

Pearl Harbor Aviation Museum Summary

Mission: To ensure the legacy of Pearl Harbor – the battlefield and those who served upon it – is shared and understood by generations to come.

Category: Military History

Contact: Elissa Lines, Executive Director

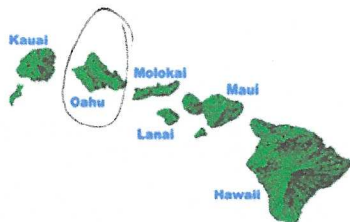
Address: 319 Lexington Boulevard, Honolulu, HI 96818 (808) 441-1019

Grant History: 2016: \$35,000
2017: \$65,000
2018: \$100,000
TOTAL GRANTS TO DATE: \$200,000

| |
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| 2021 Request: \$100,000 for Raise the Roof Campaign to restore Hangar 79 |
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Notes:

- Formed in 2006.
- In 2017 name changed from Pacific Aviation Museum Pearl Harbor to Pearl Harbor Aviation Museum.
- B-52 and B-17 aviation displays as well as hangars, control tower, artifacts, and Pearl Harbor grounds.
- 250,000 visitors each year.
- 2021 goals:
 - Develop interpretive exhibits for B-17, B-52, and other aircraft.
 - Retire debt
 - Re-opening of exhibits, and summer camps
- Declined: 2021 request for \$100,000 general operating support.
- **2022:** Hangar 79 needs repairing due to rain and environmental damage. Rust and leakage make the building unsafe.
- Campaign goal \$2 million. \$1 million secured from a private donor as a matching grant. \$700,00 raised to date toward this goal.





FORD ISLAND, HAWAII

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January 26, 2022

Tamra Davis Cownie

Laurence H. Dorcy Hawaiian Foundation

81 East 7th Street, Suite 125

St. Paul, MN 55010

tammy@docryfdn.org

Dear Ms. Cownie,

It is with great respect for the memory and legacy of Baron Dorcy, and his passion for aviation, that we submit our request for the continued support of the Laurence H. Dorcy Hawaiian Foundation. As you may know, our museum was forced to close our doors for 10 months during the height of the COVID pandemic. Strategic steps were taken to dramatically decrease operating costs, reducing staff from 72 employees to 23, minimizing utilities, and innovating virtual programming to continue to engage our members and the public. These actions, along with increased philanthropy to help sustain our organization, have poised our Museum for what we hope will be a return to a "normal" year. We anticipate reaching at least 80% of our pre-COVID visitation numbers, and we are excited to welcome guests from all over the world back to these hallowed grounds.

Though a great deal of time has passed, members of our Board of Directors remember their relationship with Baron Dorcy with great respect and appreciation. Kindred spirits in a sense, Baron Dorcy and Clint Churchill, President of the Museum at that time, shared a love of flight, a strong sense of patriotism, and a deep appreciation for the impact of and personal commitment to military service. They spent time recalling their own service and discussing the vision for an aviation museum within the hangars that withstood the December 7, 1941 attack on Pearl Harbor. His untimely passing was a source of sadness for many.

Whether enjoying a flight in a private aircraft over the skies of Oahu or considering the possibility of showcasing historic aircraft in a setting that both educates and inspires, Baron Dorcy embraced the vision for the Pearl Harbor Aviation Museum. Through his founding gift of \$25,000 to support the opening of the Museum to the subsequent gifts given to preserve his legacy, Pearl Harbor Aviation Museum strives to honor the past and inspire the future. Our location on the historic American WWII Battlefield, in the heart of Pearl Harbor, provides the emotional backdrop for the sharing of personal stories of the men and women who served and continue to serve our country.

In addition to his personal founding gift, the Laurence H. Dorcy Hawaiian Foundation awarded three gifts to the Pearl Harbor Aviation Museum, funding projects that addressed what we believed to be important areas of personal focus to Baron Dorcy during his lifetime. The B-52 exhibit shares the impact of the Strategic Air Command, along with the air refueling focus prominent within the Air National Guard. The restoration of the B-52's cockpit and build out of the exhibit provides an avenue to showcase this unique story. Additional support was provided to the B-17E Flying Fortress "Swamp Ghost" exhibit and restoration – another story of grit and determination documenting the values and service of a young crew downed in its first mission in the 1942 Battle of Rabaul. Fearing they could not get back to the unit due to damage sustained in the air battle, they landed their aircraft, planning to walk to safety and then return to salvage their aircraft. The landing field they selected turned out to be a swamp. Though the crew survived, the aircraft remained in the swamp for decades before historians were able to salvage it.

