Holocaust Memorial Foundation of Illinois, Inc.

(a not-for-profit corporation)

Financial Report

December 31, 2021

Contents

Plante & Moran, PLLC
10 South Riverside Plaza
9th floor
Chicago, IL 60606
Tel: 312.207.1040
Fax: 312.207.1066
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Holocaust Memorial Foundation of Illinois, Inc.

Opinion

We have audited the financial statements of Holocaust Memorial Foundation of Illinois, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS 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.

To the Board of Directors
Holocaust Memorial Foundation of Illinois, Inc.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

May 17, 2022

Statement of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 6,785,037	$ 2,875,636
Investments	32,032,241	30,942,704
Receivables:		
Pledges receivable - Net of allowance for doubtful accounts	5,028,197	6,329,166
Interest receivable	119,970	121,422
Accounts receivable	2,077	5,469
Inventory	55,665	62,626
Note receivable	533,691	539,198
Prepaid expenses	562,001	395,557
Right-of-use asset	1,131,468	1,121,175
Property and equipment - Net	35,976,952	37,415,477
Total assets	**$ 82,227,299**	**$ 79,808,430**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 108,963	$ 113,246
Deferred revenue	1,816,827	1,119,462
Other accrued expenses	224,885	185,486
Interest rate swap marked to market	23,558	308,560
Operating lease liability	536,165	541,709
Deferred compensation	1,017,585	996,974
Bonds payable - Net	8,381,974	9,963,573
Total liabilities	12,109,957	13,229,010
Net Assets		
Without donor restrictions	62,745,190	58,070,968
With donor restrictions	7,372,152	8,508,452
Total net assets	70,117,342	66,579,420
Total liabilities and net assets	**$ 82,227,299**	**$ 79,808,430**

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	$ 1,641,494	$ 689,408	$ 2,330,902	$ 2,466,295	$ 721,675	$ 3,187,970
Grants	588,373	2,396,221	2,984,594	1,324,307	1,771,364	3,095,671
Bequests	66,133	-	66,133	-	-	-
Special event income	3,155,155	124,850	3,280,005	3,248,684	120,650	3,369,334
Membership dues	237,851	-	237,851	220,838	-	220,838
Admissions income	358,376	-	358,376	338,091	-	338,091
Gift shop income	113,514	-	113,514	132,224	-	132,224
Speaker income	8,398	-	8,398	3,887	-	3,887
In-kind contributions	102,696	-	102,696	70,911	-	70,911
Paycheck Protection Program grant	522,207	-	522,207	509,620	-	509,620
Other	80,207	-	80,207	11,686	-	11,686
Interest and dividend income - Net of investment expenses	840,319	26,263	866,582	676,999	23,915	700,914
Realized and unrealized gain (loss) on investments	1,465,278	(11,064)	1,454,214	855,630	68,660	924,290
Unrealized gain on interest rate swap	285,002	-	285,002	109,103	-	109,103
Net assets released from restrictions	4,361,978	(4,361,978)	-	4,031,584	(4,031,584)	-
Total revenue, gains, and other support	13,826,981	(1,136,300)	12,690,681	13,999,859	(1,325,320)	12,674,539
Expenses						
Program expenses:						
Program services	1,789,115	-	1,789,115	1,565,634	-	1,565,634
Program operations	3,771,145	-	3,771,145	3,685,088	-	3,685,088
Support services:						
General and administrative	586,664	-	586,664	554,168	-	554,168
Special events	587,224	-	587,224	516,158	-	516,158
Development	982,070	-	982,070	937,410	-	937,410
Supporting operations	1,436,541	-	1,436,541	1,351,609	-	1,351,609
Total expenses	9,152,759	-	9,152,759	8,610,067	-	8,610,067
Increase (Decrease) in Net Assets	4,674,222	(1,136,300)	3,537,922	5,389,792	(1,325,320)	4,064,472
Net Assets - Beginning of year	58,070,968	8,508,452	66,579,420	52,681,176	9,833,772	62,514,948
Net Assets - End of year	**$ 62,745,190**	**$ 7,372,152**	**$ 70,117,342**	**$ 58,070,968**	**$ 8,508,452**	**$ 66,579,420**

See notes to financial statements.

