



SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Consolidated Financial Statements

Year Ended June 30, 2023

(With Independent Auditors Report Thereon)

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Year ended June 30, 2023

Table of Contents

	Page
Independent Auditors Report	1
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7

KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629



In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

Los Angeles, California
July 1, 2024

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Consolidated Statement of Financial Position

June 30, 2023

(With comparative totals for year ended June 30, 2022)

Assets	2023	2022
Cash and cash equivalents	\$ 8,128,161	16,914,324
Restricted cash and cash equivalents	569,874	74,208
Investments	11,191,528	9,735
Restricted investments	62,722	357,097
Other receivables	5,532,624	2,674,386
Pledges receivable, net	2,580,282	2,058,154
Inventory	236,509	239,995
Related party receivables	31,785,622	31,477,790
Operating lease right-of-use asset	190,492	—
Property and equipment, net	24,284,094	25,805,337
Other assets	3,064,800	3,150,791
	<hr/>	<hr/>
Total assets	\$ 87,626,708	82,761,817
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Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,937,512	2,812,944
Deferred revenue	1,263,956	987,452
Operating lease liability	190,492	—
Note payable	8,023,121	8,340,224
Paycheck Protection Program Loan	117,115	180,104
Term loan note	25,000,000	25,000,000
	<hr/>	<hr/>
Total liabilities	39,532,196	37,320,724
	<hr/> <hr/>	<hr/> <hr/>
Net assets:		
Without donor restrictions	46,669,230	44,275,937
With donor restrictions	1,425,282	1,165,156
	<hr/>	<hr/>
Total net assets	48,094,512	45,441,093
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Total liabilities and net assets	\$ 87,626,708	82,761,817
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See accompanying notes to consolidated financial statements.

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Consolidated Statement of Activities

Year ended June 30, 2023

(With comparative totals for year ended June 30, 2022)

	Without donor restrictions	With donor restrictions	2023	2022
Revenue and support:				
Contributions	\$ 16,156,240	875,126	17,031,366	14,370,675
Special events, net	3,465,003	—	3,465,003	3,796,767
Government contracts	6,409,106	—	6,409,106	4,911,327
Education	1,279,084	—	1,279,084	880,893
Royalty revenue	31,036	—	31,036	46,767
Interest and dividend income	440,091	—	440,091	12,481
Rental income	562,903	—	562,903	473,716
Paycheck Protection Program Loan Forgiveness	—	—	—	2,768,913
Other income	1,857,970	—	1,857,970	337,378
Net assets released from restrictions	615,000	(615,000)	—	—
Total revenue and support	30,816,433	260,126	31,076,559	27,598,917
Expenses:				
Program services	16,771,068	—	16,771,068	15,182,351
General and administrative	6,776,016	—	6,776,016	4,210,769
Fundraising	2,118,314	—	2,118,314	2,256,553
Depreciation and amortization	2,757,742	—	2,757,742	3,597,321
Total expenses	28,423,140	—	28,423,140	25,246,994
Change in net assets	2,393,293	260,126	2,653,419	2,351,923
Net assets – beginning of the year	44,275,937	1,165,156	45,441,093	43,089,170
Net assets – end of year	\$ 46,669,230	1,425,282	48,094,512	45,441,093

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year ended June 30, 2023

(With comparative totals for year ended June 30, 2022)

	Outreach Social Action Public Info Education	Program services				Total program services	Supporting services		2023	2022
		Museum Public Programs	Museum Diversity Training Courses	Moriah Documentary Films	General and administrative		Fundraising			
Salaries, payroll taxes, and benefits	\$ 4,137,518	1,720,189	2,659,956	549,092	9,066,755	2,696,774	994,444	12,757,973	10,700,720	
Professional fees	676,002	310,043	896,565	14,399	1,897,009	2,818,542	287,651	5,003,202	2,891,146	

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

Year ended June 30, 2023

(With comparative totals for year ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,653,419	2,351,923
Adjustments to reconcile change in net assets to net cash:		
Provided by operating activities:		
Depreciation and amortization	2,757,742	3,597,321
Forgiveness of Paycheck Protection Program Loan	—	(2,768,913)
Bad debt expense	—	210,486
Decrease (increase) in assets:		
Investments	—	461
Restricted investments	294,375	(357,097)
Pledges receivable	(522,128)	485,132
Other receivables	(2,858,238)	(1,389,794)
Inventory	3,486	56,865
Related party receivables	(307,832)	(738,260)
Other assets	85,991	(389,656)
Increase in liabilities:		
Accounts payable and accrued expenses	2,124,568	604,430
Deferred revenue	276,504	464,704
Net cash provided by operating activities	<u>4,507,887</u>	<u>2,127,602</u>
Cash flows from investing activities:		
Purchase of investments	(11,181,793)	—
Purchase of property and equipment	<u>(1,236,499)</u>	<u>(998,658)</u>
Net cash used in investing activities	<u>(12,418,292)</u>	<u>(998,658)</u>
Cash flows from financing activities:		
Payments on notes payable	(317,103)	(306,972)
Payments on the Paycheck Protection Program Loan	<u>(62,989)</u>	<u>(70,678)</u>
Net cash used in financing activities	<u>(380,092)</u>	<u>(377,650)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	(8,290,497)	751,294
Cash and cash equivalents and restricted cash and cash equivalents – beginning of year	<u>16,988,532</u>	<u>16,237,238</u>
Cash and cash equivalents and restricted cash and cash equivalents – end of year	\$ <u>8,698,035</u>	<u>16,988,532</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ 120,221	134,303
Supplemental disclosure of noncash investing and financing activities:		
Investment donations	\$ 108,402	481,017
Forgiveness of Paycheck Protection Program Loan	—	2,768,913
Operating lease right-of-use assets and liabilities	190,492	—

See accompanying notes to consolidated financial statements.

