THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The California Museum for History, Women and the Arts (the Museum), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

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therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Museum'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 Museum’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.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

June 4, 2025

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,561,772	$ 1,844,265
Certificates of deposit	2,622,993	1,027,085
Grants and accounts receivable	2,211,500	2,882,121
Prepaid expenses	18,282	11,902
Inventory	17,466	18,444
Total current assets	6,432,013	5,783,817
PROPERTY AND EQUIPMENT, Net	3,403,389	3,956,889
COLLECTIONS	970,000	970,000
LEASEHOLD INTEREST IN PROPERTY	736,132	3,244,850
TOTAL ASSETS	$ 11,541,534	$ 13,955,556
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 18,382	$ 14,574
Accrued expenses	92,102	72,210
Deferred revenue	4,036	10,037
Total current liabilities	114,520	96,821
NET ASSETS:		
Without donor restrictions	10,438,076	10,324,794
With donor restrictions	988,938	3,533,941
Total net assets	11,427,014	13,858,735
TOTAL LIABILITIES AND NET ASSETS	$ 11,541,534	$ 13,955,556

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

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS:	2024	2023
REVENUES:		
Grants	$ 2,212,330	$ 2,114,942
Donated services and goods	731,584	586,884
Admission fees	209,911	190,200
Interest income	154,645	84,492
Facility rental	110,534	115,196
Museum store sales	85,466	64,970
Contributions	37,326	58,472
Gold Rush Grille	22,387	20,856
Memberships	11,601	11,411
Other income	359	1,117
Net assets released from restrictions	2,768,398	2,195,124
Total revenues	6,344,541	5,443,664
EXPENSES:		
Program services:		
Exhibits	2,728,143	2,476,581
Education	1,606,204	1,337,480
Hall of Fame	300,530	151,200
Museum store	240,650	190,962
Unity	238,381	354,889
Public information	227,810	161,517
Facility rental	78,281	76,697
Volunteer	44,114	61,218
Total program services	5,464,113	4,810,544
Supporting services:		
General and administrative	696,705	563,090
Development and membership	70,441	58,136
Total expenses	6,231,259	5,431,770
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	113,282	11,894
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions and grants	223,395	122,690
Net assets released from restrictions	(2,768,398)	(2,195,124)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(2,545,003)	(2,072,434)
DECREASE IN NET ASSETS	(2,431,721)	(2,060,540)
NET ASSETS, Beginning of Year	13,858,735	15,919,275
NET ASSETS, End of Year	$ 11,427,014	$ 13,858,735

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

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Exhibits	Education	Hall of fame	Museum store	Unity	Public information	Facility rental	Volunteer	General and administrative	Development and membership	Total
Amortization of leasehold interest	$ 1,279,445	$ 865,508		$ 137,978					$ 225,787		$ 2,508,718
Personnel	178,192	372,071	$ 85,771	4,374	$ 3,554	$ 143,011	$ 59,741	$ 33,321	201,083	$ 52,661	1,133,779
Depreciation	670,985				226,984	11,455					909,424
Donated use of facilities, services, and goods	373,108	252,396		40,237					65,843		731,584
Events and programs	19,452	58,414	191,293		1,500	3,758	1,607	400	1,329		277,753
Payroll tax and employee benefits	30,034	40,473	7,380	11,978	333	21,180	14,350	9,552	59,520	10,103	204,903
Office expenses and supplies	65,568	4,415	15,693	2,407	5,633	1,143	637	304	23,644	2,563	122,007
Exhibits	105,669	2,821			145	60			1,153		109,848
Professional fees		2,070							77,648		79,718
Inventory				41,251							41,251
Advertising	2,209	762			232	37,566			200		40,969
Insurance	2,615								29,264		31,879
Dues, licenses, and subscriptions	70	5,058		309		9,637		537	10,478	2,270	28,359
Bank and processing fees	796	686	393	2,116			1,946		356	2,844	9,137
Education and training		1,530									1,530
Travel, conference, and meetings									400		400
Total	$ 2,728,143	$ 1,606,204	$ 300,530	$ 240,650	$ 238,381	$ 227,810	$ 78,281	$ 44,114	$ 696,705	$ 70,441	$ 6,231,259