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Expenses			Support Services					
	Program Services	Program Operations	Total	General and Administrative	Special Events	Development	Supporting Operations	Total	Total
Salaries, benefits, and payroll taxes	$ 1,185,135	$ 745,002	$ 1,930,137	$ 407,772	$ -	$ 783,199	$ 212,613	$ 1,403,584	$ 3,333,721
Advertising and public relations	3,172	-	3,172	-	-	-	321,222	321,222	324,394
Bad debt expense	-	-	-	-	-	39,097	-	39,097	39,097
Bank and credit card charges	12,999	18,754	31,753	4,767	34,362	27,497	6,189	72,815	104,568
Conferences and meetings	13,084	-	13,084	4,143	-	1,898	3,329	9,370	22,454
Consultants and temporary help	-	30,661	30,661	42,000	-	1,500	9,095	52,595	83,256
Contributions	-	-	-	3,510	-	-	-	3,510	3,510
Cost of goods sold	-	59,289	59,289	-	-	-	-	-	59,289
Depreciation	-	1,637,273	1,637,273	-	-	-	493,265	493,265	2,130,538
Fundraising expenses	-	-	-	-	500,843	63,521	-	564,364	564,364
Education programs	101,356	-	101,356	-	-	-	-	-	101,356
Exhibition costs and maintenance	422,638	-	422,638	-	-	-	-	-	422,638
Information technology	-	127,017	127,017	-	-	-	37,677	37,677	164,694
In-kind expenses	20,000	1,997	21,997	28,088	52,019	-	592	80,699	102,696
Insurance	-	53,662	53,662	21,389	-	-	16,466	37,855	91,517
Interest	-	308,735	308,735	8,401	-	-	95,980	104,381	413,116
Office expenses	30,215	18,000	48,215	5,349	-	65,358	16,475	87,182	135,397
Opportunity grants	516	-	516	-	-	-	-	-	516
Professional fees	-	-	-	61,245	-	-	-	61,245	61,245
Building operations	-	526,287	526,287	-	-	-	151,121	151,121	677,408
Security	-	244,468	244,468	-	-	-	72,517	72,517	316,985
Total functional expenses	**$ 1,789,115**	**$ 3,771,145**	**$ 5,560,260**	**$ 586,664**	**$ 587,224**	**$ 982,070**	**$ 1,436,541**	**$ 3,592,499**	**$ 9,152,759**

See notes to financial statements.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Expenses			Support Services					
	Program Services	Program Operations	Total	General and Administrative	Special Events	Development	Supporting Operations	Total	Total
Salaries, benefits, and payroll taxes	$ 1,185,468	$ 785,410	$ 1,970,878	$ 416,196	$ -	$ 742,577	$ 225,115	$ 1,383,888	$ 3,354,766
Advertising and public relations	-	-	-	-	-	-	267,301	267,301	267,301
Bad debt expense	-	-	-	-	-	106,799	-	106,799	106,799
Bank and credit card charges	11,350	11,755	23,105	1,039	24,606	24,893	5,733	56,271	79,376
Conferences and meetings	14,594	-	14,594	6,350	-	1,318	448	8,116	22,710
Consultants and temporary help	3,813	331	4,144	42,000	-	-	98	42,098	46,242
Contributions	-	-	-	2,495	-	-	-	2,495	2,495
Cost of goods sold	-	77,992	77,992	-	-	-	-	-	77,992
Depreciation	-	1,566,763	1,566,763	-	-	-	472,072	472,072	2,038,835
Fundraising expenses	-	-	-	-	487,060	26,603	-	513,663	513,663
Education programs	129,371	-	129,371	-	-	-	-	-	129,371
Exhibition costs and maintenance	186,393	-	186,393	-	-	-	-	-	186,393
Information technology	-	127,254	127,254	-	-	-	37,747	37,747	165,001
In-kind expenses	-	51,224	51,224	-	4,492	-	15,195	19,687	70,911
Insurance	-	55,209	55,209	16,225	-	-	16,916	33,141	88,350
Interest	-	347,548	347,548	8,401	-	-	108,046	116,447	463,995
Office expenses	31,831	19,750	51,581	4,371	-	35,220	11,429	51,020	102,601
Opportunity grants	2,814	-	2,814	-	-	-	-	-	2,814
Professional fees	-	-	-	57,091	-	-	-	57,091	57,091
Building operations	-	437,705	437,705	-	-	-	130,952	130,952	568,657
Security	-	204,147	204,147	-	-	-	60,557	60,557	264,704
Total functional expenses	**$ 1,565,634**	**$ 3,685,088**	**$ 5,250,722**	**$ 554,168**	**$ 516,158**	**$ 937,410**	**$ 1,351,609**	**$ 3,359,345**	**$ 8,610,067**

