

# **The Center for Holocaust and Humanity Education (dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Financial Statements  
June 30, 2023 and 2022, and  
Independent Auditors' Report**

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION  
(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**June 30, 2023 and 2022**

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## Independent Auditors' Report

Board of Trustees  
The Center for Holocaust and Humanity Education  
(dba The Nancy & David Wolf Holocaust and Humanity Center)  
Cincinnati, Ohio

### **Opinion**

We have audited the accompanying financial statements of The Center for Holocaust and Humanity Education (dba The Nancy & David Wolf Holocaust and Humanity Center) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center for Holocaust and Humanity Education (dba The Nancy & David Wolf Holocaust and Humanity Center) as of June 30, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Center for Holocaust and Humanity Education (dba The Nancy & David Wolf Holocaust and Humanity Center) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Center for Holocaust and Humanity Education's (dba The Nancy & David Wolf Holocaust and Humanity Center) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Independent Auditors' Report  
(continued)**

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center for Holocaust and Humanity Education's (dba The Nancy & David Wolf Holocaust and Humanity Center) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Center for Holocaust and Humanity Education's (dba The Nancy & David Wolf Holocaust and Humanity Center) ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



January 15, 2024  
Cincinnati, Ohio

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Statements of Financial Position**  
**June 30, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 1,384,159	\$ 1,093,813
Grants receivable and other assets	252,018	69,470
Capital campaign pledges receivable, net	438,403	864,434
Restricted cash	-	75,308
Investments	8,055,583	6,068,847
Right of use asset - operating lease	894,187	-
Property and equipment, net	4,016,434	4,406,367
	\$ 15,040,784	\$ 12,578,239
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 129,962	\$ 48,887
Accrued expenses	123,001	91,927
Lease liability - operating lease	937,991	-
	1,190,954	140,814
<b>Net assets</b>		
Without donor restriction	4,101,614	5,096,787
With donor restriction	9,748,216	7,340,638
	13,849,830	12,437,425
	\$ 15,040,784	\$ 12,578,239

See accompanying notes to financial statements

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Statements of Activities**  
**Years Ended June 30, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and support</b>						
Grants and contributions	\$ 1,090,290	\$ 3,161,221	\$ 4,251,511	\$ 994,438	\$ 509,435	1,503,873
Investment return, net	4,965	452,434	457,399	-	(714,676)	(714,676)
Other income	229,389	-	229,389	118,084	-	118,084
In-kind contributions	80,254	-	80,254	25,399	-	25,399
Net assets released from restrictions	1,206,077	(1,206,077)	-	310,718	(310,718)	-
<b>Total revenues and support</b>	<u>2,610,975</u>	<u>2,407,578</u>	<u>5,018,553</u>	<u>1,448,639</u>	<u>(515,959)</u>	<u>932,680</u>
<b>Expenses</b>						
Program services	2,783,692	-	2,783,692	1,726,490	-	1,726,490
Management and general	463,269	-	463,269	211,735	-	211,735
Fundraising	359,187	-	359,187	108,015	-	108,015
<b>Total expenses</b>	<u>3,606,148</u>	<u>-</u>	<u>3,606,148</u>	<u>2,046,240</u>	<u>-</u>	<u>2,046,240</u>
Change in net assets	(995,173)	2,407,578	1,412,405	(597,601)	(515,959)	(1,113,560)
<b>Net assets, beginning of year</b>	<u>5,096,787</u>	<u>7,340,638</u>	<u>12,437,425</u>	<u>5,694,388</u>	<u>7,856,597</u>	<u>13,550,985</u>
<b>Net assets, end of year</b>	<u><u>\$ 4,101,614</u></u>	<u><u>\$ 9,748,216</u></u>	<u><u>\$ 13,849,830</u></u>	<u><u>\$ 5,096,787</u></u>	<u><u>\$ 7,340,638</u></u>	<u><u>\$ 12,437,425</u></u>

