

**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Financial Statements

December 31, 2013 and 2012

## Independent Auditors' Report

**Board of Directors  
National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

We have audited the accompanying financial statements of the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2013 and 2012, 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*O'Connor Davies, LLP*

July 14, 2014

O'CONNOR DAVIES, LLP

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**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Statements of Financial Position

	December 31	
	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,214,390	\$ 14,192,728
Prepaid expenses and other assets	4,218,481	4,370,999
Government grant receivables	16,802,137	26,124,416
Contributions receivable, net	10,398,335	18,076,497
Property and equipment, net	289,049,250	306,603,641
Construction in progress	395,361,720	332,183,696
	<b>\$ 723,044,313</b>	<b>\$ 701,551,977</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 41,792,528	\$ 32,374,492
Due to Port Authority of New York and New Jersey	4,806,855	15,163,458
Deferred museum membership	468,750	-
Deferred rent	57,431	112,227
Total Liabilities	47,125,564	47,650,177
 Net Assets		
Unrestricted	660,678,097	632,166,637
Temporarily Restricted		
Purpose restricted	3,544,710	4,578,899
Time restricted	11,695,942	17,156,264
Total Temporarily Restricted	15,240,652	21,735,163
Total Net Assets	675,918,749	653,901,800
	<b>\$ 723,044,313</b>	<b>\$ 701,551,977</b>

See notes to financial statements

**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Statements of Activities

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Government grants	\$ 36,632,133	\$ -	\$ 36,632,133	\$ 31,417,684	\$ -	\$ 31,417,684
Contributions	26,282,282	3,066,402	29,348,684	10,878,697	9,228,336	20,107,033
Port Authority of New York and New Jersey	5,592,893	-	5,592,893	18,394,629	-	18,394,629
Special events, net of expenses of \$1,434,640 and \$845,704	2,329,097	25,000	2,354,097	1,064,626	875,000	1,939,626
In-kind contributions	901,510	2,456,741	3,358,251	125,000	1,026,036	1,151,036
Merchandise sales, net of cost of goods sold of \$3,521,534 and \$3,722,610	6,197,680	-	6,197,680	6,750,148	-	6,750,148
Interest income	16,637	-	16,637	64,107	-	64,107
Other income	443,157	-	443,157	49,288	-	49,288
Net assets released from restrictions	<u>12,042,654</u>	<u>(12,042,654)</u>	<u>-</u>	<u>14,170,286</u>	<u>(14,170,286)</u>	<u>-</u>
Total Support and Revenue	<u>90,438,043</u>	<u>(6,494,511)</u>	<u>83,943,532</u>	<u>82,914,465</u>	<u>(3,040,914)</u>	<u>79,873,551</u>
<b>EXPENSES</b>						
Program	51,376,250	-	51,376,250	51,844,512	-	51,844,512
Management and general	6,228,050	-	6,228,050	3,397,885	-	3,397,885
Fundraising	<u>4,230,250</u>	<u>-</u>	<u>4,230,250</u>	<u>3,738,811</u>	<u>-</u>	<u>3,738,811</u>
Total Expenses	<u>61,834,550</u>	<u>-</u>	<u>61,834,550</u>	<u>58,981,208</u>	<u>-</u>	<u>58,981,208</u>
Change in Net Assets before Museum Collections Activities	28,603,493	(6,494,511)	22,108,982	23,933,257	(3,040,914)	20,892,343
Museum collections activities	<u>(92,033)</u>	<u>-</u>	<u>(92,033)</u>	<u>(166,805)</u>	<u>-</u>	<u>(166,805)</u>
Change in Net Assets	28,511,460	(6,494,511)	22,016,949	23,766,452	(3,040,914)	20,725,538
<b>NET ASSETS</b>						
Beginning of year	<u>632,166,637</u>	<u>21,735,163</u>	<u>653,901,800</u>	<u>608,400,185</u>	<u>24,776,077</u>	<u>633,176,262</u>
End of year	<u>\$ 660,678,097</u>	<u>\$ 15,240,652</u>	<u>\$ 675,918,749</u>	<u>\$ 632,166,637</u>	<u>\$ 21,735,163</u>	<u>\$ 653,901,800</u>