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 3,537,922	$ 4,064,472
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	2,130,538	2,038,835
Bad debt	39,097	106,799
Realized and unrealized gain on investments	(1,454,214)	(924,290)
Amortization of bond issuance costs	8,401	8,401
Increase in right-of-use asset	(10,293)	(10,616)
Unrealized gain on interest rate swap	(285,002)	(109,103)
Contributions restricted for long-term purposes	(10,350)	(12,430)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Pledges receivable	1,261,872	1,701,048
Interest receivable	1,452	(33)
Accounts receivable	3,392	3,652
Inventory	6,961	(11,725)
Prepaid expenses	(166,444)	49,086
Accounts payable	38,352	(149,757)
Other accrued expenses	39,399	(60,400)
Deferred compensation	20,611	38,750
Deferred revenue	697,365	465,121
Operating lease liability	(5,544)	(5,223)
Net cash and cash equivalents provided by operating activities	5,853,515	7,192,587
Cash Flows from Investing Activities		
Purchases of investments	(17,461,192)	(17,803,350)
Proceeds from sales of investments	17,825,869	12,214,565
Payments on notes receivable	5,507	5,185
Capital expenditures	(734,648)	(1,701,430)
Net cash and cash equivalents used in investing activities	(364,464)	(7,285,030)
Cash Flows from Financing Activities		
Payments on bond payable	(1,590,000)	(1,590,000)
Contributions restricted for long-term purposes	10,350	12,430
Net cash and cash equivalents used in financing activities	(1,579,650)	(1,577,570)
Net Increase (Decrease) in Cash and Cash Equivalents	3,909,401	(1,670,013)
Cash and Cash Equivalents - Beginning of year	2,875,636	4,545,649
Cash and Cash Equivalents - End of year	**$ 6,785,037**	**$ 2,875,636**
Supplemental Cash Flow Information - Cash paid for interest	$ 367,181	$ 414,736

See notes to financial statements.

Note 1 - Nature of Organization

Holocaust Memorial Foundation of Illinois, Inc. (a not-for-profit corporation) (the "Foundation") was formed in September 1981 to present vehicles of education, remembrance, recording, and collecting memorabilia and documentation of the period of time referred to as the Holocaust and the Pre-War European Jewish Culture. The Foundation operates a 65,000 square-foot museum in Skokie, Illinois known as Illinois Holocaust Museum and Education Center.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Revenue Recognition

The following revenue streams are included in the revenue standard ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*:

- Gift shop income
- Admissions income
- Membership dues
- Other

Note 2 - Significant Accounting Policies (Continued)

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. The Foundation's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Foundation recognizes the revenue over a period of time if the customer receives and consumes the benefits that the Foundation provided or if the Foundation's performance does not create an asset with alternative use and has an enforceable right to payment for the performance. The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Foundation expects to be entitled (such as sale price, admission price, and price of membership). Payment is typically expected at the point of sale. In some situations, the Foundation bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Foundation recognizing contract liabilities upon receipt of payment. Total contract liabilities as of December 31, 2021 and 2020 were $437,540 and $404,712, respectively, and are included in deferred revenue on the statement of financial position. Total contract liabilities as of January 1, 2020 were $379,293. Revenue recognized in 2021 and 2020 that was included in the contract liability balance at the beginning of the year was $182,141 and $167,755, respectively.

Performance Obligations

The following explains the performance obligations related to each revenue stream under the new standard and how they are recognized.

