UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

C O N T E N T S

boyum barenscheer
CPAs AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
UDT-SEAL Museum Association, Inc.
Fort Pierce, Florida

Opinion

We have audited the accompanying consolidated financial statements of UDT-SEAL Museum Association, Inc. (the Museum) which comprise the consolidated statements of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Boyum + Barenscheer PLLP

Boyum & Barenscheer PLLP
Minneapolis, Minnesota
October 6, 2025

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024	
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 5,495,188
Investments	2,006,191
In-kind contribution receivable, current portion	88,982
Contributions receivable, current portion	74,223
Inventory	327,685
Prepaid expenses and other assets	8,349
Total current assets	**8,000,618**
IN-KIND CONTRIBUTION RECEIVABLE, LONG-TERM	**2,833,895**
CONTRIBUTION RECEIVABLE, LONG-TERM	**40,000**
PROPERTY AND EQUIPMENT, NET	**14,933,256**
Total assets	**$ 25,807,769**
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 1,248,364
Payroll liabilities	59,735
Total current liabilities	**1,308,099**
NET ASSETS	
With donor restrictions	5,558,554
Without donor restrictions - board designated endowment fund	2,006,191
Without donor restrictions - undesignated	16,934,925
Total net assets	**24,499,670**
Total liabilities and net assets	**$ 25,807,769**

The Notes to Consolidated Financial Statements are an integral part of these statements.

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and grants	$ 4,327,474	$ 2,785,255	$ 7,112,729
In-kind contributions	5,384	1,670,000	1,675,384
Event revenues, net of costs that directly benefited donors of $1,111,401	1,458,430	-	1,458,430
Admissions	601,590	-	601,590
Ship store, net of costs of goods sold of $480,250	34,577	-	34,577
Memberships	60,820	-	60,820
Investment income	324,708	-	324,708
Other income	35,804	-	35,804
Total	**6,848,787**	**4,455,255**	**11,304,042**
NET ASSETS RELEASED FROM RESTRICTION	**3,097,883**	**(3,097,883)**	**-**
Total revenue and support	**9,946,670**	**1,357,372**	**11,304,042**
EXPENSES			
Program services			
Public education	2,042,102	-	2,042,102
Trident house	662,831	-	662,831
California expansion	232,478	-	232,478
Total program services	2,937,411	-	2,937,411
Support services			
General administration	1,194,151	-	1,194,151
Fundraising	1,090,251	-	1,090,251
Total supporting services	2,284,402	-	2,284,402
Total expenses	**5,221,813**	**-**	**5,221,813**
Change in net assets	**4,724,857**	**1,357,372**	**6,082,229**
Net assets - beginning of year, as restated	14,216,259	4,201,182	18,417,441
Net assets - end of year	**$ 18,941,116**	**$ 5,558,554**	**$ 24,499,670**

The Notes to Consolidated Financial Statements are an integral part of these statements.

