

OKLAHOMA MUSEUMS ASSOCIATION

FINANCIAL REPORT

JUNE 30, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

Executive Committee and Board of Directors
Oklahoma Museums Association

We have audited the accompanying statements of financial position of Oklahoma Museums Association (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from Oklahoma Museums Association's 2008 financial statements and, in our report dated August 7, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Museums Association as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Luton & Co., PLLC

Oklahoma City, Oklahoma
August 24, 2009

OKLAHOMA MUSEUMS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

ASSETS	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 108,299	\$ 103,264
Receivables	33,630	31,021
Prepaid insurance	1,521	1,430
Total current assets	143,450	135,715
PROPERTY AND EQUIPMENT		
Office equipment	15,141	13,422
Accumulated depreciation	(8,041)	(5,708)
	7,100	7,714
OTHER ASSETS		
Permanently restricted funds deposited at the Oklahoma City Community Foundation	36,950	44,636
	\$ 187,500	\$ 188,065
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,050	\$ 1,932
NET ASSETS		
Unrestricted	137,093	134,393
Temporarily restricted	11,407	7,104
Permanently restricted	36,950	44,636
	185,450	186,133
	\$ 187,500	\$ 188,065

The Notes to Financial Statements are an integral part of these statements.

OKLAHOMA MUSEUMS ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2009 with Comparative Totals for 2008

	Temporarily Restricted										Total	Permanent Restricted Oklahoma City Community Foundation Endowment	Comparative Totals June 30, 2008	
	Unrestricted					Temporarily Restricted								
	Operations	Community Services and Development	Seminars and Conferences	Total		OKMADA	OKME	OKNAMPA	OKRA	Scholarship				Cultural Heritage
Public support														
Contributions	\$ 3,969	\$ -	\$ 10,641	\$ 14,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 1,015	\$ 25,625	\$ 20,301
In-kind contributions	25,475	-	24,205	49,680	-	-	-	-	-	-	-	-	49,680	27,634
Revenues														
Association dues	29,295	-	-	29,295	119	470	340	590	-	-	1,519	-	30,814	29,036
Grants	24,494	61,901	-	86,395	-	-	-	-	-	-	-	-	86,395	81,863
Conferences and exhibit fees	-	-	31,357	31,357	-	-	-	-	805	-	805	-	32,162	27,548
Other	11,222	-	-	11,222	-	-	-	-	-	-	-	-	11,222	14,774
Unrealized gain (loss)	-	-	-	-	-	-	-	-	-	-	-	(8,701)	(8,701)	(3,660)
Interest income	1,852	-	-	1,852	-	-	-	-	-	-	-	-	1,852	3,345
Total revenue	96,307	61,901	66,203	224,411	119	470	340	590	805	10,000	12,324	(7,686)	229,049	200,841
Expenses														
Operations	89,641	-	-	89,641	-	-	-	-	-	-	-	-	89,641	54,648
Community service and development	-	61,901	-	61,901	-	-	-	-	-	-	-	-	61,901	60,563
Conferences and seminars	-	-	70,169	70,169	-	-	-	-	-	-	-	-	70,169	77,258
OKMADA	-	-	-	-	4	-	-	-	-	-	4	-	4	5
OKME	-	-	-	-	-	993	-	-	-	-	-	-	993	8
OKNAMPA	-	-	-	-	-	-	100	-	-	-	100	-	100	1
OKRA	-	-	-	-	-	-	-	24	-	-	24	-	24	22
Scholarship	-	-	-	-	-	-	-	-	1,810	-	1,810	-	1,810	2,225
Security	-	-	-	-	-	-	-	-	-	-	-	-	-	173
Cultural Heritage	-	-	-	-	-	-	-	-	-	5,090	5,090	-	5,090	-
Total expenses	89,641	61,901	70,169	221,711	4	993	100	24	1,810	5,090	8,021	-	229,732	194,903
Change in net assets	6,666	-	(3,966)	2,700	115	(523)	240	566	(1,005)	4,910	4,303	(7,686)	(683)	5,938
Transfers	(3,966)	-	3,966	-	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	134,393	-	-	134,393	484	1,876	159	1,665	2,920	-	7,104	44,636	186,133	180,195
Net assets, end of year	\$ 137,093	\$ -	\$ -	\$ 137,093	\$ 599	\$ 1,353	\$ 399	\$ 2,231	\$ 1,915	\$ 4,910	\$ 11,407	\$ 36,950	\$ 185,450	\$ 186,133

The Notes to Financial Statements are an integral part of these statements.