Gift Shop Income

The Foundation generates revenue from implied agreements for a specific exchange of merchandise priced at a market value and recognized at time of performance.

Admissions

The Foundation charges for entrance to the museum priced at a level determined by the Foundation to be reasonable and recognized at date of admission.

Membership Dues

The Foundation earns dues from its members for memberships. Membership dues are earned over the course of one or two years, representing the period over which the Foundation satisfies the performance obligation.

Other

The Foundation receives other income, including room rental fees, which is recognized at time of performance.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

Note 2 - Significant Accounting Policies (Continued)

Contributions and Support

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. However, if a restriction is fulfilled for an individual gift in its entirety in the same period in which the contribution is received, the Foundation reports the support as unrestricted. Expenses are recorded as decreases in net assets without donor restrictions.

Revenue from conditional contributions is recognized in the period when qualified expenditures have been incurred in compliance with the grantor's conditions. Cash received before conditions are met is recorded as deferred revenue. As of December 31, 2021, the Foundation is eligible to recognize conditional contributions of $1,069,086 upon the opening of specific exhibits and $750,000 upon the occurrence of future qualifying expenses related to a construction project. As of December 31, 2020, the Foundation is eligible to recognize conditional contributions of $1,000,000 upon the opening of a specific new exhibit.

Cash and Cash Equivalents

The Foundation maintains interest-bearing checking and money market accounts at various financial institutions, which it classifies as cash and cash equivalents for the purpose of the statement of cash flows. The Foundation considers all highly liquid debt instruments or certificates of deposit with an original maturity of three months or less and money market accounts to be cash equivalents. The cash and cash equivalents may at times exceed the federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these investments.

Investments

All investments are carried at fair value. Changes in fair value are reported in the statement of activities and changes in net assets. It is the Foundation’s policy to immediately liquidate donations of stock.

The Foundation’s investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

Inventory

Gift shop inventory is stated at the lower of cost or net realizable value, with cost determined by the average cost method.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method. Purchases of property and equipment over $1,000 with a useful life of greater than one year are capitalized.

Income Taxes

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Note 2 - Significant Accounting Policies (Continued)

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Collection

The value of the Foundation's collection is not included in the financial statements. The cost of objects purchased is reported as other changes in net assets in the statement of activities and changes in net assets. The Foundation's policy is to maintain and continue to acquire material evidence, art, and artifacts of victims and survivors of the Holocaust (principally from 1933 to 1945). From time to time, objects may be sold in accordance with the Foundation's collection management policy. Deaccession, the process used to permanently remove an object from the Foundation's collection, may result only if certain conditions have been met. All proceeds realized from deaccessions are allocated to purchase other objects for the Foundation's collection.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs are charged to program services and supporting services on an actual basis when available. In addition, indirect costs, including depreciation, information technology, interest, building operations, and security, have been allocated between the program and support services based on relative square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Adoption of New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires separate presentation and enhanced disclosures of contributed nonfinancial assets (in-kind donations). The new guidance was adopted for the Foundation's year ended December 31, 2021 and was applied using a retrospective basis. The new standard did not have a significant effect on the Foundation's financial statements. See Note 10 for disclosure of in-kind contributions received by the Foundation for the years ended December 31, 2021 and 2020.

Upcoming Accounting Pronouncement

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which addresses the accounting consequences that could result from the global markets' anticipated transition away from the use of the London Interbank Offered Rate (LIBOR). The ASU provides optional expedients and exceptions to contracts, hedging relationships, and other transactions impacted by reference rate reform. The provisions of the ASU are effective upon issuance (March 2020) and generally can be applied through December 31, 2022. The Foundation is still assessing the impact that the ASU and reference rate reform will have on its financial statements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 17, 2022, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	2021	2020
Cash	$ 3,555,376	$ 1,926,353
Money market accounts	3,229,661	949,283
Total cash and cash equivalents	$ 6,785,037	$ 2,875,636

