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<td>7–26</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

The Board of Directors
Jackie Robinson Foundation, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of the Jackie Robinson Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jackie Robinson Foundation, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation’s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

August 24, 2020
JACKIE ROBINSON FOUNDATION, INC.
Statement of Financial Position
As of June 30, 2019
(With Summarized Financial Information as of June 30, 2018)

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Operating</th>
<th>Endowment</th>
<th>Total</th>
<th>2018 Operating</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 2)</td>
<td>$13,381</td>
<td>$-</td>
<td>$13,381</td>
<td>$57,445</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments (Note 8)</td>
<td>101,778</td>
<td>8,333,670</td>
<td>8,435,448</td>
<td>8,429,492</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net (Note 7)</td>
<td>12,127,576</td>
<td>-</td>
<td>12,127,576</td>
<td>11,704,174</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfund (payable) receivable</td>
<td>(2,652,564)</td>
<td>2,652,564</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>341,210</td>
<td>11,936</td>
<td>353,146</td>
<td>102,497</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>290,408</td>
<td>-</td>
<td>290,408</td>
<td>221,135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>38,153</td>
<td>-</td>
<td>38,153</td>
<td>39,519</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>14,320</td>
<td>-</td>
<td>14,320</td>
<td>14,320</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net (Note 4)</td>
<td>6,545,054</td>
<td>-</td>
<td>6,545,054</td>
<td>3,218,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible asset (Note 5)</td>
<td>63,758</td>
<td>-</td>
<td>63,758</td>
<td>53,095</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$16,883,074</td>
<td>$10,998,170</td>
<td>$27,881,244</td>
<td>$23,839,901</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

**Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Operating</th>
<th>Endowment</th>
<th>Total</th>
<th>2018 Operating</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$2,646,611</td>
<td>$-</td>
<td>$2,646,611</td>
<td>$483,214</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred rent obligation (Note 10)</td>
<td>1,309,205</td>
<td>-</td>
<td>1,309,205</td>
<td>1,410,731</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit line payable (Note 9)</td>
<td>5,058,534</td>
<td>-</td>
<td>5,058,534</td>
<td>5,066,412</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>9,014,350</td>
<td>-</td>
<td>9,014,350</td>
<td>6,960,357</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Commitments (Note 10)**

**Net assets (deficit)**

**Without Donor Restrictions**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Operating</th>
<th>Endowment</th>
<th>Total</th>
<th>2018 Operating</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated endowment (Note 6)</td>
<td>-</td>
<td>7,145,915</td>
<td>7,145,915</td>
<td>6,852,714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>(22,462,861)</td>
<td>-</td>
<td>(22,462,861)</td>
<td>(20,672,689)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td>(22,462,861)</td>
<td>7,145,915</td>
<td>(15,316,946)</td>
<td>(13,819,975)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**With Donor Restrictions (Note 11)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Operating</th>
<th>Endowment</th>
<th>Total</th>
<th>2018 Operating</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment, net (Note 4)</td>
<td>30,331,585</td>
<td>3,852,255</td>
<td>34,183,840</td>
<td>30,699,519</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>7,868,724</td>
<td>10,998,170</td>
<td>18,866,894</td>
<td>16,879,544</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$16,883,074</td>
<td>$10,998,170</td>
<td>$27,881,244</td>
<td>$23,839,901</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## Changes in net assets without donor restrictions:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising events</td>
<td>$1,605,474</td>
<td>$1,119,620</td>
</tr>
<tr>
<td>Less: Direct benefit to donor costs</td>
<td>673,212</td>
<td>603,719</td>
</tr>
<tr>
<td>Fundraising events, net (Note 13)</td>
<td>932,262</td>
<td>515,901</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>2,446,908</td>
<td>1,753,531</td>
</tr>
<tr>
<td>In-kind contributions (Note 15)</td>
<td>42,500</td>
<td>49,500</td>
</tr>
<tr>
<td>Legacy campaign</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment campaign</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income, net</td>
<td>86,998</td>
<td>80,444</td>
</tr>
<tr>
<td>Net realized and unrealized gain</td>
<td>206,336</td>
<td>268,466</td>
</tr>
<tr>
<td>Other income</td>
<td>16,414</td>
<td>12,603</td>
</tr>
<tr>
<td></td>
<td>3,731,418</td>
<td>2,680,445</td>
</tr>
<tr>
<td>Reclassifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets released from donor restrictions</td>
<td>7,277,162</td>
<td>5,947,731</td>
</tr>
<tr>
<td>Total public support, revenue and reclassifications</td>
<td>11,008,580</td>
<td>8,628,176</td>
</tr>
</tbody>
</table>

## Expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentoring and leadership development</td>
<td>5,303,565</td>
<td>5,479,440</td>
</tr>
<tr>
<td>Public information</td>
<td>1,398,430</td>
<td>623,685</td>
</tr>
<tr>
<td>Archives</td>
<td>221,901</td>
<td>240,641</td>
</tr>
<tr>
<td></td>
<td>6,923,896</td>
<td>6,343,766</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>698,534</td>
<td>680,787</td>
</tr>
<tr>
<td>Fundraising</td>
<td>4,123,355</td>
<td>2,279,741</td>
</tr>
<tr>
<td></td>
<td>4,821,889</td>
<td>2,960,528</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>11,745,785</td>
<td>9,304,294</td>
</tr>
</tbody>
</table>

