

**Holocaust Documentation &  
Education Center, Inc.**

**Financial Statements**

**December 31, 2023**

**Table of Contents**

Independent Auditors’ Report..... 1 – 3

Financial Statements:

    Statement of Financial Position.....4

    Statement of Activities and Changes in Net Assets..... 5

    Statement of Functional Expenses ..... 6

    Statement of Cash Flows ..... 7

Notes to Financial Statements..... 8 – 14

Schedule of Expenditures of State Financial Assistance ..... 15

Notes to Schedule of Expenditures of State Financial Assistance ..... 16

Independent Auditors’ Reports Required by *Government Auditing Standards*:

    Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance  
    and Other Matters Based on an Audit of Financial Statements Performed  
    in Accordance with Government Auditing Standards ..... 18 – 19

    Independent Auditors’ Report on Compliance for Each Major State Project  
    and on Internal Control Over Compliance Required by the  
    State of Florida Chapter 10.650, *Rules of the Auditor General* ..... 20 – 22

    Schedule of Findings and Questioned Costs ..... 23



## Independent Auditors' Report

To the Board of Directors  
Holocaust Documentation & Education Center, Inc.  
Dania Beach, Florida

### **Opinion**

We have audited the financial statements of Holocaust Documentation & Education Center, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, 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 (collectively, the "Financial Statements").

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Financial Statements in accordance with U.S. GAAP, 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 Organization's ability to continue as a going concern within one year after the date that the Financial Statements are available to be issued.

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

Our objective is 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 auditors' 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 U.S. GAAS and GAS 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.

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In performing an audit in accordance with U.S. GAAS and GAS, 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 Organization's 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 Organization's 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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the Financial Statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with U.S. GAAS and GAS. In our opinion, the schedules of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with GAS, we have also issued our report dated September 25, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the Organization's internal control over financial reporting and compliance.

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**Restatement**

As discussed in Note 13 to the Financial Statements, the Organization has restated its Financial Statements for the year ended December 31, 2022 to properly reflect grants receivable and government grants revenue. The Organization has determined that grants receivable and government grants revenue were not properly recorded in the prior period. As part of our audit of the Financial Statements for the year ended December 31, 2023, we audited the prior period adjustment discussed in Note 13 that was applied to restate the Financial Statements for the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

*Ricciardella CPA, PLLC*

Ricciardella CPA, PLLC  
Palm Beach Gardens, Florida  
September 25, 2024

**Holocaust Documentation & Education Center, Inc.**  
**Statement of Financial Position**  
**December 31, 2023**

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**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 695,864
Prepaid expenses	12,241
Escrow	26,036
Pledges receivable, current	320,778
Grants receivable	<u>562,500</u>
Total current assets	<u>1,617,419</u>
Non-current assets:	
Pledges receivable, non-current	466,720
Property and equipment, net	<u>6,795,281</u>
Total non-current assets	<u>7,262,001</u>
 Total assets	 <u>\$ 8,879,420</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable and accrued expenses	\$ 293,943
Deferred revenue	9,000
Grants payable	362,500
Mortgage payable, current	<u>54,764</u>
Total current liabilities	<u>720,207</u>
Non-current liabilities:	
Mortgage payable, non-current	<u>1,123,984</u>
Total non-current liabilities	<u>1,123,984</u>
 Total liabilities	 <u>1,844,191</u>
Net assets:	
Without donor restriction	5,298,213
With donor restriction	<u>1,737,016</u>
Total net assets	<u>7,035,229</u>
 Total liabilities and net assets	 <u>\$ 8,879,420</u>

See accompanying notes to financial statements

**Holocaust Documentation & Education Center, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2023**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 595,417	\$ 14,750	\$ 610,167
Pledges	-	495,802	495,802
Government grants	1,791,565	-	1,791,565
Membership and program services fees	119,793	-	119,793
In-kind contributions	384,754	-	384,754
Released from donor restriction	<u>1,087,498</u>	<u>(1,087,498)</u>	<u>-</u>
Total revenue and support	<u>3,979,027</u>	<u>(576,946)</u>	<u>3,402,081</u>
Expenses:			
Program services	940,576	-	940,576
Fundraising	455,379	-	455,379
General and administrative	<u>306,669</u>	<u>-</u>	<u>306,669</u>
Total expenses	<u>1,702,624</u>	<u>-</u>	<u>1,702,624</u>
Change in net assets	2,276,403	(576,946)	1,699,457
Net assets at beginning of year, restated	<u>3,021,810</u>	<u>2,313,962</u>	<u>5,335,772</u>
Net assets at end of year	<u>\$ 5,298,213</u>	<u>\$ 1,737,016</u>	<u>\$ 7,035,229</u>