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2021 and 2020 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Assets				
Brokered certificates of deposit	$ -	$ 492,942	$ -	$ 492,942
Corporate bonds	-	15,217,862	-	15,217,862
Asset-backed securities	-	62,219	-	62,219
Mutual funds	-	1,697,030	-	1,697,030
Variable annuities	-	615,698	-	615,698
Government securities	-	582,130	-	582,130
Preferred securities	-	592,845	-	592,845
Common stock	12,771,515	-	-	12,771,515
Total assets	$ 12,771,515	$ 19,260,726	$ -	$ 32,032,241
Liabilities - Interest rate swap	$ -	$ 23,558	$ -	$ 23,558

Note 4 - Fair Value Measurements (Continued)

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
Assets				
Brokered certificates of deposit	$ -	$ 502,507	$ -	$ 502,507
Corporate bonds	-	16,420,969	-	16,420,969
Asset-backed securities	-	73,525	-	73,525
Mutual funds	-	1,693,986	-	1,693,986
Variable annuities	-	582,222	-	582,222
Government securities	-	845,498	-	845,498
Preferred securities	-	586,191	-	586,191
Common stock	10,237,806	-	-	10,237,806
Total assets	$ 10,237,806	$ 20,704,898	$ -	$ 30,942,704
Liabilities - Interest rate swap	$ -	$ 308,560	$ -	$ 308,560

Level 1 Inputs

Common stock - Fair values were based on quoted market prices.

Level 2 Inputs

Brokered certificates of deposit, corporate bonds, asset-backed securities, variable annuities, government securities, and preferred securities - Estimated fair values were based on similar investments that are traded on the secondary market.

Variable annuities - The fair value of the variable annuities is based on the present value of the guaranteed monthly payments over the term of the annuity.

Interest rate swap - The Foundation's interest rate swap is not traded on an exchange. The Foundation obtained the fair value of the swap from the counterparty. It then tested that fair value against a fair value determined by a methodology that included using the income approach to value the interest rate swap, using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present amount (discounted), assuming that participants are motivated but not compelled to transact. Level 2 inputs for the swap valuation were limited to quoted prices for similar assets or liabilities in active markets (specifically future contracts) and inputs other than quoted prices that were observable for the asset or liability (specifically LIBOR cash and swap rates, implied volatility for options, caps and floors, basis swap adjustments, and credit risk at commonly quoted intervals). Midmarket pricing was used as a practical expedient for fair value measurement.

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020	Depreciable Life - Years
Buildings and improvements	$ 56,359,374	$ 55,709,356	5 - 40
Furniture and equipment	1,957,468	1,915,473	5 - 7
Subtotal	58,316,842	57,624,829	
Accumulated depreciation	22,339,890	20,209,352	
Total	$ 35,976,952	$ 37,415,477	

Depreciation expense for 2021 and 2020 was $2,130,538 and $2,038,835, respectively.

Note 6 - Bonds Payable

On December 20, 2006, the Foundation borrowed $28,500,000 through the Cultural Facility Variable Rate Demand Revenue Bonds Series 2006 tax-exempt bonds issued by the Village of Morton Grove, Illinois. The bonds were issued at a discount of $85,500. The bonds mature on December 1, 2041. The bonds have adjustable methods of interest rate determination, demand features, and interest payment dates. The interest rate on the bonds is reset weekly. As of December 31, 2021 and 2020, the bonds bore interest at 0.10 percent.

The Foundation has agreed to maintain a letter of credit for the Series 2006 bonds in an amount equal to the bond principal and interest outstanding, payable to the bond trustee. The letter of credit amount as of December 31, 2021 and 2020 was $8,631,896 and $10,237,233, respectively.

The letter of credit fees are payable based on a tiered pricing structure dependent upon a liquidity ratio test. The ratio is measured on the last day of each fiscal quarter and is the sum of unrestricted cash and investments plus the net debt-free fund balance divided by the outstanding indebtedness. As of December 31, 2021 and 2020, the rate charged was 0.80 percent. The letter of credit requires the Foundation to comply with certain financial covenants. The bond is collateralized by any and all property of the Foundation, except for certain excluded assets, consisting of the certain cash and investments with and without donor restrictions. Those excluded assets, however, can be added to the collateral if, in the event of a potential or actual default, as defined, the bank so requires. In the event of a default or failed remarketing of the Series 2006 bonds, draws on the letter of credit are due on the date of payment. On April 16, 2019, the letter of credit agreement was amended to extend the expiration date from July 29, 2019 to July 31, 2023.

