THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The California Museum for History,
Women and the Arts
Sacramento, California

We have audited the accompanying financial statements of The California Museum for History, Women and the Arts (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The California Museum for History, Women and the Arts as of December 31, 2014 and 2013, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Boden Klein + Sneesby

BODEN KLEIN & SNEESBY
Certified Public Accountants
Roseville, California
November 5, 2015

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statements of Financial Position
December 31, 2014 and 2013

ASSETS

Current assets:	2014	2013
Cash and cash equivalents	$ 1,517,451	$ 712,817
Receivables	19,153	5,492
Prepaid expenses	9,794	4,577
Inventory	29,145	39,765
Total current assets	1,575,543	762,651
Property and equipment, net	57,440	60,698
Other assets:		
Collections	950,000	950,000
TOTAL ASSETS	$ 2,582,983	$ 1,773,349

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	$ 16,677	$ 17,749
Accrued expenses	32,391	40,053
Total current liabilities	49,068	57,802
Net assets:		
Unrestricted	1,665,865	1,715,547
Temporarily restricted	868,050	-
Total net assets	2,533,915	1,715,547
TOTAL LIABILITIES AND NET ASSETS	$ 2,582,983	$ 1,773,349

See notes to financial statements.

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions and grants	$ 363,805	$ 949,000	$ 1,312,805
Donated facilities and services	2,064,983	-	2,064,983
Admission fees	168,016	-	168,016
Memberships	7,212	-	7,212
Museum store	96,409	-	96,409
Program income	12,169	-	12,169
Interest income	1,231	-	1,231
Facility rental	119,449	-	119,449
Gold Rush Grille	18,000	-	18,000
Other income	17,269	-	17,269
Satisfaction of program requirements:			
Net assets released from restrictions	80,950	(80,950)	-
Total support and revenue	2,949,493	868,050	3,817,543
Expenditures:			
Exhibits and collections	2,523,730	-	2,523,730
Museum store	95,591	-	95,591
Education	75,420	-	75,420
Public information	76,498	-	76,498
Development and membership	118,785	-	118,785
General and administrative	109,151	-	109,151
Total expenditures	2,999,175	-	2,999,175
Change in net assets	(49,682)	868,050	818,368
Net assets, January 1, 2014	1,715,547	-	1,715,547
NET ASSETS, DECEMBER 31, 2014	$ 1,665,865	$ 868,050	$ 2,533,915

See notes to financial statements.

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statement of Activities
For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions and grants	$ 504,106	$ -	$ 504,106
Donated facilities and services	910,945	-	910,945
Admission fees	164,488	-	164,488
Memberships	6,114	-	6,114
Museum store	89,436	-	89,436
Interest income	501	-	501
Facility rental	238,311	-	238,311
Gold Rush Grille	19,500	-	19,500
Other income	35,303	-	35,303
Satisfaction of program requirements:			
Net assets released from restrictions	179,624	(179,624)	-
Total support and revenue	2,148,328	(179,624)	1,968,704
Expenditures:			
Exhibits and collections	1,342,398	-	1,342,398
Museum store	107,419	-	107,419
Education	113,490	-	113,490
Public information	76,205	-	76,205
Development and membership	71,482	-	71,482
General and administrative	80,913	-	80,913
Total expenditures	1,791,907	-	1,791,907
Change in net assets	356,421	(179,624)	176,797
Net assets, January 1, 2013	1,359,126	179,624	1,538,750
NET ASSETS, DECEMBER 31, 2013	$ 1,715,547	$ -	$ 1,715,547

See notes to financial statements.

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Programs						
	Exhibits & Collections	Museum Store	Education	Public Information	Development & Membership	General & Administrative	Total
Donated facilities and services	$ 2,064,983	$ -	$ -	$ -	$ -	$ -	$ 2,064,983
Personnel	122,651	27,541	59,337	62,785	103,845	50,077	426,236
Exhibits	234,873	-	-	-	-	-	234,873
Purchases	-	61,445	-	-	-	-	61,445
Payroll taxes and employee benefits	14,891	3,335	7,185	7,603	12,575	6,064	51,653
Advertising	37,574	-	-	5,016	-	-	42,590
Events and programs	36,682	-	-	-	-	-	36,682
Insurance	4,476	-	-	-	-	17,396	21,872
Office expenses and supplies	2,723	664	3,490	520	2,365	5,742	15,504
Bank and processing fees	-	2,606	-	-	-	9,052	11,658
Printing	3,068	-	1,041	574	-	6,337	11,020
Professional fees	-	-	-	-	-	7,558	7,558
Travel, conference, and meetings	1,196	-	4,367	-	-	253	5,816
Depreciation and amortization	-	-	-	-	-	3,258	3,258
Dues, licenses and subscriptions	-	-	-	-	-	2,148	2,148
Parking	-	-	-	-	-	992	992
Repair and maintenance	613	-	-	-	-	-	613
Promotion and entertainment	-	-	-	-	-	274	274
TOTAL EXPENSES	$ 2,523,730	$ 95,591	$ 75,420	$ 76,498	$ 118,785	$ 109,151	$ 2,999,175

See notes to financial statements.