See accompanying notes to financial statements

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Statements of Functional Expenses**  
**Years Ended June 30, 2023 and 2022**

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and related benefits	\$ 971,534	\$ 179,859	\$ 268,482	\$ 1,419,875	\$ 556,491	\$ 56,655	\$ 83,020	\$ 696,166
Depreciation	652,235	43,161	3,931	699,327	663,374	-	-	663,374
Exhibits, speakers, and production costs	476,236	3,886	3,212	483,334	88,530	-	-	88,530
Professional services	196,566	120,746	32,748	350,060	88,891	64,444	-	153,335
Rent	191,370	42,219	3,845	237,434	143,844	35,961	-	179,805
Marketing	116,611	17,048	17,434	151,093	32,368	-	17,380	49,748
Technology	98,118	5,712	11,449	115,279	73,826	18,465	-	92,291
Insurance	16,557	3,653	333	20,543	-	18,220	-	18,220
Supplies and other	64,465	46,985	17,753	129,203	79,166	17,990	7,615	104,771
	<u>\$ 2,783,692</u>	<u>\$ 463,269</u>	<u>\$ 359,187</u>	<u>\$ 3,606,148</u>	<u>\$ 1,726,490</u>	<u>\$ 211,735</u>	<u>\$ 108,015</u>	<u>\$ 2,046,240</u>

See accompanying notes to financial statements

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 1,412,405	\$ (1,113,560)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	699,327	663,374
Realized and unrealized (gains) losses on investments	(451,594)	714,676
Contributions restricted for capital campaign and endowment	(1,298,266)	(87,590)
Non-cash lease expense	43,804	-
Changes in:		
Grants receivable and other assets	(182,548)	16,034
Accounts payable	81,075	38,926
Accrued expenses	31,074	(15,160)
Net cash provided by operating activities	335,277	216,700
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(1,735,483)	(1,802,415)
Proceeds from sale of investments	200,341	-
Purchase of property and equipment	(309,394)	(47,750)
Net cash used in investing activities	(1,844,536)	(1,850,165)
<b>Cash Flows From Financing Activities</b>		
Collections of contributions restricted for capital campaign and endowment	1,724,297	1,168,257
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	215,038	(465,208)
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	1,169,121	1,634,329
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	\$ 1,384,159	\$ 1,169,121

See accompanying notes to financial statements



**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities***

The Center for Holocaust and Humanity Education (dba The Nancy & David Wolf Holocaust and Humanity Center) (Organization) remembers, informs, and transforms, by educating current and future generations about the Holocaust, its victims, and its lessons. Dedicated to curriculum development, teacher training and innovative educational programs for all communities, religious and secular, local and worldwide, the Organization fosters tolerance, inclusion, social justice, and civic responsibility based on lessons from the Holocaust. Originally the brainchild of an impassioned group of local Holocaust survivors and their families, The Nancy & David Wolf Holocaust and Humanity Center opened its doors in the year 2000.

Since then, the Organization has worked fervently to educate and empower others to learn about and act against injustice, intolerance and indifference. It has evolved to develop and sustain lasting educational experiences for diverse groups and communities throughout Cincinnati and the world. The Organization educates over 30,000 individuals reaching communities in Ohio, Indiana, and Kentucky. The initiatives of the Organization include: a permanent exhibition, eight traveling exhibitions, an oral history program, a speaker's bureau, diversity workshops, teacher training, and a resource center.

***Financial Statement Presentation***

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

***Fair Value Measurements***

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

***Capital Campaign and Development***

During 2017, the Organization embarked on a \$10,000,000 capital campaign to fund the construction and development of new exhibit space located in Union Terminal in Cincinnati, Ohio and to establish a donor-restricted endowment to assist in funding future operations. Unless specifically requested to fund the endowment, campaign pledges and payments were first applied to the construction of the new exhibit space and any remaining funds were transferred to a donor-restricted endowment at the conclusion of the project. The construction was substantially completed and the new museum space opened in 2019.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**  
**(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

***Cash and Cash Equivalents***

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At June 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments, net of investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as net assets without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

***Property and Equipment***

Property and equipment is recorded at cost or, if donated, at the estimated fair value at the date of receipt. Depreciation is computed on a straight-line basis over an estimated useful life of the respective assets. The cost of maintenance and repairs is expensed as incurred while significant improvements are capitalized.