Based on the weekly remarketing of the interest rate, the carrying value of the debt outstanding approximates fair value as of December 31, 2021 and 2020. The debt would have been classified as a Level 2 input if it had been included in the fair value tables (see Note 4).

Expenses incurred in connection with the bond offerings were deferred and are being amortized on a straight-line basis over the period the bonds are to be outstanding.

The bond payable balance, net of discount and unamortized bond issuance costs, was $8,381,974 and $9,963,573 as of December 31, 2021 and 2020, respectively. Bond issuance costs, net of amortization, were $118,795 and $124,735 as of December 31, 2021 and 2020, respectively.

Note 6 - Bonds Payable (Continued)

Interest expense in 2021 and 2020 was $404,715 and $455,594, respectively.

In December 2011, the Foundation entered into a deposit and redemption agreement with the Amalgamated Bank of Chicago, the trustee. The agreement stipulates that the Foundation directs the trustee to call the bonds, as required by the letter of credit bank, for partial optional redemption in the amount of $460,000 on March 15 and September 15 of each year through March 15, 2019. On April 16, 2019, these redemptions were amended to $355,000 on March 15 and September 15 of each year beginning on September 15, 2019 through March 15, 2023.

Such redemptions shall be made by draws against the letter of credit. Total amounts of $1,590,000 were paid on the outstanding bond in 2021 and 2020.

Note 7 - Pledges Receivable

The following are maturities on the pledges receivable as of December 31:

	2021	2020
Years ended December 31:		
Within one year	$ 2,742,973	$ 3,133,707
One to five years	2,385,350	3,410,050
More than five years	45,000	5,000
Total pledges receivable	5,173,323	6,548,757
Less:		
Discounts at rates from 0.11 to 2.49 percent	(123,874)	(205,491)
Allowance for doubtful accounts	(21,252)	(14,100)
Total	(145,126)	(219,591)
Net minimum pledges receivable	$ 5,028,197	$ 6,329,166

Note 8 - Lease Obligations

In July 2003, the Foundation entered into an agreement with the Village of Skokie, Illinois that included a lease to secure land for the new museum. The lease requires monthly rental payments of $3,158 from July 2003 to June 2053 and includes an option to extend the lease for 50 years at $15 per month. According to the provisions in the lease, the Foundation made an additional one-time special rent payment of $302,300 in 2003. The Foundation recognized $22,063 in rent expense from the lease for the years ended December 31, 2021 and 2020.

Future minimum annual commitments under the operating lease are as follows:

Years Ending	Amount
2022	$ 37,896
2023	37,896
2024	37,896
2025	37,896
2026	37,896
Thereafter	1,013,244
Less present value discount	(666,559)
Total	$ 536,165

Note 8 - Lease Obligations (Continued)

The Foundation's right-of-use asset relates entirely to the lease described above, which is classified as an operating lease. The right-of-use asset and related lease liability have been calculated using a borrowing rate of 6 percent.

Note 9 - Endowment

The Foundation's endowment includes donor-restricted endowment funds established for educational purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no board-designated endowment funds.

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of these net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Foundation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment fund, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of December 31, 2021	
	Without Donor Restrictions	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	$ -	$ 209,741
Accumulated investment gains	-	68,980
Total	$ -	$ 278,721

Note 9 - Endowment (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2021	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year	$ -	$ 251,136
Contributions	-	10,350
Investment return - Investment income	-	17,235
Endowment net assets - End of year	$ -	$ 278,721

	Endowment Net Asset Composition by Type of Fund as of December 31, 2020	
	Without Donor Restrictions	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	$ -	$ 199,391
Accumulated investment gains	-	51,745
Total	$ -	$ 251,136

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2020	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year	$ -	$ 210,760
Contributions	-	12,430
Investment return - Investment income	-	27,946
Endowment net assets - End of year	$ -	$ 251,136

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the respective benchmarks for the different asset classes provided for in the Foundation's investment policy. These asset classes include high-grade corporate and government bonds and cash equivalents but specifically exclude any investment in hedge funds, commodities, and private equities. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually, net of management fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a balanced portfolio of primarily investment-grade rate fixed-income securities with staged maturities investments to achieve its long-term return objectives within prudent risk constraints.

