

**MIDWEST CENTER FOR  
HOLOCAUST EDUCATION, INC.  
YEARS ENDED JUNE 30, 2021 AND 2020**

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

**YEARS ENDED JUNE 30, 2021 AND 2020**

**CONTENTS**

	Page
Independent auditor's report	1-2
Financial statements:	
Statements of financial position	3
Statements of activities and changes in net assets	4-5
Statements of functional expenses	6-7
Statements of cash flows	8
Notes to financial statements	9-18

## Independent Auditor's Report

Board of Directors  
Midwest Center for Holocaust Education, Inc.  
Overland Park, Kansas

### Report on the Financial Statements

We have audited the accompanying financial statements of Midwest Center for Holocaust Education, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 judgment, 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.

(continued)

## Independent Auditor's Report (continued)

### Auditor's Responsibility (continued)

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 Midwest Center for Holocaust Education, Inc. as of June 30, 2021 and 2020, 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.

*UHY LLP*

Kansas City, Missouri  
December 20, 2021

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 121,583	\$ 96,024
Dividends receivable	<u>1,684</u>	<u>2,089</u>
Total current assets	123,267	98,113
Investments (Note 2)	3,471,382	2,899,048
Exhibits	<u>41,263</u>	<u>41,263</u>
	<u>\$ 3,635,912</u>	<u>\$ 3,038,424</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Current portion of note payable (Note 4)	\$ 401	\$ 23,314
Accounts payable and accrued expenses	<u>72</u>	<u>10,207</u>
	<u>473</u>	<u>33,521</u>
Note payable, less current portion (Note 4)	<u>43,170</u>	<u>29,686</u>
Net assets:		
Without donor restrictions:		
Available for general activities	513,713	422,532
Board-designated endowment (Note 6)	<u>518,766</u>	<u>420,784</u>
	1,032,479	843,316
With donor restrictions (Note 6 and 7)	<u>2,559,790</u>	<u>2,131,901</u>
	<u>3,592,269</u>	<u>2,975,217</u>
	<u>\$ 3,635,912</u>	<u>\$ 3,038,424</u>

See notes to financial statements.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Contributions and grants	\$ 335,397	\$ 18,323	\$ 353,720
Program fees	5,106		5,106
Investment income (Note 2)	51,020	540,504	591,524
Other income	638		638
Net assets released from program restrictions	<u>130,938</u>	<u>( 130,938)</u>	<u>          </u>
	<u>523,099</u>	<u>427,889</u>	<u>950,988</u>
Expenses:			
Program services	184,819		184,819
Management and general	132,442		132,442
Fundraising	<u>16,675</u>		<u>16,675</u>
	<u>333,936</u>		<u>333,936</u>
Change in net assets	189,163	427,889	617,052
Net assets, beginning of year	<u>843,316</u>	<u>2,131,901</u>	<u>2,975,217</u>
Net assets, end of year	<u>\$ 1,032,479</u>	<u>\$ 2,559,790</u>	<u>\$ 3,592,269</u>

See notes to financial statements.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

YEAR ENDED JUNE 30, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Contributions and grants	\$ 215,374	\$ 146,245	\$ 361,619
Program fees	3,517		3,517
Investment income (Note 2)	25,778	113,454	139,232
Other income	813		813
Net assets released from program restrictions	<u>106,587</u>	<u>(106,587)</u>	<u>          </u>
	<u>352,069</u>	<u>153,112</u>	<u>505,181</u>
Expenses:			
Program services	167,553		167,553
Management and general	182,737		182,737
Fundraising	<u>30,986</u>		<u>30,986</u>
	<u>381,276</u>		<u>381,276</u>
Change in net assets	( 29,207)	153,112	123,905
Net assets, beginning of year	<u>872,523</u>	<u>1,978,789</u>	<u>2,851,312</u>
Net assets, end of year	<u>\$ 843,316</u>	<u>\$ 2,131,901</u>	<u>\$ 2,975,217</u>

See notes to financial statements.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2021

