

**MUSEUM OF AVIATION  
AT ROBINS AIR FORCE BASE,  
GEORGIA FOUNDATION, INC.**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.  
Warner Robins, Georgia

### **Opinion**

We have audited the accompanying financial statements of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc. as of September 30, 2022 and 2021, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of receipts and disbursements – STARBASE are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of receipts and disbursements – STARBASE are fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control over financial reporting and compliance.



Warner Robins, Georgia  
March 31, 2023

## **FINANCIAL STATEMENTS**

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2022 AND 2021

ASSETS

<u>Current Assets</u>	2022	2021
Cash and cash equivalents	\$ 1,631,771	\$ 1,521,133
Restricted assets		
Cash and cash equivalents	426,891	532,450
Accounts receivable	27,250	32,608
Employee retention credit receivable	366,433	366,433
Prepaid expenses	3,268	1,515
Inventory	76,996	68,247
	2,532,609	2,522,386
<u>Property and Equipment</u>		
Property and equipment, net	244,377	260,408
Total Property and Equipment	244,377	260,408
<u>Other Assets</u>		
Other assets	53,811	67,053
Endowment	82,916	99,080
Collections	70,000	70,000
Deposits	80	80
	206,807	236,213
Total Other Assets	206,807	236,213
Total Assets	\$ 2,983,793	\$ 3,019,007

The accompanying notes are an integral part of these financial statements.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

LIABILITIES AND NET ASSETS

<u>Liabilities</u>	2022	2021
Current Liabilities		
Accounts payable	\$ 48,183	\$ 43,319
Salaries payable	203,130	48,877
Accrued vacation	47,592	56,875
Other liabilities	1,585	1,282
Deferred revenue	261,661	2,133
Due to STARBASE	545,952	652,633
Total Current Liabilities	1,108,103	805,119
Long-Term Liabilities		
PPP loan payable	-	356,195
EIDL loan payable	-	145,768
Total Long-Term Liabilities	-	501,963
Total Liabilities	1,108,103	1,307,082
<u>Net Assets</u>		
Without donor restrictions	1,875,690	1,711,925
Total Net Assets	1,875,690	1,711,925
Total Liabilities and Net Assets	\$ 2,983,793	\$ 3,019,007

The accompanying notes are an integral part of these financial statements.



MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENTS OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

<u>Net Assets Without Donor Restrictions</u>	2022	2021
<b>Revenue and Support</b>		
Contributions of cash and other financial assets	\$ 208,240	\$ 241,169
Contributions of nonfinancial assets	72,400	56,070
Grant income	697,100	705,294
Sales	324,728	266,530
Special events	476,387	482,645
Membership fees	10,110	10,030
Investment income (loss)	(12,157)	22,750
Education	274,660	209,785
City of Warner Robins hotel/motel tax	856,517	687,378
PPP loan forgiveness	356,195	357,878
Employee retention credit	-	366,433
Insurance proceeds	22,799	35,682
Net assets released from restrictions		
Satisfaction of purpose restrictions	35,425	44,598
	3,322,404	3,486,242
<b>Expenses</b>		
Program services	2,512,156	1,705,342
Supporting services	589,393	385,936
Fundraising	163,771	116,164
	3,265,320	2,207,442
Total Revenue and Support		
Increase (decrease) in net assets without donor restrictions before STARBASE deduction	57,084	1,278,800
Increase (decrease) in STARBASE net assets	106,681	(95,751)
	163,765	1,183,049
Increase (decrease) in net assets without donor restrictions		
<u>Net Assets with Donor Restrictions</u>		
Contributions	35,425	44,598
Net assets released from restrictions	(35,425)	(44,598)
	-	-
Increase (decrease) in net assets with donor restrictions		
Increase (decrease) in total net assets	163,765	1,183,049
Net assets - beginning of year	1,711,925	528,876
Net assets - end of year	\$ 1,875,690	\$ 1,711,925

