

JACKIE ROBINSON FOUNDATION, INC.

**Financial Statements
For the Year Ended June 30, 2023
(With Summarized Financial Information for 2022)
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

JACKIE ROBINSON FOUNDATION, INC.
For the Year Ended June 30, 2023
(With Summarized Financial Information for 2022)

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Jackie Robinson Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

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, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued or are available to be issued.

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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 GAAS 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 GAAS, 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 the Foundation'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 the Foundation'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 the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mitchell Titus, LLP

May 15, 2024

JACKIE ROBINSON FOUNDATION, INC.

Statement of Financial Position

As of June 30, 2023

(With Summarized Financial Information as of June 30, 2022)

	2023			2022
	Operating	Endowment	Total	Total
ASSETS				
Cash and cash equivalents (Note 2)	\$ 28,648	\$ -	\$ 28,648	\$ 172,055
Investments (Note 8)	101,778	4,829,170	4,930,948	5,021,433
Pledges receivable, net (Note 7)	6,502,179	180,000	6,682,179	8,054,825
Interfund (payable) receivable	(4,747,606)	4,747,606	-	-
Other receivables	111,492	6,518	118,010	1,109,062
Prepaid expenses	152,383	-	152,383	733,575
Inventory	59,459	-	59,459	56,556
Security deposits	14,321	-	14,321	14,320
Property and equipment, net (Note 4)	24,189,035	-	24,189,035	20,881,291
Right-to-use assets (Notes 2 and 10)	5,852,704	-	5,852,704	-
Intangible asset (Note 5)	124,286	-	124,286	126,935
Total assets	\$ 32,388,679	\$ 9,763,294	\$ 42,151,973	\$ 36,170,052
LIABILITIES AND NET ASSETS				
<i>Liabilities</i>				
Accounts payable and accrued expenses	\$ 6,855,918	\$ -	\$ 6,855,918	\$ 6,104,656
Deferred revenue	-	-	-	172,482
Lease liability (Notes 2 and 10)	5,852,704	-	5,852,704	-
Bridge loan payable	8,330,497	-	8,330,497	2,845,280
Deferred rent obligation (Note 10)	783,188	-	783,188	987,497
Credit line payable (Note 9)	3,245,837	-	3,245,837	3,121,672
Total liabilities	25,068,144	-	25,068,144	13,231,587
Commitments (Note 10)				
<i>Net assets (deficit)</i>				
<i>Without Donor Restrictions</i>				
Board-designated endowment (Note 6)	-	5,845,975	5,845,975	5,789,646
Undesignated	(2,739,262)	-	(2,739,262)	(20,424,134)
Total without donor restrictions	(2,739,262)	5,845,975	3,106,713	(14,634,488)
<i>With Donor Restrictions (Notes 6 and 11)</i>	10,059,797	3,917,319	13,977,116	37,572,953
Total net assets	7,320,535	9,763,294	17,083,829	22,938,465
Total liabilities and net assets	\$ 32,388,679	\$ 9,763,294	\$ 42,151,973	\$ 36,170,052

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

JACKIE ROBINSON FOUNDATION, INC.
Statements of Activities
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
<i>Public support</i>		
Fundraising events	\$ 1,746,401	\$ -
Less: Direct benefit to donor costs	<u>2,342,484</u>	<u>7,736</u>
Fundraising events, net (Note 2)	(596,083)	(7,736)
Contributions and grants	5,462,391	4,975,953
Endowment campaign	3,156	8
<i>Revenue</i>		
Investment income, net	44,056	31,392
Net realized and unrealized gain (loss)	5,852	(249,193)
Other income	<u>349,712</u>	<u>2,224</u>
	5,269,084	4,752,648
<i>Reclassifications</i>		
Net assets released from donor restrictions	<u>27,093,841</u>	<u>4,401,009</u>
Total public support, revenue and reclassifications	32,362,925	9,153,657
EXPENSES		
<i>Program services</i>		
Mentoring and leadership development	5,409,099	4,025,094
Museum	5,655,827	-
Public information	795,595	754,620
Archives	<u>264,291</u>	<u>254,292</u>
Total program services	<u>12,124,812</u>	<u>5,034,006</u>
<i>Supporting services</i>		
Management and general	902,922	827,528
Fundraising	<u>1,593,990</u>	<u>2,269,775</u>
Total supporting services	<u>2,496,912</u>	<u>3,097,303</u>
Total operating expenses	<u>14,621,724</u>	<u>8,131,309</u>
Increase in net assets from operations	17,741,201	1,022,348
<i>Nonoperating expenses</i>		
Museum development costs (Notes 2 and 10)	<u>-</u>	<u>942,034</u>
Increase in net assets without donor restrictions	<u>17,741,201</u>	<u>80,314</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	2,284,704	3,158,863
In-kind contributions (Note 2)	-	82,350
Legacy campaign	1,097,564	1,061,555
Endowment campaign	42	52,105
Government grant	-	1,000,000
Investment income, net	40,847	82,054
Net realized and unrealized (loss) gain	74,847	(413,166)
Net assets released from donor restrictions	<u>(27,093,841)</u>	<u>(4,401,009)</u>
(Decrease) increase in net assets with donor restrictions	<u>(23,595,837)</u>	<u>622,752</u>
(Decrease) increase in total net assets	(5,854,636)	703,066
Net assets, beginning of year	<u>22,938,465</u>	<u>22,235,399</u>
Net assets, end of year	<u><u>\$ 17,083,829</u></u>	<u><u>\$ 22,938,465</u></u>