Note 9 - Endowment (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

Based on the long-term objectives stated above, the Foundation will only spend the income generated by the endowment fund to support educational purposes stated in the agreements, while preserving the related principal.

Note 10 - In-kind Contributions

The Foundation received in-kind contributions valued at $102,696 and $70,911 for the years ended December 31, 2021 and 2020, respectively. In 2021 and 2020, the in-kind contributions included pro bono professional services, public relations consulting, exhibit materials, prize donations, advertising space, photography services, and development consulting.

Note 11 - Net Assets

Donor-restricted net assets as of December 31 are available for the following purposes:

	2021	2020
Purpose restrictions:		
Daley Fund*	$ 1,076,164	$ 1,078,200
Opportunity grants	159,219	63,212
Total purpose restrictions	1,235,383	1,141,412
Time restrictions	3,559,834	4,735,543
Time and purpose restrictions:		
Education/Event sponsorships	444,335	497,939
Special events	143,200	151,375
Strategic projects	802,938	495,232
Net Debt Free Fund/debt retirement	450,715	450,715
Temporary exhibits	457,026	785,100
Educational endowment	278,721	251,136
Total time and purpose restrictions	2,576,935	2,631,497
Total	$ 7,372,152	$ 8,508,452

*While the balance in the Daley Fund is with donor restrictions for purpose, these amounts can be released to satisfy debt covenants, if needed. If the amounts from this fund are used to meet the debt covenant but are not needed in a future year, the restriction will be restored.

Note 12 - Commitments

Pursuant to the agreement with the Village of Skokie, Illinois in relation to securing land for the new museum, the Foundation entered into a letter of credit agreement with Bank of America, N.A. for the amount of $100,000. The letter of credit is subject to renewal annually and must remain in effect as long as the lease agreement exists. The current letter of credit expires on July 31, 2022, and management expects that a new agreement will be reached once this extension expires.

Note 13 - Deferred Compensation

On May 5, 2004, the Foundation entered into an employment agreement with its former executive director. Per the terms of the agreement, the Foundation is obligated to pay additional compensation based upon a vested rate beginning on April 1, 2015 and continuing for 10 years. Thereafter, payments will continue for the greater of the remainder of the lives of the former executive director and his spouse or 10 years. In accordance with the former executive director’s employment agreement, he was 95 percent vested with respect to additional compensation as of the last day of employment. The liability is recorded as deferred compensation on the statement of financial position.

To provide partial funding against the liability, the Foundation maintains an annuity contract for the benefit of the former executive director and his spouse, which is recorded as an investment on the statement of financial position. The fair value of the annuity as of December 31, 2021 and 2020 was $465,585.

The Foundation also has a 457(b) deferred compensation plan for the chief executive officer. On an annual basis, the Foundation will make a contribution equal to 5 percent of the chief executive officer's previous year's salary and bonus to the plan.

Note 14 - 403(b) Plan

The Foundation sponsors a 403(b) plan for substantially all employees. The plan provides for the Foundation to make a discretionary matching contribution. Contributions to the plan totaled $35,512 and $45,070 for the years ended December 31, 2021 and 2020, respectively.

Note 15 - Interest Rate Swap

As part of the financing described in Note 6, on September 13, 2007, the Foundation entered into a derivative financial instrument to reduce its exposure to market risks from changes in interest rates. The instrument used to mitigate these risks is an interest rate swap. Any change in the fair value of the interest rate swap agreement is recognized in the statement of activities and changes in net assets.

By using a derivative financial instrument to hedge exposure to changes in interest rates, the Foundation exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of the derivative contract is positive, the counterparty owes the Foundation, which creates credit risk for the Foundation. When the fair value of a derivative contract is negative, the Foundation owes the counterparty if the Foundation terminated the contract. The Foundation minimizes the credit risk in its derivative instrument by entering into transactions with a high-quality counterparty.

