

National Aquarium Institute, Inc. And Subsidiaries

Consolidated Financial Report
December 31, 2013

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Independent Auditor's Report

To the Board of Directors
National Aquarium Institute, Inc.
Baltimore, Maryland

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of National Aquarium Institute, Inc. and Subsidiaries (collectively, the Aquarium) which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Aquarium's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Aquarium Institute, Inc. and Subsidiaries as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "McGladrey LLP".

Baltimore, Maryland
May 1, 2014

National Aquarium Institute, Inc. And Subsidiaries

**Consolidated Statements Of Financial Position
December 31, 2013 And 2012**

Assets	2013	2012
Cash And Cash Equivalents	\$ 7,106,402	\$ 8,817,039
Promises To Give And Grants Receivable, net (Note 3)	1,635,100	2,362,914
Other Assets	1,677,151	1,196,193
Investments (Notes 4 and 10)	30,824,031	26,139,332
	41,242,684	38,515,478
Property And Equipment		
Land	2,604,364	2,604,364
Furniture, fixtures and office equipment	9,372,480	9,439,493
Other equipment	8,219,585	9,601,951
Building and leasehold improvements	159,323,310	145,948,886
Construction in progress (Note 9)	8,503,792	16,937,564
	188,023,531	184,532,258
Less accumulated depreciation	(83,583,697)	(78,686,198)
Property and equipment, net	104,439,834	105,846,060
Total assets	\$ 145,682,518	\$ 144,361,538
Liabilities And Net Assets		
Liabilities		
Accounts payable and accrued expenses (Note 9)	\$ 1,366,318	\$ 3,704,721
Accrued salaries and benefits	1,485,693	1,287,762
Deferred revenue	2,093,889	2,162,844
Deferred rent (Note 9)	1,249,097	1,305,947
Note payable (Note 5)	4,871,625	4,871,625
Loan payable (Note 5)	23,616,469	25,302,507
Total liabilities	34,683,091	38,635,406
Commitments And Contingencies (Notes 2, 8, 9 and 13)		
Net Assets (Note 7)		
Unrestricted	102,643,545	97,466,223
Temporarily restricted (Note 7)	6,580,938	6,484,965
Permanently restricted (Note 7)	1,774,944	1,774,944
Total net assets	110,999,427	105,726,132
Total liabilities and net assets	\$ 145,682,518	\$ 144,361,538

See Notes To Consolidated Financial Statements.

National Aquarium Institute, Inc. And Subsidiaries

Consolidated Statements Of Activities Years Ended December 31, 2013 And 2012

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue, gains and other support:				
Admissions	\$ 24,253,033	\$ -	\$ -	\$ 24,253,033
Contributions and grants	7,417,549	1,464,259	-	8,881,808
General and corporate membership programs	4,451,273	-	-	4,451,273
Gift shop and food service	2,062,091	-	-	2,062,091
Group sales	2,297,754	-	-	2,297,754
Education program	1,636,046	-	-	1,636,046
Auxiliary	2,780,217	-	-	2,780,217
Catered events	735,798	-	-	735,798
Investment income (Note 4)	3,632,686	812,870	-	4,445,556
Net assets released from restrictions:				
Satisfaction of program restrictions	682,387	(682,387)	-	-
Satisfaction of equipment acquisition restrictions	843,450	(843,450)	-	-
Total revenue, gains and other support	50,792,284	751,292	-	51,543,576
Expenses (Note 11):				
Programs:				
Plant operations	8,230,211	-	-	8,230,211
Depreciation	7,626,022	-	-	7,626,022
Biological programs	8,000,038	-	-	8,000,038
Visitor operations	2,970,222	-	-	2,970,222
Education	4,975,473	-	-	4,975,473
Debt service (Note 5)	750,067	-	-	750,067
Catered events	326,787	-	-	326,787
Total program expenses	32,878,820	-	-	32,878,820
Supporting services:				
General and administrative	4,005,555	-	-	4,005,555
Marketing	6,281,505	-	-	6,281,505
General and corporate membership programs	630,991	-	-	630,991
Development	583,329	-	-	583,329
Total supporting services expenses	11,501,380	-	-	11,501,380
Total expenses	44,380,200	-	-	44,380,200
Change in net assets from continuing operations	6,412,084	751,292	-	7,163,376
Loss from discontinued operations (Note 12) (including loss on disposal of \$1,912,151 in 2013)				
	(1,234,762)	(655,319)	-	(1,890,081)
Change in net assets	5,177,322	95,973	-	5,273,295
Net assets:				
Beginning	97,466,223	6,484,965	1,774,944	105,726,132
Ending	\$ 102,643,545	\$ 6,580,938	\$ 1,774,944	\$ 110,999,427

See Notes To Consolidated Financial Statements.

2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	23,566,384	\$ -	\$ -	\$ 23,566,384
	6,575,938	2,892,493	475,000	9,943,431
	3,778,186	-	-	3,778,186
	2,096,920	-	-	2,096,920
	1,845,944	-	-	1,845,944
	1,625,853	-	-	1,625,853
	2,978,327	-	-	2,978,327
	782,751	-	-	782,751
	2,807,522	506,755	-	3,314,277
	1,380,950	(1,380,950)	-	-
	1,775,800	(1,775,800)	-	-
	49,214,575	242,498	475,000	49,932,073
	7,947,253	-	-	7,947,253
	6,934,260	-	-	6,934,260
	8,052,347	-	-	8,052,347
	2,579,990	-	-	2,579,990
	4,537,958	-	-	4,537,958
	1,713,431	-	-	1,713,431
	320,593	-	-	320,593
	32,085,832	-	-	32,085,832
	4,132,965	-	-	4,132,965
	6,063,611	-	-	6,063,611
	565,203	-	-	565,203
	1,037,350	-	-	1,037,350
	11,799,129	-	-	11,799,129
	43,884,961	-	-	43,884,961
	5,329,614	242,498	475,000	6,047,112
	461,220	(461,426)	-	(206)
	5,790,834	(218,928)	475,000	6,046,906
	91,675,389	6,703,893	1,299,944	99,679,226
\$	97,466,223	\$ 6,484,965	\$ 1,774,944	\$ 105,726,132

