CALIFORNIA ASSOCIATION

OF MUSEUMS

(a California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

August 31, 2022

WALTERS & KONDRASHEFF

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CALIFORNIA ASSOCIATION OF MUSEUMS

AUGUST 31, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
California Association of Museums

We have reviewed the accompanying statement of financial position of the California Association of Museums (a California Not-For-Profit Corporation) which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the California Association of Museums and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously reviewed the California Association of Museums financial statements for the year ended August 31, 2021, and in our conclusion dated November 29, 2021, stated that based on our review, we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended August 31, 2021, for it to be consistent with the reviewed financial statements from which it has been derived.

Walters & Kondrasheff

Walters & Kondrasheff
Certified Public Accountants

April 7, 2023
Scotts Valley, California

EXHIBIT A

CALIFORNIA ASSOCIATION OF MUSEUMS
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2022
(With Comparative Totals for August 31, 2021)

ASSETS	August 31, 2022	August 31, 2021
Current Assets:		
Cash and Cash Equivalents	$ 474,800	$ 298,248
Grants and Accounts Receivable	86,416	77,343
Prepaid Expenses	-	1,817
Total Assets (All Current)	$ 561,216	$ 377,408
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	$ 24,569	$ 9,368
Refundable Advances (Note 8)	-	22,100
Employee 403b Payable	10,947	-
Accrued Payroll and Taxes	8,201	8,201
Accrued Vacation	5,775	6,653
Total Liabilities (All Current)	49,492	46,323
Net Assets		
Without Donor Restrictions	399,224	297,835
With Donor Restrictions	112,500	33,250
Total Net Assets	511,724	331,085
TOTAL LIABILITIES AND NET ASSETS	$ 561,216	$ 377,408

See independent accountant's review report and accompanying notes to financial statements.

EXHIBIT B

CALIFORNIA ASSOCIATION OF MUSEUMS
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022
(With Comparative Totals for August 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	August 31, 2022 Total	August 31, 2021 Total
SUPPORT AND REVENUES				
Membership Dues	$ 132,100	$ -	$ 132,100	$ 126,088
Contributions and Grants				
Individual, Corporate and Foundations	98,449	67,500	165,949	30,946
State Grants	150,000	45,000	195,000	108,250
In-Kind Support	-	-	-	3,000
Revenues				
Annual Conference	120,583	-	120,583	61,835
Other Income	1,001	-	1,001	1,804
Snoopy License Plate Fees	82,184	-	82,184	81,234
Job Listing Services	5,505	-	5,505	5,075
Annual Appeal	6,745	-	6,745	7,815
Workshops	98	-	98	314
Interest Income	503	-	503	172
Net Assets Released from Restrictions	33,250	(33,250)	-	-
Total Support & Revenues	630,417	79,250	709,667	426,533
EXPENSES				
Program Expenses	428,758	-	428,758	284,766
Administrative Expenses	79,972	-	79,972	63,792
Fundraising Expenses	20,298	-	20,298	18,381
Total Expenses	529,028	-	529,028	366,939
CHANGE IN NET ASSETS	101,389	79,250	180,639	59,594
NET ASSETS, BEGINNING OF YEAR	297,835	33,250	331,085	271,491
NET ASSETS, END OF YEAR	$ 399,224	$ 112,500	$ 511,724	$ 331,085

See independent accountant's review report and accompanying notes to financial statements.

EXHIBIT C

CALIFORNIA ASSOCIATION OF MUSEUMS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022
(With Comparative Totals for August 31, 2021)

	Program Expenses	Administrative Expenses	Fundraising Expenses	August 31, 2022 Total	August 31, 2021 Total
Salaries and Wages	$ 167,886	$ 37,750	$ 15,544	$ 221,180	$ 195,138
Payroll Taxes and Employee Benefits	25,508	5,705	2,349	33,562	38,898
Payroll Processing Service	1,982	443	182	2,607	2,289
Workers Comp Insurance	1,185	265	109	1,559	1,046
Annual Conference Expenses					
Production Expenses	66,606	-	-	66,606	8,711
Scholarships and Fellowships	5,200	-	-	5,200	-
Events and Workshops	21,375	-	-	21,375	-
Audio and Visual	5,010	-	-	5,010	-
Printing and Reproduction	-	-	-	-	-
Telephone and Telecommunications	7,769	914	457	9,140	8,606
Professional Services	(0)	12,500	-	12,500	7,428
Travel and Meetings Expenses	2,319	519	214	3,052	1,856
Membership Services	4,688	552	276	5,516	5,346
Advertising - License Plate Initiative	3,006	-	-	3,006	9,574
Office Supplies and Expense	2,522	297	148	2,967	4,723
Credit Card Processing Fees	3,353	394	197	3,944	2,197
Distance Learning	2,499	-	-	2,499	3,196
Advocacy Services & Lobbying	74,074	-	-	74,074	38,377
Dues, Subscriptions and Fees	2,778	326	163	3,267	2,511
Insurance	1,189	140	70	1,399	3,096
Equipment Rental and Maintenance	1,585	186	93	1,864	1,586
Printing and Reproduction	810	95	48	953	2,196
Board Meetings Expenses	2,216	261	130	2,607	1,932
Postage and Delivery	1,490	175	87	1,752	1,919
Other Expenses	3,202	537	231	3,970	1,256
Consulting	20,505	18,913	-	39,418	25,058
Total Expenses	$ 428,758	$ 79,972	$ 20,298	$ 529,028	$ 366,939