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services			
	Public Education	Trident House	California Expansion	Total Program Services	General Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expenses	$ 975,389	$ -	$ 63,665	$ 1,039,054	$ 571,260	$ 314,512	$ 885,772	$ 1,924,826
Professional fees	-	-	62,215	62,215	267,836	44,737	312,573	374,788
Marketing and promotion	-	2,067	28,930	30,997	32,700	195,772	228,472	259,469
Meals and travel	9,892	-	12,283	22,175	44,081	43,878	87,959	110,134
Repairs and maintenance	85,718	-	917	86,635	5,713	3,812	9,525	96,160
Office	153,154	-	2,312	155,466	61,942	19,448	81,390	236,856
Events	-	-	3,500	3,500	80,224	14,183	94,407	97,907
Board expense	2,064	-	-	2,064	89,645	2,064	91,709	93,773
Taxes	-	-	9,847	9,847	11,162	-	11,162	21,009
Insurance	44,186	2,471	-	46,657	19,003	3,111	22,114	68,771
Bank charges	65,490	-	-	65,490	2,610	-	2,610	68,100
Occupancy	41,408	-	9,469	50,877	3,776	1,841	5,617	56,494
Depreciation	296,277	11,416	-	307,693	-	303	303	307,996
In-kind rent	64,211	-	20,643	84,854	-	-	-	84,854
Other	3,491	-	-	3,491	627	155	782	4,273
Scholarships	-	537,460	-	537,460	-	-	-	537,460
Family support	3,891	39,079	-	42,970	-	-	-	42,970
Respite house	-	70,338	-	70,338	-	-	-	70,338
Artifact maintenance	59,761	-	-	59,761	-	-	-	59,761
Dues and subscriptions	24,762	-	-	24,762	-	-	-	24,762
San Diego expansion	-	-	18,697	18,697	-	-	-	18,697
FITH magazine	27,429	-	-	27,429	-	-	-	27,429
Recognition	17,835	-	-	17,835	-	-	-	17,835
K9 Project	53,289	-	-	53,289	-	-	-	53,289
Information technology	20,710	-	-	20,710	-	-	-	20,710
Printing and design	14,135	-	-	14,135	942	629	1,571	15,706
Supplies	4,613	-	-	4,613	1,647	330	1,977	6,590
Postage	14,746	-	-	14,746	983	656	1,639	16,385
Special projects	59,651	-	-	59,651	-	-	-	59,651
Cost of goods sold - ship store	480,250	-	-	480,250	-	-	-	480,250
Fundraising expenses	-	-	-	-	-	1,556,221	1,556,221	1,556,221
Total expenses	**2,522,352**	**662,831**	**232,478**	**3,417,661**	**1,194,151**	**2,201,652**	**3,395,803**	**6,813,464**
Less cost of goods sold - ship store	(480,250)	-	-	(480,250)	-	-	-	(480,250)
Less fundraising expenses - direct benefit to donors	-	-	-	-	-	(1,111,401)	(1,111,401)	(1,111,401)
Total expenses included in the expense section on the statement of activities	**$ 2,042,102**	**$ 662,831**	**$ 232,478**	**$ 2,937,411**	**$ 1,194,151**	**$ 1,090,251**	**$ 2,284,402**	**$ 5,221,813**

The Notes to Consolidated Financial Statements are an integral part of these statements.

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024	
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 6,082,229
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	307,996
Unrealized gains on investments	(99,217)
In-kind rent contribution	(1,670,000)
In-kind rent expense	84,854
Net changes in assets and liabilities	
Contributions receivable	466,905
Prepaid expenses and other assets	697
Accounts payable	1,023,772
Payroll liabilities	25,047
Inventory	269,265
Net cash provided by operating activities	**6,491,548**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(6,996,474)
Purchase of investments	(395,364)
Net cash used by investing activities	**(7,391,838)**
Net decrease in cash and cash equivalents	**(900,290)**
Cash and cash equivalents, beginning of year	6,395,478
Cash and cash equivalents, end of year	**$ 5,495,188**

The Notes to Consolidated Financial Statements are an integral part of these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

UDT-SEAL Museum Association, Inc. d/b/a National Navy UDT-SEAL Museum (the Museum) is the only museum dedicated solely to preserving the history and heritage of the Navy SEALs and their predecessors, including Naval Combat Demolition Units, Office of Strategic Services Maritime Units, Amphibious Scouts and Raiders and Underwater Demolition Teams. Located in Fort Pierce, Florida the birthplace of the Navy Frogman, the Museum promotes public education by providing the opportunity to explore the history of Naval Special Warfare. The Museum honors the fallen on the black granite walls of the Navy SEAL Memorial housed on the Museum grounds while caring for the families through the Trident House and Navy SEAL Museum Scholarship Fund.