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, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

	Program Services					Supporting Services			2023 Total Expenses	2022 Total Expenses
	Education and Leadership Development	Museum	Public Information	Archives	Total	Management and General	Fundraising	Total		
Salaries	\$ 904,071	\$ 500,672	\$ 280,159	\$ 50,895	\$ 1,735,797	\$ 179,951	\$ 577,436	\$ 757,387	\$ 2,493,184	\$ 1,987,103
Fringe benefits	175,475	111,297	55,540	19,546	361,858	30,812	149,495	180,307	542,165	521,097
Occupancy	445,437	1,355,828	183,240	91,605	2,076,110	327,161	261,730	588,891	2,665,001	1,234,024
Equipment rental and repairs	101,417	114,010	22,154	11,074	248,655	39,560	45,692	85,252	333,907	320,946
Supplies	67,716	170,449	12,011	5,897	256,073	21,387	17,392	38,779	294,852	128,814
Repairs and maintenance	104,462	100,767	43,014	21,507	269,750	76,810	63,311	140,121	409,871	207,175
Printing and promotional	46,453	31,106	1,383	692	79,634	2,471	25,430	27,901	107,535	65,868
Telecommunication	105,306	94,977	31,309	15,654	247,246	55,909	57,685	113,594	360,840	97,127
Postage and deliveries	7,134	17,174	1,499	750	26,557	2,677	10,642	13,319	39,876	18,752
Professional and consultant fees	614,622	546,384	117,018	23,430	1,301,454	86,237	93,972	180,209	1,481,663	964,718
Travel and transportation	107,617	17,013	4,396	1,657	130,683	7,142	12,052	19,194	149,877	96,623
Temporary help	408	1,905	168	84	2,565	300	240	540	3,105	30,115
Insurance	33,094	77,495	13,627	8,573	132,789	24,334	24,689	49,023	181,812	97,891
Conferences and meetings	691,661	41,256	6,215	1,329	740,461	5,750	18,850	24,600	765,061	22,623
Promotions and advertising	-	15,790	-	-	15,790	-	-	-	15,790	-
Dues and subscriptions	34,140	41,854	9,663	4,590	90,247	17,118	42,112	59,230	149,477	175,486
Grants and scholarships	1,771,298	9,994	958	470	1,782,720	1,705	1,387	3,092	1,785,812	1,763,470
Storage	8,501	-	3,500	1,750	13,751	6,251	5,001	11,252	25,003	29,471
Training and seminars	-	-	-	-	-	-	-	-	-	2,681
Bad debt	165,000	-	-	-	165,000	-	165,000	165,000	330,000	-
Depreciation and amortization	20,433	1,939,952	8,241	4,121	1,972,747	14,716	11,773	26,489	1,999,236	319,074
Finance and bank charges	3,677	467,864	1,190	595	473,326	2,126	9,482	11,608	484,934	45,414
Other	1,177	40	310	72	1,599	505	619	1,124	2,723	2,837
Total expenses	\$ 5,409,099	\$ 5,655,827	\$ 795,595	\$ 264,291	\$ 12,124,812	\$ 902,922	\$ 1,593,990	\$ 2,496,912	\$ 14,621,724	\$ 8,131,309

