

**SOUTH CAROLINA AQUARIUM  
CHARLESTON, SOUTH CAROLINA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
South Carolina Aquarium  
Charleston, South Carolina

### Opinion

We have audited the financial statements of South Carolina Aquarium (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Aquarium as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Carolina 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 opinions.

### 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 South Carolina Aquarium's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 audits.
- 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 audits 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 South Carolina 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 South Carolina 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.

*Glaser and Company, LLC*

Charleston, South Carolina  
April 24, 2025

**SOUTH CAROLINA AQUARIUM  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>ASSETS</u></b>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 4,128,670	\$ 6,133,643
Accounts receivable	124,627	155,948
Unconditional promises to give, net, current	1,540,649	1,637,988
Grants receivable	56,250	-
Inventory	43,902	12,879
Prepaid expenses	318,702	359,844
Investments, short-term reserves	4,427,225	4,229,693
Total current assets	10,640,025	12,529,995
<u>Long-term Assets</u>		
Investments, long-term	10,787,811	15,609,260
Unconditional promises to give, net, net of current	802,637	1,625,672
Property and equipment, net	28,649,389	18,661,154
Total long-term assets	40,239,837	35,896,086
Total assets	\$ 50,879,862	\$ 48,426,081

See accompanying notes to the financial statements

**SOUTH CAROLINA AQUARIUM  
STATEMENTS OF FINANCIAL POSITION - CONTINUED  
DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 1,162,080	\$ 1,355,841
Advanced deposits	156,527	306,730
Deferred revenues	9,273	9,304
Deferred membership fees	1,042,951	1,056,985
Bonds payable, current portion	225,000	225,000
Capital leases payable, current	-	57,475
Total current liabilities	2,595,831	3,011,335
<b><u>Long-term Liabilities</u></b>		
Bonds payable, net of current portion	225,000	450,000
Total long-term liabilities	225,000	450,000
Total liabilities	2,820,831	3,461,335
<b><u>Net Assets</u></b>		
Without donor restrictions		
Undesignated	34,718,696	26,183,135
Board designated for long-term purposes	8,912,709	8,273,730
Total without donor restrictions	43,631,405	34,456,865
With donor restrictions	4,427,626	10,507,881
Total net assets	48,059,031	44,964,746
Total liabilities and net assets	\$ 50,879,862	\$ 48,426,081

See accompanying notes to the financial statements

**SOUTH CAROLINA AQUARIUM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenues</u>			
Admissions	\$ 9,904,706	\$ -	\$ 9,904,706
Memberships	1,776,309	-	1,776,309
Contributed revenue	2,725,632	2,219,361	4,944,993
Special events	1,289,245	-	1,289,245
Concessions	976,419	-	976,419
Program revenues	98,074	-	98,074
Fundraising events, net of \$250,931 of expense	100,765	-	100,765
Supplemental	207,745	-	207,745
Investment income, net	948,327	-	948,327
Miscellaneous	151,117	-	151,117
Total support and revenues	<u>18,178,339</u>	<u>2,219,361</u>	<u>20,397,700</u>
<u>Net Assets Released from Restrictions</u>	<u>8,299,616</u>	<u>(8,299,616)</u>	<u>-</u>
<u>Expenses</u>			
Program services:			
Facilities	3,099,284	-	3,099,284
Guest programs	3,864,798	-	3,864,798
Animal care	2,623,065	-	2,623,065
Education	1,687,619	-	1,687,619
Conservation	1,145,289	-	1,145,289
Memberships	633,124	-	633,124
Total program services	<u>13,053,179</u>	<u>-</u>	<u>13,053,179</u>
Supporting services:			
Management and general	2,617,399	-	2,617,399
Annual campaign and fundraising	1,529,093	-	1,529,093
Membership development	103,744	-	103,744
Total supporting services	<u>4,250,236</u>	<u>-</u>	<u>4,250,236</u>
Total expenses from operations	<u>17,303,415</u>	<u>-</u>	<u>17,303,415</u>
Change in net assets	9,174,540	(6,080,255)	3,094,285
Net assets, beginning of year	<u>34,456,865</u>	<u>10,507,881</u>	<u>44,964,746</u>
Net assets, end of year	<u>\$ 43,631,405</u>	<u>\$ 4,427,626</u>	<u>\$ 48,059,031</u>

