

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER
OF NASSAU COUNTY, INC.
COMPARATIVE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

- C O N T E N T S -

Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-11

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
The Holocaust Memorial and
Tolerance Center of Nassau County, Inc.
Glen Cove, New York**

We have audited the accompanying statements of financial position of The Holocaust Memorial and Tolerance Center of Nassau County, Inc., (the "Center") as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 statements. 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 The Holocaust Memorial and Tolerance Center of Nassau County, Inc., as of December 31, 2011 and 2010, 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.



October 17, 2012

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010**

ASSETS

	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	\$ 138,473	\$ 335,189
Contributions Receivable	223,560	35,122
Prepaid Expenses and Other Current Assets	21,659	9,068
Property and Equipment	<u>1,808,630</u>	<u>1,923,222</u>
TOTAL ASSETS	<u>\$ 2,192,322</u>	<u>\$ 2,302,601</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable and Accrued Expenses	<u>\$ 21,049</u>	<u>\$ 21,377</u>
TOTAL LIABILITIES	<u>21,049</u>	<u>21,377</u>

NET ASSETS:

Unrestricted	2,171,273	2,281,224
Temporarily Restricted	<u>0</u>	<u>0</u>
TOTAL NET ASSETS	<u>2,171,273</u>	<u>2,281,224</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,192,322</u>	<u>\$ 2,302,601</u>

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011			2010		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES:						
Contributions	\$ 177,316	\$ 0	\$ 177,316	\$ 280,284	\$ 0	\$ 280,284
Contributed Use of Facility	230,000	0	230,000	230,000	0	230,000
Contributed Professional Services	12,500	0	12,500	11,000	0	11,000
Annual Fund Raising Dinner	402,946	0	402,946	380,145	0	380,145
Contributions - Special Events	263,063	0	263,063	234,018	0	234,018
Program Revenue	4,994	0	4,994	17,998	0	17,998
Grants	238,045	0	238,045	46,500	100,000	146,500
Capital Campaign Contributions	0	41,200	41,200	0	128,550	128,550
Interest	213	0	213	1,122	22	1,144
Net Assets Released from Restrictions						
Purchase of Property and Equipment ..	41,200	(41,200)	0	264,502	(264,502)	0
Total Revenues	<u>1,370,277</u>	<u>0</u>	<u>1,370,277</u>	<u>1,465,569</u>	<u>(35,930)</u>	<u>1,429,639</u>
EXPENSES:						
Program Services	968,791	0	968,791	974,734	0	974,734
General and Administrative	151,300	0	151,300	87,999	0	87,999
Fundraising	360,137	0	360,137	344,689	0	344,689
Total Expenses	<u>1,480,228</u>	<u>0</u>	<u>1,480,228</u>	<u>1,407,422</u>	<u>0</u>	<u>1,407,422</u>
(DECREASE) INCREASE IN NET ASSETS	(109,951)	0	(109,951)	58,147	(35,930)	22,217
NET ASSETS, Beginning	2,281,224	0	2,281,224	2,223,077	35,930	2,259,007
NET ASSETS, Ending	<u>\$ 2,171,273</u>	<u>\$ 0</u>	<u>\$ 2,171,273</u>	<u>\$ 2,281,224</u>	<u>\$ 0</u>	<u>\$ 2,281,224</u>