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (5,854,636)	\$ 703,066
<i>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities</i>		
Depreciation and amortization	1,999,236	319,074
Bad debt	330,000	-
Debt finance interest	124,165	15,608
Forgiveness of Debt-PPP Grant	-	(350,000)
In-kind contribution	-	(82,350)
Net realized and unrealized loss (gain)	(80,699)	662,359
Proceeds from donated securities	(157,669)	(334,880)
<i>Change in operating assets and liabilities</i>		
Decrease in pledges receivable	1,042,646	4,242,654
Decrease (increase) in other receivables	991,052	(1,041,405)
Increase in prepaid expenses	581,192	(607,424)
Increase in inventory	(2,903)	(12,320)
(Decrease) increase in deferred revenue	(172,482)	25,000
Decrease in deferred rent obligation	(204,309)	(118,657)
Increase in accounts payable and accrued expenses	751,262	3,140,580
Net cash (used in) provided by operating activities	<u>(653,145)</u>	<u>6,561,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,704,804	1,799,446
Purchases of investments	(2,375,950)	(1,230,616)
Purchases of property and equipment	<u>(5,304,333)</u>	<u>(12,929,124)</u>
Net cash used in investing activities	<u>(4,975,479)</u>	<u>(12,360,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bridge loan	5,485,217	2,845,280
Repayment of line of credit	<u>-</u>	<u>(252,000)</u>
Net cash provided by financing activities	<u>5,485,217</u>	<u>2,593,280</u>
Net decrease in cash and cash equivalents	(143,407)	(3,205,710)
Cash and cash equivalents, beginning of year	<u>172,055</u>	<u>3,377,765</u>
Cash and cash equivalents, end of year	<u><u>\$ 28,648</u></u>	<u><u>\$ 172,055</u></u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u><u>\$ 133,046</u></u>	<u><u>\$ 11,015</u></u>

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

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

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.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

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 restrictions 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, 2023 and 2022.

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 surplus/(deficit) without donor restrictions of \$3,104,703 and \$(14,634,488) as of June 30, 2023 and 2022, respectively, indicated shortfalls in meeting operational expenses in 2022. This was 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 past 15 years have amounted to \$10.0 million and \$12.9 million, respectively, for a total of \$22.9 million in accumulated museum expenses. The net deficit without donor restrictions was greatly reduced after the museum opened in July 2022, when \$24.5 million was released from restriction.

Measure of Operations

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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 the 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 FASB 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.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 value 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 \$31,726 and \$34,894 have been incurred for the years ended June 30, 2023 and 2022, respectively, and are netted against investment income as reflected in the accompanying statement of activities.

Fundraising Events

Fundraising events revenue is net of direct benefit to donor costs, consisting of meals, entertainment, and other costs totaling \$596,083 and \$7,736 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022.

Inventory

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

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, 2023, there were 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 2020.

Summarized Financial Information

The amounts shown for the year ended June 30, 2022 in the accompanying financial statements are summarized totals that were included to provide a basis for comparison with 2023. Accordingly, the 2022 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 professional services and merchandise reflected in the financial statements at their estimated fair value at the time of donation.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interpretation of Relevant Law

The New York State Nonprofit Revitalization Act (the Act) became effective on 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 Not-for-Profit sector. The Act contains updated corporate governance procedures, related-party transaction/conflict of interest procedures and fiscal policies. The Foundation has evaluated the effects 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.

Revenue and Cost Recognition

The Organization recognizes revenue in accordance with FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 eliminated transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replaced it with a principle-based approach for determining revenue recognition. ASU 2014-09 required an entity to recognize revenue based on the value of transferred goods or services as they occurred in the contract. ASU 2014-09 also required additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The majority of the Foundation's revenue is generated via contributions and grants, including promises to give, as well as investment income. The scope of this ASU excludes contributions and collaborative arrangements since they are not viewed to be contracts with customers. As such, based on the above, the adoption of ASU 2014-09 had no impact to the current revenue recognition policies.

Adopted Accounting Pronouncement

In February 2016, 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. In June 2020, the effective date of ASU 2016-02 was deferred to fiscal years beginning after December 15, 2021. During the Foundation's fiscal year ending June 30, 2023, the Foundation adopted ASU 2016-02. The guidance did not materially impact the Foundation's results of operations.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

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.