The UDT-SEAL Museum Association, Inc. formed a single member LLC with an indefinite life, with the UDT-SEAL Museum Association, Inc. as the single member, to begin a capital campaign for the San Diego, California expansion, named Navy SEAL Museum San Diego, LLC. The Navy SEAL Museum San Diego is expected to open to the public in 2025.

Principles of consolidation

The consolidated financial statements include the accounts of UDT-SEAL Museum Association, Inc. and Navy SEAL Museum San Diego, LLC. (collectively referred to as the "Museum"). All significant intercompany transactions have been eliminated.

Basis of presentation

The consolidated financial statements of the Museum have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions—This class of net assets is not subject to donor-imposed restrictions and may be expended in performing the objectives of the Museum at the discretion of management and the Board of Directors. Board designated amounts within this class represent those net assets that the Board has set aside for particular purposes.

Net assets with donor restrictions—This class of net assets is subject to stipulations imposed by donors. Some donor-imposed restrictions are temporary in nature; those restrictions will be met by the passage of time or by actions of the Museum specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor has stipulated those resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

NOTE 1. (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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash and cash equivalents

For purposes of the statement of cash flows, the Museum considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents which includes cash and cash equivalents from the consolidated statement of financial position. Cash and cash equivalents included in investments on the consolidated statement of financial position are not available for use in operations and are not considered cash for the purpose of presenting cash flows.

Concentration of credit risk

At times, the amounts on deposit in the bank may exceed the insurance limit of the Federal Deposit Insurance Corporation (FDIC). However, the Museum believes it is not exposed to any significant credit risk related to these cash accounts.

The Museum's investment accounts are insured through the Security Investor Protection Corporation (SIPC) and other insurance for financial failure of the broker-dealer. The Museum has not experienced any losses in such accounts.

Investments

Marketable securities are recorded at fair market value. Investment income is recorded as revenue without donor restriction unless a donor has stipulated how the income is to be used. The Museum provides for investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of financial position.

Property, equipment and depreciation methods

Property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Museum reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Museum capitalizes purchases of property and equipment over $1,000 with an estimated useful life of greater than one year. Improvements and betterments are capitalized, while repair and maintenance expenditures are expensed in the consolidated statement of activities.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The following estimated lives are used in computing depreciation: land: indefinite; building improvements: 5-20 years; buildings: 39 years; furniture and equipment: 3-20 years; vehicles: 5 years.

NOTE 1. (CONTINUED)

Historical treasures

The Museum has elected not to record the value of donated artifacts as the fair market value is not readily determinable. The Museum also displays certain artifacts on loan from the U.S. Government and other entities. All artifacts held by the Museum are inventoried and maintained as necessary. The artifacts held by the Museum relate to the history and heritage of the Navy SEALs and their predecessors, including, but not limited to, weaponry, transportation, and other symbolic objects from history and are integral to the Museum's operations and mission.

Inventory

Inventory is comprised of program-related merchandise held for sale or for fundraising efforts and is stated at the lower of cost or net realizable value determined by the average cost method. There is no inventory allowance for obsolescence at December 31, 2024.

Revenue recognition for contributions received and contributions made

The Museum follows Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958; ASU 2018-08)*, which improves the usefulness and understandability of the Museum's financial reporting.

This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination of whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied. FASB 958-605, *Not-for-Profit Entities – Revenue Recognition* should be followed for contributions while FASB 606, *Revenue from Contracts with Customers* should be followed for exchange transactions.

Contribution revenue

Contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. The Museum reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions receivable

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Museum uses the allowance method to determine uncollectible, unconditional promises to give. The allowance is based on historical experience, management's analysis of specific promises made, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. 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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Contributions receivable totaled $114,223 at December 31, 2024. There was no allowance for uncollectible promises to give at December 31, 2024. Contributions receivable are to be received as follows: $74,223 in 2025, $20,000 in 2026, and $20,000 in 2027.

