

**AQUARIUM OF THE PACIFIC**  
**FINANCIAL REPORT**  
**DECEMBER 31, 2025**

# AQUARIUM OF THE PACIFIC

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Aquarium of the Pacific

### Opinion

We have audited the financial statements of the Aquarium of the Pacific (the "Corporation"), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Aquarium of the Pacific as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

*Singer Lewak LLP*

April 23, 2026

**AQUARIUM OF THE PACIFIC**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2025 and 2024**

ASSETS	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Cash, cash equivalents, and restricted cash equivalents	\$ 4,651,701	\$ 2,329,238	\$ 6,980,939	\$ 2,865,034	\$ 2,220,104	\$ 5,085,138
Facility funds – restricted cash and cash equivalents	41,709,519	-	41,709,519	39,254,624	-	39,254,624
Accounts receivable, net	620,634	-	620,634	499,970	-	499,970
Contributions receivable, net	213,140	615,756	828,896	262,387	642,466	904,853
Gift store inventory	745,290	-	745,290	777,696	-	777,696
Prepaid expenses and other assets	916,419	-	916,419	895,684	-	895,684
Property and equipment, net	49,493,676	607,623	50,101,299	49,158,187	-	49,158,187
Operating lease right-of-use assets, net	2,837,546	-	2,837,546	3,265,866	-	3,265,866
Finance lease right-of-use asset, net	81,484	-	81,484	103,673	-	103,673
Intangibles, net	107,622	-	107,622	95,964	-	95,964
<b>Total assets</b>	<b><u>\$ 101,377,031</u></b>	<b><u>\$ 3,552,617</u></b>	<b><u>\$ 104,929,648</u></b>	<b><u>\$ 97,179,085</u></b>	<b><u>\$ 2,862,570</u></b>	<b><u>\$ 100,041,655</u></b>

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2025 and 2024**

**LIABILITIES AND NET ASSETS**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Liabilities</b>						
Accounts payable	\$ 1,954,665	\$ -	\$ 1,954,665	\$ 2,351,385	\$ -	\$ 2,351,385
Accrued expenses	2,774,490	-	2,774,490	2,760,085	-	2,760,085
Deferred revenue	4,594,275	-	4,594,275	4,819,424	-	4,819,424
Operating lease liabilities	3,158,703	-	3,158,703	3,534,837	-	3,534,837
Financing lease liabilities	88,068	-	88,068	106,889	-	106,889
<b>Total liabilities</b>	<u>12,570,201</u>	<u>-</u>	<u>12,570,201</u>	<u>13,572,620</u>	<u>-</u>	<u>13,572,620</u>
<b>Net assets</b>						
Without donor restrictions	88,806,830	-	88,806,830	83,606,465	-	83,606,465
With donor restrictions	<u>-</u>	<u>3,552,617</u>	<u>3,552,617</u>	<u>-</u>	<u>2,862,570</u>	<u>2,862,570</u>
<b>Total net assets</b>	<u>88,806,830</u>	<u>3,552,617</u>	<u>92,359,447</u>	<u>83,606,465</u>	<u>2,862,570</u>	<u>86,469,035</u>
<b>Total liabilities and net assets</b>	<u><b>\$ 101,377,031</b></u>	<u><b>\$ 3,552,617</b></u>	<u><b>\$ 104,929,648</b></u>	<u><b>\$ 97,179,085</b></u>	<u><b>\$ 2,862,570</b></u>	<u><b>\$ 100,041,655</b></u>

