

**HOLOCAUST AND HUMAN RIGHTS
EDUCATION CENTER
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

**HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
FOR THE YEAR ENDED DECEMBER 31, 2018**

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CITRIN COOPERMAN®
Accountants and Advisors

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Holocaust and Human Rights Education Center

We have reviewed the accompanying financial statements of Holocaust and Human Rights Education Center (the "Center"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Center's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

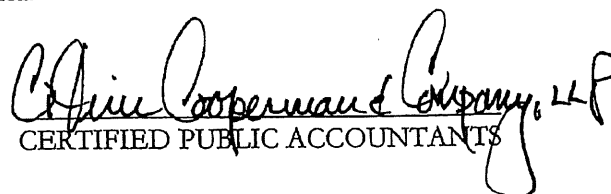
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
October 25, 2019

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	\$ 256,471
Operating investments, at fair value	199,148
Prepaid expenses	4,556
Property and equipment, net	<u>6,136</u>
TOTAL ASSETS	<u><u>\$ 466,311</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	\$ 25,933
Deferred revenue	<u>10,014</u>
Total liabilities	35,947
Net assets:	
Without donor restrictions	<u>430,364</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 466,311</u></u>

See independent accountant's review report and accompanying notes to financial statements.

**HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>
Public support and revenue:	
Special events:	
Revenue from special events	\$ 192,792
Less: direct costs	<u>45,988</u>
Net revenue from special events	146,804
Contributions from individuals, corporations, and foundations	273,056
Program revenue	51,459
Other income	<u>4,161</u>
Total public support and revenue	<u>475,480</u>
Expenses:	
Program services	283,021
Fundraising	96,070
General and administrative	<u>113,797</u>
Total expenses	<u>492,888</u>
Changes in net assets from operating activities	(17,408)
Non-operating activities:	
Change in fair value of operating investments	<u>715</u>
Changes in net assets	(16,693)
Net assets - beginning	<u>447,057</u>
NET ASSETS - ENDING	<u>\$ 430,364</u>

See independent accountant's review report and accompanying notes to financial statements.

**HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services	Fundraising	General and Administrative	Total
Salaries and benefits	\$ 95,225	\$ 66,157	\$ 56,113	\$ 217,495
Consulting and contracted services	87,323	14,000	7,000	108,323
Publications	38,728	-	-	38,728
Travel and entertainment	21,462	4,104	733	26,299
Occupancy expense	5,300	5,300	8,329	18,929
Program supplies and other costs	17,174	-	-	17,174
Technology and communications	4,420	4,226	6,697	15,343
Office expenses	40	-	13,975	14,015
Equipment rental and maintenance	4,567	2,283	2,283	9,133
Printing, postage, and mailings	8,782	-	-	8,782
Professional fees	-	-	8,125	8,125
Insurance expense	-	-	8,088	8,088
Depreciation expense	-	-	2,454	2,454
TOTAL	<u>\$ 283,021</u>	<u>\$ 96,070</u>	<u>\$ 113,797</u>	<u>\$ 492,888</u>

See independent accountant's review report and accompanying notes to financial statements.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Changes in net assets	\$ (16,693)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	2,454
Net realized and unrealized gain on investments	(715)
Donated securities	(9,967)
Changes in assets and liabilities:	
Other assets	(4,556)
Accounts payable and accrued expenses	13,605
Deferred revenue	<u>(2,577)</u>
Net cash used in operating activities	<u>(18,449)</u>
Cash flows from investing activities:	
Purchases of property and equipment	(1,600)
Purchases of marketable securities	(25,962)
Proceeds from the sale of marketable securities	<u>28,662</u>
Net cash provided by investing activities	<u>1,100</u>
Net decrease in cash and cash equivalents	(17,349)
Cash and cash equivalents - beginning	<u>273,820</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 256,471</u>

See independent accountant's review report and accompanying notes to financial statements.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1. ORGANIZATION

Holocaust and Human Rights Education Center (the "Center") is a nonprofit corporation organized on July 23, 1990, under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Center is an educational and cultural institution with the mission to enhance the teaching and learning of the lessons of the Holocaust and the right of all people to be treated with dignity and respect among citizens of Westchester County, New York, and the surrounding communities through education, exhibits and outreach programs.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Center to report information regarding its financial position and activities according to the following net asset classifications:

- *Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and the board of directors.
- *Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets. As of December 31, 2018, the Center did not have any net assets with donor restrictions.

Investments

The Center recorded investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and changes in net assets.

Measure of Operations

The statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Center's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

See independent accountant's review report.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or unconditional promise to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Donated Services and In-Kind Contributions

Volunteers provided administrative and other services throughout the year, and certain of the Center's officers provided services to the daily operations and management without compensation. Such contributed services do not meet the criteria for recognition of contributed services contained in U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements.