National Aquarium Institute, Inc. And Subsidiaries

**Consolidated Statements Of Cash Flows
Years Ended December 31, 2013 And 2012**

	2013	2012
Cash Flows From Operating Activities		
Change in net assets	\$ 5,273,295	\$ 6,046,906
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation (including depreciation on discontinued operations of \$65,208 and \$80,693 for 2013 and 2012, respectively)	7,691,230	7,014,953
Loss on disposal	1,912,151	-
Amortization of bond issue costs and original issue premium	12,819	466,351
(Decrease) increase in discount on promises to give	(9,002)	23,165
Net realized and unrealized (appreciation) depreciation of investments	(4,298,093)	(2,912,048)
Contributions restricted to endowment	-	(475,000)
Changes in assets and liabilities		
(Increase) decrease in:		
Promises to give and grants receivable	(106,934)	(1,027,562)
Other assets	(493,777)	135,007
Increase (decrease) in:		
Accounts payable and accrued expenses	(518,714)	338,476
Accrued salaries and benefits	197,931	503,619
Deferred rent	(56,850)	(21,898)
Deferred revenue	(68,955)	307,731
Net cash provided by operating activities	9,535,101	10,399,700
Cash Flows From Investing Activities		
Purchases of property and equipment	(10,016,845)	(10,225,981)
Purchases of investments	(1,135,309)	(4,343,460)
Proceeds from sale of investments	748,704	2,866,090
Decrease in funds held by trustee	-	1,575,430
Net cash used in investing activities	(10,403,450)	(10,127,921)
Cash Flows From Financing Activities		
Proceeds from contributions restricted to long-term investment	843,750	2,207,144
Payment of debt issuance costs	-	(128,190)
Principal payments on bonds payable	(1,686,038)	(27,555,000)
Proceeds from note payable	-	25,980,765
Principal payments on notes payable	-	(678,258)
Net cash used in financing activities	(842,288)	(173,539)
Net (decrease) increase in cash and cash equivalents	(1,710,637)	98,240
Cash And Cash Equivalents:		
Beginning	8,817,039	8,718,799
Ending	\$ 7,106,402	\$ 8,817,039
Supplemental Disclosure Of Cash Flow Information		
Cash paid for interest	\$ 706,397	\$ 779,135
Supplemental Schedule Of Noncash Investing And Financing Activities		
Property and equipment purchases in accounts payable and accrued expenses	\$ -	\$ 1,819,689

See Notes To Consolidated Financial Statements.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies

Nature of activities: The National Aquarium Institute, Inc. and Subsidiaries (collectively, the Aquarium) is a not-for-profit corporation that operates and manages an aquarium in Baltimore, Maryland (and previously in Washington, D.C.), and centers for the study of marine sciences and provides recreational and educational facilities for its visitors. The National Aquarium Institute, Inc. is designated as the sole member of the National Aquarium in Baltimore, Inc., The National Aquarium Society, the National Aquarium in Baltimore Foundation, Inc., the Center for Aquatic Life and Conservation, Inc., and the National Aquarium Conservation Center, Inc. according to their charters and bylaws. As a result, the primary reporting entity under accounting principles generally accepted in the United States of America is the National Aquarium Institute, Inc. The National Aquarium Institute, Inc. had no financial activities in 2013 and 2012. The National Aquarium Conservation Center, Inc. ceased its financial activities during 2012 and transferred its activities and remaining net assets to the National Aquarium in Baltimore, Inc. The National Aquarium Society discontinued its financial activities during 2013 incurring a write-off on disposition (see Note 12). The remaining net assets (primarily investment balances) will be transferred in 2014 to the National Aquarium in Baltimore Foundation, Inc.

A summary of the Aquarium's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of the National Aquarium Institute, Inc. (NAI), the National Aquarium in Baltimore, Inc. (NAB), the National Aquarium in Baltimore Foundation, Inc. (Foundation), The National Aquarium Society (NADC), and the Center for Aquatic Life and Conservation, Inc. (CALC). All intercompany accounts and transactions were eliminated for consolidation purposes.

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The Aquarium is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets – Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Aquarium pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Permanently restricted net assets – Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Aquarium's actions.

Revenue recognition: The Aquarium reports gifts of cash and other assets as temporarily restricted support 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 purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

The Aquarium reports gifts of land, buildings and equipment as unrestricted support 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 and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Aquarium reports expirations of donor restrictions when the donated long-lived assets are placed in service or the acquired long-lived assets are purchased.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Promises to give are carried at the present value of expected future cash flows computed using a discount rate of 4% for 2013 and 2012. Amortization of the discount is included in contributions and grants revenue.

Membership revenue is recognized ratably over the term of the membership. Prepayments are recorded as deferred revenue when received.

Admissions revenue is recognized on the date of admission. Prepayments are recorded as deferred revenue when received.

Auxiliary revenue consists of attendance related items, visitor photos, locker rental and revenue, in addition to sponsorship and miscellaneous income. Auxiliary revenue is recognized when the service is provided.

Cash and cash equivalents: Cash and cash equivalents consist of cash and funds deposited in a money market fund and temporary investments with a maturity of three months or less.

Credit risk: The Aquarium maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Management considers this to be a normal business risk.

Other assets: Other assets consist of other receivables, prepaid expenses, and debt issuance costs.

Investments: Investments are recorded at fair value. NADC invests in a portfolio that contains equity and fixed income mutual funds. The Foundation invests in a portfolio that contains mutual funds, equities, and fixed income funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to the changes in value of such investments, it is at least reasonably possible that changes in risks in the near-term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Debt issuance costs: Debt issuance costs related to long-term debt are being amortized over the term of the debt using the straight-line method. In connection with the extinguishment of the bonds payable, as described in Note 5, the former debt issuance costs related to bonds payable were fully amortized during 2012 and costs for the new debt were recorded. Accumulated amortization of the debt issuance costs was \$19,228 and \$6,409 as of December 31, 2013 and 2012, respectively.

Property and equipment: Expenditures made by the Aquarium for portions of capital projects which the Aquarium will own are included in property and equipment at cost, if purchased, or at their fair value at the date of the gift, if donated. Expenditures made by the City of Baltimore (the City) for capital projects are not included in the Aquarium's consolidated financial statements because these assets are owned by the City.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Management's estimate of the cost of construction of both aquarium buildings in Baltimore, including renovations/improvements made subsequently, was approximately \$204,770,000 and \$198,182,000 as of December 31, 2013 and 2012, respectively. Of this amount, approximately \$160,124,000 and \$153,536,000 has been capitalized in the accompanying consolidated statements of financial position as of December 31, 2013 and 2012, respectively. The remaining amount is not capitalized in the accompanying consolidated financial statements as it pertains to assets paid for and owned by the City (see Note 2).

All other property and equipment are the property of the Aquarium and, accordingly, are included in the accompanying consolidated financial statements.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Furniture, fixtures and office equipment	3 – 10 years
Other equipment	3 – 10 years
Building and leasehold improvements	3 – 30 years

Exhibits are included in building improvements and are depreciated using the straight-line method over five years for revolving exhibits and 10 to 30 years for permanent exhibits.