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and support</b>						
Admissions	\$ 40,026,361	\$ -	\$ 40,026,361	\$ 40,388,304	\$ -	\$ 40,388,304
Memberships	5,803,656	-	5,803,656	5,788,178	-	5,788,178
Educational programs	744,838	-	744,838	634,036	-	634,036
Gift store	7,331,464	-	7,331,464	7,493,681	-	7,493,681
Contributions and grants	1,942,685	2,231,882	4,174,567	2,543,742	1,438,840	3,982,582
Ancillary revenues	1,250,182	-	1,250,182	952,410	-	952,410
Food service	958,438	-	958,438	936,353	-	936,353
Fund-raising events	515,248	205,887	721,135	275,210	-	275,210
Donated goods and services	139,177	-	139,177	-	-	-
Other income	1,817,074	29,069	1,846,143	2,253,039	64,832	2,317,871
Net assets released from restrictions	1,776,791	(1,776,791)	-	1,049,251	(1,049,251)	-
<b>Total revenues and support</b>	<b>62,305,914</b>	<b>690,047</b>	<b>62,995,961</b>	<b>62,314,204</b>	<b>454,421</b>	<b>62,768,625</b>
<b>Expenses</b>						
Program services						
Husbandry and facilities	19,773,259	-	19,773,259	19,667,413	-	19,667,413
Education, interpretation, and outreach	5,216,006	-	5,216,006	5,129,791	-	5,129,791
Guest services	10,855,451	-	10,855,451	10,639,152	-	10,639,152
Gift store	5,764,200	-	5,764,200	6,033,294	-	6,033,294
<b>Total program services</b>	<b>41,608,916</b>	<b>-</b>	<b>41,608,916</b>	<b>41,469,650</b>	<b>-</b>	<b>41,469,650</b>
Supporting services						
Development and membership	2,641,170	-	2,641,170	2,887,165	-	2,887,165
Marketing	6,007,672	-	6,007,672	6,057,511	-	6,057,511
Human resources	2,455,313	-	2,455,313	2,638,035	-	2,638,035
Finance and administration	4,392,478	-	4,392,478	4,221,979	-	4,221,979
<b>Total support services</b>	<b>15,496,633</b>	<b>-</b>	<b>15,496,633</b>	<b>15,804,690</b>	<b>-</b>	<b>15,804,690</b>
<b>Total expenses</b>	<b>57,105,549</b>	<b>-</b>	<b>57,105,549</b>	<b>57,274,340</b>	<b>-</b>	<b>57,274,340</b>
<b>Change in net assets</b>	<b>5,200,365</b>	<b>690,047</b>	<b>5,890,412</b>	<b>5,039,864</b>	<b>454,421</b>	<b>5,494,285</b>
<b>Net assets, beginning</b>	<b>83,606,465</b>	<b>2,862,570</b>	<b>86,469,035</b>	<b>78,566,601</b>	<b>2,408,149</b>	<b>80,974,750</b>
<b>Net assets, ending</b>	<b>\$ 88,806,830</b>	<b>\$ 3,552,617</b>	<b>\$ 92,359,447</b>	<b>\$ 83,606,465</b>	<b>\$ 2,862,570</b>	<b>\$ 86,469,035</b>

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2025**

	Program Services					Supporting Services					Total
	Husbandry and Facilities	Education, Interpretation, and Outreach	Guest Services	Gift Store	Total Program Services	Development and Membership	Marketing	Human Resources	Finance and Administration	Total Supporting Services	
Salaries, taxes, and benefits	\$ 8,253,385	\$ 4,195,619	\$ 7,119,899	\$ 1,935,280	\$ 21,504,183	\$ 1,339,341	\$ 2,626,140	\$ 1,610,107	\$ 2,442,573	\$ 8,018,161	\$ 29,522,344
Cost of goods sold	-	-	-	3,079,498	3,079,498	-	-	-	-	-	3,079,498
Insurance	57,498	137,864	141,824	35,681	372,867	588	1,368	1,943	200,920	204,819	577,686
Permits, maintenance, and construction	1,571,688	8,373	58,823	12,206	1,651,090	-	1,158	818	8,302	10,278	1,661,368
Occupancy	37,164	53,088	119,603	184,823	394,678	80,513	164,382	104,446	92,567	441,908	836,586
Utilities	2,721,611	11	102	3,460	2,725,184	27	120	185	41	373	2,725,557
Husbandry/animals and collecting Services	677,008	-	-	-	677,008	-	-	-	-	-	677,008
Supplies and other expendables	533,210	312,055	1,192,160	58,808	2,096,233	299,104	250,374	486,785	276,104	1,312,367	3,408,600
Postage, shipping, and courier	1,258,773	136,403	702,015	97,894	2,195,085	110,567	97,935	151,157	147,561	507,220	2,702,305
Information technology and telecommunications	14,807	1,178	1,927	1,284	19,196	171,900	49,622	1,168	2,903	225,593	244,789
Printing and publishing	27,129	-	288,362	4,770	320,261	23,240	31,048	46,963	821,722	922,973	1,243,234
Advertising, promotions, and public relations	233	154,266	6,212	123	160,834	188,175	205,299	3,062	1,097	397,633	558,467
Travel, meals, and training	162	9,678	15,824	70	25,734	14,969	2,130,223	-	501	2,145,693	2,171,427
Depreciation and amortization	198,104	51,165	29,377	5,246	283,892	18,552	44,706	43,163	33,955	140,376	424,268
Scholarship	4,399,943	3,504	329,040	200,308	4,932,795	446	-	-	209,012	209,458	5,142,253
Other	12,000	152,802	-	-	164,802	-	-	4,000	-	4,000	168,802
Other	10,544	-	850,283	144,749	1,005,576	393,748	405,297	1,516	155,220	955,781	1,961,357
<b>Total expenses by function</b>	<b>\$ 19,773,259</b>	<b>\$ 5,216,006</b>	<b>\$ 10,855,451</b>	<b>\$ 5,764,200</b>	<b>\$ 41,608,916</b>	<b>\$ 2,641,170</b>	<b>\$ 6,007,672</b>	<b>\$ 2,455,313</b>	<b>\$ 4,392,478</b>	<b>\$ 15,496,633</b>	<b>\$ 57,105,549</b>