	Programs and resources for educators and students	Programs and resources for the general public	Commemorative programming	Total program services	Management and general	Fundraising	Total
Bank and merchant charges				\$ 68	\$ 1,287	\$ 668	\$ 2,023
Compensation and benefits	\$ 93,727	\$ 36	\$ 32	\$ 135,008	71,369	9,894	216,271
Computer	2,405	40,208	1,073	5,932	8,035	383	14,350
Contract labor	1,030	3,527	1,274	11,688	25,823	2,655	40,166
Equipment (Note 5)	619	9,384	30	1,214	2,284	705	4,203
Gifts and awards	700	565		739			739
Insurance	1,728	39		2,514	2,814	275	5,603
Meetings and hospitality		786	77	112	108		220
Membership and dues		35		300	225		525
Mileage		300		92			92
Miscellaneous		92			55		55
Other project expenses			7,516	7,516			7,516
Payroll tax	6,246	2,137	76	8,459	5,526	609	14,594
Postage and delivery		51		51	32	542	625
Professional services			100	300	10,300		10,300
Public relations	5,564	200		9,264	3,901	885	14,050
Rent (Note 5)		3,700		22			22
Resource materials		22		500			500
Speakers' fees		500		100			401
Storage	100			91	301		457
Supplies	371	229		540	245	59	844
Telephone		169		15			15
Travel		15		65			65
Workshops and conferences		65		184,819	132,442	16,675	333,936
	<u>\$ 112,490</u>	<u>\$ 62,060</u>	<u>\$ 10,269</u>	<u>\$ 184,819</u>	<u>\$ 132,442</u>	<u>\$ 16,675</u>	<u>\$ 333,936</u>

See notes to financial statements.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

	Programs and resources for educators and students	Programs and resources for the general public	Commemorative programming	Total program services	Management and general	Fundraising	Total
Advertising and publicity	\$ 4	\$ 787		\$ 787	\$ 750		\$ 1,537
Bank and merchant charges		39		43	1,309	389	1,741
Compensation and benefits	68,036	24,945	\$ 7,957	100,938	100,769	12,727	214,434
Computer	969	1,530	72	2,571	7,597	397	10,565
Contract labor	2,392	2,277	1,386	6,055	18,183	11,762	36,000
Equipment (Note 5)	432	875	30	1,337	4,547	161	6,045
Gifts and awards	1,200			1,200			1,200
Insurance	1,325	602	100	2,027	3,118	542	5,687
Meetings and hospitality	838	547	94	1,479	830		2,309
Membership and dues		288		288	326		614
Mileage	144	443	39	626	218	29	873
Miscellaneous		250	84	334	131		465
Other project expenses		946	88	1,034			1,034
Payroll tax	4,743	1,334	567	6,644	9,584	845	17,073
Postage and delivery	900	1,927	26	2,853	543	416	3,812
Printing and copying		35		35	218		253
Professional services					22,024		22,024
Rent (Note 5)	8,653	5,650	656	14,959	10,938	3,541	29,438
Resource materials	298	928		1,226	( 19)		1,207
Speakers' fees		1,000	1,000	2,000			2,000
Supplies		6	22	28	510		538
Telephone	432	197	33	662	472	177	1,311
Travel	15,932	3,953	417	20,302	494		20,796
Workshops and conferences	125			125	195		320
	<u>\$ 106,423</u>	<u>\$ 48,559</u>	<u>\$ 12,571</u>	<u>\$ 167,553</u>	<u>\$ 182,737</u>	<u>\$ 30,986</u>	<u>\$ 381,276</u>

See notes to financial statements.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 617,052	\$ 123,905
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Payroll Protection Program (PPP) note payable forgiveness	( 53,000)	
Realized losses on investments	80,997	34,464
Unrealized gains on investments	( 640,684)	( 136,155)
Changes in operating assets and liabilities:		
Dividends receivable	405	4,095
Accounts payable and accrued expenses	( 10,135)	( 25,507)
Net cash provided (used) by operating activities	( 5,365)	802
Cash flows from investing activities, net proceeds from (purchases of) investments	( 12,647)	5,090
Cash flows from financing activities, net proceeds from PPP note payable	<u>43,571</u>	<u>53,000</u>
Net increase in cash	25,559	58,892
Cash, beginning of year	<u>96,024</u>	<u>37,132</u>
Cash, end of year	<u>\$ 121,583</u>	<u>\$ 96,024</u>

See notes to financial statements.

# MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

### 1. Organization and summary of significant accounting policies:

#### *Organization:*

Midwest Center for Holocaust Education, Inc. (the Organization) provides educational programs and resources about the Holocaust to the Greater Kansas City community and throughout the Midwest. The Organization is supported primarily through private donor contributions and grants.

