

The Florida Aquarium, Inc. and Affiliate

Consolidated Financial Report
September 30, 2025

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4-5
Consolidated statements of functional expenses	6-7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-26

Independent Auditor's Report

Board of Directors
The Florida Aquarium, Inc.

Opinion

We have audited the consolidated financial statements of The Florida Aquarium, Inc. and Affiliate (collectively, the Aquarium), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Aquarium as of September 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 Financial Statements section of our report. We are required to be independent of the Aquarium 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 Aquarium's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

RSM US LLP

Tampa, Florida
January 23, 2026

The Florida Aquarium, Inc. and Affiliate

Consolidated Statements of Financial Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,315,290	\$ 18,426,283
Investments	5,491,000	5,333,230
Accounts receivable, net of allowance for credit losses of \$10,000 and \$9,200 as of September 30, 2025 and 2024	1,179,302	723,397
Grants receivable	875,903	910,528
Contributions receivable, net	1,647,833	2,152,133
Other current assets	351,030	411,376
Total current assets	23,860,358	27,956,947
Investments	2,060,678	1,767,199
Beneficial interest in assets held by Community Foundation	183,887	167,816
Contributions receivable, net	1,803,802	2,846,739
Right-of-use (ROU) assets—operating leases, net	236,898	257,117
Capital assets, net	32,913,444	27,798,232
Total assets	\$ 61,059,067	\$ 60,794,050
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,372,495	\$ 3,729,802
Lease liabilities—operating, net	58,245	48,217
Deferred revenue	1,685,981	1,693,475
Total current liabilities	5,116,721	5,471,494
Lease liabilities—operating, net	179,005	207,801
Deferred revenue	1,622,017	118,400
Total liabilities	6,917,743	5,797,695
Commitments and contingencies (Note 7)		
Net assets:		
Without donor restrictions	48,308,457	47,701,801
With donor restrictions	5,832,867	7,294,554
Total net assets	54,141,324	54,996,355
Total liabilities and net assets	\$ 61,059,067	\$ 60,794,050

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

**Consolidated Statement of Activities
Year Ended September 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Admissions	\$ 25,285,445	\$ -	\$ 25,285,445
Membership revenue	2,381,048	-	2,381,048
Gift shop sales, net	1,342,981	-	1,342,981
Restaurant sales, net	1,075,508	-	1,075,508
Parking revenue, net	1,748,096	-	1,748,096
Community programs revenue	676,175	-	676,175
Contributions and grants	3,727,187	508,511	4,235,698
Contributions of nonfinancial assets	-	-	-
Miscellaneous revenue	455,686	-	455,686
Net assets released from restrictions	2,279,748	(2,279,748)	-
Total revenue and support	38,971,874	(1,771,237)	37,200,637
Operating expenses:			
Program services:			
Animal care, health and conservation	12,260,064	-	12,260,064
Education and learning	3,605,504	-	3,605,504
Life support and facilities	7,249,156	-	7,249,156
Guest services	7,161,865	-	7,161,865
Total program services	30,276,589	-	30,276,589
Support services:			
Executive, finance and human resources	5,039,357	-	5,039,357
Development and membership	1,288,952	-	1,288,952
Marketing and sales	1,918,090	-	1,918,090
Total support services	8,246,399	-	8,246,399
Total operating expenses	38,522,988	-	38,522,988
Operating income before other income	448,886	(1,771,237)	(1,322,351)
Other income:			
Change in value of beneficial interest in assets held by Community Foundation	-	16,071	16,071
Investment return, net	157,770	293,479	451,249
Total other income	157,770	309,550	467,320
Change in net assets	606,656	(1,461,687)	(855,031)
Net assets:			
Beginning	47,701,801	7,294,554	54,996,355
Ending	\$ 48,308,457	\$ 5,832,867	\$ 54,141,324

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

**Consolidated Statement of Activities
Year Ended September 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Admissions	\$ 24,960,316	\$ -	\$ 24,960,316
Membership revenue	2,816,583	-	2,816,583
Gift shop sales, net	1,415,249	-	1,415,249
Restaurant sales, net	1,256,262	-	1,256,262
Parking revenue, net	1,577,017	-	1,577,017
Community programs revenue	650,137	-	650,137
Contributions and grants	3,788,223	3,676,019	7,464,242
Contributions of nonfinancial assets	27,000	-	27,000
Miscellaneous revenue	437,940	-	437,940
Net assets released from restrictions	1,355,190	(1,355,190)	-
Total revenue and support	38,283,917	2,320,829	40,604,746
Operating expenses:			
Program services:			
Animal care, health and conservation	11,757,578	-	11,757,578
Education and learning	3,202,111	-	3,202,111
Life support and facilities	6,452,277	-	6,452,277
Guest services	6,856,746	-	6,856,746
Total program services	28,268,712	-	28,268,712
Support services:			
Executive, finance and human resources	5,263,633	-	5,263,633
Development and membership	1,211,678	-	1,211,678
Marketing and sales	1,669,101	-	1,669,101
Total support services	8,144,412	-	8,144,412
Total operating expenses	36,413,124	-	36,413,124
Operating income before other income	1,870,793	2,320,829	4,191,622
Other income:			
Gain on disposal of capital assets	3,179	-	3,179
Change in value of beneficial interest in assets held by Community Foundation	-	25,756	25,756
Investment return, net	198,272	444,131	642,403
Total other income	201,451	469,887	671,338
Change in net assets	2,072,244	2,790,716	4,862,960
Net assets:			
Beginning	45,629,557	4,503,838	50,133,395
Ending	\$ 47,701,801	\$ 7,294,554	\$ 54,996,355