## Nonoperating expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum development costs (Notes 10 and 14)</td>
<td>759,766</td>
<td>719,547</td>
</tr>
</tbody>
</table>

## Changes in net assets without donor restrictions

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets with donor restrictions</td>
<td>3,484,321</td>
<td>403,769</td>
</tr>
<tr>
<td>Increase (decrease) in total net assets</td>
<td>1,987,350</td>
<td>(991,896)</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>16,879,544</td>
<td>17,871,440</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$18,866,894</td>
<td>$16,879,544</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
JACKIE ROBINSON FOUNDATION, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Summarized Financial Information for the Year Ended June 30, 2018)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Education and Leadership Development</td>
<td>Management and General</td>
</tr>
<tr>
<td></td>
<td>Public Information</td>
<td>Archives</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 790,833</td>
<td>$ 423,234</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>177,643</td>
<td>84,934</td>
</tr>
<tr>
<td>Occupancy</td>
<td>357,393</td>
<td>141,621</td>
</tr>
<tr>
<td>Equipment rental and repairs</td>
<td>124,965</td>
<td>32,722</td>
</tr>
<tr>
<td>Supplies</td>
<td>118,051</td>
<td>23,852</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>51,857</td>
<td>20,735</td>
</tr>
<tr>
<td>Printing and promotional</td>
<td>27,448</td>
<td>37,229</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>35,321</td>
<td>5,767</td>
</tr>
<tr>
<td>Postage and deliveries</td>
<td>25,392</td>
<td>6,113</td>
</tr>
<tr>
<td>Professional and consultant fees</td>
<td>657,853</td>
<td>405,637</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>305,829</td>
<td>27,670</td>
</tr>
<tr>
<td>Temporary help</td>
<td>18,295</td>
<td>2,385</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,136</td>
<td>3,865</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>761,163</td>
<td>99,001</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>6,675</td>
<td>4,566</td>
</tr>
<tr>
<td>Grants and scholarships</td>
<td>1,664,145</td>
<td>2,299</td>
</tr>
<tr>
<td>Storage</td>
<td>21,908</td>
<td>4,739</td>
</tr>
<tr>
<td>Training and seminars</td>
<td>331</td>
<td>136</td>
</tr>
<tr>
<td>Bad debts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>131,066</td>
<td>69,844</td>
</tr>
<tr>
<td>Finance and bank charges</td>
<td>4,653</td>
<td>903</td>
</tr>
<tr>
<td>Other</td>
<td>12,608</td>
<td>1,178</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 5,303,565</td>
<td>$ 1,398,430</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
JACKIE ROBINSON FOUNDATION, INC.

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 1,987,350</td>
<td>$ (991,896)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets provided by (used in) operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>332,686</td>
<td>281,284</td>
</tr>
<tr>
<td>Debt finance interest</td>
<td>4,887</td>
<td>55,483</td>
</tr>
<tr>
<td>Bad debt</td>
<td>2,000,000</td>
<td>50,877</td>
</tr>
<tr>
<td>Net realized and unrealized (gain) loss</td>
<td>(307,025)</td>
<td>(323,699)</td>
</tr>
<tr>
<td>Proceeds from donated securities</td>
<td>(161,547)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in operating assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in pledges receivable</td>
<td>(2,423,402)</td>
<td>108,773</td>
</tr>
<tr>
<td>Increase in other receivables</td>
<td>(250,649)</td>
<td>(4,991)</td>
</tr>
<tr>
<td>(Increase)/decrease in prepaid expenses</td>
<td>(69,273)</td>
<td>140,030</td>
</tr>
<tr>
<td>Decrease in inventory</td>
<td>1,366</td>
<td>2,329</td>
</tr>
<tr>
<td>Decrease in deferred rent obligation</td>
<td>(101,526)</td>
<td>(101,526)</td>
</tr>
<tr>
<td>Increase in accounts payable and accrued expenses</td>
<td>2,163,397</td>
<td>297,023</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>$3,176,264</td>
<td>(486,313)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |             |              |
| Proceeds from sale of investments     | 2,092,525    | 3,346,139    |
| Purchases of investments              | (1,634,794)  | (2,271,987)  |
| Purchases of property and equipment   | (3,670,181)  | (1,058,038)  |
| **Net cash (used in) provided by investing activities** | (3,212,450)  | 16,114       |

| **CASH FLOWS FROM FINANCING ACTIVITIES** |             |              |
| Proceeds from line of credit          | -            | 250,000      |
| Repayment of line of credit           | (7,878)      | (250,000)    |
| **Net cash used in financing activities** | (7,878)      | -            |
| **Net decrease in cash and cash equivalents** | (44,064)     | (470,199)    |
| Cash and cash equivalents, beginning of year | 57,445       | 527,644      |
| **Cash and cash equivalents, end of year** | $ 13,381     | $ 57,445     |

| **SUPPLEMENTARY DISCLOSURE** |             |              |
| Cash paid for interest              | $ 143,732    | $ 47,735     |

The accompanying notes are an integral part of these financial statements.
NOTE 1 ORGANIZATION AND OPERATIONS

The Jackie Robinson Foundation, Inc. (the Foundation) is a publicly supported, not-for-profit national organization established in 1973. It was founded in commemoration of Jackie Robinson, a superb athlete and a man dedicated to the struggle for social, economic, and political justice for all. Its programs are focused on supplemental education, youth mentoring, and tuition assistance. Additionally, the Foundation serves as an advocate for the rights and interests of minority youth and, in a broader sense, their families and the community in which they live.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting.

The financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), the Foundation is required to report information regarding its financial position and activities according to two net asset classes: without donor restrictions and with donor restrictions. See “Net Asset Classifications” below for further detail.

Use of Estimates

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

Net Asset Classifications

Resources are reported for accounting purposes into separate net assets classes based on the existence or absence of donor-imposed restrictions. Therefore, net assets with similar characteristics have been combined into the following categories:

Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations. Net assets may be designated for specific purposes by actions on behalf of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Net assets without donor restrictions can be utilized to carry out any purpose of the Foundation.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Asset Classifications (continued)

With Donor Restrictions: Net assets used by the Foundation and subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire with the passage of time. These net assets with donor restriction are designated principally for scholarships and endowed scholarships.

Scholarship contributions made by donors are four-year scholarship commitments to the Foundation payable through one-time or annual contributions. Endowed scholarship contributions are gifts made by donors to fund endowed Jackie Robinson Foundation scholarships and are placed into an investment fund account at the Board’s approval. Scholarships are awarded using the returns and/or proceeds from the investment of these funds.

The Foundation did not have net assets subject to donor-imposed restrictions that stipulate the principal be invested in perpetuity, but permit the Foundation to use all or part of the income earned on these assets for either specified or unspecified purposes at June 30, 2019 and 2018.

Adopted Accounting Pronouncement

During fiscal year 2019, the Foundation adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity’s liquidity, financial performance, and cash flows. The Foundation has adjusted the presentation of its financial statements, accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Foundation’s financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (see Note 16).
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adopted Accounting Pronouncement (continued)

A summary of net asset classifications pursuant to the adoption of ASU 2016-14 is as follows as of June 30, 2018.

<table>
<thead>
<tr>
<th>Net Asset (Deficit) Classifications</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total Net Assets (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As previously presented</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$(13,819,975)</td>
<td>$</td>
<td>$ (13,819,975)</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>30,699,519</td>
<td>30,699,519</td>
</tr>
<tr>
<td>Net assets as reclassified</td>
<td>$(13,819,975)</td>
<td>$ 30,699,519</td>
<td>$ 16,879,544</td>
</tr>
</tbody>
</table>

Net Deficit Without Donor Restrictions

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Presentation of Financial Statements for Not-for-Profit Entities*, contributions for the acquisition or construction of property, plant or equipment should be reclassified at the time the asset is placed in service. As a result of this accounting policy, the Foundation's cumulative net deficit without donor restrictions of $15,316,946 and $13,819,975 as of June 30, 2019 and 2018, respectively, indicates shortfalls in meeting operational expenses. This is largely due to the Jackie Robinson Museum’s development costs, which have been absorbed by the Foundation’s overall, operations without donor restrictions. The Foundation’s museum accumulated development costs and other related costs for the last 11 years have amounted to $7.3 million and $6.5 million, respectively, for a total of $13.8 million in accumulated museum expenses. The unrestricted net deficit will be greatly reduced once the museum opens in fiscal 2021, when $17.8 million will be released from restriction. The unrestricted net deficit will be further reduced by management’s current aggressive fundraising activities.

Measure of Operations

The Foundation excludes museum development costs from its measure of operations.

Support and Revenue Recognition

Contributions and grants, including promises to give, are recorded at fair value and recognized as revenue when received or pledged unconditionally. Grants and contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue Recognition (continued)

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. The Foundation reports donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions.

Pledges Receivable

Pledges receivable are reported at their fair values. The fair value measurements also include consideration of the donor’s credit risk. An allowance for uncollectible pledges is estimated based on the Foundation’s collection history and recorded as a charge to bad debt and the valuation allowance during the fiscal year when the allowance is determined necessary.

Cash Equivalents

The Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are carried at their fair value or, if donated, at the estimated fair value on the date of the gift. Realized and unrealized gains and losses are included in the statement of activities as increases or decreases in net assets without donor restrictions, unless donor or relevant laws place restrictions on these gains and losses. For purposes of determining the gain or loss on a sale, the cost of securities sold is based on the average cost of each security held at the date of sale. Purchases and sales of securities are recorded on a trade-date basis.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

The Foundation employs the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. ASC 820 defines fair value, requires disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an assets or liability at the measurement date. Fair value of investments is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs are prioritized according to the valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs), and the lowest priority is given to measurements involving insignificant unobservable inputs (Level 3 inputs).

The three levels are as follows:

- **Level 1**: Quoted prices are available in active markets for identical investments as of the reporting date.

- **Level 2**: Pricing inputs are those other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

- **Level 3**: Pricing inputs are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation.

Changes in valuation techniques may result in transfers in or out of an assigned level within the hierarchy.

**Investment Income and Investment Management Fees**

Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Changes in net unrealized gains and losses are calculated based on the change in the difference between the cost and the fair values of investments at June 30 of the current year compared to the cost and the fair values of investments at June 30 of the prior year. Gains and losses on investment transactions are reflected in changes in net assets without donor restrictions and net assets with donor restrictions. No material investment income pertains to operating investments. Investment management fees of $46,712 and $50,935 have been incurred for the years ended June 30, 2019 and 2018, respectively, and are netted against investment income as reflected in the accompanying statement of activities.
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fundraising Events

Fundraising events revenue is net of direct benefit to donor costs, consisting of meals, entertainment, and other costs totaling $673,212 and $603,719 for the years ended June 30, 2019 and 2018, respectively.