Both of these aircraft add to the impact and stories of service, patriotism and triumph shared in Hangar 79. A historic artifact itself, the Hangar was turned over to the Pearl Harbor Aviation Museum in 2008. Visitors from all over world who come to Hangar 79 are immediately struck by the expansiveness of the structure. This massive Hangar has been a primary display gallery since opening, sheltering aircraft, housing a working aircraft restoration shop, and providing space for classrooms and other activities. However, due to the impact of time and weather, the Hangar is in need of repair.

Pearl Harbor Aviation Museum is seeking \$100,000 in support of the "Raise the Roof" campaign launched in 2021 to help restore Ford Island's iconic Hangar 79, which withstood the December 7, 1941 attack on Pearl Harbor. Bullet holes made by the Japanese strafing guns still mark the blue glass windows on the hangar doors, providing a visceral reminder of our nation's past. During World War II, this 86,000 square foot facility housed fighters, bombers, and patrol planes. It was also used for the maintenance and repair of aircraft on their way to the front lines.

Unfortunately, the inability to protect the interior of the structure from rain and other environmental elements renders the majority of the space unusable. Although aircraft displays have been possible, the unstable interior environment has made it impossible to include interpretive exhibits and smaller artifacts that bring history to life. After years of small fixes to delay the inevitable repair of the roof, Hangar 79 is now partially closed to the public, with the majority of the display aircraft removed.

Rust and deterioration of the historic monitors, a unique approach to natural structural lighting and cooling, has led to an inability to protect the interior of the hangar from rain and other elements. Extensive rust and holes allow rain water to leak through and onto exposed aircraft, aircraft parts, office spaces and various mechanic work areas, creating safety issues for visitors and staff alike. Securing the monitors and repairing key structural elements including the roof, skylights, gutters, side panels and the mezzanine, are critical steps to protecting the integrity of this building. In its current condition, safe access and use of this hangar is compromised.

Restoration of Hangar 79 will take place in several phases. Phase 1 and 2, which is estimated to cost \$2 million, includes:

- repairs to the existing monitors, a historic solution to provide natural lighting and air flow;
- replacement of gutters and downspouts;
- repair or replacement as needed of side panels and skylights; and
- sealing of all roof penetrations; and replacement of all pitch pans as needed.



FORD ISLAND, HAWAII

In December 2021, Pearl Harbor Aviation Museum received a \$1 million challenge gift from a donor to help raise funds to “Raise the Roof” and complete Phase 1 and 2 of Hangar 79’s restoration. To date, we have matched nearly \$700,000 of this challenge. The Dorcy Foundation’s support of the proposed repairs will help us meet the challenge.

Restoration of the roof will stabilize the hangar and allow Pearl Harbor Aviation Museum to enter Phase 3, installing interactive exhibits and developing education spaces. The current wasted storage areas (currently 32 separate spaces that measure approximated 1200 sq. ft. each) will be converted into youth education classrooms, training areas, and exhibit spaces, including revitalizing exhibits featuring the B-52 and B-17E “Swamp Ghost” and training areas to support and elevate all aspects of our student and visitor experience.

Our unique location on an American WWII battlefield inspires remembrance, understanding, tribute and emulation. For visitors, the pilgrimage to Pearl Harbor evokes deeply personal memories of a time when most Americans and citizens worldwide, had a connection through family to service men and women engaged in this world battle. For students, the experience delivered uses historical context to advance the lessons so critical to their own success; leadership, decision making, citizenship and patriotism, personal responsibility along with core academic skills that can be best explored through aviation.