OKLAHOMA MUSEUMS ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2009 with Comparative Totals for 2008

	Unrestricted			Temporarily Restricted							Comparative Totals June 30, 2008		
	Operations	Community Services and Development	Seminars and Conferences	Total	OKMADA	OKME	OKNAMPA	OKRA	Scholarship	Cultural Heritage		Total	
Salaries	\$ 21,649	\$ 41,299	\$ 20,650	\$ 83,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,598	\$ 79,617
Employee benefits	3,374	6,747	3,373	13,494	-	-	-	-	-	-	-	13,494	13,738
Payroll taxes	1,585	3,170	1,585	6,340	-	-	-	-	-	-	-	6,340	6,033
Total payroll costs	26,608	51,216	25,608	103,432	-	-	-	-	-	-	-	103,432	99,388
Supplies	1,242	1,243	2,638	5,123	-	-	-	-	-	-	-	5,123	5,151
Printing	3,273	3,272	1,879	8,424	-	-	-	-	-	-	-	8,424	6,881
Travel	6,365	2,424	1,337	10,126	-	-	-	-	-	-	-	10,126	7,081
Rent	641	-	-	641	-	-	-	-	-	-	-	641	566
Accounting and legal	8,445	-	-	8,445	-	-	-	-	-	-	-	8,445	4,700
Bank and credit card charges	822	821	-	1,643	-	-	-	-	-	-	-	1,643	1,499
Postage and mailing service	1,059	1,060	572	2,691	4	103	100	24	-	132	363	3,054	2,813
Professional membership	1,142	-	-	1,142	-	-	-	-	-	-	-	1,142	894
Service and maintenance	4,428	-	-	4,428	-	-	-	-	-	-	-	4,428	6,665
Board development	3,215	-	-	3,215	-	-	-	-	-	-	-	3,215	416
Telephone	669	670	-	1,339	-	-	-	-	-	-	-	1,339	1,619
Membership services	1,423	-	-	1,423	-	-	-	-	-	-	-	1,423	3,329
Miscellaneous	1,057	-	140	1,197	-	-	-	-	-	1,000	1,000	2,197	4,472
Fundraising	1,419	-	-	1,419	-	-	-	-	-	-	-	1,419	1,136
Insurance	1,195	1,195	-	2,390	-	-	-	-	-	-	-	2,390	2,084
Sponsorship	-	-	2,500	2,500	-	-	-	-	-	-	-	2,500	3,095
Speakers	-	-	4,578	4,578	-	-	-	-	1,810	-	1,810	4,310	2,896
Meals and meeting rooms	-	-	6,712	6,712	-	890	-	-	-	3,958	4,848	11,560	10,856
In-kind	24,305	-	24,205	48,510	-	-	-	-	-	-	-	48,510	27,634
Depreciation	87,308	61,901	70,169	219,378	4	993	100	24	1,810	5,090	8,021	227,399	193,175
	2,333	-	-	2,333	-	-	-	-	-	-	-	2,333	1,728
	\$ 89,641	\$ 61,901	\$ 70,169	\$ 221,711	\$ 4	\$ 993	\$ 100	\$ 24	\$ 1,810	\$ 5,090	\$ 8,021	\$ 229,732	\$ 194,903

The Notes to Financial Statements are an integral part of these statements.