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011			2010			
	Program Services	General and Administrative	Fund Raising	Program Services	General and Administrative	Fund Raising	Total
Contributed Use of Facility	\$ 8,375	\$ 11,500	\$ 11,500	\$ 207,000	\$ 11,500	\$ 11,500	\$ 230,000
Contributed Professional Services		4,125	0	7,370	3,630	0	11,000
Payroll and Other Employee Related Expenses	305,122	86,000	176,315	335,285	26,921	125,483	487,689
Insurance	19,930	3,517	0	18,434	3,253	0	21,687
Public Relations and Marketing	13,037	0	0	3,002	0	0	3,002
Education	93,496	0	0	73,313	0	0	73,313
Library	1,491	0	0	2,412	0	0	2,412
Membership Dues	885	0	0	539	0	0	539
Special Events	13,178	0	0	10,971	0	0	10,971
Special Projects	11,918	0	0	9,961	0	0	9,961
Consultants	691	77	0	15,751	1,750	0	17,501
Computer	23,232	1,223	0	22,349	1,176	0	23,525
Fundraising Events	0	0	154,131	0	0	190,112	190,112
Office and General Expenses	0	17,584	0	0	13,145	0	13,145
Professional Services	0	10,500	0	0	10,350	0	10,350
Rental Equipment	4,550	253	253	4,539	252	252	5,043
Repairs and Maintenance	25,593	3,199	3,199	25,370	3,171	3,171	31,712
Postage	11,339	709	2,126	8,470	530	1,588	10,588
Telephone	9,491	527	527	10,838	602	602	12,042
Printing and Publication	0	0	0	4,963	0	261	5,224
Supplies	28,888	1,605	1,605	36,817	2,045	2,045	40,907
Website	1,229	68	68	0	0	0	0
Store	1,928	0	0	3,220	0	0	3,220
Broadband	1,976	110	110	1,393	77	78	1,548
Utilities	9,390	522	522	9,251	514	514	10,279
Total Expenses Before Depreciation	792,739	141,519	350,356	811,248	78,916	335,606	1,225,770
Depreciation	176,032	9,781	9,781	163,486	9,083	9,083	181,652
Total Expenses	\$ 968,791	\$ 151,300	\$ 360,137	\$ 974,734	\$ 87,999	\$ 344,689	\$ 1,407,422

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2011</u>	<u>2010</u>
(Decrease) Increase in Net Assets	\$ (109,951)	\$ 22,217
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation	195,614	181,652
Changes in Assets and Liabilities:		
(Increase) Decrease in Contributions Receivable	(188,438)	74,928
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(12,591)	13,763
Decrease in Accounts Payable and Accrued Expenses	<u>(328)</u>	<u>(102,268)</u>
Net Cash (Used) Provided by Operating Activities	<u>(115,694)</u>	<u>190,292</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Investments	0	173,050
Purchase of Property and Equipment	<u>(81,022)</u>	<u>(273,077)</u>
Net Cash Used by Investing Activities	<u>(81,022)</u>	<u>(100,027)</u>
NET (DECREASE) INCREASE IN CASH	(196,716)	90,265
CASH AND CASH EQUIVALENTS, Beginning	<u>335,189</u>	<u>244,924</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 138,473</u>	<u>\$ 335,189</u>

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Holocaust Memorial and Tolerance Center of Nassau County, Inc., (formerly the Holocaust Memorial and Educational Center of Nassau County, Inc.) was organized pursuant to New York State Not-for-Profit Corporation Law on July 7, 1989. The Center was established for the following purposes:

- to engage in the general activities necessary to promote public awareness, throughout Long Island and Queens, New York of the historical significance of the Holocaust;
- to establish and utilize a facility in the County, with the cooperation of the County and the various educational school systems and institutions located therein, for educational programs that increase public awareness of the importance of the Holocaust so that the experience of the Holocaust may be forever prevented from recurring;
- to establish a continuing program of research and support outside research and to publish and disseminate the findings from such research;
- to establish within the aforementioned facility a suitable memorial for the victims of the Holocaust;
- to assist organizations already existing, or established in the future, for charitable and educational purposes; and
- to teach the lessons of the Holocaust via student and adult tolerance workshops.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 1- SUMMARY OF 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, the Center considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. At December 31, 2011, no bank balances exceeded coverage provided by the Federal Deposit Insurance Corporation.

Temporarily Restricted Net Assets

At December 31, 2011, there are no restricted net assets, since the scheduled construction for building improvements and museum exhibits have been completed, and the capital campaign funds have been expended.

Investments

Pursuant to FASB ASC 958 (formerly SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations"), investments in marketable equity securities with readily determinable fair values and certificates of deposits are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income is reported as increases in unrestricted net assets.