See notes to financial statements

**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Statements of Functional Expenses

	Year Ended December 31, 2013			Year Ended December 31, 2012				
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Salaries	\$ 8,602,836	\$ 1,834,495	\$ 1,326,834	\$ 11,764,165	\$ 8,854,670	\$ 1,380,141	\$ 1,224,505	\$ 11,459,316
Payroll taxes and fringe benefits	1,884,256	607,267	311,497	2,803,020	1,911,528	469,131	277,324	2,657,983
Occupancy costs	3,687,287	141,039	137,357	3,965,683	3,576,673	94,698	133,947	3,805,318
Insurance	826,761	97,426	58,455	982,642	743,934	59,595	51,082	854,611
Professional and other fees	1,478,381	404,125	489,927	2,372,433	1,578,486	234,655	424,773	2,237,914
Engineering and janitorial services	4,909,798	-	26,520	4,936,318	3,663,603	-	-	3,663,603
Security	6,476,707	-	-	6,476,707	6,548,205	-	17,493	6,565,698
Information technology	505,735	1,050,432	64,245	1,620,412	1,272,610	516,701	194,482	1,983,793
Marketing and advertising (includes \$734,260 and \$0 of in-kind advertising space)	306,230	8,376	958,487	1,273,093	317,438	4,439	255,239	577,116
Commemorative programmatic events	1,195,959	-	-	1,195,959	1,166,047	-	-	1,166,047
Repairs and maintenance	1,742,358	11,438	9,322	1,763,118	1,695,249	3,525	9,897	1,708,671
Office supplies	260,362	35,972	13,285	309,619	316,242	51,843	21,397	389,482
Postage	39,833	15,224	223,464	278,521	141,118	13,940	400,614	555,672
Printing	148,841	24,037	258,364	431,242	51,968	10,490	261,816	324,274
Telephone and internet	133,155	122,922	16,314	272,391	301,190	86,231	41,313	428,734
Dues and subscriptions	124,731	191,970	33,200	349,901	60,254	28,462	33,344	122,060
Travel and meetings	159,235	49,025	84,197	292,457	150,333	23,232	118,679	292,244
Amortization	24,437	-	2,715	27,152	24,437	-	2,715	27,152
Depreciation	18,067,231	1,588,038	193,355	19,848,624	17,741,836	416,191	248,878	18,406,905
Expenses related to Superstorm Sandy net of insurance proceeds of \$0 and \$1,050,000	-	-	-	-	1,285,131	-	-	1,285,131
Other expenses	<u>802,117</u>	<u>46,264</u>	<u>22,712</u>	<u>871,093</u>	<u>443,560</u>	<u>4,611</u>	<u>21,313</u>	<u>469,484</u>
<b>Total Expenses</b>	<b><u>\$ 51,376,250</u></b>	<b><u>\$ 6,228,050</u></b>	<b><u>\$ 4,230,250</u></b>	<b><u>\$ 61,834,550</u></b>	<b><u>\$ 51,844,512</u></b>	<b><u>\$ 3,397,885</u></b>	<b><u>\$ 3,738,811</u></b>	<b><u>\$ 58,981,208</u></b>

See notes to financial statements

**National September 11 Memorial and Museum  
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Statements of Cash Flows