The Organization considers donors that account for more than 10% of revenue to be major donors. In the year ended June 30, 2021, there were no major donors. In the year ended June 30, 2020, one foundation and one donor accounted for 10% and 20% of total revenues, respectively.

The Organization's three major programs consist of:

Programs and resources for educators and students: Content-based education programs for professional educators and students in grades seven through college designed to provide accurate historical and social education about the Holocaust and appropriate pedagogical support to that study.

Programs and resources for the general public: Content-based education programs open to the public to provide accurate historical and social education about the Holocaust and to honor its victims.

Commemorative programming: Programming to honor the history and lessons of the Holocaust, focusing on the experiences of Kansas City area survivors. Annual commemorative programs include International Holocaust Day, Yom HaShoah, and Kristallnacht.

#### *Basis of accounting:*

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). All financial transactions have been recorded in and reported by the following net asset groups:

Net assets without restrictions, including board-designated net assets (Note 6), represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Organization in accordance with its bylaws.

Net assets with restrictions which originate from gifts and grants and include: 1.) Net assets which are available for use currently or in the future, but expendable only for purposes specified by the donor or within a donor-designated time period and 2.) Net assets not subject to appropriation or expenditure whose use by the Organization is limited by donor-imposed stipulations that the corpus be held in perpetuity.

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

**1. Organization and summary of significant accounting policies (continued):**

*Basis of accounting (continued):*

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

*Investments and concentrations of credit risk:*

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization maintains its bank accounts at institutions where accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances in these accounts rarely exceed federally insured limits.

A majority of grants and contributions are from individuals and corporate and charitable entities in the Greater Kansas City area.

*Investments and concentrations of credit risk (continued):*

The Organization has investments in mutual funds and pooled investment funds. The pooled investment funds are held at the Jewish Community Foundation of Greater Kansas City (the Foundation).

Investments in mutual funds are stated at fair value. Investments in pooled investment funds at the Foundation are valued using net asset value as a practical expedient. The underlying holdings of the Foundation funds are valued by the Foundation using quoted market prices for publicly traded securities and fair value for other investments, using methodologies relevant to each asset class as provided by the respective investment custodians. The valuations provided by the Foundation are routinely evaluated by management, and management believes such values are reasonable. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Realized and unrealized gains and losses are included in the change in net assets.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported as net assets in the statements of financial position.

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

**1. Organization and summary of significant accounting policies (continued):**

*Property and equipment and depreciation:*

Property and equipment are stated at cost, if purchased, or at fair value on the date received, if donated. Depreciation was provided using the straight-line method over the estimated useful lives of the assets, ranging from three to fifteen years. Property and equipment are fully depreciated as of June 30, 2021 and 2020.

Expenditures of \$2,500 or more for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*Exhibits:*

The Organization capitalizes its Holocaust exhibits at cost if purchased or at fair value if donated. No depreciation is recorded.

*Functional allocation of expenses:*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's estimate of resources devoted to the program or support service.

*Contributions and grants:*

Contributions are unconditional promises to give and are recorded at fair value in the year received, as with or without donor restrictions, depending on the existence of any donor restrictions. As of June 30, 2021 and 2020, membership income of \$115,943 and \$81,244, respectively, is included in contribution revenue as it is unrestricted, nonrefundable, and members do not receive benefits from the Organization.

Grants are received to fund specific activities. They are exchange revenue and are recognized upon receipt if there are no conditions, typically as costs are incurred.

*Contributed goods and services:*

The Organization occasionally receives in-kind donations, including exhibit materials rental, auditorium rental and advertising. There were no in-kind donations for the years ended June 30, 2021 or 2020.

Unpaid volunteers make contributions of their time to the Organization. The value of this contributed time is not reflected in these financial statements since it did not meet the requirements for recognition.

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

**1. Organization and summary of significant accounting policies (continued):**

*Estimates and Assumptions:*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Income taxes:*

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization's accounting policy is to provide liabilities for uncertain income tax provisions when a liability is probable and estimable. The Organization has no uncertain income tax positions for the years ended June 30, 2021 and 2020. The Organization is no longer subject to audits by the IRS for years prior to fiscal 2018 and is not aware of any violation of its tax status as an organization exempt from income taxes.

