

F u n d a c j a

Auschwitz



Birkenau

F o u n d a t i o n

**SUBSTANTIVE REPORT ON THE ACTIVITY OF
AUSCHWITZ-BIRKENAU FOUNDATION IN 2018**

The Auschwitz-Birkenau Foundation was established in January 2009 by Władysław Bartoszewski. Its objective is to collect 120 million Euros for the Perpetual Capital, the profits from which will finance conservatory work at the Memorial Site Auschwitz-Birkenau.

I. FORMAL INFORMATION

Auschwitz-Birkenau Foundation
KRS (National Court Register) No: 0000328383,
REGON (statistical number): 141817074.
Registered office:
Warsaw (00-534), Mokotowska 56/9

Official website: www.fundacja.auschwitz.org

In 2018 the Foundation was managed by the Management Board.
The members of the Board are:

Piotr M. A. Cywiński – President of the Board
Maciej Antosik – Vice-President of the Board, Financial Director
(until 31st Aug 2018)
Anna Miszewska – Member of the Board, Director General (until 31st Dec 2018)
Rafał Pióro – Vice-President of the Board
Łukasz Rozdeicz-Kryszkowski – Vice-President of the Board
Elwir Świętochowski – Vice-President of the Board (since 1st Dec 2018)

The principles, forms and the extent of the Foundation's statutory activity are detailed in the uniform text of the Auschwitz-Birkenau Foundation Statutes, adopted by the Council of the Foundation Resolution No. 3/2011 of May 31, 2011. The document has been published at the Foundation's official website.

The detailed information regarding income and its sources, as well as the costs of implementation of the statutory objectives, is included in the Financial Statement for 2018. The document has been published at the Foundation's official website:
www.fundacja.auschwitz.org.

The most important information included in the Financial Statement of the Foundation for 2018 is presented below.

In November 2011, the Foundation was assigned the status of a Public Benefit Organization, which means that individuals paying income tax in Poland may now decide to donate 1% of their tax to the Foundation.

INCOMES:

Income on statutory activity

Donations to Perpetual Capital	15,499,395.52	PLN
Donations for administrative expenses	469,238.33	PLN
TOTAL	15,968,633.85	PLN

Financial income

Interest	14,837,965.49	PLN
Unrealized foreign exchange rate differences	14,643,670.02	PLN
Realized foreign exchange rate differences	227,478.78	PLN
TOTAL	29,709,114.29	PLN

COSTS:

Costs of statutory activities of Auschwitz-Birkenau State Museum in Oświęcim	5,169,454.53	PLN
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Administrative expenses of statutory activities	1,727,795.67	PLN
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FINANCIAL RESULT IN TOTAL	38,791,341.40	PLN
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TOTAL ASSETS	506,397,304.29	PLN
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Financial assets

Long-term financial assets (bonds)	418,945,535.62	PLN
Cash deposits at bank	86,657,180.85	PLN
TOTAL	505,602,791.74	PLN

Currency structure of financial assets

Long-term financial assets (bonds)

EUR	51%
PLN	32%
USD	17%

Cash deposits at bank

EUR	3%
PLN	45%
USD	52%

STATUTORY FUND	435,287,349.80	PLN
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Information on the total annual or average monthly remuneration paid to the members of the Management Board and other Foundation's bodies:

In the financial year 2018, the total gross remuneration paid by the Foundation to the members of the management and supervisory bodies was PLN 382,251.50 gross.

Information on inspections performed at the Foundation:

There were no inspections at the Foundation in 2018.

II. ACTIVITIES AND COMPETENCIES OF THE FOUNDATION'S BODIES

1. Council of the Foundation

The Foundation is governed by the Council of the Auschwitz-Birkenau Foundation. The Council members in 2017 were: Marek Zajac (Chairman), Marcin Barcz, Eleonora Bergman, Piotr Kadlčik, Serge Klarsfeld, Edward Kosakowski, Paweł Machcewicz, Zbigniew Nosowski, Jürgen Rüttgers, Wojciech Soczewica (until 28th Dec 2018), Józef Wancer, Henryk Wujec. In 2018, the meeting of the Council was held on June 18.

