

# Pacific Fleet Submarine Museum Summary

(a/k/a USS Bowfin Submarine Museum & Park)

**Mission:** To preserve and share stories of submarine visitors and to encourage pursuit of STEM learning and college education.

**Category:** Military History

**Contact:** Captain Chuck Merkel, Executive Director

**Address:** 11 Arizona Memorial Drive, Honolulu, HI 96818-3145

**Grant History:** 2019: \$100,000  
2020: \$75,000  
2021: \$25,000  
2022: \$100,000  
2023: \$30,000  
**TOTAL GRANTS TO DATE: \$330,000**

<b>2024 Request:</b>	<b>\$50,000 for general operating support</b>
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## Notes:

- Formed in 1978.
- 400,000 annual visitors.
- Scholarship program – over \$1.1 million to Hawaii-based submariners and their families since 1985.
- Separate endowment for Native Hawaiian students to pursue business or science degrees.
- Total renovation cost: \$20 million.
  - Bank of HI provide construction loan of \$15 million.
  - Post-construction financing via govt and Bank of HI
  - \$7 million from Pacific Fleet Submarine Association endowment (d/b/a USS Bowfin)
  - Campaign goal to raise \$13 million.

**2022:** Campus renovations completed. Continue to have \$12 million debt.

- Request is for dry dock maintenance of underwater hull. Estimated cost \$2 million.
- Last dry dock maintenance completed in 2004.

**2023:** Drydock maintenance completed in October 2022. New request is to continue upgrades of museum to make more safe and energy efficient.

**Hosted Board Tour/Lunch in August 2022.**

**2024:** Upgrades completed. Improving artifact storage systems. Animating exhibits to make interactive.

- New scholarship program with Honolulu Community College for students in trade skills programs to train for employment in Pearl Harbor Naval Shipyard.





☆☆☆ SUBMARINE MUSEUM ☆☆☆

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240004  
January 31, 2024

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Laurence H. Dorcy Hawaiian Foundation  
Attn: Tammy Davis Cownie  
81 East 7th Street, Suite 125  
St. Paul, MN 55101

CAPT William M. Hicks, USN (Ret.)  
Treasurer

Aloha Ms. Cownie:

CAPT Brian D. Fila, USN (Ret.)  
Secretary

The Pacific Fleet Submarine Memorial Association Inc. (PFSMA) is extremely grateful for the Laurence H. Dorcy Hawaiian Foundation's past support for our efforts to maintain our World War II fleet submarine, USS Bowfin (SS 287), and our campus that honors the proud past and inspires the bright future of the United States Navy's submarine force.

LEGAL COUNSEL:  
Randall C. Whattoff

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2023 was a busy and productive year. We had over 360,000 visitors to our campus. We project that we will celebrate our eleven millionth visitor since opening in 1981 later this year.

In addition to maintaining the museum and our submarine, PFSMA oversees a robust education program and scholarship programs.

**Educational Programs**

We provide a broad range of educational opportunity to adults and children, with a special emphasis on adolescent students through hands-on demos/activities and museum exhibits. The results are the following: 1) a sense of patriotism for the United States and opportunity for self-reflection 2) Understanding of the valor and contribution of the World War II submarine force 3) Today's contribution by the active-duty submarine force and the broader use of STEM by the US Navy to ensure national security.

EXECUTIVE DIRECTOR:  
CAPT Charles K. Merkel, USN (Ret.)



Highlights of our efforts in 2023 include:

- **STEM Engagement: Field Trips: Schools/Educational Institutions.** In 2023, a total of 70 field trips—3,164 students and 764 adults participated. Museum Educators aligned activities/demos with teachers' objectives. Artifacts selected by the curator were integrated into the programs. Outreach partners presented STEM demos. PFSMA provided over \$55,000 to subsidize admission, transportation, and food to enable a number of these visits.
- **Make-A-Wish and Dreams Come True.** In cooperation with Pearl Harbor Historic Sites partners, Museum Educators gave 78 tours of USS Bowfin and our Museum to help fulfill the wishes of children, 6-18 years old, who had critical illnesses.
- **Sacrifice for Freedom: World War II in the Pacific Student & Teacher Teams.** National competition sponsored by National History Day and the Pearl Harbor Historic Site partners, the program provides an opportunity for 16 student/teacher teams to study World War II in the Pacific in Honolulu, annually.