NOTE 1. (CONTINUED)

Non-cash donations

Non-cash donations are recorded as contributions at their estimated fair market value at the date of donation. Contributed materials are recorded as support, when received, at their estimated fair value. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received. The Museum's policy related to in-kind contributions is to utilize the assets given to carry out the mission of the Museum. If an asset is provided that does not allow the Museum to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. No significant contributions of goods or services were received during the year ended December 31, 2024.

In addition, individuals volunteer their time, performing a variety of tasks that assist the Museum with its program, administration, grant solicitation and fundraising. This volunteer time does not meet the above definition of donated services that need to be recorded. The Museum does not keep track of the hours donated.

In-kind contribution receivable

In-kind contribution receivable consists of in-kind rent related to the Florida and San Diego museum locations and is being amortized over the lease terms.

Revenue recognition for contracts with customers

The Museum follows Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606; ASU 2014-09)*. The guidance requires the Museum to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Museum expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Events revenue

The majority of the revenue related to events is contributions given at the various events. However, there is also revenue from sponsorships, ticket sales, and product sales/auctions. Revenue recognized under ASC 2014-09 is estimated to be approximately $1,000,000 for the year ended December 31, 2024. This revenue is recognized at a point in time.

The Museum receives sponsorships from companies and outside organizations in connection with sponsoring various special fundraising events. Sponsors pay for various levels of sponsorship packages in exchange for recognition in printed materials and social media throughout events held during the year. At times, there are sponsorships which include components of revenue which are recognized under both ASU 2018-08 and ASU 2014-09. Cash receipts for sponsorships under ASU 2014-09 are deferred as contract liabilities and earned over time as the events are held during the sponsorship period. Expenses for the events incurred prior to the event being held are deferred as a contract asset until expensed, which is when the event is held. The Museum also receives ticket sale revenue which at times includes components of revenue which are recognized under both ASU 2018-08 and ASU 2014-09. Cash receipts for ticket sales recognized under ASU 2018-08 are deferred as contract liabilities and recognized as revenue at a point in time when the event is held.

Admissions fees

The Museum is open to the general public for historical and educational purposes. A fee is charged for admission to the Museum buildings, but not the grounds of the Museum. Admissions income is recognized at a point in time when utilized.

NOTE 1. (CONTINUED)

Ship store

Ship store sales are point-of-sale transactions for the purchase of branded merchandise and other goods. Ship store revenue is recognized at a point in time when the sales occur.

Leases

The Museum follows FASB ASC 842, *Leases*. For leases with a lease term greater than one year, the Museum recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Museum determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets and operating lease liabilities in the Museum's consolidated statement of financial position. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Museum uses an estimate of its incremental borrowing rate or a risk free rate of return. The Museum considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Museum is reasonably certain to exercise the option, (2) terminate the lease if the Museum is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor. The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred. There were no right of use assets or related liabilities at December 31, 2024.

Fair value measurements

The Museum follows ASC 820 *Fair Value Measurement*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. All financial assets and liabilities are classified as Level 1 unless otherwise noted.

NOTE 1. (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2024.

Equities*:* Valued at the daily closing price as reported on the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Museum believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Functional allocation of expenses

The costs of providing the various programs and other activities of the Museum have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated 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 include payroll-related costs, depreciation, office and occupancy.

Advertising, marketing and promotion

Advertising, marketing and promotion costs are charged to expense when incurred. Advertising, marketing, and promotion expenses totaled $259,469 for the year ended December 31, 2024.

Income taxes

The Museum is exempt from federal taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code and is only subject to federal and state income taxes on net unrelated business income. The accompanying consolidated financial statements do not include any provision for federal or state income taxes.

The Museum has not been audited, and accordingly the information tax returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the consolidated financial statements based on the criteria set forth in in ASC 740, *Income Taxes*.

