



Friends of Flight 93 National Memorial

Shanksville, Pennsylvania

Financial Statements

September 30, 2014

(Audited)

**FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

|                                       | <u>Page</u> |
|---------------------------------------|-------------|
| Independent Auditor's Report .....    | 1           |
| <b>FINANCIAL STATEMENTS</b>           |             |
| Statement of Financial Position.....  | 3           |
| Statement of Activities .....         | 4           |
| Statement of Functional Expenses..... | 5           |
| Statement of Cash Flows .....         | 6           |
| Notes to Financial Statements .....   | 7           |

FRIENDS OF FLIGHT 93 NATIONAL MEMORIAL  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2014

ASSETS

|                           |                          |
|---------------------------|--------------------------|
| Cash and cash equivalents | \$ 172,283               |
| Grants receivable         | <u>9,677</u>             |
| Total Assets              | <u><u>\$ 181,960</u></u> |

LIABILITIES AND NET ASSETS

|                                  |                          |
|----------------------------------|--------------------------|
| Deferred grant revenue           | \$ 84,984                |
| Accrued expenses                 | <u>12,242</u>            |
| Total Liabilities                | <u>97,226</u>            |
| Unrestricted net assets          | <u>84,734</u>            |
| Total Net Assets                 | <u>84,734</u>            |
| Total Liabilities and Net Assets | <u><u>\$ 181,960</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, 2014

|                                | Unrestricted     | Temporarily<br>Restricted | Permanently<br>Restricted | Total            |
|--------------------------------|------------------|---------------------------|---------------------------|------------------|
| Support and Revenues           |                  |                           |                           |                  |
| Grants                         | \$ 3,554         | \$ 144,263                | \$ -                      | \$ 147,817       |
| Donations                      | 36,740           | -                         | -                         | 36,740           |
| Membership dues                | 6,103            | -                         | -                         | 6,103            |
| Special events                 | 4,498            | -                         | -                         | 4,498            |
| Merchandise                    | 580              | -                         | -                         | 580              |
| Miscellaneous income           | 154              | -                         | -                         | 154              |
| Interest income                | 373              | -                         | -                         | 373              |
| Release from restrictions      | 144,263          | (144,263)                 | -                         | -                |
| Total Support and Revenues     | 196,265          | -                         | -                         | 196,265          |
| Expenses                       |                  |                           |                           |                  |
| Program                        | 138,505          | -                         | -                         | 138,505          |
| General and administrative     | 17,404           | -                         | -                         | 17,404           |
| Fundraising                    | 8,661            | -                         | -                         | 8,661            |
| Total Expenses                 | 164,570          | -                         | -                         | 164,570          |
| Change in Net Assets           | 31,695           | -                         | -                         | 31,695           |
| Net Assets - Beginning of Year | 53,039           | -                         | -                         | 53,039           |
| Net Assets - End of Year       | <u>\$ 84,734</u> | <u>\$ -</u>               | <u>\$ -</u>               | <u>\$ 84,734</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, 2014

|                             | Program           | General and<br>Administrative | Fundraising     | Total             |
|-----------------------------|-------------------|-------------------------------|-----------------|-------------------|
| Salaries and wages          | \$ 29,857         | \$ 1,878                      | \$ 5,801        | \$ 37,536         |
| Payroll taxes and benefits  | 10,099            | 635                           | 1,962           | 12,696            |
| Outside contracted services | 63,862            | -                             | -               | 63,862            |
| Advertising and promotions  | 14,941            | -                             | 500             | 15,441            |
| Travel                      | 3,532             | -                             | -               | 3,532             |
| Special events              | 14,990            | -                             | -               | 14,990            |
| Miscellaneous               | 1,224             | -                             | -               | 1,224             |
| Office expenses             | -                 | 6,083                         | 398             | 6,481             |
| Professional fees           | -                 | 6,818                         | -               | 6,818             |
| Insurance                   | -                 | 1,990                         | -               | 1,990             |
|                             | <u>\$ 138,505</u> | <u>\$ 17,404</u>              | <u>\$ 8,661</u> | <u>\$ 164,570</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, 2014

**Cash Flows From Operating Activities:**

|  |           |
|--|-----------|
| Change in net assets   | \$ 31,695 |
| <b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b> |           |
| <b>Change in assets and liabilities:</b>   |           |
| Grants receivable  | (9,677)   |
| Deferred grant revenue   | 46,731    |
| Accounts payable   | (1,484)   |
| Accrued expenses   | 8,177     |
| Total Adjustments  | 43,747    |
| Net Cash Provided By Operating Activities  | 75,442    |

**Cash Flows From Investing Activities:**

|   |   |
|---|---|
| Net Cash Provided by / (Used In) Investing Activities | - |
|---|---|

**Cash Flows From Financing Activities:**

|   |   |
|---|---|
| Proceeds from long-term debt                          | - |
| Principal payments on long-term debt                  | - |
| Net Cash Provided by / (Used In) Financing Activities | - |

|                          |            |
|--------------------------|------------|
| Net Change in Cash       | 75,442     |
| Cash - Beginning of Year | 96,841     |
| Cash - End of Year       | \$ 172,283 |

**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."



## INDEPENDENT AUDITOR'S REPORT

January 02, 2015

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, 2014, 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, 2014, 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  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

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, 2014, 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 2011, 2012, and 2013 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 months or less to be cash equivalents. There were no instruments considered to be cash equivalents at September 30, 2014.

### *Allowance for Doubtful Receivables*

No allowance for doubtful accounts was provided as of September 30, 2014, 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. There were no remaining temporarily restricted assets at September 30, 2014.

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, 2014.

### *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 summarized as follows at September 30, 2014:

|  |                 |
|--|-----------------|
| Somerset County Tourism Grant 2013           | \$ 7,500        |
| Somerset County Tourism Grant 2014           | 371             |
| Lincoln Highway Heritage Corridor Mini-Grant | <u>1,806</u>    |
|  | <u>\$ 9,677</u> |

#### NOTE 5 – DEFERRED GRANT REVENUE

Deferred grant revenues arise when cash is received before the revenue recognition criteria have been satisfied. Grants received before the requirements were met have been recorded as deferred revenue. These amounts are summarized as follows at September 30, 2014:

|                                |                 |
|--------------------------------|-----------------|
| National Park Foundation       | \$66,089        |
| Heinz Endowments               | 12,045          |
| Pittsburgh Penguins Foundation | 5,000           |
| National Park Service          | 1,800           |
| Miscellaneous                  | <u>50</u>       |
|                                | <u>\$84,984</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, 2014.

### *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 – SUBSEQUENT EVENTS

On October 3, 2014 a fire partially destroyed buildings utilized by the organization that were owned by the National Park Foundation. Certain artifacts were destroyed, however the fire did not disrupt the operations of the organization.

Subsequent events were considered through January 02, 2015, the date the financial statements were available to be issued.