**Historian Guests' Support.** Approximately 250 walk-in requests and emails were received from the public seeking information about family members in the submarine force or with general inquiries. A few examples of the efforts supported:

- Boston Productions – working on a submarine experience for the National Museum of the Pacific War.
- Other historic naval ships and museums, including the U.S. Naval Undersea Museum in Keyport, Washington, USS Pampanito, USS Texas, and Battleship Cove.
- Junior College and High School History teachers at Kapiolani Community College.
- The Public History program at Western Colorado University.
- Visitors or independent researchers with technical questions regarding the Kaiten, Regulus, McCann rescue chamber, WWII Sonar, F-4, diving, etc.

**Scholarship Programs.** The USS Bowfin Memorial Scholarship program has awarded over \$1.4 million dollars to Hawaii-based submariners and their families since 1985. An endowment with the Pauahi Foundation awards the USS Kamehameha Scholarships to two native Hawaiian students majoring in business or science. Over the last year, the PFSMA Board of Directors has taken time to review our scholarship programs with an emphasis on how we can improve the impact here in Hawaii. As a result of this review, we are establishing a scholarship program with the Honolulu Community College to fund scholarships for students in trade skills programs that could lead to their employment at the Pearl Harbor Naval Shipyard, and we are pursuing a

partnership with the Dolphin Scholarship Foundation. We expect to support both programs with \$50K annually to each.

**2023 Projects.** The following campus renovation projects were completed in 2023:

- **Lighting Upgrades.** All remaining non-LED lighting on campus was replaced with LED lighting at a cost of \$335K.
- **Window Replacement.** The windows and doors on our office building were replaced to improve security and energy efficiency at a cost of \$180K.

**Future Projects.** We continue to move forward with several initiatives:

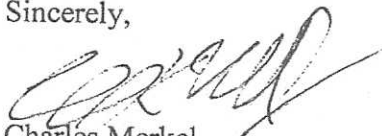
- **Artifact Storage Upgrade.** This spring, we will install a Spacesaver storage system in our artifact storage room at a cost of \$100K. This system will enable us to maximize the use of our storage area and provide for more secure storage of our collection.
- **Museum Refresh.** In February 2024, we will commemorate the third anniversary of completing our campus renovation. This past fall, we held a workshop with the original design team to kick off an effort to refresh our museum. Over three years of operation, we have identified some areas for improvement, and we have acquired some new artifacts to incorporate. As a result of this workshop, we will make some minor updates in our World War II and Cold War galleries, and a redesign of our Modern Gallery. We currently estimate the cost of this project at one million dollars.
- **Artifact Animation.** Along with the museum refresh effort, we have begun working with an exhibit design team to enhance the museum by animating some of the artifacts that we have on display. This includes a recently acquired ship control panel and ballast control panel from a decommissioned 688 class submarine. This team will soon make their initial site visit and we will develop our plan. We currently do not have a cost estimate for this effort.
- **USS Bowfin Main Ballast Tank Preservation.** Inspections of the ballast tank interiors during the 2022 dry dock indicate that the existing paint should be removed, and the tanks preserved. However, the detection of lead paint in the ballast tanks precluded the accomplishment of work in the ballast tanks while in dry dock. We estimate that the cost of this work while waterborne will be more than one million dollars. We are currently working to get the tanks inspected to better understand their condition and then develop a timeline to accomplish this work.

We respectfully request that the Laurence H. Dorcy Hawaiian Foundation consider a capital grant of \$50,000 in support of our ongoing projects. This grant will enable us to continue to move forward with the museum refresh in 2024 and will also allow us to continue to develop plans and cost estimates for the other projects as those efforts mature.

We are very thankful for the past support of the Laurence H. Dorcy Hawaiian Foundation, a staunch supporter of charitable organizations fostering research, restoration, and educational activities relating to U.S. military history, and we greatly appreciate any contribution that can be made by the Foundation. Together, we can give submarine veterans the memorial they deserve, increase educational opportunities for local students, and celebrate the history of our Silent Service.

