

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER
OF NASSAU COUNTY, INC.
COMPARATIVE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**



FEIN & FEIN, P.C.

Certified Public Accountants

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Certified Public Accountants

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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, 2015 and 2014, 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 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 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, 2015 and 2014, 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.

June 10, 2016

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**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents	\$ 310,813	\$ 291,862
Contributions Receivable	13,450	18,000
Prepaid Expenses and Other Assets	21,080	27,801
Property and Equipment	<u>1,868,894</u>	<u>2,105,136</u>
TOTAL ASSETS	<u>\$ 2,214,237</u>	<u>\$ 2,442,799</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable and Accrued Expenses	\$ 31,269	\$ 29,691
Deferred Revenue	3,611	1,870
Deposits	<u>33,000</u>	<u>2,500</u>
TOTAL LIABILITIES	<u>67,880</u>	<u>34,061</u>

NET ASSETS:

Unrestricted	2,108,603	2,393,738
Temporarily Restricted	<u>37,754</u>	<u>15,000</u>
TOTAL NET ASSETS	<u>2,146,357</u>	<u>2,408,738</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,214,237</u>	<u>\$ 2,442,799</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, 2015 AND 2014

	2015		2014			
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES:						
Contributions	\$ 116,693	\$ -	\$ 116,693	\$ 67,063	\$ -	\$ 67,063
Contributed Use of Facility	230,000	-	230,000	230,000	-	230,000
Contributed Professional Services	10,000	-	10,000	10,000	-	10,000
Annual Fundraising Dinner	387,096	-	387,096	319,079	-	319,079
Contributions - Special Events	257,714	-	257,714	416,406	-	416,406
Program Revenue	48,627	-	48,627	37,894	-	37,894
Grants	68,000	62,200	130,200	155,000	25,500	180,500
Interest	1,034	-	1,034	712	-	712
Net Assets Released from Restrictions:						
Purchase of Fixed Assets	-	-	-	281,285	(281,285)	-
Expenditure of Program Expenses	39,446	(39,446)	-	75,500	(75,500)	-
Total Revenues	1,158,610	22,754	1,181,364	1,592,939	(331,285)	1,261,654
EXPENSES:						
Program Services	917,499	-	917,499	992,794	-	992,794
General and Administrative	249,639	-	249,639	285,254	-	285,254
Fundraising	276,607	-	276,607	242,767	-	242,767
Total Expenses	1,443,745	-	1,443,745	1,520,815	-	1,520,815
INCREASE (DECREASE) IN NET ASSETS	(285,135)	22,754	(262,381)	72,124	(331,285)	(259,161)
NET ASSETS, Beginning	2,393,738	15,000	2,408,738	2,321,614	346,285	2,667,899
NET ASSETS, Ending	\$ 2,108,603	\$ 37,754	\$ 2,146,357	\$ 2,393,738	\$ 15,000	\$ 2,408,738

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, 2015 AND 2014

	2015				2014			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Contributed Use of Facility	\$ 207,000	\$ 11,500	\$ 11,500	\$ 230,000	\$ 207,000	\$ 11,500	\$ 11,500	\$ 230,000
Contributed Professional Services	6,667	3,333	-	10,000	6,667	3,333	-	10,000
Payroll and Other Employee Related Expenses	274,019	175,037	112,628	561,684	257,780	218,577	68,672	545,029
Insurance	26,990	10,213	2,476	39,679	25,886	8,564	573	35,023
Public Relations & Marketing	4,790	74	850	5,714	1,765	-	3,392	5,157
Education	75,411	-	-	75,411	71,451	-	566	72,017
Special Events	12,551	-	-	12,551	121,221	-	-	121,221
Consultants	-	-	-	-	-	150	27,759	27,909
Computer	10,076	2,599	1,726	14,401	10,370	2,921	2,715	16,006
Fundraising Events	-	-	129,038	129,038	-	-	104,856	104,856
Office and General Expenses	9,092	5,413	1,031	15,536	5,818	7,643	635	14,096
Professional Services	-	11,500	-	11,500	-	10,500	-	10,500
Rental Equipment	3,917	38	378	4,333	4,310	39	439	4,788
Repairs and Maintenance	21,062	5,471	-	26,533	18,051	5,990	-	24,041
Postage	2,822	1,895	76	4,793	4,256	-	198	4,454
Telephone	1,534	85	85	1,704	1,498	83	83	1,664
Printing and Publication	750	60	-	810	250	-	-	250
Supplies	7,758	8,771	2,119	18,648	11,428	2,675	1,706	15,809
Website	4,200	-	1,050	5,250	5,274	-	4,144	9,418
Store	3,165	-	-	3,165	760	-	-	760
Broadband	12,241	680	680	13,601	11,770	654	654	13,078
Utilities	10,064	559	559	11,182	9,983	555	555	11,093
Bad Debts	-	-	-	-	-	-	2,250	2,250
Total Expenses Before Depreciation	694,109	237,228	264,196	1,195,533	775,538	273,184	230,697	1,279,419
Depreciation	223,390	12,411	12,411	248,212	217,256	12,070	12,070	241,396
Total Expenses	\$ 917,499	\$ 249,639	\$ 276,607	\$ 1,443,745	\$ 992,794	\$ 285,254	\$ 242,767	\$ 1,520,815