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2024**

	Program Services					Supporting Services					Total
	Husbandry and Facilities	Education, Interpretation, and Outreach	Guest Services	Gift Store	Total Program Services	Development and Membership	Marketing	Human Resources	Finance and Administration	Total Supporting Services	
Salaries, taxes, and benefits	\$ 7,635,824	\$ 4,183,283	\$ 7,046,446	\$ 1,972,214	\$ 20,837,767	\$ 1,603,817	\$ 2,320,456	\$ 1,603,858	\$ 2,043,096	\$ 7,571,227	\$ 28,408,994
Cost of goods sold	-	-	-	3,242,603	3,242,603	-	-	-	-	-	3,242,603
Insurance	121,173	73,931	187,581	97,545	480,230	4,413	31,947	8,065	32,458	76,883	557,113
Permits, maintenance, and construction	1,344,333	3,922	52,817	8,582	1,409,654	5,000	2,085	777	8,485	16,347	1,426,001
Occupancy	42,706	46,579	64,397	192,037	345,719	117,413	230,185	114,009	116,800	578,407	924,126
Utilities	2,636,862	-	-	6,942	2,643,804	-	-	-	-	-	2,643,804
Husbandry/animals and collecting	601,565	-	-	-	601,565	-	-	-	-	-	601,565
Services	625,241	310,300	1,128,230	72,665	2,136,436	538,421	451,259	757,584	547,855	2,295,119	4,431,555
Supplies and other expendables	1,368,027	123,480	692,983	90,932	2,275,422	47,903	83,038	120,585	155,219	406,745	2,682,167
Postage, shipping, and courier	18,378	788	3,268	1,229	23,663	177,918	57,068	1,194	1,817	237,997	261,660
Information technology and telecommunications	14,323	4,601	151,868	7,290	178,082	10,452	42,998	11,170	1,027,033	1,091,653	1,269,735
Printing and publishing	-	109,102	-	-	109,102	124,753	284,655	1,904	-	411,312	520,414
Advertising, promotions, and public relations	-	15,831	8,055	-	23,886	3,212	2,195,097	-	-	2,198,309	2,222,195
Travel, meals, and training	161,040	81,918	36,590	3,341	282,889	14,603	23,765	17,886	44,986	101,240	384,129
Depreciation and amortization	5,092,401	-	284,643	190,241	5,567,285	-	-	-	103,487	103,487	5,670,772
Scholarship	-	150,000	-	-	150,000	-	-	-	-	-	150,000
Other	5,540	26,056	982,274	147,673	1,161,543	239,260	334,958	1,003	140,743	715,964	1,877,507
<b>Total expenses by function</b>	<b>\$ 19,667,413</b>	<b>\$ 5,129,791</b>	<b>\$ 10,639,152</b>	<b>\$ 6,033,294</b>	<b>\$ 41,469,650</b>	<b>\$ 2,887,165</b>	<b>\$ 6,057,511</b>	<b>\$ 2,638,035</b>	<b>\$ 4,221,979</b>	<b>\$ 15,804,690</b>	<b>\$ 57,274,340</b>

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,890,412	\$ 5,494,285
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization expense	5,142,253	5,670,772
Amortization of finance lease right-of-use asset	22,189	23,490
Noncash lease expense	573,243	405,060
Provision for credit losses	-	8,656
Reduction in allowance for credit losses	(22,579)	-
Contributions of equipment	-	(24,864)
Change in operating assets and liabilities:		
Accounts receivable	(98,085)	(80,077)
Contributions receivable	(508,803)	(389,068)
Gift store inventory	32,406	(88,682)
Prepaid expenses and other assets	(20,735)	(133,179)
Accounts payable	(396,720)	1,053,385
Accrued expenses	14,405	(479,927)
Deferred revenue	(225,149)	515,852
Operating lease liabilities	(521,057)	(136,089)
	9,881,780	11,839,614
<b>Cash flows from investing activities</b>		
Purchases of equipment	(6,038,908)	(4,043,296)
Purchase of intangibles	(58,115)	-
	(6,097,023)	(4,043,296)
<b>Cash flows from financing activities</b>		
Contributions restricted for long-term purposes	584,760	-
Principal payments on financing lease liabilities	(18,821)	(20,274)
	565,939	(20,274)
<b>Net change in cash, cash equivalents, and restricted cash equivalents</b>	4,350,696	7,776,044
<b>Cash, cash equivalents, and restricted cash equivalents, beginning</b>	44,339,762	36,563,718
<b>Cash, cash equivalents, and restricted cash equivalents, ending</b>	\$ 48,690,458	\$ 44,339,762

See notes to financial statements.