The Foundation entered into an interest rate swap with Fifth Third Bank to hedge the interest rate risk associated with the $28,500,000 issuance of the variable-rate debt of tax-exempt bonds. The purpose of this swap is to fix interest rates on variable-rate debt and to reduce certain exposures to interest rate fluctuation. The notional amount is $8,550,000 through January 31, 2022. The notional amount does not represent a measurable exposure to the Foundation.

Market risk is the adverse effect on the value of financial instruments that results from a change in interest rates. The market risk associated with the interest rate swap is managed by establishing parameters that limit the types and degree of market risk that may be undertaken. The interest rate swap matures on January 31, 2022 and has a fixed rate of 3.41 percent. The Foundation will pay the counterparty interest at a fixed rate, as noted, and the counterparty will pay the Foundation interest at a variable rate equal to 67 percent of LIBOR, which was 0.0630 and 0.1028 percent at December 31, 2021 and 2020, respectively. The interest rate swap matured on January 31, 2022.

The counterparty interest rate approximates the revenue bond interest rate. The interest rate swap exposes the Foundation to basis risk should the relationship between the counterparty rate and revenue bond rate change significantly.

Note 15 - Interest Rate Swap (Continued)

The following tables present the amounts and the locations of the amounts relating to the Foundation's interest rate swap in the Foundation's financial statements as of and for the years ended December 31, 2021 and 2020:

	2021	2020
Statement of financial position - Interest rate swap marked to market	$ 23,558	$ 308,560
Statement of activities and changes in net assets:		
Unrealized gain on interest rate swap	$ 285,002	$ 109,103
Interest rate expense included in operations	(285,831)	(260,777)
Total loss on interest rate swap	$ (829)	$ (151,674)

Note 16 - Paycheck Protection Program Refundable Advance

During the years ended December 31, 2021 and 2020, the Foundation received Paycheck Protection Program (PPP) loans in the amount of $522,207 for PPP2 and $509,620 for PPP1, respectively. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The Foundation may use the funds on qualifying expenses over a covered period up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of 18 months, with interest accruing at a rate of 1 percent and monthly payments of principal and interest beginning 10 months after the conclusion of the covered period.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels.

Accounting principles generally accepted in the United States of America (U.S. GAAP) state that government grants, including certain forgivable government loans, are recognized as income in the period in which an entity has substantially overcome all measurable performance-related barriers necessary to be entitled to keep the grant funds.

As of December 31, 2021, the Foundation applied for and received notification from the SBA of forgiveness of the entire PPP2 loan on June 29, 2021. As of December 31, 2021, the Foundation has assessed that all requirements for forgiveness were achieved and, therefore, has recorded Paycheck Protection Program grant revenue of $522,207. As of December 31, 2020, the Foundation applied for and received notification from the SBA of forgiveness of the entire PPP1 loan on November 11, 2020. As of December 31, 2020, the Foundation has assessed that all requirements for forgiveness were achieved and, therefore, has recorded Paycheck Protection Program grant revenue of $509,620.

Note 17 - Liquidity

The following reflects the Foundation's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2021	2020
Cash and cash equivalents	$ 6,785,037	$ 2,875,636
Investments	32,032,241	30,942,704
Receivables	5,683,935	6,995,255
Total financial assets at year end	44,501,213	40,813,595
Less those unavailable for general expenditures within one year due to - Contractual or donor-imposed restrictions:		
Restricted by donors with time or purpose restrictions less expected current pledge releases	7,093,431	8,257,316
Unappropriated donor-restricted endowment earnings	68,980	51,745
Net assets to be maintained in perpetuity	209,741	199,391
Contractually restricted by debt covenant	710,000	710,000
Long-term portion of note receivable	527,842	533,691
Financial assets available to meet cash needs for general expenditures within one year	$ 35,891,219	$ 31,061,452

The Foundation is partially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year.

The Foundation has a goal to maintain financial assets, which consist of cash, investments, and receivables, on hand to meet one year of normal operating expenses, which are, on average, approximately $6,700,000. As part of the Foundation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.