

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

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

SEPTEMBER 30, 2023 AND 2022

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

TABLE OF CONTENTS
SEPTEMBER 30, 2023 AND 2022

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	4 - 5
Statements of Activities.....	6
Statement of Functional Expenses	7
Statements of Cash Flows	8 - 9
Notes to the Financial Statements	10 - 21
SUPPLEMENTARY INFORMATION	
Schedules of Receipts and Disbursements – STARBASE.....	22
GAO YELLOW BOOK AUDIT INFORMATION	
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 <i>Government Auditing Standards</i>	23 - 24

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, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended September 30, 2023, 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, 2023 and 2022, 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 opinions.

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 assurance 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 and *Government 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.

Report on Summarized Comparative Information

We have previously audited Museum of Aviation at Robins Air Force Base, Georgia Foundation, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 February 26, 2024, 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
February 26, 2024

FINANCIAL STATEMENTS

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

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	<u>ASSETS</u>	
	2023	2022
<u>Current Assets</u>		
Cash and cash equivalents	\$ 2,113,326	\$ 1,631,771
Restricted assets		
Cash and cash equivalents	395,503	426,891
Accounts receivable	11,000	27,250
Unconditional promises to give	32,000	-
Employee retention credit receivable	69,233	366,433
Prepaid expenses	1,285	3,268
Inventory	95,600	76,996
	2,717,947	2,532,609
 <u>Property and Equipment</u>		
Property and equipment, net	232,562	244,377
	232,562	244,377
 <u>Other Assets</u>		
Other assets	58,268	53,811
Right-of-use asset	7,052	-
Endowment	93,304	82,916
Collections	70,000	70,000
Deposits	80	80
	228,704	206,807
Total Assets	\$ 3,179,213	\$ 2,983,793

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, 2023 AND 2022
(CONTINUED)

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	\$ 32,885	\$ 48,183
Salaries payable	66,374	203,130
Accrued vacation	38,436	47,592
Other liabilities	1,864	1,585
Deferred revenue	252,176	261,661
Operating lease liability, current portion	2,088	-
Due to STARBASE	548,429	545,952
	<hr/>	<hr/>
Total Current Liabilities	942,252	1,108,103
Long-Term Liabilities		
Operating lease liability	4,965	-
	<hr/>	<hr/>
Total Long-Term Liabilities	4,965	-
Total Liabilities	<hr/>	<hr/>
	947,217	1,108,103
<u>Net Assets</u>		
Without donor restrictions	2,107,766	1,875,690
With donor restrictions	124,230	-
	<hr/>	<hr/>
Total Net Assets	2,231,996	1,875,690
Total Liabilities and Net Assets	<hr/>	<hr/>
	\$ 3,179,213	\$ 2,983,793

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, 2023 AND 2022

	2023	2022
<u>Net Assets Without Donor Restrictions</u>		
Revenue and Support		
Contributions of cash and other financial assets	\$ 211,628	\$ 208,240
Contributions of nonfinancial assets	75,900	72,400
Grant income	790,561	697,100
Sales	406,716	324,728
Special events	495,228	476,387
Membership fees	5,740	10,110
Investment income (loss)	54,702	(12,157)
Education	296,593	274,660
City of Warner Robins hotel/motel tax	930,622	856,517
PPP loan forgiveness	-	356,195
Other income	4,129	22,799
Net assets released from restrictions		
Satisfaction of purpose restrictions	1,475	35,425
	3,273,294	3,322,404
Total Revenue and Support		
Expenses		
Program services	2,229,588	2,512,156
Supporting services	642,423	589,393
Fundraising	166,730	163,771
	3,038,741	3,265,320
Total Expenses		
Increase (decrease) in net assets without donor restrictions before STARBASE deduction	234,553	57,084
Increase (decrease) in STARBASE net assets	(2,477)	106,681
	232,076	163,765
Increase (decrease) in net assets without donor restrictions		
<u>Net Assets with Donor Restrictions</u>		
Contributions	125,705	35,425
Net assets released from restrictions	(1,475)	(35,425)
	124,230	-
Increase (decrease) in net assets with donor restrictions		
Increase (decrease) in total net assets	356,306	163,765
Net assets - beginning of year	1,875,690	1,711,925
Net assets - end of year	\$ 2,231,996	\$ 1,875,690