*Reclassification:*

Certain prior year financial balances have been reclassified to conform with the current year's presentation.

*Subsequent events:*

Subsequent events have been evaluated through December 20, 2021, which is the date the financial statement were available to be issued.

**2. Investments:**

Investments comprise the following:

	<u>Cost</u>	<u>Fair value</u>	<u>Excess of fair value (cost)</u>
June 30, 2021:			
Indexed bond fund	\$ 993,091	\$ 1,091,656	
International stock fund	80,870	104,162	
Pooled investments funds	700,833	1,339,889	
Mutual fund, S&P 500	<u>189,673</u>	<u>935,675</u>	
Balance, end of year	<u>\$ 1,964,467</u>	<u>\$ 3,471,382</u>	\$ 1,506,915
Balance, beginning of year			<u>866,231</u>
Unrealized gains for the year			<u>\$ 640,684</u>

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

**2. Investments (continued):**

June 30, 2020:			
Indexed bond fund	\$ 992,416	\$ 1,119,910	
International stock fund	80,869	78,328	
Pooled investments funds	769,859	1,025,957	
Mutual fund, S&P 500	<u>189,673</u>	<u>674,853</u>	
Balance, end of year	<u>\$ 2,032,817</u>	<u>\$ 2,899,048</u>	\$ 866,231
Balance, beginning of year	<u>\$ 2,072,371</u>	<u>\$ 2,802,447</u>	<u>730,076</u>
Unrealized gains for the year			<u>\$ 136,155</u>

Investment income comprises the following:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 39,163	\$ 43,850
Investment expenses	( 7,326)	( 6,309)
Realized losses	( 80,997)	( 34,464)
Unrealized gains	<u>640,684</u>	<u>136,155</u>
	<u>\$ 591,524</u>	<u>\$ 139,232</u>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets and have the highest priority, Level 2 inputs consist of observable inputs for similar assets or quoted prices in markets that are not active, and Level 3 inputs are valued using pricing models, discounted cash flow methodologies, or similar techniques or inputs that are unobservable and have the lowest priority.

The fair value of mutual funds is based on quoted values of the funds held by the Organization at year-end.

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

2. Investments (continued):

	Fair value measurements at the end of the reporting period using:			
	Fair value	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)
June 30, 2021:				
Mutual funds	\$ 2,131,493	\$ 2,131,493		
Pooled investment funds*	<u>1,339,889</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 3,471,382</u>	<u>\$ 2,131,493</u>	<u>\$ --</u>	<u>\$ --</u>
June 30, 2020:				
Mutual funds	\$ 1,873,091	\$ 1,873,091		
Pooled investment funds*	<u>1,025,957</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 2,899,048</u>	<u>\$ 1,873,091</u>	<u>\$ --</u>	<u>\$ --</u>

\* In accordance with ASC Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

3. Property and equipment:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 159,804	\$ 159,804
Furniture and fixtures	30,744	30,744
Computers and website	24,473	24,473
Resource materials	<u>12,531</u>	<u>12,531</u>
	227,552	227,552
Accumulated depreciation and amortization	( <u>227,552</u> )	( <u>227,552</u> )
	<u>\$ --</u>	<u>\$ --</u>

Depreciation and amortization expense totaled \$0 for the years ended June 30, 2021 and 2020.

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

4. Note payable:

In April 2020, the Organization received a loan under the government's Paycheck Protection Program (PPP) of \$53,000. The loan was obtained through a local bank. PPP loans received through the government are forgivable provided the recipients meet certain requirements. The requirements relate to spending the funds primarily for salaries. The Organization retained its staff during the period in question and the loan was forgiven in March 2021. Therefore, the amount of the loan is included in grant revenue for the year ended June 30, 2021.

In January 2021, the Organization received a second PPP loan of \$43,571. The loan was forgiven in August 2021.

Without forgiveness, the loan would be required to be repaid with monthly payments of \$1,023 beginning in June 2022 with interest of 1.00%. A summary of principal payments by fiscal year follows:

Years ended <u>June 30,</u>	<u>Amount</u>
2022	\$ 401
2023	11,896
2024	12,016
2025	12,136
2026	<u>7,122</u>
	<u>\$ 43,571</u>

5. Rent:

The Organization has an annually renewable agreement to rent operating space. For the year ended June 30, 2021, rent was abated for six-months due to COVID-19. Rent expense for the years ended June 30, 2021 and 2020 was \$14,050 and \$29,438, respectively.