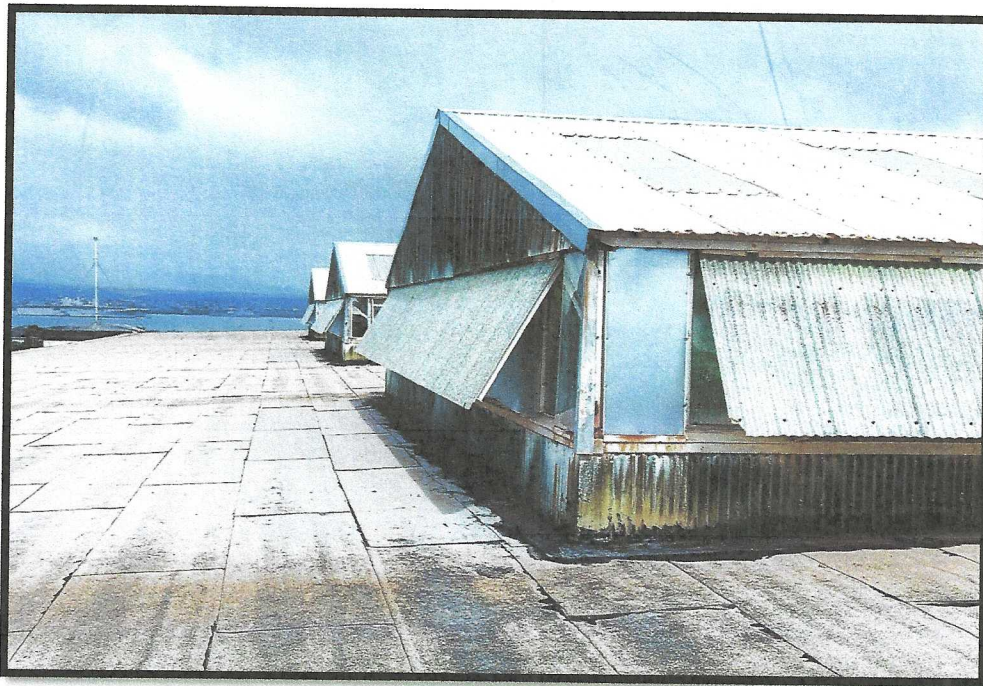
Roof repair will also facilitate the expansion of the existing Shealy Restoration Shop – a working restoration shop created to restore acquired aircraft. The expansion will allow for student and visitor viewing of restoration projects and the development of a work-force apprenticeship/ learning programs. Finally, the staircase allowing access to the Hangar mezzanine will be repaired and an elevator will be installed to provide ADA required access for all visitors and students.

Your support to “Raise the Roof” of historic Hangar 79 will provide a protected environment allowing for the installation of other projects designed to interpret and share history, including the completion of the B-17 and B-52 exhibits, stories that share important elements of American and military history. Their voices will challenge all who visit to remember their loved ones, generations passed, and to set the course forward for their own lives. We share a responsibility to pass on the legacy of our greatest generation.

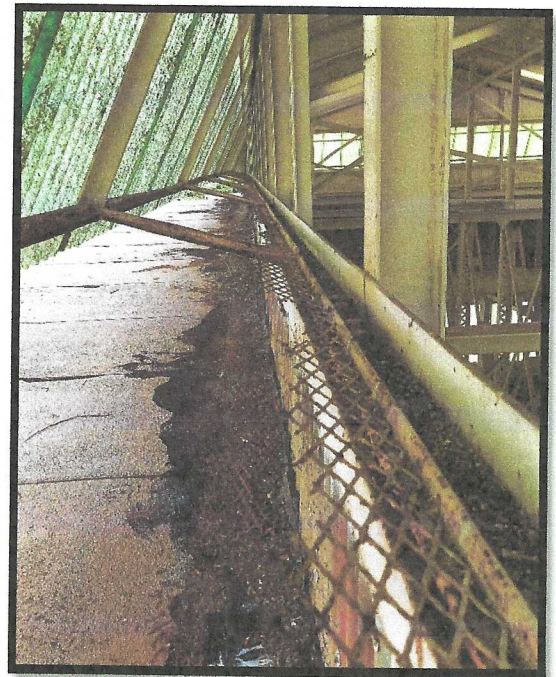
We look forward to recognizing the Laurence H. Dorcy Hawaiian Foundation and paying a most fitting tribute to the patriotism of Baron Dorcy. Should you require any additional follow-up to this proposal, I can be reached at (808)441-1017 or Elissa.Lines@PearlHarborAviationMuseum.org. Thank you for your consideration.