During fiscal 2023 and 2022, five donors contributed a total of \$4,031,203 and six donors contributed \$3,359,701, respectively. The amounts represent 52% and 41%, respectively, of fiscal 2023 and 2022 contributions and grants revenue. Also, during fiscal 2023 and 2022, one donor contributed \$1,000,000 and four donors contributed a total of \$1,000,000, respectively, toward the Foundation's Legacy Campaign. The amounts represent 91% and 90%, respectively, of fiscal 2023 and 2022 legacy campaign revenue.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 27,947,298	\$ 3,327,982
Furniture and equipment	1,197,746	1,055,471
Computer software	64,189	64,189
Application design	641,740	641,740
Artwork	<u>125,735</u>	<u>125,735</u>
Total	29,976,708	5,215,117
Less: Accumulated depreciation and amortization	<u>5,787,673</u>	<u>3,909,515</u>
Total	24,189,035	1,305,602
Construction in progress	<u>-</u>	<u>19,575,689</u>
Property and equipment, net	<u>\$ 24,189,035</u>	<u>\$ 20,881,291</u>

Depreciation and amortization expense on property and equipment for the years ended June 30, 2023 and 2022, was \$1,999,236 and \$319,074, respectively.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

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 the 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. In 2022, the Foundation again purchased additional license rights to use selected photos for \$135,200. In 2023, the Foundation again purchased additional license rights to use selected photos for \$20,240. The amount has been recorded as an intangible asset in the accompanying statement of financial position and is being amortized over five - 10 years, the period of its estimated benefit. Amortization expense at June 30, 2023 and 2022, was \$22,889 and \$33,718, respectively. Accumulated amortization was \$135,335 and \$112,446 for the years ended June 30, 2023 and 2022, respectively. Estimated total amortization for the next nine years will be \$124,286.

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.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 6 ENDOWMENT FUND *(continued)*

Endowments as of June 30, 2023 and 2022, consisted of the following net asset balances:

	<u>2023</u>	<u>2022</u>
<i>Without Donor Restrictions</i>		
<i>Board-designated</i>		
Permanent endowment fund	\$ 4,662,065	\$ 5,369,806
Commemorative coin fund	<u>1,183,910</u>	<u>419,840</u>
Total without donor restrictions	<u>5,845,945</u>	<u>5,789,646</u>
<i>With Donor Restrictions</i>		
Endowed scholarship fund	3,866,727	3,753,217
Spike Lee Youth Motivation Achievement Award Fund	<u>50,592</u>	<u>48,367</u>
Total with donor restrictions	<u>3,917,319</u>	<u>3,801,584</u>
Total	<u>\$ 9,763,294</u>	<u>\$ 9,591,230</u>

Changes in endowment fund net assets for the fiscal years ended June 30, 2023 and 2022, were as follows:

	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, beginning of year	<u>\$ 5,789,646</u>	<u>\$ 3,801,584</u>	<u>\$ 9,591,230</u>
Contributions	<u>3,156</u>	<u>42</u>	<u>3,198</u>
<i>Investment return</i>			
Investment income (net)	43,924	40,846	84,770
Net realized/unrealized gains	<u>9,249</u>	<u>74,847</u>	<u>84,096</u>
Total investment return	<u>53,173</u>	<u>115,693</u>	<u>168,866</u>
Endowment assets, end of year	<u>\$ 5,845,975</u>	<u>\$ 3,917,319</u>	<u>\$ 9,763,294</u>

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 6 ENDOWMENT FUND (continued)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, beginning of year	\$ 6,049,563	\$ 4,080,676	\$ 10,130,239
Contributions	8	52,105	52,113
<i>Investment return</i>			
Investment income (net)	31,182	81,969	113,151
Net realized/unrealized losses	(249,193)	(413,166)	(662,359)
Total investment return	(218,011)	(331,197)	(549,208)
Appropriated for scholarship payments	-	-	-
Scholarship payments made	-	-	-
Payment made on credit line	41,914	-	41,914
Endowment assets, end of year	\$ 5,789,646	\$ 3,801,584	\$ 9,591,230

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.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 6 ENDOWMENT FUND (continued)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:

	June 30	
	2023	2022
Pledges receivable due less than 1 year	\$ 1,170,546	\$ 4,450,625
Pledges receivable due from 1-5 years	5,597,078	3,739,375
Pledges receivable after 5 years	-	-
	<u>6,767,624</u>	<u>8,190,000</u>
Fair value adjustment	<u>(85,445)</u>	<u>(135,175)</u>
Total pledges receivable, net	<u>\$ 6,682,179</u>	<u>\$ 8,054,825</u>

Amounts due in more than one year are adjusted to fair value using present value techniques that assume a discount rate of between 1% and 3% in 2023 and 2022.