**AQUARIUM OF THE PACIFIC**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Supplemental disclosure of breakdown of cash, cash equivalents and restricted cash and restricted cash equivalents</b>		
Cash and cash equivalents	\$ 6,980,939	\$ 5,085,138
Facility funds – restricted cash and cash equivalents	41,709,519	39,254,624
<b>Cash, cash equivalents, and restricted cash equivalents</b>	<b>\$ 48,690,458</b>	<b>\$ 44,339,762</b>
<b>Supplemental non-cash disclosure for cash flows information</b>		
Non cash transfer from construction in progress to intangibles	\$ -	\$ 115,157
Non cash change in finance lease right of use asset and finance lease liabilities from measurement of new lease	\$ -	\$ 118,027
Non cash change in operating lease right of use asset and operating lease liabilities from measurement of new lease	\$ -	\$ 3,239,834
Non cash change in finance lease right of use asset and finance lease liabilities from termination of lease	\$ -	\$ 42,456
Non cash change in operating lease right of use asset due to modification of leases	\$ 85,058	\$ -
Non cash change in operating lease liabilities due to modification of leases	\$ 27,093	\$ -

See notes to financial statements.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – GENERAL

The Aquarium of the Pacific (“Corporation”) is a California nonprofit benefit corporation originally established in October 1992 as the Genesis Long Beach Aquarium Corporation. Its articles of incorporation specify that the Corporation was formed to serve the general public by promoting educational, scientific, and charitable purposes related to the design, construction, and operation of a public aquarium and educational sea life exhibit facility in Long Beach, California (the “Aquarium”). The Corporation’s sole purpose is to manage the operations of the Aquarium.

The Corporation changed its name to Long Beach Aquarium of the Pacific on July 14, 1995, and later adopted its current name, Aquarium of the Pacific, on April 11, 2001.

Located at the waterfront of downtown Long Beach, the Aquarium’s mission is to instill a sense of wonder, respect, and stewardship for the Pacific Ocean, its inhabitants, and ecosystems.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### (a) 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).

The accompanying financial statements include statements of financial position that present the amounts for each of the two classes of net assets: without donor restrictions and with donor restrictions. These net assets are classified based on the existence or absence of donor-imposed restrictions and a statement of activities that reflects the changes in those categories of net assets.

- Net assets without donor restrictions are not restricted by donors, or the donor-imposed restrictions have expired.
- Net assets with donor restrictions include those assets which have been limited by donors to later periods of time or for specified purposes. When a donor restriction is fulfilled, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from net assets with donor restrictions. Contributions restricted for the acquisition of long-lived assets are reported as donor restricted net assets until such time as the long-lived assets are placed in service by the Corporation.

#### (b) Use of Estimates

The preparation of financial statements in conformity 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Revenue and Support

The Corporation recognizes revenue for admission, merchandise and all other ancillary spending the day the transaction occurs when purchased on-site. Advanced admission sales products (which include off-site, web and third-party sales) and education revenue are carefully analyzed and considered for deferral treatment. Admission and education sales that are initially classified as deferred revenue are recognized once presented for redemption at the facility. Membership revenue is recognized over the related term of the agreement (typically 12 months) resulting in deferred revenue for contracts not completed at year end.

The Corporation provides an allowance, as necessary, for uncollectible receivables, based on management's evaluation of potential uncollectible receivables at year end. If amounts are deemed uncollectible at any point during the year, amounts are written off against the allowance.

Contributions, including endowment gifts and pledges, as well as any other unconditional promises to give, are recorded in the period pledged as unrestricted or donor-restricted support, depending on the existence or nature of any donor restrictions. Amounts expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows discounted using credit-adjusted rates. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Conditional contributions with purpose restrictions are recorded as revenue without donor restrictions if the condition is met and the purpose restriction is accomplished in the reporting period in which the revenue is recognized.

The Corporation provides an allowance, as necessary, for uncollectible promises, based on management's evaluation of potential uncollectible contributions receivable at year end. No allowance was recorded as of December 31, 2025 and 2024.

