

Intrepid Museum Foundation

Financial Statements

December 31, 2025

Independent Auditors' Report

To the Board of Trustees of Intrepid Museum Foundation

Opinion

We have audited the accompanying financial statements of Intrepid Museum Foundation (the "Museum"), which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**To the Board of Trustees of
Intrepid Museum Foundation**
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Report on Summarized Comparative Information

We have previously audited the Museum's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

May 12, 2026

Intrepid Museum Foundation

Statement of Financial Position

December 31, 2025

(with comparative amounts at December 31, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 6,660,148	\$ 5,987,022
Pledges receivable, net	4,568,634	4,374,662
Grants receivable	308,575	1,421,148
Other receivables	1,539,414	2,063,781
Prepaid expenses and other assets	262,005	402,634
Investments	13,122,393	11,382,881
Fixed assets, net	41,415,879	43,808,494
Restricted investments	<u>22,050,854</u>	<u>21,993,987</u>
	<u>\$ 89,927,902</u>	<u>\$ 91,434,609</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 2,436,471	\$ 2,715,564
Deferred revenue	1,717,235	1,842,334
Advances payable	581,667	666,667
Finance obligation	552,485	854,665
Loans payable	4,581,250	4,845,000
Notes payable	<u>10,200,000</u>	<u>10,200,000</u>
Total Liabilities	<u>20,069,108</u>	<u>21,124,230</u>
Net Assets		
Without donor restrictions	31,745,365	32,666,688
With Donor Restrictions		
Time restricted for future periods	15,042,179	14,468,955
Purpose restrictions	616,528	726,881
Endowment funds	<u>22,454,722</u>	<u>22,447,855</u>
Total Net Assets	<u>69,858,794</u>	<u>70,310,379</u>
	<u>\$ 89,927,902</u>	<u>\$ 91,434,609</u>

See notes to financial statements

Intrepid Museum Foundation

Statement of Activities For the Year Ended December 31, 2025 (with summarized totals for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions		2025 Total	2024 Total
		Program Restrictions	Endowment Funds		
OPERATING SUPPORT AND REVENUE					
Admissions and membership	\$ 18,239,983	\$ -	\$ -	\$ 18,239,983	\$ 20,427,146
Contributions	1,212,620	-	-	1,212,620	1,610,079
Contributed nonfinancial assets	533,615	-	-	533,615	404,355
Sponsorship income	599,734	-	-	599,734	240,171
Special event revenue (net of costs with direct benefit to donors of \$165,000 and \$112,250)	1,315,820	25,000	-	1,340,820	1,061,843
Grant income	654,650	1,177,343	-	1,831,993	1,309,727
Rental income, net of discounts	3,476,274	-	-	3,476,274	2,783,416
Auxiliary activities	3,792,010	-	-	3,792,010	4,669,979
Investment return designated for operations	-	1,877,155	-	1,877,155	1,642,008
Spend rate allocation	1,877,155	(1,877,155)	-	-	-
Net assets released from restrictions	1,582,418	(1,582,418)	-	-	-
Total Operating Support and Revenue	33,284,279	(380,075)	-	32,904,204	34,148,724
OPERATING EXPENSES					
Program Expenses					
Education	4,615,122	-	-	4,615,122	4,861,281
Exhibits and museum services	20,853,690	-	-	20,853,690	21,890,103
Intrepid Fallen Heroes and Relief Funds	132,242	-	-	132,242	129,445
Other program costs	1,904,431	-	-	1,904,431	1,911,633
Total Program Expenses	27,505,485	-	-	27,505,485	28,792,462
Supporting Expenses					
Management and general	2,675,944	-	-	2,675,944	3,059,986
Fundraising	1,835,859	-	-	1,835,859	1,796,856
	4,511,803	-	-	4,511,803	4,856,842
Total Operating Expenses	32,017,288	-	-	32,017,288	33,649,304
Excess of Operating Support and Revenue Over Operating Expenses	1,266,991	(380,075)	-	886,916	499,420
NONOPERATING ACTIVITIES					
Depreciation and amortization	(3,808,804)	-	-	(3,808,804)	(3,760,176)
Contributions and capital grants	1,462,218	93,500	6,867	1,562,585	5,755,648
Surplus of investment return in excess of spend rate	158,272	749,446	-	907,718	2,399,956
Total Nonoperating Activities	(2,188,314)	842,946	6,867	(1,338,501)	4,395,428
Change in Net Assets	(921,323)	462,871	6,867	(451,585)	4,894,848
NET ASSETS					
Beginning of year	32,666,688	15,195,836	22,447,855	70,310,379	65,415,531
End of year	\$ 31,745,365	\$ 15,658,707	\$ 22,454,722	\$ 69,858,794	\$ 70,310,379

See notes to financial statements

Intrepid Museum Foundation

Statement of Functional Expenses For the Year Ended December 31, 2025 (with summarized totals for the year ended December 31, 2024)