Mahalo,

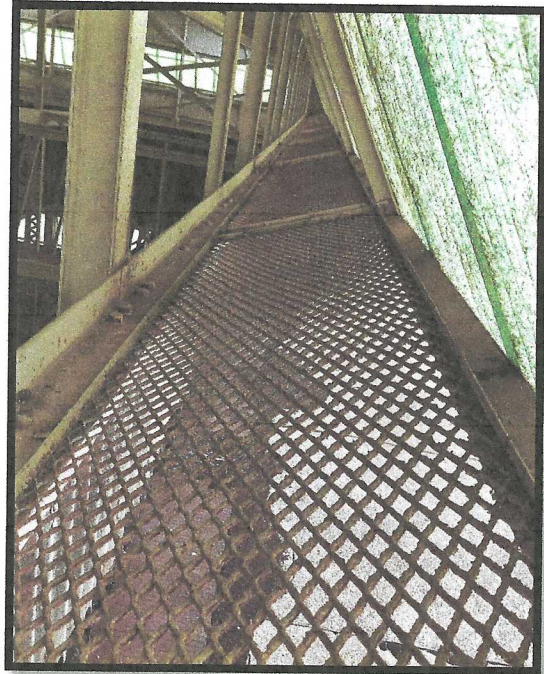
Elissa Lines
Executive Director



Repair and restoration of the three monitors on the roof of Hangar 79 is essential to stabilize and protect this historic structure. Built in the 1960's, these monitors have deteriorated over the past five decades due to constant exposure to the elements.



Translucent panels on the monitors were designed to provide additional light to enter the Hangar and protection from the rain. Many of the panels have been damaged and will need to be replaced with a modern transparent polycarbonate plastic.



Wire mesh around the monitors, which allow hot air to escape and cool air to enter, are completely rusted and need to be replaced.



Current condition of Hangar 79's roof allows rain water to leak through, creating safety issues for staff and visitors. Hangar 79 is currently partially closed to the public, with majority of the aircraft removed.

Pearl Harbor Aviation Museum
Statement of Financial Position-COMPARATIVE
December 31, 2021 and 2020

| | 2021 | CY Prior Month | 2020 |
|-----------------------------------|------------------|----------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash in bank-unrestricted | \$ 2,290,627.01 | 2,361,934.17 | \$ 373,228.50 |
| Morgan Stanley-Unrestr. | 0.00 | 0.00 | 1,241,756.69 |
| BOH Adv Inv-Unrestr. | 5,027,928.25 | 2,993,565.63 | 0.00 |
| Temp restr.-SVOG Acct | 383,962.27 | 709,701.83 | 0.00 |
| Cash in bank-temp. restricted | 214,009.74 | 28,109.82 | 439,377.08 |
| Morgan Stanley-Temp restr. | 0.00 | 0.00 | 3,339,230.18 |
| BOH Adv Inv-Temp Restr. | 2,619,312.92 | 3,063,069.26 | 0.00 |
| Pledge receivable, net | 1,710,165.15 | 710,448.48 | 1,549,964.11 |
| Accounts Receivable | 492,086.38 | 220,773.46 | 231,545.03 |
| AR-Ray Foundation Match | 0.00 | 0.00 | 429,198.00 |
| Account receivable - Dev/NCA | 32,555.00 | 0.00 | 81,714.65 |
| Grant receivable | 408,007.00 | 250,000.00 | 252,375.78 |
| Merchandise-museum store | 15,023.28 | 0.00 | 0.00 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Assets | 13,193,677.00 | 10,337,602.65 | 7,938,390.02 |
| Property and Equipment | | | |
| Museum fixed assets & equip. | 25,626,624.43 | 24,734,922.60 | 22,621,958.92 |
| Accumulated depreciation | (6,950,006.31) | (6,888,829.82) | (6,215,888.43) |
| Collections | 9,124,970.78 | 9,124,970.78 | 8,985,245.38 |
| | <hr/> | <hr/> | <hr/> |
| Total Property and Equipment | 27,801,588.90 | 26,971,063.56 | 25,391,315.87 |
| Other Assets | | | |
| BOH-Other Inv | 26,357.60 | 26,357.38 | 36,469.25 |
| Investments -Endow/Sch Fund | 1,411,275.63 | 1,365,599.73 | 323,961.08 |
| Other assets | 37,041.42 | 59,080.80 | 137,486.56 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Assets | 1,474,674.65 | 1,451,037.91 | 497,916.89 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 42,469,940.55 | 38,759,704.12 | \$ 33,827,622.78 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Curr mat-LT debt | \$ 79,763.18 | 79,763.18 | \$ 1,229,763.18 |
| Accounts payable | 162,322.21 | 144,836.76 | 163,751.28 |
| Other current liabilities | 684,787.34 | 934,052.25 | 282,814.51 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Liabilities | 926,872.73 | 1,158,652.19 | 1,676,328.97 |
| Long-Term Liabilities | | | |
| Security Deposit - Catering | 8,000.00 | 8,000.00 | 8,000.00 |
| Note payable-Sims | 218,761.82 | 223,689.42 | 276,527.35 |
| Note payable-Swamp Ghost | 1,150,000.00 | 1,150,000.00 | 1,150,000.00 |
| Note payable-Bradd Coll | 115,166.85 | 117,000.18 | 137,166.81 |
| Note payable-SBA EIDL | 2,000,000.00 | 500,000.00 | 150,000.00 |
| Less curr mat-LT debt | (79,763.18) | (79,763.18) | (1,229,763.18) |
| | <hr/> | <hr/> | <hr/> |
| Total Long-Term Liabilities | 3,412,165.49 | 1,918,926.42 | 491,930.98 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 4,339,038.22 | 3,077,578.61 | 2,168,259.95 |
| Net Assets | | | |
| Net assets | 31,659,362.83 | 31,659,362.83 | 30,591,102.52 |
| Change in net assets | 6,471,539.50 | 4,022,762.68 | 1,068,260.31 |
| | <hr/> | <hr/> | <hr/> |
| Total Capital | 38,130,902.33 | 35,682,125.51 | 31,659,362.83 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities & Net Assets | \$ 42,469,940.55 | 38,759,704.12 | \$ 33,827,622.78 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Pearl Harbor Aviation Museum
Statement of Activity-ALL FUNDS YTD
For the month ending December 31, 2021