#### (d) Contributed Goods and Services

The Corporation records various types of in-kind support. Contributed goods and services are reflected in the accompanying statements at their estimated fair market value in the period received. Contributions of tangible assets are recognized at fair value when received. Contributions of services and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value in the period received and are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

For donated goods and services provided at a discounted price, fair value represents the portion of the vendor's standard pricing that was intentionally discounted and donated to the Organization. Fair value is estimated using observable inputs for similar goods and experiences in their principal markets. Estimated fair values are based on vendors' normal quoted prices for comparable catering services, food, beverages, event tickets, and donated experiences offered to third parties, as well as published pricing for similar tickets or experiences, where applicable. The contributed nonfinancial assets were utilized in connection with the Organization's annual fundraising gala, including auction items, event hospitality, and related fundraising activities.

A substantial number of unpaid volunteers have made significant contributions of their time that do not meet the two recognition criteria described above. Accordingly, the value of this donated time is not reflected in the accompanying financial statements.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Contributed Goods and Services (Continued)

There were \$139,177 and \$0 of contributed nonfinancial assets (donated goods) received during the years ended December 31, 2025 and 2024, respectively. The donated goods were utilized in connection with the Organization’s fundraising activities and were included in other expenses classified under the development and membership functional department in the statement of functional expenses.

#### (e) Cash, Cash Equivalents, and Donor-restricted Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all short-term, highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents restricted for long-term purposes consist of amounts in demand deposit accounts.

#### (f) Facility Funds - Restricted Cash and Cash Equivalents

The City requires the Corporation to maintain balances in five facility funds related to the operations, maintenance, and enhancement of the Aquarium. Refer to Note 3 for more information.

#### (g) Investments

The Corporation reports investments at market value. Realized and unrealized gains and losses resulting from changes in fair value are reflected in the statement of activities and changes in net assets as nonoperating activities. Dividends and interest payments are recognized as they are earned. Investments received through gifts are recorded at liquidation value on the date of donation. To avoid credit risk, the Corporation invests cash balances in U.S. Treasury securities only. As these investments are in U.S. Treasury securities with maturity less than 12 months, they are classified as cash equivalents.

#### (h) Retail Store Inventory

Gift store inventory consists of merchandise sold at the Corporation’s gift store and are valued at the lower of cost (average cost method) or net realizable value. Net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

#### (i) Live Animal Inventory

The costs of purchasing or collecting live animals are expensed as incurred.

#### (j) Property and Equipment

Property and equipment are stated at cost, or if donated, at fair market value at the date of donation, less accumulated depreciation and amortization. Expenditures less than \$15,000 are expensed in the period incurred. Depreciation is calculated from the in-use date using the straight-line method over the estimated useful lives of the various classes of property, as follows:

Buildings	27.75 years
Equipment, furniture and fixtures	3 to 7 years
Leasehold improvements	Shorter of estimated useful life or lease term remaining

Contributions received that are restricted for capital projects are classified as net assets with donor restrictions; those restrictions expire when the capital projects are placed in service by the Corporation.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Impairment of Long-lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances have indicated that an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities (asset group). If the sum of the projected undiscounted cash flows (excluding interest charges) of an asset group is less than its carrying value and the fair value of an asset group is also less than its carrying value, the assets will be written down by the amount by which the carrying value of the asset group exceeded its fair value. Any loss would be recognized in change in net assets in the period in which the determination is made. Management determined that no impairment of long-lived assets existed as of December 31, 2025 and 2024.

#### (l) Leases

The Corporation's lease obligations include real estate operating leases used in operations. For any lease with an initial term in excess of 12 months, the related lease assets and liabilities are recognized on the statement of financial position as either operating or finance leases at the inception of an agreement where it is determined that a lease exists. Lease and non-lease components, where the payment is based on a fixed amount, index or rate, are separated and allocated based on their stand-alone price for all classes of assets. Non-lease components, where the payment is not based on a fixed amount, index or rate are excluded from the calculation of the lease liability and right of use asset and are accounted for based on the underlying principles of the incurred charges. The Corporation has elected the practical expedient that permits an entity not to recognize short term leases on the statement of financial position. As this practical expedient has been elected, leases with an initial term of 12 months or less are not recorded on the statement of financial position; lease expense for these leases are recognized on a straight-line basis over the lease term.

