

**ROBERSON MUSEUM AND  
SCIENCE CENTER AND  
THE ROBERSON FOUNDATION**

**COMBINED FINANCIAL STATEMENTS**

**JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

**ROBERSON MUSEUM AND SCIENCE CENTER  
AND THE ROBERSON FOUNDATION**

**JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

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# VIEIRA & ASSOCIATES

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### **INDEPENDENT AUDITORS' REPORT**

Boards of Trustees  
Roberson Museum and Science Center  
and The Roberson Foundation  
30 Front Street  
Binghamton, New York 13905

We have audited the accompanying combined financial statements of Roberson Museum and Science Center and The Roberson Foundation, which comprise the combined statement of financial position as of June 30, 2020, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined 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 combined 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 combined financial statements.

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Roberson Museum and Science Center and The Roberson Foundation as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2 to the combined financial statements, Roberson Museum and Science Center and The Roberson Foundation adopted Accounting Standards Update 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASC 606"), on January 1, 2019. Our opinion is not modified with respect to this matter.

As discussed in Note 19 to the combined financial statements, the 2019 combined financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **Report on Summarized Comparative Information**

We have previously audited Roberson Museum and Science Center and The Roberson Foundation's 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

*Vieira & Associates CPAs, P.C.*

January 6, 2021  
Endicott, New York

**ROBERSON MUSEUM AND SCIENCE CENTER**  
**THE ROBERSON FOUNDATION**  
**COMBINED STATEMENT OF FINANCIAL POSITION JUNE 30, 2020**  
**WITH COMPARATIVE TOTALS FOR 2019**

	2020 Roberson Museum & Science Center	2020 The Roberson Foundation	2020 Combined Total	As Restated 2019 Combined Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 966,252	\$ 25,332	\$ 991,584	\$ 873,232
Accounts receivable, net of allowance for doubtful accounts of \$-0- in 2020 and \$ 2,584 in 2019	437	-	437	13,867
Contributions and grants receivable	35,000	-	35,000	76,156
Advances to employees	33	-	33	32
Inventories	17,078	-	17,078	3,948
Prepaid expenses	6,304	-	6,304	6,160
<b>Total current assets</b>	<b>1,025,104</b>	<b>25,332</b>	<b>1,050,436</b>	<b>973,395</b>
<b>Property and Equipment</b>				
Land	151,545	-	151,545	151,545
Buildings	1,459,928	-	1,459,928	1,459,928
Improvements	7,356,405	-	7,356,405	7,358,652
Equipment	531,996	-	531,996	499,031
Exhibits	255,226	-	255,226	255,226
Furniture and fixtures	570,176	-	570,176	570,176
Subtotal	<u>10,325,276</u>	<u>-</u>	<u>10,325,276</u>	<u>10,294,558</u>
Less: accumulated depreciation	<u>(7,774,402)</u>	<u>-</u>	<u>(7,774,402)</u>	<u>(7,485,270)</u>
<b>Total property and equipment, net</b>	<b>2,550,874</b>	<b>-</b>	<b>2,550,874</b>	<b>2,809,288</b>
<b>Other Assets</b>				
Grant receivable	-	-	-	35,000
Investments	392,497	839,522	1,232,019	1,295,697
Interest in perpetual trust	284,149	-	284,149	300,860
Collections - see note 2	-	-	-	-
<b>Total other assets</b>	<u>676,646</u>	<u>839,522</u>	<u>1,516,168</u>	<u>1,631,557</u>
<b>Total assets</b>	<u><u>\$ 4,252,624</u></u>	<u><u>\$ 864,854</u></u>	<u><u>\$ 5,117,478</u></u>	<u><u>\$ 5,414,240</u></u>

See accompanying notes to combined financial statements and independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER**

**THE ROBERSON FOUNDATION**

**COMBINED STATEMENT OF FINANCIAL POSITION JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

**LIABILITIES AND NET ASSETS**

	2020 Roberson Museum & Science Center	2020 The Roberson Foundation	2020 Combined Total	As Restated 2019 Combined Total
<b>Current Liabilities</b>				
Accounts payable	\$ 35,326	\$ -	\$ 35,326	\$ 50,968
Accrued payroll and other liabilities	39,884	-	39,884	39,294
Deferred revenues	55,189	-	55,189	87,248
<b>Total current liabilities</b>	<u>130,399</u>	<u>-</u>	<u>130,399</u>	<u>177,510</u>
<b>Long-Term Debt</b>				
Long-term liabilities	117,800	-	117,800	-
<b>Total liabilities</b>	248,199	-	248,199	177,510
<b>Net Assets (Deficit)</b>				
Without donor restrictions	3,442,931	(189,178)	3,253,753	3,776,450
With donor restrictions	561,494	1,054,032	1,615,526	1,460,280
<b>Total net assets</b>	<u>4,004,425</u>	<u>864,854</u>	<u>4,869,279</u>	<u>5,236,730</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,252,624</u>	<u>\$ 864,854</u>	<u>\$ 5,117,478</u>	<u>\$ 5,414,240</u>