The accompanying notes are an integral part of these financial statements.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>Description</u>	Program Services	Administrative and General	Fundraising	Totals
Salaries	\$ 1,064,933	\$ 304,266	\$ 152,133	\$ 1,521,332
Payroll taxes	80,190	22,957	11,638	114,785
Employee benefits	95,158	23,790	-	118,948
Administration	-	33,034	-	33,034
Advertising/marketing	255,860	-	-	255,860
Bank charges	-	23,663	-	23,663
Contractual support	-	128,831	-	128,831
Cost of sales	175,473	-	-	175,473
Education	293,101	-	-	293,101
In kind	72,400	-	-	72,400
Insurance	26,365	-	-	26,365
Interest	1,292	-	-	1,292
Membership	2,795	-	-	2,795
Office expense	-	36,551	-	36,551
Playground project	71,602	-	-	71,602
Special events	214,804	-	-	214,804
Supplies and materials	80,487	-	-	80,487
Postage	21,541	-	-	21,541
Professional fees	-	16,301	-	16,301
Telephone	17,606	-	-	17,606
Travel	22,518	-	-	22,518
Total expenses before depreciation	2,496,125	589,393	163,771	3,249,289
Depreciation	16,031	-	-	16,031
Total Expenses	\$ 2,512,156	\$ 589,393	\$ 163,771	\$ 3,265,320

The accompanying notes are an integral part of these financial statements.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Description</u>	Program Services	Administrative and General	Fundraising	Totals
Salaries	\$ 755,366	\$ 215,819	\$ 107,909	\$ 1,079,094
Payroll taxes	62,867	17,780	8,255	88,902
Employee benefits	81,362	20,341	-	101,703
Administration	-	26,270	-	26,270
Advertising/marketing	184,754	-	-	184,754
Bank charges	-	23,124	-	23,124
Contractual support	-	24,486	-	24,486
Cost of sales	126,726	-	-	126,726
Education	176,672	-	-	176,672
In kind	56,070	-	-	56,070
Insurance	27,083	-	-	27,083
Interest	6,979	-	-	6,979
Membership	2,022	-	-	2,022
Office expense	-	34,998	-	34,998
Special events	123,151	-	-	123,151
Supplies and materials	43,930	-	-	43,930
Postage	11,107	-	-	11,107
Professional fees	-	23,118	-	23,118
Telephone	16,789	-	-	16,789
Travel	8,928	-	-	8,928
Total expenses before depreciation	1,683,806	385,936	116,164	2,185,906
Depreciation	21,536	-	-	21,536
Total Expenses	\$ 1,705,342	\$ 385,936	\$ 116,164	\$ 2,207,442

The accompanying notes are an integral part of these financial statements.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

<u>Cash Flows from Operating Activities</u>	2022	2021
Revenue and Support Received		
Revenue and support without restrictions	\$ 3,223,991	\$ 2,611,300
Revenue and support with restrictions	35,425	44,598
Investment income (loss)	(12,157)	22,750
Cash Paid for		
Salaries and Benefits	(1,610,095)	(1,249,074)
Operating Expenses	(1,486,317)	(945,018)
Net Cash Provided by (Used for) Operating Activities	150,847	484,556
 <u>Cash Flows from Investing Activities</u>		
Purchase of property and equipment	-	(36,683)
Net Cash Provided by (Used for) Investing Activities	-	(36,683)
 <u>Cash Flows from Financing Activities</u>		
Proceeds from SBA notes payable	-	356,195
Principal payments on EIDL loan	(145,768)	(3,945)
Principal payments on notes payable	-	(85,235)
Net Cash Provided by (Used for) Financing Activities	(145,768)	267,015
Net Increase (Decrease) in Cash and Equivalents	5,079	714,888
Cash and Equivalents - Beginning of Year	2,053,583	1,338,695
Cash and Equivalents - End of Year	\$ 2,058,662	\$ 2,053,583
 <u>Classified as</u>		
Cash and cash equivalents	\$ 1,631,771	\$ 1,521,133
Restricted cash	426,891	532,450
	\$ 2,058,662	\$ 2,053,583