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, 2023
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022)

<u>Description</u>	Program Services	Administrative and General	Fundraising	Total	2022
Salaries	\$ 1,024,809	\$ 292,802	\$ 146,401	\$ 1,464,012	\$ 1,521,332
Payroll taxes	87,764	25,075	12,538	125,377	114,785
Employee benefits	54,537	15,582	7,791	77,910	118,948
Administration	-	56,202	-	56,202	33,034
Advertising/marketing	287,511	-	-	287,511	255,860
Bank charges	-	69,266	-	69,266	23,663
Contractual support	-	104,262	-	104,262	128,831
Cost of sales	202,963	-	-	202,963	175,473
Education	192,734	-	-	192,734	293,101
In kind	75,900	-	-	75,900	72,400
Insurance	24,251	-	-	24,251	26,365
Interest	-	-	-	-	1,292
Membership	2,973	-	-	2,973	2,795
Miscellaneous	1,265	-	-	1,265	-
Office expense	-	61,159	-	61,159	36,551
Playground project	-	-	-	-	71,602
Special events	197,811	-	-	197,811	214,804
Supplies and materials	23,244	-	-	23,244	80,487
Postage	4,446	-	-	4,446	21,541
Professional fees	-	18,075	-	18,075	16,301
Telephone	12,442	-	-	12,442	17,606
Travel	25,123	-	-	25,123	22,518
Total expenses before depreciation	2,217,773	642,423	166,730	3,026,926	3,249,289
Depreciation	11,815	-	-	11,815	16,031
Total Expenses	<u>\$ 2,229,588</u>	<u>\$ 642,423</u>	<u>\$ 166,730</u>	<u>\$ 3,038,741</u>	<u>\$ 3,265,320</u>

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, 2023 AND 2022

	2023	2022
<u>Cash Flows from Operating Activities</u>		
Revenue and Support Received		
Revenue and support without restrictions	\$ 3,478,694	\$ 3,223,991
Revenue and support with restrictions	125,705	35,425
Investment income (loss)	54,702	(12,157)
Cash Paid for		
Salaries and Benefits	(1,813,211)	(1,610,095)
Operating Expenses	(1,395,723)	(1,486,317)
	450,167	150,847
<u>Cash Flows from Financing Activities</u>		
Principal payments on EIDL loan	-	(145,768)
	-	(145,768)
Net Increase (Decrease) in Cash and Equivalents	450,167	5,079
Cash and Equivalents - Beginning of Year	2,058,662	2,053,583
Cash and Equivalents - End of Year	\$ 2,508,829	\$ 2,058,662
 <u>Classified as</u>		
Cash and cash equivalents	\$ 2,113,326	\$ 1,631,771
Restricted cash	395,503	426,891
	\$ 2,508,829	\$ 2,058,662

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, 2023 AND 2022
(CONTINUED)

	2023	2022
<u>Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided by (Used for) Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ 356,306	\$ 163,765
<u>Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities</u>		
Depreciation	11,815	16,031
PPP loan forgiveness	-	(356,195)
(Increase) decrease in accounts receivable	16,250	5,358
(Increase) decrease in promises to give	(32,000)	-
(Increase) decrease in employee retention credit receivable	297,200	-
(Increase) decrease in prepaid expenses	1,983	(1,753)
(Increase) decrease in inventory	(18,604)	(8,749)
(Increase) decrease in other assets	(4,456)	13,242
(Increase) decrease in endowment fund	(10,388)	16,164
Increase (decrease) in accounts payable	(15,298)	4,864
Increase (decrease) in salaries payable	(136,756)	154,253
Increase (decrease) in accrued vacation	(9,156)	(9,283)
Increase (decrease) in other liabilities	279	303
Increase (decrease) in deferred revenue	(9,485)	259,528
Increase (decrease) in due to other agencies	2,477	(106,681)
Total Adjustments	93,861	(12,918)
Net Cash Provided by (Used for) Operating Activities	\$ 450,167	\$ 150,847
<u>Supplemental Schedule of Noncash Financing Activities</u>		
PPP loan forgiveness	\$ -	\$ 356,195

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

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

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. Funds are also raised through contributions from visitors to the Museum and various sponsored special events. These events included two golf tournaments, marathon, Museum Foundation Auction and Century Showcase Theaters in 2023 and 2022.