Construction in progress consists of costs incurred relating to various renovation projects of existing facilities, exhibits and displays.

Valuation of long-lived assets: The Aquarium requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Deferred rent: Rents on operating leases are reported whereby total rent expense under the leases is charged to operations on a straight-line basis over the term of the related leases.

Financial instruments: The carrying amounts of financial instruments, including cash and cash equivalents, other receivables, accounts payable, accrued salaries and benefits, accrued expenses and deferred revenue approximate fair value because of the short maturity of these instruments. The carrying amount of long-term debt approximates fair value because the interest rates on these instruments fluctuate with market interest rates or the fixed rates are based on current rates offered to the Aquarium for debt with similar terms and maturities.

Volunteer services: The Aquarium utilizes a volunteer program that incorporates extensive training protocols to meet various operational needs. The fair market value of these volunteer services are recognized as contribution revenue and the applicable expense in the accompanying consolidated financial statements. The value for volunteer services was \$2,935,566 and \$2,711,019 for the years ended December 31, 2013 and 2012, respectively.

Advertising: Advertising costs are expensed as incurred and were approximately \$3,174,489 and \$2,971,083 for the years ended December 31, 2013 and 2012, respectively.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Income taxes: The Aquarium and its subsidiaries are generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Aquarium and its subsidiaries qualify for charitable contribution deductions under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under Section 509(a)(1). Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Aquarium had no net unrelated business income for the years ended December 31, 2013 and 2012.

Management has evaluated the Aquarium's tax positions and has concluded that the Aquarium has taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Generally, the Aquarium is no longer subject to income tax examinations for the U.S. federal, state or local tax authorities for years before 2010.

Reclassification: Certain 2012 amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on previously reported net assets or change in net assets.

Use of estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Aquarium has evaluated subsequent events through May 1, 2014, which is the date the consolidated financial statements were available to be issued.

Note 2. Management And Lease Agreement

In 1987, the Aquarium entered into a management and lease agreement with the Mayor and the City Council of Baltimore for the purpose of setting forth the rights and obligations of each related to the operation, maintenance, and ownership of the Aquarium. Significant provisions of the agreement are as follows:

- The Aquarium set forth its intention to operate the facilities on a self-sustaining basis, dedicating its excess of revenue over expenses for exhibit additions, replacements and renovations.
- The Aquarium is responsible for the operation of the facilities under the general direction of the City.
- The City has legal title to certain of the real and tangible personal property located at the aquarium complex and, in the event of the Aquarium's dissolution, obtains title to all other corporate assets.
- The Aquarium is responsible for the maintenance, repair, replacement and upkeep of the exterior of the aquarium and all structural elements thereof. In addition, the Aquarium is responsible for the repair and maintenance of property and equipment such as water, electric, sewer, heating and air conditioning apparatus, and all machinery, equipment and other fixtures used in connection with the operation of the facilities.
- The Aquarium is responsible for maintaining certain levels of comprehensive general liability, fire and extended coverage insurance as defined by the agreement.
- The original 1987 agreement, which does not require annual rental payments, was amended during 2001 to extend the lease term to 2049. The lease shall automatically renew itself for five successive terms of ten years each, upon certain conditions being met by both parties, as defined by the agreement.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 3. Promises To Give And Grants Receivable

Included in promises to give and grants receivable are the following unconditional promises to give at December 31, 2013 and 2012:

	2013	2012
Capital campaign	\$ 388,300	\$ 499,271
Capital campaign, restricted to future periods	1,196,950	1,394,728
Conservation, education, and other	167,939	596,005
Unconditional promises to give before present value discount	1,753,189	2,490,004
Less present value discount	(118,089)	(127,090)
Promises to give and grants receivable, net	<u>\$ 1,635,100</u>	<u>\$ 2,362,914</u>
Amounts due in:		
Less than one year	\$ 556,239	\$ 1,095,276
One to five years	881,750	1,349,528
Thereafter	315,200	45,200
	<u>\$ 1,753,189</u>	<u>\$ 2,490,004</u>

Note 4. Investments

Investments owned by the Aquarium consist of the following at December 31, 2013 and 2012:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 347,732	\$ 347,093	\$ 428,911	\$ 428,911
Equities	2,042,080	2,826,813	1,798,152	1,983,425
Mutual funds	23,580,235	27,650,125	22,526,063	23,726,996
	<u>\$ 25,970,047</u>	<u>\$ 30,824,031</u>	<u>\$ 24,753,126</u>	<u>\$ 26,139,332</u>

Investment income is as follows for the years ended December 31, 2013 and 2012:

	2013	2012
Net unrealized appreciation	\$ 3,467,778	\$ 2,695,136
Net realized gains	830,315	216,912
	<u>4,298,093</u>	<u>2,912,048</u>
Interest and dividends	528,014	639,519
	<u>\$ 4,826,107</u>	<u>\$ 3,551,567</u>

Investment income of \$380,551 and \$237,290, included in the table above, was included in loss on discontinued operations during the years ended December 31, 2013 and 2012, respectively.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 5. Long-Term Debt

On June 27, 2012, the Maryland Industrial Development Financing Authority (MIDFA), on behalf of the Aquarium, issued a tax-exempt revenue refunding bond in the amount of \$25,980,765 to refund a prior MIDFA issued obligation. The bond was placed with Bank of America as a non-bank qualified private loan. The loan carries a fixed rate of 2.84%. The loan is subject to certain financial and non-financial covenants. Monthly principal and interest payments in the amount of \$199,370 are scheduled for ten years over a 13-year amortization table. The maturity date of the underlying bonds is June 2022, where Bank of America has the ability to call the loan or they can grant an extension of the current terms. The loan balance was \$23,616,469 and \$25,302,507 at December 31, 2013 and 2012, respectively. The loan is secured by a Security Agreement, whereby the bank has a lien on all current and future receipts of the Aquarium.

Principal payment requirements on the loan payable at December 31, 2013, are due in future years as follows:

Years Ending December 31,

2014	\$ 1,735,233
2015	1,785,863
2016	1,836,374
2017	1,891,551
2018	1,946,741
Thereafter	<u>14,420,707</u>
	<u>\$ 23,616,469</u>

On February 7, 2007, CALC purchased 21.0 acres of land, which contained the central garage and repair facility for the Baltimore City Department of Public Works (DPW), for \$250,000. In addition, CALC was required to provide up to \$7,975,000 toward the cost of constructing a new garage for DPW, as defined in the agreement.