The Organization leases office equipment through a 60-month lease. Office equipment rent, included in equipment expense, was \$3,880 and \$3,891 for the years ended June 30, 2021 and 2020, respectively.

Future minimum annual payments under the non-cancelable operating lease are as follows:

Years ended <u>June 30,</u>	<u>Amount</u>
2022	\$ 4,233
2023	4,233
2024	4,233
2025	<u>1,411</u>
	<u>\$ 14,110</u>

**MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

**6. Endowment funds:**

In accordance with U.S. GAAP, the Organization classifies and reports endowment funds based on the existence or absence of donor-imposed restrictions.

The Organization's endowments consist of two individual funds established for a variety of purposes, a donor-restricted endowment fund and a fund designated by the Board of Directors. The Organization's policy requires the preservation of the fair value as of the gift date absent explicit donor stipulations to the contrary. Based on its interpretation of state law regarding management of endowment funds, the Organization classifies as permanently restricted net assets the original value of the gifts to the endowment, the fair value of any subsequent gifts to the endowment and any accumulation required to be made by donor stipulation. Amounts in excess of the stated value of the endowment are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

The Organization has investment and expenditure policies that consider the purpose of the donor-restricted fund, general economic conditions, and expected investment returns. From time to time, the fair value of net assets associated with individual donor-restricted endowment funds may fall below the level the donor required the Organization to retain as a fund of perpetual duration.

Endowment net assets composition by type of fund as of June 30, 2021 and 2020 is as follows:

	2021		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 1,815,596	\$ 1,815,596
Accumulated investment gains		547,921	547,921
Board-designated endowment	<u>\$ 518,766</u>	_____	<u>518,766</u>
	<u>\$ 518,766</u>	<u>\$ 2,363,517</u>	<u>\$ 2,882,283</u>

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

6. Endowment funds (continued):

	<u>2020</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 1,815,596	\$ 1,815,596
Accumulated investment gains		158,678	158,678
Board-designated endowment	\$ 420,784	_____	\$ 420,784
	<u>\$ 420,784</u>	<u>\$ 1,974,274</u>	<u>\$ 2,395,058</u>

Changes in endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 420,784	\$ 1,974,274	\$ 2,395,058
Contributions	20,000		20,000
Net realized/ unrealized gains	100,181	500,045	600,226
Transfer of investment earnings to unrestricted cash	( 22,199)	( 110,802)	( 133,001)
Endowment net assets, end of year	<u>\$ 518,766</u>	<u>\$ 2,363,517</u>	<u>\$ 2,882,283</u>

	<u>2020</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 419,122	\$ 1,964,986	\$ 2,384,108
Contributions		1,000	1,000
Net realized/ unrealized gains	22,702	113,248	135,950
Transfer of investment earnings to unrestricted cash	( 21,040)	( 104,960)	( 126,000)
Endowment net assets, end of year	<u>\$ 420,784</u>	<u>\$ 1,974,274</u>	<u>\$ 2,395,058</u>

MIDWEST CENTER FOR HOLOCAUST EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

7. Net assets with donor restrictions:

As of June 30, 2021 and 2020, net assets with donor restrictions comprise the following:

	<u>2021</u>	<u>2020</u>
Net assets subject to expenditure for specified programs and operations:		
Community programming	\$ 181,590	\$ 143,886
Holocaust education curriculum	13,232	12,500
Memorial maintenance	906	650
Resource Center	545	392
Student programs		68
Other		131
Endowment	<u>2,363,517</u>	<u>1,974,274</u>
	<u>\$ 2,559,790</u>	<u>\$ 2,131,901</u>

8. Liquidity:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 121,583	\$ 96,024
Dividends receivable	1,684	2,089
Investments	<u>392,353</u>	<u>312,842</u>
	<u>\$ 515,620</u>	<u>\$ 410,955</u>

As of June 30, 2021 and 2020, the Organization had \$518,766 and \$420,784 in a board designated fund. Although there is no intention to spend from this board designated fund, these amounts could be made available if necessary.

9. COVID-19:

The Organization's operations may be affected by the ongoing outbreak of COVID-19. Management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact the financial position, results of operations, and cash flows in fiscal 2022.