

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

2025 Request:	\$100,000 for museum refresh and campus renovation
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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.
- Declined request for \$50,000 general operating support.

2025: \$3 million campus renovation and refresh underway to improve museum grounds, cold war and modern galleries, and enhancing artifacts.

- Captain Merkel retiring as of May 1, 2025. Captain Andrew “Homer” Ring, retired submarine officer is his successor.





★ ★ ★ **SUBMARINE MUSEUM** ★ ★ ★

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CAPT Charles K. Merkel, USN (Ret.)

250002

January 15, 2025

VIA ELECTRONIC MAIL ONLY TO: tammy@dorcyfdn.org

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

Aloha Ms. Cownie:

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.

2024 was a busy and productive year. We had nearly 360,000 visitors to our campus. In September, we were awarded the Naval History and Heritage Command's Curatorial Excellence Award. We are the first museum to have been awarded a "clean sweep" of all three of the awards administered by NHHC. In October, we celebrated our eleven millionth visitor since opening in 1981.

In 2024 our efforts to engage with schools came to fruition. Highlights of our efforts in 2024 include:

- **STEM Engagement: Field Trips: Schools/Educational Institutions.** In 2024, PFSMA completed a total of 110 field trips for 5,919 students and 762 adults. Almost 6,000 of these visitors were from Hawaii Department of Education schools. PFSMA covers all the expenses (admission, transportation and meals) for

these visits by Hawaii Department of Education schools. PFSMA received a \$75K grant to assist with this effort, and we invested an additional \$125K to make these visits happen. We expect to receive a \$80K grant to support this effort in 2025. Based upon bookings for 2025, I expect that we will have a similar out-of-pocket cost to support these visits and will continue to do so.

- **Make-A-Wish and Dreams Come True.** In cooperation with Pearl Harbor Historic Sites partners, Museum Educators provided 71 tours of USS Bowfin and our Museum to help fulfill the wishes of children, 6-18 years old, who had critical illnesses.

Scholarship Programs. The USS Bowfin Memorial Scholarship program has awarded over \$1.4 million dollars in scholarships since 1985. An endowment with the Pauahi Foundation awards the USS Kamehameha Scholarships to two native Hawaiian students majoring in business or science. Following a year-long review with an emphasis on how we can improve the impact of our programs, the PFSMA Board of Directors has taken the following actions:

- **Dolphin Scholarship Foundation.** We established a partnership with the Dolphin Scholarship Foundation to administer the USS Bowfin Memorial Scholarship program. Through this partnership, we expanded the eligibility to include the dependents of submarine sailors that served on submarines homeported in Hawaii. We committed \$50,000 to this program for the 2025-26 academic year.
- **Honolulu Community College.** We established a scholarship program with the Honolulu Community College (HCC) to fund scholarships for students in trade skills programs that could lead to their employment at the Pearl Harbor Naval Shipyard in skills required to support submarine maintenance. We committed \$26,000 to a trial program for the 2024-25 academic year. There were over thirty applicants and HCC awarded eight \$3,000 scholarships. We committed \$50,000 to this program for the 2025-26 academic year.

2024 Projects. The following campus renovation projects were completed in 2024:

- **Artifact Storage Upgrade.** We installed a Spacesaver storage system in our artifact storage room at a cost of \$100K. This system enabled us to maximize the use of our storage area and provides more secure storage for our collection.
- **USS Bowfin Main Ballast Tank Repair.** During a routine inspection of Bowfin's main ballast tanks this spring, one tank was found to be flooded due to a leak. We contracted Phoenix International to pump out the water and repair the leak. After completing the repair, Hawaii Marine Cleaning cleaned the interior of all of Bowfin's accessible main

ballast tanks. After cleaning the tanks, we installed Vapor Capsules in each tank before closing them out. These capsules contain a vapor corrosion inhibitor. The cost of these repairs was \$200K. We plan to open and inspect the ballast tanks annually and plan to remediate the lead paint during the next dry dock maintenance period in the 2040 timeframe.

2025 Projects. The following Project continues:

- **Museum Refresh.** Next month, we will commemorate the fourth anniversary of completing our campus renovation. In the fall of 2023, we held a workshop with the original design team to kick off an effort to refresh our museum. Design efforts progressed throughout 2024, and we closed our museum building on January 13, 2025, for a four-week construction period. We currently plan to complete the museum refresh on three phases:
 - The first phase will focus on the campus grounds, museum entrance and World War II gallery. Estimated completion: Summer 2025.
 - The second phase will focus on the Cold War and Modern Galleries. The Modern Gallery will be completely redesigned. Estimated completion: Spring 2026.
 - The third phase will focus on enhancing some of our artifacts including the USS Parche Conning Tower, the Maneuvering Room Panels (Reactor Plant, Electric Plant and Steam Plant Control Panels from a decommissioned submarine, the Missile Launch Control Panel from an early generation ballistic missile submarine, and a 688 class Ballast Control and Ship Control Panels. Estimated completion: Summer 2026.

We have invested \$300K in the design effort and currently estimate the cost of this project at three million dollars. This project will provide additional interactive STEM learning opportunities for our visitors and will enhance our growing education programs.

We respectfully request that the Laurence H. Dorcy Hawaiian Foundation consider a capital grant of \$100,000 in support of our ongoing museum refresh. 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.