See accompanying notes to combined financial statements and independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER**

**THE ROBERSON FOUNDATION**

**COMBINED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

	2020 Roberson Museum & Science Center			2020 The Roberson Foundation			2020 Combined Total	As Restated 2019 Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>Revenues</b>								
Contributions and government grants	\$ 352,511	\$ 206,957	\$ 559,468	\$ -	\$ -	\$ -	\$ 559,468	\$ 604,629
Program services, special events and rentals	258,785	-	258,785	-	-	-	258,785	345,911
Membership dues	46,440	-	46,440	-	-	-	46,440	48,068
Gross profit on sales of goods	31,314	-	31,314	-	-	-	31,314	20,353
Admissions	77,236	-	77,236	-	-	-	77,236	103,336
Miscellaneous revenue	2,850	-	2,850	-	-	-	2,850	1,240
Total revenues	769,136	206,957	976,093	-	-	-	976,093	1,123,537
Net assets released from restrictions	35,000	(35,000)	-	-	-	-	-	-
<b>Functional Expenses</b>								
Program services	825,914	-	825,914	-	-	-	825,914	782,498
Management and general	165,329	-	165,329	-	-	-	165,329	155,042
Fundraising	82,738	-	82,738	-	-	-	82,738	76,328
Total functional expenses	1,073,981	-	1,073,981	-	-	-	1,073,981	1,013,868
Change in net assets before other Income (expenses)	(269,845)	171,957	(97,888)	-	-	-	(97,888)	109,669
<b>Other Income (Expenses)</b>								
Insurance claim	-	-	-	-	-	-	-	269,486
Contributions (to) from	34,524	-	34,524	(34,524)	-	(34,524)	-	-
Investment income	28,433	(16,711)	11,722	7,848	-	7,848	19,570	58,722
Total other income (Expenses)	62,957	(16,711)	46,246	(26,676)	-	(26,676)	19,570	328,208
Change in net assets before depreciation, amortization, and gain (loss) on sale of property and equipment	(206,888)	155,246	(51,642)	(26,676)	-	(26,676)	(78,318)	437,877
<b>Depreciation, Amortization, Loss on Sale of Property and Equipment</b>								
Depreciation	(289,133)	-	(289,133)	-	-	-	(289,133)	(266,656)
Amortization	-	-	-	-	-	-	-	(9,542)
Loss on disposal of property and equipment	-	-	-	-	-	-	-	(576)
Total depreciation, amortization, and gain (loss) on Sale of Property and Equipmen	(289,133)	-	(289,133)	-	-	-	(289,133)	(276,774)
Change in net assets	(496,021)	155,246	(340,775)	(26,676)	-	(26,676)	(367,451)	161,103
<b>Net assets (deficit)</b>								
Beginning of year	3,938,952	406,248	4,345,200	(162,502)	1,054,032	891,530	5,236,730	5,075,627
End of year	\$ 3,442,931	\$ 561,494	\$ 4,004,425	\$ (189,178)	\$ 1,054,032	\$ 864,854	\$ 4,869,279	\$ 5,236,730

See accompanying notes to combined financial statements and independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER**

**THE ROBERSON FOUNDATION**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

	<b>2020 Roberson Museum and Science Center</b>				<b>2020 The Roberson Foundation</b>		<b>As Restated 2019 Combined Total</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Management and General</b>	<b>2020 Combined Total</b>	
Exhibits	\$ 7,050	\$ -	\$ -	\$ 7,050	\$ -	\$ 7,050	\$ 9,356
Insurance	53,528	3,957	3,732	61,217	-	61,217	59,593
Marketing	1,127	-	3,544	4,671	-	4,671	2,942
Office expenses	7,077	12,213	-	19,290	-	19,290	21,915
Payroll taxes and employee benefits	48,752	28,377	6,332	83,461	-	83,461	75,570
Professional fees	33,425	16,525	-	49,950	-	49,950	53,481
Program expenses	15,989	-	-	15,989	-	15,989	43,297
Repairs and maintenance	183,485	14,200	11,491	209,176	-	209,176	118,296
Salaries and wages	404,620	70,460	51,570	526,650	-	526,650	530,511
Utilities and telephone	59,376	4,208	3,696	67,280	-	67,280	76,709
All Other functional expenses	11,485	15,389	2,373	29,247	-	29,247	22,198
<b>Total functional expenses</b>	<b>\$ 825,914</b>	<b>\$ 165,329</b>	<b>\$ 82,738</b>	<b>\$ 1,073,981</b>	<b>\$ -</b>	<b>\$ 1,073,981</b>	<b>\$ 1,013,868</b>