Operating lease right-of-use assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are recognized based on the present value of future payments over the lease term at the commencement date. Since the leases generally do not provide an implicit rate, the Corporation uses the risk-free rate at the lease commencement date based on the lease term. Lease terms generally do not include options to extend or terminate the lease unless it is reasonably certain that the option will be exercised. Fixed payments may contain predetermined fixed rent escalations. The Corporation recognizes the related rent expense on a straight-line basis from the commencement date to the end of the lease term.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Functional Allocation of Expenses

The costs of providing the Corporation's various programs and the Corporation's administration have been summarized on a functional basis in the statement of activities. On an ongoing basis, the Corporation makes every attempt to specifically allocate expenses to the activity garnering the benefit. Certain items benefit more than one program or supporting function; therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Corporation's allocation of depreciation and amortization is based on each property and equipment asset being assigned to a functional department. The depreciation and amortization of each asset is directly expensed to the corresponding functional department. General office expenses, information technology, insurance, and other expenses are allocated based on staff time throughout the year. Additionally, the development and membership expenses included as supporting services in the accompanying statements of functional expenses include the Corporation's fundraising expenses that amount to \$244,432 and \$216,262 for the years ended December 31, 2025 and 2024, respectively. These fundraising activities consist of ongoing annual campaigns and, as such, related revenues are not presented net of direct benefits to donors.

#### (n) Advertising

Advertising is expensed as incurred. For the years ended December 31, 2025 and 2024, advertising expenses totaled \$2,171,427 and \$2,222,195, respectively.

#### (o) Income Taxes

The Corporation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, the Corporation is subject to income taxes on any net income that is derived from a trade or business regularly carried on, and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business and, in the opinion of management, is not material to the financial statements taken as a whole. The Corporation has not recorded any uncertain tax positions. When applicable, the Corporation recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the years ended December 31, 2025 and 2024, the Corporation did not recognize interest or penalties associated with uncertain tax positions and did not note any matters which may have an effect on its tax-exempt status.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Estimated Fair Value of Financial Instruments

The Corporation accounts for the fair value of its financial instruments in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC 820”). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Corporation uses the market or income approach. Based on this approach, the Corporation utilizes certain assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Corporation is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

As a basis for considering such assumptions, U.S. GAAP establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices in active markets for similar assets and liabilities that are directly or indirectly observable; or
- Level 3 – Unobservable inputs, such as discounted cash flow models or valuations, in which little or no market data exists.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. For the years ended December 31, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent.

#### (q) Concentration of Credit and Market Risk

Certain financial instruments held by the Corporation potentially subject the Corporation to concentrations of credit risk. Financial instruments which potentially subject the Corporation to concentrations of credit and market risk consist primarily of cash and cash equivalents.

#### *Cash and Cash Equivalents*

The Corporation maintains its cash and cash equivalents at two financial institutions. Account balances may, at times, exceed federally insured limits. The Corporation has not experienced any losses in such accounts and does not believe it is exposed to significant credit risk related to its cash and cash equivalents.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – BUSINESS ACTIVITY

The Corporation entered into a long-term agreement with the City of Long Beach (the “City”) effective August 1, 2022 (the “Agreement”). The Agreement serves as the Corporation’s lease and operating agreement. Under its terms, the Corporation is granted the right to occupy and operate the aquarium facility and related improvements, and in return, it must adhere to specific operational, maintenance, reporting, and financial obligations as outlined in the Agreement. Failure to comply with the terms could result in modifications or termination of the Agreement. The Agreement terminates on November 1, 2060, unless extended or terminated earlier.

Per the Agreement, the Corporation pays the City an annual base rent of \$1.00. Additionally, if annual net revenues as defined in the Agreement exceed \$500,000 (revenues less operating and maintenance expenses and amounts transferred to Facility Funds), the Corporation pays the City 50% of the excess.

In accordance with the Agreement, the Corporation maintains the following Facility Funds:

- Operating and Maintenance Fund – Used for operating and maintenance expenses.
- Operating Reserve Fund – Holds reserves equal to one-sixth of the prior fiscal year’s operating and maintenance expenses.
- Renewal and Replacement Fund – Used for capital improvements and facility maintenance.
- Capital Improvement Fund – Supports major capital improvements.
- Education and Programs Fund – Dedicated to educational and programmatic activities.

The Corporation is entitled to use the fund balances as needed per the budget and to smooth out seasonal operating cash flow.

Donor-restricted funds generated by the Corporation’s fund-raising activities, including grants and donations from private and public sources, remain the property of, and are held separately by, the Corporation.

Upon termination of the Agreement, the property, including improvements and most equipment, reverts to the City. However, the Corporation retains ownership of animals, artwork, and equipment not used in normal operations.

### NOTE 4 – CONTRIBUTIONS RECEIVABLE

At December 31, 2025 and 2024, contributions receivable are estimated to be collected as follows:

	2025	2024
Due within one year	\$ 498,100	\$ 478,665
Due between one to five years	280,000	430,000
Due over five years	140,000	175,000
Total	918,100	1,083,665
Present value discount	(89,204)	(178,812)
<b>Total contributions receivable, net</b>	<b>\$ 828,896</b>	<b>\$ 904,853</b>

**AQUARIUM OF THE PACIFIC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 – CONTRIBUTIONS RECEIVABLE (Continued)**

In 2024, the Corporation used an unsecured borrowing rate provided by a financial institution to calculate the present value discount for contributions receivable. In 2025, the Corporation used discount rates derived from U.S. Treasury yields, adjusted for a credit risk premium reflecting management's assessment of donor credit risk.