In conjunction with the purchase, CALC received a \$5,000,000 investment from the City of Baltimore Development Corporation (BDC) for acquisition and development of the expected site for CALC. The investment is to be repaid from the development fees received by CALC as defined in the agreement. There were no development fees received by CALC in 2013 or 2012. The funds were provided by way of a reinvestment agreement between CALC and BDC. The reinvestment agreement is parallel to an investment agreement between the Department of Business and Economic Development of the State of Maryland and BDC. The balance due under this agreement is \$4,871,625 at both December 31, 2013 and 2012.

Interest expense on long-term debt was \$702,273 and \$1,081,103 for the years ended December 31, 2013 and 2012, respectively.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 6. Line Of Credit

The Aquarium has an unsecured \$7,500,000 revolving line of credit with a floating rate of interest equal to the London Interbank Offered Rate (LIBOR) plus 150 basis points. The line of credit expires in October 2014. There was no outstanding balance on the line of credit as of December 31, 2013 and 2012.

Note 7. Temporarily And Permanently Restricted Net Assets

Temporarily restricted net assets as of December 31, 2013 and 2012, are available for the following purposes:

	2013	2012
NAB:		
Capital expansion	\$ 1,777,897	\$ 2,492,408
Biological program activities	85,196	68,839
Conservation programs	703,257	581,910
Henry Hall activities	636,379	98,250
Education activities	71,007	131,407
Total NAB	3,273,736	3,372,814
Foundation:		
Biological program activities	752,484	626,882
Lecture series	1,004,557	822,687
Education activities	566,502	463,432
Henry Hall activities	476,941	331,761
Professional excellence	275,276	169,083
Aquarium science and medicine	231,442	42,987
Total Foundation	3,307,202	2,456,832
NADC:		
Funded capital expansion	-	588,144
Biological program activities	-	51,999
Education activities	-	15,176
Total NADC	-	655,319
	\$ 6,580,938	\$ 6,484,965

Permanently restricted net assets as of December 31, 2013 and 2012, are held by the National Aquarium in Baltimore Foundation, Inc. and are restricted for the following purposes:

	2013	2012
Professional excellence	\$ 250,000	\$ 250,000
Marine life accessions	250,000	250,000
Education center	299,944	299,944
Aquarium science and medicine	975,000	975,000
	\$ 1,774,944	\$ 1,774,944

The earnings are directed for use by the donors and are accounted for in the temporarily restricted funds until transfers are made to the Aquarium and used for their designated purposes.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 7. Temporarily And Permanently Restricted Net Assets (Continued)

The Blaustein Foundation has established endowed funds to provide grants to the Aquarium to finance purchases of aquarium specimens and to support programming activities of the Aquatic Education Resource Center. The original endowments were \$250,000 each and income from the endowments has been used for the intended purposes. Based on need and approval, annual earnings are used for grants to the Aquarium and those earnings in excess of expenditures are to be temporarily restricted for the designated purposes.

The James McBride Endowment of \$149,944, with additional matching support by the National Aquarium in Baltimore Foundation, Inc. of \$150,000, was established to provide funds for education for professional staff.

A donor has established endowed funds in the form of a \$975,000 bequest to aid in providing additional veterinary support to the Aquarium.

Interpretation of relevant law: The Board of Directors of the Aquarium has interpreted the Maryland-enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Aquarium classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of 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 classified in permanently restricted net assets is classified as temporarily restricted net assets under UPMIFA until appropriated for use in accordance with the donor's stipulations.

Return objectives and risk parameters: The Aquarium's objective is to earn a respectable long-term, risk adjusted total rate of return to support the designated programs. The Aquarium recognizes and accepts that pursuing a respectable rate of return involves risk and potential volatility. The generation of current income will be a secondary consideration. The Aquarium 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. The Aquarium has established a policy portfolio, or normal asset allocation. While the policy portfolio can be adjusted from time to time, it is designated to serve for long-time horizons based upon long-term expected returns.

Endowment spending policy: The Aquarium will plan for expenditures in its annual budget a maximum of 5% of the rolling average of the market value of the endowment assets over the preceding 12 quarters, with the base adjusted for new capital contributions to the endowment. There may be times when the Aquarium may opt not to take the maximum spending rate but rather to reinvest some of the annual return.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 7. Temporarily And Permanently Restricted Net Assets (Continued)

The composition of the Aquarium's donor-restricted endowment and non-endowment funds at December 31, 2013 and 2012, and changes in endowment net assets for the years then ended, are as follows:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,825,704	\$ 1,774,944	\$ 3,600,648
Non-endowment funds	102,643,545	4,755,234	-	107,398,779
Total funds	\$ 102,643,545	\$ 6,580,938	\$ 1,774,944	\$ 110,999,427

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,302,335	\$ 1,774,944	\$ 3,077,279
Non-endowment funds	97,466,223	5,182,630	-	102,648,853
Total funds	\$ 97,466,223	\$ 6,484,965	\$ 1,774,944	\$ 105,726,132

Changes In Endowment Net Assets Years Ended December 31, 2013 And 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of the year	\$ -	\$ 1,302,335	\$ 1,774,944	\$ 3,077,279
Investment return:				
Investment income	-	184,465	-	184,465
Net appreciation	-	409,513	-	409,513
Total investment return	-	593,978	-	593,978
Appropriation of endowment assets for expenditure	-	(70,609)	-	(70,609)
Endowment net assets, end of the year	\$ -	\$ 1,825,704	\$ 1,774,944	\$ 3,600,648

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of the year	\$ -	\$ 1,019,934	\$ 1,299,944	\$ 2,319,878
Investment return:				
Contributions	-	-	475,000	475,000
Investment income	-	64,665	-	64,665
Net appreciation	-	285,130	-	285,130
Total investment return	-	349,795	475,000	824,795
Appropriation of endowment assets for expenditure	-	(67,394)	-	(67,394)
Endowment net assets, end of the year	\$ -	\$ 1,302,335	\$ 1,774,944	\$ 3,077,279

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 8. Employee Benefit Plans

The Aquarium has a 401(k) plan for employees. The 401(k) plan provides a 50% match on participants' contributions up to 3% for both 2013 and 2012. The Plan also provides for discretionary employer contributions, but employer contributions were not made in 2013 and 2012. The 401(k) plan expense was approximately \$183,000 and \$140,000 for the years ended December 31, 2013 and 2012, respectively.

Note 9. Commitments And Contingencies

Commitments: The Aquarium leases office, warehouse, aquatic tank space, and an exhibit under operating lease agreements. Total expense, net of sublease income, for these leases was approximately \$996,382 and \$1,080,875 for the years ended December 31, 2013 and 2012, respectively. Beginning January 31, 2007, the Aquarium has an agreement to sublease office space under an operating sublease expiring March 2018, subject to two opt-out provisions by the sub-lessee after 40 months and 88 months. The opt-out provision was exercised on in May 2013 and the sublease agreement will expire on May 31, 2014.