See independent accountant's review report and accompanying notes to financial statements.

EXHIBIT D

CALIFORNIA ASSOCIATION OF MUSEUMS
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2022
(With Comparative Totals for August 31, 2021)

	August 31, 2022	August 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 180,639	$ 59,594
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Grants and Accounts Receivable	(9,073)	(74,018)
Prepaid Expenses	1,817	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	15,201	2,208
Refundable Advances	(22,100)	21,574
Employee 403b Payable	10,947	-
Accrued Payroll and Taxes	-	3,148
Accrued Vacation	(879)	(1,596)
Net Cash Provided By Operating Activities	176,553	10,911
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	176,553	10,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	298,248	287,337
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 474,801	$ 298,248

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 1 NATURE OF ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES:

Nature of Association:

The California Association of Museums ("CAM" or "Association") was formed as a California Not-For-Profit Corporation on December 21, 1979.

Nature of Activities:

The California Association of Museums is the only statewide network devoted to the furtherance of all California's museums and informal education institutions, including museums, zoos, aquaria, and historic sites. With approximately 1,200 members in almost every county across the state, CAM represents a dynamic group of museums, businesses, and individuals that seek to assure the future of California's cultural and natural heritage. The Association connects industry professionals with timely information and practical resources to support the success of all California museums and to advance their interests. CAM programs and services include an annual statewide conference, workshops, an electronic newsletter, publications, special initiatives and an active legislative advocacy program.

Basis of Accounting:

The Association prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual method of accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 1 NATURE OF ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

Cash and Cash Equivalents:

The Association considers all highly liquid investments with maturities of three months or less as cash equivalents. At August 31, 2022, the Association did not own any cash equivalents.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, *Financial Statements of Not-For-Profit Associations.* Under these standards, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. See Note 5 for information on net assets with donor restrictions as of August 31, 2022.

Donated Services:

Donated services are recognized as in-kind support if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association. See Note 4 for a summary of in-kind support recognized in these financial statements.

A significant number of volunteers donated many hours of their time to the Association as committee members, board members, and conference volunteers. This volunteer time is critical to the success of the Association. However, as this volunteer service does not meet the recognition requirements of Statement of Financial Accounting Standards, "Accounting for Contributions Received and Contributions Made," no amount has been recorded in these financial statements for these services.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 1 NATURE OF ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

Advertising:

The Association uses advertising to promote its programs among the audience it serves, particularly for the Snoopy License Plate Project. The production costs of advertising are expensed as incurred and totaled $3,006 during the fiscal year ended August 31, 2022.

Revenue With and Without Donor Restrictions:

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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 restrictions. Also see Note 5.

Expense Allocation:

The costs of operating the Association and providing programs and services for the museum field have been summarized on a functional basis in the Statement of Functional Expenses. Certain indirect costs have been allocated to the programs, services, and activities benefited, including salaries and wages, overhead and occupancy expenses, travel and meetings, and membership services. These allocations are consistently applied and based on estimates of time, effort, and purpose.

Compensated Absences:

The Association accrues a liability for vacation pay that has been earned but not utilized by its employees. At August 31, 2022, the total value of accrued vacation benefit is $5,775. Sick leave benefits and personal days are accumulated for each employee. Since these benefits do not vest, they are not reflected in the financial statements of the Association. Therefore, sick leave benefits and personal days are recorded as an expense in the period in which leave is taken.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 1 NATURE OF ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

Property and Equipment:

The Association's policy is to capitalize all expenditures for property and equipment with a useful life in excess of one year and a cost of $1,000 or more, and depreciate such assets over their useful lives on a straight-line basis. Currently, there are no expenditures that meet these criteria.

