and reported on the Statements of Activities as net assets released from restrictions.

**National September 11 Memorial and Museum
at the World Trade Center**

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations excludes collections acquisitions by purchase, and other non-operating activities.

Museum Revenue

Museum revenue includes admissions, tours and memberships. The Organization recognizes revenue from ticket sales and tours at the time of admission. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately.

Merchandise Sales

The Organization sells merchandise in stores and through e-commerce. Revenue and the related expenses are recognized at the time of sale or upon shipment of the merchandise.

Contributions

The Organization recognizes contributions when cash or other assets are received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return of transferred assets, are not recognized until the conditions on which they depend have been met.

Contributions received are reported as without donor restrictions unless the gift was received with donor stipulations that limit the use of the donated amount and as such, are recognized as with donor restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts are computed using rates applicable to the years in which the promises are received and consider market and credit risk as applicable. Amortization of the discounts are included in contributions in the Statements of Activities.

**National September 11 Memorial and Museum
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Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

In-kind Contributions

Donated services are reported in the financial statements at fair value if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation. Donated materials and other non-cash items are reported at fair value at the date of the donation. Donated assets accepted by the Organization are recorded at fair value on the date the asset was transferred to the Organization.

Contributions of professional services are stated at the fair value of the services provided to the Organization. The in-kind gift is recognized as contributed revenue when the contribution is received, and the fair value of the services rendered and used by the Organization is recognized as an expense in the Statements of Activities.

Volunteers

A large number of unpaid volunteers have made significant contributions of time in the furtherance of the Organization's programs, covering a number of the Organization's activities. These contributions do not meet the criteria for recognition of contributed services in accordance with U.S. GAAP, and therefore their value is not reflected in these financial statements.

Special Events

The Organization holds several special events each year, including a benefit dinner. Revenue and the related expenses are recognized when the event occurs.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$1,526,508 and \$1,564,644 in 2024 and 2023.

**National September 11 Memorial and Museum
at the World Trade Center**

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The Statements of Functional Expenses present the expenses of the Organization by nature and function. Memorial and Museum program activities include costs of maintenance, security, exhibitions, temporary exhibitions, projects, curatorial and collections maintenance, visitor services, education, public programs, and auxiliary activities. Management and general expenses include costs associated with the following operational areas: administration, finance, information technology, legal, external affairs and human resources. Fundraising costs include those costs associated with donor interaction. Rent, building maintenance, and office services are allocated to each department in the Organization based on functional headcount. Departmental expenses are then allocated to the functional expense categories based on estimates of time and effort provided by the heads of each department.

Collections

In accordance with industry practice, the value of the Organization's collection is not reflected as an asset on the Statements of Financial Position. Purchases of collection items are recorded in the year in which the items are acquired as decreases to net assets without donor restrictions. Pursuant to the Organization's Collections Management Policy, proceeds from deaccessions are to be used to acquire other items for the collection, and for the preservation, protection, or care of collections as approved by the Board and are recorded as net assets without donor restrictions designated for acquisitions or care of collection items.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for years prior to 2021.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 10, 2025.

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3. Liquidity and Availability of Resources

The following reflects the Organization's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years. The following represents total financial assets available to meet cash needs for general expenditure within one year at December 31:

	2024	2023
Cash and cash equivalents	\$ 20,830,584	\$ 20,680,423
Investments	63,045,912	59,832,844
Accounts and other receivables, net	2,624,635	2,647,197
Government grants receivable	725,037	1,524,852
Contributions receivable, net	<u>6,223,036</u>	<u>5,677,507</u>
Total Financial Assets Available Within One Year	<u>93,449,204</u>	<u>90,362,823</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(3,082,777)	(6,145,244)
Restricted by donors with time restrictions	<u>(492,000)</u>	<u>-</u>
	<u>(3,574,777)</u>	<u>(6,145,244)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 89,874,427</u>	<u>\$ 84,217,579</u>

Principal sources of liquidity include cash flows generated from the operations of the Museum. As part of the Organization's liquidity strategy, management structures its financial assets, consisting of cash, investments, and receivables to be available as its general expenditures, liabilities and obligations come due within one year. Excess cash is invested in highly liquid fixed income securities, which could be drawn upon in the event of an unanticipated liquidity need. In addition, the Organization receives cash flow from contributions and grants made by donors through its fundraising efforts. Most of these amounts are expected to be collected within one year.