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

Consolidated Statement of Functional Expenses Year Ended September 30, 2025

	Program Services					Support Services					Total
	Animal Care, Health and Conservation	Education and Learning	Life Support and Facilities	Guest Services	Total Program Services	Executive, Finance and	Development	Marketing	Total		
						Human Resources	and Membership	and Sales	Services		
Operating expenses:											
Salaries and benefits	\$ 7,927,262	\$ 2,724,183	\$ 2,559,015	\$ 3,284,174	\$ 16,494,634	\$ 2,805,533	\$ 863,459	\$ 106,588	\$ 3,775,580	\$ 20,270,214	
Advertising and promotions	33,000	254,710	-	154,453	442,163	30,635	126,526	1,544,430	1,701,591	2,143,754	
Occupancy related	903,946	199,408	3,103,459	559,497	4,766,310	93,756	65,254	65,254	224,264	4,990,574	
Insurance	206,021	95,690	132,317	195,520	629,548	67,718	7,655	7,655	83,028	712,576	
Professional services	204,886	112,102	21,397	675,414	1,013,799	684,162	132,672	142,891	959,725	1,973,524	
Animals, plants and food	881,283	-	14,156	-	895,439	-	-	-	-	895,439	
Printing and postage	34,583	1,805	31,549	271	68,208	10,989	30,875	12,613	54,477	122,685	
Supplies and materials	718,051	118,052	596,855	285,782	1,718,740	165,207	19,676	20,206	205,089	1,923,829	
Travel and professional development	176,898	20,780	23,205	28,544	249,427	345,749	40,707	16,325	402,781	652,208	
Other expenses	141,709	-	5,767	42,192	189,668	832,568	-	-	832,568	1,022,236	
Depreciation	1,032,425	78,774	761,436	1,936,018	3,808,653	3,040	2,128	2,128	7,296	3,815,949	
Total expenses	\$ 12,260,064	\$ 3,605,504	\$ 7,249,156	\$ 7,161,865	\$ 30,276,589	\$ 5,039,357	\$ 1,288,952	\$ 1,918,090	\$ 8,246,399	\$ 38,522,988	

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

Consolidated Statement of Functional Expenses Year Ended September 30, 2024

	Program Services					Support Services					Total
	Animal Care, Health and Conservation	Education and Learning	Life Support and Facilities	Guest Services	Total Program Services	Executive, Finance and Human Resources	Development and Membership	Marketing and Sales	Total Services		
Operating expenses:											
Salaries and benefits	\$ 7,369,687	\$ 2,510,584	\$ 2,324,047	\$ 3,035,614	\$ 15,239,932	\$ 2,906,492	\$ 785,275	\$ 155,138	\$ 3,846,905	\$ 19,086,837	
Advertising and promotions	10,000	-	-	154,281	164,281	63,806	81,487	1,354,379	1,499,672	1,663,953	
Occupancy related	970,591	183,631	2,682,959	419,923	4,257,104	92,022	64,122	64,122	220,266	4,477,370	
Insurance	193,180	92,803	126,298	182,237	594,518	72,804	7,424	7,424	87,652	682,170	
Professional services	232,785	211,731	36,357	886,257	1,367,130	788,747	164,198	51,626	1,004,571	2,371,701	
Animals, plants and food	928,483	-	17,390	-	945,873	-	-	-	-	945,873	
Printing and postage	46,643	2,098	38,643	129	87,513	13,331	49,963	2,860	66,154	153,667	
Supplies and materials	651,741	103,107	522,278	272,602	1,549,728	111,389	20,540	9,992	141,921	1,691,649	
Travel and professional development	172,834	23,683	41,431	31,735	269,683	409,157	38,669	23,560	471,386	741,069	
Other expenses	151,506	-	5,241	50,193	206,940	802,178	-	-	802,178	1,009,118	
Depreciation	1,030,128	74,474	657,633	1,823,775	3,586,010	3,707	-	-	3,707	3,589,717	
Total expenses	\$ 11,757,578	\$ 3,202,111	\$ 6,452,277	\$ 6,856,746	\$ 28,268,712	\$ 5,263,633	\$ 1,211,678	\$ 1,669,101	\$ 8,144,412	\$ 36,413,124	