See accompanying notes to financial statements

**Holocaust Documentation & Education Center, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Program services	\$ 205,031	\$ -	\$ -	205,031
In-kind expense	212,358	84,340	69,279	365,977
Depreciation	40,305	120,913	-	161,218
Auto expenses	-	-	94	94
Interest expense	46,308	-	8,053	54,361
Insurance	56,097	36,813	15,777	108,687
Licenses and taxes	4,867	-	2,099	6,966
Media and public relations	-	2,690	2,836	5,526
Equipment and storage rental	12,000	3,428	1,714	17,142
Office expenses	5,642	12,694	46,547	64,883
Postage and shipping	-	-	1,453	1,453
Printing and publications	-	1,483	1,483	2,966
Professional fees	24,733	24,733	58,300	107,766
Repairs and maintenance	46,940	29,871	25,603	102,414
Salaries and benefits	275,025	111,966	63,049	450,040
Travel and entertainment	611	1,068	611	2,290
Telephone and utilities	10,659	25,380	9,771	45,810
Total	<u>\$ 940,576</u>	<u>\$ 455,379</u>	<u>\$ 306,669</u>	<u>\$ 1,702,624</u>

See accompanying notes to financial statements



**Holocaust Documentation & Education Center, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**

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Cash flows from operating activities:	
Change in net assets	\$ 1,699,457
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	161,218
Amortization of loan acquisition costs	1,242
Pledges receivable discount	(135,802)
Changes in assets and liabilities:	
Prepaid expenses	15,484
Escrow	5,151
Deferred financing costs	(1,242)
Pledges receivable	108,222
Grants receivable	62,500
Accounts payable and accrued expenses	262,202
Deferred revenues	1,000
Grants payable	<u>(312,500)</u>
Net cash provided by operating activities	<u>1,866,932</u>
Cash flows from investing activities:	
Acquisition of property and equipment	<u>(1,831,497)</u>
Net cash used in investing activities	<u>(1,831,497)</u>
Cash flows from financing activities:	
Payments on due to officer	(51,339)
Payments on mortgage payable	<u>(51,499)</u>
Net cash used in financing activities	<u>(102,838)</u>
Net decrease in cash and cash equivalents	(67,403)
Cash and cash equivalents, beginning of year	<u>763,267</u>
Cash and cash equivalents, end of year	<u>\$ 695,864</u>
<b>Supplemental disclosures:</b>	
Interest paid	<u>\$ 50,331</u>

See accompanying notes to financial statements

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 1 – Description of Organization**

The Holocaust Documentation & Education Center, Inc., (the "Center" or "Organization"), was founded in 1980 as a nonsectarian, nonprofit, multifaceted organization, to document, preserve and protect the authentic memory of the Holocaust. This is achieved through the Center's 2300+ Survivor, Liberator, and Rescuer eye-witness testimonies, as well as the thought-provoking travelling and permanently installed exhibitions, onsite and online programming, and cutting-edge technology. The Center also maintains a large collection of donated artworks, historical treasures and artifacts of intrinsic value. The Center's support comes primarily from contributions from individual and corporate donors, government grants and program service fees.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The Center's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Center reports information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restriction:** 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 restriction:** Net assets subject to stipulations imposed by donors. 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 restriction. When a restriction expires, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the accompanying statement of activities and changes in net assets.

**Use of Estimates**

The preparation of the 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 the 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**

The Center considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

**Pledges Receivable and Grants Receivable**

Pledges receivable are recorded at face value, which approximates the present value when computed using interest rates appropriate to the estimated length of time for realization. All pledges receivable are reviewed annually for collectability. Management determines the collectability by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions. As of December 31, 2023, the allowance for uncollectible pledges totaled \$25,000.

Grants receivable are recorded net of an allowance for doubtful accounts. As of December 31, 2023, the allowance for doubtful accounts was \$0.