The accompanying notes are an integral part of these financial statements.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

	2022	2021
<u>Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided by (Used for) Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ 163,765	\$ 1,183,049
 <u>Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities</u>		
Depreciation	16,031	21,536
PPP loan forgiveness	(356,195)	(357,878)
(Increase) decrease in accounts receivable	5,358	(32,608)
(Increase) decrease in employee retention credit receivable	-	(366,433)
(Increase) decrease in prepaid expenses	(1,753)	(1,515)
(Increase) decrease in promises to give	-	6,100
(Increase) decrease in inventory	(8,749)	(25,390)
(Increase) decrease in other assets	13,242	(11,163)
(Increase) decrease in endowment fund	16,164	(24,062)
Increase (decrease) in accounts payable	4,864	6,629
Increase (decrease) in salaries payable	154,253	20,963
Increase (decrease) in accrued vacation	(9,283)	(5,684)
Increase (decrease) in payroll liabilities	-	5,346
Increase (decrease) in other liabilities	303	2,628
Increase (decrease) in deferred revenue	259,528	(32,713)
Increase (decrease) in due to other agencies	(106,681)	95,751
Total Adjustments	(12,918)	(698,493)
Net Cash Provided by (Used for) Operating Activities	\$ 150,847	\$ 484,556
 <u>Supplemental Schedule of Noncash Financing Activities</u>		
PPP loan forgiveness	\$ 356,195	\$ 357,878

The accompanying notes are an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc. (Foundation) is a nonprofit organization organized under the laws of the State of Georgia. The Foundation was formed to assist in raising funds for the construction, operation, and maintenance of the Museum of Aviation at Robins Air Force Base. The Foundation presently operates a gift shop at the Museum. The original goal of the Heritage of Eagles Campaign was to raise approximately \$5,000,000 over a five-year period for the construction of facilities. During 1993 the Foundation began the 21<sup>st</sup> Century Capital Campaign to raise capital for future construction and expansion. Presently “The Next Generation Capital Campaign” is underway with the goal of raising funds for use in construction of additional building and exhibits.

Funds are also raised through contributions from visitors to the Museum and various sponsored special events. These events included an annual golf tournament, car show, marathon and Museum Foundation Auction in 2022 and 2021.

Support is also received from various functions sponsored by the Air Force Association, allocations from the Combined Federal Campaign, and in-kind contributions from individuals and businesses.

In 1988 the City Council of Warner Robins passed an ordinance allocating 62.5% of the City’s special 2% hotel/motel tax to the Foundation to be used in promoting, operating, and maintaining the Museum. The ordinance was revised in 2009 which increased the hotel/motel tax to 8% with the Foundation receiving 1.5 cents of the tax. As of September 30, 2022 and 2021, the Foundation received \$856,517 and \$687,378, respectively, from this revenue source.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Foundation occasionally receives investment securities as donations. The basis is recorded at fair market value on the date of donation. At each year end the entire portfolio is adjusted by the lower of cost or market valuation method. The Foundation does not generally hold these securities as long-term investments but liquidates them as soon as possible and reasonable.

**Inventories**

Inventories are stated at cost for purchased items. Donated items of inventory are recorded at their estimated wholesale value at the date of contribution.

**Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Property and Equipment**

It is the Foundation's policy to capitalize property and equipment over \$2,500. Property and equipment acquisitions are recorded at cost, estimated cost, or, if donated, fair market value on the date of donation. The buildings are depreciated on a straight-line basis over lives ranging from 31.5 to 45 years. Equipment is depreciated on a straight-line basis over lives ranging from 5 to 10 years. The property and equipment of the Foundation are comprised primarily of office furnishings and equipment.