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

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Exhibits	Education	Hall of fame	Museum store	Unity	Public information	Facility rental	Volunteer	General and administrative	Development and membership	Total
Amortization of leasehold interest	$ 1,037,005	$ 701,504		$ 111,833					$ 183,003		$ 2,033,345
Personnel	186,371	293,200	$ 37,104	4,173	$ 2,535	$ 107,219	$ 67,624	$ 47,906	143,890	$ 37,690	927,712
Depreciation	631,480			738	340,119	5,732					978,069
Donated use of facilities, services, and goods	299,311	202,475		32,279					52,819		586,884
Events and programs	12,081	80,806	27,313		2,500			2,063	1,055		125,818
Payroll tax and employee benefits	28,459	41,755	2,631	2,775	1,062	17,301	8,747	9,580	44,757	13,508	170,575
Office expenses and supplies	77,024	5,751	24,054	3,912	4,573	81	138	1,001	12,100	3,227	131,861
Exhibits	199,423		59,958		4,100				9,113		272,594
Professional fees	4,145						188		71,902		76,235
Inventory		431		33,913							34,344
Advertising	578	2,295	70			17,908		140		846	21,837
Insurance									31,704		31,704
Dues, licenses, and subscriptions	378	873		602		13,276		528	11,769	2,813	30,239
Bank and processing fees				736							736
Education and training	221	8,390	70						538	52	9,271
Travel, conference, and meetings	105			1					440		546
Total	$ 2,476,581	$ 1,337,480	$ 151,200	$ 190,962	$ 354,889	$ 161,517	$ 76,697	$ 61,218	$ 563,090	$ 58,136	$ 5,431,770

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

THE CALIFORNIA MUSEUM FOR HISTORY, WOMEN AND THE ARTS

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	$ (2,431,721)	$ (2,060,540)
Reconciliation to net cash provided by operating activities:		
Amortization of leasehold interest in property	2,508,718	2,033,345
Depreciation	909,424	978,069
Accrued interest on certificates of deposit	(95,908)	(27,085)
Changes in:		
Grants and accounts receivable	670,621	953,460
Prepaid expenses	(6,380)	(6,925)
Inventory	978	(1,904)
Accounts payable	3,808	(154,851)
Accrued expenses	19,892	18,503
Deferred revenue	(6,001)	(31,673)
Net cash provided by operating activities	1,573,431	1,700,399
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificate of deposit	(1,500,000)	(1,000,000)
Redemption of certificate of deposit		1,000,000
Purchases of property and equipment	(355,924)	(498,593)
Net cash used by investing activities	(1,855,924)	(498,593)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of short-term debt		300,000
Principal payments on short-term debt		(300,000)
Net cash provided by financing activities:		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(282,493)	1,201,806
CASH AND EQUIVALENTS, Beginning of Year	1,844,265	642,459
CASH AND EQUIVALENTS, End of Year	$ 1,561,772	$ 1,844,265
CASH PAID FOR INTEREST	$	$ 767

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

1. ORGANIZATION AND NATURE OF ACTIVITIES

The California Museum for History, Women and the Arts (the Museum) is a nonprofit organization originally formed in 1987. 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 (the State)

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Museum reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor or grantor-imposed restrictions: *Net assets without donor restrictions* and *Net assets with donor restrictions.*

Revenue recognition – Contributions, including grants from private foundation and corporations, are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition. The Museum receives certain government grants which limit spending to qualifying expenditures as defined in grant agreements. Amounts received in advance of incurrence of qualifying expenditures are recorded as deferred revenue. Outstanding conditional promises to give subject to qualifying expenditure requirements were $3,821,737 and $6,023,960 as of December 31, 2024, and 2023, respectively. These amounts will be recognized as revenue as the conditions are met.

All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire, or the contributions are used for the restricted purpose. The Museum has no net assets with donor restrictions that are perpetual in nature. Donor-restricted contributions that are initially classified as conditional, and for which the donor-imposed conditions and restrictions are met simultaneously, are recognized as net assets without donor restrictions in the statements of activities.

The Museum’s revenue from contracts with customers consists of admission fees, facility rentals, museum store sales, Gold Rush Grille, and membership dues. Revenue is recognized for admissions fees and store sales at time of admission or when goods are purchased by the customer. Facility rental revenue is recognized when the rental event takes place. Membership dues are recognized over the term of the membership period and dues collected in advance are recorded as deferred revenue. Accounts receivable balances from contracts with customers were $25,324, $21,636, and $13,924 as of December 31, 2024, 2023, and 2022, respectively.

Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management believes that there are no significant uncollectible receivable balances, accordingly, no allowance for credit losses has been recorded.

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

Functional allocation of expenses – The costs of providing the program services have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated among the program services based on management

estimates of employee time incurred and usage of resources. Personnel expenses are allocated based on estimates of employees' time incurred. Donated goods, services, and amortization of leasehold interest in facilities provided by the State are allocated based on square footage. All other expenses are allocated based on the usage of resources.

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.

Property and equipment – All acquisitions of property, improvement, equipment, and cost for long-standing exhibits in excess of $2,500 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 over the estimated useful lives of individual assets ranging from 3 to 7 years.

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.

Cash equivalents – The Museum considers all investments with a maturity of less than three months to be cash equivalents. The Museum maintains its cash balances with one financial institution.