	Program Services						Fundraising	2025 Total	2024 Total
	Education	Exhibits and Museum Services	Intrepid Fallen Heroes and Relief Funds	Other Program Costs	Total Program Services	Management and General			
Salaries, wages and other employment costs	\$ 3,508,534	\$ 14,697,897	\$ 64,599	\$ 1,336,684	\$ 19,607,714	\$ 1,892,762	\$ 989,454	\$ 22,489,930	\$ 23,689,197
Rent	27,360	124,451	-	9,310	161,121	18,810	10,070	190,001	190,001
Repairs and maintenance	16,986	655,780	-	1,445	674,211	19,597	806	694,614	1,090,893
Utilities and telephone	22,806	1,208,967	3,300	6,369	1,241,442	21,253	8,948	1,271,643	1,167,177
Property and casualty insurance	151,418	688,635	28,746	52,969	921,768	102,063	57,166	1,080,997	1,084,260
Contract services and equipment rentals	10,669	346,688	-	1,443	358,800	16,004	4,972	379,776	353,469
Office expense and supplies	95,603	414,925	-	15,106	525,634	182,676	50,616	758,926	715,426
Event and program expenses	180,289	506,650	-	202,048	888,987	54,464	603,029	1,546,480	1,336,406
Advertising and marketing expenses	112,805	571,267	-	134,497	818,569	8,702	69,248	896,519	1,099,215
Professional and consulting fees	145,761	506,316	-	52,808	704,885	203,978	96,778	1,005,641	841,678
Interest expense	114,416	520,350	22,369	40,057	697,192	77,076	43,229	817,497	921,747
Other operating expenses	228,475	611,764	13,228	51,695	905,162	78,559	66,543	1,050,264	1,272,085
Total Expenses Before Depreciation and Amortization	4,615,122	20,853,690	132,242	1,904,431	27,505,485	2,675,944	2,000,859	32,182,288	33,761,554
Costs with direct benefits to donors	-	-	-	-	-	-	(165,000)	(165,000)	(112,250)
Total Expenses Reported by Function on the Statement of Activities	4,615,122	20,853,690	132,242	1,904,431	27,505,485	2,675,944	1,835,859	32,017,288	33,649,304
Depreciation and amortization	548,468	2,494,767	47,229	186,631	3,277,095	329,842	201,867	3,808,804	3,760,176
Total Expenses - 2025	<u>\$ 5,163,590</u>	<u>\$ 23,348,457</u>	<u>\$ 179,471</u>	<u>\$ 2,091,062</u>	<u>\$ 30,782,580</u>	<u>\$ 3,005,786</u>	<u>\$ 2,037,726</u>	<u>\$ 35,826,092</u>	<u>\$ 37,409,480</u>
Total Expenses - 2024	<u>\$ 5,410,039</u>	<u>\$ 24,428,062</u>	<u>\$ 174,208</u>	<u>\$ 1,911,633</u>	<u>\$ 31,923,942</u>	<u>\$ 3,672,334</u>	<u>\$ 1,813,204</u>	<u>\$ 37,409,480</u>	

See notes to financial statements

Intrepid Museum Foundation

Statement of Cash Flows For the Year Ended December 31, 2025 (with comparative amounts for the year ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (451,585)	\$ 4,894,848
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,808,804	3,760,176
Net unrealized (gain) on investments	(904,731)	(2,669,604)
Net realized (gain) on sale of investments	(1,236,032)	(744,436)
Amortization of contract buyout	(203,328)	(203,328)
Amortization of discount on pledges receivable	(6,867)	(6,867)
Change in Operating Assets and Liabilities		
Pledges receivable	(187,105)	241,344
Grants receivable	1,112,573	(719,225)
Other receivables	524,367	253,597
Prepaid expenses and other assets	140,629	143,357
Accounts payable and accrued liabilities	(279,093)	(2,308,906)
Advances payable	(85,000)	(86,295)
Deferred revenue	78,229	(78,690)
Net Cash from Operating Activities	2,310,861	2,475,971
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in temporary cash investments at cost	(2,269,229)	115,626
Proceeds from sale of investments	9,205,552	6,568,403
Purchases of investments	(6,591,939)	(4,647,435)
Acquisition of fixed assets	(1,416,189)	(5,567,535)
Net Cash from Investing Activities	(1,071,805)	(3,530,941)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on loans payable	(263,750)	(248,750)
Payments on finance obligation	(302,180)	(264,853)
Net Cash from Financing Activities	(565,930)	(513,603)
Net Change in Cash and Cash Equivalents	673,126	(1,568,573)
CASH AND CASH EQUIVALENTS		
Beginning of year	5,987,022	7,555,595
End of year	\$ 6,660,148	\$ 5,987,022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 817,496	\$ 921,747
Equipment financed through finance obligation	-	310,500

See notes to financial statements

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

1. Organization and Tax Status

Intrepid Museum Foundation is a not-for-profit education corporation organized under the laws of the State of New York and chartered by the Board of Regents of the University of the State of New York. It operates the Intrepid Museum (collectively referred to herein as the "Museum"), located primarily aboard the aircraft carrier, the former USS Intrepid, in New York City at Pier 86 in Hudson River Park. The Museum opened to the public on August 3, 1982.

The mission of the Museum is to advance the understanding of the intersection of history and innovation in order to promote the awareness and understanding of history, science and service through its collections, exhibitions and programming, in order to honor our heroes, educate the public and inspire our youth.

