



Friends of Flight 93 National Memorial

Shanksville, Pennsylvania

Financial Statements

September 30, 2020 and 2019

(Audited)

**FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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 statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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, 2020 and 2019, 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*

WESSEL & COMPANY  
Certified Public Accountants

October 27, 2021

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
 STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 2020 and 2019

ASSETS

|                           | <u>2020</u>                    | <u>2019</u>                    |
|---------------------------|--------------------------------|--------------------------------|
| Cash and cash equivalents | \$ 962,815                     | \$ 907,094                     |
| Accounts receivable       | 1,400                          | 6,950                          |
| Grants receivable         | -                              | 1,000                          |
| Investments               | <u>253,605</u>                 | <u>313,392</u>                 |
| <br>Total Assets          | <br><u><u>\$ 1,217,820</u></u> | <br><u><u>\$ 1,228,436</u></u> |

LIABILITIES AND NET ASSETS

|                                      |                                |                                |
|--------------------------------------|--------------------------------|--------------------------------|
| Deferred revenue                     | -                              | 444,118                        |
| Accounts payable                     | 34,413                         | 55,092                         |
| Accrued expenses                     | <u>9,885</u>                   | <u>3,691</u>                   |
| <br>Total Liabilities                | <br><u>44,298</u>              | <br><u>502,901</u>             |
| <br>NET ASSETS                       |                                |                                |
| Without donor restriction            | 728,475                        | 600,781                        |
| With donor restriction               | <u>445,047</u>                 | <u>124,754</u>                 |
| <br>Total Net Assets                 | <br><u>1,173,522</u>           | <br><u>725,535</u>             |
| <br>Total Liabilities and Net Assets | <br><u><u>\$ 1,217,820</u></u> | <br><u><u>\$ 1,228,436</u></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, 2020

|                                   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|-----------------------------------|-------------------------------|----------------------------|---------------------|
| Support and Revenues              |                               |                            |                     |
| Grants                            | \$ -                          | \$ 495,694                 | \$ 495,694          |
| Donations                         | 120,488                       | 29,509                     | 149,997             |
| Direct mailing donations          | 405,667                       | -                          | 405,667             |
| Membership dues                   | 6,047                         | -                          | 6,047               |
| Special events                    | 24,745                        | 235                        | 24,980              |
| Merchandise                       | 5,188                         | -                          | 5,188               |
| Interest income                   | 12,485                        | -                          | 12,485              |
| Release from restrictions         | 205,145                       | (205,145)                  | -                   |
| <b>Total Support and Revenues</b> | <b>779,765</b>                | <b>320,293</b>             | <b>1,100,058</b>    |
| Expenses                          |                               |                            |                     |
| Program                           | 479,942                       | -                          | 479,942             |
| General and administrative        | 38,157                        | -                          | 38,157              |
| Fundraising                       | 133,972                       | -                          | 133,972             |
| <b>Total Expenses</b>             | <b>652,071</b>                | <b>-</b>                   | <b>652,071</b>      |
| Change in Net Assets              | 127,694                       | 320,293                    | 447,987             |
| Net Assets - Beginning of Year    | 600,781                       | 124,754                    | 725,535             |
| Net Assets - End of Year          | <u>\$ 728,475</u>             | <u>\$ 445,047</u>          | <u>\$ 1,173,522</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, 2019