Management has assessed the effects of subsequent events through October 6, 2025, the date the consolidated financial statements were available to be released. The Museum is not aware of any additional subsequent events which would require recognition or disclosure in the consolidated financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY OF FUNDS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following from the operating fund at:

DECEMBER 31, 2024		
Cash and cash equivalents	$	5,495,188
Investments		2,006,191
Contributions receivable		74,223
Less restricted by donors for various purposes		(2,635,677)
Less board designated amounts		(2,006,191)
Total	**$**	**2,933,734**

As a part of the Museum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Museum invests cash in excess of daily requirements in short-term investments.

NOTE 3. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Museum's investments at fair value as of December 31, 2024:

Investments at fair value at December 31, 2024

	Level 1	Level 2	Level 3	Total
Equity securites	$ 2,006,191	$ -	$ -	$ 2,006,191
Total investments at fair value	**$ 2,006,191**	**$ -**	**$ -**	**$ 2,006,191**

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

The following schedule reflects net assets with donor restrictions at:

DECEMBER 31, 2024		
Navy SEAL Monument, VA Beach	$	35,646
Family Support (Trident House + K9 Program - Fort Pierce)		804,058
Family Support (Trident House - San Diego)		21,226
Capital Campaign (San Diego)		1,774,747
In-kind Contribution Receivable		2,922,877
Totals	**$**	**5,558,554**

NOTE 5. ENDOWMENT

The Museum's endowment consists of funds designated by the Board of Directors to function as an endowment. As required by generally accepted accounting principles in the United States of America, net assets associated with endowment funds including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition is as follows as of December 31, 2024:

DECEMBER 31, 2024		
Board-designated endowment	$	2,006,191
Total	**$**	**2,006,191**

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations of the Museum.

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 6. LINE OF CREDIT

The Museum maintains a line of credit with Marine Bank in the amount of $500,000, with an interest rate of 0.75% above Prime (8.25% as of December 31, 2024). The balance was $0 as of December 31, 2024.

NOTE 7. IN-KIND RENT CONTRIBUTION AND RECEIVABLE

In-kind contributions are included on the statement of activities and include of $1,670,000 of in-kind facilities for the year ended December 31, 2024. The Museum entered into a lease agreement during the year ended December 31, 2024, whereas they are leasing a building for $1 per year from a third party. This lease is effective through July 31, 2091. The lease is treated as a gift-in-kind that is utilized by the Museum.

The Museum has recognized a contribution receivable at the lesser of the value of the in-kind rent over the life of the lease or the value of the underlying asset, which will be amortized over the life of the. The original value of the contribution receivable was $1,670,000, which was amortized down $20,643 during the year ended December 31, 2024. The balance of the contribution receivable was $1,649,537 as of December 31, 2024.

The Museum has a lease agreement for land and certain buildings with the State of Florida with St. Lucie County as the administrator. This lease is effective through October 31, 2044. The Museum has recognized a contribution receivable at the lesser of the value of the in-kind rent over the life of the lease or the value of the underlying asset, which will be amortized over the life of the. The original value of the contribution receivable was $3,071,430, which was amortized down $64,211 during the year ended December 31, 2024. The balance of the contribution receivable was $1,273,520 as of December 31, 2024.

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at:

DECEMBER 31, 2024	Florida	California	Total
Land	277,900	-	277,900
Construction in progress	443,637	5,424,147	5,867,784
Buildings and improvements	4,440,129	-	4,440,129
Plaques, exhibits and displays	4,849,812	9,384	4,859,196
Leasehold improvements	1,330,227	-	1,330,227
Furniture and equipment	637,021	1,513	638,534
Signage	85,931	-	85,931
Less: accumulated depreciation	(2,565,461)	(984)	(2,566,445)
Property and Equipment, net	**9,499,196**	**5,434,060**	**14,933,256**

NOTE 9. RESTATEMENT OF NET ASSETS

Net assets for the Museum were restated to properly state contributions receivable for the Navy SEAL Museum San Diego, LLC and in-kind contribution receivable for UDT-SEAL Museum Association, Inc. (Florida) as of January 1, 2024.