No deposits in excess of the federal depository insurance limits were held as of December 31, 2024 and 2023.

Certificates of deposit are stated at cost plus accrued interest and are expected to be redeemed within one year.

Donated facilities, services, and goods – Donated facilities represent the value of facilities provided to the Museum by the State that are used outside of a multi-year agreement. Donated services, which consists of security staff, and goods are recorded as in-kind support and are recognized at the estimated fair value as of the date of donation or service and presented as donated services and goods on the statement of functional expenses.

The Museum recognizes in-kind revenue for the fair value of contributed services that create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Museum relies on volunteer services in order to conduct museum docent activities. The value of this donated time is not reflected in the financial statements as it does not meet the aforementioned criteria.

Leasehold interest in property – The Museum receives contributed use of property as part of a multi-year agreement with the State. This contribution is considered an unconditional promise to give and is reported as a donor-restricted contribution in the period the agreement is executed and as leasehold interest in property at the fair value of the contributed use of the property in the period it is contributed. The leasehold interest is amortized, and the restrictions are considered satisfied evenly over the term of the agreement.

Advertising costs – Advertising and marketing costs are expensed as incurred. Advertising costs totaled $40,969 and $21,837 in 2024 and 2023, respectively.

Subsequent events have been reviewed through June 4, 2025, the date the financial statements were issued. Management concluded that no material subsequent events have occurred since December 31, 2024 that require recognition or disclosure in the financial statements.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Museum's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	$ 1,561,772	$ 1,844,265
Certificates of deposit	2,622,993	1,027,085
Grants and accounts receivable	2,211,500	2,882,121
Total financial assets	6,396,265	5,753,471
Less those unavailable for general expenditures within one year due to contractual or donor restrictions:	(252,806)	(289,091)
Total financial assets available for general expenditure within one year	$ 6,143,459	$ 5,464,380

The Museum has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable from various sources as of December 31 are as follows:

	2024	2023
Government grants	$ 2,186,176	$ 2,860,485
Other	25,324	21,636
Total	$ 2,211,500	$ 2,882,121

Management expects all receivable balances to be collected within one year.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
Exhibits	$ 6,185,301	$ 6,156,448
Improvements	947,625	947,625
Construction in progress	371,789	44,718
Computer and software	131,743	131,743
Equipment	45,579	45,579
Website	34,390	34,390
Store equipment	24,139	24,139
Office equipment	16,653	16,653
Total	7,757,219	7,401,295
Less accumulated depreciation	(4,353,830)	(3,444,406)
Net property and equipment	$ 3,403,389	$ 3,956,889

5. COLLECTIONS

The Museum's collections consist of a statue donated to the Museum during 2006 with an appraised value of $950,000 and various other collections valued at a total of $20,000. The Museum has determined that the statue and other collections have historical value and intends to protect and preserve the assets perpetually. As a result, in accordance with professional standards over historical treasures and art that have these characteristics, depreciation is not recognized for the collections.

6. SHORT-TERM DEBT

On March 16, 2023, the Museum received a short-term loan from River City Bank in the amount of $300,000. The loan was secured by the Museum's certificate of deposit and accrued interest at 5.75%. The loan principal and accrued interest totaling $767 was repaid on May 3, 2023.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2024	2023
Leasehold interest in property	$ 736,132	$ 3,244,850
Kim Traversi Memorial Fund	119,306	86,791
Hall of Fame Visionary Donors	70,000	131,800
Unity Center	51,000	58,000
Renewable Energy exhibit	12,500	12,500
Total	$ 988,938	$ 3,533,941

Leasehold interest in property represents the Museum's interest in use of facilities contributed by the State. Effective April 19, 2022, the Museum renewed their memorandum of understanding with the State which provides for use of space for the Museum's exhibits, gift shop, and administrative offices within the California State Archives building. The agreement extends through April 19, 2025.

8. DONATED FACILITIES, SERVICES, AND GOODS

Donated facilities, services, and goods revenue and expense represent the fair market value of personnel services and goods provided under an agreement with the State. In addition, the Museum may receive other in-kind equipment and supplies donations throughout the year. All donated facilities, services, and goods received by the Museum for the years ended December 31, 2024 and 2023 were considered without donor restrictions and were able to be used by the Museum as determined by the Board and management.

The Museum received the following donated facilities, services, and goods:

	2024	2023
Office expenses and equipment	$ 443,079	$ 327,815
Security services	288,505	259,069
Total	$ 731,584	$ 586,884

9. RETIREMENT PLAN

The Museum maintains a 401(k) 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 4 percent matching contribution. For the years ended December 31, 2024 and 2023, the Museum made matching contributions of $40,048 and $32,267, respectively, to the retirement plan.