The Museum also provides program support and administrative services to the Intrepid Fallen Heroes Fund (the "Fund"). The Fund performs services that were previously rendered and administered by the Museum. In 2003, the Fund was incorporated as a separate entity, and the Museum transferred the responsibility to provide those services to the Fund without consideration.

The Museum has been determined by the Internal Revenue Service to be a charitable organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). On November 1, 1983, the Museum was classified as a publicly supported organization and not as a private foundation under Section 509(a)(2) of the IRC and qualifies for the maximum charitable contribution deduction by donors.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Use of Estimates

The preparation of financial statements on an accrual basis 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 contingencies, if any, at the date of the financial statements, and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

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

Net Asset Presentation

The financial statements of the Museum report amounts separately by class of net assets based on the presence or absence of donor restrictions with the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Museum, its programs or supporting activities. These net assets may be used at the discretion of the Museum's management and Board of Trustees (the "Board").

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors that limit their use either through purpose or time restrictions. Some donor restrictions are temporary in nature, which will be met by actions of the Museum or by passage of time. These amounts are restricted primarily for education and public programs, exhibitions and certain aircraft maintenance.

Other donor restrictions are perpetual in nature, whereby the donor has stipulated the Museum maintains the assets in perpetuity but permits the Museum to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. The principal amounts of these assets are permanently restricted as an endowment fund.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The Museum includes in its measure of operations all revenue and expenses that are integral to its programs and supporting activities, net assets released from donor restrictions to support operations, and other funds to support current operating activities. The measure of operations excludes depreciation and amortization, grants and contributions restricted for capital expenditures or endowments, gains and investment return on assets in excess of the investment spend rate.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Pledges, Grants and Other Receivables

Pledges and non-government grants receivables are recorded and discounted if due over more than one year using risk-adjusted interest rates applicable in the year in which the pledge or grant was received. Amortization of the discount is included in contribution revenue. Government grant receivables are recorded when the Museum meets the conditions for revenue recognition, mainly as it incurs reimbursable program expenditures.

An estimated allowance for doubtful accounts is provided when necessary based on management's assessment of collectability.

At January 1, 2024, the contract assets consisted of other receivables of \$2,317,378. At January 1, 2024, the contract liabilities consisted of deferred revenue of \$2,124,352.

Other receivables represent amounts due from exchange transactions. Revenue is recognized when services are rendered.

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

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

Fair Value Measurements

The Museum follows U.S. GAAP guidance on *Fair Value Measurements*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

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

Fair Value Measurements (continued)

- Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets.
- Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data.
- Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments Valuation and Income Recognition

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on sales of securities are recorded in the statement of activities in the period in which the securities are sold. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Exhibits, Intrepid and Collections

The Museum capitalizes exhibit costs as they are incurred at their purchase price. If exhibit costs are donated, they are capitalized at their fair value on the date of donation. Upon the opening of an exhibit, the capitalized costs are amortized on a straight-line basis over their estimated useful life of 5 to 40 years. The net unamortized exhibit costs, together with the capitalized costs incurred for facilities infrastructure to accommodate the exhibits, are included in fixed assets on the accompanying statement of financial position.

Certain exhibits were placed on loan to the Museum by the United States Department of the Navy, (the "Navy"), British Airways ("BA") and other entities, and the value thereof is not readily determinable. Accordingly, the Museum has followed the accounting policy of most museums with respect to collections and exhibits on loan and has not included those assets in the financial statements. The submarine, *Growler*, was loaned by the Navy to the Museum, and was opened to the public in May 1989. The Concorde G-BOAD was loaned to the Museum by BA on November 24, 2003 for an unspecified period of time.

On November 22, 2011, the Museum entered into a Contract for the Conditional Transfer of Title to NASA Historic Artifact(s) with National Aeronautics and Space Administration ("NASA") to acquire the Space Shuttle Orbiter, *Enterprise* ("*Enterprise*"). NASA transferred the title to the Museum subject to certain conditions and restrictions for a 20-year period after which time the title transfer is permanent. NASA physically delivered the *Enterprise* to the Museum at JFK Airport on April 27, 2012.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Exhibits, Intrepid and Collections (continued)

Major repairs and improvements, which preserve these collections and exhibits and/or increase the future economic usefulness of the assets are capitalized.

Fixed Assets

Purchased fixed assets are recorded at cost and contributions of fixed assets are recorded at their fair value at the time of contribution. The Museum capitalizes expenditures for fixed assets in excess of \$5,000 with useful lives of greater than one year.

Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets (ship and submarine renovations - 10 to 25 years, exhibits and related infrastructure costs - 5 to 40 years, and furniture, fixtures, equipment, and computer software - 3 to 5 years). Amortization of leasehold improvements is provided for on the straight-line method over the remaining prorated term of the pier lease - 30 years.

Long-lived assets are reviewed for impairment when events or circumstances indicate that their carrying value may be impaired. There was no impairment recognized for the years ended December 31, 2025 and 2024. Major renewals and betterments are capitalized and depreciated over the remaining useful life of the asset. All other maintenance and repairs are recorded as operating expenses.