| | Operations | Development | Property | Total |
|--|------------------------|------------------------|---------------------|-----------------------|
| Revenues & Support | | | | |
| SBA-SVOG | \$ 0.00 | \$ 4,079,179.55 | 0.00 | 4,079,179.55 |
| BOD Perm Restr Contributions | 0.00 | 45,679.29 | 0.00 | 45,679.29 |
| Membership dues | 197,778.29 | 0.00 | 0.00 | 197,778.29 |
| In Kind Contributions | 59,200.00 | 0.00 | 0.00 | 59,200.00 |
| Interest income | 50.11 | 396.54 | 0.00 | 446.65 |
| Dividend income | 42,003.65 | 112,307.18 | 0.00 | 154,310.83 |
| Anniv. event-Ticket Sales | 0.00 | 195,107.99 | 0.00 | 195,107.99 |
| Museum store | 108,319.29 | 0.00 | 0.00 | 108,319.29 |
| Museum fees | 2,533,017.46 | 0.00 | 0.00 | 2,533,017.46 |
| Aviator | 26,619.10 | 0.00 | 0.00 | 26,619.10 |
| Private Events | 64,648.04 | 0.00 | 0.00 | 64,648.04 |
| Flight Sims-new | 232,919.80 | 0.00 | 0.00 | 232,919.80 |
| Education programs | 48,410.36 | 0.00 | 0.00 | 48,410.36 |
| Restaurant sales-PAM | 358,788.97 | 0.00 | 0.00 | 358,788.97 |
| Rest-Inter Company Income | 23,772.24 | 0.00 | 0.00 | 23,772.24 |
| Gain-Extinguishment of debt | 0.00 | 619,957.00 | 0.00 | 619,957.00 |
| Gain/loss on stock | 72,555.58 | 0.00 | 0.00 | 72,555.58 |
| Gain/Loss on stock | 0.00 | 211,819.41 | 0.00 | 211,819.41 |
| Unrealized gain/loss endowment | 0.00 | 3,711.90 | 0.00 | 3,711.90 |
| Unrealized gain/loss inv | (34,637.15) | (106,495.24) | 0.00 | (141,132.39) |
| Contributions - unrestricted | 0.00 | 406,908.99 | 0.00 | 406,908.99 |
| Grant-Foundations & other | 0.00 | 947,411.52 | 0.00 | 947,411.52 |
| Auction/Silent | 0.00 | 66,806.85 | 0.00 | 66,806.85 |
| Contributions - Benefit Dinner | 0.00 | 122,330.02 | 0.00 | 122,330.02 |
| Temp Restr-Annl appeals/Ind. | 0.00 | 1,481,066.02 | 0.00 | 1,481,066.02 |
| Temp Restricted-Corp. | 0.00 | 107,591.29 | 0.00 | 107,591.29 |
| Temp Restr-Price Challenge | 0.00 | 75.00 | 0.00 | 75.00 |
| Total Revenues & Support | 3,733,445.74 | 8,293,853.31 | 0.00 | 12,027,299.05 |
| Expenses | | | | |
| Bank and finance charges | 26,675.72 | 0.00 | 0.00 | 26,675.72 |
| In kind contribution - Media | 24,200.00 | 0.00 | 0.00 | 24,200.00 |
| In Kind Contributions | 0.00 | 0.00 | 0.00 | 0.00 |
| Board expenses | 11,060.90 | 0.00 | 0.00 | 11,060.90 |
| Ticketing | 295,152.07 | 0.00 | 0.00 | 295,152.07 |
| Dues and subscriptions | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation expense | 73,671.24 | 0.00 | 660,446.64 | 734,117.88 |
| Education and seminar | 1,272.18 | 0.00 | 0.00 | 1,272.18 |
| Employee benefit | 233,169.04 | 26,518.79 | 0.00 | 259,687.83 |
| Sims-Interest & other expenses | 19,745.21 | 0.00 | 0.00 | 19,745.21 |