In 2018, the Council adopted unanimously the following resolutions, both during the meeting and by circulation:

- Selection of the statutory auditor to audit the Foundation's financial statements (resolution 1/2018 of 22nd February 2018);
- Appointment of members of the Foundation's Council for the next term starting on 4th April 2018 (resolution 2/2018 of 19th February 2018);
- Approval of the Substantive Report on the Foundation's activity in 2017 (resolution 3/2018 of 18th June 2018);
- Approval of the Financial Statement of the Foundation for the year 2017 (resolution 4/2018 of 18th June 2018);
- Approval of the annual action plan of the Foundation and the financial plans for the year 2018 (resolution 5/2018 of 18th June 2018);
- Granting a vote of approval to Piotr Cywiński for the discharge of duties of the President of the Management Board in 2017 (resolution 6/2018 of 18th June 2018);
- Granting a vote of approval to Rafał Pióro for the discharge of duties of the Vice-President of the Management Board in 2017 (resolution 7/2018 of 18th June 2018);
- Granting a vote of approval to Łukasz Rozdeiczek-Kryszkowski for the discharge of duties of the Vice-President of the Management Board in 2017 (resolution 8/2018 of 18th June 2018);
- Granting vote of approval to Anna Miszewska for the discharge of duties of the Member of the Management Board – Director General in 2017 (resolution 9/2018 of 18th June 2018);
- Granting a vote of approval to Maciej Antosik for the discharge of duties of the Vice-President of the Management Board – Financial Director in 2017 (resolution 10/2018 of 18th June 2018);

- Appointment of the members of the Management Board for another term of office beginning on 19th June 2018 (resolution 11/2018 of 18th June 2018);
- Dismissal of members of the International Committee (resolution 13/2018 of 18th June 2018);
- Appointment of a member of the International Committee (resolution 14/2018 of 18th June 2018);
- Granting Anna Miszewska a voluntary severance pay in connection with the termination of the employment contract (resolution 15/2018 of 18th October 2018);
- Appointment of Elwir Świętochowski for the position of the Vice-President of the Management Board (resolution 16/2018 of 30th November 2018).

2. Management Board of the Foundation

The Management Board of the Auschwitz-Birkenau Foundation is the body managing and representing the Foundation to external bodies: dr Piotr M.A. Cywiński (President), Maciej Antosik (Vice-President, Financial Director until 31st August 2018), Anna Miszewska (Member of the Board, Director General until 31st December 2018), Łukasz Rozdeiczek-Kryszkowski (Vice-President), Rafał Pióro (Vice-President). In 2018, the Management Board held five meetings (in March, April, May, September and December). Its particular duties included: preparing action plans and financial plans for the Foundation, managing the Foundation's assets, determining the size of the Foundation's staff and the amount of funds spent on salaries of the employees, according to the approved financial plan, accepting donations, inheritances, bequests, subsidies and donations. In managing the Foundation's current activities, the Management Board is supported by the Foundation Office, operating on the premises rented from the Jewish Community of Warsaw.

In 2018, the Board's activities focused on soliciting new states for the Foundation's project, primarily from the Balkans, as well as the cooperation with state donors. In addition, the Management Board continued the cooperation with the Auschwitz-Birkenau Foundation Committee (former Friends of Auschwitz-Birkenau Foundation).

In 2018, the Management Board also concentrated on transferring the income earned on the Perpetual Capital for the conservation of the Memorial Site.

2018 was the seventh year during which the Foundation financed the conservation work in the Auschwitz-Birkenau State Museum within the Master Plan for Preservation (Resolution of the Management Board No. 1/4/2018 dated 4th April 2018 on allocation of the profit of PLN 10,000,000.00 earned on the Perpetual Capital in 2017 to the conservation of the Memorial Site). According to the needs of the Auschwitz-Birkenau State Museum, PLN 5, 211,736.90 was transferred to the Museum's account. The Museum spent PLN 5,172, 247.53. The Museum returned to the Foundation the remaining amount of PLN 38,081.17. Funds remaining on the Foundation's accounts and intended for the implementation of conservation works remain at the Museum's disposal at any time.

The following projects were implemented under the Master Plan for Preservation in 2018:

Projects started in the previous years and completed in 2018:

- Preservation of museum and archive objects from the collection of the Auschwitz-Birkenau State Museum in Oświęcim – conservation of archeological objects – stage I.

As part of the project, the registry of archaeological objects was done that included accompanying works (such as initial mechanical cleaning). 4473 specification cards of the objects were registered.