Thank you for your time and consideration. Please contact me with any questions.

Sincerely,



Charles Merkel

Captain, U.S. Navy (Retired)

Executive Director

Enclosures:

1. 2022 Audited Financial Statement
2. IRS tax exemption 501(c)(3) determination letter



**PACIFIC FLEET SUBMARINE MEMORIAL ASSOCIATION, INC.,  
DBA USS BOWFIN SUBMARINE MUSEUM AND PARK**

**STATEMENTS OF FINANCIAL POSITION**

**As of December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (including savings accounts)	\$ 933,629	\$ 1,275,032
Accounts receivable – net	1,254,939	675,518
Pledges receivable, current – net	120,007	134,357
Prepaid expenses and other assets	122,254	133,187
Total current assets	<u>2,430,829</u>	<u>2,218,094</u>
<b>INVESTMENTS</b>	6,604,387	7,257,015
<b>PLEDGES RECEIVABLE, Noncurrent – Net</b>	11,479	108,954
<b>PROPERTY AND EQUIPMENT – Net</b>	26,019,290	24,671,106
<b>HISTORICAL COLLECTION (See Note A)</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$35,065,985</u>	<u>\$34,255,169</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 293,887	\$ 100,412
Accrued liabilities	441,707	338,672
Notes payable – current	429,100	601,300
Total current liabilities	<u>1,164,694</u>	<u>1,040,384</u>
<b>NOTES PAYABLE – Noncurrent</b>	<u>9,970,425</u>	<u>11,576,088</u>
<b>TOTAL LIABILITIES</b>	<u>11,135,119</u>	<u>12,616,472</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	23,899,069	21,638,697
Net assets with donor restrictions	31,797	-
Total net assets	<u>23,930,866</u>	<u>21,638,697</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$35,065,985</u>	<u>\$34,255,169</u>

See accompanying notes to the financial statements.

**PACIFIC FLEET SUBMARINE MEMORIAL ASSOCIATION, INC.,  
DBA USS BOWFIN SUBMARINE MUSEUM AND PARK**

**STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenue and support		
Admissions	\$ 6,608,015	\$ 4,539,929
Commission income	793,469	471,930
Net assets released from restrictions	632,558	2,337,185
Proceeds from SBA PPP loan	-	523,232
Interest and investment income (loss) – net	(702,859)	451,656
Rental income	364,393	303,476
Photobooth income	153,345	134,347
Grants and contributions without donor restrictions	56,992	111,804
Other revenue	140,030	45,561
Total revenue and support	<u>8,045,943</u>	<u>8,919,120</u>
Costs and expenses		
Program services		
Park operations	4,914,678	3,884,349
Cost of food concession operations	13,043	11,887
Cost of gift shop operations	13,043	11,887
Total program services	<u>4,940,764</u>	<u>3,908,123</u>
Supporting services		
Management and general	811,411	844,984
Fundraising and development	33,396	62,007
Total supporting services	<u>844,807</u>	<u>906,991</u>
Total costs and expenses	<u>5,785,571</u>	<u>4,815,114</u>
Increase in net assets without donor restrictions	<u>2,260,372</u>	<u>4,104,006</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grants and contributions with donor restrictions	664,355	195,304
Net assets released from restrictions	(632,558)	(2,337,185)
Increase (decrease) in net assets with donor restrictions	<u>31,797</u>	<u>(2,141,881)</u>
<b>INCREASE IN NET ASSETS</b>	<b>2,292,169</b>	<b>1,962,125</b>
NET ASSETS – Beginning of year	<u>21,638,697</u>	<u>19,676,572</u>
NET ASSETS – End of year	<u>\$23,930,866</u>	<u>\$21,638,697</u>

See accompanying notes to the financial statements.