See accompanying notes to combined financial statements and independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER**

**THE ROBERSON FOUNDATION**

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR 2019**

	<u>Roberson Museum and Science Center 2020</u>	<u>The Roberson Foundation 2020</u>	<u>Combined Total 2020</u>	<u>As Restated Combined Total 2019</u>
<b>Cash Flows From Operating Activities</b>				
Change in net assets	\$ (340,775)	\$ (26,676)	\$ (367,451)	\$ 161,103
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation and amortization	289,133	-	289,133	276,198
Loss on disposal of property & equipment	-	-	-	576
Unrealized (gains) losses on trust, net	16,711	-	16,711	9,797
Unrealized and realized (gains) losses on investments, net	1,958	27,663	29,621	(8,694)
(Increase) decrease in receivables	89,585	-	89,585	(8,431)
Increase in inventories	(13,130)	-	(13,130)	1,719
(Increase) decrease in prepaid expenses	(144)	-	(144)	(34)
Increase (decrease) in accounts payable	(15,642)	-	(15,642)	21,132
Increase (decrease) in deferred revenues	(32,059)	-	(32,059)	5,187
Increase in accrued payroll and other current liabilities	590	-	590	33,208
Total adjustments	<u>337,002</u>	<u>27,663</u>	<u>364,665</u>	<u>330,658</u>
Net cash provided (used) by operating activities	<u>(3,773)</u>	<u>987</u>	<u>(2,786)</u>	<u>491,761</u>
<b>Cash Flows From Investing Activities</b>				
Proceeds from the sale of investments	91,364	182,075	273,439	379,817
Purchases of investments	(73,683)	(165,700)	(239,383)	(379,453)
Purchases of property & equipment	<u>(30,718)</u>	<u>-</u>	<u>(30,718)</u>	<u>(324,309)</u>
Net cash provided (used) by investing activities	<u>(13,037)</u>	<u>16,375</u>	<u>3,338</u>	<u>(323,945)</u>
<b>Cash Flows From Financing Activities</b>				
Principal payments on long-term debt obligations	-	-	-	(12,059)
Proceeds from long-term debt obligations	<u>117,800</u>	<u>-</u>	<u>117,800</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>117,800</u>	<u>-</u>	<u>117,800</u>	<u>(12,059)</u>
Net increase in cash and cash equivalents	100,990	17,362	118,352	155,757
Cash and cash equivalents - beginning of the fiscal year	<u>865,262</u>	<u>7,970</u>	<u>873,232</u>	<u>717,475</u>
Cash and cash equivalents - end of the fiscal year	<u>\$ 966,252</u>	<u>\$ 25,332</u>	<u>\$ 991,584</u>	<u>\$ 873,232</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>				
Cash paid during the fiscal year for interest	\$ -	\$ -	\$ -	\$ -
Cash paid during the fiscal year for income taxes	\$ -	\$ -	\$ -	\$ -

See accompanying notes to combined financial statements and independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER AND  
THE ROBERSON FOUNDATION**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1: DESCRIPTION OF ORGANIZATIONS**

***Roberson Museum and Science Center (The Museum)***

The Museum is a regional museum of art, science and local history serving the upper Susquehanna Valley region of New York and Pennsylvania. The Organization's mission states that: "Roberson engages and educates people of all ages and backgrounds by providing regionally significant exhibitions and programs in art, history and science". The Organization is financially supported by donations, grants, memberships and admissions. The Organization also receives monthly distributions from the Roberson Foundation.

Roberson Museum and Science Center was re-chartered under the Department of Education in June 2017 by the Board of Regents of the State of New York.

***The Roberson Foundation (The Foundation)***

The Roberson Foundation is a trust created on October 18, 1989. The grantor of the trust is The Museum. The assets of the Foundation are to be used solely and exclusively for the benefit of The Museum and the conduct, maintenance, promotion, development or support of any exclusively charitable or educational works or activities in which The Museum is, or may become engaged, either alone or in conjunction with one or more other institutions organized and operated exclusively for charitable or educational purposes. The Foundation is financially supported by donations, grants and earnings on investments.

