

THE HOLOCAUST MEMORIAL RESOURCE  
&  
EDUCATION CENTER OF FLORIDA, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2007

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Glickstein ■ Laval ■ Carris ■ P.A.

CERTIFIED PUBLIC ACCOUNTANTS



Glickstein • Laval • Carris • P.A.

CHARTERED ACCOUNTANTS

#### Shareholders

Allen R. Glickstein, CFP  
Rudney S. Laval, CPA  
W. Hwa Carris, CPA  
Diane M. Loomis, CPA  
Gary C. Dabrowski, CPA, MS  
B. Henry K. Luby, CPA, CFP  
Richard W. Glickstein, CFP  
Barbara W. Taylor, CPA, CFP  
L. Bruce Hamilton, CPA

#### Principal

John W. Hamilton, CFP

### INDEPENDENT AUDITORS' REPORT

The Board of Directors  
The Holocaust Memorial Resource & Education  
Center of Florida, Inc.  
Maitland, Florida

We have audited the accompanying statement of financial position of The Holocaust Memorial Resource & Education Center of Florida, Inc., (a nonprofit organization) as of August 31, 2007 and the related statements of activities and cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 audit provides 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 Resource & Education Center of Florida, Inc. as of August 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Glickstein Laval Carris, P.A.*

Glickstein Laval Carris, P.A.

Maitland, Florida  
December 20, 2007

THE HOLOCAUST MEMORIAL RESOURCE & EDUCATION CENTER OF FLORIDA, INC.

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 129,669
Short-term investments	53,016
Grants receivable	<u>56,330</u>

Total current assets	<u>239,015</u>
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PROPERTY AND EQUIPMENT

Equipment and library	251,995
Less: Accumulated depreciation	<u>(92,480)</u>

Total property and equipment	<u>159,515</u>
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OTHER ASSETS

Long-term investments	1,537,339
Investments with T.O.P.	<u>298,151</u>

Total other assets	<u>1,835,490</u>
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\$2,234,020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ <u>45,146</u>
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Total current liabilities	<u>45,146</u>
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NET ASSETS

Unrestricted	887,138
Temporarily restricted	46,329
Permanently restricted	<u>1,255,407</u>

Total net assets	<u>2,188,874</u>
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\$2,234,020

See accompanying notes.

## THE HOLOCAUST MEMORIAL RESOURCE &amp; EDUCATION CENTER OF FLORIDA, INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE				
Public Support				
Grants received	\$ --	\$ 81,845	\$ --	\$ 81,845
Special events	296,187	--	--	296,187
Contributions	30,744	74,362	290,000	395,106
Jewish Federation of Greater Orlando	38,400	39,000	--	77,400
Total public support	<u>365,331</u>	<u>195,207</u>	<u>290,000</u>	<u>850,538</u>
Revenue				
Membership and program fees	32,016	--	--	32,016
Investment income	86,381	--	14,397	100,778
Miscellaneous income	2,786	--	--	2,786
Total revenue	<u>121,183</u>	<u>--</u>	<u>14,397</u>	<u>135,580</u>
Net assets released	<u>197,463</u>	<u>(197,463)</u>	<u>--</u>	<u>--</u>
Total public support and revenue	<u>683,977</u>	<u>(2,256)</u>	<u>304,397</u>	<u>986,118</u>
EXPENSES				
Program expenses	527,363	--	--	527,363
Supporting services	114,884	--	--	114,884
Total expenses	<u>642,247</u>	<u>--</u>	<u>--</u>	<u>642,247</u>
Change in net assets	41,730	(2,256)	304,397	343,871
NET ASSETS -				
September 1, 2006	<u>845,408</u>	<u>48,585</u>	<u>951,010</u>	<u>1,845,003</u>
NET ASSETS -				
August 31, 2007	<u>\$ 887,138</u>	<u>\$ 46,329</u>	<u>\$1,255,407</u>	<u>\$2,188,874</u>

See accompanying notes.

THE HOLOCAUST MEMORIAL RESOURCE & EDUCATION CENTER OF FLORIDA, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 343,871
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	9,301
Loss on sale of assets	189
Increase in grants receivable	(40,931)
Decrease in prepaid expenses	886
Increase in accounts payable	26,612
Decrease in due to Jewish Federation of Greater Orlando	<u>(4,411)</u>
Net cash provided by operating activities	<u>335,517</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in funds held at T.O.P.	(16,344)
Sale of short-term investments	134,893
Purchase of long-term investments	(448,707)
Purchase of fixed assets	<u>(11,613)</u>
Net cash used in investing activities	<u>(341,771)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (6,254)

CASH AND CASH EQUIVALENTS -  
Beginning of year 135,923

CASH AND CASH EQUIVALENTS -  
End of year \$ 129,669

See accompanying notes.

