RANDALL MUSEUM FRIENDS

FINANCIAL STATEMENTS

June 30, 2025

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)

CROSBY & KANEDA
Certified Public Accountants
for Nonprofit Organizations

RANDALL MUSEUM FRIENDS

Table of Contents

Independent Auditors' Report	3-4
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to the Financial Statements	9-15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Randall Museum Friends
San Francisco, California

Opinion

We have audited the accompanying financial statements of Randall Museum Friends (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows and functional expenses, for the year 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 Randall Museum Friends as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Organization'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 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, including omissions, 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Alameda, California
December 4, 2025

RANDALL MUSEUM FRIENDS

Statement of Financial Position
June 30, 2025
(With Comparative Totals as of June 30, 2024)

	2025	2024
Assets		
Assets		
Cash and cash equivalents	$ 188,406	$ 302,041
Investments (Note 3)	1,106,326	986,538
Accounts receivable	238,345	147,237
Contributions receivable	2,165	5,536
Prepaid expenses	604	1,843
Total Assets	$ 1,535,846	$ 1,443,195
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 62,754	$ 61,646
Service concession payable	18,486	41,797
Accrued vacation	10,803	711
Security deposit and deferred revenue	10,500	10,000
Total Liabilities	102,543	114,154
Net Assets		
Without donor restrictions	1,432,303	1,324,041
With donor restrictions (Note 7)	1,000	5,000
Total Net Assets	1,433,303	1,329,041
Total Liabilities and Net Assets	$ 1,535,846	$ 1,443,195

See Notes to the Financial Statements

RANDALL MUSEUM FRIENDS

Statement of Activities
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Support and Revenue				
Revenue				
Museum activities, net (Note 5)	$ 627,416	$	$ 627,416	$ 543,871
Co-producing services	13,648		13,648	-
Other	6,348		6,348	1,960
Total Revenue	647,412	-	647,412	545,831
Support				
Individual	181,877	9,500	191,377	108,457
Foundation and corporate	47,731		47,731	88,840
Total Support	229,608	9,500	239,108	197,297
Investment activity, net (Note 3)	104,843		104,843	95,041
Support provided by expiring time and purpose restrictions	13,500	(13,500)	-	-
Total Support and Revenue	995,363	(4,000)	991,363	838,169
Expenses				
Program	501,127		501,127	521,278
Management and general	278,762		278,762	202,428
Fundraising	107,212		107,212	55,317
Total Expenses	887,101	-	887,101	779,023
Changes in Net Assets	108,262	(4,000)	104,262	59,146
Net Assets, beginning of year	1,324,041	5,000	1,329,041	1,269,895
Net Assets, end of year	$ 1,432,303	$ 1,000	$ 1,433,303	$ 1,329,041

See Notes to the Financial Statements

RANDALL MUSEUM FRIENDS

Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 104,262	$ 59,146
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Investment activity, net	(104,843)	(95,041)
Change in assets and liabilities:		
Accounts receivable	(91,108)	(137,636)
Contributions receivable	3,371	(5,536)
Prepaid expenses	1,239	125
Accounts payable and accrued expenses	1,108	6,249
Service concession payable	(23,311)	(11,700)
Accrued vacation	10,092	(5,744)
Security deposit and deferred revenue	500	-
Net cash provided (used) by operating activities	(98,690)	(190,137)
Cash flows from investment activities:		
Purchase of investments	(14,945)	-
Net cash provided (used) by investment activities	(14,945)	-
Net change in cash and cash equivalents	(113,635)	(190,137)
Cash and cash equivalents, beginning of year	302,041	492,178
Cash and cash equivalents, end of year	$ 188,406	$ 302,041

See Notes to the Financial Statements

RANDALL MUSEUM FRIENDS

Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Program	Management and General	Fundraising	Total 2025	Total 2024
Salaries	$ 353,240	$ 131,479	$ 79,077	$ 563,796	$ 424,929
Employee benefits	-	28,175	-	28,175	35,619
Payroll taxes	29,478	10,972	6,599	47,049	30,997
Total Personnel	382,718	170,626	85,676	639,020	491,545
Grants	11,000	-	-	11,000	11,000
Accounting	-	10,040	-	10,040	15,210
Fees for service	52,461	30,687	10,220	93,368	144,936
Advertising and promotion	-	21,826	-	21,826	14,400
Supplies and office expenses	48,963	17,970	8,054	74,987	81,312
Information technology	9	16,248	3,224	19,481	2,776
Occupancy	-	1,975	-	1,975	8,545
Travel and meals	5,976	1,638	38	7,652	1,367
Insurance	-	7,253	-	7,253	7,334
Service fees and other	-	499	-	499	598
Expenses by Function	501,127	278,762	107,212	887,101	779,023
Expenses reported on a net basis on statement of activities					
Occupancy related fee share	66,331	-	-	66,331	77,615
Total Expenses	$ 567,458	$ 278,762	$ 107,212	$ 953,432	$ 856,638

See Notes to the Financial Statements

Notes to the Financial Statements
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

NOTE 1: NATURE OF ACTIVITIES

The Randall Museum Friends (the Organization) is a nonprofit organization that is incorporated under the laws of the State of California. The primary purposes of the Organization are as follows:

a) to assist in the development of services for the Randall Museum (the Museum);

b) to provide support and encouragement for the Museum staff;

c) to provide financial support to the Museum and;

d) to engage the community in promoting the basic goals of the Museum: learning, achievement and fun for youth in San Francisco.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Assets restricted solely through the actions of the Organization's Board are reported as board-designated net assets without donor restrictions.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; there were no restrictions of this nature as of June 30, 2025.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor

restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time when any of the following conditions are met: The customer receives and consumes the benefits provided by the Organization's performance as the Organization performs; the Organization's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the work does not create an asset with an alternative use to the Organization and the entity has a right to payment for performance completed to date. Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. Revenue from the sales of goods or merchandise is recognized at the point in time when the goods or merchandise are provided to the customer.