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

Consolidated Statements of Cash Flows Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (855,031)	\$ 4,862,960
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,815,949	3,589,717
Gain on disposal of capital assets	-	(3,179)
(Provision) for allowance for credit losses	(3,776)	-
(Provision) for uncollectible contributions receivable	(6,000)	-
Write-off of uncollectible receivables	2,976	-
Contributions received for long-term purposes	(1,967,028)	(2,441,678)
Change in value of beneficial interest in assets held by Community Foundation	(16,071)	(25,756)
Unrealized gain on investments	(451,249)	(642,403)
Changes in operating assets and liabilities:		
Accounts receivable	(455,105)	214,740
Grants receivable	364,279	128,029
Contributions receivable	1,553,237	(2,140,930)
Other current assets	60,346	(141,880)
ROU lease assets—operating	55,227	56,341
Accounts payable and accrued expenses	(793,323)	(365,615)
Lease liabilities—operating	(53,776)	(55,865)
Deferred revenue	1,496,123	(289,526)
Net cash provided by operating activities	2,746,778	2,744,955
Cash flows from investing activities:		
Proceeds from sale of capital assets	-	4,000
Purchase of capital assets	(8,495,145)	(4,120,916)
Net cash used in investing activities	(8,495,145)	(4,116,916)
Cash flows from financing activities:		
Cash received from contributions for long-term purposes	1,637,374	1,914,678
Net cash provided by financing activities	1,637,374	1,914,678
Net (decrease) increase in cash and cash equivalents	(4,110,993)	542,717
Cash and cash equivalents:		
Beginning	18,426,283	17,883,566
Ending	<u>\$ 14,315,290</u>	<u>\$ 18,426,283</u>
Supplemental schedules of noncash investing and financing activities:		
Purchases of capital assets included in accounts payable and accrued expenses	<u>\$ 436,016</u>	<u>\$ 740,331</u>
Grants received for long-term purposes in grants receivable	<u>\$ 329,654</u>	<u>\$ 500,000</u>
Contributions of nonfinancial capital assets	<u>\$ -</u>	<u>\$ 27,000</u>
Supplemental disclosures of cash flow information:		
ROU lease assets, operating-obtained by incurring operating lease liability	<u>\$ 35,008</u>	<u>\$ -</u>
Cash paid for operating leases	<u>\$ 64,771</u>	<u>\$ 67,017</u>

See notes to consolidated financial statements.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Florida Aquarium, Inc. was incorporated on December 12, 1986, in the state of Florida, as a nonprofit organization. The construction of an aquarium (the Facility) was completed and opened to the public in March 1995. In October 1996, The Florida Aquarium, Inc. sold the Facility and related assets to the City of Tampa, Florida (the City), and entered into an agreement with the City for management of the Facility (the Management Agreement). That Management Agreement expired on September 30, 2009. A new 30-year (with two automatic 10-year extensions) Lease and Operating Agreement (the Operating Agreement) was executed and became effective on October 1, 2009. The Operating Agreement defines the rights and obligations of the City and The Florida Aquarium, Inc. management. The Florida Aquarium, Inc.'s vision is to be Florida's leading conservation-based aquarium. It is committed to saving marine wildlife. It pursues this purpose by connecting people to marine life through an inspiring visit, bringing people together to learn how to protect it, and fighting to save it with impactful conservation actions.

The Florida Aquarium Foundation, Inc. (the Foundation) was incorporated on October 10, 1996, in the state of Florida, as a nonprofit organization. The Foundation was created to solicit and receive contributions or other support to be disbursed and used for charitable, educational and specific purposes, including the making of distributions for such purposes to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, as amended. Unless otherwise determined by the Foundation's Board of Directors, the recipient of such distributions shall be the Florida Aquarium, Inc.

A summary of The Florida Aquarium, Inc. and the Foundation's significant accounting policies follows:

Principles of consolidation: The accompanying consolidated financial statements include the accounts for The Florida Aquarium, Inc. and the Foundation (collectively, the Aquarium). As the Foundation's Board of Directors are required to be appointed and elected by The Florida Aquarium, Inc.'s Board of Directors, and the purpose of the Foundation is to support The Florida Aquarium, Inc., a controlling financial interest exists, and the financial activities of The Florida Aquarium, Inc. and the Foundation have been consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of presentation: A nonprofit organization is required to report information regarding its financial position and activities in accordance to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Aquarium and changes therein are classified and reported as follows:

Net assets without donor restrictions: Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (Board). Net assets without donor restrictions include expendable funds available to support operations, as well as net assets invested in property and equipment.

Net assets with donor restrictions: Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of the Aquarium or the passage of time or are permanently maintained by the Aquarium. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. 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 those long-lived assets must be maintained, the Aquarium reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Operating activities: The consolidated statements of activities include a subtotal for operating income. Items not considered operating activities represent gain on disposal of capital assets, change in value of beneficial interest in assets held by Community Foundation, and investment return, net.

Use of estimates: The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair value measurements: The Aquarium measures investments and the beneficial interest in assets held by Community Foundation at fair value on a recurring basis. The Aquarium follows accounting guidance which defines fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Aquarium.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Aquarium's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The Aquarium evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Aquarium employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Aquarium believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended September 30, 2025 and 2024, there were no changes in the Aquarium's valuation techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities.

Liquidity: Assets are presented in the accompanying consolidated financial statements according to their nearness to cash and liabilities according to their nearness to maturity and resulting use of cash.

Cash and cash equivalents: Cash and cash equivalents include cash held in commercial checking accounts and cash held in money market accounts with original maturities of three months or less.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Cash equivalents held for investment that are managed as part of the Aquarium's investments are reported within investments in the consolidated statements of financial position. Cash equivalents held for investments are excluded from cash and cash equivalents in the consolidated statements of cash flows as these funds are not used for operating needs.

Concentration of credit risk: The Aquarium maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. The Aquarium monitors its exposure associated with cash and cash equivalents, and has not experienced any losses in such accounts.

