

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER
OF NASSAU COUNTY, INC.
COMPARATIVE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

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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 financial statements of The Holocaust Memorial and Tolerance Center of Nassau County, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and the cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statement 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



August 22, 2013

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011**

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents	\$ 1,111,665	\$ 138,473
Contributions Receivable	94,750	223,560
Prepaid Expenses and Other Current Assets	22,160	21,659
Property and Equipment	<u>1,742,714</u>	<u>1,808,630</u>
TOTAL ASSETS	<u>\$ 2,971,289</u>	<u>\$ 2,192,322</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable and Accrued Expenses	<u>\$ 46,510</u>	<u>\$ 21,049</u>
TOTAL LIABILITIES	<u>46,510</u>	<u>21,049</u>
NET ASSETS:		
Unrestricted	2,162,244	2,171,273
Temporarily Restricted	<u>762,535</u>	<u>0</u>
TOTAL NET ASSETS	<u>2,924,779</u>	<u>2,171,273</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,971,289</u>	<u>\$ 2,192,322</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, 2012 AND 2011

	2012		2011			
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES:						
Contributions	\$ 47,522	\$ -	\$ 47,522	\$ 177,316	\$ -	\$ 177,316
Contributed Use of Facility	230,000	-	230,000	230,000	-	230,000
Contributed Professional Services	17,500	-	17,500	12,500	-	12,500
Annual Fund Raising Dinner	550,118	-	550,118	402,946	-	402,946
Contributions - Special Events	280,547	-	280,547	263,063	-	263,063
Program Revenue	112,332	-	112,332	4,994	-	4,994
Grants	120,224	855,000	975,224	238,045	-	238,045
Capital Campaign Contributions	-	25,000	25,000	41,200	-	41,200
Interest	1,284	-	1,284	213	-	213
Net Assets Released from Restrictions:						
Purchase of Fixed Assets	107,000	(107,000)	-	41,200	(41,200)	-
Expenditure of Program Expenses	10,465	(10,465)	-	-	-	-
Total Revenues	1,476,992	762,535	2,239,527	1,370,277	-	1,370,277
EXPENSES:						
Program Services	884,549	-	884,549	968,791	-	968,791
General and Administrative	172,849	-	172,849	151,300	-	151,300
Fund Raising	428,623	-	428,623	360,137	-	360,137
Total Expenses	1,486,021	-	1,486,021	1,480,228	-	1,480,228
INCREASE (DECREASE IN NET ASSETS)	(9,029)	762,535	753,506	(109,951)	-	(109,951)
NET ASSETS, Beginning	2,171,273	-	2,171,273	2,281,224	-	2,281,224
NET ASSETS, Ending	\$ 2,162,244	\$ 762,535	\$ 2,924,779	\$ 2,171,273	\$ -	\$ 2,171,273

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, 2012 AND 2011

	2012				2011			
	General		Fund		General		Fund	
	Program Services	Administrative	Raising	Total	Program Services	Administrative	Raising	Total
Contributed Use of Facility	\$ 207,000	\$ 11,500	\$ 11,500	\$ 230,000	\$ 207,000	\$ 11,500	\$ 11,500	\$ 230,000
Contributed Professional Services	11,725	5,775		17,500	8,375	4,125	-	12,500
Payroll and Other Employee								
Related Expenses								
Insurance	273,991	105,371	167,884	547,246	305,122	86,000	176,315	567,437
Public Relations & Marketing	27,698	4,888	-	32,586	19,930	3,517	-	23,447
Education	3,072			3,072	13,037	-	-	13,037
Library	67,782			67,782	93,496	-	-	93,496
Membership Dues	740			740	1,491	-	-	1,491
Special Events	787			787	885	-	-	885
Special Projects	6,346			6,346	13,178	-	-	13,178
Consultants	8,165			8,165	11,918	-	-	11,918
Computer	12,730	1,414		14,144	691	77	-	768
Fund Raising Events	20,305	1,069		21,374	23,232	1,223	-	24,455
Office and General Expenses		16,822		16,822	-	17,584	-	17,584
Professional Services		10,500	233,177	10,500	-	10,500	154,131	10,500
Rental Equipment	4,008	223		4,454	4,550	253	253	5,056
Repairs and Maintenance	28,685	3,585	3,585	35,855	25,593	3,199	3,199	31,991
Postage	4,058	254	761	5,073	11,339	709	2,126	14,174
Telephone	6,835	380	380	7,595	9,491	527	527	10,545
Printing and Publication	853		45	898	-	-	-	-
Supplies	7,642	424	424	8,490	28,888	1,605	1,605	32,098
Website	1,170	65	65	1,300	1,229	68	68	1,365
Store	528			528	1,928	-	-	1,928
Broadband	5,494	305	305	6,104	1,976	110	110	2,196
Utilities	9,673	537	537	10,747	9,390	522	522	10,434
Total Expenses Before Depreciation	709,287	163,112	418,886	1,291,285	792,739	141,519	350,356	1,284,614
Depreciation								
Depreciation	175,262	9,737	9,737	194,736	176,052	9,781	9,781	195,614
Total Expenses	\$ 884,549	\$ 172,849	\$ 428,623	\$ 1,486,021	\$ 968,791	\$ 151,300	\$ 360,137	\$ 1,480,228