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 2 – Summary of Significant Accounting Policies, continued**

**Property and Equipment**

The Center capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded on the date received as in-kind contributions at estimated fair value. Such donations are reported as without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restricted contributions. Absent donor-stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies net assets with donor restriction to net assets without donor restriction at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three (3) to forty (40) years. Expenditures for repairs and maintenance are expensed when incurred. Renewals and betterments are capitalized. Estimated useful lives are as follows:

Building and building improvements	10 - 40 years
Furniture, fixtures and equipment	5 - 7 years
Computer and software	3 - 5 years

**Promises to Give**

Unconditional promises to give are recorded at the time the Center has made an irrevocable promise to give in the future, which occurs when the Center approves a specific grant. If payments of the unconditional promise to give are to be made to a recipient over a period of time greater than one (1) year and the recipient is subject only to routine performance requirements, a liability and an expense for the entire amount payable is recognized in the period awarded. Unconditional promises to give that extend greater than one (1) year are recorded at net present value using interest rates appropriate to the length of time for realization. Conditional promises to give are recorded by the Center at the time the recipient has substantially met the underlying conditions.

**Revenue Recognition**

**Contributions**

Contributions received are recorded as revenue without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction.

**Grants**

The Center receives grant funding from state and local governments. Grants are classified as either conditional or unconditional. A conditional grant contains a measurable barrier that must be overcome to be entitled to the grant's resources. If a grant is determined to be conditional, revenue is not recorded by the Center until the conditions are met. Funding received prior to overcoming barriers is recognized as deferred revenue and is subsequently released when the conditions are met. Unconditional grants are recognized as revenue on the date the agreements are executed.

**Contributed Services and Materials**

Contributed services are recorded at fair value if the services received create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are recorded at fair value on the date of donation.

The Center also has a large collection of donated artwork, historical treasures, and artifacts of intrinsic value, including an internally developed oral history library. No amounts have been reflected in the accompanying financial statements for these donated items.

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 2 – Summary of Significant Accounting Policies, continued**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the program services, general and administrative and fundraising services benefited.

**Income Taxes**

The Center has been recognized by the Internal Revenue Service as an organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). No provision has been made for income taxes in the financial statements. Furthermore, the Center believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions. Generally, the Center is not subject to U.S. federal income tax examinations by tax authorities for three (3) years from the date of filing.

**Adoption of Accounting Pronouncement**

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses* (“Topic 326”). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (“CECL”), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current U.S. GAAP, which requires that a loss be incurred before it is recognized. On January 1, 2023, the Center adopted the guidance prospectively with no impacts to the financial statements as presented.

**Date of Management's Review**

Management has evaluated events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 25, 2024, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and Availability of Resources**

The Center’s financial assets available within one (1) year to meet cash needs for general expenditures, without donor or other restrictions limiting their use, as of December 31, 2023 consists of:

Financial assets:		
Cash and cash equivalents	\$	695,864
Escrow		26,036
Pledges receivable		787,498
Grants receivable		562,500
Total financial assets		<u>2,071,898</u>
Less: those unavailable for general expenditure within one year due to donor restriction:		
Capital improvements		<u>(1,737,016)</u>
Total financial assets available within one year to meet cash needs for general expenditures	\$	<u>334,882</u>

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 3 – Liquidity and Availability of Resources, continued**

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 4 – Pledges Receivable**

Pledges receivable consist of the following as of December 31, 2023:

Pledges receivable	\$	916,778
Less: allowance		(25,000)
Less: discount		<u>(104,280)</u>
Pledges receivable, net	\$	<u>787,498</u>

Future collections under the pledges are as follows:

Less than one year	\$	320,778
One to five years		<u>466,720</u>
	\$	<u>787,498</u>

**Note 5 – Property and Equipment**

Property and equipment consisted of the following as of December 31, 2023:

Building improvements	\$	4,591,845
Building		1,539,654
Land		758,418
Equipment		590,852
Exhibits		260,279
Furniture and fixtures		210,142
Computer and software		<u>96,044</u>
Total property and equipment		8,047,234
Less: accumulated depreciation		<u>(1,251,953)</u>
Property and equipment, net	\$	<u>6,795,281</u>

Depreciation expense was \$161,218 for the year ended December 31, 2023.

The Center has a historic Polish railcar exhibit for \$260,279 which is recorded at cost and considered non-depreciable by management. The Center also maintains a large collection of donated artwork, historical treasures and artifacts of intrinsic value, including an internally developed oral history library to be used for display in the Museum. In accordance with FASB Accounting Standards Codification (“ASC”) 958, no amounts have been reflected in the accompanying financial statements for these donated and internally developed items.