Revenue and Revenue Recognition

The Museum recognizes revenue from ticket sales at the time of admission and the day workshops and programs are conducted. The Museum recognizes membership dues over the membership period. The Museum records special events revenue equal to the fair value of direct benefit to donors, if any, and contribution income for the excess received when the event takes place. The Museum records rental revenue for third party private client events when the event takes place. The Museum recognizes revenue from its concessions monthly based on the contract terms for minimum rent and percentage rent or based on percentage of concessions sales by and between the Museum and the concession operators. The Museum recognizes revenue from its auxiliary sales when the customer takes the public tour.

Deferred Revenue

Membership fees are paid in advance and recognized over the term of the membership. Also, the Museum receives deposits for special events to be held at a future date and sells refundable admission tickets in advance for future Museum visits. Revenue from special events and advance ticket sales is recognized when the event takes place or when the ticket holder visits the Museum. In addition, revenue received in advance in accordance with sponsorship, concessions, and other contractual agreements, such as contract buy-out contributions and extension incentive fees, is recognized over the term of the agreement.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Deferred Revenue (continued)

Fees related to traveling exhibitions for which advance payments have been received from a third party for a future period are deferred and recognized over the period the exhibition runs.

Contributions

Contributions received and unconditional promises to give are measured at their net realizable values and are reported as an increase in net assets in the period received. The Museum reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for specified future periods.

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

Contributed Nonfinancial Assets

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills, and typically would need to be purchased, if not provided by donation. In-kind contributions are reflected in the accompanying statement of activities at their fair value at the time the services are rendered.

The free use of facilities and goods donated as part of program services, fundraising activities, or management and general expenses, are recorded in the accompanying financial statements at their fair value on date of use or receipt to the extent that such amounts can be reasonably estimated.

The Museum also receives donated services that do not require specific expertise, but which are nonetheless central to the Museum's operations. The estimated value of these services are based on the estimated dollar value of volunteer time and for the years ended December 31, 2025 and 2024, amounted to approximately \$431,540 (21,577 hours of time) and \$421,000 (21,067 hours of time). In accordance with U.S. GAAP the value of these services is not reflected in the accompanying financial statements.

Rental Income

Income from rental of Museum space for third party client events is recorded net of allowable discounts in the statement of activities. Rental discounts totaled \$110,350 and \$136,000 for the years ended December 31, 2025 and 2024.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

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

Advertising

Advertising costs are expensed as incurred and amounted to \$645,431 and \$757,373 for the years ended December 31, 2025 and 2024.

Functional Allocation of Expenses

The Museum reports its expenses for providing programs and other activities and certain costs for supporting services by their functional classification on a summarized basis in the statement of activities. Program expenses are the activities that result in services being provided to the public pursuant to the Museum's mission. Supporting expenses are classified as management and general activities and include all management and administrative functions, such as oversight and business management, but exclude direct conduct of program services and fundraising activities. Fundraising activities include developing and maintaining relations with major donors, foundations, organization membership and potential donors.

Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense Classification</u>	<u>Method of Allocation</u>
Salaries, wages and other employment expenses	Time and effort
Rent	Square footage
Repairs and maintenance	Square footage
Utilities and telephone	Square footage
Property and casualty insurance	Square footage
Contract services and equipment rentals	Square footage
Office expenses and supplies	Time and effort
Event and program expenses	Time and effort
Advertising and marketing expenses	Time and effort
Professional and consulting fees	Time and effort
Interest expense	Time and effort
Other operating expenses	Time and effort
Depreciation and amortization	Square footage

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset or functional class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Museum's financial statements as of and for the year ended December 31, 2024, from which the summarized information was derived.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

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

Accounting for Uncertainty in Income Taxes

The Museum recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Museum had no uncertain tax positions that would require financial statement recognition or disclosure. The Museum is no longer subject to examinations by the applicable taxing jurisdictions for tax years prior to fiscal 2022.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is May 12, 2026.

3. Availability and Liquidity

The following represents the Museum's financial assets as of December 31:

	<u>2025</u>	<u>2024</u>
Total financial assets at year end		
Cash and cash equivalents	\$ 6,660,148	\$ 5,987,022
Pledges receivable, net	4,568,634	4,374,662
Grants receivable	308,575	1,421,148
Other receivables	1,539,414	2,063,781
Investments	13,122,393	11,382,881
Restricted investments	<u>22,050,854</u>	<u>21,993,987</u>
Total Financial Assets	<u>48,250,018</u>	<u>47,223,481</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions - purpose and time restrictions	(15,658,707)	(15,195,836)
Net assets with donor restrictions - endowment funds	(22,454,722)	(22,447,855)
Net assets with donor restrictions expected to be met in less than one year	<u>616,528</u>	<u>756,941</u>
	<u>(37,496,901)</u>	<u>(36,886,750)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$10,753,117</u>	<u>\$ 10,336,731</u>

The Museum's goal is generally to maintain financial assets to meet three months of operating expenses. As part of its liquidity plan, excess cash is invested in short-term, highly liquid investments, such as money market accounts. In addition, the Museum has an available revolving credit facility in the amount of \$18,000,000 of which \$7,800,000 remains available at December 31, 2025 to meet cash flow needs. Lastly, the Museum generally operates with a conservative spending rate allocation of between 3% and 6%.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

4. Concentration of Credit Risk

Financial instruments that potentially subject the Museum to significant concentrations of credit risk consist principally of cash, investments and receivables. The Museum maintains its cash with two financial institutions, which at times, may be in excess of federally insured limits. As of December 31, 2025 and 2024, there was approximately \$2,290,000 and \$5,490,000 of cash held by banks that exceeded FDIC limits. The Museum has not experienced any losses on its cash deposits.

Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the SIPC limit. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk. As of December 31, 2025 and 2024, the Museum's uninsured investment holdings totaled approximately \$34,680,000 and \$32,620,000.

A concentration of credit risk exists with respect to pledges receivable since amounts receivable from one source represent 78% and 88% of the total pledges receivable as of December 31, 2025 and 2024.

5. Pledges Receivable

Pledges receivable are due as follows at December 31, 2025:

2026	\$	822,639
2027		232,981
2028		232,981
2029		232,981
2030		232,981
Thereafter		<u>2,875,871</u>
		4,630,434
Less: discount for present value		<u>(61,800)</u>
	\$	<u><u>4,568,634</u></u>

At December 31, 2025 and 2024, a pledge receivable totaling \$438,200 and \$481,333, net of present value discount, was due from the estate of a deceased Board Trustee and their related entity. The pledge has a donor restriction that is perpetual in nature for the Museum's endowment fund. The undiscounted amount totals \$500,000. The Museum applied a discount rate of 3%, at the time of receipt of the pledge, in determining the present value of the long-term portion of the endowment pledge and pledge receivable with donor restrictions that are temporary in nature. Amortization of the discounts on pledges receivable amounted to \$6,867 for each of the years ended December 31, 2025 and 2024, and is included in "Contributions" in non-operating activities on the statement of activities.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

6. Investments

Investments consist of the following as of December 31:

	2025	
	Cost	Fair Value
Short term investments	\$ 4,224,387	\$ 4,224,387
Common stock	9,751,901	16,271,560
Fixed income	8,274,568	8,137,818
Mutual funds	<u>5,059,219</u>	<u>6,539,482</u>
	<u>\$ 27,310,075</u>	<u>\$ 35,173,247</u>
	2024	
	Cost	Fair Value
Short term investments	\$ 1,955,158	\$ 1,955,158
Common stock	9,207,853	15,822,357
Fixed income	10,593,515	10,112,010
Mutual funds	<u>4,661,901</u>	<u>5,487,343</u>
	<u>\$ 26,418,427</u>	<u>\$ 33,376,868</u>

In accordance with the Museum's investment policy, the Board approves a portion of total investment return to support operations and programs each year. Such amounts approved for operations were capped at 6% and 5% of the total average value of the investments in 2025 and 2024. The total average value is based on the prior three calendar year fair values, which include 2022, 2023 and 2024 for fiscal 2025, and 2021, 2022 and 2023 for fiscal 2024. The amount approved for operations for the years ended December 31, 2025 and 2024 was \$1,877,155 and \$1,642,008.

Investment return for the years ended December 31, consist of the following:

	2025	2024
Interest and dividend income	\$ 752,253	\$ 753,396
Net realized gain	1,236,032	744,436
Net unrealized gain	<u>904,731</u>	<u>2,669,604</u>
Total Return on Investments	2,893,016	4,167,436
Investment management direct fees	<u>(108,143)</u>	<u>(125,472)</u>
Total Investment Return	<u>\$ 2,784,873</u>	<u>\$ 4,041,964</u>
Approved by board authorization for		
Museum operations	\$ 1,877,155	\$ 1,642,008
Surplus of investment return		
over amounts designated for operations	<u>907,718</u>	<u>2,399,956</u>
	<u>\$ 2,784,873</u>	<u>\$ 4,041,964</u>

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

7. Fair Value Measurements

The following are major categories of investments measured at estimated fair value at December 31:

	2025		
	Level 1	Level 2	Total
Common Stock			
Consumer	\$ 3,198,785	\$ -	\$ 3,198,785
Energy	339,973	-	339,973
Financials	2,326,013	-	2,326,013
Healthcare	1,940,523	-	1,940,523
Industrials	2,263,044	-	2,263,044
Information technology	4,398,783	-	4,398,783
Materials	853,038	-	853,038
Real estate	237,510	-	237,510
Telecommunication services	437,855	-	437,855
Utilities	276,036	-	276,036
Fixed Income			
U.S. Corporate bonds	-	2,240,423	2,240,423
International developed bonds	-	273,660	273,660
U.S. Government-backed securities	5,623,735	-	5,623,735
Mutual funds	<u>6,539,482</u>	-	<u>6,539,482</u>
Total Investments at Fair Value	<u>\$ 28,434,777</u>	<u>\$ 2,514,083</u>	30,948,860
Temporary cash investments at cost			<u>4,224,387</u>
Total Investments			<u>\$ 35,173,247</u>