See accompanying notes to the financial statements

**SOUTH CAROLINA AQUARIUM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenues</u>			
Admissions	\$ 9,983,166	\$ -	\$ 9,983,166
Memberships	1,776,688	-	1,776,688
Contributed revenue	5,471,345	354,667	5,826,012
Special events	1,145,132	-	1,145,132
Concessions	1,016,590	-	1,016,590
Program revenues	97,471	-	97,471
Fundraising events, net of \$265,173 of expense	192,316	-	192,316
Supplemental	203,295	-	203,295
Investment losses, net	1,209,993	-	1,209,993
Miscellaneous	50,567	-	50,567
Total support and revenues	<u>21,146,563</u>	<u>354,667</u>	<u>21,501,230</u>
<u>Net Assets Released from Restrictions</u>	<u>6,666,057</u>	<u>(6,666,057)</u>	<u>-</u>
<u>Expenses</u>			
Program services:			
Facilities	2,983,598	-	2,983,598
Guest programs	3,633,250	-	3,633,250
Animal care	2,418,828	-	2,418,828
Education	1,652,153	-	1,652,153
Conservation	958,953	-	958,953
Memberships	593,953	-	593,953
Total program services	<u>12,240,735</u>	<u>-</u>	<u>12,240,735</u>
Supporting services:			
Management and general	2,734,666	-	2,734,666
Annual campaign and fundraising	1,448,311	-	1,448,311
Membership development	99,503	-	99,503
Total supporting services	<u>4,282,480</u>	<u>-</u>	<u>4,282,480</u>
Total expenses	<u>16,523,215</u>	<u>-</u>	<u>16,523,215</u>
Change in net assets	11,289,405	(6,311,390)	4,978,015
Net assets, beginning of year	<u>23,167,460</u>	<u>16,819,271</u>	<u>39,986,731</u>
Net assets, end of year	<u>\$ 34,456,865</u>	<u>\$ 10,507,881</u>	<u>\$ 44,964,746</u>

See accompanying notes to the financial statements.

**SOUTH CAROLINA AQUARIUM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>						<b>Management and General</b>	<b>Annual Campaign and Fundraising</b>	<b>Membership Development</b>	<b>Total</b>
	<b>Facilities</b>	<b>Guest Programs</b>	<b>Animal Care</b>	<b>Education</b>	<b>Conservation</b>	<b>Membership</b>				
<b>Expenses:</b>										
Payroll and benefits	\$ 623,153	\$ 2,848,943	\$ 2,044,513	\$ 1,536,795	\$ 988,735	\$ 434,108	\$ 1,394,366	\$ 1,154,795	\$ 77,833	\$ 11,103,241
Occupancy	790,177	-	-	-	-	-	7,002	-	-	797,179
IT and communications	9,313	63,684	45,180	13,495	22,098	19,130	376,103	35,103	10,277	594,383
Public relations and marketing	-	486,233	-	31,267	31,267	90,392	2,751	16,852	15,634	674,396
Animal care	1,454	31	386,324	-	8,476	-	26,906	29	-	423,220
Repairs and maintenance	232,623	93,492	59,343	1,352	12,156	-	7,731	44	-	406,741
Loan interest and bank fees	-	209,487	1,352	-	-	29,927	34,064	22,445	-	297,275
Insurance (non-benefit)	124,857	-	765	-	-	-	199,247	-	-	324,869
Professional fees and consultants	33,375	26,848	-	3,250	10,904	-	137,324	93,102	-	304,803
General supplies	1,185	69,907	28,648	1,134	1,445	16,640	62,583	3,424	-	184,966
Miscellaneous	95,310	5,444	11,424	27,087	16,835	253	117,917	12,106	-	286,376
Programs and events	-	47,552	958	55,668	41,514	41,821	17,061	73,545	-	278,119
Fundraising and board engagement	-	25	-	-	-	-	62,914	88,243	-	151,182
Travel and professional development	1,891	5,891	44,010	14,834	11,702	466	34,866	21,878	-	135,538
Personnel support	763	7,261	517	2,737	157	387	67,640	1,454	-	80,916
Operating leases	-	-	-	-	-	-	5,076	-	-	5,076
Total operating expenses	<u>1,914,101</u>	<u>3,864,798</u>	<u>2,623,034</u>	<u>1,687,619</u>	<u>1,145,289</u>	<u>633,124</u>	<u>2,553,551</u>	<u>1,523,020</u>	<u>103,744</u>	<u>16,048,280</u>
Depreciation	1,165,850	-	-	-	-	-	55,400	6,073	-	1,227,323
Loss on disposal of fixed assets	-	-	-	-	-	-	8,399	-	-	8,399
Disaster preparation	1,277	-	31	-	-	-	49	-	-	1,357
Bond interest	18,056	-	-	-	-	-	-	-	-	18,056
Total expenses	<u>\$ 3,099,284</u>	<u>\$ 3,864,798</u>	<u>\$ 2,623,065</u>	<u>\$ 1,687,619</u>	<u>\$ 1,145,289</u>	<u>\$ 633,124</u>	<u>\$ 2,617,399</u>	<u>\$ 1,529,093</u>	<u>\$ 103,744</u>	<u>\$ 17,303,415</u>

See accompanying notes to the financial statements.