Prior to July 2022, the Foundation had three conditional grants totaling \$5,000,000, which contain donor conditions based on the completion of the museum and education center. Since the grant represented a conditional promise to give, it was not be recorded as contribution revenue until the donor conditions were met. As of June 30, 2023 and 2022, \$5,000,000 and \$3,750,000, respectively, of the conditions had been met due to the completion of the museum and the education center in July 2022; accordingly, contributions revenue was recorded in the years the conditions were met.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8 INVESTMENTS

Investments held by the Foundation at June 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
<i>At fair value</i>		
U.S. Government obligations	\$ 777,008	\$ 891,929
Corporate stocks	1,004,264	1,638,841
Corporate bonds	327,055	470,090
Mutual funds	1,403,264	1,708,206
Real estate	100,000	100,000
Money market funds	<u>1,319,357</u>	<u>212,367</u>
Total investments	<u>\$ 4,930,948</u>	<u>\$ 5,021,433</u>

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.

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.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8 INVESTMENTS *(continued)*

The following tables set forth, by level within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2023 and 2022, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2023 Total</u>
Interest-bearing cash	\$ 241	\$ -	\$ -	\$ 241
U.S. Government obligations	-	777,008	-	777,008
Corporate stocks	1,002,486	1,778	-	1,004,264
Corporate bonds	-	327,055	-	327,055
<i>Mutual funds</i>				
U.S. equity	611,220	-	-	611,220
U.S. fixed income	792,044	-	-	792,044
Real estate	-	-	100,000	100,000
Money market funds	1,319,357	-	-	1,319,357
	<u>\$ 3,725,348</u>	<u>\$ 1,105,841</u>	<u>\$ 100,000</u>	<u>\$ 4,931,189</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2022 Total</u>
Interest-bearing cash	\$ 90,241	\$ -	\$ -	\$ 90,241
U.S. Government obligations	-	891,929	-	891,929
Corporate stocks	1,637,063	1,778	-	1,638,841
Corporate bonds	-	470,090	-	470,090
<i>Mutual funds</i>				
U.S. equity	980,307	-	-	980,307
U.S. fixed income	727,899	-	-	727,899
Real estate	-	-	100,000	100,000
Money market funds	212,367	-	-	212,367
	<u>\$ 3,647,877</u>	<u>\$ 1,363,797</u>	<u>\$ 100,000</u>	<u>\$ 5,111,674</u>

Changes in economic conditions or model-based valuation techniques may require a transfer of financial instruments from one fair value level to another. For the years ended June 30, 2023 and 2022, there were no transfers in or out of Level 1, 2 or 3.

There were no changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2023.

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 a review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8 INVESTMENTS *(continued)*

The composition of investments at June 30, 2023 and 2022, was as follows:

	<u>2023</u>	<u>2022</u>
Operating	\$ 101,778	\$ 101,778
Endowment	<u>4,829,170</u>	<u>4,919,655</u>
Total investments	<u>\$ 4,930,948</u>	<u>\$ 5,021,433</u>

As discussed in Notes 9 and 10, the Foundation’s investments provide collateral for the line of credit at June 30, 2023 and 2022, of \$3,245,837 and \$3,121,672, respectively, and a letter of credit at June 30, 2023 and 2022, of \$362,000 and \$362,000, respectively.

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 1.57% and 0.59% at June 30, 2023 and 2022, respectively. Amounts outstanding under this line of credit at June 30, 2023 and 2022, were \$3,245,837 and \$3,121,672, respectively. Interest expense on the credit line payable was \$141,429 and \$25,197 for the years ended June 30, 2023 and 2022, 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.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 COMMITMENTS *(continued)*

Lease *(continued)*

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, 2020, 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 \$185,410 annually (\$15,534 per month) for the additional space through April 30, 2023, and \$199,725 annually (\$16,644 per month) for the period May 1, 2023 through April 30, 2027, which is the expiration date of the lease agreement.

The Foundation lease expires on April 30, 2027, and provides for two, five-year renewal options. The Foundation used a risk-free-treasury rate of 4.19% for 5 years to calculate the present value for the remaining 46 months on its lease to determine the lease liability and right-of-use asset of \$5,852,704.

At June 30, 2023, minimum lease rental payments under the non-cancellable operating lease for the rental of office and museum space are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 1,636,386
2025	1,643,095
2026	1,654,740
2027	1,382,952
Thereafter	<u>-</u>
Total minimum lease payments	<u>\$ 6,317,173</u>

The lease agreement also provides for a security deposit of \$362,000, 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 the amount of \$250,000.

Future minimum annual rental payments are subject to escalations for real estate taxes and certain maintenance costs.