The value of materials and services purchased and/or donated associated with the exhibit hall and certain exhibit costs are accounted for as net assets without donor restriction. The land upon which the Foundation is located is the property of the United States Government. Accordingly, permanent improvements are transferred to the United States Air Force at completion.

**Collections**

Collection items are recorded at cost if purchased and at fair value at date of accession if donated. Gains and losses from deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. Collection items are protected, kept unencumbered, cared for and preserved. Capitalized collection items are not depreciated due to their indefinite or extraordinarily long useful lives.



MUSEUM OF AVIATION AT ROBINS AIR FORCE  
BASE, GEORGIA FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Revenue Recognition**

The Museum recognizes contributions when cash, securities or other assets, an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Museum recognizes income from its customers for educational program fees and merchandise sales in the accompanying statement of activities. Educational program fees and merchandise sales are recognized at the time the transaction is executed, as that is the point in time the Museum fulfills the customer's request.

Special events consist primarily of ticket sales and sponsorships. Performance obligations related to special events are transferred to the customer at a point in time and are recognized at the conclusion of the event. Special event contributions are conditional promises to give and are not recognized as revenue in the financial statements until the event takes place.

A portion of the Museum's revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Museum has incurred expenditures in compliance with specific contracts or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

**In-kind Contributions and Change in Accounting Principle**

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires the Foundation to present contributed nonfinancial assets in a separate line item in the statement of activities and to disclose certain information about the contributed nonfinancial assets, including whether the assets were monetized or utilized by the Foundation. In addition, the Foundation is required to disclose a description of how these assets are valued.

Contributions of non-monetary assets (in-kind contributions) are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donated services, are recorded at their estimated fair value in the period received. The Foundation utilizes the services of numerous volunteers to perform various tasks that assist the Foundation with programs and activities of the organization.

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
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NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

The value of this contributed time is not reflected in financial statements since the services did not require specialized skills and it was not susceptible to objective measurement.

**Functional Allocation of Expenses**

The costs of providing programs and the administration of the Foundation have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related costs have been allocated based on management's estimates of time spent on their assigned duties. Other expenses are allocated based on management's estimate of benefit provided to each function.

**Income Taxes**

The Foundation is exempt from federal income tax and state income taxes under Internal Revenue Code Section 501(c)(3). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**NOTE 2 – CASH AND DEPOSITS**

As of September 30, 2022 and 2021, the carrying amounts of the Foundation's deposits were \$2,058,662 and \$2,053,583, and the bank balances were \$2,187,705 and \$2,120,693, respectively. Cash balances are maintained in financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation's uninsured cash balances totaled \$1,369,610 and \$1,345,824 as of September 30, 2022 and 2021, respectively.

**NOTE 3 – RESTRICTED CASH**

Cash in the amount of \$426,891 and \$532,450 is restricted for STARBASE operations as of September 30, 2022 and 2021, respectively.

**NOTE 4 – AVAILABILITY AND LIQUIDITY**

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2022	2021
Cash	\$ 1,631,771	\$ 1,521,133
Accounts Receivable	27,250	32,608
Employee Retention Credit Receivable	366,433	-
	<u>\$ 2,025,454</u>	<u>\$ 1,553,741</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the

MUSEUM OF AVIATION AT ROBINS AIR FORCE  
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NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

Foundation plans to utilize its cash balance to fund various ongoing activities and programs within the next year.

**NOTE 5 – EMPLOYEE RETENTION CREDIT RECEIVABLE**

In accordance with the CARES Act, the Museum was eligible for the Employee Retention Credit (ERC). The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to its employees. Credits relating to the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2020 and 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2021 were claimed in December 2022. In accordance with FASB ASC 958-605, the ERC funds are deemed a conditional grant. Conditions for this grant include meeting eligibility requirements.

As of September 30, 2021, the Museum recognized a receivable of \$366,433 related to the ERC in the accompanying statement of financial position and as grant revenue in the accompanying statement of activities as of and for the year ended September 30, 2021, as conditions have been substantially met. The Museum anticipates receiving these credits, with interest, during fiscal year 2023.