**PACIFIC FLEET SUBMARINE MEMORIAL ASSOCIATION, INC.,  
DBA USS BOWFIN SUBMARINE MUSEUM AND PARK**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2022**

	Program Services			Supporting Services			2022 Total
	Park Operations	Cost of Food Concession Operations	Cost of Gift shop Operations	Total Program Services	Management and General	Supporting Fundraising and Development	
Salaries and wages	\$ 1,255,692	\$ 5,292	\$ 5,292	\$ 1,266,276	\$ 179,464	\$ 13,284	\$ 1,459,024
Employee benefits	287,721	110	110	287,941	3,714	275	291,930
Payroll taxes	93,423	394	394	94,211	13,352	988	108,551
Total salaries and related expenses	1,636,836	5,796	5,796	1,648,428	196,530	14,547	1,859,505
Depreciation	855,420	3,605	3,605	862,630	122,256	9,050	993,936
Lease rent	590,502	2,297	2,297	595,096	77,885	5,765	678,746
Professional fees	546,083	-	-	546,083	96,577	-	642,660
Insurance	260,067	138	138	260,343	15,883	347	276,573
Interest Expense	-	-	-	-	261,353	-	261,353
Supplies	254,103	92	92	254,287	3,130	232	257,649
Repairs and maintenance	170,396	166	166	170,728	5,614	416	176,758
Utilities	145,840	615	615	147,070	20,843	1,543	169,456
Advertising and marketing	122,741	-	-	122,741	-	-	122,741
Bank and credit card service charges	121,312	-	-	121,312	-	657	121,969
Security	75,787	319	319	76,425	10,832	802	88,059
Hawaii general excise tax	64,955	-	-	64,955	-	-	64,955
Travel and meetings	13,437	-	-	13,437	-	-	13,437
Contributions to others	7,600	-	-	7,600	-	-	7,600
Other expenses	49,599	15	15	49,629	508	37	50,174
Total costs and expenses	\$ 4,914,678	\$ 13,043	\$ 13,043	\$ 4,940,764	\$ 811,411	\$ 33,396	\$ 5,785,571

See accompanying notes to the financial statements.



**PACIFIC FLEET SUBMARINE MEMORIAL ASSOCIATION, INC.,  
DBA USS BOWFIN SUBMARINE MUSEUM AND PARK**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2021**

	Program Services			Supporting Services			2021 Total	
	Park Operations	Cost of Food		Total Program Services	Management and General	Fundraising and Development		Total Supporting Services
		Concession Operations	Gift shop Operations					
Salaries and wages	\$ 1,006,018	\$ 4,344	\$ 4,344	\$ 1,014,706	\$ 149,110	\$ 22,513	\$ 1,186,329	
Employee benefits	233,698	1,009	1,009	235,716	34,638	5,230	275,584	
Payroll taxes	74,482	321	321	75,124	11,040	1,667	87,831	
Total salaries and related expenses	1,314,198	5,674	5,674	1,325,546	194,788	29,410	1,549,744	
Depreciation	648,742	2,801	2,801	654,344	96,156	14,518	765,018	
Lease rent	368,218	1,590	1,590	371,398	54,577	8,240	434,215	
Professional fees	455,500	190	190	455,880	106,967	985	563,832	
Insurance	169,494	723	723	170,940	34,297	3,747	208,984	
Interest Expense	-	-	-	-	324,558	-	324,558	
Supplies	226,189	87	87	226,363	2,998	453	229,814	
Repairs and maintenance	120,708	93	93	120,894	3,186	481	124,561	
Utilities	106,767	461	461	107,689	15,825	2,389	125,903	
Advertising and marketing	70,494	-	-	70,494	-	-	70,494	
Bank and credit card service charges	86,736	-	-	86,736	-	362	87,098	
Security	62,066	268	268	62,602	9,199	1,389	73,190	
Hawaii general excise tax	43,455	-	-	43,455	-	-	43,455	
Travel and meetings	8,712	-	-	8,712	-	-	8,712	
Contributions to others	189,064	-	-	189,064	-	-	189,064	
Other expenses	14,006	-	-	14,006	2,433	33	16,472	
Total costs and expenses	\$ 3,884,349	\$ 11,887	\$ 11,887	\$ 3,908,123	\$ 844,984	\$ 62,007	\$ 4,815,114	

See accompanying notes to the financial statements.