Property and Equipment

Property and equipment are recorded at cost or the fair value at the date of donation. Depreciation of property and equipment is provided for on a straight-line basis over the estimated useful lives of the respective assets, while leasehold improvements are amortized over their estimated useful lives or the term of the lease, whichever is shorter. Works of art are valued at cost and are not depreciated. Depreciation begins on construction in progress once assets are placed into service.

The Foundation evaluates impairment on long-lived assets, which are held for use, whenever events or circumstances indicate that impairment may exist. An impairment loss is recorded if the net carrying value of the assets exceeds the undiscounted future net operating cash flows attributable to the asset. The impairment loss recognized equals the excess of net carrying value over the related fair value of the assets. Management has determined that long-lived assets were not impaired at June 30, 2019 and 2018.

Inventory

Inventory consists primarily of Jackie Robinson’s commemorative coins, transit checks and merchandise, which are stated at fair value.

Functional Allocation of Expenses

Costs associated with providing the Foundation’s programs and other activities have been summarized on a functional basis in the statement of activities, which includes all expenses incurred during the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as a public charitable organization described in Section 501(c)(3) and, accordingly, is exempt from Federal income taxes under Section 501(a) of the IRC. It has been classified as a “publicly supported, not-for-profit national organization.” Additionally, since the Foundation is publicly supported, all contributions qualify for the maximum charitable contribution deduction under the IRC. The Foundation is also exempt from New York State and New York City income tax.
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain Tax Positions

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Foundation. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2019, there are no uncertain tax positions taken or expected to be taken. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2016.

Summarized Financial Information

The amounts shown for the year ended June 30, 2018 in the accompanying financial statements are summarized totals that were included to provide a basis for comparison with 2019. Accordingly, the 2018 totals are not intended to present all information necessary for a fair presentation in conformity with U.S. GAAP.

In-kind Contributions

In-kind contributions represent donated office space, professional services advertising, and merchandise reflected in the financial statements at the estimated fair value at the time of donation.

Interpretation of Relevant Law

The New York State Nonprofit Revitalization Act (the Act) went into effect July 1, 2015. The Act was the first meaningful revision of the New York State Not-for-Profit Corporation law in over 40 years. Many of the changes in the Act reflect policies that have been recognized as best practices in the nonprofit sector. The Act contains updated corporate governance procedures, related-party transaction/conflict of interest procedures and fiscal policies. The Foundation has evaluated the effect of the Act and has updated its Conflict of Interest and Whistle-blower policies and has reconstituted its Audit Committee in order to comply with the requirements of the Act.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Yet to Be Adopted

The FASB issued ASU 2016-02, Leases (Topic 842), which requires recognition of (a) a lease asset (right of use) and lease liability, initially measured at the present value of the least payments, in the statement of financial position and (b) a single lease cost, calculated so that the cost of the lease is allocated over the lease term generally on a straight-line basis. All cash payments are to be classified within operating activities in the statement of cash flows. The amendments are effective for the Foundation’s fiscal year ending June 30, 2021, with early adoption permitted. This ASU will impact the accounting for the Foundation’s lease arrangements when it is adopted.

The FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which requires additional disclosures pertaining to qualitative and quantitative disaggregation of revenue into categories that explain how revenue and cash flows are impacted by economic factors, information about contract balances and discussion of remaining performance obligations. The scope of this ASU excludes contributions and collaborative arrangements since they are not viewed to be contracts with customers. The key principle of the guidance is to recognize revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments are effective for the Foundation’s fiscal year ended June 30, 2020, with early adoption permitted. This ASU is relevant for the Foundation’s revenue other than contributions and investment income when it is adopted.

The FASB also issued ASU 2019-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions (Topic 958), which provides a more robust framework for determining whether a transaction should be accounted for as a contribution or exchange transaction. Organizations would have to evaluate whether the resource provider is receiving value in return for the resources transferred. If the resource provider is not itself receiving commensurate value for the resources provided, the organization would have to determine whether a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer. In such circumstances, other guidance, such as the revenue recognition standard (ASC 606) would apply. The amendments are effective for the Foundation’s fiscal year ending June 30, 2021, with early adoption permitted. This ASU is relevant for the Foundation’s contributions when it is adopted.

NOTE 3 CONCENTRATIONS

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in financial institutions, which may exceed federally insured limits. Management regularly monitors the Foundation’s cash balances with a view to minimizing its credit risk.
NOTE 3  CONCENTRATIONS (continued)

During fiscal 2019 and 2018, seven donors contributed $2,394,110 and $2,256,267, respectively. This represents 32.9% and 48.5% of fiscal 2019 and 2018 contribution revenue, respectively. During fiscal 2019 and 2018, two donors contributed 80.8% and 90.8%, respectively, toward the Foundation’s Legacy Campaign.

NOTE 4  PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2019 and 2018 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$3,327,982</td>
<td>$2,844,750</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>986,787</td>
<td>794,348</td>
</tr>
<tr>
<td>Computer software</td>
<td>53,304</td>
<td>48,963</td>
</tr>
<tr>
<td>Application design</td>
<td>590,740</td>
<td>590,740</td>
</tr>
<tr>
<td>Artwork</td>
<td>45,700</td>
<td>45,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,004,513</strong></td>
<td><strong>4,324,501</strong></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>3,040,578</td>
<td>2,728,730</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,963,935</strong></td>
<td><strong>1,595,771</strong></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>4,581,119</td>
<td>1,622,453</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td><strong>$6,545,054</strong></td>
<td><strong>$3,218,224</strong></td>
</tr>
</tbody>
</table>

Depreciation and amortization expense on property and equipment for the years ended June 30, 2019 and 2018 was $311,848 and $266,748, respectively. Estimated amortization expense related to application design for fiscal years 2020 through 2023 will be $27,616, $50,798, $43,342, and $43,342, respectively.