Income Tax Status:

The Association is exempt from the Federal income tax under Section 501(c)(3) of the Internal Revenue Code and from the State income tax under Section 2370d of the California Revenue and Taxation Code. The Internal Revenue Service further classified that the Association is not a private foundation within the meaning of Section 509(a) of the Code.

The Association has implemented new accounting standards associated with uncertainty in income taxes. Accordingly, the Association shall initially recognize the financial statement effects of a tax position when it is more-likely-than-not, based on the technical merits, that the position will be sustained upon examination. The Association believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

For the federal tax jurisdiction, tax years for 2018 through 2021 remain open and could be subject to examination. For the state tax jurisdiction, the tax years 2017 through 2021 remain open and subject to examination.

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to continue presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended August 31, 2021, from which the summarized information was derived.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 2 FINANCIAL INSTRUMENTS:

Assets and liabilities which are considered to be financial instruments are cash, cash equivalents, grants and accounts receivable, accounts payable, and accrued vacation. For these items, carrying values approximate fair values due to their short-term maturity.

NOTE 3 GRANTS RECEIVABLE:

Grants receivable include amounts due from the State of California and the California Arts Council. The Association employs the direct write-off method, which management estimates to closely approximate generally accepted accounting principles. Bad debts expense totaled $0 for the year ending August 31, 2022.

NOTE 4 IN-KIND SUPPORT AND EXPENSE:

The Association did not receive any in-kind services during the year ended August 31, 2022.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS:

Contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of 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 restrictions.

During the current year the Association was the beneficiary of several grants and sponsorships with donor restrictions. As of August 31, 2022, the Association's net assets with donor restrictions totaled $112,500, of which $45,000 was time restricted for general operating during the year ending August 31, 2023 and $67,500 was purpose restricted for conferences and newsletters.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 6 SNOOPY LICENSE PLATE PROGRAM:

After multiple years of effort on the part of the Association, Peanuts Worldwide LLC issued the Association a license for use of the Snoopy image in connection with the manufacture, sale, distribution, and advertising of specialized California license plates bearing the Snoopy image. The license is set to expire on December 31, 2023, though the term may be extended through a formal written amendment signed by both parties.

The Association entered into a sublicense agreement with the California Cultural and Historical Endowment (CCHE) to authorize CCHE to use the Snoopy image in connection with a Snoopy License Plate Program through the California Department of Motor Vehicles in order to benefit the California Museum Grant Program.

Under the terms of the agreement, the Association receives 20% of funds generated by Snoopy license plate fees. The remaining 80% of funds generated goes to the California Museum Grant Program for competitive grants for California museums and to CCHE for program administration. $82,184 has been recognized as revenue on the accompanying Statement of Activities in connection with this program. Any significant reduction in the level of support from this program could negatively impact the Association's ability to operate the full scope of current projects.

NOTE 7 LIQUIDITY MANAGEMENT AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Association's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date, because of contractual or donor-imposed restrictions.

Financial assets, at year end	$ 474,800
Less those unavailable for general expenditure within one year, due to:	
Purpose Restricted	(67,500)
for general expenditures within one year	$ 493,716

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 7 LIQUIDITY MANAGEMENT AND AVAILABILITY OF FINANCIAL ASSETS (Continued):

The financial assets consist of cash in the amount of $474,800 and grants receivable in the amount of $86,416,

The Association strives to maintain liquid assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately $72,000. As part of the Association's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In addition to liquid assets available to meet general expenditures over the next 12 months, the Association operates with a balanced budget and anticipates collecting revenue to cover general expenditures. Refer to the Statement of Cash Flows (Exhibit D) which identifies the sources and uses of the Association's cash and shows positive cash generated by operations for fiscal year 2022.

NOTE 8 REFUNDABLE ADVANCES:

The Organization records cost reimbursement grant awards as refundable advances until related expenses are incurred, at which time they are recognized as revenue. As of August 31, 2022, the Association did not hold any refundable advances.

NOTE 9 - CONCENTRATION OF REVENUE:

The Association has historically received approximately 25% of its revenue from membership dues and 40% of its revenue from the annual conference. Due to the Covid-19 pandemic, the Association's annual revenue from the conference has decreased by 49%.

CALIFORNIA ASSOCIATION OF MUSEUMS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

NOTE 10 - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS:

The Association maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At August 31, 2022, the Association's uninsured cash balances totaled $224,400.

NOTE 11 - DATE OF MANAGEMENT'S REVIEW:

The Association has evaluated events subsequent to August 31, 2022 to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through April 7, 2023, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.