	2024		
	Level 1	Level 2	Total
Common Stock			
Consumer	\$ 3,437,517	\$ -	\$ 3,437,517
Energy	380,480	-	380,480
Financials	1,868,485	-	1,868,485
Healthcare	2,346,290	-	2,346,290
Industrials	1,570,747	-	1,570,747
Information technology	4,778,288	-	4,778,288
Materials	376,722	-	376,722
Real estate	306,439	-	306,439
Telecommunication services	757,389	-	757,389
Fixed Income			
U.S. Corporate bonds	-	3,160,849	3,160,849
International developed bonds	-	463,108	463,108
U.S. Government-backed securities	6,488,053	-	6,488,053
Mutual funds	<u>5,487,343</u>	-	<u>5,487,343</u>
Total Investments at Fair Value	<u>\$ 27,797,753</u>	<u>\$ 3,623,957</u>	31,421,710
Temporary cash investments at cost			<u>1,955,158</u>
Total Investments			<u>\$ 33,376,868</u>

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

8. Fixed Assets

Fixed assets consist of the following as of December 31:

	2025	2024
Ship and submarine renovations	\$ 64,038,178	\$ 64,038,178
Exhibits and related infrastructure costs	28,912,408	26,744,888
Leasehold improvements	30,793,945	30,714,409
Furniture, fixtures, equipment and computer software	11,596,251	11,929,503
Work in progress	250,944	748,559
	135,591,726	134,175,537
Less: accumulated depreciation and amortization	(94,175,847)	(90,367,043)
Net Book Value	\$ 41,415,879	\$ 43,808,494

Depreciation and amortization expense totaled \$3,808,804 and \$3,760,176 for the years ended December 31, 2025 and 2024.

9. Finance Obligation

During 2022, the Museum financed the purchase of upgrading and replacing technology equipment and systems for a new website. The financing agreement requires 60 monthly payments of principal and interest, imputed at an annual rate of 2.55%. During 2024, the Museum financed the purchase of computers and related equipment through two equipment financing agreements: one requires 36 monthly payments of principal and interest at an imputed annual rate of 3.54% and one requires 48 monthly payments of principal and interest at an imputed annual rate of 4.10%.

The combined assets have a cost and net book value of \$1,468,008 and \$810,912 at December 31, 2025 and a cost and net book value of \$1,468,008 and \$1,104,523 at December 31, 2024 and is included in fixed assets on the statement of financial position. The assets related to these agreements were placed into service during the years ended December 31, 2022 and 2024 and are included in furniture, fixtures, equipment and computer software in Note 8.

Future minimum payments are as follows for the years ending December 31:

	Principal	Interest	Total
2026	\$ 320,168	\$ 24,571	\$ 344,739
2027	214,023	6,651	220,674
2028	18,294	314	18,608
	\$ 552,485	\$ 31,536	\$ 584,021

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

10. Loans Payable

Term Loan

On October 1, 2012, the Museum entered into a Term Loan (the "2012 Term Loan") agreement in the principal amount of \$7,080,000 for a term of seven years with a balloon payment of \$6,020,000 originally due on September 30, 2019. The 2012 Term Loan required monthly payments of principal, amortized on a 25 year basis, and interest, calculated at the fixed rate of 2.88% per annum. The proceeds of the 2012 Term Loan were used to redeem the 30-year Adjustable Rate Demand Taxable Revenue Bonds, Series 2006 ("Bonds").

On November 21, 2016, the Museum refinanced the 2012 Term Loan in the principal amount of \$6,501,667 for the term of ten years with a balloon payment of \$4,375,000 due on October 31, 2026 (the "Loan"). The Loan requires monthly payments of principal, amortized on a 25 year basis, and interest, calculated at the fixed rate of 2.99% per annum. The proceeds of the Loan were used to pay the 2012 Term Loan in full.

The loan balance of \$4,581,250 as of December 31, 2025 is expected to be repaid in full by October 31, 2026.

11. Notes Payable

Line of Credit

The Museum maintained a line of credit in the amount of \$8,000,000, which matured on October 15, 2025. At the election of the Museum, at the time an advance is made by the lender, interest will be at either a fluctuating rate per annum equal to the prime rate or a fixed rate equal to 1.45% per annum in excess of the Secured Overnight Financing Rate ("SOFR"). The line provided for monthly payments of interest only during the term of the borrowings for loans made under the fluctuating prime rate, and on the last day of the interest period for fixed rate SOFR loans. Additionally, the Museum pays a facility fee to the bank in an amount equal to 0.15% on the average daily unused amount of the line during such period.

Under the terms of this agreement, the Museum was required to maintain at all times a minimum of \$18,000,000 in cash and investments, as defined in the agreement.

At October 15, 2025, the bank consolidated this Line of Credit with the Revolving Credit Facility into one credit facility.

The balance outstanding under the line of credit at December 31, 2024 was \$8,000,000.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

11. Notes Payable (continued)

Revolving Credit Facility

On June 19, 2020, the Museum secured a Revolving Credit Facility with a term of one year in the amount of \$10,000,000 for operations during its government mandated temporary closure due to COVID-19. At the election of the Museum, at the time an advance is made by the lender, interest will be at either a fluctuating rate per annum equal to the prime rate, or an Optional Interest fixed rate equal to 1.0% per annum in excess of SOFR, which if less than 2.0% shall be deemed 2.0%. The facility provides for monthly payments of interest only during the term of the borrowings for loans made under the fluctuating prime rate, and on the last day of the interest period for fixed rate SOFR loans.

Additionally, the Museum pays a facility fee to the bank in an amount equal to 0.25% on the average daily unused amount of the line during such period. Under the terms of this line of credit agreement, the Museum is required to maintain at all times a minimum of \$18,000,000 in cash and investments, as defined in the agreement.