The Foundation may distribute and disburse the principal and income from the trust at any time, for any purpose of the grantor which the trustees determine is appropriate and in compliance with any donor restrictions.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Combined Financial Statements***

The financial statements of The Museum and The Roberson Foundation are combined because each organization is related in their operations. All significant intercompany accounts and transactions have been eliminated in the combination.

***Basis of Presentation***

The accompanying financial statements of the Organization have been prepared on the accrual basis in conformity with U.S. generally accepted accounting principles (GAAP) and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Based on the existence or absence of donor-imposed restrictions, the Organization classifies resources into two categories: without donor restrictions and with donor restrictions.

See independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER AND  
THE ROBERSON FOUNDATION**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Net assets without donor restrictions*** - Net assets that are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions.

***Net assets with donor restrictions*** - Net assets that are subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Generally, the donors' imposed restrictions of these assets permit the Organization to use all or part of the income earned on related investments only for certain general or specific purposes. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the Statement of Activities. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions which impose restrictions that are met in the same fiscal year they are received are reported as increases in net assets without donor restrictions. Operating results (change in net assets without donor restrictions from operating activity) in the Statement of Activities reflect all transactions that change net assets without donor restrictions.

***Basis of Accounting***

The Museum and The Foundation use the accrual method of accounting, recognizing revenues as earned and expenses as incurred, and conform to standards of accounting and reporting appropriate to not-for-profit organizations.

***Use of Estimates***

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

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less.

***Investments***

The Organizations report investments under provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-320, *Investments - Debt and Equity Securities*. Investments in marketable equity, fixed income, and certain other securities are valued at their fair value in the accompanying Combined Statement of Financial Position. Net appreciation or decline in the fair value of the investments, which consists of realized and unrealized gains and/or losses, is reported in the accompanying Combined Statement of Activities. See Notes 9 and 10, Fair Value Measurements, for further information on fair value.

See independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER AND  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***New Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for the for the Organizations in fiscal year end June 30, 2020. The Organizations implemented ASU 2014-09 in 2019 using the modified retrospective method. The Organizations used all the practical expedients included in ASC 606-10-65-1(f). The adoption of ASU 2014-09 did not have a material impact on the Organizations' financial position, activities, net assets, or cash flows as of the adoption date or for the year ended June 30, 2020. The adoption did not result in a restatement of previously reported net assets for the year ended June 30, 2019.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which will assist entities in evaluating whether transactions should be accounted for as contributions, or as exchange transactions and if the transaction is a contribution, whether the contribution is conditional. The Organizations implemented ASU 2018-08 using the modified prospective method. The adoption of ASU 2018-08 did not have a material impact on the Organizations' financial position, activities, net assets, or cash flows as of the adoption date for the year ended June 30, 2020.

***Functional Allocation of Expenses***

The costs of providing program and supportive services have been summarized on a functional basis in the Statement of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the program and supportive services benefited.

***Revenue Recognition***

The Organizations records revenue in several financial statement categories. The major categories are contributions and government grants, program service revenue, special events, rent, admissions, educational services and memberships. Performance obligations are identified based on the nature of the services provided.

See independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER AND  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Revenue recognition for contributions (ASC 605 Topic 958)***

**Government Grants and Contracts** - Grants awarded by federal agencies or passed through to the Museum from another donor that received funding from the U.S. federal government are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met.

**Contribution Revenue** - The Museum receives support from individuals, foundations, corporations, and other nonprofit organizations in support of their mission. Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Organization receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting the Organization's discretion on use of the funds. Other contributions may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

***Revenue recognition from exchange transactions (ASC 606)***

The Museum has revenue streams that are accounted for as exchange transactions including program admissions and tuition fees for education programs and related services, sale of goods in museum gift shop, and memberships.

Because the Museum's performance obligations relate to contracts with a duration of one year or less, the Museum has elected to apply the optional exemption provided in *FASB ASC 606- 10-50-14(a), Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

**Program and Admission fees** - These fees consist of amounts that families and individuals pay for the Museum's programs and admission to the museum. The Museum offers a variety of programs and events through the year including planetarium shows, various workshops for kids and adults, and seasonal events. The fees for admissions and programs are paid at the time of the event. The Museum also provides classes to adults 17 years of age or older for drawing and pottery. These fees are recognized as classes are completed.

**Memberships** - Memberships can be purchased at the museum or on-line and are good for a year from the date of registration. Membership benefits include free admission to Roberson Museum and Science Center, free admission to over 250 science centers worldwide, and discounts on all Roberson classes, programs, and camps. The Museum recognizes membership revenues ratably over an annual period.