Approximate future minimum annual payments and receipts under all noncancelable leases are as follows:

Years Ending December 31,	Gross Rent Payments	Sublease Receipts	Net Payments
2014	\$ 1,095,241	\$ 80,019	\$ 1,015,222
2015	1,128,670	-	1,128,670
2016	1,163,333	-	1,163,333
2017	1,173,909	-	1,173,909
2018	985,572	-	985,572
Thereafter	3,220,773	-	3,220,773
	<u>\$ 8,767,498</u>	<u>\$ 80,019</u>	<u>\$ 8,687,479</u>

In March 2013, the General Services Administration (GSA), Landlord of the premises formerly maintained by The National Aquarium Society, presented a rent assessment of \$1.1 million dating back to October 2007. GSA has disclosed that delays in providing any rental assessment by them are oversights stemming back and including the period prior to the 2003 acquisition of The National Aquarium Society by the Aquarium. A lease between The National Aquarium Society and GSA specifying rental assessments does not exist. Aquarium Management has asserted its belief to GSA's representatives that these rental claims are without merit and that it will vigorously defend its rights and, accordingly, no amounts have been accrued for this possible liability at December 31, 2013.

Litigation: Lawsuits and claims are filed from time-to-time against the Aquarium in the ordinary course of business. The Aquarium, after reviewing developments to date with legal counsel, is of the opinion that the outcome of such matters will not have a material adverse effect on the Aquarium's consolidated financial statements.

Capital projects: As of December 31, 2013, the Aquarium has signed contract commitments for approximately \$372,000 of capital projects.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 9. Commitments And Contingencies(Continued)

Self-insurance program: The Aquarium maintains a self-insured medical plan for the benefit of its employees. The medical plan is administered through a contractual relationship with an unrelated company. The Aquarium is responsible for all claims incurred up to the amount of its stop loss insurance, which it maintains on both a “per employee” basis and in the aggregate. The Aquarium’s expense under the self-insured medical plan amounted to approximately \$1,095,000 and \$968,000 for the years ended December 31, 2013 and 2012, respectively. The Aquarium includes a provision for estimated claims in accounts payable and accrued expenses on the consolidated statements of financial position.

Note 10. Fair Value Measurements

The Aquarium defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and within a fair value hierarchy. The fair value hierarchy gives the highest rank to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest rank to unobservable inputs (Level 3). Inputs are broadly defined as data that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Listed equities and holdings in mutual funds are types of investments included in Level 1.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 2 includes the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds, and over-the-counter derivatives.

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

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Aquarium’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by the Aquarium:

Level 1 – Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Level 2 – Not applicable.

Level 3 – Not applicable.

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 10. Fair Value Measurements (Continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy at December 31, 2013 and 2012:

	2013			2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities						
Consumer discretionary	\$ 942,188	\$ -	\$ -	\$ 644,485	\$ -	\$ -
Information technology	599,592	-	-	474,410	-	-
Industrials	330,404	-	-	273,445	-	-
Health care	350,085	-	-	217,944	-	-
Financial	308,721	-	-	108,535	-	-
Materials	103,157	-	-	138,685	-	-
Energy	121,157	-	-	67,650	-	-
Telecommunication services	71,509	-	-	27,140	-	-
Consumer staples	-	-	-	31,131	-	-
Mutual funds						
International	5,255,543	-	-	4,351,951	-	-
Fixed income	5,512,839	-	-	3,614,876	-	-
Growth	3,713,988	-	-	3,677,177	-	-
Value	3,682,255	-	-	3,582,736	-	-
Emerging market	3,575,313	-	-	3,643,589	-	-
Small cap/mid cap	2,830,175	-	-	2,133,796	-	-
Market index	1,970,392	-	-	1,724,763	-	-
Global hard asset	1,109,620	-	-	998,108	-	-
	\$ 30,476,938	\$ -	\$ -	\$ 25,710,421	\$ -	\$ -

The Aquarium excludes cash and cash equivalents from the fair value hierarchy as cash is generally measured at cost. As such, \$347,093 and \$428,911 of cash equivalents and a certificate of deposit, in the Aquarium's investment portfolio at December 31, 2013 and 2012, respectively, has been excluded from this table.

Note 11. Expenses

Expenses by natural classification for the years ended December 31, 2013 and 2012, are as follows:

	2013	2012
Salaries and benefits	\$ 16,841,145	\$ 16,007,124
Supplies and other	9,778,883	10,660,256
Depreciation and amortization	7,638,841	6,934,259
Purchased services	7,185,765	7,512,313
Volunteer services and in-kind contributions	2,935,566	2,771,009
	44,380,200	43,884,961
Add: expenses included in discontinued operations	3,541,961	1,634,008
	\$ 47,922,161	\$ 45,518,969

National Aquarium Institute, Inc. And Subsidiaries

Notes To Consolidated Financial Statements

Note 11. Expenses (Continued)

Fully allocated functional expenses for the years ended December 31, 2013 and 2012, are as follows:

	2013	2012
Program Services:		
Biological programs	\$ 16,164,173	\$ 16,678,596
Visitor operations	6,001,368	5,343,859
Education	10,053,001	9,399,342
Catered events	660,278	664,035
	<u>32,878,820</u>	<u>32,085,832</u>
Supporting Services:		
General and administrative	4,005,555	4,132,965
Marketing	6,281,505	6,063,611
General and corporate membership programs	630,991	565,203
Development	583,329	1,037,350
	<u>11,501,380</u>	<u>11,799,129</u>
	<u>44,380,200</u>	<u>43,884,961</u>
Add: expenses included in discontinued operations	3,541,961	1,634,008
	<u>\$ 47,922,161</u>	<u>\$ 45,518,969</u>

Note 12. Discontinued Operations

During 2013, NADC discontinued its operations when the aquarium in Washington, D.C. was closed. Total revenues and expenses were \$1,651,880 and \$3,623,377 (\$3,541,961 after inter-company eliminations), respectively, for the year ended December 31, 2013. Included in the expenses was a loss on disposal of assets of \$1,912,151 resulting from the discontinuation. Total revenues and expenses were \$1,633,802 and \$1,634,008, respectively, for the year ended December 31, 2012.

Note 13. Subsequent Events

In March 2014, NAB and the Foundation entered into a non-bank qualified tax-exempt capital lease between the Maryland Clean Energy Center and Banc of America Public Capital Corp relating to the acquisition of infrastructure related capital equipment. Concurrent with the lease, NAB also entered into a Guaranteed Energy Savings Contract with Constellation NewEnergy, Inc. for the procurement and installation of the equipment. Installation will be completed by the first quarter of 2015. The lease is subject to certain financial and non-financial covenants which are consistent with those associated with its 2012 bond financing. The total value of the transaction is approximately \$3,400,000 with monthly payments varying from \$19,000 to \$33,000 over 15 years.