During fiscal years 2023 and 2022, the Foundation's occupancy costs were \$2,665,001 and \$2,176,058, respectively, of which \$942,034 in 2022 was related to museum development costs.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 COMMITMENTS *(continued)*

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, 2023, and 2022, the Foundation estimates that the future aggregate commitment to recipients is \$2,835,500 and \$2,571,811, respectively.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$13,977,116 and \$37,572,953 at June 30, 2023 and 2022, respectively, are to support the museum, education, and leadership development program services.

The composition of net assets with donor restrictions at June 30, 2023 and 2022, was as follows:

	<u>2023</u>	<u>2022</u>
Museum	\$ 328,485	\$ 23,700,514
Scholarships	9,731,312	10,070,855
Endowed scholarships	<u>3,917,319</u>	<u>3,801,584</u>
Total net assets with donor restrictions	<u>\$ 13,977,116</u>	<u>\$ 37,572,953</u>

Net assets released from donor restrictions based on the satisfaction of purpose and time restrictions during the years ended June 30, 2023, and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Museum	\$ 24,458,466	\$ 1,000,000
Scholarships	<u>2,635,375</u>	<u>3,401,009</u>
	<u>\$ 27,093,841</u>	<u>\$ 4,401,009</u>

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.

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.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 12 RETIREMENT PLAN *(continued)*

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

During fiscal years 2023 and 2022, the Foundation's retirement plan expense was \$8,473 and \$93,806, respectively.

NOTE 13 FUNDRAISING EVENTS

Fundraising events for the years ended June 30, 2023, were as follows:

	<u>Award Dinner</u>	<u>Museum Opening</u>	<u>Other</u>	<u>2023 Total</u>
Fundraising revenue	\$ 626,580	\$ 1,119,821	\$ -	\$ 1,746,401
Less: Direct benefit to donor costs	<u>715,621</u>	<u>1,619,772</u>	<u>7,091</u>	<u>2,342,484</u>
Fundraising events, net	<u>\$ (89,041)</u>	<u>\$ (499,951)</u>	<u>\$ (7,091)</u>	<u>\$ (596,083)</u>

There were no fundraising events held during the year ended June 30, 2022.

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, 2023 and 2022, the Foundation incurred \$0 and \$942,034, 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:

	<u>2023</u>	<u>2022</u>
<i>Professional and consultant fees</i>		
Supporting services	\$ -	\$ 82,350
Total	<u>\$ -</u>	<u>\$ 82,350</u>

The organization did not receive merchandise for program services for the years ended June 30, 2023 and 2022.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

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:

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 28,648	\$ 172,055
Pledges receivable	1,170,546	4,450,625
Other receivable	<u>118,010</u>	<u>1,109,062</u>
	<u>\$ 1,317,204</u>	<u>\$ 6,302,55</u>

As part of the Foundation's liquidity management plan, the Foundation monitors its spending closely. The Foundation expends funds based on a Board-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 \$5.8 million that could be released.

NOTE 17 PAYROLL PROTECTION LOAN/GRANT

In April 2020, the Foundation received a forgivable loan of \$350,000 through the U.S. Small Business Administration (SBA) Paycheck Protection Program. On August 3, 2021, the Foundation was granted an SBA notice of Paycheck Protection Program Forgiveness payment of \$350,000 in principal and \$4,373 in interest by SBA as authorized by Section 1106 of the Cares Act.

NOTE 18 CONSTRUCTION BRIDGE LOAN AGREEMENT

On May 4, 2021, the Foundation entered into a Construction Bridge Loan Agreement with Goldman Sachs Bank, USA to provide working capital up to \$10,321,000 (the Loan). The Loan is for the completion of construction of the museum and matures on May 3, 2025. The interest rate on the Loan is the one-month LIBOR rate (or equivalent future benchmark) plus 1.65% per year and the default rate is 12%. The Loan has several provisions regarding the construction of the Museum with current and future designated pledges serving as collateral for the Loan. The Loan is further guaranteed by a prominent individual of high net worth. As of June 30, 2023 and 2022, the Foundation's drawdowns totaled \$8,330,497 and \$2,845,280, respectively, in funds from the Bridge Loan.

JACKIE ROBINSON FOUNDATION, INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 19 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 15, 2024, 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:

On April 17, 2024, the Foundation received a notice of forgiveness of debt in which the Foundation and one of its vendors agreed to a fixed amount of \$75,000 on the outstanding invoices totaling \$157,613. Payment was made on April 24, 2024.