See independent auditors' report

**ROBERSON MUSEUM AND SCIENCE CENTER AND  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Grants receivable***

As of June 30, The Museum had grants receivable from various Museums as follows:

	<u>2020</u>	<u>2019</u>
New York State	\$ 35,000	\$ 70,000
Klee Foundation	-	16,000
B.U. Foundation	<u>-</u>	<u>25,156</u>
Total	<u>\$ 35,000</u>	<u>\$ 111,156</u>

***Inventories***

Inventories, consisting of gift shop merchandise for resale, are stated at the lower of cost or market, on the first-in, first-out method.

***Sale of Goods***

These revenues are shown on the accompanying Combined Statement of Activities net of cost of goods sold. The amount was calculated as follows:

	<u>2020</u>	<u>2019</u>
Sales revenue	\$ 42,638	\$ 45,901
Cost of goods sold	<u>(11,324)</u>	<u>(25,548)</u>
Gross profit on sales of goods	<u>\$ 31,314</u>	<u>\$ 20,353</u>

***Property and Equipment***

Property and equipment are stated at cost if purchased or fair market value if donated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Land is not depreciated. Improvements are capitalized and depreciated once they are completed, but there is no depreciation on construction in progress. Maintenance and repairs of property and equipment are charged to expense. It is the Museums' policy to capitalize property and equipment if they have a cost of \$1,000 or more and a useful life of 3 or more years. Depreciation for the years ended June 30, 2020 and 2019 was \$289,133 and \$266,656, respectively. Actual fair market values of property and equipment may differ from the amounts shown on the financial statements.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Expense Allocation***

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

***Income Taxes***

The Organizations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organizations are not liable for Federal or New York State corporate income taxes or for Federal unemployment insurance.

***Collections***

In accordance with accounting policies generally followed by museums, the value of The Museum's collections is not reflected in the Combined Statement of Financial Position. The Museum's collections policy requires that the proceeds from the sale of collection items be used for acquisitions to the collections or for the care of the existing collection. If the assets used to purchase collection items are sourced from restricted funds, proceeds from the sale of those items are recorded as increases in temporarily restricted net assets in that fund until an acquisition is made.

The Museum changed its policy for collections during the year ended June 30, 2018. The change in policy is due to the re-chartering of the Museum under the Department of Education. The Museum has previously carried its collections on the statement of financial Position and considered them to be temporarily restricted net assets. The New York State Board of Regents under section 3.27, "Chartering and Restoration of Museums and Historical Societies with Collections," specifically states that collections shall not be capitalized.

***Exhibits***

The Museum capitalizes exhibit costs as they are incurred. Upon the opening of an exhibit, the capitalized costs are depreciated on a straight-line bases over its estimated useful life of seven years. The net value of the exhibit costs is included in fixed assets on the Combined Statement of Financial Position.

***Marketing Expenses***

Marketing expenses (including advertising expenses) are recognized in the period in which they are incurred (accrual basis). Total marketing expenses for the years ended June 30, 2020 and 2019 were \$4,671 and \$2,942, respectively and are shown on the accompanying Combined Statement of Functional Expenses.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Accrued Paid Time Off***

The Museum accrued a liability for future paid time off attributable to employee services already rendered. The obligation relates to rights that are accumulated or vested; payment of compensation is probable and can be reasonably estimated. At June 30, 2020 and 2019 the liability amounted to \$18,476 and \$16,722, respectively, and has been included in accrued payroll and other liabilities in the accompanying statements.

***Deferred Revenues***

Deferred revenues of \$55,189 and \$87,248 at June 30, 2020 and 2019, respectively, represent various revenues received in advance for programs, memberships, classes, events, and exhibits commencing after June 30.

**NOTE 3: ACCOUNTS RECEIVABLE**

Receivables at June 30, 2020 and 2019 amounted to \$437 and \$13,867, respectively. None of the receivables have been discounted. The receivables are shown net of an allowance for doubtful collections of \$-0- for the year ended June 30, 2020 and \$2,584 for the year ended June 30, 2019 on the accompanying Combined Statement of Financial Position. Management evaluates the allowance for doubtful collections based on their collectability. The Museum uses the allowance method to determine uncollectible accounts and grants receivable. The allowance is based on prior years' experience and management's analysis of specific balances, taking into consideration the age of past due accounts, and how much they expect to receive. When a receivable is deemed to be uncollectible it is charged off to bad debt expense and an allowance for the doubtful accounts is established. When the receivable is officially determined to be uncollectible both the receivable and the corresponding allowance for doubtful accounts are removed from the books.