The National STEM Academy is a registered trademark program of the Foundation. The National STEM Academy offers field trips and individual programs that integrate innovative, hands-on STEM (Science, Technology, Engineering, and Math) disciplines, including the “Arts” such as history, literature, and more through the Heritage, ACE (Ask. Challenge. Educate), Mission Quest, and the Educator Resource Center programs.

Support is also received from 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. The ordinance was revised again in 2016 which increased the Foundation’s portion to 2.5 cents of the tax. As of September 30, 2023 and 2022, the Foundation received \$930,622 and \$856,517, 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, 2023 AND 2022
(CONTINUED)

Summarized Comparative Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2022, from which the summarized information was derived.

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

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

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. Property and equipment of the Foundation is comprised primarily of office furnishings and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

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.

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 Foundation 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 Foundation 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 Foundation 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 Foundation'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 Foundation 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

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

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

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. 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).

Adoption of New Accounting Standard

Effective October 1, 2022, the Foundation adopted Accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the new leases standard utilizing the modified retrospective transition method, under which amounts in the prior periods presented were not restated. The Foundation elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows it to carry forward any historical lease classification. Upon adoption, the Foundation recorded \$8,347 of ROU assets and \$8,347 of lease liabilities on its statement of financial position. The adoption of the new leases standard did not have a material impact on the Foundation's results of operations or cash flows.

NOTE 2 – CASH AND DEPOSITS

As of September 30, 2023 and 2022, the carrying amounts of the Foundation's deposits were \$2,508,829 and \$2,058,662, and the bank balances were \$2,524,993 and \$2,187,705, respectively. Cash balances are maintained in financial institutions which are insured by the Federal Deposit

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

Insurance Corporation up to \$250,000. The Foundation's uninsured cash balances totaled \$1,438,387 and \$1,369,610 as of September 30, 2023 and 2022, respectively.

NOTE 3 – RESTRICTED CASH

Cash in the amount of \$395,503 and \$426,891 is restricted for STARBASE operations as of September 30, 2023 and 2022, 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:

	2023	2022
Cash	\$ 2,113,326	\$ 1,631,771
Accounts receivable	11,000	27,250
Unconditional promises to give	32,000	-
Employee retention credit receivable	69,233	366,433
Less: funds with donor restrictions	(124,230)	-
	\$ 2,101,329	\$ 2,025,454

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 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 Foundation 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 2nd, 3rd and 4th quarters of 2020 and 1st, 2nd and 3rd 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.

The Foundation recognized \$366,433 related to the ERC in a previous year, as conditions were substantially met. As of September 30, 2023, the Foundation received \$297,200 of the ERC and \$69,233 is still receivable. The Foundation anticipates receiving the balance, with interest, during fiscal year 2024.

NOTE 6 – PROMISES TO GIVE

Unconditional promises to give are expected to be realized in one year or less and are classified as net assets with donor restrictions in the statement of activities. Unconditional promises to give amounted to \$32,000 and \$0 as of September 30, 2023 and 2022, respectively. Management has

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

determined that the promises to give are fully collectible; therefore, no allowance for uncollectible promises to give is considered necessary.

NOTE 7 – INVESTMENTS

The Foundation has invested its endowment assets with the Community Foundation of Central Georgia, Inc. The fair value of investments totaled \$93,304 and \$82,916 as of September 30, 2023 and 2022, respectively.

NOTE 8 – 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.

Endowment net asset composition by type of fund as of September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Board designated endowment funds	\$ 93,304	\$ 82,916

Changes in endowment net assets without donor restrictions as of September 30, 2023 and 2022 are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

	2023	2022
Endowment net assets - beginning	\$ 82,916	\$ 99,080
Contributions	-	478
Investment return, net	10,388	(16,642)
Endowment net assets - ending	\$ 93,304	\$ 82,916

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 9 – 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:

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.

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

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, 2023 and 2022.