Consolidated

	As Previously Reported	Adjustment	As Restated
Contributions receivable	$ 756,286	$ (175,158)	$ 581,128
In-kind contribution receivable	-	1,337,731	1,337,731
Total assets	**17,514,148**	**1,162,573**	**18,676,721**
Without donor restrictions	14,391,417	(175,158)	14,216,259
With donor restrictions	2,863,451	1,337,731	4,201,182
Total net assets	**17,254,868**	**1,162,573**	**18,417,441**

Navy SEAL Museum San Diego, LLC

	As Previously Reported	Adjustment	As Restated
Contributions receivable	$ 756,286	$ (175,158)	$ 581,128
Total assets	**1,590,441**	**(175,158)**	**1,415,283**
Without donor restrictions	1,333,112	(175,158)	1,157,954
Total net assets	**1,404,609**	**(175,158)**	**1,229,451**

NOTE 9. (CONTINUED)

UDT-SEAL Museum Association, Inc. (Florida)

	As Previously Reported	Adjustment	As Restated
In-kind contribution receivable	$ -	$ 1,337,731	$ 1,337,731
Total assets	**15,923,707**	**1,337,731**	**17,261,438**
With donor restrictions	2,791,954	1,337,731	4,129,685
Total net assets	**15,850,259**	**1,337,731**	**17,187,990**

NOTE 10. SUBSEQUENT EVENT

Management has assessed the effects of subsequent events through October 6, 2025, the date the consolidated financial statements were available to be released. Subsequent to year-end, on August 2, 2025, the Board of Directors approved the investment of $1,000,000 related to facilitating the development of a new facility in San Diego, California. This project is in the early stages and this funding will cover essential expenses such as architectural design, permitting, and initial lease option payments necessary for moving the project forward. The Museum is not aware of any additional subsequent events which would require recognition or disclosure in the consolidated financial statements.

boyum barenscheer
CPAs AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
UDT-SEAL Museum Association, Inc.
Fort Pierce, Florida

We have audited the consolidated financial statements of UDT-SEAL Museum Association, Inc. as of and for the years ended December 31, 2024, and our report thereon dated October 6, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1–2. Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The accompanying consolidating statement of financial position, consolidating statement of activities, statement of functional expenses by component, and consolidating statement of cash flows are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

Boyum & Barenscheer PLLP

Boyum & Barenscheer PLLP
Minneapolis, Minnesota
October 6, 2025

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Florida	California	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,964,365	$ 3,530,823	$ 5,495,188
Investments	2,006,191	-	2,006,191
In-kind contribution receivable, current portion	64,211	24,771	88,982
Contributions receivable, current portion	-	74,223	74,223
Intercompany loan (payable)/receivable	3,347,100	(3,347,100)	-
Inventory	327,685	-	327,685
Prepaid expenses and other assets	5,410	2,939	8,349
Total current assets	**7,714,962**	**285,656**	**8,000,618**
IN-KIND CONTRIBUTION RECEIVABLE, LONG-TERM	**1,209,309**	**1,624,586**	**2,833,895**
CONTRIBUTION RECEIVABLE, LONG-TERM	**-**	**40,000**	**40,000**
PROPERTY AND EQUIPMENT, NET	**9,499,196**	**5,434,060**	**14,933,256**
Total assets	**$ 18,423,467**	**$ 7,384,302**	**$ 25,807,769**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 24,781	$ 1,223,583	$ 1,248,364
Payroll liabilities	2,119	57,616	59,735
Total current liabilities	**26,900**	**1,281,199**	**1,308,099**
NET ASSETS			
With donor restrictions	2,113,224	3,445,330	5,558,554
Without donor restrictions - board designated endowment fund	2,006,191	-	2,006,191
Without donor restrictions - undesignated	14,277,152	2,657,773	16,934,925
Total net assets	**18,396,567**	**6,103,103**	**24,499,670**
Total liabilities and net assets	**$ 18,423,467**	**$ 7,384,302**	**$ 25,807,769**