On October 1, 2024, the facility termination date was extended to October 15, 2025, and the Optional Interest fixed rate was increased to SOFR rate plus 1.45% per annum. The Museum pays an Unused Commitment Fee for any amount undrawn of 0.15% per year.

The balance outstanding under the credit facility at December 31, 2024 was \$2,200,000.

Effective October 15, 2025, the bank consolidated the Museum's \$8,000,000 Line of Credit and \$10,000,000 Revolving Credit Facility and renewed the combined \$18,000,000 Revolving Credit Facility with a termination date of October 14, 2026.

At the election of the Museum, at the time an advance is made by the lender, interest will be at either a fluctuating rate per annum equal to the prime rate or a fixed rate equal to 1.45% per annum in excess of the Secured Overnight Financing Rate ("SOFR") plus 10bps. The line provides for monthly payments of interest only during the term of the borrowings for loans made under the fluctuating prime rate, and on the last day of the interest period for fixed rate SOFR loans. Additionally, the Museum pays a facility fee to the bank in an amount equal to 0.15% on the average daily unused amount of the line during such period.

The balance outstanding under the combined Revolving Credit Facility at December 31, 2025 was \$10,200,000.

Total interest expense incurred for the years ended December 31, 2025 and 2024 was \$817,497 and \$921,747, including interest expense for the Museum's line of credit, loan payable and finance obligation.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

12. Contributed Nonfinancial Assets

The Museum received contributed nonfinancial assets as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>	<u>Utilization in Programs / Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Legal services	\$ 104,403	\$ 32,945	Management and General, Programs and Fundraising	None	Estimated based on current rates of legal services provided by law firms
Special events	415,432	335,778	Fundraising and 3rd party client events	None	Estimated based on market values of similar goods and services
Travel	-	28,613	Programs	None	Estimated based on market values of similar goods and services
Rent	<u>13,780</u>	<u>7,019</u>	Management and General, Programs and Fundraising	None	Estimated based on market values of similar space rentals
	<u>\$ 533,615</u>	<u>\$ 404,355</u>			

13. Grant Income

During the years ended December 31, 2025 and 2024, the Museum was awarded various grants from Federal, New York State and New York City governmental agencies, corporations and private foundations for use in capital projects and for programs and general operational support.

14. Commitment

The Museum is committed under an operating lease with the Hudson River Park Trust ("HRPT") for Pier 86, commencing July 27, 2021 for a 30-year term, with a base rent of \$1 per annum and the Museum bearing responsibility for all necessary maintenance and repairs to the pier, including the concrete deck, pier and marine bulkhead structure and piling ("Pier Work"). The total in-kind rent contribution recognized for the 30-year lease term is \$4,348,580, net of a present value discount of \$1,351,420. The net value of \$4,348,580 will be amortized over the life of the lease.

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

14. Commitment *(continued)*

During the years ended December 31, 2025 and 2024, the Museum recognized a contribution in-kind and the related rent expense of \$190,000 for both years, representing the fair value of leasing Pier 86. The space was utilized in management and general, programs, and fundraising activities, there are no donor restrictions on use of the space and the valuation of the space was determined based on market values of similar space rentals at the lease commencement date.

15. Lease and Sponsorship Agreements

Gift Shop: The Museum entered into an operating lease agreement with a third-party company to lease portions of the ground and second floors of the Welcome Center adjacent to the Intrepid and designated space in the Space Shuttle Pavilion effective June 5, 2015. The lease term is for seven years plus a five-year extension term. Under the terms of the lease agreement, the Museum receives an annual minimum rent payment of \$750,000 based on an applicable percentage on "Annual Net Gross Sales" (as defined in the agreement), subject to the Museum meeting certain attendance thresholds. Upon execution of the lease agreement, the tenant was also required to make a "buy-out contribution" payment of \$583,334, as defined in the agreement. The payment is included in deferred revenue and is being recognized over the terms of the lease agreement.

Future minimum annual rent income under the lease is as follows for the years ending December 31:

2026	\$ 750,000
2027	<u>312,500</u>
	<u>\$ 1,062,500</u>

Food Services: Effective January 1, 2017, the Museum executed a lease agreement with a third-party operator to be the exclusive provider of daily food and beverages for a term of ten years. Under the terms of the lease agreement, the Museum receives an annual minimum rent payment of \$500,000 based on an applicable percentage on "Annual Net Gross Sales" (as defined in the agreement), subject to the Museum meeting certain attendance thresholds. Upon execution of the lease agreement, the tenant was also required to make a "buy-out contribution" payment of \$1,200,000, as defined in the agreement. The payment is included in deferred revenue and is being recognized over the terms of the lease agreement.

Future minimum annual rent income under the lease is \$500,000 due during 2026.

Intrepid Museum Foundation

Notes to Financial Statements
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15. Lease and Sponsorship Agreements (*continued*)

The Museum received rental income related to such agreements for the years ended December 31, 2025 and 2024 of \$1,568,999 and \$1,968,372 and is included in auxiliary activities on the statement of activities.