Concentrations of credit risk with respect to receivables exist. As of September 30, 2025 and 2024, approximately 58% and 62% of gross accounts receivable were from two and three customers, respectively. Approximately 85% and 72% of grants receivable as of September 30, 2025 and 2024, were from three and two grantors, respectively. As of September 30, 2025 and 2024, 70% and 44% of contributions receivable were from three and one donors, respectively.

Investments: Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the consolidated statements of financial position. Investment income is reported in the consolidated statements of activities and consists of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

The Aquarium's investment policy authorizes investments in U.S. government obligations and direct obligations of U.S. government agencies, equities and short-term money markets composed of certificates of deposit, money market funds and repurchase agreements. The policy specifically prohibits investments in certain items such as derivatives, commodities, foreign securities listed solely outside the United States of America, direct real estate or mortgages and security loans.

The Aquarium invests in a professionally managed portfolio that contains common shares of publicly traded companies, mutual funds and money market funds. Such investments are exposed to various risks such as interest rate, market and credit.

Accounts receivable: The Aquarium offsets gross accounts receivable with an allowance for credit losses that do not bear interest. Accounts receivable consist of trade receivables related to admissions, gift store and restaurant sales, parking revenues and other various sources. The allowance for credit losses is the Aquarium's best estimate of the amount of probable credit losses in the Aquarium's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expense.

Estimating credit losses based on risk characteristics requires significant judgment by the Aquarium. Significant judgments include but are not limited to assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Aquarium's financial assets, the estimated life of financial assets and the level of reliance on historical experience in light of economic conditions. The Aquarium reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets. Past due balances over 90 days and over a specified amount are reviewed individually for collectability.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Aquarium reviews its allowance monthly. The Aquarium has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due and more than 90 days past due). Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at September 30, 2025, because the composition of the accounts receivable at those dates are consistent with those used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, management has set an allowance for \$10,000 and \$9,200 as of September 30, 2025 and 2024, respectively. During the year ended September 30, 2025, \$2,976 in accounts were charged off, and an additional provision for expected credit losses of \$3,776 was provided. There were no additional provisions for expected credit losses, charge-offs or recoveries during the year ended September 30, 2024.

Grants receivable: Grants receivable are stated less an allowance for doubtful accounts. Management's determination of an allowance is based on historical experience, knowledge of grantor and other circumstances. Management believes grants receivable to be fully collectible as of September 30, 2025 and 2024.

Contributions receivable: Contributions receivable due in one year or less are reported at net realizable value. Amounts due under contributions receivable over a period of more than one year at the date of donation are reported at net present value using the market discount rate in effect at the date of the unconditional promise to give. Receivables are stated less an allowance for doubtful accounts. Management's determination of an allowance is based on historical experience, knowledge of donor and other circumstances. During the year ended September 30, 2025 and 2024, management set an allowance of \$6,000 and \$0 for doubtful contributions receivable, respectively.

Beneficial interest in assets held by Community Foundation: In 2000, the Aquarium established an endowment fund that is perpetual in nature (the Fund) and transferred funds to the Community Foundation of Tampa Bay (Community Foundation), and named itself as the beneficiary. The terms of the fund agreements are considered reciprocal in nature and, therefore, the assets are recorded in the consolidated statements of financial position of the Aquarium. The Aquarium granted variance power to the Community Foundation, which allows the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the Community Foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the Community Foundation for the Aquarium's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the consolidated statements of activities.

Change in beneficial interest in assets held by Community Foundation that is restricted by the donor is reported as an increase in net assets with donor restrictions. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Capital assets: Capital assets are stated at cost if purchased, or at estimated market value at date of receipt if acquired by gift. Expenditures for capital assets in excess of \$5,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives (three to five years) of the respective assets.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Leasehold improvements are amortized over the shorter of their useful life or the lease term. Capital assets acquired with governmental funds are considered to be owned by the Aquarium while used in the program for which it was purchased, or in future authorized programs; however, its disposition, as well as the ownership of any proceeds therefrom, is subject to applicable regulations.

Construction in progress is not depreciated until placed in service.

Expenditure for renewals and improvements that significantly add to the productive capacity to extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities.

Impairment of long-lived assets: The Aquarium evaluates the recoverability of its capital assets whenever adverse events and changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at September 30, 2025 and 2024.

Leases: The Aquarium determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Aquarium also considers whether its service arrangements include the right to control the use of an asset.

The Aquarium recognizes most leases on its consolidated statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statements.

The Aquarium made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Accounting Standard Codification (ASC) Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Aquarium made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Aquarium has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Aquarium, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Revenue recognition: The Aquarium first determines if a transaction represents an exchange transaction and, if so, accounts for the transaction in accordance with Financial Accounting Standards Board (FASB) ASC 606, Revenue from Contracts with Customers (Topic 606), which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when or as performance obligations are satisfied.

The Aquarium's revenue streams under contracts with customers are composed of day-of admissions and programs/events, ancillary services (gift shop, restaurant, parking) and memberships. A portfolio approach to group contracts with similar characteristics is applied. For admissions, program/events and ancillary services, the Aquarium has the ongoing performance obligation to provide access to the building, exhibits and events, and the obligation to provide the experience described. Revenue for admissions is recognized at the point in time when the customer is admitted to the Facility, or upon expiration of prepaid tickets (which are nonrefundable and nontransferable). Prepayments are recorded as deferred revenue/contract liabilities when collected. Program revenue for enhanced visitor experiences and events are recognized when the service is provided.