Independent Auditor's Report On The Supplementary Information

To the Board of Directors
National Aquarium Institute, Inc.
Baltimore, Maryland

We have audited the consolidated financial statements of the National Aquarium Institute, Inc. and subsidiaries (collectively, the Aquarium) as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon, which contained an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of activities of the individual entities and is not a required part of the 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 consolidating information has been subjected to the auditing procedures applied in the audits 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 consolidated financial statements as a whole.

McGladrey LLP

Baltimore, Maryland
May 1, 2014

National Aquarium Institute, Inc. And Subsidiaries

Consolidating Statements Of Financial Position December 31, 2013 And 2012

	2013					
	National Aquarium In Baltimore, Inc.	National Aquarium In Baltimore Foundation, Inc.	Center For Aquatic Life And Conservation, Inc.	The National Aquarium Society	Eliminations	Total
Assets						
Assets						
Cash and cash equivalents	\$ 6,799,112	\$ -	\$ 305,525	\$ 1,765	\$ -	\$ 7,106,402
Promises to give and grants receivable, net	1,555,100	-	80,000	-	-	1,635,100
Due from affiliate	75,148	272,066	-	188,552	(535,766)	-
Other assets	1,674,006	3,145	-	-	-	1,677,151
Investments	-	28,485,916	-	2,338,115	-	30,824,031
	<u>10,103,366</u>	<u>28,761,127</u>	<u>385,525</u>	<u>2,528,432</u>	<u>(535,766)</u>	<u>41,242,684</u>
Property And Equipment						
Land	-	-	2,604,364	-	-	2,604,364
Furniture, fixtures and office equipment	9,372,480	-	-	-	-	9,372,480
Other equipment	8,219,585	-	-	-	-	8,219,585
Building and leasehold improvements	159,323,310	-	-	-	-	159,323,310
Construction in progress	800,916	-	7,702,876	-	-	8,503,792
	<u>177,716,291</u>	<u>-</u>	<u>10,307,240</u>	<u>-</u>	<u>-</u>	<u>188,023,531</u>
Less accumulated depreciation	(83,583,697)	-	-	-	-	(83,583,697)
Property and equipment, net	<u>94,132,594</u>	<u>-</u>	<u>10,307,240</u>	<u>-</u>	<u>-</u>	<u>104,439,834</u>
Total assets	<u>\$ 104,235,960</u>	<u>\$ 28,761,127</u>	<u>\$ 10,692,765</u>	<u>\$ 2,528,432</u>	<u>\$ (535,766)</u>	<u>\$ 145,682,518</u>
Liabilities And Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 1,353,818	\$ 12,500	\$ -	\$ -	\$ -	\$ 1,366,318
Accrued salaries and benefits	1,485,693	-	-	-	-	1,485,693
Due to affiliate	460,617	23,143	52,006	-	(535,766)	-
Deferred revenue	2,093,889	-	-	-	-	2,093,889
Deferred rent	1,249,097	-	-	-	-	1,249,097
Note payable	-	-	4,871,625	-	-	4,871,625
Loan payable	23,616,469	-	-	-	-	23,616,469
Total liabilities	<u>30,259,583</u>	<u>35,643</u>	<u>4,923,631</u>	<u>-</u>	<u>(535,766)</u>	<u>34,683,091</u>
Net Assets						
Unrestricted	70,702,641	23,643,338	5,769,134	2,528,432	-	102,643,545
Temporarily restricted	3,273,736	3,307,202	-	-	-	6,580,938
Permanently restricted	-	1,774,944	-	-	-	1,774,944
Total net assets	<u>73,976,377</u>	<u>28,725,484</u>	<u>5,769,134</u>	<u>2,528,432</u>	<u>-</u>	<u>110,999,427</u>
Total liabilities and net assets	<u>\$ 104,235,960</u>	<u>\$ 28,761,127</u>	<u>\$ 10,692,765</u>	<u>\$ 2,528,432</u>	<u>\$ (535,766)</u>	<u>\$ 145,682,518</u>

2012

	National Aquarium In Baltimore, Inc.	National Aquarium In Baltimore Foundation, Inc.	Center For Aquatic Life And Conservation, Inc.	The National Aquarium Society	Eliminations	Total
\$	8,094,584	\$ -	\$ 451,009	\$ 271,446	\$ -	\$ 8,817,039
	2,198,776	-	80,000	84,138	-	2,362,914
	146,692	272,066	-	151,579	(570,337)	-
	1,173,801	3,145	-	19,247	-	1,196,193
	-	24,171,099	-	1,968,233	-	26,139,332
	11,613,853	24,446,310	531,009	2,494,643	(570,337)	38,515,478
	-	-	2,604,364	-	-	2,604,364
	9,372,480	-	-	67,013	-	9,439,493
	8,219,585	-	-	1,382,366	-	9,601,951
	145,100,373	-	-	848,513	-	145,948,886
	8,435,372	-	7,613,232	888,960	-	16,937,564
	171,127,810	-	10,217,596	3,186,852	-	184,532,258
	(77,548,051)	-	-	(1,138,147)	-	(78,686,198)
	93,579,759	-	10,217,596	2,048,705	-	105,846,060
\$	105,193,612	\$ 24,446,310	\$ 10,748,605	\$ 4,543,348	\$ (570,337)	\$ 144,361,538
\$	3,679,721	\$ 12,500	\$ -	\$ 12,500	\$ -	\$ 3,704,721
	1,280,433	-	-	7,329	-	1,287,762
	423,645	3,649	143,043	-	(570,337)	-
	2,139,254	-	-	23,590	-	2,162,844
	1,305,947	-	-	-	-	1,305,947
	-	-	4,871,625	-	-	4,871,625
	25,302,507	-	-	-	-	25,302,507
	34,131,507	16,149	5,014,668	43,419	(570,337)	38,635,406
	67,689,291	20,198,385	5,733,937	3,844,610	-	97,466,223
	3,372,814	2,456,832	-	655,319	-	6,484,965
	-	1,774,944	-	-	-	1,774,944
	71,062,105	24,430,161	5,733,937	4,499,929	-	105,726,132
\$	105,193,612	\$ 24,446,310	\$ 10,748,605	\$ 4,543,348	\$ (570,337)	\$ 144,361,538