GAAP requires the Organization to assess the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions.

***Leases***

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Finance leases are included in property and equipment and lease liabilities in the consolidated statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**  
**(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

***Leases (Continued)***

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all of the rights to the underlying assets through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organization has elected to apply the short-term lease practical exemption to all classes of underlying assets.

***Contributions***

Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same period are recorded as donor restricted and then released from restriction.

Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenues and net assets with donor restrictions. Absent explicit donor stipulations for the time period the long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restriction to net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

***Grants***

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**  
**(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

***Revenue Recognition***

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract should be accounted for as a single or more than one performance obligation.

Revenue from customers is primarily recognized from admissions to the museum, which is included in other income on the statements of activities. Contracts for admission to the center consist of a single performance obligation to provide access to the attractions and other facilities. Revenue is recognized over the time of the admissions period using the time elapsed method. Admission contracts are for a single day pass. The transaction price is stated in the contract and known at the time of contract inception. The nature of the Organization's business gives rise to variable considerations in the form of discounts that are applied to its performance obligation at contract inception. The payment for admission is required to be paid upfront and recorded on the date of admission redemption. Revenue from these purchases is recognized upon the satisfaction of the performance obligations, which is over the period of the admission contract.

***Collections***

Collections of works of art, historical treasures and similar assets are not capitalized in as much as the items are preserved and cared for continuously. Purchases of collection items are reported in the year of acquisition as decreases in net assets without donor restrictions, or in net assets with donor restrictions if the assets used to purchase the items were restricted to that use by donor stipulation. Contributions of collection items are not reported in the financial statements. Proceeds from disposal of and insurance recoveries related to collection items are reported as increases in the appropriate net asset classes.

***Income Taxes***

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
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**Notes to Financial Statements**  
**(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the program, management and general and fundraising categories based on the specific identification and other methods. The most significant allocations are salaries and related expenses, which were allocated based upon time spent by Organization personnel.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Effect of Recently Adopted Accounting Standards***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into before, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, and (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization entered into a lease in January 2019 for exhibit and office space that resulted in the recognition of a lease liability of \$1,089,316 at July 1, 2022, which represents the present value of the remaining lease payments.

The standard had a material impact on the Organization's statements of financial position but did not have an impact on the statements of activities, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
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**Notes to Financial Statements**  
**(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Reclassifications***

Certain 2022 figures were reclassified to conform to the 2023 presentation.

***Subsequent Event Evaluation***

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through January 15, 2024, which is the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, comprise of the following:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,384,159	\$ 1,093,813
Grants receivable and other assets	252,018	69,470
Capital campaign pledges receivable, net	438,403	864,434
Restricted cash	-	75,308
Investments	8,055,583	6,068,847
Total financial assets	10,130,163	8,171,872
Less net assets with donor restrictions for capital campaign, endowments, and activities beyond one year	(8,593,986)	(7,098,481)
Add budgeted endowment draws	260,610	254,800
	\$ 1,796,787	\$ 1,328,191

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

**NOTE 3 CAPITAL CAMPAIGN PLEDGES RECEIVABLE**

Capital campaign pledge receivables as of June 30, 2023 and 2022 are expected to be collected within one year. No allowance for uncollectable amounts or discount has been applied as of June 30, 2023 and 2022.

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
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**Notes to Financial Statements**  
**(Continued)**

**NOTE 4 RESTRICTED CASH**

The Organization has \$-0- and \$75,308 of proceeds from the capital campaign being held in a depository account with the Jewish Federation of Cincinnati as of June 30, 2023 and 2022, respectively. These funds are donor-restricted for use in the relocation and development of new exhibit space, as well as to establish an endowment to fund future operations.

