MARCH FIELD MUSEUM FOUNDATION, INC.

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

MARCH FIELD MUSEUM FOUNDATION, INC.

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WERNER & COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
March Field Museum foundation, Inc.
March Air Force Base, CA

Opinion

We have audited the accompanying financial statements of March Field Museum Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows 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 March Field Museum Foundation, Inc. as of December 31, 2022, and the changes in its 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 for 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 raises 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 misstatements, 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 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 misstatements 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 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.

Werner & Company Inc.

Werner & Company Inc. CPA'S
January 15, 2026

MARCH FIELD MUSEUM FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 585,283	$ 187,453	$ 772,736
Accounts receivable	118		118
Inventory	68,171		68,171
Total Current Assets	653,572	187,453	841,025
PROPERTY AND EQUIPMENT			
Building and leasehold improvements	2,563,070		2,563,070
Equipment	360,684		360,684
Less accumulated depreciation	(1,603,171)		(1,603,171)
Total Property and Equipment	1,320,583		1,320,583
TOTAL ASSETS	$ 1,974,155	$ 187,453	$ 2,161,608
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	$ 5,544	$	$ 5,544
Sales tax payable	6,778		6,778
Accrued wages and vacation	4,729		4,729
Current portion of long term debt	3,240		3,240
Total Current Liabilities	20,291		20,291
LONG TERM DEBT			
Note payable SBA less current portion	141,830		141,830
Total Long Term Debt	141,830		141,830
TOTAL LIABILITIES	162,121		162,121
NET ASSETS			
Without Donor Restrictions	1,812,034		1,812,034
With Donor Restrictions		187,453	187,453
Total Net Assets	1,812,034	187,453	1,999,487
TOTAL LIABILITIES AND NET ASSETS	$ 1,974,155	$ 187,453	$ 2,161,608

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MARCH FIELD MUSEUM FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	$ 204,907	$ 310,000	$ 514,907
Memberships	18,365		18,365
Museum admissions	434,276		434,276
Store sales, less cost of goods sold	154,579		154,579
Museum tours	35,201		35,201
Museum events	195,930		195,930
Facility rental and contracts	75,000		75,000
Cell tower rental	92,058		92,058
Interest income	355	135	490
Paycheck Protection Loan forgiven	63,750		63,750
Other revenues	131		131
Net assets released from restrictiom by payment	256,175	(256,175)	-
Total support and revenues	1,530,727	53,960	1,584,687
EXPENSES			
Program services	1,172,203		1,172,203
Management and general	34,373		34,373
Fundraising	14,590		14,590
Total expenses	1,221,166		1,221,166
CHANGE IN NET ASSETS	309,561	53,960	363,521
NET ASSETS AT BEGINNING OF YEAR	1,502,473	133,493	1,635,966
NET ASSETS AT END OF YEAR	$ 1,812,034	$ 187,453	$ 1,999,487

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MARCH FIELD MUSEUM FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Salaries	$ 354,739	$ 21,800	$ 12,900	$ 389,439
Payroll taxes	32,069	2,180	1,290	35,539
Employee benefits	38,904	4,055	400	43,359
Accounting	3,367	375		3,742
Advertising	5,629			5,629
Office	48,685	2,562		51,247
Computer expenses	18,943			18,943
Occupancy	291,450			291,450
Interest	4,095	455		4,550
Depreciation	84,558			84,558
Insurance	29,518	1,192		30,710
Volunteer support	12,545	204		12,749
License and fees		1,000		1,000
Collections and exhibit costs	247,701	550		248,251
Total	$ 1,172,203	$ 34,373	$ 14,590	$ 1,221,166

MARCH FIELD MUSEUM FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 363,521
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	84,558
Paycheck Protection Loan forgiven	(63,750)
(Increase) in accounts receivable	(118)
(Increase) in inventory	(4,847)
Decrease in prepaid expenses	3,783
Increase in accounts payable	820
(Decrease) in accrued wages	(8,555)
(Decrease) in sales tax payable	(724)
(Decrease) in deferred revenues	(4,375)
Net cash provided by operating activites	370,313
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(208,955)
Net cash provided (used) by investing activities	(208,955)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments of note payable SBA	(3,142)
Net cash provided (used) by financing activities	(3,142)
NET INCREASE IN CASH	158,216
CASH BALANCE, BEGINNING OF YEAR	614,520
CASH BALANCE, END OF YEAR	$ 772,736