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, 2023 are as follows:

Endowment investments:	Total	Significant		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled investments - Community Foundation	\$ 93,304	\$ -	\$ 93,304	\$ -

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

NOTE 10 – EQUIPMENT AND DEPRECIATION

Property and equipment consist of the following:

	2023	2022
Land	\$ 196,513	\$ 196,513
Improvements	31,728	31,728
Furniture and equipment	260,843	260,843
Total	489,084	489,084
Less: accumulated depreciation	(256,522)	(244,707)
Net property and equipment	\$ 232,562	\$ 244,377

Depreciation expense for 2023 and 2022 was \$11,815 and \$16,031, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes for periods as of September 30, 2023 and 2022:

	2023	2022
Innovation update project	\$ 70,450	\$ -
Education/STEM	53,780	-
Total net assets with donor restrictions	\$ 124,230	\$ -

NOTE 12 – LEASING ARRANGEMENTS

The Foundation leases equipment under various long-term, noncancelable lease agreements. The Foundation assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. The Foundation uses the implicit rate when it is readily determinable. Since most of the Foundation's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Foundation's incremental borrowing rate based on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The future payments due under operating leases as of September 30, 2023 are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

<u>Payments Due In:</u>	<u>Amount</u>
2024	\$ 5,098
2025	5,098
2026	<u>1,900</u>
Total undiscounted cash flows	12,096
Less: present value discount	<u>(5,043)</u>
Total lease liabilities	<u>\$ 7,053</u>

As of September 30, 2023, the weighted-average remaining lease term for the Foundation's operating leases is 3.42 years, and the weighted-average discount rate associated with the operating leases is 4.06%. Rent expense for the Foundation's operating leases for the year ended September 30, 2023 was \$5,097.

Rent expense for the year ended September 30, 2022 was \$5,551 reported under the previous lease accounting standard.

NOTE 13 – ADVERTISING

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During 2023 and 2022, advertising and marketing costs totaled \$287,511 and \$255,860, respectively.

NOTE 14 – 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 2023 and 2022 were \$18,906 and \$24,239, respectively.

NOTE 15 – CONTRIBUTED NONFINANCIAL ASSETS

For the year ended September 30, 2023, contributed nonfinancial assets recognized within the statements of activities included:

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

Nonfinancial Asset	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Food and materials	\$ 57,400	Special events	None	Current rate of food and materials that would be received for similar products in the United States
Lodging	2,500	Special events	None	Current rate of lodging provided by hotels in the Middle GA area
Advertising	11,000	Special events	None	Current rate of advertising services provided by the advertising companies in the Middle GA area
Professional services	5,000	Special events	None	Current rate of accounting services provided by companies in the Middle GA area
Total	<u>\$ 75,900</u>			

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
Lodging	2,500	Special events	None	Current rate of lodging provided by hotels in the Middle GA area
Advertising	10,000	Special events	None	Current rate of advertising services provided by the advertising companies in the Middle GA area
Total	<u>\$ 72,400</u>			

NOTE 16 – STARBASE

Science and Technology Academics Reinforcing Basic Aviation & Science Exploration (STARBASE) are a hands-on math, science, and technology program for 5th 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 22. STARBASE’s net asset balances as of September 30, 2023 and 2022 totaled \$548,429 and \$545,952, 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.

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

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

NOTE 17 – 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, 2023 and 2022, 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 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they are filed.

NOTE 18 – EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through February 26, 2024, the date which the financial statements were available to be issued.

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

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

SCHEDULES OF RECEIPTS AND DISBURSEMENTS - STARBASE
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
<u>Revenue and Other Support</u>		
Contributions	\$ 6,453	\$ 13,060
Grant income	790,561	697,100
Interest income	29	37
	797,043	710,197
 <u>Expenses</u>		
Payroll	527,758	520,969
Payroll taxes	40,440	42,761
Employee benefits	31,994	53,148
Telephone	7,561	7,552
Travel	22,788	20,438
Public relations and advertising	299	-
Training/meetings	5,940	10,200
Supplies	135,185	143,527
Miscellaneous	22,601	18,283
	794,566	816,878
 Excess (Deficit) of Receipts over Expenses	 2,477	 (106,681)
 Net assets - beginning of year	 545,952	 652,633
 Net assets - end of year	 \$ 548,429	 \$ 545,952

GAO YELLOW BOOK AUDIT INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

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 statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit 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 audit 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 audit, 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.

A handwritten signature in black ink that reads "C. L. Williams, LLC." The signature is written in a cursive, flowing style.

Warner Robins, Georgia
February 26, 2024