Memberships purchased include a performance obligation to provide various benefits over the membership period, which is typically one year. The primary benefit included in all memberships is unlimited admission during the term. Other benefits are considered immaterial (newsletters or member events) or are tied to the admission (gift shop and restaurant discounts). Memberships are recorded as deferred revenue/contract liabilities and recognized as membership revenue ratably over the membership period.

Revenue recognized from gift shop and restaurant sales relate to sales of products or services for which the Aquarium receives revenue based on a contractually defined commission structure.

In May 2022, the Aquarium outsourced its parking operation to the City under a contract where revenues received by the Aquarium are net of costs incurred by the City up to a base amount. Revenues earned over that base amount are then split based on a negotiated percentage.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Receivables and deferred revenues for revenue streams under contracts with customers are as follows as of September 30, 2025, 2024 and 2023:

	2025	2024	2023
Receivables:			
Admissions	\$ 272,097	\$ 201,511	\$ 151,740
Gift shop sales, net	85,139	83,081	90,865
Restaurant sales, net	454,250	162,131	296,447
Parking revenue	243,593	215,435	329,769
Community programs revenue	5,069	17,158	5,075
Miscellaneous revenue	129,154	53,281	73,441
Less allowance for credit losses	(10,000)	(9,200)	(9,200)
Total receivables	<u>\$ 1,179,302</u>	<u>\$ 723,397</u>	<u>\$ 938,137</u>
Deferred revenue:			
Admissions	\$ 232,398	\$ 285,049	\$ 432,012
Membership revenue	1,254,214	1,369,502	1,613,529
Restaurant sales, net	1,805,554	131,804	-
Community programs revenue	15,832	25,520	31,860
Miscellaneous	-	-	24,000
Total deferred revenue	<u>\$ 3,307,998</u>	<u>\$ 1,811,875</u>	<u>\$ 2,101,401</u>

The Aquarium performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time as the customer consumes and receives the benefit of the Aquarium's services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time. The performance obligations for admissions, parking, community programs and miscellaneous revenues are satisfied at a point in time. The performance obligation for membership revenue is satisfied over time (typically over one year). As the Aquarium is acting as an agent for gift shop and restaurant sales, this revenue is shown net and recognized over time.

The revenue streams noted above do not include significant financing components as the performance obligations are typically satisfied within one year of receipt of payment. Economic downturns can affect the level of revenue for all the revenue streams or can have a positive impact on cash flows in good economic times.

Deferred revenue includes the unamortized portion of a total of \$1,835,370 received from the Aquarium's restaurant concessionaire for improvements to the food service operations and renovation of the café space. In accordance with the contract terms, the amount is amortized on a straight-line basis over 10 years. If the contract is terminated early, the Aquarium is responsible for refunding the unamortized balance to the concessionaire. The unamortized portion in current deferred revenue at September 30, 2025 and 2024 is \$183,537 and \$13,404, respectively. The noncurrent portion is \$1,622,017 and \$118,400 at September 30, 2025 and 2024, respectively.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Public support: The Aquarium recognizes unconditional contributions when cash, securities, promises to give or other assets; or notification of a beneficial interest, is received. Unconditional contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction.

Conditional contributions are those contributions that certain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recorded as revenue when conditions are satisfied. Conditional contributions received in advance of satisfying conditions are recorded as refundable advances. If a conditional contribution with donor restrictions becomes unconditional in the same period that the donor restrictions are satisfied, it is reported as an increase in net assets without donor restrictions.

A portion of the Aquarium's non-exchange revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenditures (i.e., contain meaningful barriers and rights of return). Amounts received are recognized as revenue when the Aquarium has provided certain services and incurred expenditures in compliance with specific contract or grant provisions. Cash received in excess of revenue recognized is recorded as refundable advances. There were no refundable advances at September 30, 2025 and 2024.

Contributions of nonfinancial assets: Donated materials are reflected in the accompanying consolidated financial statements at their estimated fair value at date of receipt. Donations of services are recorded as support at their estimated fair value if the services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Aquarium estimates the fair value on the basis of estimates of wholesale values that would be received from selling similar products, renting similar spaces, or acquiring similar services in the United States in line with FASB Topic 820, Fair Value Measurement. The Aquarium utilizes donated materials for their mission and does not monetize or sell the goods.

In fiscal year 2025, there were no contributed nonfinancial assets received. During the year ended September 30, 2024, contributed nonfinancial assets consisted of installation services valued at \$27,000 of security camera equipment donated in fiscal 2023. These assets do not contain donor-imposed restrictions.