|                                   | Without Donor<br>Restriction | With Donor<br>Restrictions | Total             |
|-----------------------------------|------------------------------|----------------------------|-------------------|
| Support and Revenues              |                              |                            |                   |
| Grants                            | \$ -                         | \$ 134,444                 | \$ 134,444        |
| Donations                         | 232,256                      | 50,181                     | 282,437           |
| Direct mailing donations          | 317,550                      | -                          | 317,550           |
| Membership dues                   | 6,122                        | -                          | 6,122             |
| Special events                    | 66,961                       | 2,176                      | 69,137            |
| Merchandise                       | 13,164                       | -                          | 13,164            |
| Interest income                   | 18,952                       | -                          | 18,952            |
| Release from restrictions         | 141,376                      | (141,376)                  | -                 |
| <b>Total Support and Revenues</b> | <b>796,381</b>               | <b>45,425</b>              | <b>841,806</b>    |
| Expenses                          |                              |                            |                   |
| Program                           | 283,776                      | -                          | 283,776           |
| General and administrative        | 42,548                       | -                          | 42,548            |
| Fundraising                       | 144,641                      | -                          | 144,641           |
| <b>Total Expenses</b>             | <b>470,965</b>               | <b>-</b>                   | <b>470,965</b>    |
| Change in Net Assets              | 325,416                      | 45,425                     | 370,841           |
| Net Assets - Beginning of Year    | 275,365                      | 79,329                     | 354,694           |
| Net Assets - End of Year          | <u>\$ 600,781</u>            | <u>\$ 124,754</u>          | <u>\$ 725,535</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, 2020

|                             | <u>Program</u>    | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>      |
|-----------------------------|-------------------|---------------------------------------|--------------------|-------------------|
| Salaries and wages          | \$ 90,382         | \$ 5,649                              | \$ 16,947          | \$ 112,978        |
| Payroll taxes and benefits  | 5,258             | 329                                   | 986                | 6,573             |
| Outside contracted services | 191,844           | -                                     | -                  | 191,844           |
| Advertising and promotions  | 38,868            | -                                     | -                  | 38,868            |
| Fundraising expenses        | -                 | -                                     | 115,037            | 115,037           |
| Travel                      | 1,589             | -                                     | -                  | 1,589             |
| Special events & projects   | 146,668           | -                                     | -                  | 146,668           |
| Meetings and conferences    | 779               | -                                     | -                  | 779               |
| Merchandise                 | 309               | -                                     | -                  | 309               |
| Miscellaneous               | 4,243             | -                                     | -                  | 4,243             |
| Office expenses             | -                 | 9,024                                 | 1,003              | 10,027            |
| Professional fees           | -                 | 20,500                                | -                  | 20,500            |
| Insurance                   | -                 | 2,656                                 | -                  | 2,656             |
|                             | <u>\$ 479,942</u> | <u>\$ 38,157</u>                      | <u>\$ 133,972</u>  | <u>\$ 652,071</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, 2019

|                             | <u>Program</u>    | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>      |
|-----------------------------|-------------------|---------------------------------------|--------------------|-------------------|
| Salaries and wages          | \$ 97,792         | \$ 6,112                              | \$ 18,336          | \$ 122,240        |
| Payroll taxes and benefits  | 5,718             | 357                                   | 1,072              | 7,147             |
| Outside contracted services | 15,683            | 750                                   | 2,250              | 18,683            |
| Advertising and promotions  | 54,651            | -                                     | -                  | 54,651            |
| Fundraising expenses        | -                 | -                                     | 121,947            | 121,947           |
| Special events & projects   | 99,103            | -                                     | -                  | 99,103            |
| Meetings and conferences    | 10,329            | -                                     | -                  | 10,329            |
| Miscellaneous               | 499               | -                                     | -                  | 499               |
| Office expenses             | -                 | 9,326                                 | 1,036              | 10,362            |
| Professional fees           | -                 | 24,590                                | -                  | 24,590            |
| Insurance                   | -                 | 1,414                                 | -                  | 1,414             |
|                             | <u>\$ 283,776</u> | <u>\$ 42,548</u>                      | <u>\$ 144,641</u>  | <u>\$ 470,965</u> |