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 6 – Net Assets with Donor Restriction**

Net assets with donor restriction consisted of the following as of December 31, 2023:

Donor purpose restriction:	
Capital improvements	\$ 1,737,016
Net assets with donor restriction	<u>\$ 1,737,016</u>

Net assets released from donor restriction consisted of the following for the year ended December 31, 2023:

Release, donor purpose restriction:	
Capital improvements	\$ (1,087,498)
Net assets released from donor restriction	<u>\$ (1,087,498)</u>

**Note 7 – Mortgage Payable**

In April 2016, the Center obtained a mortgage from a financial institution, as amended, in the amount of \$1,500,000 with an annual interest rate of 4.00%. Principal and interest on the outstanding principal is due and payable monthly through maturity in April 2031, at which time the entire principal balance plus accrued interest is due. The Center capitalized \$18,500 of loan acquisition costs, which was net against the mortgage payable in the accompany statement of financial position and is being amortized over the life of the loan.

Mortgage payable as of December 31, 2023 consisted of the following:

Mortgage payable	\$ 1,187,765
Less: unamortized debt issuance costs	<u>(9,017)</u>
	1,178,748
Less: mortgage payable, current	<u>(54,764)</u>
Mortgage payable, non-current	<u>\$ 1,123,984</u>

The principal payments for each year through maturity are as follows:

<u>For the year ending</u> <u>December 31,</u>		
2024	\$	54,764
2025		57,128
2026		59,455
2027		59,135
2028		59,264
Thereafter		<u>898,019</u>
Total	\$	<u>1,187,765</u>

Interest expense on the mortgage totaled \$54,361 during the year ended December 31, 2023.

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

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**Note 8 – Commitments**

The Center has entered into various operating lease arrangements for office equipment and off-site storage for collections and exhibits, which were insignificant for the year ended December 31, 2023. The Center also entered into contracts with various vendors relating to the design, construction, architectural services and exhibit development for the Museum.

**Note 9 – Grants Receivable**

Grants receivable consisted of the following as of December 31, 2023:

Broward County, Florida	\$	250,000
Jim Moran, private		<u>312,500</u>
Grants receivable	\$	<u><u>562,500</u></u>

In October 2022, the Center received a grant from Broward County, Florida in the amount of \$500,000 for the construction of an Interactive Learning Center. The remaining balance due on the grant to the Center as of December 31, 2023, was \$250,000. The remaining balance due of \$250,000 was collected by the Center during the year ending December 31, 2024.

In October 2021, The Center obtained a grant from The Jim Moran Foundation in the amount of \$1,250,000 which is payable through the year ending December 31, 2024. As of December 31, 2023, the remaining balance due to the Center was \$312,500.

**Note 10 – Grants Payable**

In 2021, the Center executed an unconditional promise to give agreement with the USC Shoah Foundation for a total award of \$1,238,836 for use toward the Preserving the Legacy program payable through 2024. As of December 31, 2023, the remaining balance due by the Center was \$312,500.

In 2021, the Center executed an unconditional promise to give agreement with the USC Shoah Foundation for a total award of \$100,000 for use toward the New Dimensions in Testimony 3D Project payable through 2024. As of December 31, 2023, the remaining balance due by the Center was \$50,000.

**Note 11 – Concentration of Credit Risk**

The Center maintains its cash and cash equivalents in accounts at financial institutions, which may, at times, exceed Federal Deposit Insurance Corporation ("FDIC") limits of \$250,000 per institution. As of December 31, 2023, cash deposits exceeded FDIC limits in the amount of \$195,563. The Center has not experienced any losses related to these deposits and management believes the Center is not exposed to any significant risk on these accounts.

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Financial Statements**

**Note 12 – In-kind Contributions**

In-kind contributions consisted of the following for the year ended December 31, 2023:

<u>In-kind Category</u>	<u>Valuation</u>		
Legal services	Fair value using market billing rates	\$	239,950
Engineering services	Fair value using market billing rates		3,000
Program services	Fair value, discounts		18,755
Transcriber services and other	Fair value using market billing rates		64,799
Photography, art and other	Fair value using market billing rates		58,250
		<u>\$</u>	<u>384,754</u>