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4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments and receivables. The Organization places its cash with various financial institutions. At times cash balances held at financial institutions may be in excess of federally insured limits. Investments are diversified by type and industry concentrations so that no individual or group of investments represents a significant concentration of credit risk.

Concentrations of credit risk with respect to receivables are generally diversified due to the large number of entities and individuals composing the Organization's donor base.

5. Fair Value Measurement

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, the following hierarchy prioritizes observable and unobservable inputs used to measure fair value.

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

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

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

The following table summarizes the Organization's investments measured at fair value and categorized using the fair value hierarchy (Cash is measured at cost plus accrued interest) as of December 31:

	2024	2023
Cash	\$ 1,522,913	\$ 4,580,033
Equity (Level 1)	9,571,182	-
Mutual funds (Level 1)	9,598,185	-
Corporate bonds (Level 2)	16,111,403	17,845,042
Government and agency bonds (Level 2)	13,018,681	21,406,650
International bonds (Level 2)	5,180,290	6,358,157
Mortgage and asset backed bonds (Level 2)	5,787,462	7,156,869
Other fixed income (Level 2)	2,255,796	2,486,093
Total Investments	<u>\$ 63,045,912</u>	<u>\$ 59,832,844</u>

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6. Accounts and Other Receivables

Accounts and other receivables, net, consist of the following at December 31:

	2024	2023
Due within:		
Up to one year	\$ 3,109,214	\$ 3,131,776
Allowance for credit losses	<u>(484,579)</u>	<u>(484,579)</u>
Accounts and Other Receivables, net	<u>\$ 2,624,635</u>	<u>\$ 2,647,197</u>

7. Government Grants Receivable

Government grants receivable amounted to \$725,037 and \$1,524,852 as of December 31, 2024 and 2023. The receivables are due within one year and management has determined that they are fully collectible.

8. Contributions Receivable

Contributions receivable, net, consist of the following at December 31:

	2024	2023
Due within:		
Up to one year	\$ 3,709,602	\$ 2,952,835
One to five years	<u>3,267,000</u>	<u>4,456,250</u>
	6,976,602	7,409,085
Present value discount	(318,984)	(479,190)
Allowance for doubtful accounts	<u>(434,582)</u>	<u>(1,252,388)</u>
Contributions Receivable, net	<u>\$ 6,223,036</u>	<u>\$ 5,677,507</u>

The discount rates used for contributions outstanding at December 31, 2024 and 2023, range from 1.72% to 4.4%.

9. Buildings, Property and Equipment

Buildings, property and equipment, net, consist of the following at December 31:

	2024	2023
Museum building	\$ 399,824,639	\$ 399,787,634
Memorial plaza	316,110,362	316,123,214
Furniture and equipment	39,137,566	38,935,225
Computer hardware and software	37,255,590	36,450,934
Leasehold improvements	<u>42,520,352</u>	<u>39,487,282</u>
	834,848,509	830,784,289
Accumulated depreciation and amortization	<u>(400,119,217)</u>	<u>(372,423,118)</u>
	<u>\$ 434,729,292</u>	<u>\$ 458,361,171</u>

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9. Buildings, Property and Equipment (*continued*)

The Organization disposed of \$12,852 of property and equipment during 2024, which resulted in a gain on disposal of equipment of \$8,844 included in other income. The Organization did not record any disposals during 2023.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following at December 31:

	2024	2023
Donor imposed time restrictions	\$ 1,094,492	\$ 162,610
Donor imposed purpose restrictions	4,847,943	7,570,244
	<u>\$ 5,942,435</u>	<u>\$ 7,732,854</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor-imposed time restrictions as follows:

	2024	2023
Donor imposed time restrictions	\$ 162,610	\$ 2,068,164
Donor imposed purpose restrictions	3,863,385	658,677
	<u>\$ 4,025,995</u>	<u>\$ 2,726,841</u>

11. Commitments

The Organization amortizes the operating leases right-of-use assets over the remaining life of the lease agreements. Right-of-use assets consist of the following at December 31:

	2024	2023
Right of use assets - operating leases	\$ 19,192,710	\$ 18,994,005
Less: accumulated amortization	<u>(6,413,577)</u>	<u>(4,523,399)</u>
	<u>\$ 12,779,133</u>	<u>\$ 14,470,606</u>

ROU assets recognized during the year ended December 31, 2024 totaled \$1,893,307. ROU assets remeasured during the year ended December 31, 2024 resulted in a decrease in ROU assets of \$1,694,602. There was no ROU assets recognized or remeasured during the year ended December 31, 2023.