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

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 and 2019

|   | 2020       | 2019       |
|---|------------|------------|
| Cash Flows From Operating Activities:   |            |            |
| Change in net assets  | \$ 447,987 | \$ 370,841 |
| Adjustments to reconcile change in net cash provided by operating activities: |            |            |
| Change in assets and liabilities:   |            |            |
| Accounts receivable   | 5,550      | 2,510      |
| Grants receivable   | 1,000      | 4,332      |
| Deferred revenue  | (444,118)  | (17,441)   |
| Accounts payable  | (20,679)   | 46,343     |
| Accrued expenses  | 6,194      | (7,800)    |
|   | (452,053)  | 27,944     |
| Total Adjustments   | (452,053)  | 27,944     |
| Net Cash (Used In)/Provided by Operating Activities                           | (4,066)    | 398,785    |
| Cash Flows From Investing Activities:   |            |            |
| Redemption of investments at National Park Foundation                         | 68,600     | 68,600     |
| Purchases of investments at National Park Foundation                          | (8,813)    | (17,040)   |
| Net Cash Provided By Investing Activities                                     | 59,787     | 51,560     |
| Net Change in Cash  | 55,721     | 450,345    |
| Cash - Beginning of Year  | 907,094    | 456,749    |
| Cash - End of Year  | \$ 962,815 | \$ 907,094 |

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

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS

The Friends of Flight 93 National Memorial (Friends of Flight 93) 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*

The accompanying financial statements of the Friends of Flight 93 National Memorial have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

Net assets without donor restrictions – net assets that are not subject to donor imposed restrictions and are available for use in the Friends of Flight 93 National Memorial's ongoing operations, including funds designated by the Board of Directors. This category replaced the previous category of unrestricted net assets.

Net assets with donor restrictions – net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by action of the Organization pursuant to those restrictions, and/or upon receipt of funding or passage of date upon which funds were due. This category also includes net assets subject to donor-imposed restrictions that the principal be maintained permanently by the Friends of Flight 93 National Memorial and generally allow the use of investment earnings. This net asset category combined the previous categories of temporarily restricted net assets and permanently restricted net assets.

### *Contributions*

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 accounting standards 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 required 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 records tax penalties and interest as they occur. For the years ended September 30, 2020 and 2019, 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 2017, 2018, and 2019 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, 2020 and 2019.

### *Allowance for Doubtful Receivables*

No allowance for doubtful accounts was provided as of September 30, 2020 and 2019, 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.

### *Expense Allocation*

The costs of providing the Friends of Flight 93's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited and are allocated based on the department applicability within each function. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Friends of Flight 93. Fundraising costs are expenses as incurred, even though they may result in contributions received in future years.

### *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.

### *Accounting Pronouncements Adopted*

In June 2018, the FASB issued ASU 2018-18, Accounting for Grants and Contributions. The guidance places renewed focus on the appropriate recognition model to be used for grants received by both not-for-profit and business entities. The Organization adopted the new standard effective October 1, 2019, the first day of the Organization's fiscal year. The adoption of this standard had no effect on previously reported amounts.

### *New Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue From Contracts With Customers, which provides a robust framework for addressing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2019 (fiscal year ending September 30, 2021 for the Friends of Flight 93).

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all lease terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021 (fiscal year ending September 30, 2023 for Friends of Flight 93).

The Friends of Flight 93 is currently evaluating the impact of the pending adoption of the new standards for the financial statements.

## **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 multiple financial institutions. Friends of Flight 93 had uninsured deposits of \$250,705 and \$158,834 as of September 30, 2020 and 2019, respectively.

## NOTE 4 INVESTMENTS AND FAIR VALUE

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value with generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

ASC 820 does not require any new fair value measurements under GAAP and does not expand the application of fair value accounting to any new circumstances. ASC 820 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.

As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Friends of Flight 93's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

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

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used by the Friends of Flight 93 for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at September 30, 2020 and 2019.

*Pooled Investments at the National Park Foundation* – Valued at the Friends of Flight 93's proportionate share of the investments held within the pooled fund and explained further below.