**SOUTH CAROLINA AQUARIUM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Program Services</b>							<b>Annual Campaign and Fundraising</b>	<b>Membership Development</b>	<b>Total</b>
	<b>Facilities</b>	<b>Guest Programs</b>	<b>Animal Care</b>	<b>Education</b>	<b>Conservation</b>	<b>Membership</b>	<b>Management and General</b>			
<b>Expenses:</b>										
Payroll and benefits	\$ 513,613	\$ 2,575,257	\$ 1,817,217	\$ 1,462,436	\$ 846,639	\$ 421,700	\$ 1,544,806	\$ 1,121,652	\$ 75,576	\$ 10,378,896
Occupancy	826,377	-	-	-	-	-	-	-	-	826,377
IT and communications	8,754	162,079	55,775	12,825	24,237	16,622	249,819	29,619	9,834	569,564
Public relations and marketing	-	442,574	-	28,185	28,829	74,233	1,002	17,379	14,093	606,295
Animal care	383	-	389,937	39	8,572	-	19,719	-	-	418,650
Repairs and maintenance	224,498	71,691	61,284	1,604	7,494	-	1,643	37	-	368,251
Loan interest and bank fees	-	218,667	3,759	-	-	31,238	43,545	23,429	-	320,638
Insurance (non-benefit)	101,766	-	3,259	-	-	-	151,148	-	-	256,173
Professional fees and consultants	18,562	12,318	-	-	-	-	150,103	94,553	-	275,536
General supplies	911	88,544	40,006	5,496	1,132	13,633	7,311	6,038	-	163,071
Miscellaneous	3,501	7,587	9,730	23,670	17,823	475	106,963	10,964	-	180,713
Programs and events	-	45,663	5	94,710	12,965	33,741	17,933	18,563	-	223,580
Fundraising and board engagement	-	81	-	-	-	-	72,293	94,836	-	167,210
Travel and professional development	-	369	36,623	20,188	11,202	1,085	29,309	22,480	-	121,256
Personnel support	524	8,420	1,191	3,000	-	1,226	71,671	1,964	-	87,996
Operating leases	-	-	-	-	-	-	10,741	-	-	10,741
Total operating expenses	<u>1,698,889</u>	<u>3,633,250</u>	<u>2,418,786</u>	<u>1,652,153</u>	<u>958,893</u>	<u>593,953</u>	<u>2,478,006</u>	<u>1,441,514</u>	<u>99,503</u>	<u>14,974,947</u>
Depreciation	911,265	-	-	-	-	-	43,909	4,796	-	959,970
Loss on disposal of fixed assets	2,164	-	42	-	60	-	154,712	-	-	156,978
Master planning	340,230	-	-	-	-	-	58,039	2,001	-	400,270
Bond interest	31,050	-	-	-	-	-	-	-	-	31,050
Total expenses	<u>\$ 2,983,598</u>	<u>\$ 3,633,250</u>	<u>\$ 2,418,828</u>	<u>\$ 1,652,153</u>	<u>\$ 958,953</u>	<u>\$ 593,953</u>	<u>\$ 2,734,666</u>	<u>\$ 1,448,311</u>	<u>\$ 99,503</u>	<u>\$ 16,523,215</u>

See accompanying notes to the financial statements

**SOUTH CAROLINA AQUARIUM  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<u>Cash Flows from Operating Activities</u>		
Changes in net assets	\$ 3,094,285	\$ 4,978,015
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions received restricted for long-term purposes	(1,958,715)	(2,931,814)
Amortization of discount on unconditional promises to give	(102,453)	(38,699)
Amortization of deferred interest on operating lease termination payable	-	2,469
Depreciation	1,227,323	959,970
Unrealized and realized gains on investments	(192,085)	(418,889)
Changes in:		
Accounts receivable	31,321	(62,022)
Unconditional promises to give	(42,419)	(353,709)
Grants receivable	(56,250)	1,243,291
Inventory	(31,023)	2,275
Prepaid expenses	41,142	(35,304)
Accounts payable and accrued expenses	(193,761)	295,032
Advance deposits	(150,203)	21,646
Deferred revenue	(31)	(257,413)
Deferred membership fees	(14,034)	5,695
Net cash provided by operating activities	1,653,097	3,410,543
<u>Cash Flows from Investing Activities</u>		
Proceeds from sales of investments	20,429,367	9,338,752
Purchases of investments	(15,613,365)	(9,904,673)
Purchase of property and equipment	(11,215,558)	(5,749,095)
Net cash used for investing activities	(6,399,556)	(6,315,016)
<u>Cash Flows from Financing Activities</u>		
Contribution collected restricted for long-term purposes	3,023,961	3,977,279
Payments on bonds payable	(225,000)	(225,000)
Payments on lease termination fee payable	-	(47,500)
Payments on capital lease	(57,475)	(60,792)
Net cash provided by financing activities	2,741,486	3,643,987
Net (decrease) increase in cash and cash equivalents	(2,004,973)	739,514
Cash and cash equivalents, beginning of year	6,133,643	5,394,129
Cash and cash equivalents, end of year	\$ 4,128,670	\$ 6,133,643
<b>Supplemental Cash Flow Information</b>		
Cash payments for interest made during the year	\$ 21,632	\$ 31,881