THE HOLOCAUST MEMORIAL RESOURCE & EDUCATION CENTER OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Holocaust Memorial Resource & Education Center of Florida, Inc. (the Organization) was established in 1982 as a nonprofit agency for the following purposes:

1. To encourage and foster the study of the historical and moral lessons and continuing relevance to contemporary society of The Holocaust.
2. To establish and maintain a local resource and education center devoted to the collection and dissemination of educational information about this tragic episode in world history.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified and reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general purposes.

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.

THE HOLOCAUST MEMORIAL RESOURCE & EDUCATION CENTER OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Equipment and Library

Equipment and library are recorded at cost, if purchased, or if donated, at fair market value at the date of receipt. Depreciation of the equipment is provided on a straight-line basis over the estimated useful lives of the respective assets. The library has not been depreciated as it has a relatively permanent value. The Organization's capitalization policy requires assets to be capitalized if the original cost or fair value at date of donation exceeds \$250. Assets acquired at a cost under this amount are capitalized at the discretion of management. Depreciation expense charged to operations was \$9,301 for the fiscal year ended August 31, 2007.

Donated Services

A significant portion of the Organization's functions are conducted by officers, board members, and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer's' time does not meet the criteria necessary for recognition.

Short-Term Investments

The Organization has various certificates of deposit stated at cost plus accrued interest. The certificates originated from donations to support the Cultural Endowment Program.

Income Taxes

The Organization is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is included in the financial statements.

## THE HOLOCAUST MEMORIAL RESOURCE &amp; EDUCATION CENTER OF FLORIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2007

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The following presents investments of the Cultural Endowment Funds at August 31, 2007:

Bonds, notes, or other obligations of the United States	\$ 772,900
Savings accounts in, or certificates of deposits of, any bank, savings bank, or savings and loan association incorporation under the laws of the United States	<u>43,685</u>
Total Cultural Endowment Funds	<u>\$ 816,585</u>
Other investments include the following at 8/31/07:	
Savings accounts in, or certificates of deposits of, any bank, savings bank, or savings and loan association incorporation under the laws of the United States	\$ 134,945
Bonds, notes, or other obligations of the United States	248,156
Bonds, notes, or other obligations of other countries	201,635
Corporate stock and equity	<u>189,034</u>
Total other investments	<u>\$ 773,770</u>
Total investments	\$1,590,355
Less short-term investments	<u>(53,016)</u>
Total long-term investments	<u>\$1,537,339</u>



THE HOLOCAUST MEMORIAL RESOURCE & EDUCATION CENTER OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2007

NOTE 2 - TRANSACTIONS WITH JEWISH FEDERATION OF GREATER ORLANDO

The land and part of the building which the Organization utilizes as its operating facility is owned by the Jewish Federation of Greater Orlando. Rent expense for the fiscal year ended August 31, 2007 was \$36,090.

The Organization has a 32 year lease which began on September 1, 1993 and will terminate on August 31, 2025. The Organization has the option to extend this lease for one additional term of fifty years. Rent is set annually and is based on the Organization's proportionate share of the Federation's debt reduction, operating and maintenance expenses and major reserve funding.

NOTE 3 - INVESTMENT WITH TAMPA-ORLANDO-PINELLAS JEWISH FOUNDATION

The Tampa-Orlando-Pinellas Jewish Foundation invests funds it holds for the benefit of others in marketable securities on a pooled basis. Marketable securities are recorded at market value. Some of these funds are temporarily or permanently restricted by donors. Income earned on these funds can generally be used for operational purposes.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Uninsured cash balances at August 31, 2007 were \$327,080. The Organization also maintains accounts with a stock brokerage firm. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation (SIPC). Uninsured cash and securities balances at August 31, 2007 were \$555,335.

NOTE 5 - ADVERTISING

The Organization expenses advertising as incurred. Advertising expense for the fiscal year ended August 31, 2007 was \$675.

NOTE 6 - EMPLOYEE RETIREMENT PLAN

The Organization sponsors a tax deferred annuity retirement plan for its employees. An employee is eligible to participate after two years of employment. Participation is voluntary. The Organization may match up to 3% of the employee's salary. Contribution charged to expense for the year ended August 31, 2007 was \$6,271.