- Regulation of ground water relations (hydrographical conditions) of the former KL Auschwitz II-Birkenau, stage I.

A comprehensive concept for the regulation of ground water relations (hydrographical conditions) on the site of the former KL Auschwitz II-Birkenau was created. The piezometric measurements of the area were carried out. A construction project for the regulation of ground water relations was carried out.

Projects started and completed in 2018 r.

- Conservation of museum and archive items in the Auschwitz-Birkenau State Museum in Oświęcim. Preservation of museum items: suitcases, wicker baskets, cyclone B cans, gas chambers' and crematorium parts as well as wooden camp boards. Conservation of archive items: 'Camp letters', plans of the Zentralbauleitung team – stage III

The project included:

- preservation of letters - 400 items,
- digitization of letters - 400 pieces,
- maintenance of plans of the Zentralbauleitung team - 40 pieces,
- digitalization of the plans of the Zentralbauleitung team - 700 pieces,
- maintenance of the suitcase - 30 pieces,
- maintenance of wicker baskets - 15 pieces,
- denture maintenance - 15 pieces,
- maintenance of cyclone B cans - 45 pieces,
- maintenance of elements from gas chambers and crematoria - 20 items,
- maintenance of wooden boards - 5 pieces.

On-going projects, started in 2018 and in previous years

- Regulation of ground water relations (hydrographical conditions) of the former KL Auschwitz II-Birkenau, stage II

A description of the subject of the order was prepared for the tender procedure for the project documentation regarding the next part of the work.

A description of the subject of the order was prepared to publish the tender procedure for the contractor.

- Preservation and conservation of the BI section along with all connected objects – conservation of B123 and B124 brick barracks.

Comprehensive construction and maintenance works are being carried out with the aim to open the barracks to visitors in the future. The project uses external services, such as those related to documentation of works conducted, straightening and stabilization of walls. At the same time, most of the construction and conservation work in the project is carried out by employees specifically employed to carry out the project. All the works are carried out under the author's, archaeological, conservation and investor supervision.

- Preservation and conservation of the BI section along with all connected objects – stage V.

The technical consultations regarding the maintenance of the brick barracks B-91 and B-141 was completed. The handling of the tender procedure will be carried out as part of a separate conservation project of the above-mentioned brick barracks. Preservation programs for barracks B-137 and B-139 are being prepared. Research was carried out for these programs. A description of the subject of the contract was prepared to publish the tender procedure for the design documentation of the brick barracks B-137 and B-139.

The intervention works are being carried out continuously, protecting objects of the BI section against further destruction.

As part of the project, in 2018 a contract was signed with the contractor to provide the construction of a technical road.

As part of the activity: purchase of equipment for the conservation documentation, a technical consultation was conducted for the purpose of describing the subject of the contract within the public tender procedure for the supply of a laser scanner. In 2018 a public tender was announced.

In 2018, a contract was signed with the contractor for the construction of further tent halls necessary for conducting further work in the barracks.

- Preservation and protection of the ruins of gas chambers and crematoria of the former Auschwitz II-Birkenau – stage II.

In 2018, four public tender procedures were carried out to select the contractor responsible for delivering the construction and conservation works to protect the southern wall of the gas chamber and crematorium III. The contract with the selected contractor was signed in January 2019.

Moreover two public tender procedures were carried out to select the investor's supervision inspector for the above works. Similarly as in the case of construction and conservation works, the contract was signed in early 2019. Geodetic monitoring of the southern wall was carried out.

- Maintenance of wooden features of the former KL Auschwitz II-Birkenau – stage III.

As part of the activity: conservation and construction works related to barrack B-167 together with the as-built and photogrammetric documentation as well as archaeological supervision,

the contractor was selected and the contract was signed. Photogrammetric documentation of the barrack's condition and coloured orthophoto plans based on scanning were made for selected barrack elements. Chemical tests of wood are carried out.

- Preservation and conservation of the BI section along with all connected objects – conservation of B91 and B141 brick barracks.

A description of the subject of the order is being prepared for the public tender procedure regarding maintenance of the brick barracks B-91 and B-141. The public tender procedure to select supervisors is also being prepared.

- Preservation of museum and archive items from the collection of the Auschwitz-Birkenau State Museum in Oświęcim – conservation of archaeological features – stage II

The inventory of historical features was made, alongside additional works (e.g. preliminary mechanical cleaning). 1048 archaeological feature cards were created for 2136 historic objects (some of the cards are group cards that were made for more than one item).