See accompanying notes to the financial statements

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The South Carolina Aquarium (the “Aquarium”) is a non-profit organization incorporated in 1992. The Aquarium is devoted to the understanding and conservation of South Carolina’s natural aquatic habitats. The Aquarium’s primary objective is to inspire conservation of the natural world by exhibiting and caring for animals, by excelling in education and research, and by providing an exceptional visitor experience. The Aquarium’s primary facility, which is located in Charleston, South Carolina, opened May 19, 2000, and is leased from the City of Charleston. The Aquarium’s support comes primarily from admission fees, memberships, grants and contributions.

**Basis of Accounting**

The Aquarium’s financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Net Assets**

The Aquarium's net assets are classified as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Aquarium’s management and the board of directors.

**Net assets with donor restrictions:** Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Aquarium or by the passage of time (that is, when a stipulated time restriction ends or purpose restriction is accomplished). Other donor restrictions are perpetual in nature, whereby the donor stipulates the funds be maintained in perpetuity. The Aquarium does not have any donor restrictions that are perpetual in nature as of December 31, 2024 or 2023.

**Revenue Recognition**

***Contributions***

Contributions that are with or without donor restrictions are earned and recognized when the donation is received or unconditionally pledged, as long as there is no performance requirement attached to the contribution. In the instance where there is a performance obligation attached to the contribution, the portion that is attached to a performance requirement is recorded as deferred revenue until it is earned when the performance requirement is met, while the portion that is considered to be a contribution is recorded as revenue when received or unconditionally pledged.

***Grants***

Grants are earned and recorded as revenue when the grant funds are received or unconditionally pledged, if there is no performance requirement in the grant agreement. At that time, any grantor restrictions are considered when recording the revenue. For any grant agreements that include performance obligations, the Aquarium determines when the performance obligations will be met (i.e., at a certain point in time or over time). Revenue is recognized accordingly when the related performance obligation is met. Grant funds with a performance requirement which are received in advance are recorded as deferred revenue and are recognized as revenue when performance requirements are met.

***Fundraising Events***

Fundraising event revenue is recorded as contributed revenue and recognized on the day of the event. While some benefit is received by attendees, it is considered immaterial relative to the amount paid. Any payment received before the event (tickets, sponsorship) is recorded as advanced deposits and released at the time of the event.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Admissions and Memberships***

Admission revenue is recorded as earned and recognized as revenue on the day of the sale. The majority of tickets are purchased at the ticket window immediately before entrance into the Aquarium, and these tickets are only good for the day. Therefore, the performance obligation, entry to the Aquarium, is fulfilled the same day.

Admission tickets sold online can be used for up to one year, they are recognized at time of sale rather than when redeemed. The web-sale tickets comprise a small percentage of total ticket sales and a majority of the sales are used within 1 week. Therefore, the timing difference between purchase and use is considered immaterial for revenue recognition purposes.

Admission revenue also includes group tours. This revenue is also recognized day of visit. Groups pay a deposit prior to coming, which is recorded to advanced deposits and recognized on the day of their visit.

Membership revenue is recorded as earned revenue. The benefits of the membership, including admission, are deemed to be equivalent to the cost. The cash is received in full up front, while the revenue is recognized evenly throughout the membership period as the benefits are delivered, and the performance obligation is met.

***Special Events and Building Rentals***

Special event revenue, which includes non-fundraising ticketed events hosted by the Aquarium, is recorded as earned revenue and recognized at the time of the event, when the performance obligation is met. Any payment received before the event for tickets or deposits is recorded as deferred revenue and released when the event occurs.

Building rental revenue is also recorded as earned revenue and recognized at the time of the event. Security deposits for building rentals are recorded as advance deposits and either returned or recognized as revenue when the building rental occurs.

***Concessions***

Concession revenue, which includes a percentage of net sales (or commission) from third party vendors that manage the gift shop, snack bar and photography station is recorded as earned revenue and recognized on a monthly basis. The third-party vendors pay the commission to the Aquarium each month approximately ten days after the close of the month and revenue is recorded by the Aquarium in the month of the activity.