As of December 31, 2025 and 2024, contributions receivable due from Board Members totaled \$415,000 and \$377,500, respectively. During the years ended December 31, 2025 and 2024, contribution revenues from Board Members totaled \$815,933 and \$591,132, respectively.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Building	\$ 55,268,831	\$ 55,086,404
Equipment	20,943,912	20,313,742
Furniture and fixtures	19,787,460	18,948,071
Leasehold improvements	763,963	763,963
Construction in progress	6,633,035	2,246,114
	103,397,201	97,358,294
Less accumulated depreciation and amortization	(53,295,902)	(48,200,107)
<b>Property and equipment, net</b>	<b>\$ 50,101,299</b>	<b>\$ 49,158,187</b>

**AQUARIUM OF THE PACIFIC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2025 and 2024, net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purposes:		
Education and conservation	\$ 2,855,645	\$ 2,194,667
Gifts subject to restrictions in perpetuity:		
Education and conservation	546,882	546,882
Unappropriated endowment earnings	150,090	121,021
<b>Total assets with donor restrictions</b>	<b><u>\$ 3,552,617</u></b>	<b><u>\$ 2,862,570</u></b>

During the years ended December 31, 2025 and 2024, net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

	2025	2024
Education and conservation	<b><u>\$ 1,776,791</u></b>	<b><u>\$ 1,049,251</u></b>

**NOTE 7 – ENDOWMENT FUNDS**

The Corporation’s endowment consists of five donor-restricted funds primarily established to support education and conservation programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Assets are held in restricted cash and restricted cash equivalents.

As of December 31, 2025 and 2024, the Corporation had the following endowment net asset composition by type of fund:

	2025	2024
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 546,882	\$ 546,882
Accumulated investment gains	150,090	121,021
<b>Total</b>	<b><u>\$ 696,972</u></b>	<b><u>\$ 667,903</u></b>

**AQUARIUM OF THE PACIFIC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 – ENDOWMENT FUNDS (Continued)**

During the years ended December 31, 2025 and 2024, the donor-restricted endowment funds had the following activity:

	2025	2024
Balance, beginning	\$ 667,903	\$ 603,071
Net investment return	29,069	64,832
<b>Balance, ending</b>	<b>\$ 696,972</b>	<b>\$ 667,903</b>

(a) Return Objectives and Risk Parameters

The Corporation is required to follow the California state enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Corporation has adopted investment and prudent spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the corpus of the endowed assets. This policy shall provide for safety of principal when taking into consideration the current and expected market conditions. The overall investment objective for the endowment is to provide a return that, over the long-term, exceeds inflation and maximizes return subject to a level of risk deemed appropriate by the board of director’s finance committee.

From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor or UPMIFA requires the Corporation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. As of December 31, 2025 and 2024, there were no deficiencies of this nature.

(b) Investment Strategy

Consistent with the investment and prudent spending policies, the investment strategy is as follows:

1. Preservation of capital: to seek to minimize the probability of loss of principal over the investment horizon of the portfolio relative to the market.
2. Long-term growth of capital: to seek long-term growth of principal.
3. Preservation of purchasing power: to seek returns in excess of the rate of inflation over the long-term investment horizon of the portfolio relative to the market.

(c) Spending Policy

The Corporation has a policy of appropriating for distribution each year 80% of the net returns generated over the previous 12 months from its investments and endowment. In establishing this policy, the board of directors considered the size of the investment and endowment balance so that it could grow through new gifts and investment return.

**AQUARIUM OF THE PACIFIC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 8 – AVAILABLE RESOURCES AND LIQUIDITY**

The following table reflects the Corporation’s financial assets as of December 31, 2025 and 2024 that are without donor or other contractual restrictions limiting their use and are available to meet general expenditures within one year of the date of the statement of financial position.