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, 2015 AND 2014**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2015</u>	<u>2014</u>
Decrease in Net Assets	\$ (262,381)	\$ (259,161)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	248,212	241,396
Changes in Assets and Liabilities:		
Decrease in Contributions Receivable	4,550	46,289
Decrease (Increase) in Prepaid Expenses and Other Assets ..	6,721	(5,581)
Increase (Decrease) in Accounts Payable and Accrued Expenses	1,578	(14,041)
Increase in Deferred Revenue	1,741	1,870
Increase in Deposits	<u>30,500</u>	<u>2,500</u>
Net Cash Provided by Operating Activities	<u>30,921</u>	<u>13,272</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	<u>(11,970)</u>	<u>(365,480)</u>
Net Cash Used by Investing Activities	<u>(11,970)</u>	<u>(365,480)</u>
 NET INCREASE (DECREASE) IN CASH	18,951	(352,208)
 CASH AND CASH EQUIVALENTS, Beginning	<u>291,862</u>	<u>644,070</u>
 CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 310,813</u></u>	<u><u>\$ 291,862</u></u>

See notes to financial statements.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 (SFAS) 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, 2015 AND 2014**

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 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, 2015 and 2014, the Center’s temporarily restricted net assets amounted to \$37,754 and \$15,000, 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, 2015 and 2014.

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, 2015, bank balances exceeded coverage provided by the Federal Deposit Insurance Corporation by approximately \$64,000.

Temporarily Restricted Cash

Included in the cash balance at December 31, 2015 and 2014 is temporarily restricted cash of \$37,754 and \$15,000, respectively. The cash is temporarily restricted for the use of educational programs.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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, 2012 through December 31, 2015 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, 2015 AND 2014**

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 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Educational Programs	\$ 37,754	\$ 15,000
Total Temporarily Restricted Net Assets	<u>\$ 37,754</u>	<u>\$ 15,000</u>

NOTE 3- CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
Unconditional Promises to Give	\$ 13,450	\$ 18,000
Total Contributions Receivable	<u>\$ 13,450</u>	<u>\$ 18,000</u>

Amounts Due in Less Than One Year	<u>\$ 13,450</u>	<u>\$ 18,000</u>
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**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4- PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following at December 31, 2015 and 2014:

	Estimated Useful Life- Years	<u>2015</u>	<u>2014</u>
Leasehold Improvements	15 - 40	\$2,280,767	\$2,276,612
Furniture and Fixtures	5	830,603	828,463
Equipment	5	256,190	250,515
		3,367,560	3,355,590
Less: Accumulated Depreciation		1,498,666	1,250,454
Net Property and Equipment		<u>\$1,868,894</u>	<u>\$2,105,136</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 \$10,000 have been recognized in the accompanying statement of activities for both years ended December 31, 2015 and 2014, because the criteria for recognition of other volunteer efforts under FASB ASC 958 (formerly SFAS No. 116) have not been satisfied.

The Center has 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, 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, 2015 and 2014.

NOTE 6- EMPLOYEE BENEFIT PLAN

The Center sponsors a salary reduction contribution plan effective January 1, 2013, pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary or a fixed dollar amount, to the plan. The Center may agree to make "nonelective" contributions to their employees' 403 (b) plans. There were no "nonelective" contributions made by the Center for the years ended December 31, 2015 and 2014.

NOTE 7- RECLASSIFICATIONS

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements presentation.

**THE HOLOCAUST MEMORIAL AND
TOLERANCE CENTER OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 8- SUBSEQUENT EVENTS

The Center has evaluated subsequent events through June 10, 2016, the date which the financial statements were available to be issued.