***Disaggregation of Revenue***

In the following table, net revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Performance obligations satisfied at a point in time	\$ 17,673,064	\$ 18,514,549
Performance obligations satisfied over time	<u>1,776,309</u>	<u>1,776,688</u>
Total performance obligations	<u>\$ 19,449,373</u>	<u>\$ 20,291,237</u>

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Contract Liabilities***

The following table presents the beginning and ending balances of contract liabilities as of December 31:

	<b>2024</b>	<b>2023</b>
Contract liabilities (deferred revenue and advanced deposits), beginning of the year	\$ 1,373,019	\$ 1,603,091
Revenue recognized for performance obligations completed during the year	(1,373,019)	(1,603,091)
Revenues deferred until performance obligations are completed	1,208,751	1,373,019
Contract liabilities (deferred revenue and advanced deposits), end of year	\$ 1,208,751	\$ 1,373,019

**Cash and Cash Equivalents**

The Aquarium considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

**Availability of Funds for General Expenditures**

The Aquarium has certain net assets that are available for general expenditures within one year of December 31, 2024 and 2023 based on conducting the normal activities of its programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year (see Note 2).

**Accounts Receivable**

Accounts receivable relate primarily to concession revenues and group ticket sales. Management evaluates the collectability of outstanding balances based on historical collection experience and the specific accounts outstanding, and establishes an allowance for doubtful accounts based on management's estimate of amounts that will not be collected. Accounts receivable are determined to be past due on contractual terms, which are unsecured and are non-interest bearing. Management does not accrue interest or finance charges on overdue balances. It is the Aquarium's policy to charge off uncollectible amounts when management determines the receivable will not be collected. As of December 31, 2024 and 2023, management estimated all accounts receivable to be fully collectible, and thus no allowance has been recorded.

**Unconditional Promises to Give, Net and grants Receivable**

Contributions are recognized when the donor makes a promise to give to the Aquarium that is in substance, unconditional. Grant revenue is recognized when the grant has been awarded and any related performance objectives have been met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using a discount rate of 2.20 to 4.25% for the years ended December 31, 2024 and 2023. Amortization of the discount is presented with contributed revenue.

The Aquarium uses the allowance method to account for uncollectible amounts based on management's estimate of the collectability of the amount receivable. Receivables are considered impaired if payments are not received in accordance with the terms of the receivable. It is the Aquarium's policy to charge off uncollectible amounts when management determines the receivable will not be collected. The allowance for doubtful accounts was \$30,000 as of December 31, 2024 and 2023.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Property and Equipment, Net**

Property and equipment are recorded at cost, or, if donated, at estimated fair market value at the date of donation. It is the policy of the Aquarium to capitalize assets costing \$5,000 or more with a useful life exceeding one year.

Software	2 years
Transportation equipment	5-7 years
Furniture, fixtures and equipment	7 years
Exhibits	2-10 years
Leasehold improvements	7-40 years
Projects under construction and land	Non-depreciable

**Animal and Plant Collections**

The costs of purchasing or collecting live animals and plants are expensed as incurred. Donated specimens are not valued and, therefore, are not reflected in the financial statements. There were no proceeds received related to the sale of non-capitalized collection items during the year ended December 31, 2024 and 2023. Purchases of non-capitalized collection items were \$30,208 and \$48,904 for the years ended December 31, 2024 and 2023, respectively.

**Advertising**

The Aquarium expenses advertising costs as incurred. Advertising costs totaled \$545,445 and \$465,036 for the years ended December 31, 2024 and 2023, respectively, and are included in public relations and marketing on the Statement of Functional Expenses.

**Donated Services, Equipment and Assets**

The Aquarium records various types of in-kind support including donated professional services, supplies, equipment and other assets. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

Supplies donated in 2024 and 2023 include animal and animal care supplies, and are recognized in the animal care program. In-kind contributions totaled \$13,449 and \$24,208 for the years ended December 31, 2024 and 2023, respectively. Building supplies and services received totaled \$34,461 and \$0 for the years ended December 31, 2024 and 2023, respectively.

A substantial number of unpaid volunteers have made significant contributions of their time and performed a variety of tasks that assisted the Aquarium with its operation but do not meet the two recognition criteria described above. Accordingly, the value of this donated time is not reflected in the financial statements.

**Income Taxes**

The Aquarium is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, if any, as defined by the Code, is subject to federal income tax. The Aquarium is classified by the Internal Revenue Service as other than a private foundation.

The Aquarium's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. Management has evaluated the tax positions of the Aquarium and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended December 31, 2024 or 2023.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Use of Estimates**

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

**Expense Allocations**

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Aquarium's program services are classified within the following:

**Facilities** maintain the building and animal life support systems.

**Guest Programs** includes admissions, security staff and environmental services.

**Animal Care** collects and maintains plants and animals for the exhibits.

**Education** designs and implements the complete Education Master Plan.

**Conservation** leads conservation efforts for the wildlife and wild spaces and inspires the public for these initiatives.

**Memberships** include management of the membership program.

The Aquarium's supporting services include:

**Management and General** provides accounting, human resources, marketing, administration and information services support.