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, 2012 AND 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2012</u>	<u>2011</u>
Increase (Decrease) in Net Assets	\$ 753,506	\$ (109,951)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	194,736	195,614
Changes in Assets and Liabilities:		
Decrease (Increase) in Contributions Receivable	128,810	(188,438)
Increase in Prepaid Expenses and Other Current Assets	(501)	(12,591)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>25,461</u>	<u>(328)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,102,012</u>	<u>(115,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	<u>(128,820)</u>	<u>(81,022)</u>
Net Cash Used by Investing Activities	<u>(128,820)</u>	<u>(81,022)</u>
NET INCREASE (DECREASE) IN CASH	973,192	(196,716)
CASH AND CASH EQUIVALENTS, Beginning	<u>138,473</u>	<u>335,189</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,111,665</u>	<u>\$ 138,473</u>

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Holocaust Memorial and Tolerance Center of Nassau County, Inc., (the “Center”) 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.

Basis of Accounting

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

Financial Statement Presentation

The Center presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements for Not-for-Profit Organizations*). Accordingly, the Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted Net Assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Center.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purposes are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions". At December 31, 2012 and 2011, the Center's temporarily restricted net assets amounted to \$762,535 and \$0, respectively.

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. The Center had no permanently restricted net assets at December 31, 2012 and 2011.

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, 2012, bank balances exceeded coverage provided by the Federal Deposit Insurance Corporation by approximately \$550,000.

Temporarily Restricted Cash

Included in the cash balance at December 31, 2012 is temporarily restricted cash of \$762,535. The cash is temporarily restricted for the use of capital projects and educational programs.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Equipment and Depreciation

The Center capitalizes all purchases of property and equipment in excess of \$1,000. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. 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, and accounts payable and accrued expenses, approximate fair value due to the relatively short maturity of these instruments.

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 December 31, 2009 through December 31, 2011 is subject to examination by the IRS, generally for three years after it was filed.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Capital Projects	\$ 718,000	\$ 0
Educational Programs	44,535	0
Total Temporarily Restricted Net Assets	<u>\$ 762,535</u>	<u>\$ 0</u>

NOTE 3- CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2012 and 2011, are as follows:

	<u>2012</u>	<u>2011</u>
Unconditional Promises to Give	\$ 94,750	\$ 23,560
Grants Receivable	0	200,000
Total Contributions Receivable	<u>\$ 94,750</u>	<u>\$223,560</u>

Amounts Due in Less Than One Year	<u>\$ 94,750</u>	<u>\$223,560</u>
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**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4- PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following at December 31, 2012 and 2011:

	Estimated Useful Life- Years	<u>2012</u>	<u>2011</u>
Leasehold Improvements	15 - 40	\$1,550,197	\$1,537,597
Furniture and Fixtures	5	719,549	710,329
Equipment	5	176,649	176,649
Construction in Progress	-	<u>107,000</u>	<u>0</u>
		2,553,395	2,424,575
Less: Accumulated Depreciation		<u>810,681</u>	<u>615,945</u>
Net Property and Equipment		<u>\$1,742,714</u>	<u>\$1,808,630</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 \$17,500 and \$12,500 have been recognized in the accompanying statement of activities for the years ended December 31, 2012 and 2011, 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 ran through December 31, 2015. In June 2012, the lease was extended for an additional twenty years. The lease expiration date is now December 31, 2035. 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, 2012 and 2011.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 6- SUBSEQUENT EVENTS

The Center has evaluated subsequent events through August 15, 2013, the date which the financial statements were available to be issued.

In March 2013, the CAMBR Foundation awarded the Center a two-year grant in the sum total of \$100,000 in support of the Freidlander Education Center. The grant will be paid in two installments one September 2013 and one in September 2014.