Investments held in the investment pool are valued using the market value unit method, which assigns a number of units to each participant based on the relationship in the individual participant's investments to the total investments at the time the investments are pooled. Periodically, the pooled assets are valued and new unit values are assigned and used for valuing additions to, or withdrawals from, the pool for new endowment contributions or withdrawals of endowment funds entering the pool. The Friends of Flight 93 may withdraw from the pool at any time. Net asset value is based on fair market value of the underlying assets of the funds using quoted market prices when available and alternative methods as provided in the individual trust or pooled fund agreements when quoted market prices are not available. The Friends of Flight 93 receives a proportionate share of investment returns, expenses, gains and losses based on its proportionate number of units owned in the pooled investments.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Friends of Flight 93's management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of these assets could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy the Friends of Flight 93's financial assets and that were accounted for at fair value on a recurring basis. As required by ASC 820, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurements.

Fair Value Measurements consist of the following as of September 30, 2020:

|   | <u>Level 1</u> | <u>Level 2</u>    | <u>Level 3</u> | <u>Total</u>      |
|---|----------------|-------------------|----------------|-------------------|
| <b>Assets:</b>                                  |                |                   |                |                   |
| Investment Pool at the National Park Foundation | \$ ---         | \$ 253,605        | \$ ---         | \$ 253,605        |
| Total   | <u>\$ ---</u>  | <u>\$ 253,605</u> | <u>\$ ---</u>  | <u>\$ 253,605</u> |

Fair Value Measurements consist of the following as of September 30, 2019:

|   | <u>Level 1</u> | <u>Level 2</u>    | <u>Level 3</u> | <u>Total</u>      |
|---|----------------|-------------------|----------------|-------------------|
| <b>Assets:</b>                                  |                |                   |                |                   |
| Investment Pool at the National Park Foundation | \$ ---         | \$ 313,392        | \$ ---         | \$ 313,392        |
| Total   | <u>\$ ---</u>  | <u>\$ 313,392</u> | <u>\$ ---</u>  | <u>\$ 313,392</u> |

The Friends of Flight 93's investments valued at net asset value were as follows as of September 30, 2020:

|   | <u>Fair Value</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|---|-------------------|-----------------------------|---------------------------------|
| Funds held in the Investment Pool at the National Park Foundation | <u>\$ 253,605</u> | Daily                       | None                            |

The Friends of Flight 93's investments valued at net asset value were as follows as of September 30, 2019:

|   | <u>Fair Value</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|---|-------------------|-----------------------------|---------------------------------|
| Funds held in the Investment Pool at the National Park Foundation | <u>\$ 313,392</u> | Daily                       | None                            |

The Friends of Flight 93 has investments held within the Investment Pool which have an investment objective to maximize long-term total return through a combination of income and capital appreciation in a manner consistent with sound investment practices. The Friends of Flight 93 holds the variance power for the assets held within the Investment Pool.

The Friends of Flight 93 invested \$343,000 into the Investment Pool and the funds are temporarily restricted to fund the Learning Center Coordinator position beginning in fiscal year September 30, 2019 and future years. Earnings on the funds held in the Investment Pool are not restricted for use.

The Friends of Flight 93, in order to reflect its investment at fair market value, recorded an unrealized gain of \$8,813 and \$17,040 for the years ending September 30, 2020 and 2019, respectively.

#### NOTE 5 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 6 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, 2020 and 2019.

##### *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 7 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 five percent (5.00%). There was no outstanding balance as of September 30, 2020 and 2019. The line is due on demand.