**Annual Campaign and Fundraising** conducts fundraising activities through donor education, fulfillment and management.

**Membership Development** activities include soliciting for prospective members and membership dues, membership relations, and similar activities.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated and the method of allocation include:

<i><b>Expense type</b></i>	<i><b>Method of allocation</b></i>
Payroll and benefits	Time and effort
IT and communication	Direct costs to programs; Time and effort for remaining
Public relations and marketing	Direct costs for advertising; Time and effort for remaining
Animal care	Direct costs to programs
Repairs and maintenance	Direct costs to programs
Loan interest and bank fees	Direct costs to programs
Professional fees and consultants	Direct costs to programs; Time and effort for remaining
General supplies	Direct costs to programs; Time and effort for remaining
Miscellaneous	Direct costs to programs; Time and effort for remaining
Programs and events	Direct costs to programs; Time and effort for remaining
Fundraising and board engagements	Direct costs to programs

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Expense Allocation, continued**

Travel and professional development	Direct costs to programs; Time and effort for remaining
Personnel support	Direct costs to programs; Time and effort for remaining
Operating leases	Direct costs to programs
Depreciation	Square footage
Disaster expense and other losses	Direct costs

**Reclassifications**

Certain items in the prior year have been reclassified to conform to current year presentation.

**Subsequent Events**

In preparing these financial statements, the Aquarium has evaluated events and transactions for potential recognition or disclosure through April 24, 2025, the date the financial statements were available to be issued.

**2. AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditures that are without donor or other restrictions limiting their use within one year of the Statement of Financial Position date of December 31, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Total assets at end of year	\$ 50,879,862	\$ 48,426,081
Less amounts not available to be used within one year due to illiquidity:		
Prepaid expenses	318,702	359,844
Property and equipment, net	28,649,389	18,661,154
	<u>28,968,091</u>	<u>19,020,998</u>
Less amounts not available to be used within one year due to availability:		
Non-current unconditional promises to give, net	802,637	1,625,672
Board imposed restriction, long-term	4,485,484	4,044,037
Donor imposed restrictions, long-term	2,976,941	9,547,873
	<u>8,265,062</u>	<u>15,217,582</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,646,709</u>	<u>\$ 14,187,501</u>

In accordance with the Aquarium's policies, the board has designated certain amounts to be used for future activities and programs. These board designations can be drawn upon if the governing board approves this action.

The Aquarium's goal is to maintain financial assets to cover operating expenses over a reasonable period of time. Any funds in excess of the adequate operating expense coverage are invested with the objectives of preserving capital and long-term growth. The Aquarium has a \$1,250,000 line of credit. As of December 31, 2024 and 2023, there was no outstanding balance.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**3. UNCONDITIONAL PROMISES TO GIVE, NET**

Unconditional promises to give, net consisted of the following at December 31:

	<b>2024</b>	<b>2023</b>
Unconditional promises to give	\$ 2,444,192	\$ 3,467,019
Less: Unamortized discount	(70,906)	(173,359)
Present value of unconditional promises to give	2,373,286	3,293,660
Less: Allowance for uncollectible promises to give	(30,000)	(30,000)
Unconditional promises to give, net	<b>\$ 2,343,286</b>	<b>\$ 3,263,660</b>

Amounts expected to be collected for the years ended December 31, are as follows:

2025	\$ 1,540,649
2026	553,543
2027	150,000
2028	100,000
2029	90,000
Thereafter	10,000
	<b>\$ 2,444,192</b>

**4. FAIR VALUE MEASUREMENTS**

The Aquarium's investments are stated at fair market value. Fair market value is defined 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. ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. These inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**4. FAIR VALUE MEASUREMENTS - CONTINUED**

The following table presents the Aquarium's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31:

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments, short-term	\$ 4,427,225	\$ -	\$ -	\$ 4,427,225
Investments, long-term	10,787,811	-	-	10,787,811
	\$ 15,215,036	\$ -	\$ -	\$ 15,215,036
	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments, short-term	\$ 4,229,693	\$ -	\$ -	\$ 4,229,693
Investments, long-term	15,609,260	-	-	15,609,260
	\$ 19,838,953	\$ -	\$ -	\$ 19,838,953

**5. PROPERTY AND EQUIPMENT, NET**

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

	<b>2024</b>	<b>2023</b>
Software	\$ 120,150	\$ 120,150
Transportation equipment	745,552	729,210
Furniture, fixtures and equipment	3,640,023	3,381,383
Exhibits	14,531,254	14,271,078
Leasehold improvements	16,095,965	9,267,698
Projects under construction and land	9,494,575	5,976,502
	44,627,519	33,746,021
Accumulated depreciation	(15,978,130)	(15,084,867)
	\$ 28,649,389	\$ 18,661,154

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$1,227,323 and \$959,970 respectively.