Community members volunteer in all areas of Aquarium operations. The Aquarium has over 500 active volunteers who contributed 56,785 and 56,724 hours of service for fiscal years 2025 and 2024, respectively. A dollar valuation of this effort is not reflected in the consolidated financial statements given the nature of the services contributed.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Functional allocation of expenses: The Aquarium tracks expenses by natural classification (salaries, utilities, etc.), department (animal care, health and conservation, etc.) and program, if applicable, as part of normal operations. Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are allocated to program and support services based on various factors determined by management, including number of staff in each department, time charged to the function and use of capital assets. The Aquarium's program services are classified within the following: animal care, health and conservation (husbandry, conservation, veterinary care, dive operations, water quality and horticulture), education and learning (instructors, exhibit educators, community programs and reservations), life support and facilities (including graphics and exhibits) and guest services (admissions, reception, Eco tour boat, parking, safety and security and environmental services). The Aquarium's support services include the executive, finance and human resources functions (including volunteer services), marketing and sales functions and development and membership (responsible for all fundraising activities).

Advertising: Advertising costs are expensed as incurred.

Income taxes: The Florida Aquarium, Inc. and Foundation are recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the IRC. Income earned in furtherance of these entities' tax-exempt purposes is exempt from federal and state income taxes. As such, no provision for income tax expense has been made in the accompanying consolidated financial statements.

The Aquarium follows the accounting standard on accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, the Aquarium is no longer subject to U.S. federal or state income tax examinations by tax authorities for three years from the filing date of the respective returns.

Recently issued accounting pronouncements: In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU introduces practical expedient and, for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, Financial Instruments—Credit Losses, to current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606, Revenue from Contracts with Customers. The ASU will be effective for the Aquarium's fiscal year ended September 30, 2027, with early adoption permitted. The adoption of this standard is not expected to have a significant impact on the Aquarium's financial statements.

Subsequent events: The Aquarium has evaluated subsequent events through January 23, 2026, the date on which the consolidated financial statements were available to be issued.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2. Fair Value Measurements

The following tables summarize major categories of the Aquarium's assets measured at fair value on a recurring basis at September 30, 2025 and 2024:

		2025			
		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
		Total			
Assets:					
Recurring:					
Vanguard 500 Index mutual fund	\$ 1,953,093	\$ 1,953,093	\$ -	\$ -	
Money market funds	5,491,000	5,491,000	-	-	
Cash equivalents held for investment	98,883	98,883	-	-	
Equities	8,702	8,702	-	-	
Total investments	7,551,678	7,551,678	-	-	
Beneficial interest in assets held by Community Foundation	183,887	-	-	183,887	
Total assets	\$ 7,735,565	\$ 7,551,678	\$ -	\$ 183,887	

		2024			
		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
		Total			
Assets:					
Recurring:					
Vanguard 500 Index mutual fund	\$ 1,661,488	\$ 1,661,488	\$ -	\$ -	
Money market funds	5,333,230	5,333,230	-	-	
Cash equivalents held for investment	98,401	98,401	-	-	
Equities	7,310	7,310	-	-	
Total investments	7,100,429	7,100,429	-	-	
Beneficial interest in assets held by Community Foundation	167,816	-	-	167,816	
Total assets	\$ 7,268,245	\$ 7,100,429	\$ -	\$ 167,816	

There were no liabilities measured at fair value on a recurring basis at September 30, 2025 and 2024. Level 1 investments are classified as such due to being valued based on quoted market prices.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2. Fair Value Measurements (Continued)

The beneficial interest in assets held by Community Foundation is managed by an independent third-party trustee, and the Aquarium has no authority over investment decisions. Thus, the assets are classified as Level 3 within the fair value hierarchy level.

There were no transfers into or out of Level 3 investments and no issues or purchases of Level 3 investments for the years ended September 30, 2025 and 2024.

Note 3. Contributions Receivable

Contributions receivable at September 30, 2025 and 2024, are as follows:

	2025	2024
Due in:		
Less than one year	\$ 1,653,833	\$ 2,152,133
One to five years	2,329,500	3,504,333
	3,983,333	5,656,466
Less discount (2.82% to 7.50%)	(525,698)	(657,594)
Less allowance for uncollectible contributions receivable	(6,000)	-
Contributions receivable, net	<u>\$ 3,451,635</u>	<u>\$ 4,998,872</u>

Note 4. Capital Assets

Capital assets at September 30, 2025 and 2024, are as follows:

	2025	2024	Estimated Useful Lives (in Years)
Furniture and equipment	\$ 3,606,626	\$ 3,146,037	3-5
Eco tour boat	1,251,814	1,251,814	3-5
Vehicles	696,678	553,166	3-5
			Shorter of useful life or lease term
Leasehold improvements	43,871,906	39,160,694	
Construction in progress	5,643,224	3,219,978	
	55,070,248	47,331,689	
Less accumulated depreciation	(22,156,804)	(19,533,457)	
Capital assets, net	<u>\$ 32,913,444</u>	<u>\$ 27,798,232</u>	

As per the Operating Agreement, through September 30, 2039, the Aquarium is leasing the Facility from the City for \$10 per year for a period of 30 years, unless sooner terminated, and provides further that the lease shall automatically be renewed for two successive 10-year terms unless any party gives the other party 180 days' notice of termination of the lease agreement prior to the expiration of any term.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 5. Line of Credit

To ensure cash liquidity and financial stability during challenging economic conditions or uncertain events, the Aquarium secured a \$5 million revolving line of credit with a financial institution on August 26, 2020, for a three-year term. The line of credit has been renewed, now expiring on August 31, 2027. Variable interest at a rate of one-month CME Term SOFR, plus 1.75%, with a rate floor of 3.50%, is payable monthly on any outstanding advance. All outstanding principal is payable at maturity. As of September 30, 2025 and 2024, no advances have been requested or disbursed.