**NOTE 6 – INVESTMENTS**

The Museum has invested its endowment assets with the Community Foundation of Central Georgia, Inc. The fair value of investments totaled \$82,916 and \$99,080 as of September 30, 2022 and 2021, respectively.

**NOTE 7 – ENDOWMENT FUNDS**

The Foundation's endowment consists of a fund established for operations or capital projects. The funds are invested in pooled investments and are comprised of donor-restricted funds and board designated funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by that standard. In accordance with that standard, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

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SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

Endowment net asset composition by type of fund as of September 30, 2022 and 2021 are as follows:

	2022	2021
Board designated endowment funds	\$ 82,916	\$ 99,080

Changes in endowment net assets without donor restrictions as of September 30, 2022 and 2021 are as follows:

	2022	2021
Endowment net assets - beginning	\$ 99,080	\$ 75,018
Contributions	478	3,178
Investment return, net	(16,642)	20,884
Endowment net assets - ending	\$ 82,916	\$ 99,080

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Endowment assets are invested to achieve a long-term rate of return in excess of the spending policy rate, plus the rate of inflation, and after deducting for fees and other investment costs. Results are measured against performance benchmarks of similarly managed funds and accounts.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**NOTE 8 – FAIR VALUE MEASUREMENTS**

The Foundation reports certain assets at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date. The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

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Basis of Fair Value Measurement

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument;
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2022 and 2021.

*Pooled Investments* – Valued using quoted market prices of recent transactions or are benchmarked to transactions of similar securities.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis as of September 30, 2022 are as follows:

		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Endowment investments:	Total			
Pooled investments - Community Foundation	\$ 82,916	\$ -	\$ 82,916	\$ -

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NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)

Fair values of assets measured on a recurring basis as of September 30, 2021 are as follows:

<u>Endowment investments:</u>	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Pooled investments - Community Foundation	\$ 99,080	\$ -	\$ 99,080	\$ -

**NOTE 9 – EQUIPMENT AND DEPRECIATION**

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 196,513	\$ 196,513
Improvements	31,728	31,728
Furniture and equipment	260,843	446,780
Total	489,084	675,021
Less: accumulated depreciation	(244,707)	(414,613)
Net property and equipment	<u>\$ 244,377</u>	<u>\$ 260,408</u>

Depreciation expense for 2022 and 2021 was \$16,031 and \$21,536, respectively.

**NOTE 10 – NOTES PAYABLE**

The Foundation's obligations under notes payable consists of the following:

\$287,809 unsecured note due to Cadence Bank. Interest is at 4% due monthly. Payment terms on the note include monthly interest payments beginning October 1, 2016 and principal and interest payments beginning September 1, 2017 amortized over 60 months. The loan was paid off in September 2021.

Interest on the Cadence Bank loan for 2021 was \$2,591.

On April 15, 2020, the Foundation obtained a Small Business Administration loan of \$357,878 through a commercial lender under the Administration's Paycheck Protection Program. This program provides for loan forgiveness of principal and interest if the funds are spent for qualifying costs such as payroll and meets other criteria related to staff and wage retention. The balance of the note includes \$2,923 accrued interest at a rate of 1%. The Foundation received forgiveness of the loan and accrued interest on February 12, 2021.

On April 1, 2021, the Foundation obtained a second Small Business Administration loan of \$356,195 through a commercial lender under the Administration's Paycheck Protection Program.

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(CONTINUED)

The balance of the note includes \$2,968 accrued interest at a rate of 1%. The Foundation received forgiveness of the loan and accrued interest on February 8, 2022.

On June 15, 2020, the Foundation obtained an Economic Injury Disaster Loan from the Small Business Administration in the amount of \$150,000 with an interest rate of 2.75% and a term of 30 years. Monthly payments in the amount of \$641 are due beginning twelve months from the date of loan; early payments are permitted. The balance of the loan as of September 30, 2021 was \$145,768. The loan was paid off in February 2022.