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions . Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions . Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. As of June 30, 2023 and 2022, SWC had no donor-imposed restrictions that are perpetual in nature. Gifts of long-

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

the applicable expenses are incurred. The leases term includes the noncancellable period only, as the Center is not reasonably certain that lessees will exercise options to extend the lease. See note 13 for leasing revenue and future rental payments.

(o) Income Taxes

SWC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 2370(1)(d) of the California Revenue and Taxation Code; therefore, no provision has been made for income taxes.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. SWC recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of SWC does not believe the financial statements include any uncertain tax positions.

(p) Investments

In accordance with U.S. GAAP, SWC accounts for its investments in equity securities with readily determinable fair values and all investments in debt securities at fair value on the consolidated statement of financial position. SWC records realized and unrealized gains and losses on investments in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

(q) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(r) Contributed Services

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

Pledges are carried at fair value. The fair value of pledges that are expected to be paid in less than one year are measured at net realizable value and all other pledges are recorded at the present value of estimated future cash flows.

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 . Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 . Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

(u) *Interest Rate Swap*

To mitigate the risk of interest rate fluctuations associated with SWCq

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

(5) Term Loan Note

In 2017

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

(7) Property and Equipment, Net

Major classes of property and equipment, net and their estimated useful lives consist of:

	2023	2022	Estimated useful life (years)
Land	\$ 3,500,000	3,500,000	N/A
Building	35,475,725	35,475,725	20 to 31.5
Museum scrolls	1,726,512	1,726,512	N/A
Exhibits	45,022,401	44,666,289	5 to 10
Film	23,058,771	22,618,517	2
Furniture and equipment	8,070,542	8,013,211	5 to 10
Computers	2,148,284	2,148,284	5
Interactive computers	524,817	524,817	7
Interactive CD	260,000	260,000	3
Library books	43,153		

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$2,757,742 and \$3,597,321, respectively.

(8) Notes Payable

Roxbury has a term note ag (nd equi)97i4.002 (eS1 greW*nBT/Qq0 0 6122 Tf82.8s-1 10.02 Tas)-3.004 ()9.002 (a t)4.00

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

Future principal payments on note payable are summarized as follows:

	<u>Amount</u>
Year ending June 30:	
2024	\$ 327,558
2025	338,364
2026	349,530
2027	<u>7,007,669</u>
Total	<u>\$ 8,023,121</u>

(9) Interest Rate Swap

SWC entered into a seven-year fixed interest rate swap, with an effective date of September 6, 2016, that was based on a one-month SOFR rate versus a 1.31% fixed rate and had a notional value of \$10,000,000. The fair value of the interest rate swap at June 30, 2023 and 2022 was \$27,520 and \$142,981, respectively, and is recorded in other assets in the consolidated statement of financial position. As of June

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

(11) Related Party Transactions

(a) Legal

SWC pays a law firm in which a board member has a financial interest. Total fees paid to the law firm for the years ended June 30, 2023 and 2022 are \$0 and \$115,941 respectively. The transactions are approved by the Board of Trustees. There were no amounts payable on June 30, 2023 and 2022.

(b) Receivables

SWC Museum Corp., a nonprofit corporation, was organized under the laws of the State of California on January 31, 2000, to construct a tolerance museum in Jerusalem. Several members of the SWC board also serve on the board of SWC Museum Corp.

In conjunction with the term loan discussed in note 5, SWC Museum Corp. signed an unsecured promissory note for \$25,000,000 in favor of SWC which remains outstanding on June 30, 2023 and 2022, respectively. The terms of this note mirror the terms of the loan discussed in note 5.

SWC Museum Corp. also signed an unsecured promissory note in favor of the Center for \$4,715,746 as discussed in note 8. The note requires monthly interest on the principal outstanding (SOFR rate plus 2%). The principal due under this note, along with all remaining unpaid interest due hereunder, are payable in full on June 30, 2026.

As of June 30, 2023 and 2022, SWC had other related party receivable of \$2,111,492 and \$1,762,044,

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

(12) Net Assets

Net assets with restrictions are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to the passage of time:		
For periods greater than one year	\$ <u>1,425,282</u>	<u>1,165,156</u>
Total net assets with donor restrictions	\$ <u><u>1,425,282</u></u>	<u><u>1,165,156</u></u>

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

Maturities of operating lease liabilities under noncancellable leases as of June 30, 2023 are as follows:

2024	\$	88,535
2025		63,649
2026		19,047
2027		17,338
2028		8,790
Thereafter		<u>6,593</u>
Total undiscounted lease payments		203,952
Less imputed interest		<u>(13,460)</u>
Total lease liabilities	\$	<u><u>190,492</u></u>

(b) SWC as a Lessor

SWC leases office space to third parties with five-year lease terms. Components of rental income are as follows:

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

SIMON WIESENTHAL CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

Year ended June 30, 2023

Effective January 1, 2024, the Center hired James Berk to serve as its Chief Executive Officer. The prior CEO, Rabbi Marvin Hier, had been the Center's founding CEO and Dean since its inception. Rabbi Hier voluntarily retired concurrently with the hiring of Mr. Berk, and now serves as an independent consultant to the Center through December 31, 2025. Rabbi Hier retains the title Founder and Dean Emeritus.

Management has evaluated subsequent events through July 1, 2024, the date the financial statements were available to be issued.