Note 6. Leases

The Aquarium leases various office equipment and heavy machinery under operating lease agreements, which expire through 2028. There is also a 40-year operating lease on small parcels of land within the footprint of the Facility, expiring in 2052. Some leases include one or more options to renew, generally at the Aquarium's sole discretion. In addition, certain leases contain termination options where the rights to terminate are held by either the Aquarium, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that Aquarium will exercise that option. The Aquarium's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended September 30, 2025 and 2024:

	2025	2024
Operating lease cost	\$ 64,771	\$ 67,492
Variable lease expense	-	-
Short-term lease expense	-	-
Total lease expense	<u>\$ 64,771</u>	<u>\$ 67,492</u>

Supplemental consolidated statement of financial position information related to leases is as follows as of September 30, 2025 and 2024:

	2025	2024
Weighted-average remaining lease term (years)	17.12	17.12
Weighted-average discount rate (%)	3.87%	3.88%

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 6. Leases (Continued)

The table below summarizes the Aquarium's scheduled future minimum lease payments for the years ending after September 30, 2025:

	Operating Leases
Years ending September 30:	
2026	\$ 65,300
2027	36,913
2028	15,635
2029	8,821
2030	8,821
Thereafter	188,916
Total lease payments	324,406
Less imputed interest	(87,156)
Total present value of operating lease liability	<u>\$ 237,250</u>

Note 7. Commitments and Contingencies

Construction commitments: Outstanding construction commitments totaled approximately \$3.2 million as of September 30, 2025, and consisted of various projects, including the Sea Change capital expansion project.

Grant funding: The Aquarium routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Aquarium's program services. The grants and contracts are subject to audit or review and retroactive adjustment, based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Aquarium's consolidated financial statements cannot be determined at this time, and no provision has been made for any such adjustment in the accompanying consolidated financial statements.

Insurance claims: The Aquarium may be involved in certain claims arising from the ordinary course of operations, and has purchased commercial insurance policies to cover these risks. In the opinion of the Aquarium and legal counsel, the range of potential liabilities will not materially affect the financial position of the Aquarium.

Paycheck Protection Program (PPP): In prior years, the Aquarium received PPP loans that were subsequently forgiven. The U.S. Small Business Administration (SBA) has the ability to review the original PPP loan applications and forgiveness applications for six years to assess compliance with the Federal Coronavirus Aid, Relief and Economic Securities Act (CARES Act). Management believes the Aquarium is in compliance with the CARES Act, and does not anticipate repayment of any amounts forgiven.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows at September 30, 2025 and 2024:

	2025	2024
Donor restrictions for specified purposes or time:		
Education programs	\$ 77,904	\$ 69,649
Animal care and conservation projects	32,761	246,016
General operating support	1,030,102	1,375,470
Leasehold improvements	2,447,535	3,668,404
Total donor restrictions for specified purposes or time	3,588,302	5,359,539
Donor restrictions in perpetuity:		
General endowment	200,447	200,447
Beneficial interest in assets held by Community Foundation	183,887	167,816
Total donor restrictions in perpetuity	384,334	368,263
Unappropriated endowment earnings	1,860,231	1,566,752
Net assets with donor restrictions	\$ 5,832,867	\$ 7,294,554

Net assets of \$2,279,748 and \$1,355,190 were released from donor restrictions for the following purposes during the years ended September 30, 2025 and 2024, respectively:

	2025	2024
Education programs	\$ 65,599	\$ 136,563
Animal care and conservation projects	226,016	35,443
General operating support	510,000	290,000
Leasehold improvements	1,478,133	893,184
	\$ 2,279,748	\$ 1,355,190

Note 9. Endowments

FASB ASC Subtopic 958 205, Not for Profit Entities—Presentation of Financial Statements, provides guidance on the net asset classification of donor restricted endowment funds for a nonprofit organization that is subject to the Florida Uniform Prudent Management of Institutional Funds Act (UPMIFA). FASB ASC Subtopic 958 205 also requires enhanced disclosures about an organization's endowment funds, whether or not the organization is subject to an enacted version of UPMIFA. These disclosures shall enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy and related investment policy of its endowment funds (both donor-restricted and board designated).

Interpretation of relevant law: As of July 1, 2012, the Aquarium follows Florida UPMIFA. The Aquarium's management, in working with the Aquarium's and Foundation's Board of Directors, has interpreted UPMIFA as requiring the preservation of the original endowment gift value on the gift date by the donor, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Aquarium classifies as donor-restricted net assets in perpetuity: (a) the original value of gifts donated to the endowment held in perpetuity, (b) the original value of subsequent gifts to the endowment held in perpetuity and (c) although not applicable prior to July 1, 2012, any future accumulations to the endowment held in perpetuity that are made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 9. Endowments (Continued)

In accordance with Florida UPMIFA, the Aquarium considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Fund deficiencies: Florida UPMIFA includes guidelines about what constitutes prudent spending. Aquarium donors may place purpose restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds. If the fair value of assets associated with individual donor-restricted endowment funds falls below the level that Florida UPMIFA requires the Aquarium to retain as permanently restricted, these deficiencies are reported in net assets with donor restrictions. These deficiencies can result from unfavorable market conditions and fluctuations. There were no such deficiencies at September 30, 2025 or 2024.