**NOTE 4: 403(b) SAVINGS PLAN**

Effective July 1, 2018, the Museum restated their contributory 403(b) retirement savings plan. All employees who have attained age 21 and completed at least one year of continuous services are eligible to participate. Employees may elect to contribute a portion of their compensation up to the maximum allowable under IRC section 403(b). The Museum's match is discretionary. For the years ended June 30, 2020 and 2019, the Museum did not match employee contributions.

**NOTE 5: CONCENTRATION OF CREDIT RISK FOR CASH DEPOSITS AT BANKS**

Financial instruments that potentially subject the Museum and the Foundation to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. On June 30, 2020 and 2019, the Organizations had \$314,670 and \$377,563 in excess of FDIC insured limits, respectively. The Organizations have not experienced any losses in such accounts.

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**NOTE 6: RELATED PARTY TRANSACTIONS, ETC.**

The Museum and The Foundation are separate tax-exempt organizations under Section 501(c)(3) of the Internal Revenue code and maintain separate boards of directors. The Foundation was established in 1989 to manage certain funds then held in the Endowment Funds of The Museum. The Foundation, at the trustee's discretion, remits funds to The Museum to be used as general operating revenue or in accordance with donor restrictions. The Roberson Foundation donated to the museum, \$34,524 and \$32,516 during the years ended June 30, 2020 and 2019, respectively.

Periodically, The Museum uses the services of a law firm for which a member of the Board of Directors is a partner. Payments for legal services totaled \$695 and \$-0- for the years ended June 30, 2020 and 2019, respectively.

**NOTE 7: DONATED MATERIALS AND SERVICES**

There were no contributed goods and services for the years ended June 30, 2020 and 2019. Contributed materials are reported as contributions in the accompanying Combined Statement of Activities at their estimated fair values at date of receipt. Contributed services are reported on the accompanying Combined Statement of Activities at the fair value of the services received. These donations are recorded as both revenue (In-kind revenue) and expense, therefore; having no effect on the increase (decrease) in net assets presented on the accompanying Combined Statement of Activities.

The contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. In addition, The Museum receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fund-raising campaigns, and management. No amounts have been reflected for these types of donated services, as they do not meet the criteria outlined above.

**NOTE 8: BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Museum is one of many beneficiaries of the John H. and Emma P. Van Gorden Charitable Trust. The Museum has an unconditional right to receive a portion of the specified cash flows of the irrevocable perpetual trust held and administered by outside trustees. These trust interests are reported at fair value, based on the value of the underlying assets, which approximates the present value of figure income from the trust. As such, these assets fall within Level 3 of the hierarchy of fair value inputs. Distributions from this trust are recorded as investment return designated for current operations.

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**NOTE 8: BENEFICIAL INTEREST IN PERPETUAL TRUST (CONTINUED)**

The Museum recognized their beneficial interest in this trust as contribution revenue and as an asset upon notification of the trust's existence. The contribution has been classified as an asset with donor restriction as the assets of the trust are held in perpetuity at a third-party trustee and are not accessible. Distributions received during the year ended June 30, 2020 and 2019 totaled \$17,700 for both years and are included on the Combined Statement of Activities under Investment Income. The market value of this trust was \$248,149 and \$300,860 at June 30, 2020 and 2019, respectively. An unrealized loss in the net assets with restrictions category has been recorded at \$(16,711) based on an estimate of the fair market value. Investment receipts are without donor restrictions.

**NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Museum and the Foundation group assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

*Level 1:* Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access. All of The Museum and The Foundation's investments are level 1 investments.

*Level 2:* Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

*Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy may be based on the lowest level of input that is significant to the fair value measurement. The Museum and Roberson Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment.

**Roberson Museum and Science Center**

The Museum's investments are recorded using the market approach on the accompanying Combined Statement of Financial Position at their readily determinable fair market value based on quoted prices in active markets.

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**NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**Roberson Museum and Science Center (Continued)**

The following table summarizes the valuation of The Museum's financial assets within the fair value hierarchy as of June 30, 2020:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Observable Input (Level 3)</b>	<b>Total at June 30, 2020</b>
Investments				
Equities	\$ 198,350	\$ -	\$ -	\$ 198,350
Fixed Income	130,994	-	-	130,994
Mutual Funds	49,264	-	-	49,264
Real assets	13,889	-	-	13,889
	<u>\$ 392,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,497</u>

The following table summarizes the valuation of The Museum's financial assets within the fair value hierarchy as of June 30, 2019:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Observable Input (Level 3)</b>	<b>Total at June 30, 2019</b>
Investments				
Equities	\$ 218,725	\$ -	\$ -	\$ 218,725
Fixed Income	130,548	-	-	130,548
Mutual Funds	46,317	-	-	46,317
Real Assets	16,547	-	-	16,547
	<u>\$ 412,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,137</u>

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**NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**Roberson Foundation**

The Roberson Foundation's investments are recorded using the market approach on the accompanying Combined Statement of Financial Position at their readily determinable fair market value based on quoted prices in active markets.