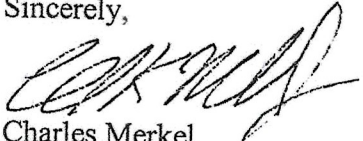
We are very thankful for the past support of the Laurence H. Dorcy Hawaiian Foundation, a staunch supporter of charitable organizations fostering research, restoration, and educational activities relating to U.S. military history, and we greatly appreciate any contribution that can be made by the Foundation.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

I will close with the news that I will be retiring and stepping down as the Executive Director of the Pacific Fleet Submarine Memorial Association as of May 1, 2025. I am extremely proud of all that has been accomplished during my nine-year tenure, but it is time for new leadership to continue to

move our Association forward. Taking my place will be another retired submarine officer, Captain Andrew "Homer" Ring. Homer has recently retired following a 28-year active-duty career that included command of the submarine USS Houston and the submarine tender USS Emory S Land. I am confident that the Board of Directors has selected a capable and qualified person to succeed me.

Thank you again for all your interest and support, and for your time and consideration of this year's request. Please contact me with any questions.

Sincerely,



Charles Merkel

Captain, U.S. Navy (Retired)

Executive Director

Enclosures:

1. 2023 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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash (including interest-bearing accounts)	\$ 926,575	\$ 933,629
Accounts receivable – net	691,126	1,254,939
Pledges receivable, current – net	10,050	120,007
Prepaid expenses and other assets	143,318	122,254
Total current assets	<u>1,771,069</u>	<u>2,430,829</u>
INVESTMENTS	11,493,792	6,604,387
PLEDGES RECEIVABLE, Noncurrent – Net	4,765	11,479
PROPERTY AND EQUIPMENT – Net	25,514,634	26,019,290
HISTORICAL COLLECTION (See Note A)	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 38,784,260</u>	<u>\$ 35,065,985</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 95,079	\$ 293,887
Accrued liabilities	539,780	441,707
Notes payable – current	438,900	429,100
Total current liabilities	<u>1,073,759</u>	<u>1,164,694</u>
NOTES PAYABLE – Noncurrent	<u>9,531,519</u>	<u>9,970,425</u>
TOTAL LIABILITIES	<u>10,605,278</u>	<u>11,135,119</u>
NET ASSETS		
Net assets without donor restrictions	28,150,123	23,899,069
Net assets with donor restrictions	28,859	31,797
Total net assets	<u>28,178,982</u>	<u>23,930,866</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 38,784,260</u>	<u>\$ 35,065,985</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Revenue and support		
Admissions	\$ 7,377,493	\$ 6,608,015
Interest and investment income (loss) – net	1,068,733	(702,859)
Commission income	1,006,562	793,469
Employee Retention Tax Credits	546,562	-
Lease rental income	433,381	364,393
Photobooth income	173,569	153,345
Net assets released from restrictions	164,214	632,558
Grants and contributions without donor restrictions	88,906	56,992
Other revenue	<u>128,651</u>	<u>140,030</u>
Total revenue and support	<u>10,988,071</u>	<u>8,045,943</u>
Expenses		
Program services	5,811,862	4,940,764
Management and general	885,124	811,411
Fundraising and development	40,031	33,396
Total expenses	<u>6,737,017</u>	<u>5,785,571</u>
Increase in net assets without donor restrictions	<u>4,251,054</u>	<u>2,260,372</u>
CHANGES IN NET ASSETS		
WITH DONOR RESTRICTIONS		
Grants and contributions with donor restrictions	161,276	664,355
Net assets released from restrictions	<u>(164,214)</u>	<u>(632,558)</u>
Increase (decrease) in net assets with donor restrictions	<u>(2,938)</u>	<u>31,797</u>
INCREASE IN NET ASSETS	4,248,116	2,292,169
NET ASSETS – Beginning of year	<u>23,930,866</u>	<u>21,638,697</u>
NET ASSETS – End of year	<u>\$28,178,982</u>	<u>\$23,930,866</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, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>2023 Total</u>
Salaries and wages	\$ 1,471,287	\$ 186,120	\$ 13,515	\$ 1,670,922
Employee benefits	258,056	32,645	2,370	293,071
Payroll taxes	124,364	15,732	1,143	141,239
Total salaries and related expenses	<u>1,853,707</u>	<u>234,497</u>	<u>17,028</u>	<u>2,105,232</u>
Depreciation	976,385	123,514	8,969	1,108,868
Professional fees	714,960	99,933	614	815,507
Lease rent	684,626	81,024	5,884	771,534
Repairs and maintenance	312,386	30,031	2,181	344,598
Insurance	268,982	46,227	2,451	317,660
Interest expense	-	229,916	-	229,916
Supplies	186,092	2,501	182	188,775
Security	161,731	20,459	1,486	183,676
Utilities	132,226	16,727	1,215	150,168
Advertising and marketing	143,177	-	-	143,177
Bank and credit card service charges	135,753	-	-	135,753
Hawaii general excise tax	78,567	-	-	78,567
Contributions to others	69,216	-	-	69,216
Travel and meetings	29,899	-	-	29,899
Other expenses	<u>64,155</u>	<u>295</u>	<u>21</u>	<u>64,471</u>
Total expenses	<u>\$ 5,811,862</u>	<u>\$ 885,124</u>	<u>\$ 40,031</u>	<u>\$ 6,737,017</u>

See accompanying notes to the financial statements.