	Year Ended December 31	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 22,016,949	\$ 20,725,538
Adjustments to reconcile change in net assets to net cash from operating activities		
Discount to present value of receivables	235,669	336,240
Recovery of bad debt	640,697	604,663
Depreciation	19,848,624	18,406,905
Amortization	27,152	27,152
Loss on disposal of fixed assets	7,200	395,260
In-kind rent	(1,195,492)	(1,195,492)
In-kind property and equipment	-	(303,531)
In-kind construction in progress	(2,456,741)	(722,505)
Prepaid expenses and other assets	125,366	(1,315,370)
Government grant receivables	9,322,279	(8,650,661)
Due (from) to Port Authority of New York and New Jersey	(10,356,603)	36,393,778
Contributions receivable	7,997,288	9,116,210
Accounts payable and accrued expenses	(26,465,634)	(49,631,333)
Deferred museum membership	468,750	-
Deferred rent	(54,796)	(29,375)
Net Cash from Operating Activities	20,160,708	24,157,479
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,301,432)	(6,617,929)
Construction in progress	(24,837,614)	(36,904,125)
Net Cash from Investing Activities	(27,139,046)	(43,522,054)
Net Change in Cash and Cash Equivalents	(6,978,338)	(19,364,575)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	14,192,728	33,557,303
End of year	\$ 7,214,390	\$ 14,192,728
<b>SUPPLEMENTAL CASH FLOWS INFORMATION</b>		
Non Cash Investing Activities		
Accrued construction in progress	\$ 35,883,670	\$ 26,066,552

See notes to financial statements

**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Notes to Financial Statements  
December 31, 2013 and 2012

**1. Organization and Tax Status**

The National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (the "Organization") was incorporated on April 7, 2003, to own and raise money to fund the construction, operations, programming, and maintenance of the National September 11 Memorial, Memorial Museum, Museum Pavilion and other cultural facilities at the World Trade Center site.

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization as described in Section 509(a).

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Use of Estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Organization considers all highly liquid debt instruments with a maturity of three months or less and which are available for operations to be cash equivalents. The carrying amounts reported in the statement of financial position for cash and cash equivalents approximate cost.

***Inventory***

Merchandise inventory is valued at the lower of weighted average cost or market.

***Allowance for Doubtful Accounts***

An allowance for doubtful accounts is established for contributions receivable where there exists doubt as to whether an amount will be fully collected. The determination of this allowance is an estimate based on the Organization's historical experience, review of account balances and expectations relative to collections.

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
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**2. Summary of Significant Accounting Policies (continued)**

***Property and Equipment***

Property and equipment are stated at cost, or in the case of donations, at fair value at the date of the gift. The Organization capitalizes all purchases of property and equipment greater than \$5,000. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years. Leasehold improvements are amortized over the terms of the lease agreement.

The Organization capitalizes its Memorial Plaza over the estimated useful lives of the related assets, which range from 15 to 40 years.

***Construction in Progress***

Construction in progress includes all costs associated with the construction of the memorial, memorial museum and museum pavilion. Upon substantial completion, the cost of each project phase will be depreciated over its estimated useful life on a straight-line basis.

***Net Asset Presentation***

The Organization's financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets. Net assets consist of the following:

*Unrestricted* – Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in achieving the primary objective of the Organization.

*Temporarily Restricted* – Net assets that are subject to donor-imposed stipulations that will be met either by passage of time or by actions of the Organization. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the accompanying statements of activities as net assets released from restrictions.

*Permanently Restricted* – Net assets that are subject to donor-imposed stipulations that do not expire by passage of time. At December 31, 2013 and 2012, the Organization had no permanently restricted net assets.

***Contributions***

Contributions and unconditional promises to give are recorded as revenue when signed pledges are made and are classified as unrestricted, temporarily restricted, or permanently restricted support. Verbal and written intentions to contribute material amounts are not recorded in these financial statements because they do not meet the Organization's criteria for recognition.

**National September 11 Memorial and Museum  
at the World Trade Center Foundation, Inc.**

Notes to Financial Statements  
December 31, 2013 and 2012

**2. Summary of Significant Accounting Policies (continued)**

***Contributions (continued)***

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates applicable to the years in which the promises are received and consider market and credit risk as applicable. Amortization of the discounts and changes in allowance for doubtful accounts are included in contribution revenue on the statements of activities.

***Revenue from Government Grants***

Revenue from government grants is recorded as earned pursuant to terms of existing agreements. Advances received from government agencies in excess of expenditures incurred for grants in progress are reported as deferred revenue.

***In-Kind Contributions***

Donated services are reported in the financial statements at fair value if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation.