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11. Commitments (*continued*)

All facilities are operated under operating leases requiring future minimum payments as follows for the years ended December 31:

2025	\$ 2,085,222
2026	4,835,717
2027	3,241,117
2028	3,383,837
2029	3,280,490
Thereafter	<u>3,119,480</u>
Total undiscounted operating lease payments	19,945,863
Less: imputed interest	<u>(2,311,551)</u>
Present value of operating lease liabilities	<u><u>\$ 17,634,312</u></u>

Occupancy costs for the Organization under these leases totaled \$2,594,464 and \$2,564,454 for each of the years ended December 31, 2024 and 2023.

Information associated with the measurement of the Company's operating lease obligations is as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term in years for operating leases	5.87	6.83
Weighted-average discount rate used for operating leases	4.25%	1.60%

Supplemental cash flow information:

Cash paid for amounts included in measurement of lease liabilities:

	<u>2024</u>	<u>2023</u>
Operating cash flows and operating leases	<u><u>\$ 2,065,810</u></u>	<u><u>\$ 448,214</u></u>

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12. Collections Acquisitions by Purchase

The Organization continues to build its permanent collection guided by the Collections Management Policy which defines the scope and intellectual framework of content assets and the procedures by which these materials are accessioned, catalogued and preserved. Through leadership of the Board's Acquisitions Committee and professional staff, the Organization strives to establish, preserve and document primary records, material evidence, spoken testimony and other wide-ranging cultural documentation related to the September 11, 2001 and February 26, 1993 terrorist attacks, the historical context leading up to them, and their aftermath and ongoing repercussions. The Organization also collects artifacts, spoken remembrances and other materials that honor and commemorate the victims of the September 11, 2001 and February 26, 1993 terrorist attacks and their legacies. The Organization makes its collection available as loans to other museums and presenting institutions, in the U.S. and abroad, that meet security and environmental criteria. The collection is also available, through the catalogue database and by appointment, for research purposes and in cooperation with curators and school educators, for the creation of lesson plans that are then made available through the website. The Organization's collection is also used in educational and public programs for the benefit of visitors to the Museum, and as a focus of presentations given at outside venues such as peer museums, professional organizations and conferences attended by museum practitioners, activists, public historians, and others.

In 2024 and 2023, the Organization spent \$23,500 and \$20,002 on acquisitions of collection items. These acquisitions were funded in part by contributions with donor restrictions.

13. In-kind Contributions

In-kind contributions, excluding rent (see Note 15), for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Professional services	\$ 623,433	\$ 102,312	Management and General	None	Estimated based on current rates of legal services provided by law firm and accounting services provided by accounting firm.
Special event supplies	-	4,222	Fundraising	None	Estimated based on market values of similar goods and services.
	<u>\$ 623,433</u>	<u>\$ 106,534</u>			

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14. Retirement Plan

The Organization has a 403(b) defined contribution retirement plan for all eligible employees. Under the provisions of this plan, the Organization contributed 4% of participants' earnings during the year. The Organization also made contributions under a voluntary matching program up to a maximum of 6% during both 2024 and 2023. For the years ended December 31, 2024 and 2023, plan expense was \$1,817,041 and \$1,434,255.

15. Related Party Transactions

On May 13, 2013, the Organization entered into a loan agreement with a corporation owned by a member of the Board of Trustees, which provides a maximum borrowing limit of \$15 million. At December 31, 2024 and 2023, the Organization had an outstanding loan balance of \$5,769,231 and \$10,384,615. Repayment of this balance began on March 31, 2023, with quarterly principal payments of \$1,153,846, and a final payment due at maturity on March 31, 2026. During the year ended December 31, 2023, \$208,000 of the loan was forgiven by the lender and is reported as loan payable partial forgiveness within non-operating activities on the 2023 Statement of Activities. The loan carries a fixed interest rate of 0.22%. For the years ended December 31, 2024 and 2023, interest expense was \$19,342 and \$29,573.

During 2013, the Organization entered into a lease agreement for its administrative office space with a former member of the Board of Trustees. An in-kind rent contribution of \$10,444,233 was received and was amortized over the life of the lease through December 31, 2023. For the years ended December 31, 2024 and 2023, amortization included in rent expense was \$0 and \$1,053,164.

16. Contingencies

The Organization has been involved in certain legal actions during the ordinary course of business. For some of the claims, another party to the action may be required to indemnify the Organization for all claims and liabilities that may arise. In accordance with the merger, the Organization may now be party to claims related to the Foundation.

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