OKLAHOMA MUSEUMS ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2009 and 2008

	2009	2008	2009	2008
Increase (Decrease) in Cash and Cash Equivalents				
Cash flows from operating activities:				
Cash received from public support	\$ 25,625	\$ 20,301		
Cash received from other revenue sources	157,984	154,536		
Interest received	1,852	3,345		
Payment of expenses	(177,692)	(167,423)		
	<u> </u>	<u> </u>	\$ (683)	\$ 5,938
Change in net assets			2,333	1,728
Adjustments to reconcile excess income (expense) to net cash provided by operating activities:			8,701	3,660
Depreciation				
Unrealized (gain) loss on investments			(2,609)	1,315
Decrease (increase) in Receivables			(91)	(16)
Prepaid insurance				
Increase (decrease) in: Accounts payable			118	(1,866)
			<u> </u>	<u> </u>
Net cash provided (used) by operating activities	\$ 7,769	\$ 10,759	\$ 7,769	\$ 10,759

Cash flows from investing activities:				
Funds contributed to endowment	(1,015)	(900)		
Purchase of office equipment	(1,719)	(5,572)		
	<u> </u>	<u> </u>		
Net cash provided (used) by investing activities	(2,734)	(6,472)		
Net increase (decrease) in cash and cash equivalents	5,035	4,287		
Cash and cash equivalents, beginning of year	103,264	98,977		
Cash and cash equivalents, end of year	<u>\$ 108,299</u>	<u>\$ 103,264</u>		
Supplemental disclosures				
In-kind contributions	<u>\$ 49,680</u>	<u>\$ 27,634</u>		

Purchase of office equipment and in-kind contributions include \$1,170 of donated assets in 2009.

The Notes to Financial Statements are an integral part of these statements.

OKLAHOMA MUSEUMS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Organization and Summary of Significant Accounting Policies

Organization

Through seminars, an annual conference, publications, and other programs the Association provides training and technical information to museums throughout Oklahoma.

The Executive Committee and Board of Directors are volunteers while the Executive Director is a paid position.

Revenue comes primarily from the Oklahoma Arts Council for community development and service. This represented 28% of total revenues in 2009. Securing of this revenue is based upon grant agreements and contracts that spell out the purpose and duration for which the funds may be spent.

Basis of presentation

These statements are prepared on the accrual basis of accounting.

The Association follows Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The temporarily restricted assets are those given for a specific purpose and for which expenditures have not yet been incurred. The permanently restricted assets cannot be used by the Association for any purpose. A distribution based on the revenue from these assets is available for unrestricted use.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and equipment

The office equipment is carried at cost and depreciated on the straight-line method using lives ranging from five to seven years. Maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost is removed from the asset account and the related accumulated depreciation is adjusted with the difference being charged to operations. Donated assets are recorded at their fair value and depreciated as other assets.

Income tax

No income tax provision has been included in the financial statements since this is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the 1986 Federal Income Tax Code.

OKLAHOMA MUSEUMS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Organization and Summary of Significant Accounting Policies, continued

Statement of cash flows

For purposes of the statement of cash flows, the Association considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Allowance for uncollectible accounts

Management charges income with doubtful accounts when they are considered uncollectible. As the amount is not material no provision for doubtful accounts has been made in these statements.

Note 2. Office Rent

The Association rents office space from the Science Museum Oklahoma on a month-to-month lease with rent of \$25 per month and the allocable share of utilities. For the year ended June 30, 2009 the share of utilities and rent was \$641.

Note 3. Endowment Funds

The Association has endowment funds on deposit with the Oklahoma City Community Foundation totaling \$72,845 at June 30, 2009. Of those deposits, \$36,950 has been contributed by the Association. Accounting standards require that this portion of the fund be shown as permanently restricted assets of the Association. The financial statements at June 30, 2009 reflect that amount as permanently restricted net assets.

The Association is entitled to a distribution based on the income from the full balance of their account at the Community Foundation, but cannot recover any part of the principle. A distribution was made in the year ended June 30, 2009 of \$4,098.

Note 4. Employee Benefits

In 1999 the Association adopted a SIMPLE retirement plan for its employees. The employees can elect to reduce their compensation in order to defer retirement funds. Additionally, the Association matches the salary deferral with a payment equal to 3% of gross salary. The contribution was \$2,508 for the year ended June 30, 2009.

Additionally, the Association adopted a IRS Section 125 cafeteria plan which allows employees to reduce their income in order to make a tax free contribution toward their portion of health insurance and child care costs.

Note 5. In Kind Donations

The Association uses volunteers to complete much of their program work. During the year ended June 30, 2009 these volunteers gave 1,468 hours of their time to the organization. In addition, in-kind contributions of \$49,680 were received and recorded as both revenue and expense.