#### NOTE 8 LIQUIDITY AND AVAILABILITY OF RESOURCES

Friends of Flight 93 National Memorial's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows as of September 30, 2020:



|  |                  |
|--|------------------|
| Cash and cash equivalents                                | \$ 962,815       |
| Accounts receivable                                      | 1,400            |
| Investments  | 253,605          |
| Total financial assets available within one year         | <u>1,217,820</u> |
| Liquidity resources:                                     |                  |
| Bank line of credit                                      | 45,000           |
| Less:  |                  |
| Funds with donor imposed restrictions                    | (445,047)        |
| Bank line of credit                                      | (45,000)         |
| Amounts unavailable to management without Board approval | <u>(678,013)</u> |
| Total financial assets available within one year         | <u>\$ 94,760</u> |

As part of the Friends of Flight 93 National Memorial's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, future planned program funding allocations and other obligations come due.

#### NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

The following summarizes the net assets with donor restrictions for the years ending September 30, 2020 and 2019.

|  | <u>2020</u>       | <u>2019</u>       |
|--|-------------------|-------------------|
| Keller funds                             | \$ 7,632          | \$ 7,632          |
| 9/11 Ceremony                            | 42,347            | 53,776            |
| Tower of Voices wind chimes              | 7,105             | 9,628             |
| Speaker series                           | ---               | 2,603             |
| Tower of Voices landscaping              | 47,958            | 34,532            |
| Bark Ranger program                      | 1,250             | 1,250             |
| Education transportation                 | 8,417             | 4,333             |
| Tower of Voices wind chimes              | 9,401             | 11,000            |
| Allegheny Tower of Voices                | 130,217           | ---               |
| Mellon Tower of Voices                   | 130,217           | ---               |
| Nimick Forbesway                         | 2,022             | ---               |
| Pirates Education                        | 28,400            | ---               |
| Penguins Education                       | 26,144            | ---               |
| NPF Restricted Funds                     | 3,937             | ---               |
|  | <u>          </u> | <u>          </u> |
| Total net assets with donor restrictions | <u>\$ 445,047</u> | <u>\$ 124,754</u> |

#### NOTE 10 NET ASSETS WITHOUT DONOR RESTRICTIONS

The following summarizes the net assets without donor restrictions for the years ending September 30, 2020 and 2019.

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| Board designated for various programs       | \$ 678,013        | \$ 446,152        |
| Undesignated                                | <u>50,462</u>     | <u>154,629</u>    |
| <br>  |                   |                   |
| Total net assets without donor restrictions | <u>\$ 728,475</u> | <u>\$ 600,781</u> |

#### NOTE 11 SUBSEQUENT EVENTS

##### *Payroll Protection Program Loan 2*

On March 1, 2021, the Company was approved for a Payroll Protection Program Loan 2 in the amount of \$24,885 at a one percent (1%) interest rate. The Company received the funds on March 18, 2021.

The Payroll Protection Program (PPP2) Loan 2 is made pursuant to the Consolidation Act 2021, which provides for the application for loan forgiveness for eligible expenses by the Company to the Financial Institution (servicer for the Small Business Administration (SBA)). The covered period for eligible expenses is between 8 weeks and 24 weeks after the date the loan is disbursed. If the Company does not apply for forgiveness within 10 months after the last day of the covered period, then PPP loan payments are no longer deferred, and borrowers will begin making loan payments to their PPP lender. The Financial Institution will confirm the loan amount eligible for forgiveness within the required specific days after receiving a forgiveness application from the Company. The Financial Institution will submit such information to the SBA. The SBA will respond to Financial Institution of payment of the forgivable amount plus accrued interest in accordance with the Consolidation Act 2021, the outstanding principal amount under the loan shall be reduced by the forgivable amount and the forgivable amount shall be deemed cancelled debt. As part of the Consolidation Act 2021, the Company's cancelled debt (debt forgiveness) is non-taxable for Federal income tax purposes. For any remaining loan balance, the Company will be obligated to repay to Financial Institution the total outstanding principal amount, outstanding accrued and unpaid interest in accordance with the terms of this Note. The Company will repay the loan balance beginning on the date that is ten (10) months from the closing date over a five (5) year period.

Subsequent events were considered through October 27, 2021, the date the financial statements were available to be issued. Other than the above, the Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.