Property, Equipment and Depreciation

The Center follows the practice of capitalizing all purchases of property and equipment in excess of \$1,000. The fair value of donated fixed assets is similarly capitalized. Depreciation is provided by the straight-line method over the estimated useful lives of the assets (5-40 years).

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, contributions receivable, investments, and accounts payable and accrued expenses, approximate fair value due to the relatively short maturity of these instruments.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Collections

The Center's collections are made up of artifacts of historical significance, books, and art objects that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

The collections, which were acquired through purchases and contributions since the Center's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as an increase in the appropriate net asset classes.

Income Taxes

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service ("IRS") as other than a private foundation.

The Center's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2008, 2009 and 2010 are subject to examination by the IRS, generally for three years after they were filed.

Contributions

Pursuant to FASB ASC 958 (formerly SFAS No. 116, "Accounting for Contributions Received and Contributions Made"), contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services and Property

Contributions of donated noncash assets are recorded at their fair values in the periods received. Donated services, that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations, are recorded at their fair values in the periods received.

Functional Allocation Expenses

The cost of providing the program and supporting services has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts determined by management.

NOTE 2- RESTRICTIONS ON NET ASSETS

Beginning in 1999, the Center solicited contributions through a capital campaign fund for the purposes of providing building, museum and library renovations and the production of survivor videos to tell the story of the Holocaust through accounts from survivors. Contributions received for the years ended December 31, 2011 and 2010 were \$41,200 and \$228,550, respectively.

Costs incurred with building museum exhibits and library renovations of \$81,022 and \$273,077 have been capitalized and \$41,200 and \$264,502 have been released from restrictions during the years ended December 31, 2011 and 2010, respectively.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2011 and 2010, are as follows:

	<u>2011</u>	<u>2010</u>
Unconditional Promises to Give	\$ 23,560	\$ 35,122
Grants Receivable	<u>200,000</u>	<u>0</u>
	<u>\$ 223,560</u>	<u>\$ 35,122</u>
Amounts Due in Less Than One Year	<u>\$ 223,560</u>	<u>\$ 35,122</u>

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 4 - PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following at December 31, 2011 and 2010:

	Estimated Useful Life- Years	<u>2011</u>	<u>2010</u>
Leasehold Improvements	15 - 40	\$1,537,597	\$1,502,597
Furniture and Fixtures	5	710,329	671,707
Equipment	5	<u>176,649</u>	<u>169,249</u>
		2,424,575	2,343,553
Less: Accumulated Depreciation		<u>615,945</u>	<u>420,331</u>
Net Property and Equipment		<u><u>\$1,808,630</u></u>	<u><u>\$1,923,222</u></u>

NOTE 5 - CONTRIBUTED SERVICES, MATERIAL AND FACILITY

A substantial number of volunteers have donated significant amounts of time to the Center's program services during the year. Only contributed professional services of \$12,500 and \$11,000 have been recognized in the accompanying statement of activities for the years ended December 31, 2011 and 2010, respectively because the criteria for recognition of other volunteer efforts under FASB ASC 958 (formerly SFAS No. 116) have not been satisfied.

On March 18, 2005, the Center entered into a lease agreement with Nassau County for the use of the Mansion house at Welwyn Preserve, City of Glen Cove, that runs through December 31, 2015. The annual rent is \$1. In addition, the Center is responsible for utilities of approximately \$2,500 per quarter. Fair value of the annual rental is estimated to be \$230,000 and it is included in contributions and expenses in the statement of activities for both years ended December 31, 2011 and 2010.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 6 - SUBSEQUENT EVENTS

The Center has evaluated subsequent events through October 17, 2012, the date which the financial statements were available to be issued.

In June 2012, the lease agreement with Nassau County was extended for an additional 20 years. The lease expiration date is now December 31, 2035. All other terms and conditions of the lease remain in effect.

In July 2012, the Claire Friedlander Family Foundation provided a \$100,000 matching grant for 2012 for the Tolerance Education Program and an \$800,000 grant to be used to construct the Friedlander Education Institute.