**NOTE 5 INVESTMENTS AT FAIR VALUE**

Investments at fair value as of June 30 consisted of the following:

	2023	2022
<b>Level 3:</b>		
Interest in Jewish Federation of Cincinnati pooled investment fund	\$ 8,055,583	\$ 6,068,847

The Organization holds its investments in the Jewish Federation Investment Fund ("Fund"), which was established to permit the combining of assets for investment and administrative purposes of the Organization and other participating not-for-profit organizations. Net investment income of the Fund (representing interest and dividend income and net investment appreciation or depreciation) is allocated to the participating organizations based on their respective share of the Fund's assets. As the fair value of the fund is estimated using the Organization's proportionate share of the underlying investments and the fund contains certain assets that do not have a readily determinable fair value, these investments are classified within Level 3 of the fair value hierarchy. There are no valuations using Level 1 or Level 2 inputs.

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant Level 3 unobservable inputs:

	Interest in JFC pooled investment fund
Balance as of June 30, 2021	\$ 4,981,108
Additions	1,802,415
Investment return, net	(714,676)
Balance as of June 30, 2022	\$ 6,068,847
Additions	1,735,483
Investment return, net	451,594
Withdrawals	(200,341)
Balance as of June 30, 2023	\$ 8,055,583

**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**  
**(Continued)**

**NOTE 5 INVESTMENTS AT FAIR VALUE (CONTINUED)**

At June 30, 2023 and 2022, the Organization's investments represented 11.76% and 12.09% of the Fund's total market value, respectively. The Fund's investments at June 30, 2023 were allocated as follows: 80% in multi-asset class funds; 12% in global equities; 6% in fixed income; and 2% in cash. The Fund's investments at June 30, 2022 were allocated as follows: 80% in multi-asset class funds; 12% in global equities; 6% in fixed income; and 2% in cash.

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Exhibits	\$ 5,024,528	\$ 5,024,528
Leasehold improvements	2,154,287	2,154,287
Computer and other equipment	287,617	191,555
Construction in Progress	213,332	-
Less accumulated depreciation	<u>(3,663,330)</u>	<u>(2,964,003)</u>
	<u>\$ 4,016,434</u>	<u>\$ 4,406,367</u>

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Restricted as to purpose:		
Vision fund - program expansion	\$ 625,000	\$ -
Capital campaign	438,402	864,434
Dimensions in testimony	350,000	-
Student field trips	150,000	200,000
Omnichannel	51,471	-
Moniek's Legacy	12,960	47,245
Holocaust Awareness program	18,331	24,427
Philippines Project	24,136	24,136
Cincinnati Regional Coalition Against Hate (CRCAH)	-	21,457
Educational programming	2,333	15,200
Restricted as to period of use:		
Jewish Federation allocation	20,000	17,000
Individual contributions	-	30,334
Donor-restricted endowment and restricted cash	<u>8,055,583</u>	<u>6,096,405</u>
	<u>\$ 9,748,216</u>	<u>\$ 7,340,638</u>



**THE CENTER FOR HOLOCAUST AND HUMANITY EDUCATION**  
**(dba The Nancy & David Wolf Holocaust and Humanity Center)**

**Notes to Financial Statements**  
**(Continued)**

**NOTE 8 ENDOWMENTS**

The Organization has established a donor-restricted endowment fund associated with the capital campaign. The endowment was fully funded in 2022 as the construction projects were complete. Remaining funds from the capital campaign were transferred to the donor-restricted endowment fund to assist in funding future operations. The Center has a formal investment and spending policy for its endowment funds and has implemented this policy now that the construction projects are complete and the endowment is fully funded.