**6. REVOLVING LINE OF CREDIT**

The Aquarium has a revolving line of credit in the amount of \$1,250,000, which was originally effective through August 19, 2020 and bears interest at a base rate plus 1%, with a floor of 5.00%. The balance was \$0 as of December 31, 2024 and 2023. During 2023, the Aquarium's revolving line of credit was amended and extended. The new terms allow for the Aquarium to borrow \$1,250,000. The line bears interest at 1% plus the Base Rate, with a floor of 5.00% (8.5% at December 31, 2024) and is effective through August 30, 2025.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
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**7. CAPITAL LEASE PAYABLE**

On November 24, 2017, the Aquarium signed a master lease agreement for the acquisition of a CT scanner for the sea turtle recovery center. The agreement required 84 payments of \$5,548 and carries an implied interest rate of 4.135%. The agreement had a bargain purchase option at the end of the lease term in the amount of \$100. The lease was collateralized with the underlying equipment. The Aquarium exercised the purchase option and terminated the lease in October 2024.

The interest expense paid on the capital leases was \$4,697 and \$8,256 for the years ended December 31, 2024 and 2023, respectively.

**8. BONDS PAYABLE**

On October 1, 2014, the Aquarium issued a note to evidence its obligation to the South Carolina Jobs Economic Development Authority (the "Authority") arising from the Authority's loan to the Aquarium of the proceeds of the South Carolina Jobs - Economic Development Authority Economic Development Revenue Bond (SC Aquarium Project) Series 2014 in the amount of \$2,700,000. The net proceeds of the bonds were primarily used to finance the construction and improvements of the Aquarium's existing facilities. The bonds are secured by the Aquarium's personal property.

At December 31, 2024 and 2023, the balance of the bonds payable was \$450,000 and \$675,000, respectively. Amounts are due in installments of \$225,000 each on October 1st with interest due semiannually at rates ranging from 2.5% to 3.6%.

Future payments on bonds payable at December 31, 2024 are as follows:

2025	\$	225,000
2026		225,000
Thereafter		-
	\$	450,000

Interest expense incurred on bonds payable for the years ended December 31, 2024 and 2023 was \$18,056 and \$31,050.

**9. LEASE TERMINATION FEE PAYABLE**

On December 20, 2013, the Aquarium signed an operating lease termination agreement with its landlord for property leased under an agreement dated February 1, 2000. The agreement required the Aquarium (or subtenant therein) to vacate the property before December 31, 2013. Accordingly, the lease agreement was terminated and a \$475,000 termination fee was payable. The fee was due in 10 equal non-interest-bearing installments of \$47,500 on September 15th each year. The Aquarium made its final payment under this agreement during 2023.

**10. FEDERAL FINANCIAL ASSISTANCE**

During 2021, the Aquarium filed for a \$1,286,260 Employee Retention Credit (ERC) with the Internal Revenue Service (IRS). The tax credit was established to encourage businesses to retain employees during the COVID-19 pandemic. The Aquarium has complied with the provisions of this tax credit and has recorded a grant receivable associated with the ERC in 2021. The Aquarium received the final payment on this credit during the year ended December 31, 2023.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
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**11. NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2024</u>	<u>2023</u>
Restricted as to time:		
Promises to give - unrestricted	\$ 310,089	\$ 161,000
Endowment	227,912	-
Restricted as to purpose:		
Education programs	449,238	386,067
Exhibit development	144,443	133,552
Sea turtle hospital	118,790	-
Sea Turtle conservation and research program	112,972	131,781
Capital and maintenance programs	22,942	47,842
Conservation	125,383	99,766
Building fortification	1,733,784	4,976,206
Boeing Learning Lab	-	4,201,064
Discovery gallery	1,000,000	-
Marketing and training	166,828	-
Other capital	15,245	370,603
	<u>\$ 4,427,626</u>	<u>\$ 10,507,881</u>

**12. BOARD DESIGNATED NET ASSETS**

The Aquarium's Board of Directors has designated certain amounts for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Board designated for endowment	\$ 463,133	\$ 463,133
Board designated for operating reserve	4,427,225	4,229,693
Board designated for short-term capital replacement	2,072,509	2,196,100
Board designated for future growth	1,949,842	1,384,804
	<u>\$ 8,912,709</u>	<u>\$ 8,273,730</u>

**13. DEFINED CONTRIBUTION PLAN**

The Aquarium maintains a defined contribution 401(k) plan (the "Plan") covering substantially all the full-time salaried employees with one year or more of service. Under the Plan, the Aquarium makes matching contributions equal to 100% of the first 3% of the employee's contribution and 50% of the next 2% of the employee's contribution, for a total match of up to 4%. Contribution expense relating to the Plan for the years ended December 31, 2024 and 2023 was \$190,986 and \$166,170, respectively.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**14. CONCENTRATION OF CREDIT RISK**

From time to time, the Aquarium has operating accounts and other demand accounts with financial institutions in excess of the Federal Depository Insurance Company (“FDIC”) limit of \$250,000 per bank. The Aquarium has not experienced any losses associated with these financial institutions.