NOTE 5  INTANGIBLE ASSET

In June 2014, the Foundation entered into an agreement to license the rights to use select photos developed and owned by another company. The purchase price paid for the license was $8,416 in cash, which represents its fair value. In January 2018, the Foundation also installed graphics on windows of the museum at a cost of $64,265. In 2019, the Foundation purchased additional license rights to use selected photos for $31,500. The amount has been recorded as an intangible asset in the accompanying statement of financial position and is being amortized over five years, the period of its estimated benefit. Amortization expense at June 30, 2019 and 2018 was $20,836 and $14,536, respectively. Accumulated amortization was $40,422 and $19,586 for the years ended June 30, 2019 and 2018, respectively. Estimated amortization for the next two years will be $19,153 per year.
NOTE 6  ENDOWMENT FUND

In 1986, the Board established a permanent endowment fund consisting of Board-designated net assets by which the capital of the endowment would be retained and invested and there would be no withdrawal of capital, except upon approval of the Board. The earnings from the endowment’s investments may be used upon the Board’s approval for the Foundation’s operations.

In 1992, the Board established an endowed scholarship fund, whereby donors specified that the capital of their contribution for the endowed scholarship fund would be retained and invested and the earnings from the investments would be used to provide four-year scholarships through the Foundation’s programs.

In 1996, the Board established the Spike Lee Youth Motivation Achievement Award Fund. Contributions made to this fund are donor-restricted and would be used for the purpose of supporting an annual cash award to a Foundation scholar with the most outstanding community service involvement.

In 2001, the Board agreed to segregate the commemorative coin surcharge income within the Board-designated permanent endowment fund.

The Board determined that its endowment use policy is consistent with New York Prudent Management of Institutional Funds Act (NYPMIFA) statute requirements.

Endowments as of June 30, 2019 and 2018 consisted of the following net asset balances:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Without Donor Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board-designated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent endowment fund</td>
<td>$ 5,293,475</td>
<td>$ 4,744,249</td>
</tr>
<tr>
<td>Commemorative coin fund</td>
<td>$ 1,852,440</td>
<td>$ 2,108,465</td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td>$ 7,145,915</td>
<td>$ 6,852,714</td>
</tr>
<tr>
<td><strong>With Donor Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowed scholarship fund</td>
<td>$ 3,790,061</td>
<td>$ 3,812,639</td>
</tr>
<tr>
<td>Spike Lee Youth Motivation Achievement Award Fund</td>
<td>$ 62,194</td>
<td>$ 58,933</td>
</tr>
<tr>
<td><strong>Total with donor restrictions</strong></td>
<td>$ 3,852,255</td>
<td>$ 3,871,572</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 10,998,170</td>
<td>$ 10,724,286</td>
</tr>
</tbody>
</table>
NOTE 6  
**ENDOWMENT FUND (continued)**

Changes in endowment fund net assets for the fiscal years ended June 30, 2019 and 2018, respectively, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment assets, beginning of year</td>
<td>$ 6,852,714</td>
<td>$ 3,871,572</td>
<td>$ 10,724,286</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (net)</td>
<td>86,865</td>
<td>104,564</td>
<td>191,429</td>
</tr>
<tr>
<td>Net realized/unrealized gains</td>
<td>206,336</td>
<td>100,689</td>
<td>307,025</td>
</tr>
<tr>
<td>Total investment return</td>
<td>293,201</td>
<td>205,253</td>
<td>498,454</td>
</tr>
<tr>
<td>Appropriated for scholarship payments</td>
<td>239,570</td>
<td>(239,570)</td>
<td>-</td>
</tr>
<tr>
<td>Appropriations for operations</td>
<td>(426,153)</td>
<td>-</td>
<td>(426,153)</td>
</tr>
<tr>
<td>Scholarship payments made</td>
<td>(413,111)</td>
<td>-</td>
<td>(413,111)</td>
</tr>
<tr>
<td><strong>Endowment assets, end of year</strong></td>
<td>$ 7,145,915</td>
<td>$ 3,852,255</td>
<td>$ 10,998,170</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment assets, beginning of year</td>
<td>$ 6,926,622</td>
<td>$ 4,130,090</td>
<td>$ 11,056,712</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (net)</td>
<td>80,310</td>
<td>87,830</td>
<td>168,140</td>
</tr>
<tr>
<td>Net realized/unrealized gains</td>
<td>271,935</td>
<td>51,763</td>
<td>323,698</td>
</tr>
<tr>
<td>Total investment return</td>
<td>352,245</td>
<td>139,593</td>
<td>491,838</td>
</tr>
<tr>
<td>Appropriated for scholarship payments</td>
<td>413,111</td>
<td>(413,111)</td>
<td>-</td>
</tr>
<tr>
<td>Appropriations for operations</td>
<td>(426,153)</td>
<td>-</td>
<td>(426,153)</td>
</tr>
<tr>
<td>Scholarship payments made</td>
<td>(413,111)</td>
<td>-</td>
<td>(413,111)</td>
</tr>
<tr>
<td><strong>Endowment assets, end of year</strong></td>
<td>$ 6,852,714</td>
<td>$ 3,871,572</td>
<td>$ 10,724,286</td>
</tr>
</tbody>
</table>
NOTE 6  **ENDOWMENT FUND** (continued)

Return Objectives and Risk Parameters

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 Board-designated funds that the Foundation must retain. Under this policy, as approved by the Board, the endowment assets are invested in a manner intended to maintain the level of programs and services currently provided while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return of approximately 4% in excess of the Consumer Price Index annually. Actual returns in any given year may vary from this percentage.