***Functional Allocation of Expenses***

The costs of providing the program and other activities of the Organization have been summarized on a functional basis. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

***Collections***

The value of the Organization's collection is not reflected as an asset in the statements of financial position, and gifts of collection items are excluded from revenue in the statements of activities. Purchases of collection items are recorded in the year in which the items were acquired as decreases to unrestricted net assets in the statements of activities. Pursuant to the Organization's collections and management policy, proceeds from deaccessions are to be used exclusively to acquire other items for the collection and will be recorded as unrestricted net assets designated for acquisitions of collection items.

***Advertising Costs***

Advertising costs are expensed as incurred. Advertising costs were \$81,392 and \$119,808 for 2013 and 2012.

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
December 31, 2013 and 2012

**2. Summary of Significant Accounting Policies (continued)**

***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for years prior to 2010.

***Reclassification***

Certain amounts in 2012 have been reclassified to conform to the 2013 presentation.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 14, 2014.

**3. Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables. The Organization places its cash with various financial institutions and limits the amount of credit exposure by any one financial institution. Cash and certificates of deposit held with banks in excess of Federal Deposit Insurance Coverage limits totaled approximately \$6,960,000 and \$13,700,000 at December 31, 2013 and 2012.

Concentrations of credit risk with respect to receivables are generally diversified due to the large number of entities and individuals composing the Organization's program and donor base. The Organization performs ongoing credit evaluations and writes off uncollectible amounts as they become known.

**4. Government Grant Receivables**

Government grant receivables consist of the following at December 31:

	<u>2013</u>	<u>2012</u>
U.S. Department of Housing and Urban Development ("HUD") passed through Lower Manhattan Development Corp.	\$ 7,507,236	\$ 19,238,415
Empire State Development Corporation	9,294,901	6,870,801
Other	-	15,200
	<u>\$ 16,802,137</u>	<u>\$ 26,124,416</u>

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
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**4. Government Grant Receivables (continued)**

For the years ended December 31, 2013 and 2012, the HUD grant represented 70% and 65% of government grants revenue.

**5. Contributions Receivable, Net**

Contributions receivable, net, consist of the following at December 31:

	2013	2012
Due within:		
Up to one year	\$ 6,123,578	\$ 11,876,733
One to five years	5,356,925	8,023,200
	11,480,503	19,899,933
Present value discount	(235,669)	(336,240)
Allowance for doubtful accounts	(846,499)	(1,487,196)
Contributions receivable, net	<u>\$ 10,398,335</u>	<u>\$ 18,076,497</u>

The discount rates used for pledges outstanding through December 31, 2013, range from 0.12% to 5.0%.

**6. Property and Equipment, Net**

Property and equipment, net, at December 31 consist of the following:

	2013	2012
Memorial plaza property	\$ 316,342,340	\$ 316,342,340
Leasehold improvements	5,680,079	5,643,684
Computer hardware and software	13,086,538	11,298,585
Furniture and equipment	1,958,810	1,496,124
	337,067,767	334,780,733
Accumulated depreciation	(48,018,517)	(28,177,092)
	<u>\$ 289,049,250</u>	<u>\$ 306,603,641</u>

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
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**7. Related Party**

On May 13, 2013, the Organization entered into a loan agreement with a member of the Board of Directors, which provides a maximum borrowing limit of \$15 million. The loan carries a fixed interest rate of 0.22% on amounts outstanding. The maturity date of the loan is April 1, 2017. At December 31, 2013, the Organization made no draw-downs on the loan.

A member of the Organization's board of directors is a board member of a firm that provides use of office space at no charge to the Organization.

**8. Port Authority of New York and New Jersey Memorandum of Understanding**

On October 18, 2012, the Organization and the Port Authority of New York and New Jersey ("PA") entered into a Memorandum of Understanding (the "MOU") to clarify their respective funding responsibilities in connection with the completion of the construction of the National September 11 Memorial and Museum. Under the terms of the MOU, it is expected that the PA will pay between \$20 million and \$25 million of certain construction retainage liabilities included in accounts payable and accrued expenses totaling approximately \$41.8 million in the accompanying statement of financial position as of December 31, 2013. Upon final settlement of the agreed-upon contractual funding responsibilities in 2014, the Organization will recognize as revenue construction retainage amounts for which it is no longer liable.