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statement of Functional Expenses
For the Year Ended December 31, 2013

	Programs						
	Exhibits & Collections	Museum Store	Education	Public Information	Development & Membership	General & Administrative	Total
Donated facilities and services	$ 910,945	$ -	$ -	$ -	$ -	$ -	$ 910,945
Personnel	142,806	55,842	89,153	60,138	60,138	21,478	429,555
Exhibits	173,898	-	-	-	-	-	173,898
Payroll taxes and employee benefits	17,366	6,841	11,051	7,367	7,367	2,633	52,625
Purchases	-	40,420	-	-	-	-	40,420
Outside services	33,788	-	-	-	-	-	33,788
Office expenses and supplies	11,681	2,083	2,562	114	2,038	5,289	23,767
Insurance	5,293	-	-	-	-	18,332	23,625
Advertising	14,825	-	-	8,470	-	-	23,295
Events and programs	20,806	-	1,405	-	780	-	22,991
Printing	1,411	-	4,572	116	867	5,346	12,312
Travel, conference, and meetings	1,288	-	4,747	-	10	6,247	12,292
Professional fees	-	-	-	-	-	9,805	9,805
Repair and maintenance	8,291	-	-	-	-	-	8,291
Bank and processing fees	-	2,233	-	-	-	5,341	7,574
Depreciation and amortization	-	-	-	-	-	4,481	4,481
Dues, licenses and subscriptions	-	-	-	-	-	1,075	1,075
Parking	-	-	-	-	-	821	821
Education and training	-	-	-	-	282	40	322
Promotion and entertainment	-	-	-	-	-	25	25
TOTAL EXPENSES	$ 1,342,398	$ 107,419	$ 113,490	$ 76,205	$ 71,482	$ 80,913	$ 1,791,907

See notes to financial statements.

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ 818,368	$ 176,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,258	4,481
Changes in operating assets and liabilities:		
Receivables	(13,661)	21,932
Prepaid expenses	(5,217)	(899)
Inventory	10,620	(6,763)
Accounts payable	(1,072)	2,465
Accrued expenses	(7,662)	471
Total adjustments	(13,734)	21,687
Net cash provided by operating activities and net increase in cash and cash equivalents	804,634	198,484
Cash and cash equivalents, beginning	712,817	514,333
CASH AND CASH EQUIVALENTS, ENDING	$ 1,517,451	$ 712,817

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Organization activities -

The California Museum for History, Women and the Arts (the Museum) is a nonprofit organization originally formed in 1987 as the California Archives Foundation and later changed its name to the Golden State Museum Public Benefit Corporation. The Museum's principal purpose is to operate the Museum, located in Sacramento, California pursuant to a Memorandum of Understanding and Operating Agreement between the Museum and the California Secretary of State.

b. Standards of reporting -

The Museum prepares its financial statements using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. In accordance with generally accepted accounting principles, The Museum reports information regarding its financial position and activities according to three net asset groups: unrestricted, temporarily restricted and permanently restricted. At December 31, 2014, the Museum had a balance of $868,050 of temporarily restricted net assets. The amount represented funds received for the Examining Immigration's Impact on Health program, which had not been spent at year end. At December 31, 2013, the Museum had no temporarily restricted net assets. The Museum had no permanently restricted net assets at December 31, 2014 and 2013.

Contributions and grants that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contribution or grant is recognized.

c. Receivables -

Management estimates that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

d. Inventory -

Inventory consists of merchandise at the Museum's retail store and is stated at cost using the first-in, first-out (FIFO) method.

e. Functional allocation of expenses -

The cost of providing the various programs and activities, have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

f. Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

g. Property and equipment -

All acquisitions of property and equipment in excess of $500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

h. Income taxes -

The California Museum for History, Women and the Arts is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and corresponding state statutes. Additionally, the Organization has evaluated its tax returns for uncertain tax positions. There was no impact on the financial statements as a result of this evaluation. The Museum's tax returns are subject to examination by the taxing authorities for three years for federal purposes and four years for state purposes.

i. Cash equivalents -

The Museum considers certificates of deposit and securities with original terms of maturity of less than three months to be cash equivalents.

j. Concentration of credit risk -

The Museum maintains its cash balances with three financial institution. At times, throughout the year amounts may exceed federally insured limits.

k. Volunteer services -

The Museum relies on volunteer services in order to conduct museum docent activities. No value has been assigned to these services.

I. Reclassifications -

Certain amounts in the prior year financial statements have been reclassified to conform to current year classifications.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2014 and 2013 consisted of the following:

	2014	2013
Improvements	$ 19,296	$ 19,296
Office equipment	16,653	16,653
Store equipment	20,448	20,448
Computer and software	129,281	129,281
Other equipment	28,657	28,657
Total	214,335	214,335
Less accumulated depreciation	156,895	153,637
Net property and equipment	$ 57,440	$ 60,698

NOTE 3 - COLLECTIONS:

Collections consist of a statue donated to the Museum during 2006 with an appraised value of $950,000.

NOTE 4 - RETIREMENT PLAN:

The Museum maintains a 403(b) plan which allows employees to defer a portion of their salary up to Internal Revenue Code limits. At the Museum's discretion it may provide for a 3 percent matching contribution. For the years ended December 31, 2014 and 2013, the Organization made no matching contribution to the retirement plan.

NOTE 5 - DONATED FACILITIES AND SERVICES:

Donated facilities and services revenue and expense represents the fair market value of the use of facilities and personnel services provided under an agreement with the California Secretary of State. In addition, the Museum may receive other in kind equipment and supplies donations throughout the year.

NOTE 6 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 5, 2015, the date on which the financial statements were available to be issued.