Strategies Employed for Achieving Objectives

To satisfy the 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). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment fund is considered a permanent fund; therefore, the investment objectives require disciplined and consistent management philosophies to accommodate all relevant, reasonable, and probable events. Thus, total rate-of-return and spending rate objectives are reviewed periodically, consistent with the Foundation’s objective to maintain the purchasing power of the current assets and all future contributions. There is no specific spending rate established by the Foundation.

NOTE 7  **PLEDGES RECEIVABLE, NET**

Pledges receivable consisted of amounts to be received as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30 2019</th>
<th>June 30 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable due less than 1 year</td>
<td>$6,920,000</td>
<td>$5,641,877</td>
</tr>
<tr>
<td>Pledges receivable due from 1-5 years</td>
<td>5,440,094</td>
<td>6,247,688</td>
</tr>
<tr>
<td>Pledges receivable after 5 years</td>
<td>200,000</td>
<td>325,000</td>
</tr>
<tr>
<td></td>
<td>12,560,094</td>
<td>12,214,565</td>
</tr>
<tr>
<td>Fair value adjustment</td>
<td>(432,518)</td>
<td>(410,513)</td>
</tr>
<tr>
<td>Allowance for uncollectible accounts</td>
<td>-</td>
<td>(99,878)</td>
</tr>
<tr>
<td><strong>Total pledges receivable, net</strong></td>
<td><strong>$12,127,576</strong></td>
<td><strong>$11,704,174</strong></td>
</tr>
</tbody>
</table>
NOTE 7  PLEDGES RECEIVABLE, NET (continued)

Amounts due in more than one year are adjusted to fair value using present value techniques that assume a discount rate of between 4% and 2% in 2019 and 2018, respectively.

The Foundation has three conditional grants totaling $5,000,000, which contain donor conditions based on the completion of the museum and education center. Since the grant represents a conditional promise to give, it will not be recorded as contribution revenue until the donor conditions are met. As of June 30, 2019 and 2018, $2,500,000 and $2,250,000, respectively, of the conditions had been met due to the completion of the education center; accordingly, contributions revenue was recorded in the years the conditions were met. The remaining $2,500,000 will be recognized upon completion of the museum based on provisions specified in the grant agreement.

NOTE 8  INVESTMENTS

Investments held by the Foundation at June 30, 2019 and 2018 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government obligations</td>
<td>$1,124,764</td>
<td>$952,338</td>
</tr>
<tr>
<td>Corporate stocks</td>
<td>1,560,873</td>
<td>1,461,496</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>938,137</td>
<td>938,147</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>4,343,233</td>
<td>4,863,729</td>
</tr>
<tr>
<td>Real estate</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Money market funds</td>
<td>368,441</td>
<td>213,782</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$8,435,448</strong></td>
<td><strong>$8,429,492</strong></td>
</tr>
</tbody>
</table>

The following valuation methodologies were used for assets measured at fair value:

* Mutual funds and money market funds—Valued at the closing price reported on the active market on which the individual securities are traded.

* U.S. Government obligations—Valued at the closing price reported on the markets not actively traded.

* Corporate bonds and corporate stocks—Valued based on information provided by an independent pricing service that uses information gathered from market sources and integrates relative infrequent information, market movements and sector news into an evaluated pricing application and model.
NOTE 8 INVESTMENTS (continued)

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

The following tables set forth, by level within the fair value hierarchy, the Foundation’s financial instruments at fair value as of June 30, 2019 and 2018, respectively:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1</strong></td>
<td><strong>Level 2</strong></td>
<td><strong>Level 3</strong></td>
</tr>
<tr>
<td>Interest-bearing cash</td>
<td>$3,488</td>
<td>$ -</td>
</tr>
<tr>
<td>U.S. Government obligations</td>
<td>$ -</td>
<td>$1,124,764</td>
</tr>
<tr>
<td>Corporate stocks</td>
<td>$1,559,095</td>
<td>$1,778</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>$ -</td>
<td>$938,137</td>
</tr>
<tr>
<td><strong>Mutual funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. equity</td>
<td>$2,620,280</td>
<td>$ -</td>
</tr>
<tr>
<td>U.S. fixed income</td>
<td>$1,519,667</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$203,286</td>
<td>$ -</td>
</tr>
<tr>
<td>Real estate</td>
<td>$ -</td>
<td>$100,000</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$368,441</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,274,257</td>
<td>$2,064,679</td>
</tr>
</tbody>
</table>

Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value level to another. For the years ended June 30, 2019 and 2018, there were no transfers in or out of Level 1, 2 or 3.
NOTE 8 INVESTMENTS (continued)

The following table sets forth a summary of changes in the fair value of the Foundation’s Level 3 assets for the year ended June 30, 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ -</td>
</tr>
<tr>
<td>Transfer from Fred Simmons Trust</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 100,000</td>
</tr>
</tbody>
</table>

In estimating the fair value of investments in Level 3, the Foundation may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, the Foundation evaluates a variety of factors, including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

The composition of investments at June 30, 2019 and 2018 was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 101,778</td>
<td>$ 1,778</td>
</tr>
<tr>
<td>Endowment</td>
<td>8,333,670</td>
<td>8,427,714</td>
</tr>
<tr>
<td>Total investments</td>
<td>$ 8,435,448</td>
<td>$ 9,429,492</td>
</tr>
</tbody>
</table>

As discussed in Notes 9 and 10, the Foundation’s investments provide collateral for the line of credit at June 30, 2019 and 2018 of $5,058,534 and $5,066,412, respectively, and a letter of credit at June 30, 2019 and 2018 of $483,000.