**9. In-Kind Contributions**

In-kind contributions for the years ended December 31 are as follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ -	\$ 303,531
Advertising space	734,260	-
Construction in progress (CIP)	2,456,741	722,505
Special event supplies	150,000	-
Other	<u>17,250</u>	<u>125,000</u>
	<u>\$ 3,358,251</u>	<u>\$ 1,151,036</u>

Included in CIP and property and equipment, net, in the statements of financial position, are \$3,716,684 and \$1,540,599 of capitalized in-kind contributions at December 31, 2013 and 2012.

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**10. Retirement Plans**

The Organization has a 403(b) defined contribution retirement plan for all eligible employees. Under the provisions of this plan, the Organization contributed 4% of participants' earnings in 2013 and 2012. The Organization also contributed under a voluntary matching program up to a maximum of 6% in 2013 and 2012. Plan expense approximated \$819,000 and \$796,000 for 2013 and 2012.

**11. Operating Lease**

The Organization rents space for its administrative offices, its preview site and its visitor center at 90 West Street under the terms of lease agreements expiring in 2014. The Organization also entered into a new lease agreement on December 10, 2013 for its administrative office space located at 200 Liberty Street which expires in 2023.

Future minimum lease payments under these agreements are as follows:

2014	\$ 1,826,556
2015	1,716,178
2016	1,724,438
2017	1,732,946
2018	1,741,714
Thereafter	<u>7,650,634</u>
	<u>\$ 16,392,466</u>

**12. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following at December 31:

	2013	2012
To benefit planning for cultural institutions at the World Trade Center site	\$ -	\$ 15,564
Interior fit-out and exhibition funds	3,477,658	3,331,657
Plaza trees maintenance fund	67,052	1,231,678
Donor imposed time restrictions	<u>11,695,942</u>	<u>17,156,264</u>
	<u>\$ 15,240,652</u>	<u>\$21,735,163</u>

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
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**12. Temporarily Restricted Net Assets (continued)**

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor imposed time restrictions as follows:

	2013	2012
To benefit planning for cultural institutions at the World Trade Center site	\$ 15,564	\$ -
Interior fit-out and exhibition funds	931,889	129,322
Plaza trees maintenance fund	1,164,626	-
Donor imposed time restrictions	9,930,575	14,040,964
	\$ 12,042,654	\$14,170,286

**13. Collections Activities**

The Organization is in the process of assembling a permanent collection and has instituted a collections management policy to define the scope and intellectual framework of content assets and the procedures by which these materials are accessioned, catalogued and preserved. Through leadership of the Board and staff, the Organization strives to establish, preserve and document primary records, material evidence, spoken testimony and other wide-ranging cultural documentation related to the February 26, 1993 and September 11, 2001 terrorist attacks, the historical context leading up to them, and their aftermath and ongoing repercussions. The Organization also collects artifacts, spoken remembrances and other materials which honor and commemorate the victims of the September 11, 2001 and February 26, 1993 terrorist attacks and their legacies. The Organization makes its collection available as loans to other museums and presenting institutions, in the U.S. and abroad, that meet our security and environmental criteria. The collection is also available, through our catalogue and by appointment, to the public for research purposes and in cooperation with our professional staff and school educators for the creation of lesson plans that are then made available through our website. Subsequent to December 31, 2013, when the Museum is fully open to the public, its collections will also be used internally in educational and public programs for the benefit of visitors.

In 2013 and 2012, the Organization spent \$92,033 and \$166,805 on acquisitions of collection items. These acquisitions were funded in part by temporarily restricted cash contributions.

**National September 11 Memorial and Museum  
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Notes to Financial Statements  
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**14. Contingencies**

The Organization has been involved in certain legal actions during the ordinary course of business. The Organization believes it has defenses for such claims and that the claims as it relates to the Organization are substantially without merit. In addition, another party named in the action is obligated to indemnify the Organization for all claims and liabilities that may arise.

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