National Aquarium Institute, Inc. And Subsidiaries

Consolidating Statement Of Activities
Year Ended December 31, 2013

	National Aquarium In Baltimore, Inc.			National Aquarium In Baltimore Foundation, Inc.				Center For Aquatic Life And Conservation, Inc.		
	Unrestricted	Temporarily	Total	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Total
		Restricted			Restricted	Restricted			Restricted	
Revenue, gains and other support:										
Admissions	\$ 24,253,033	\$ -	\$ 24,253,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and grants	7,417,549	1,426,759	8,844,308	-	37,500	-	37,500	-	-	-
General and corporate membership programs	4,451,273	-	4,451,273	-	-	-	-	-	-	-
Gift shop and food service	2,062,091	-	2,062,091	-	-	-	-	-	-	-
Group sales	2,297,754	-	2,297,754	-	-	-	-	-	-	-
Education program	1,636,046	-	1,636,046	-	-	-	-	-	-	-
Auxiliary	2,735,217	-	2,735,217	-	-	-	-	45,000	-	45,000
Catered events	735,798	-	735,798	-	-	-	-	-	-	-
Investment income	-	-	-	3,632,686	812,870	-	4,445,556	-	-	-
Intercompany grants	81,416	-	81,416	-	-	-	-	-	-	-
Net assets released from restrictions:										
Satisfaction of program restrictions	682,387	(682,387)	-	-	-	-	-	-	-	-
Satisfaction of equipment acquisition restrictions	843,450	(843,450)	-	-	-	-	-	-	-	-
Total revenue, gains and other support	47,196,014	(99,078)	47,096,936	3,632,686	850,370	-	4,483,056	45,000	-	45,000
Expenses:										
Programs:										
Plant operations	8,230,211	-	8,230,211	-	-	-	-	-	-	-
Depreciation	7,626,022	-	7,626,022	-	-	-	-	-	-	-
Biological programs	8,000,038	-	8,000,038	-	-	-	-	-	-	-
Visitor operations	2,970,222	-	2,970,222	-	-	-	-	-	-	-
Education	4,975,473	-	4,975,473	-	-	-	-	-	-	-
Debt service	750,067	-	750,067	-	-	-	-	-	-	-
Catered events	326,787	-	326,787	-	-	-	-	-	-	-
Total program expenses	32,878,820	-	32,878,820	-	-	-	-	-	-	-
Supporting services:										
General and administrative	3,808,019	-	3,808,019	187,733	-	-	187,733	9,803	-	9,803
Marketing	6,281,505	-	6,281,505	-	-	-	-	-	-	-
General and corporate membership programs	630,991	-	630,991	-	-	-	-	-	-	-
Development	583,329	-	583,329	-	-	-	-	-	-	-
Total supporting services expenses	11,303,844	-	11,303,844	187,733	-	-	187,733	9,803	-	9,803
Total expenses	44,182,664	-	44,182,664	187,733	-	-	187,733	9,803	-	9,803
Change in net assets from continuing operations	3,013,350	(99,078)	2,914,272	3,444,953	850,370	-	4,295,323	35,197	-	35,197
Loss from discontinued operations (including loss on disposal of (\$1,790,026))	-	-	-	-	-	-	-	-	-	-
Change in net assets	3,013,350	(99,078)	2,914,272	3,444,953	850,370	-	4,295,323	35,197	-	35,197
Net assets:										
Beginning	67,689,291	3,372,814	71,062,105	20,198,385	2,456,832	1,774,944	24,430,161	5,733,937	-	5,733,937
Ending	\$ 70,702,641	\$ 3,273,736	\$ 73,976,377	\$ 23,643,338	\$ 3,307,202	\$ 1,774,944	\$ 28,725,484	\$ 5,769,134	\$ -	\$ 5,769,134

The National Aquarium Society			Eliminations			Total			
Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,253,033	\$ -	\$ -	\$ 24,253,033
-	-	-	-	-	-	7,417,549	1,464,259	-	8,881,808
-	-	-	-	-	-	4,451,273	-	-	4,451,273
-	-	-	-	-	-	2,062,091	-	-	2,062,091
-	-	-	-	-	-	2,297,754	-	-	2,297,754
-	-	-	-	-	-	1,636,046	-	-	1,636,046
-	-	-	-	-	-	2,780,217	-	-	2,780,217
-	-	-	-	-	-	735,798	-	-	735,798
-	-	-	-	-	-	3,632,686	812,870	-	4,445,556
-	-	-	(81,416)	-	(81,416)	-	-	-	-
-	-	-	-	-	-	682,387	(682,387)	-	-
-	-	-	-	-	-	843,450	(843,450)	-	-
-	-	-	(81,416)	-	(81,416)	50,792,284	751,292	-	51,543,576
-	-	-	-	-	-	8,230,211	-	-	8,230,211
-	-	-	-	-	-	7,626,022	-	-	7,626,022
-	-	-	-	-	-	8,000,038	-	-	8,000,038
-	-	-	-	-	-	2,970,222	-	-	2,970,222
-	-	-	-	-	-	4,975,473	-	-	4,975,473
-	-	-	-	-	-	750,067	-	-	750,067
-	-	-	-	-	-	326,787	-	-	326,787
-	-	-	-	-	-	32,878,820	-	-	32,878,820
-	-	-	-	-	-	4,005,555	-	-	4,005,555
-	-	-	-	-	-	6,281,505	-	-	6,281,505
-	-	-	-	-	-	630,991	-	-	630,991
-	-	-	-	-	-	583,329	-	-	583,329
-	-	-	-	-	-	11,501,380	-	-	11,501,380
-	-	-	-	-	-	44,380,200	-	-	44,380,200
-	-	-	(81,416)	-	(81,416)	6,412,084	751,292	-	7,163,376
(1,316,178)	(655,319)	(1,971,497)	81,416	-	81,416	(1,234,762)	(655,319)	-	(1,890,081)
(1,316,178)	(655,319)	(1,971,497)	-	-	-	5,177,322	95,973	-	5,273,295
3,844,610	655,319	4,499,929	-	-	-	97,466,223	6,484,965	1,774,944	105,726,132
\$ 2,528,432	\$ -	\$ 2,528,432	\$ -	\$ -	\$ -	\$ 102,643,545	\$ 6,580,938	\$ 1,774,944	\$ 110,999,427