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

ENTITY

March Field Museum Foundation, Inc.(the "Organization") is a non-profit Corporation organized to educate present and future generations by collecting, exhibiting, restoring, and maintaining artifacts and historical aircraft for public viewing. Revenues are received from public contributions, admission fees, contract services and sale of merchandise.

BASIS OF ACCOUNTING

The financial records of March Field Museum Foundation, Inc. are maintained and the accompanying financial statements have been prepared on the accrual basis.

PROPERTY AND EQUIPMENT

Property, and equipment are originally recorded at the cost of acquisition or fair market value at the date of gift if donated to the Organization. Repairs, maintenance, and minor replacements costing less than $1,000 are expensed as incurred.

Depreciation is computed by the straight-line method over lives ranging from three years for furnishings to seven years for equipment

FINANCIAL STATEMENT PRESENTATION

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets, revenues and support are classified based on the existence or absence of donor-imposed or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and are not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of trade receivables. In the normal course of business, the Organization provides credit term to its customers. Accordingly, the Organization performs ongoing credit evaluations of its customers and maintains allowances for possible losses which, when realized, have been within the range of management's expectations. The organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2022 the organization's uninsured cash balances total $ 517,754.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments including cash, accounts receivables, accounts payable, and other accrued liabilities approximate their respective book values at December 31, 2022.

TAXES

The Organization is exempt from Federal and State income taxes as a California non-profit Corporation under Section 501 (c) (3) of the Internal Revenue Code, except for amounts representing unrelated business income. The Organization had no unrelated business income for the year. Generally accepted accounting principles provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state tax returns are more likely than not to be sustained upon examination. The Organization's tax returns are subject to examination by federal taxing authorities for a period of three years from the date they are filed and for a period of four years for California taxing authorities.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

ADVERTISING

Advertising costs are expensed as incurred.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses for salaries, payroll taxes and employee benefits are allocated based on estimates of time and effort. Expenses for other operating expenses are allocated based on estimated usage of space.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Building and leasehold improvements	$ 2,563,070
Equipment	360,684
Total	2,923,754
Accumulated depreciation	(1,603,171)
Net	$ 1,320,583

Depreciation expense for the year was $ 84,558.

NOTE 3 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 15, 2026, the date the financial statements were available to be issued.

NOTE 4 INVENTORY

Inventory consists of merchandise available for sale to the general public related to the mission of the Organization. The inventory is stated at cost.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of amounts received from donors with a designated purpose restriction by the donor. As the funds are spent the restriction is released to unrestricted net assets.

NOTE 6 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2022 and the amounts of those financial assets that are available for use within one year to meet general operations:

Cash	\$ 772,736
Total Financial Assets	\$ 772,736

The financial assets as of December 31, 2022 meets the needs of the Organization for normal operating expenses which historically average \$ 95,000 per month.

NOTE 7 NOTE PAYABLE-SBA

In 2020 the Organization received a loan from the U.S. Small Business Administration for \$150,000. The loan matures in 2050. The note requires monthly payment of interest and principal of \$641. The annual interest rate is 2.75%. The Organization is required to use the proceeds of the loan solely as working capital to alleviate economic injury caused by the disaster which began in 2020.

Maturities of the note are as follows:

Year ending December 31,

2023	\$ 3,240
2024	3,343
2025	3,448
2026	3,556
2027	3,668
Following	127,815
Total	\$ 145,070

NOTE 8 PAYCHECK PROTECTION PROGRAM LOAN

In 2021 the Organization received a loan in the amount of \$63,750 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provided for loan to qualifying business and organizations for amounts up to 2.5 times the average monthly payroll of the organization. The loans and interest are forgivable as long as the organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The Organization applied for and received forgiveness of the loan in 2022.