In 2018, the activity of the Foundation was made possible thanks to the profit from the Perpetual Capital investment, part of which, in accordance with the Foundation's statutes, was used to finance current activities, and thanks to the funds donated for administration activities by KPMG Audyt Sp. z o.o. and Deloitte Doradztwo Podatkowe Tokarski i Wspólnicy Sp.k. (formerly Deloitte Doradztwo Podatkowe Sp. z o.o.).

In 2018, the Auschwitz-Birkenau Foundation employed five members of staff.

The structure of the administration costs of the statutory activity in 2018 is presented below:

Administration costs of the statutory activity	PLN
Depreciation	1,930.03
Materials and energy consumption	19,187.78
Outsourced services	712,652.89
Taxes and charges	17.00
Salaries	738,850.51
Social security and other benefits	100,757.05
Other costs	154,400.41
Administration costs of the statutory activity in total	1,727,795.67
Donations for administrative costs	-469,238.33
Net total of administration costs of the statutory activity	1,258,557.34

The detailed information on salary costs and other costs is included in the Foundation's Financial Statement for the financial year 2018.

In 2019 according to the resolution of the Foundation's Council, the audit of the financial statements for the year 2018 was conducted by KPMG Audyt Sp. z o.o. Sp. k.

In the audit report the auditor did not express any objections. The audit report as well as all the financial statements are available to access on the Foundation's official website both in Polish and in English.

3. Financial Committee

The members of the Financial Committee of the Auschwitz-Birkenau Foundation are: Józef Wancer (Chairman of the Committee), Alfred Finz, Włodzimierz Grudziński, Peter Hommelhoff, Antoni F. Reczek, Ekkehard Thiesler, Claude Trink.

In 2018, the Committee held 4 meetings. Its recommendations were based on the investment strategy for the Foundation's Perpetual Capital, approved in 2013 by the resolution of the Foundation's Council and updated in 2017. The Committee monitors the Foundation's assets and advises the Management Board on investment decisions on the on-going basis.

4. International Committee

The International Committee of the Auschwitz-Birkenau Foundation consists of the representatives of donor states. The role of the Committee is to advise and express opinions. The 8th Meeting of the International Committee of the Auschwitz-Birkenau Foundation took place on 26th October 2017.

The meeting was attended by:

- Stefan Andersson, representing the Kingdom of Sweden,
- Sadiq Babayev, representing the Republic of Azerbaijan,
- Conrad Bruch, representing the Grand Duchy of Luxembourg,
- Jürg Burri, representing the Swiss Confederation,
- Ronald van Dartel, representing the Kingdom of the Netherlands,
- Anne Fantini, representing the Principality of Monaco,
- Georgios Georgiu, representing the republic of Cyprus,
- Luc Jacobs, representing the Kingdom of Belgium,
- Ivan Jestřáb, representing the Czech Republic,
- Orsolya Zsuzsanna Kovács, representing Hungary,
- Anastasia Kretova, representing the Russian Federation,
- Dušan Krištofik, representing the Slovak Republic,
- Flora Kuparinen, representing the Republic of Finland,
- João Silva Leitão, representing the Republic of Portugal,
- Pierre Lévy, representing the French Republic,
- Olav Myklebust, representing the Kingdom of Norway,
- Roberto Neccia, representing the Italian Republic,
- Fried Nielsen, representing the Federal Republic of Germany,
- Emer O'Connell, representing the Republic of Ireland,

- Eric Pickles, representing the United Kingdom of Great Britain and Northern Ireland
- Francisco Javier Sanabria, representing the Kingdom of Spain,
- Darius Skusevičius, representing the Lithuanian Republic,
- Amanda Spencer, representing the Commonwealth of Australia,
- Mary Thurston, representing New Zealand,
- Tunç Ügdül, representing Republic of Turkey,
- Jens-Christian Wagner representing the Federal Republic of Germany,
- Emil Savov Yalnazov, representing the Republic of Bulgaria,
- Thomas Yazdgerdi representing the United States of America.

During the meeting, the Report on the Foundation's Activity in 2017, the Financial Report, the employment structure in the Foundation and the audit report were presented. The activities within the framework of the Master Plan for Preservation were also discussed. The state of Perpetual Capital and the operations of the Financial Committee were presented.