NOTE 9 REVOLVING LOAN AND CREDIT LINE PAYABLE

The Foundation has a revolving line of credit with a bank under which the Foundation may borrow up to 50% of the agreed-upon collateral value of its investments portfolio at the bank’s LIBOR rate plus 50 basis points, which was 2.90% and 2.60% at June 30, 2019 and 2018, respectively. Amounts outstanding under this line of credit at June 30, 2019 and 2018 were $5,058,534 and $5,066,412, respectively. Interest expense on the credit line payable was $148,618 and $107,111 for the years ended June 30, 2019 and 2018, respectively. The Foundation’s investments provide collateral for this line of credit.
NOTE 10  COMMITMENTS

Lease

On February 20, 2007, the Foundation entered into a non-cancellable lease agreement for its administrative offices and to provide space for a museum and education center. The lease contains provisions for future rent increases and rent-free periods, during which times rent payments are abated. The period of this lease is from May 1, 2007 through April 30, 2027. The total amount of rental payments due over the lease period is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to “Deferred rent obligation,” and is reflected in the accompanying statement of financial position.

On May 25, 2011, the landlord granted the Foundation a temporary restructuring of its lease obligation to defer partial payments in the amount of $26,999 per month for the period July 1, 2011 through April 30, 2012 and $30,162 per month for the period May 1, 2012 through June 30, 2012. The aggregate deferred rent of $330,321 is to be repaid by the Foundation, in addition to all fixed rent and additional rent otherwise payable under the lease, over the balance of the term of the lease, on the first day of each month commencing on July 1, 2013 and ending on April 1, 2027, in equal installments of $1,990.

On March 20, 2019, the Foundation amended its lease agreement to lease additional space from the Landlord for the museum through the expiration date of the current lease agreement. The Foundation will pay the Landlord for the additional space, $185,410 annually ($15,534 per month) through April 30, 2022 and $199,725 annually ($16,644 per month) for the period May 1, 2022 through April 30, 2027 the expiration date of the lease agreement.

At June 30, 2019, minimum lease rental payments under the non-cancellable operating lease for the rental of office and museum space are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$1,456,065</td>
</tr>
<tr>
<td>2021</td>
<td>1,460,745</td>
</tr>
<tr>
<td>2022</td>
<td>1,483,335</td>
</tr>
<tr>
<td>2023</td>
<td>1,577,234</td>
</tr>
<tr>
<td>2024</td>
<td>1,582,373</td>
</tr>
<tr>
<td>Thereafter</td>
<td>4,512,042</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td><strong>$12,071,794</strong></td>
</tr>
</tbody>
</table>

The lease agreement also provides for a security deposit of $483,000, which is evidenced by a letter of credit collateralized by the Foundation’s investments. The security amount decreases periodically over a 15-year period to an amount of $250,000.

Future minimum annual rental payments are subject to escalations for real estate taxes and certain maintenance costs.
NOTE 10 COMMITMENTS (continued)

Lease (continued)

During fiscal years 2019 and 2018, the Foundation’s occupancy costs were $1,780,952 and $1,690,396, respectively, of which $759,766 and $719,547, respectively, were related to museum development costs.

Scholarships

The Foundation intends to provide continuing support for recipients of scholarships who demonstrate satisfactory academic progress until completion of their four-year degree. As of June 30, 2019 and 2018, the Foundation estimates that the future aggregate commitment to recipients is $2,555,500 and $2,503,950, respectively.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of $34,183,840 and $30,699,519 at June 30, 2019 and 2018, respectively, are to support the museum, education, and leadership development program services.

The composition of net assets with donor restrictions at June 30, 2019 and 2018 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum</td>
<td>15,666,923</td>
<td>16,427,423</td>
</tr>
<tr>
<td>Scholarships</td>
<td>14,664,662</td>
<td>10,400,524</td>
</tr>
<tr>
<td>Endowed scholarships</td>
<td>3,852,255</td>
<td>3,871,572</td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>$ 34,183,840</strong></td>
<td><strong>$ 30,699,519</strong></td>
</tr>
</tbody>
</table>

Net assets released from donor restrictions based on the satisfaction of purpose and time restrictions were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum</td>
<td>2,862,500</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Scholarships</td>
<td>4,414,662</td>
<td>4,947,731</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 7,277,162</strong></td>
<td><strong>$ 5,947,731</strong></td>
</tr>
</tbody>
</table>

NOTE 12 RETIREMENT PLAN

In 1991, the Foundation established the Jackie Robinson Foundation Defined Contribution Retirement Plan and a Tax-Deferred Annuity Plan pursuant to Section 403(b) of the IRC.
NOTE 12  RETIREMENT PLAN  *(continued)*

The retirement plan is a non-contributory, defined-contribution plan covering all eligible employees working at least 1,000 hours per year who have completed one year of employment. The Foundation contributes an amount up to 6% of the participating employee’s base salary.