Tuition and Camps

The Organization operates classes and camps under a service concession agreement with City and County of San Francisco's Recreation and Park Department as further detailed in Note 5. The Organization recognizes tuition and camp revenue over the period in which related activity occurs.

Rental Income

The Organization rents space to the public for events throughout the year. Facility rental income is recognized when related events occur.

Co-producing Services

The Organization co-produces exhibits in conjunction with the City and County of San Francisco's Recreation and Park Department. The Organization recognizes revenue related to such services as costs are incurred.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2025 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only 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 Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2025.

Accounts Receivable

Accounts receivable is primarily unsecured non-interest bearing amounts due from the City and County of San Francisco. The Organization uses historical loss information adjusted for management's expectations about current economic conditions, and the aging of receivables relative to expected payment dates among other factors as the basis to determine expected credit losses. The Organization has adopted the practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The Organization has made the accounting policy election to consider the subsequent collection of amounts prior to the date the financial statements were available to be issued in evaluating collectability. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at June 30, 2025. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

All acquisitions of property and equipment in excess of $2,500 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated 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 the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2025.

Leases

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization's leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on an annual tabulation of salaries tracked bi-weekly by both the bookkeeper and Electronic Payroll System utilized by the Organization. The two full-time staff do self-assessments of how much of their time is spent implementing programs, fundraising, and general administration. All other employees of the Organization spend 100% of their time doing program-related activity.

Occupancy is described in the Cooperation Agreement between Randall Museum Friends and the City & County of San Francisco. Direct rent is paid for office space only on a square foot basis. Facility usage is based on the partnership between the two organizations. Program revenue is collected by the City & County of San Francisco, given to Randall Museum Friends for program expenditure, with an annual fee from Randall Museum Friends to City & County of San Francisco based on a percentage of total income. Randall Museum Friends does not own the Randall Museum so there is no depreciation, amortization, or interest.

Telephone and internet services, insurance, supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee salary expenditures for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized 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 constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Recent Accounting Pronouncements

In July 2025, the FASB issued *ASU No. 2025-05 Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides for a practical expedient in estimating expected credit losses by using current conditions as of the balance sheet date rather than future estimates. An accounting policy election was introduced to allow consider subsequent receipt of receivables in estimating losses. The adoption of this update did not have a material impact on the Organization's financial statements.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 4, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments are stated at fair value and consist of the following at June 30:

	2025	2024
Cash and cash equivalents	$ 11,196	$ 7,285
Stock holdings	619,246	583,186
Mutual funds and exchange traded funds	413,702	349,864
REITs	62,182	46,203
Total	$ 1,106,326	$ 986,538

Investment activity consisted of the following during the years ended June 30:

	2025	2024
Realized and unrealized gain (loss)	$ 78,445	$ 71,936
Interest and dividends	26,398	23,105
Total	$ 104,843	$ 95,041

NOTE 4: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair values of assets measured on a recurring basis were as follows as of June 30, 2025:

	Level 1
Cash and cash equivalents	$ 11,196
Domestic stock holdings	619,246
Mutual Funds / ETF's:	
Equities	25,654
Fixed income	388,048
REITS	62,182
Total	$ 1,106,326

NOTE 5: MUSEUM ACTIVITIES

Museum activities consisted of the following for the years ended June 30:

	2025	2024
Tuition, classes, and other	$ 580,979	$ 510,295
Rental income	84,974	95,124
Field trips and activities	27,795	16,067
Less: Concession fee	(66,332)	(77,615)
Total	$ 627,416	$ 543,871

An additional $1,975 is paid to the City and County of San Francisco under the concession and cooperation agreement which is reported with occupancy expenses.

Service Concession Agreement

In November 2017, the Organization entered into a service concession agreement with the City and County of San Francisco's Recreation and Park Department to operate the Randall Museum through November 2026. The Organization, in cooperation with the staff of the Museum, engages in fund raising activities in support of the Museum's programmatic and capital needs. The Organization agrees to pay the Recreation and Park Department a minimum of $20,000 annually for its use of the museum or 10% of the actual annual revenue, whichever is greater through November 2026. During the years ended June 30, 2025 and 2024, fee sharing totaled $66,332 and $77,615, respectively. As part of the agreement, the Organization will have use of the property to conduct classes, hold events, collect donations, maintain office space, and to coordinate activities by others, including rentals and retail for food and beverage sales. Additionally, the Organization agrees to pay an annual fee of $1,975 for the use of office space including an annual cost of living adjustment through November 2026. Future minimum lease payments are as follows for the years ended June 30:

2026	$ 21,950
2027	9,146
Total	$ 31,096

NOTE 6: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025 and 2024, there were $1,000 and $5,000, respectively, in net assets with donor restrictions available for future use.

NOTE 8: CONCENTRATIONS

Geographic Area

A material portion of the organization's activities and funders are located in San Francisco and the State of California. As such, the organization's ability to generate resources or carry out activities may be impacted by factors affecting the areas in which it operates.

Accounts and Contributions Receivables

As of June 30, 2025, approximately 97% of accounts and contributions receivable were due from the City and County of San Francisco's Recreation and Park Department under the service concession agreement described above.

NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 are:

Cash and cash equivalents	$ 188,406
Investments	1,106,326
Accounts receivable	238,345
Contributions receivable	2,165
Total	$ 1,535,242

As part of the Organization's liquidity management plan, the Organization maintains cash in excess of daily requirements in cash and cash equivalents and investment holdings.