***Investment Policy***

The endowment funds are to be held in a custodial account with the Jewish Federation of Cincinnati (JFC). It is the goal of the Organization to have these long-term funds invested in a diversified portfolio, with significant consideration given to protecting the corpus of the funds while realizing earnings appropriate for the given risk level. To achieve this in an efficient manner the Organization has elected to invest its endowment funds along with JFC's endowment funds, directly aligning the Organization's investment strategy with JFC's.

***Spending Policy***

The Organization's Board has approved a targeted spending policy of 4.0% of the value of the endowment fund per fiscal year, applied to a rolling 16-quarter weighted average of the market value of the asset pool. However, if the Board decides to override the spending policy, it must be done with a super-majority, which is defined as a seventy five percent (75%) majority of the Board of Trustees. While the policy provides for up to 4%, it is not mandatory that such funds are spent from the fund. Any funds approved for spending but not used in a fiscal year can carry forward to be used in the future in addition to future year's approved spending allowances.

***Endowment Net Asset Composition and Change in Endowment Net Assets***

The changes in endowment net assets were as follows:

	With Donor Restrictions
Balance as of June 30, 2021	\$ 4,981,108
Contributions	1,802,415
Investment return, net	(714,676)
Balance as of June 30, 2022	6,068,847
Additions	1,735,483
Investment return, net	451,594
Appropriated for expenditure	(200,341)
Balance as of June 30, 2023	\$ 8,055,583

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**Notes to Financial Statements**  
**(Continued)**

**NOTE 9 RELATED PARTY TRANSACTIONS**

The Organization is closely affiliated with the Jewish Federation of Cincinnati (the Federation). The Federation provides the Organization and other local Jewish non-profit organizations financial support through annual allocations and grants. During 2023 and 2022, the Federation provided grants and allocations of \$70,907 and \$84,593 to the Organization, respectively.

The Federation also provides the Organization accounting and administrative support as well as human resource services through its Shared Business Services (SBS) program. During 2023 and 2022, the Organization paid the Federation \$27,728 and \$9,000, respectively, for these services. Additionally, the Organization recorded in-kind revenue of \$80,254 and \$25,399 for the value of services received from SBS in excess of amounts paid in 2023 and 2022, respectively. This amount was determined based on the market value of services provided.

**NOTE 10 LEASES**

Effective January 2019, the Organization began leasing exhibit and office space at Union Terminal under a noncancelable lease with initial maturity in December 2023 and options to renew through December 2037. It was management's assumption that the first renewal option would be exercised based on the improvements made to the space at the inception of the lease. This assumption resulted in an initial term of ten years being utilized to calculate the lease liability. Total operating lease expense and operating cash flows for this lease for the year ended June 30, 2023 was \$237,433. The operating lease liability has a remaining lease term of 66 months and was calculated using a discount rate of 2.88%.

Future minimum lease payments at June 30, 2023 were:

	2024	\$	183,795
	2025		183,795
	2026		183,795
	2027		183,795
	2028		183,795
	2029		91,898
			1,010,873
Less discount applied			(72,882)
			\$ 937,991

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**Notes to Financial Statements**  
**(Continued)**

**NOTE 10 LEASES (CONTINUED)**

***Leases for the Year Ended June 30, 2022***

Effective January 2019, the Organization began leasing exhibit and office space at Union Terminal under a noncancelable lease with initial maturity in December 2023 and options to renew through December 2037. Rent expense included in the statement of activities was \$179,805 for 2022.

Future minimum lease payments at June 30, 2023 were:

2023	\$ 180,732
2024	<u>91,898</u>
	<u>\$ 272,630</u>

**NOTE 11 RISKS AND UNCERTAINTIES**

The Organization's investments consist of common stocks, U.S Government and fixed income securities and mutual funds. Investment securities are exposed to various risks, such as credit, market and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2023. However, the diversification of the Organization's investments among various asset classes should mitigate the impact of any adverse changes on any one asset class. Investments are managed by the Board of Trustees with advice and assistance from investment professionals.