For the year ended December 31, 2018, a board member donated space and catering services for a special event, with a fair value of approximately \$16,710. Such amounts, which are based upon information provided by the third-party service provider, are recorded at their estimated fair value determined on the date of contribution. In-kind contributions are reported as revenue from special events and related direct costs in the accompanying statement of activities and changes in net assets.

Operating Investments

Operating investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, operating investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as "Change in fair value of operating investments" in the accompanying statement of activities and changes in net assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities and changes in net assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

See independent accountant's review report.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

The Center groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Quoted market prices for identical instruments in active markets. Examples of Level 1 assets include cash, cash equivalents, bonds and equity securities actively traded on recognized exchanges, both domestic and foreign.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, observable inputs other than quoted prices, inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Valuation models in which significant inputs are unobservable or where there is little, if any, market activity.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the assets, which generally range from three to five years. The Center reviews long-lived assets such as fixed assets for impairment when events or circumstances indicate that their carrying value may not be recoverable. No impairment charges were incurred for the year ended December 31, 2018.

Income Taxes

The Center is a tax-exempt entity under Section 501(a) of the IRC as an organization described in Section 501(c)(3) under a determination letter issued by the Internal Revenue Service.

The Center is subject to a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no uncertain tax positions recorded in the accompanying financial statements at December 31, 2018.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and benefits, professional and consulting fees, information technology, and other, which are allocated on the basis of estimates of time and effort.

See independent accountant's review report.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities* ("ASU 2016-14"). The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has implemented ASU 2016-14 and has adjusted the presentation in the accompanying financial statements accordingly.

Issued but not yet Effective Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an organization expects to be entitled in exchange for those goods or services. This ASU will replace most existing revenue guidance in U.S. GAAP, including industry-specific guidance, when it becomes effective. This guidance is effective for years beginning after December 15, 2018. The Center is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. The Center is evaluating the effect that ASU 2018-08 will have on its financial statements and related disclosures.

NOTE 3. CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents and investments. The Center manages deposit concentration risk by placing cash and money market accounts with high quality financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts.

NOTE 4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31, 2018:

Financial assets at year-end:	
Cash and cash equivalents	\$ 256,471
Operating investments, at fair value	<u>199,148</u>
Financial assets available to meet general expenditures over the next 12 months	
	<u>\$ 455,619</u>

See independent accountant's review report.

HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4. LIQUIDITY AND AVAILABILITY (CONTINUED)

The Center's goal is generally to maintain financial assets to meet 180 days of operating expenses. As part of its liquidity plan, excess cash is invested in operating investments.

NOTE 5. OPERATING INVESTMENTS

The long-term focus of the Center's investment portfolio is to support its mission by providing a reliable source of funds for current and future use. Investments consist primarily of publicly-traded equity securities. The fair values of investments in publicly-traded equity securities are based on quoted market prices using the last sale price on the respective securities exchange.

The following table presents the Center's investments measured at fair value on a recurring basis categorized by level within the fair value hierarchy:

Description	Fair Value Measurements at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Large core	\$ 59,300	\$ -	\$ -	\$ 59,300
Large growth	52,215	-	-	52,215
Large value	11,498	-	-	11,498
Mid core	22,156	-	-	22,156
Mid growth	25,502	-	-	25,502
Small core	13,241	-	-	13,241
Small growth	<u>15,236</u>	<u>-</u>	<u>-</u>	<u>15,236</u>
Total investments at fair value	<u>\$ 199,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,148</u>

The methods used to determine fair value as described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while management believes the valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Financial instruments such as those above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the accompanying statement of financial position. For the Center, market risk represents the potential loss due to the decrease in the value of financial instruments; credit risk represents the maximum potential loss due to possible non-performance of contract terms by obligors and counterparties.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2018:

Furniture and equipment	\$ 55,623
Less: accumulated depreciation	<u>49,487</u>
Property and equipment, net	<u>\$ 6,136</u>

For the year ended December 31, 2018, depreciation expense totaled \$2,454.

See independent accountant's review report.

**HOLOCAUST AND HUMAN RIGHTS EDUCATION CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 7. RELATED-PARTY TRANSACTIONS

In 2018, 33 board members contributed \$227,194 to the Center in the form of contributions, grants, prepaid dues, and donations related to special events.

NOTE 8. SUBSEQUENT EVENTS

The Center has evaluated subsequent events through the date the financial statements were available to be issued, October 25, 2019, and found nothing that requires adjustment to the financial statements or additional disclosure.

See independent accountant's review report.