Return objective and risk parameters: The investment objectives for the Aquarium are stated below in order of importance:

- a. Growth of capital—Emphasis on long-term growth of the investment assets. The returns should meet or exceed appropriate benchmark indices while incurring less risk than such benchmarks/indices.
- b. Preservation of purchasing power after spending—asset growth that exceeds spending, plus inflation, over a three-year period.
- c. The investment goal of the equity portfolio is that the annual return will match and/or exceed appropriate performance benchmark(s) by investment style to the asset managers selected.

The Aquarium's Board of Directors recognizes that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values) and the possibility of loss in purchasing power (due to inflation and U.S. dollar depreciation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, as evidenced by high volatility and low quality rated securities, the assumption of risk is warranted and encouraged in order to allow the asset manager the opportunity to achieve satisfactory long-term results consistent with the goals, objectives and character of the Aquarium. All assets selected for the portfolio must have a readily ascertainable market value, and must be readily marketable.

Strategies employed for achieving objectives: To meet the needs of the Aquarium, the Aquarium's investment strategy emphasizes a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) by following the strategies outlined above.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 9. Endowments (Continued)

Spending policy and how the investment objective relates to spending policy: The Aquarium's Board of Directors has adopted a spending policy that governs the annual distributions from the endowment funds that may be expended for current operations of the Aquarium. This policy authorizes the Aquarium to distribute from its endowment funds up to 5% of the value, excluding any illiquid securities or assets, at the beginning of the Aquarium's fiscal year in quarterly installments. No distributions from the endowment investments have ever been made. All income earned has been reinvested in endowment principal.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Aquarium has interpreted Florida UPMIFA to permit spending from underwater endowments in accordance with prudent measures by law. The Aquarium's policy is to allow spending from underwater endowments.

Changes in endowment funds consist of the following for the years ended September 30, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Total endowment funds at September 30, 2024	\$ -	\$ 1,935,015	\$ 1,935,015
Investment return, net	-	293,479	293,479
Change in value of beneficial interests	-	16,071	16,071
Total endowment funds at September 30, 2025	\$ -	\$ 2,244,565	\$ 2,244,565
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Total endowment funds at September 30, 2023	\$ -	\$ 1,465,128	\$ 1,465,128
Investment return, net	-	444,131	444,131
Change in value of beneficial interests	-	25,756	25,756
Total endowment funds at September 30, 2024	\$ -	\$ 1,935,015	\$ 1,935,015

Note 10. Retirement Savings Plan

Effective January 1, 1994, a retirement savings plan was established pursuant to IRC Section 403(b). Substantially all employees are eligible to participate in the plan. Contributions are made at the discretion of the Board of Directors. Contributions totaling \$60,529 and \$59,679, included in the accompanying consolidated statements of activities, were made for the years ended September 30, 2025 and 2024, respectively.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 11. Related-Party Transactions

Contributions and grants for the years ended September 30, 2025 and 2024, include the following:

	2025	2024
Board of directors and trustees	\$ 167,350	\$ 3,272,123
City of Tampa	437,400	437,400
	<u>\$ 604,750</u>	<u>\$ 3,709,523</u>

Contributions receivable from members of the Board of the Aquarium or companies or individuals with which the Board are affiliated were approximately \$2.6 million and \$3.5 million as of September 30, 2025 and 2024, respectively.

Note 12. Availability and Liquidity

Financial assets available for general expenditures that are without donor or other restrictions limiting their use within one year of the consolidated statements of financial position date are comprised of the following at September 30, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 14,315,290	\$ 18,426,283
Investments	7,551,678	7,100,429
Accounts receivable, net of allowance for credit losses of	1,179,302	723,397
Grants receivable	875,903	910,528
Contributions receivable, net	3,451,635	4,998,872
Beneficial interest in assets held by Community Foundation	183,887	167,816
	<u>27,557,695</u>	<u>32,327,325</u>
Less amounts unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Restricted for specific purpose or time	(3,588,302)	(5,359,539)
Less expected time restriction release	1,647,833	2,152,133
Donor—restricted endowments	<u>(2,244,565)</u>	<u>(1,935,015)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 23,372,661</u>	<u>\$ 27,184,904</u>

When establishing the business plan and annual budget each year, Aquarium management and the Board of Directors evaluate financial assets available to meet general expenditures over the year with predictable sources of earned revenue. These revenue sources are estimated from expected attendance levels and ticket sales, annual membership sales, ancillary revenues from retail sales and food and beverage commissions, other added value experiences based on historical capture rates on attendance, and expected annual contributions through fundraising efforts. A balanced annual budget is required. Cash flow is then carefully managed in accordance with the annual budget approved by the Board of Directors, and financial assets are structured to be available as general expenditures, liabilities and other obligations come due.

The Florida Aquarium, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 13. Conditional Promises to Give From Grantors

The Aquarium has conditional promises to give from grantors of approximately \$3.3 million and \$1.5 million as of September 30, 2025 and 2024, respectively. Future payments or recognition of conditional promises to give are contingent upon the Aquarium carrying out certain stipulations of the grant or contract.