**NOTE 11 – ADVERTISING**

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During 2022 and 2021, advertising and marketing costs totaled \$255,860 and \$184,754, respectively.

**NOTE 12 – EMPLOYEE BENEFIT PLAN**

The Foundation adopted a SIMPLE retirement account plan effective January 1, 2008 covering substantially all employees. Under the plan, the Foundation matches up to 3% of employees' contributions. Plan expenses incurred by the Foundation during 2022 and 2021 were \$24,239 and \$19,792, respectively.

**NOTE 13 – CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended September 30, 2022, contributed nonfinancial assets recognized within the statements of activities included:

Nonfinancial Asset	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Food and materials	\$ 59,900	Special events	None	Current rate of food and materials that would be received for similar products in the United States Current rate of advertising services provided by the advertising companies in the Middle GA area Current rate of advertising services provided by the advertising companies in the Middle GA area
Lodging	2,500	Special events	None	
Advertising	10,000	Special events	None	
Total	<u>\$ 72,400</u>			

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NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021  
(CONTINUED)

For the year ended September 30, 2021, contributed nonfinancial assets recognized within the statements of activities included:

Nonfinancial Asset	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Food and materials	\$ 43,570	Special events	None	Current rate of food and materials that would be received for similar products in the United States Current rate of advertising services provided by the advertising companies in the Middle GA area Current rate of advertising services provided by the advertising companies in the Middle GA area
Lodging	2,500	Special events	None	
Advertising	10,000	Special events	None	
Total	<u>\$ 56,070</u>			

**NOTE 14 – STARBASE**

Science and Technology Academics Reinforcing Basic Aviation & Science Exploration (STARBASE) are a hands-on math, science, and technology program for 5<sup>th</sup> graders in the Middle Georgia area. Its office and laboratory space are in the Museum of Aviation, and its personnel costs, expenses and other financial records are maintained by and are a part of the Museum of Aviation’s bookkeeping system. Since STARBASE is an adjunct to the Museum of Aviation, its transactions are included in these financial reports. A separate schedule of STARBASE’s cash receipts and disbursements is shown on page 21. STARBASE’s net asset balances as of September 30, 2022 and 2021 totaled \$545,952 and \$652,633, respectively, and are not included in the Foundation’s net assets, but are included in the “Due to STARBASE” account on the Statement of Financial Position.

**NOTE 15 – INCOME TAXES**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended September 30, 2022 and 2021, the Foundation is taking the position that all income is derived as a result of its tax exempt purpose and there is no income derived from unrelated business activities. As a result, no tax liability has been recorded. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation’s federal Return of Organization Exempt from Income Tax (Form 990) for 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they are filed.



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**NOTE 16 – EVALUATION OF SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through March 31, 2023, the date which the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

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MUSEUM OF AVIATION AT ROBINS AIR FORCE  
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SCHEDULES OF RECEIPTS AND DISBURSEMENTS - STARBASE  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
<u>Revenue and Other Support</u>		
Contributions	\$ 13,060	\$ 6,755
Grant income	697,100	675,000
Interest income	37	27
	710,197	681,782
 <u>Expenses</u>		
Payroll	\$ 520,969	\$ 386,829
Payroll taxes	42,761	31,071
Employee benefits	53,148	42,008
Telephone	7,552	4,305
Travel	20,438	6,570
Public relations and advertising	-	2,223
Dues and subscriptions	-	80
Training/meetings	10,200	8,660
Supplies	143,527	96,936
Miscellaneous	18,283	7,349
	816,878	586,031
Excess of Receipts over Expenses	(106,681)	95,751
Net assets - beginning of year	652,633	556,882
Net assets - end of year	\$ 545,952	\$ 652,633

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**GAO YELLOW BOOK AUDIT INFORMATION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.  
Warner Robins, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Warner Robins, Georgia  
March 31, 2023