



Friends of Flight 93 National Memorial

Shanksville, Pennsylvania

Financial Statements

September 30, 2016

(Audited)

**FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

February 28, 2017

To the Board of Directors
Friends of Flight 93 National Memorial
P.O. Box 911
Shanksville, Pennsylvania 15560

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of Flight 93 National Memorial, which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Friends of Flight 93 National Memorial as of September 30, 2016, and the results of its activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


WESSEL & COMPANY
Certified Public Accountants

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS

Cash and cash equivalents	\$ 227,285
Accounts receivable	7,400
Grants receivable	<u>83,000</u>
Total Assets	<u>\$ 317,685</u>

LIABILITIES AND NET ASSETS

Deferred revenue	\$ 55,986
Accrued expenses	<u>8,639</u>
Total Liabilities	<u>64,625</u>
Unrestricted net assets	
Board designated	41,340
Undesignated	174,736
Temporarily restricted net assets	<u>36,984</u>
Total Net Assets	<u>253,060</u>
Total Liabilities and Net Assets	<u>\$ 317,685</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Grants	1,684	266,005	\$ -	\$ 267,689
Donations	131,980	10,000	-	141,980
Membership dues	6,596	-	-	6,596
Special events	35,445	38,254	-	73,699
Merchandise	10,708	-	-	10,708
Interest income	1,333	-	-	1,333
Release from restrictions	<u>277,275</u>	<u>(277,275)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>465,021</u>	<u>36,984</u>	<u>-</u>	<u>502,005</u>
Expenses				
Program	311,656	-	-	311,656
General and administrative	48,305	-	-	48,305
Fundraising	<u>24,785</u>	<u>-</u>	<u>-</u>	<u>24,785</u>
Total Expenses	<u>384,746</u>	<u>-</u>	<u>-</u>	<u>384,746</u>
Change in Net Assets	80,275	36,984	-	117,259
Net Assets - Beginning of Year				
- as originally reported	117,301	-	-	117,301
Prior period adjustment	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>18,500</u>
Net Assets - Beginning of Year	<u>135,801</u>	<u>-</u>	<u>-</u>	<u>135,801</u>
- as restates				
Net Assets - End of Year	<u><u>\$ 216,076</u></u>	<u><u>\$ 36,984</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 253,060</u></u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 98,510	\$ 6,156	\$ 18,471	\$ 123,137
Payroll taxes and benefits	20,058	1,254	3,761	25,073
Outside contracted services	78,280	-	-	78,280
Advertising and promotions	25,615	-	-	25,615
Travel	7,334	-	-	7,334
Special events & projects	76,110	-	-	76,110
Miscellaneous	5,749	-	-	5,749
Office expenses	-	22,979	2,553	25,532
Professional fees	-	15,914	-	15,914
Insurance	-	2,002	-	2,002
	<u>\$ 311,656</u>	<u>\$ 48,305</u>	<u>\$ 24,785</u>	<u>\$ 384,746</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Cash Flows From Operating Activities:	
Change in net assets	\$ 117,259
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	(7,400)
Grants receivable	(83,000)
Prepaid expenses	425
Deferred revenue	29,716
Accrued expenses	(526)
Total Adjustments	(60,785)
Net Cash (Used In) Operating Activities	56,474
Cash Flows From Investing Activities:	
Net Cash Provided by Investing Activities	-
Cash Flows From Financing Activities:	
Net Cash Provided by Financing Activities	-
Net Change in Cash	56,474
Cash - Beginning of Year	170,811
Cash - End of Year	\$ 227,285

Supplemental Disclosures:

Accounting Policies Note

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be "cash equivalents."

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

The Friends of Flight 93 National Memorial is a nonprofit organization engaged in collecting funds through donations, contributions, and merchandise sales in order to fund the Flight 93 National Memorial in Shanksville, Pennsylvania.

As Friends, we welcome worldwide all who would join us in honoring the sacrifice and courage of the passengers and crew of Flight 93 by supporting the mission of the Flight 93 National Memorial with volunteers, resources and civic engagement so as to inspire all who visit with the Flight 93 story.

Friends of Flight 93 National Memorial is a vital partner with the National Park service as stewards of the final resting place of the heroes of Flight 93 and the surrounding lands. We champion the highest standards of resource management and a visitor experience which is both powerful and positive. Through the work of the Friends, Flight 93 National Memorial will remain accessible, relevant and inspirational to present and future generations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are the principles of accounting and the methods of applying those principles which are utilized in preparing the financial statements. The accounting policies adopted can significantly affect the reported results of the operations. To facilitate an understanding of the information presented in the financial statements, the significant accounting policies followed in the presentation of the accompanying financial statements are summarized as follows:

Basis of Accounting

The financial statements are presented on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Financial statement presentation follows the FASB ASC 958-205, Financial Statements of Not-for-Profit Organizations. Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Contributions are accounted for following FASB ASC 958-605, Accounting for Contributions Received and Contributions Made. All contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Friends of Flight 93 National Memorial has received contributions of artifacts of historical significance that are held in safe keeping for educational and public display. In conformity with the provisions of FASB ASC 958-605 these artifacts are not capitalized and revenues are not recognized when received.