**15. OPERATING LEASES**

Facility and Warehouses

The Aquarium leases two warehouses under two operating lease agreements. One of the agreements expired September 16, 2018, and a new agreement for the same space was signed with an expiration date of September 30, 2021. The initial monthly lease payment is \$2,272 with payment increases of 3% per year and contains one three-year renewal option. In addition, the agreement requires the Aquarium to pay certain executory costs such as taxes, maintenance and insurance, where applicable.

The second agreement originally commenced in June 2012 and was renewed in May 2017 for another five-year term, expiring on May 31, 2022 (extended to May 31, 2027). The initial monthly lease payment of the renewal is \$2,029 with payment increases of 3% per year. In addition, the agreement requires the Aquarium to pay for certain costs above and beyond general maintenance, where applicable, as incurred. The Aquarium has three equipment lease that matures in 2025 with monthly minimum lease payments of \$195.

The Aquarium has not recognized the right-of-use asset and operating lease liability for these leases. Any differences between this and US GAAP is considered immaterial to the financial statements. Rent expense for these leases totaled \$78,095 and \$74,446 for the years ended December 31, 2024 and 2023, respectively.

Future minimum payments at December 31 under these agreements are as follows:

2025		\$	61,801
2026			54,509
2027			13,235
Thereafter			-
			-
		\$	129,545

The Aquarium has an agreement with the City of Charleston to sublease the land and facilities that house the Aquarium operations for annual rent of \$1. This property is owned by the National Park Service and used by the City, which in turn leases it to the Aquarium. The Aquarium's agreement with the City includes a clause which states that the excess annual revenues over expenses, including provision for debt service and reserve for depreciation, will be split evenly as follows:

Fifty percent (50%) will be placed in a fund for the future capital improvements and a reserve for operating shortfalls in the sum of \$2,000,000 to be maintained during the term of the lease.

Fifty percent (50%) will be paid annually to the City of Charleston to reduce the City Bond indebtedness in the principal amount of \$9,500,000 until such debt has been paid in full.

Under the terms of the agreement, the Aquarium did not make any lease payments to the City of Charleston for the years ended December 31, 2024 or 2023.

**SOUTH CAROLINA AQUARIUM  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**16. COMMITMENTS**

In May 2005, the Aquarium entered into a contract to lease retail space to a vendor to operate the gift shop for a term of five years. This agreement was amended on January 13, 2010, extending the term of the agreement for an additional five-year period through June 2, 2015. On December 7, 2021, the Aquarium signed the fifth amendment to this agreement. The agreement extends the terms through June 30, 2030. Rent is paid to the Aquarium monthly in arrears, is calculated based upon a percentage of gross receipts collected, and is guaranteed to exceed \$310,000 annually provided annual attendance does not fall below 390,000 visitors. The annual payment guarantee to the Aquarium shall be reduced by the same percentage as the attendance shortfall. Amounts received by the Aquarium under this agreement for the years ended December 31, 2024 and 2023 were \$705,413 and \$747,766, respectively. Amounts received are included in concessions revenue in the Statement of Activities.

In April 2006, the Aquarium signed a services agreement with a vendor to provide photographic and imaging services to patrons in the facility. The agreement was for an initial term of three years, with an automatic renewal of an additional three years if either of the parties did not notify each other of termination. The agreement was extended through 2020. In February 2020 and 2021, the Aquarium signed extensions to this agreement. The extension is for one year and matures in September 2022; The Aquarium receives a percentage of net sales revenues as defined within the agreement. Amounts received by the Aquarium under this agreement for the years ended December 31, 2024 and 2023 were \$233,074 and \$240,607, respectively. Amounts received are included in concessions revenue in the Statement of Activities.

On May 21, 2007, the Aquarium signed a concession agreement with a vendor to operate a food concession area in the facility. The agreement was amended on January 13, 2010, extending the term for an additional five years through June 2, 2015. On June 22, 2015, the Aquarium signed the third amendment to this agreement. The agreement provides for (2) five-year extension terms through June 30, 2030. The Aquarium receives rent based upon an agreed percentage of gross sales as defined within the agreement. Amounts received by the Aquarium under this agreement for the years ended December 31, 2024 and 2023 were \$37,932 and \$28,217, respectively. Amounts received are included in concessions revenue in the Statement of Activities.

**17. RELATED PARTY TRANSACTIONS**

Members of the Board of Directors made contributions and unconditional promises to give totaling approximately \$1,448,845 and \$582,691 during the years ended December 31, 2024 and 2023, respectively. Outstanding balances of unconditional promises to give from board members, totaled \$605,451 and \$454,249 at December 31, 2024 and 2023, respectively.

The Aquarium's bonds payable are held by a related party and had a balance of \$450,000 and \$675,000 at December 31, 2024 and 2023. Interest incurred under these bonds was \$18,056 and \$31,050 for the years ended December 31, 2024 and 2023, respectively.