The Museum also entered into certain agreements with concessionaires to provide catering services and interactive exhibits. The terms of these agreements call for revenue sharing and commissions and are exclusive. The agreements terminate in 2031.

Sponsorship Agreements: The Museum entered into certain agreements with corporations that provide for exclusive sponsorship rights for the Museum complex in the amount of \$599,734 and \$240,171 for the years ended December 31, 2025 and 2024.

16. Net Assets With Donor Restrictions and Releases from Restrictions

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

	<u>2025</u>	<u>2024</u>
Purpose Restrictions		
Educational programs	\$ 179,770	\$ 102,417
Exhibition programs	230,720	401,041
Public programs	-	12,675
General programs	206,038	134,528
Institutional advancement	-	76,220
	<u>616,528</u>	<u>726,881</u>
Timing Restriction		
In-kind rent	\$ 3,540,774	\$ 3,716,995
Accumulated earnings on endowment funds	<u>11,501,405</u>	<u>10,751,960</u>
	<u>\$15,658,707</u>	<u>\$15,195,836</u>

Net assets with donor restrictions as of December 31, 2025 and 2024 also include endowment funds, income from which is available principally for general operations (see note 17).

Intrepid Museum Foundation

Notes to Financial Statements
December 31, 2025

16. Net Assets With Donor Restrictions and Releases from Restrictions (continued)

The following amounts were released from net assets with donor restrictions by authorization of the donor and/or the occurrence of the event for which the donor specified such donation was to be used for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Purpose Restrictions Satisfied		
Educational programs	\$ 718,570	\$ 286,538
Exhibition programs	542,716	602,474
Public programs	25,000	24,325
General programs	119,911	78,412
	<u>\$ 1,406,197</u>	<u>\$ 991,749</u>
Timing Restrictions Met		
In-kind rent	\$ 176,221	\$ 179,569
Accumulated earnings on endowment funds	1,877,155	1,642,008
	<u>\$ 2,053,376</u>	<u>\$ 1,821,577</u>

17. Endowment Fund

A large portion of the Museum's investments is held as part of its endowment fund. The Museum's endowment consists of various individual gifts established by donors primarily to support the mission of the Museum. 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.

Interpretation of Relevant Law

The Board of the Museum has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary or in those cases where the law allows appropriation for spending of the original gift amounts.

As a result of this interpretation, the Board classifies as net assets with donor restrictions that are held as endowment (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations of investment returns to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Board in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Intrepid Museum Foundation

Notes to Financial Statements
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17. Endowment Fund *(continued)*

Return Objective and Risk Parameters

Endowment assets consist of funds that the Museum must hold in perpetuity as well as accumulated earnings not yet appropriated. There are no donor restrictions on the accumulated earnings.

The Museum's investment policy, as approved by the Board in January 2013, utilizes a total return investment approach. Endowment assets are invested in a number of different asset classes and investment strategies to diversify investments and provide a balance that will enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment. Target allocation percentages and operating ranges are established for various asset classes. Performance is measured against various composite benchmark indices reflecting target asset allocation.

State law allows the Board to appropriate as much of net appreciation as is prudent considering the Museum's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Under the Museum's spending policy, up to 6% of the average fair value of the investments at the end of the prior three calendar years (Note 6) is available for operations. The amount approved for operations during the years ended December 31, 2025 and 2024 was \$1,877,155 (6%) and \$1,642,008 (5%).

The following is a reconciliation of the investment activity in the donor restricted funds for the years ended December 31:

	With Donor Restrictions		Total
	Accumulated Earnings	Perpetual in Nature	
Balance, December 31, 2023	\$ 8,558,238	\$ 21,937,120	\$ 30,495,358
Contributions	-	6,867	6,867
Collection of pledge receivable	-	50,000	50,000
Spend rate appropriation	(1,642,008)	-	(1,642,008)
Investment return	3,835,730	-	3,835,730
Balance, December 31, 2024	10,751,960	21,993,987	32,745,947
Contributions	-	6,867	6,867
Collection of pledge receivable	-	50,000	50,000
Spend rate appropriation	(1,877,155)	-	(1,877,155)
Investment return	2,626,600	-	2,626,600
Balance, December 31, 2025	\$ 11,501,405	22,050,854	\$ 33,552,259
Pledge receivable		403,868	
Total endowment funds		\$ 22,454,722	

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Notes to Financial Statements
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18. Qualified Retirement Savings Plan

The Museum sponsors a retirement savings plan under Section 403(b) of the IRC. The plan allows for all eligible participating employees to elect to defer salary on a pre-tax basis and invest such amounts in a wide array of mutual funds managed by an independent, unrelated investment manager. The Museum made a discretionary contribution to the plan in the amount of \$145,192 in 2025 and \$142,171 in 2024, which is included in salaries, wages and other employment costs on the statement of functional expenses.

19. Risk and Uncertainties

The Museum invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

20. Litigation

From time to time the Museum is a party to litigation matters that have arisen in the normal course of operations, including complaints alleging personal injuries which were sustained by visitors to the Museum, and employment practice complaints filed by current and former employees. In management's opinion, the ultimate liability for these claims will not be in excess of the Museum's insurance coverage. Accordingly, the Museum's cost will be limited to its insurance deductible or retainage for each occurrence.

* * * * *