Additional amounts may be voluntarily contributed under a salary reduction agreement to the tax-deferred supplemental annuity plan.

During fiscal years 2019 and 2018, the Foundation’s retirement plan expense was $87,079 and $80,201, respectively.

NOTE 13  FUNDRAISING EVENTS

Fundraising events in for the years ended June 30, 2019 and 2018 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Award Dinner</th>
<th>Other</th>
<th>2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising revenue</td>
<td>$1,605,474</td>
<td>$  -</td>
<td>$ 1,605,474</td>
</tr>
<tr>
<td>Less: Direct benefit to donor costs</td>
<td>658,020</td>
<td>15,192</td>
<td>673,212</td>
</tr>
<tr>
<td><strong>Fundraising events, net</strong></td>
<td><strong>$ 947,454</strong></td>
<td><strong>$ (15,192)</strong></td>
<td><strong>$ 932,262</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Award Dinner</th>
<th>Other</th>
<th>2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising revenue</td>
<td>$1,119,620</td>
<td>$  -</td>
<td>$ 1,119,620</td>
</tr>
<tr>
<td>Less: Direct benefit to donor costs</td>
<td>603,283</td>
<td>436</td>
<td>603,719</td>
</tr>
<tr>
<td><strong>Fundraising events, net</strong></td>
<td><strong>$ 516,337</strong></td>
<td><strong>$ (436)</strong></td>
<td><strong>$ 515,901</strong></td>
</tr>
</tbody>
</table>

The Foundation received in-kind merchandise for its fundraising event, which was a direct benefit to donors, with a fair value of $76,500 and $27,500 in 2019 and 2018, respectively. These amounts have been reflected in fundraising revenue and direct benefit to donor costs in the accompanying statement of activities.
NOTE 14  MUSEUM DEVELOPMENT COSTS

The Foundation is currently building the Jackie Robinson Museum to expand its outreach in continuing Jackie Robinson’s legacy. During the years ended June 30, 2019 and 2018, the Foundation incurred $759,766 and $719,547, respectively, in occupancy costs for the space designated for the museum. Other costs incurred for the construction of the museum were capitalized as “construction in progress,” and are reflected within property and equipment in the accompanying statement of financial position.

NOTE 15  IN-KIND CONTRIBUTIONS

The Foundation recognizes in-kind contributions for certain legal services, at the fair value of such services. Recognized services were provided by one legal professional as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and consultant fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting services</td>
<td>$115,200</td>
<td>$138,400</td>
</tr>
<tr>
<td>Total</td>
<td>$115,200</td>
<td>$138,400</td>
</tr>
</tbody>
</table>

The organization also received merchandise for program services with a fair value of $42,500 and $49,500 for the years ended June 30, 2019 and 2018, respectively, which were recognized as contribution revenue.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services-supplies</td>
<td>$42,500</td>
<td>$49,500</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>$27,500</td>
</tr>
<tr>
<td>Total</td>
<td>$42,500</td>
<td>$77,000</td>
</tr>
</tbody>
</table>

NOTE 16  FINANCIAL ASSETS (DEFICIT) AND LIQUIDITY

The Foundation monitors its liquidity to be able to meet its operating needs and other contractual commitments. Financial assets (deficit) available for general expenditure, excluding amounts restricted by donors, within one year of the statement of financial position date are comprised of the following:
NOTE 16  FINANCIAL ASSETS (DEFICIT) AND LIQUIDITY (continued)

Financial assets available for general expenditure within one year of the statement of financial position date is comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,381</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>6,920,000</td>
</tr>
<tr>
<td>Other receivables</td>
<td>353,146</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,286,527</strong></td>
</tr>
</tbody>
</table>

As part of the Foundation’s liquidity management plan, the Foundation closely monitors its spending closely. The Foundation expends funds based on a Board of Directors approved annual budget and cash flow analyses are utilized to help ensure shortfalls are minimized and immediate financial obligations are met. In the event of unanticipated liquidity needs, the Foundation has a line of credit facility available as well as the Board-designated funds in the amount of $7.1 million could be released.

NOTE 17  SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through August 12 2020, the date the financial statements were approved and available for issuance. Management has determined that no items require disclosure through to the aforementioned date except for the following:

In fiscal year 2020, four Board members loaned the Foundation a combined total of $1,165,000 due to the Foundation’s cash flow issues. The Foundation has repaid all four Board members in full. There is not outstanding balance as of August 24, 2020.

In July of 2020, the Foundation received a substantial unrestricted contribution of $5 million.

On March 11, 2020, The World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including New York State, declared a state of emergency which caused the shutdown of the Foundation’s office. There has been an immediate impact on the Foundation’s operations, including: vacating the occupancy of the Foundation’s headquarters with staff working remotely; a precipitous drop both in fundraising and in expected payments against funds previously pledged due to the immediate economic downturn; and an increase in expenses directly related to providing additional assistance to Scholar grant recipients returning home for remote learning and retooling Foundation operations to accommodate staff working from home. As a result, the Foundation applied and was approved on April 28, 2020, for an SBA Paycheck Protection Program Loan in the amount of $350,000. The Foundation’s management expects this loan to be forgiven based on the Foundation’s eligible expenses.