The following table summarizes the valuation of Roberson Foundation's financial assets within the fair value hierarchy as of June 30, 2020:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Observable Input (Level 3)</b>	<b>Total at June 30, 2020</b>
Investments				
Equities	\$ 474,442	\$ -	\$ -	\$ 474,442
Fixed income	330,056	-	-	330,056
Real Assets	35,024	-	-	35,024
	<u>\$ 839,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,522</u>

The following table summarizes the valuation of Roberson Foundation's financial assets within the fair value hierarchy as of June 30, 2019:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Observable Input (Level 3)</b>	<b>Total at June 30, 2019</b>
Investments				
Equities	\$ 516,285	\$ -	\$ -	\$ 516,285
Fixed income	325,927	-	-	325,927
Real Assets	41,348	-	-	41,348
	<u>\$ 883,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 883,560</u>

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**NOTE 10: INVESTMENTS**

The Museum and the Foundation report investments under provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-320, *Investments - Debt and Equity Securities*. Investments in marketable equity, fixed income, and certain other securities are valued at their fair value in the Combined Statement of Financial Position. Net appreciation or decline in the fair value of the investments, which consists of realized and unrealized gains and/or losses, and investment expenses such as custodial, commission, and investment advisory fees are netted against investment income (loss) in the Combined Statement of Activities

**Roberson Museum and Science Center**

The Museum's investments are listed net of their respective valuation accounts at June 30, 2020 as follows:

	<u>Cost/Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Investments			
Equities	\$ 187,376	\$ 198,350	\$ 10,974
Fixed Income	125,377	130,994	5,617
Mutual Funds	44,665	49,264	4,599
Real assets	15,351	13,889	(1,462)
	<u>\$ 372,769</u>	<u>\$ 392,497</u>	<u>\$ 19,728</u>

The Museum's investments are listed net of their respective valuation accounts at June 30, 2019 as follows:

	<u>Cost/Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Investments			
Equities	\$ 192,685	\$ 218,725	\$ 26,040
Fixed Income	129,186	130,548	1,362
Mutual Funds	43,491	46,317	2,826
Real assets	9,032	16,547	7,515
	<u>\$ 374,394</u>	<u>\$ 412,137</u>	<u>\$ 37,743</u>

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**NOTE 10: INVESTMENTS (CONTINUED)**

**Roberson Foundation**

The Foundation's investments are listed net of their respective valuation accounts at June 30, 2020 as follows:

	<u>Cost/Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Investments			
Equities	\$ 454,228	\$ 474,442	\$ 20,214
Fixed Income	311,332	330,056	18,724
Real assets	38,729	35,024	(3,705)
	<u>\$ 804,289</u>	<u>\$ 839,522</u>	<u>\$ 35,233</u>

The Foundation's investments are listed net of their respective valuation accounts at June 30, 2019 as follows:

	<u>Cost/Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Investments			
Equities	\$ 466,581	\$ 516,285	\$ 49,704
Fixed Income	317,883	325,927	8,044
Real assets	39,340	41,348	2,008
	<u>\$ 823,804</u>	<u>\$ 883,560</u>	<u>\$ 59,756</u>

Total income (loss) from The Museum and The Roberson Foundation's cash and cash equivalents, investments and interest in trust for the years ended June 30, 2020 and 2019 was \$19,570 and \$58,722, respectively. These amounts are shown on the Combined Statement of Activities. These figures consist of the following:

	<u>2020</u>	<u>2019</u>
Interest & Dividend	\$ 38,796	\$ 29,781
Capital gain distributions	24,505	18,490
Realized gains (losses)	(1,610)	33,818
Unrealized gains (losses)	<u>(36,788)</u>	<u>(28,899)</u>
	<u>24,903</u>	<u>53,190</u>
Distributions from Trust	17,700	17,700
Unrealized gain (loss) on Trust	<u>(16,711)</u>	<u>(9,797)</u>
	<u>989</u>	<u>7,903</u>
Subtotal	25,892	61,093
Investment expenses	<u>(6,322)</u>	<u>(2,371)</u>
Total investments return, net	<u>\$ 19,570</u>	<u>\$ 58,722</u>

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**NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS**

Combined Net assets with donor restrictions at June 30, 2020 and 2019 are available for the following purposes or periods.