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Florida	California	Total
REVENUE AND SUPPORT, without donor restrictions			
Contributions and grants	$ 299,874	$ 4,027,600	$ 4,327,474
In-kind contributions	-	5,384	5,384
Event revenues, net of costs that directly benefited donors of $1,111,401	1,458,430	-	1,458,430
Admissions	601,590	-	601,590
Ship store, net of costs of goods sold of $480,250	34,577	-	34,577
Memberships	60,820	-	60,820
Investment income	313,485	11,223	324,708
Other income	11,540	24,264	35,804
Net assets realeased from restrictions	3,077,240	20,643	3,097,883
Total revenue and support, without donor restrictions	**5,857,556**	**4,089,114**	**9,946,670**
REVENUE AND SUPPORT, with donor restrictions			
Contributions and grants	2,221,905	563,350	2,785,255
In-kind rent contribution	-	1,670,000	1,670,000
Net assets released from restrictions	(3,077,240)	(20,643)	(3,097,883)
Total revenue and support, with donor restrictions	**(855,335)**	**2,212,707**	**1,357,372**
EXPENSES			
Program services			
Public education	2,042,102	-	2,042,102
Trident house	662,831	-	662,831
California expansion	18,697	213,781	232,478
Total program services	2,723,630	213,781	2,937,411
Support services			
General administration	307,092	887,059	1,194,151
Fundraising	762,922	327,329	1,090,251
Total supporting services	1,070,014	1,214,388	2,284,402
Total expenses	**3,793,644**	**1,428,169**	**5,221,813**
Change in net assets	**1,208,577**	**4,873,652**	**6,082,229**
Net assets - beginning of year, as restated	17,187,990	1,229,451	18,417,441
Net assets - end of year	**$ 18,396,567**	**$ 6,103,103**	**$ 24,499,670**

UDT-SEAL MUSEUM ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY COMPONENT

YEAR ENDED DECEMBER 31, 2024

Florida

	Program Services				Supporting Services			
	Public Education	Trident House	California Expansion	Total Program Services	General Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expenses	$ 975,389	$ -	$ -	$ 975,389	$ 217,411	$ 104,957	$ 322,368	$ 1,297,757
Professional fees	-	-	-	-	30,837	-	30,837	30,837
Marketing and promotion	-	2,067	-	2,067	-	183,844	183,844	185,911
Meals and travel	9,892	-	-	9,892	19,789	9,892	29,681	39,573
Repairs and maintenance	85,718	-	-	85,718	5,713	3,812	9,525	95,243
Office	153,154	-	-	153,154	10,208	6,811	17,019	170,173
Board expense	2,064	-	-	2,064	4,128	2,064	6,192	8,256
Insurance	44,186	2,471	-	46,657	12,442	3,111	15,553	62,210
Bank charges	65,490	-	-	65,490	-	-	-	65,490
Occupancy	41,408	-	-	41,408	2,760	1,841	4,601	46,009
Depreciation	296,277	11,416	-	307,693	-	-	-	307,693
In-kind rent	64,211	-	-	64,211	-	-	-	64,211
Other	3,491	-	-	3,491	232	155	387	3,878
Scholarships	-	537,460	-	537,460	-	-	-	537,460
Family support	3,891	39,079	-	42,970	-	-	-	42,970
Respite house	-	70,338	-	70,338	-	-	-	70,338
Artifact maintenance	59,761	-	-	59,761	-	-	-	59,761
Dues and subscriptions	24,762	-	-	24,762	-	-	-	24,762
San Diego expansion	-	-	18,697	18,697	-	-	-	18,697
FITH magazine	27,429	-	-	27,429	-	-	-	27,429
Recognition	17,835	-	-	17,835	-	-	-	17,835
K9 Project	53,289	-	-	53,289	-	-	-	53,289
Information technology	20,710	-	-	20,710	-	-	-	20,710
Printing and design	14,135	-	-	14,135	942	629	1,571	15,706
Supplies	4,613	-	-	4,613	1,647	330	1,977	6,590
Postage	14,746	-	-	14,746	983	656	1,639	16,385
Special projects	59,651	-	-	59,651	-	-	-	59,651
Cost of goods sold - ship store	480,250	-	-	480,250	-	-	-	480,250
Fundraising expenses	-	-	-	-	-	1,556,221	1,556,221	1,556,221
Total expenses	2,522,352	662,831	18,697	3,203,880	307,092	1,874,323	2,181,415	5,385,295
Less cost of goods sold - ship store	(480,250)	-	-	(480,250)	-	-	-	(480,250)
Less fundraising expenses - direct benefit to donors	-	-	-	-	-	(1,111,401)	(1,111,401)	(1,111,401)
Total expenses included in the expense section on the statement of activities	$ 2,042,102	$ 662,831	$ 18,697	$ 2,723,630	$ 307,092	$ 762,922	$ 1,070,014	$ 3,793,644