National Aquarium Institute, Inc. And Subsidiaries

Consolidating Statement Of Activities Year Ended December 31, 2012

	National Aquarium In Baltimore, Inc.			National Aquarium In Baltimore Foundation, Inc.				Center For Aquatic Life And Conservation, Inc.	
	Unrestricted	Temporarily		Unrestricted	Temporarily	Permanently	Total	Unrestricted	Total
		Restricted	Total						
Revenue, gains and other support:									
Admissions	\$ 23,566,384	\$ -	\$ 23,566,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and grants	6,575,938	2,866,388	9,442,326	-	26,105	475,000	501,105	-	-
General and corporate membership programs	3,778,186	-	3,778,186	-	-	-	-	-	-
Gift shop and food service	2,096,920	-	2,096,920	-	-	-	-	-	-
Group sales	1,845,944	-	1,845,944	-	-	-	-	-	-
Education program	1,625,853	-	1,625,853	-	-	-	-	-	-
Auxiliary	2,908,327	-	2,908,327	-	-	-	-	70,000	70,000
Catered events	782,751	-	782,751	-	-	-	-	-	-
Investment income	-	-	-	2,807,522	506,755	-	3,314,277	-	-
Intercompany grants	108,602	79,960	188,562	-	-	-	-	-	-
Net assets released from restrictions:									
Satisfaction of program restrictions	1,304,607	(1,304,607)	-	-	-	-	-	-	-
Satisfaction of equipment acquisition restrictions	1,775,800	(1,775,800)	-	-	-	-	-	-	-
Total revenue, gains and other support	46,369,312	(134,059)	46,235,253	2,807,522	532,860	475,000	3,815,382	70,000	70,000
Expenses:									
Programs:									
Plant operations	7,947,253	-	7,947,253	-	-	-	-	-	-
Depreciation	6,934,260	-	6,934,260	-	-	-	-	-	-
Biological programs	7,932,251	-	7,932,251	-	-	-	-	-	-
Visitor operations	2,579,990	-	2,579,990	-	-	-	-	-	-
Education	4,537,958	-	4,537,958	-	-	-	-	-	-
Intercompany grants	-	-	-	-	79,960	-	79,960	443,557	443,557
Debt service	1,713,431	-	1,713,431	-	-	-	-	-	-
Catered events	320,593	-	320,593	-	-	-	-	-	-
Total program expenses	31,965,736	-	31,965,736	-	79,960	-	79,960	443,557	443,557
Supporting services:									
General and administrative	3,930,990	-	3,930,990	90,450	-	-	90,450	111,525	111,525
Marketing	6,063,611	-	6,063,611	-	-	-	-	-	-
General and corporate membership programs	565,203	-	565,203	-	-	-	-	-	-
Development	1,037,350	-	1,037,350	-	-	-	-	-	-
Total supporting services expenses	11,597,154	-	11,597,154	90,450	-	-	90,450	111,525	111,525
Total expenses	43,562,890	-	43,562,890	90,450	79,960	-	170,410	555,082	555,082
Change in net assets from continuing operations	2,806,422	(134,059)	2,672,363	2,717,072	452,900	475,000	3,644,972	(485,082)	(485,082)
Loss from discontinued operations									
Change in net assets	2,806,422	(134,059)	2,672,363	2,717,072	452,900	475,000	3,644,972	(485,082)	(485,082)
Net assets:									
Beginning	64,882,869	3,506,873	68,389,742	17,481,313	2,003,932	1,299,944	20,785,189	6,219,019	6,219,019
Ending	\$ 67,689,291	\$ 3,372,814	\$ 71,062,105	\$ 20,198,385	\$ 2,456,832	\$ 1,774,944	\$ 24,430,161	\$ 5,733,937	\$ 5,733,937

The National Aquarium Society			National Aquarium Conservation Center, Inc.			Eliminations			Total				
Temporarily			Temporarily			Temporarily			Temporarily		Permanently		
Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Restricted	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,566,384	\$ -	\$ -	\$ 23,566,384	
-	-	-	-	-	-	-	-	-	6,575,938	2,892,493	475,000	9,943,431	
-	-	-	-	-	-	-	-	-	3,778,186	-	-	3,778,186	
-	-	-	-	-	-	-	-	-	2,096,920	-	-	2,096,920	
-	-	-	-	-	-	-	-	-	1,845,944	-	-	1,845,944	
-	-	-	-	-	-	-	-	-	1,625,853	-	-	1,625,853	
-	-	-	-	-	-	-	-	-	2,978,327	-	-	2,978,327	
-	-	-	-	-	-	-	-	-	782,751	-	-	782,751	
-	-	-	-	-	-	-	-	-	2,807,522	506,755	-	3,314,277	
-	-	-	411,298	-	411,298	(519,900)	(79,960)	(599,860)	-	-	-	-	
-	-	-	76,343	(76,343)	-	-	-	-	1,380,950	(1,380,950)	-	-	
-	-	-	-	-	-	-	-	-	1,775,800	(1,775,800)	-	-	
-	-	-	487,641	(76,343)	411,298	(519,900)	(79,960)	(599,860)	49,214,575	242,498	475,000	49,932,073	
-	-	-	-	-	-	-	-	-	7,947,253	-	-	7,947,253	
-	-	-	-	-	-	-	-	-	6,934,260	-	-	6,934,260	
-	-	-	120,096	-	120,096	-	-	-	8,052,347	-	-	8,052,347	
-	-	-	-	-	-	-	-	-	2,579,990	-	-	2,579,990	
-	-	-	-	-	-	-	-	-	4,537,958	-	-	4,537,958	
-	-	-	76,343	-	76,343	(519,900)	(79,960)	(599,860)	-	-	-	-	
-	-	-	-	-	-	-	-	-	1,713,431	-	-	1,713,431	
-	-	-	-	-	-	-	-	-	320,593	-	-	320,593	
-	-	-	196,439	-	196,439	(519,900)	(79,960)	(599,860)	32,085,832	-	-	32,085,832	
-	-	-	-	-	-	-	-	-	4,132,965	-	-	4,132,965	
-	-	-	-	-	-	-	-	-	6,063,611	-	-	6,063,611	
-	-	-	-	-	-	-	-	-	565,203	-	-	565,203	
-	-	-	-	-	-	-	-	-	1,037,350	-	-	1,037,350	
-	-	-	-	-	-	-	-	-	11,799,129	-	-	11,799,129	
-	-	-	196,439	-	196,439	(519,900)	(79,960)	(599,860)	43,884,961	-	-	43,884,961	
-	-	-	291,202	(76,343)	214,859	-	-	-	5,329,614	242,498	475,000	6,047,112	
461,220	(461,426)	(206)	-	-	-	-	-	-	461,220	(461,426)	-	(206)	
461,220	(461,426)	(206)	291,202	(76,343)	214,859	-	-	-	5,790,834	(218,928)	475,000	6,046,906	
3,383,390	1,116,745	4,500,135	(291,202)	76,343	(214,859)	-	-	-	91,675,389	6,703,893	1,299,944	99,679,226	
\$ 3,844,610	\$ 655,319	\$ 4,499,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,466,223	\$ 6,484,965	\$ 1,774,944	\$ 105,726,132	