	<u>2020</u>	<u>2019</u>
Amounts restricted by time or purpose		
NY P&R ZBGA Grant	\$ 26,250	\$ 61,250
Deaccession of Watches	44,139	44,139
Decker Foundation	106,957	-
Schumann Foundation	100,000	-
Roberson Foundation Assets	1,054,032	1,054,032
Amounts with perpetual donor restrictions		
Beneficiary interest in trust	<u>284,148</u>	<u>300,859</u>
Total	<u>\$ 1,615,526</u>	<u>\$ 1,460,280</u>

**NOTE 12: NET ASSETS RELEASED FROM RESTRICTIONS**

During the years ended June 30, 2020 and 2019, the Museum had net assets released from donor restrictions by incurring expenses satisfying the restricted purposes, the passage of time, or by occurrence of other events satisfying restrictions specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished:		
Visitor Center amortization	\$ -	\$ 9,542
Passage of time:		
Grant revenue recognition	<u>35,000</u>	<u>35,000</u>
Total	<u>\$ 35,000</u>	<u>\$ 44,542</u>

**NOTE 13: LIQUIDITY AND AVAILABILITY**

Combined financial assets available for general expenditure within one year of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total assets	\$ 5,117,478	\$ 5,414,240
Less:		
Combined net assets with donor restriction - permanent	1,338,180	1,354,891
Combined net assets with donor restriction - time or purpose	277,346	105,389
Property and Equipment	<u>2,550,874</u>	<u>2,809,288</u>
Financial assets available within one year	<u>\$ 951,078</u>	<u>\$ 1,144,672</u>

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**NOTE 13: LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Museum and the Foundation manage its financial assets to be available as its operating expenditures, liabilities and other obligations come due. In addition, The Museum and the Foundation invests cash in excess of daily requirements in short-term investments.

**NOTE 14: NOTE PAYABLE**

On April 11, 2020, the Museum was granted a loan from M&T Bank in the amount of \$117,800, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses. The loans and accrued interest may be forgivable if the borrower uses the loan proceeds for qualifying expenses and maintains its payroll levels. The Museum has complied with requirements and expects full forgiveness of this loan.

**NOTE 15: CONCENTRATION OF CREDIT RISK**

The Museum facilitates the implementation of many public and private grant programs. Without these grant programs, the organization may not be able to sustain the same level of operations. Grants are subject to examination by the funding organization. If the Museum does not comply with grant terms, then they could be faced with having to refund all or a portion of the grant to the funding organization. Any adjustments which arise as a result of a funding source examination would be recorded in the year in which they become known. In its history, The Museum has never had to refund any funds to a grantor and believes all its grants have been expended in accordance with the terms of its various grants.

**NOTE 16: RECLASSIFICATIONS**

The financial presentation for 2019 has been changed to conform to the presentation in 2020. The reclassifications had no effect on the change in net assets for 2019.

**NOTE 17: OPERATING LEASE COMMITMENTS**

The Museum leases office equipment under non-cancelable lease agreements. The lease expense was \$2,560 and \$4,642 for the years ended June 30, 2020 and 2019, respectively. There is an option to renew at the end of the current lease terms.

The future minimum payments are as follows:

June 30,	2021	\$	2,648
	2022		2,648
	2023		2,648
	2024		2,310
	2025		765
	thereafter		<u>          -</u>
	Total	\$	<u>11,019</u>

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**NOTE 18: SUBSEQUENT EVENTS**

As required by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 855, Subsequent Events, the organizations have evaluated events and transactions that occurred between July 1, 2020 and January 6, 2021, which is the date the combined financial statements were available to be issued, for matters that would require disclosure and or recognition in these combined financial statements. No significant events or transactions occurred during that time that would be required to be disclosed or recognized in these combined financial statements.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact revenue. Other financial impact could occur though such potential impact is unknown at this time.

**NOTE 19: PRIOR PERIOD ADJUSTMENT**

The Museum's net assets as of the beginning of the fiscal year have been adjusted to increase deferred membership revenue for adjustments to balances not previously recognized in prior years. The correction resulted in an increase to membership revenue in the amount of \$4,251 for the current year activities. The cumulative effect decreased net assets by \$21,787. The adjustment also reflects an increase of the June 30, 2019 deferred revenue by \$23,130.

The result of the restatement of the prior year and prior period net assets are summarized below:

Net assets July 1, 2018, as previously stated	\$ 5,097,414
Deferred membership revenue	<u>(21,787)</u>
Net assets July 1, 2018, as restated	\$ <u>5,075,627</u>

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