UDT-SEAL MUSEUM ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY COMPONENT

YEAR ENDED DECEMBER 31, 2024

California

	Program Services		Supporting Services			
	California Expansion	Total Program Services	General Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expenses	$ 63,665	$ 63,665	$ 353,849	$ 209,555	$ 563,404	$ 627,069
Professional fees	62,215	62,215	236,999	44,737	281,736	343,951
Marketing and promotion	28,930	28,930	32,700	11,928	44,628	73,558
Meals and travel	12,283	12,283	24,292	33,986	58,278	70,561
Repairs and maintenance	917	917	-	-	-	917
Office	2,312	2,312	51,734	12,637	64,371	66,683
Events	3,500	3,500	80,224	14,183	94,407	97,907
Board expense	-	-	85,517	-	85,517	85,517
Taxes	9,847	9,847	11,162	-	11,162	21,009
Insurance	-	-	6,561	-	6,561	6,561
Bank charges	-	-	2,610	-	2,610	2,610
Occupancy	9,469	9,469	1,016	-	1,016	10,485
Depreciation	-	-	-	303	303	303
In-kind rent	20,643	20,643	-	-	-	20,643
Other	-	-	395	-	395	395
Total expenses	$ 213,781	$ 213,781	$ 887,059	$ 327,329	$ 1,214,388	$ 1,428,169

UDT-SEAL MUSEUM ASSOCIATION, INC.

CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

	Florida	California	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$ 1,208,577	$ 4,873,652	$ 6,082,229
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	307,693	303	307,996
Unrealized gains on investments	(99,217)	-	(99,217)
In-kind rent contribution	-	(1,670,000)	(1,670,000)
In-kind rent expense	64,211	20,643	84,854
Net changes in assets and liabilities			
Contributions receivable	-	466,905	466,905
Prepaid expenses and other assets	(5,410)	6,107	697
Accounts payable	(33,069)	1,056,841	1,023,772
Payroll liabilities	(13,479)	38,526	25,047
Inventory	269,265	-	269,265
Net cash provided by operating activities	**1,698,571**	**4,792,977**	**6,491,548**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(2,398,173)	(4,598,301)	(6,996,474)
Purchase of investments	(395,364)	-	(395,364)
Net cash used by investing activities	**(2,793,537)**	**(4,598,301)**	**(7,391,838)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts (payments) on intercompany loan	(1,347,100)	1,347,100	-
Net change in cash and cash equivalents	**(2,442,066)**	**1,541,776**	**(900,290)**
Cash and cash equivalents, beginning of year	$ 4,406,431	1,989,047	6,395,478
Cash and cash equivalents, end of year	**$ 1,964,365**	**$ 3,530,823**	**$ 5,495,188**