| Interest expense | 0.00 | 0.00 | 43,943.71 | 43,943.71 |
| Insurance expenses | 16,937.89 | 0.00 | 125,960.28 | 142,898.17 |
| Membership expense | 30,601.69 | 0.00 | 0.00 | 30,601.69 |
| Office expenses | 36,125.45 | 14,334.20 | 0.00 | 50,459.65 |
| Rest-Inter Company Expense | 23,772.24 | 0.00 | 0.00 | 23,772.24 |
| Marketing | 146,669.29 | 0.00 | 0.00 | 146,669.29 |
| Professional fees | 235,338.50 | 102,220.84 | 0.00 | 337,559.34 |
| Payroll taxes | 122,037.88 | 18,956.98 | 0.00 | 140,994.86 |
| Programs - Education | 169,835.08 | 0.00 | 0.00 | 169,835.08 |
| Printing | 0.00 | 0.00 | 0.00 | 0.00 |
| Rent | 0.00 | 0.00 | 832.92 | 832.92 |
| Salaries and wages | 1,441,983.81 | 264,316.18 | 0.00 | 1,706,299.99 |
| Endowment/Scholarship exp | 0.00 | 11,500.00 | 0.00 | 11,500.00 |
| Supplies | 24,179.71 | 0.00 | 0.00 | 24,179.71 |
| Supplies - technology | 0.00 | 0.00 | 0.00 | 0.00 |
| Supplies-Restaurant | 132,172.37 | 0.00 | 0.00 | 132,172.37 |
| Taxes - General excise | 23,929.01 | 11,786.17 | 0.00 | 35,715.18 |
| Travel-business | 3,211.42 | 0.00 | 0.00 | 3,211.42 |
| Travel-shuttle bus | 248,549.59 | 0.00 | 0.00 | 248,549.59 |
| Annual Dinner/fulfillment | 0.00 | 163,867.96 | 0.00 | 163,867.96 |
| Special events | 0.00 | 0.00 | 0.00 | 0.00 |
| Private Events | 2,609.44 | 0.00 | 0.00 | 2,609.44 |
| Repairs and maint-coll | 105,014.84 | 0.00 | 67,797.65 | 172,812.49 |
| Telephone,Internet,Computer | 116,247.24 | 0.00 | 0.00 | 116,247.24 |
| Utilities | 282,404.05 | 0.00 | 0.00 | 282,404.05 |
| Fundraising and Development | 0.00 | 91,298.04 | 0.00 | 91,298.04 |
| Direct mail | 0.00 | 0.00 | 0.00 | 0.00 |
| Curatorial/Exhibit | 56,441.46 | 0.00 | 0.00 | 56,441.46 |
| Restoration | 27,553.04 | 0.00 | 0.00 | 27,553.04 |
| Library | 7,690.90 | 0.00 | 0.00 | 7,690.90 |
| Curatorial/Exhibit Shared Ops | 5,589.07 | 0.00 | 0.00 | 5,589.07 |
| Visitor services | 8,138.86 | 0.00 | 0.00 | 8,138.86 |
| Total Expenses | 3,951,979.19 | 704,799.16 | 898,981.20 | 5,555,759.55 |
| Change in net assets | \$ (218,533.45) | \$ 7,589,054.15 | (898,981.20) | 6,471,539.50 |
| Restricted Revenues | 0.00 | (2,129,201.91) | 0.00 | (2,129,201.91) |
| Change in Unrestricted Net Assets | (218,533.45) | 5,459,852.24* | (898,981.20) | 4,342,337.59 |

*Of the \$5,459,852 excess in Development, \$4,699,136 was due to the SBA-SOG (\$4,079,179) and the recording of the extinguishment of debt from the PPP loan (\$619,957). This was a product of the pandemic and a one-time event, therefore without it, the surplus in Development would have been \$760,716 and the overall change in unrestricted net assets would have been a deficit \$356,799.