III. SOLICITING DECLARATIONS OF FINANCIAL SUPPORT FOR THE PERPETUAL CAPITAL

1. Countries

The letter sent out in February 2009 by the Polish Prime Minister Donald Tusk, informing the leaders of over forty countries about the key objectives of the Auschwitz-Birkenau Foundation, as well as the task to collect EUR120 million for the Perpetual Capital, was received very well among many governments and heads of states. The letter of the Polish Prime Minister Donald Tusk was sent out again in 2014 to twelve leaders of European and non-European countries and was also received very well. By the end of 2018, 38 countries from all over the world were involved in the Foundation's project. In March 2018, the Foundation received information about Bulgaria joining the Foundation's project. The amount of the declared subsidy is EUR 15,000. In addition, Ireland increased its contribution to the Perpetual Capital by EUR 10,000 and Portugal by EUR 5,000. Payments and declarations of payments from 2018 and previous years make up the total amount of approximately EUR 111 million. This provides an optimistic outlook on the plans of the complex conservation of the remains of the former Nazi German concentration and extermination camp Auschwitz-Birkenau according to the intentions of the authorities of the Auschwitz-Birkenau State Museum and the will of the International Auschwitz Council. In 2018, other states are expected to join the project. It is also expected that other countries will join the project in 2019.

2. Individual donors and the “18 Pillars of Remembrance” project

According to the decision made in 2012, the Auschwitz-Birkenau Foundation extended its activities in the United States. In 2013, the Friends of Auschwitz-Birkenau Foundation was established, an American organization raising funds for the Foundation. Owing to that, in 2014, the Auschwitz-Birkenau Foundation and the Friends of Auschwitz-Birkenau Foundation were able to initiate the “18 Pillars of Remembrance”

campaign. The aim of the campaign is to invite 18 philanthropists – individuals and institutions – to the project. Each of them will become a symbolic “Pillar of Remembrance” by supporting the Auschwitz-Birkenau Foundation with the amount of EUR 1 million. The Foundation has solicited 9 “Pillars of Remembrance” so far. There is also a number of people who decided to support the Foundation with amounts of less than EUR 1 million, but still quite significant contributions.

In 2016, on the initiative of Ronald S. Lauder, the Auschwitz-Birkenau Foundation Committee was set up. The Committee members are the current donors of the Foundation who thanks to their involvement and understanding of the Foundation’s mission invite other interested parties to join the Committee. The objective of the Auschwitz-Birkenau Foundation Committee is to help building the Perpetual Capital among individual and institutional donors.

In 2018, the Friends of Auschwitz-Birkenau Foundation was officially renamed to the Auschwitz-Birkenau Foundation Committee.

IV. EXTERNAL SUPPORT FOR THE STATUTORY ACTIVITIES

In 2018, the Foundation cooperated with law and accounting firms. Legal assistance is provided free of charge by the Weil, Gotshal & Manges law firm. The Foundation rents office space on preferential terms from the Jewish Religious Community in Warsaw. Tax advice, accounting and HR and payroll services are provided by Deloitte Doradztwo Podatkowe Tokarski i Wspólnicy Sp.k. Once again the audit was performed by an independent auditor, KPMG Audyt Sp. z o.o. s.k.. Thanks to annual donations from these two companies, the cost of services provided does not burden the Foundation's operating budget.

The Auschwitz-Birkenau Foundation Committee, whose goal is the same as that of the Foundation, conducts and supports fundraising activities of the Auschwitz-Birkenau Foundation in the United States. In 2018, the Auschwitz-Birkenau Foundation continued activities aimed at obtaining a tax exemption for it Canadian donors. In this matter, the Foundation is represented *pro bono* by the Olser, Hoskin & Harcourt LLP law firm.

V. PLANS FOR THE YEAR 2019

In connection with the forthcoming 75th anniversary of the liberation of KL Auschwitz Foundation's activities in 2019 will aim to obtain declarations that guaranteeing full security of achieving the objectives of the Master Plan for Conservation. For this purpose talks will be held with existing state donors as well as with potential new donors. It is also important to finalize the donations of Canadian philanthropists. Auschwitz-Birkenau Foundation will continue its close cooperation with the Auschwitz-Birkenau Memorial Foundation in the area of acquiring individual donors.