	2025	2024
Cash and cash equivalents	\$ 4,405,057	\$ 2,865,034
Accounts receivable, net	620,634	499,970
Contributions receivable	213,140	262,387
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 5,238,831</b>	<b>\$ 3,627,391</b>

When establishing the business plan and annual budget each year, the Corporation’s management and board of directors evaluate financial assets and predictable sources of earned revenue available to meet general expenditures over the year. When determining available resources for a year, the Corporation supplements the financial assets available in the next year with revenues from certain earned income sources:

- Admission sales – expected ticket sales are estimated based on assumptions of seasonality and attendance.
- Membership and ancillary sales – expected annual membership sales and other components of revenue such as retail sales, food and beverage commissions, and special encounters/behind the scenes tour income are estimated based on historical capture rates on attendance.
- Contributions – expected gifts and contributions are reasonably predicted based on invitations for proposals, annual giving programs and history and on site giving (based on attendance per capita budgeted).

Comparing these cash inflow sources to budgeted expenses identifies the additional funding, if any, that may be needed to achieve a balanced budget for the fiscal year.

**NOTE 9 – RETIREMENT PLAN**

The Corporation has a 401(k) plan covering substantially all employees (the “Savings Plan”). The Savings Plan qualifies as a defined contribution plan under Section 401(k) of the Internal Revenue Code. Under the Savings Plan, participating employees may defer a percentage of their eligible pretax earnings up to the Internal Revenue Service’s annual contribution limit. The Corporation matches 100% of the first 4% of each participants’ contribution. Both the contribution and the match are immediately vested on behalf of the employee which allows the Corporation safe harbor protection. For the years ended December 31, 2025 and 2024, the Corporation’s matching contributions were \$751,643 and \$716,682, respectively.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 – COMMITMENTS AND CONTINGENCIES

#### (a) Operating Leases

Lease term and discount rate for operating leases were as follows:

Weighted-average remaining lease term	7.03 years
Weighted-average discount rate	4.33 %

The Corporation leases certain office and warehouse space under cancellable and non-cancellable operating leases that expire at various dates through November 2060. Some of the Company's leases contain optional renewal periods which have not been included in the calculation of the right of use assets or lease liabilities as the Corporation does not consider additional renewal periods to be reasonably certain of being exercised. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Corporation's lease agreements do not contain any material residual value guarantees.

On April 5, 2021, the Corporation extended its warehouse lease located in Long Beach, California, effective June 1, 2021 through May 31, 2026, with escalating monthly payments starting at \$13,268 with the first two months abated at 50%.

Effective August 1, 2022, the Corporation entered into a lease agreement with the City of Long Beach for the aquarium facility and related improvements with an annual lease payment of \$1.00. The lease terminates on November 1, 2060.

The Corporation had an existing office lease for its Long Beach, California location with an expiration date of March 31, 2024, with escalating monthly payments starting at \$18,344. The Corporation entered into a short-term extension from April 1, 2024 through June 30, 2024 while its new headquarters were under construction.

On October 25, 2023, the Corporation entered into a lease agreement for its new office located in Long Beach, California, commencing on June 11, 2024 with escalating monthly lease payments starting at \$37,476, with the first eight months and the last month abated. The lease terminates on February 11, 2033.

**AQUARIUM OF THE PACIFIC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)**

Operating lease expense is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease cost	\$ 586,537	\$ 531,662
Short-term lease cost	-	111,185
Variable lease cost	9,655	21,180
Total lease cost	<b>\$ 596,192</b>	<b>\$ 664,027</b>

The following is a schedule by years of undiscounted future minimum lease payments as of December 31, 2025:

Year Ending December 31,	Total
2026	\$ 544,819
2027	484,256
2028	498,784
2029	513,747
2030	527,540
Thereafter	1,152,273
Total lease payments	3,721,419
Less: interest	(562,716)
<b>Present value of lease liabilities</b>	<b>\$ 3,158,703</b>

**(b) Purchase Commitments**

The commitment to purchase salt water from a third party for monthly payments of \$17,941 with maturity date of December 2026. As of December 31, 2025, total commitment remaining is \$219,600.

**(c) Legal Matters**

In the normal course of business, the Corporation may become a party to litigation. Management believes they are adequately insured for potential losses that may arise related to such litigation. Management believes there are no asserted or unasserted claims or contingencies that would have a significant impact on the financial statements of the Corporation as of December 31, 2025 and 2024.

**(d) Other**

The Corporation, from time to time, enters into long-term arrangements with return clauses, arising in the ordinary course of business. Exposure associated with these arrangements decline annually and is expected to be fully eliminated by December 2030.

# AQUARIUM OF THE PACIFIC

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11 – SUBSEQUENT EVENTS

On January 29, 2026, the Corporation executed an amendment to extend the Long Beach warehouse lease for an additional term from June 1, 2026 through May 31, 2033. Monthly payments begin at \$16,600 and increase over the lease term through 2033, with 50% of base rent abated for June and July 2026.

The Corporation has evaluated events subsequent to December 31, 2025 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through April 23, 2026, the date the financial statements were issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements other than those provided above.