Income Taxes

Friends of Flight 93 National Memorial is a non-profit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Friends of Flight 93 National Memorial follows FASB ASC 740-10 Topic Accounting for Uncertainty in Income Taxes. The FASB ASC requires Friends of Flight 93 National Memorial to evaluate tax positions taken and determine whether it is more-likely-than-not that the tax position will be sustained upon examination based on the technical merits of the position. Friends of Flight 93 National Memorial has performed an evaluation and has determined there are no material unrecognized tax positions or uncertain tax positions that meet the reporting and disclosure provisions of FASB ASC. Friends of Flight 93 National Memorial records tax penalties and interest as they occur. For the year ended September 30, 2016, Friends of Flight 93 National Memorial incurred no tax penalty or interest costs. With certain exceptions, the federal income tax returns of Friends of Flight 93 National Memorial for 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Friends of Flight 93 National Memorial considers all highly liquid debt instruments purchased with an initial maturity of three (3) months or less to be cash equivalents. There were no instruments considered to be cash equivalents at September 30, 2016.

Allowance for Doubtful Receivables

No allowance for doubtful accounts was provided as of September 30, 2016, as management believes all outstanding receivables are collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established. Recoveries of previously charged off accounts are recorded when received.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of Friends of Flight 93 National Memorial and changes, therein, are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor imposed stipulations that may or will be met either by actions of Friends of Flight 93 National Memorial and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by Friends of Flight 93 National Memorial. Generally the donors of these assets permit Friends of Flight 93 National Memorial to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted assets at September 30, 2016.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK OF FINANCIAL INSTRUMENTS

Demand deposits in banks are financial instruments of the depositor. The depositor has the contracted right to receive this currency on demand. Friends of Flight 93 National Memorial has cash deposits in three accounts with one financial institution. The deposits are insured up to \$250,000 per institution.

NOTE 4 – GRANTS RECEIVABLE

Receivables, primarily representing funding under various grants or contracts for program expenditure reimbursements, are due from the Hillman Family Foundation totaling \$83,000 at September 30, 2016.

NOTE 5 – DEFERRED REVENUE

Deferred revenues arise when cash is received before the revenue recognition criteria have been satisfied. Funds received before the requirements were met have been recorded as deferred revenue. These amounts are summarized as follows at September 30, 2016:

Heinz Endowment	\$ 4,707
Hillman Foundation	16,359
Somerset County Tourism Grant	4,989
Pirates Charities	12,645
National Park Foundation	2,036
Education Account	<u>15,250</u>
	<u>\$ 55,986</u>

NOTE 6 – CONTRIBUTED SERVICES

Contributed services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Friends of Flight 93 National Memorial receives a significant amount of contributed time that does not meet the two recognition criteria above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Grant Programs

Friends of Flight 93 National Memorial participates in various grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Friends of Flight 93 National Memorial is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. In the opinion of management, liabilities resulting from disallowed expenditures, if any, would not be material to the accompanying financial statements at September 30, 2016.

Litigation

Friends of Flight 93 National Memorial is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the Friends of Flight 93 National Memorial's financial statements as a result of operations.

NOTE 8 – LINE OF CREDIT

Friends of Flight 93 National Memorial obtained a line of credit in the amount of \$45,000 in July 2015. The line of credit is unsecured. Interest is charged on the line of credit at three and one quarter percent (3.25%). The amount outstanding at September 30, 2016 was \$-. The line is due on demand.

NOTE 9 – PRIOR PERIOD ADJUSTMENT

Subsequent to September 30, 2015, management discovered that certain accounts were misstated in the prior year as a result of various errors in the calculation of deferred revenue. During the current year these errors were corrected by management and beginning net assets as of September 30, 2015, was restated to properly reflect this correction, as follows:

Net assets at September 30, 2015, as previously reported	\$ 117,301
<u>Adjustments to beginning of year net assets:</u>	
Previously recorded deferred revenue	<u>18,500</u>
Net assets at September 30, 2015, as restated	<u>\$ 135,801</u>

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to year end, Friends of Flight 93 National Memorial received various grants.

Subsequent events were considered through February 28, 2017, the date the financial statements were available to be issued.