**Note 13 – Restatement**

The Center has restated its financial statements for the year ended December 31, 2022, to properly reflect grants receivable and government grants revenue. The Center has determined that grants receivable and government grant revenue were not properly recorded in the prior period. The statement of financial position and statement of activities and changes in net assets as of and for the year ended December 31, 2022 has been restated to correct this error. The Center's financial statements as of and for the year ended December 31, 2022 has been restated as follows:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of financial position:			
Grants receivable	<u>\$ 1,375,000</u>	<u>\$ (750,000)</u>	<u>\$ 625,000</u>
Statement of activities and changes in net assets:			
Government grant revenue	<u>\$ 1,144,990</u>	<u>\$ (750,000)</u>	<u>\$ 394,990</u>
Net assets at end of year, without donor restriction	\$ 3,771,810	\$ (750,000)	\$ 3,021,810
Net assets at end of year, with donor restriction	<u>2,313,962</u>	<u>-</u>	<u>2,313,962</u>
Total net assets at end of year	<u>\$ 6,085,772</u>	<u>\$ (750,000)</u>	<u>\$ 5,335,772</u>



**Holocaust Documentation & Education Center, Inc.**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended December 31, 2023**

<b>Grantor/Project Title</b>	<b>CFSA Number</b>	<b>Grant Award Number</b>	<b>State Expenditures</b>
<b>State Financial Assistance</b>			
Florida Department of State:			
Division of Arts and Culture:			
General Program Support - 2024 Appropriation Line Item	45.061	24.c.II.900.818	\$ 70,951
General Program Support - 2023 Appropriation Line Item	45.061	23.c.II.900.804	750,000
Cultural Facilities Grants:			
Cultural Facilities Grant Program	45.014	24.c.cf.900.842	<u>327,251</u>
Total Florida Department of State			<u><u>\$ 1,148,202</u></u>

**Holocaust Documentation & Education Center, Inc.**  
**Notes to Schedule of Expenditures of State Financial Assistance**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state award activity of the Center for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Center.

The Center has elected not to use the 10% de minimis indirect cost rate for its state projects. The indirect cost rates used on the Center's state projects are determined by the relevant state agency.

**Note 2 – Expense Recognition**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the State of Florida Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 – Contingency**

The state awards received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency becomes a liability of the Center. In the opinion of management, all grant expenditures are in compliance with the terms of the agreements and applicable state laws and regulations.

Independent Auditors' Reports  
Required by *Government  
Auditing Standards*



**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Holocaust Documentation & Education Center, Inc.  
Dania Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS") issued by the Comptroller General of the United States, the financial statements of Holocaust Documentation & Education Center, Inc., (the "Organization") which comprise the statement of financial position as of December 31, 2023, 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 (collectively, the "Financial Statements"), and have issued our report thereon dated September 25, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the Financial Statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Financial Statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's Financial Statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

*Continued from previous page*

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's Financial Statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Financial Statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with GAS in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ricciardella CPA, PLLC*

Ricciardella CPA, PLLC  
Palm Beach Gardens, Florida  
September 25, 2024



**Independent Auditors' Report on Compliance for Each  
Major State Project and on Internal Control  
Over Compliance Required by the State of Florida Chapter 10.650, Rules of the Auditor General**

To the Board of Directors  
Holocaust Documentation & Education Center, Inc.  
Dania Beach, Florida

***Report on Compliance for Each Major State Project  
Opinion on Each Major State Project***

We have audited Holocaust Documentation & Education Center, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the requirements described in the *Florida Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major state project for the year ended December 31, 2023. The Organization's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended December 31, 2023.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS") issued by the Comptroller General of the United States; and the audit requirements of the State of Florida Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We're required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state project.

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***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 U.S. GAAS, GAS, and the State of Florida Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with U.S. GAAS, GAS, and the State of Florida Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We're required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*Continued from previous page*

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Florida Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Ricciardella CPA, PLLC*

Ricciardella CPA, PLLC  
Palm Beach Gardens, Florida  
September 25, 2024



**Holocaust Documentation & Education Center, Inc.**  
**Schedule of Findings and Questioned Costs**

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Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal controls over financial reporting:

Material weakness(es) indentified? \_\_\_\_\_ Yes       X       No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes       X       No

Noncompliance material to financial statements? \_\_\_\_\_ Yes       X       No

Management letter or report on other matters related to internal controls issued? \_\_\_\_\_ Yes       X       No

State Financial Assistance

Internal control over major state project:

Material weakness(es) indentified? \_\_\_\_\_ Yes       X       No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X       No

Type of auditors' report issued on compliance for major project: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, *Rules of the Auditor General* ? \_\_\_\_\_ Yes       X       No

Identification of Major State Project:

<u>CFSA Number</u>	<u>Name of Major State Project</u>
45.061	General Program Support

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes       X       No

Section II - Financial Statement Findings

None reported

Section III - State Project Audit Findings

None reported