

PERFORMANCE AND ACCOUNTABILITY REPORT

FISCAL YEAR 2019

October 1, 2018 – September 30, 2019

Submitted November 14, 2019

UNITED STATES
MEMORIAL
**HOLOCAUST
MUSEUM**

www.ushmm.org

**United States Holocaust
Memorial Museum**

Performance and Accountability Report
Year Ended September 30, 2019

United States Holocaust Memorial Museum

Contents

Message from the Director	3
Statement of Assurance	4
Management's Discussion and Analysis	5-10
Government Performance and Results Act (GPRA) Annual Performance Plan - FY 2019	11-31
Museum Organization Chart	32
Message from the Chief Financial Officer	33
Independent Auditor's Report	34-35
Financial Statements	36-65
Supplementary Schedules	66-70
Independent Auditor's Reports Required by <i>Government Auditing Standards</i>	71-73

United States Holocaust Memorial Museum

Message from the Director

November 14, 2019

When the Museum opened in 1993, its founders knew that its message was timeless, but they could not have imagined that in the 21st century it would become even more timely. As a *living* memorial to the victims of the Holocaust, the Museum teaches the history and lessons of the Holocaust and encourages leaders and citizens to confront hatred, prevent genocide, promote human dignity and strengthen democratic values.

In a world with increasing ethnic violence and ideological extremism, rising antisemitism, and continuing genocide, our work has never been more urgent. We believe that our programs for teachers and youth as well as law enforcement officers, and members of the judiciary and military help people understand their personal and professional roles in advancing American values of liberty, dignity and pluralism.

At a time when history education is declining, the Museum -- through its onsite programs, outreach activities, and global digital presence -- is reaching millions of Americans as well as a growing international audience each year with these stark lessons: evil is not eradicable; indifference has consequences; freedom requires responsibility. Inspired by the survivors, challenged by our times, and gratified by the high demand for our programs, the Museum will continue in Fiscal Year 2020 to bring these lessons to millions more.



Sara J. Bloomfield
Director

United States Holocaust Memorial Museum

Statement of Assurance

November 14, 2019

I, Sara J. Bloomfield, Director of the United States Holocaust Memorial Museum, state and assure that to the best of my knowledge:

- (1) The system of internal controls of this agency is functioning and provides reasonable assurance as to the: efficiency and effectiveness of programs and operations, reliability of financial performance information, and compliance with laws and regulations. These controls satisfy the requirements of the *Federal Managers' Financial Integrity Act*.
- (2) The system of internal controls of this agency that relates to the security of financial management systems and performance and other financial data provides protections commensurate with the risk and magnitude of harm resulting from the loss, misuse, or unauthorized access and satisfy the requirements of section 5131 of the *Clinger-Cohen Act of 1996*; sections 5 and 6 of the *Computer Security Act*; and section 3533(D)(2) of the *Government Information Security Reform Act*.
- (3) The financial management systems of this agency provide reasonable assurances that: obligations and costs are in compliance with applicable laws; performance data and proprietary and budgetary accounting transactions applicable to the agency are properly recorded and accounted for to permit the timely preparation of accounts; reliable performance information, and to maintain accountability for the assets. The financial control at this agency satisfies the requirements of the *Federal Managers' Financial Integrity Act*.
- (4) The financial management systems of this agency provide this agency with reliable, timely, complete, and consistent performance and other financial information to make decisions, efficiently operate and evaluate programs, and satisfy the requirements of the *Federal Financial Management Improvement Act* section 803(a), the *Government Performance and Results Act*, and OMB Circular No. A-11 Preparation and Submission of Budget Estimates. A remediation plan under *Federal Managers' Financial Integrity Act* is not required.
- (5) No material weaknesses are identified.



Sara J. Bloomfield
Director

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Introduction

This report, Management's Discussion and Analysis, provides an overview of the financial position and results of activities of the United States Holocaust Memorial Museum (the Museum) for the fiscal years ended September 30, 2019 and 2018 (FY 2019 and FY 2018), respectively. The purpose of this information is to assist readers of these statements to better understand the Museum's financial position and operating activities.

A living memorial to the Holocaust, the United States Holocaust Memorial Museum inspires citizens and leaders worldwide to confront hatred, prevent genocide, and promote human dignity. Located among our national monuments to freedom on the National Mall, the Museum provides a powerful lesson in the fragility of freedom and the need for vigilance in preserving democratic values.

The Museum's missions are to advance and disseminate knowledge about the Holocaust; to preserve the memory of those who suffered; and to encourage reflection on the moral and spiritual questions raised by the events of the Holocaust and the personal responsibilities of the citizens of a democracy. The Museum strives to broaden public understanding of the history of the Holocaust through the following: educational programs; exhibitions; research and publication; collecting and preserving material evidence, art and artifacts related to the Holocaust; annual Holocaust commemorations known as Days of Remembrance; and public programming designed to enhance understanding of the Holocaust and related issues, including those of contemporary significance.

The Museum is a public-private partnership that receives an annual Federal appropriation and private donations. The Federal appropriation primarily supports operation of the Museum facility. Private (non-appropriated) funding primarily supports the educational programming, scholarly activities, and outreach.

Performance Goals and Results

Building on the extraordinary success in its first twenty years, the Museum's strategic plan provides a vision and framework for its activities through its third decade. The Museum had 34 established objectives for FY 2019 related to education, remembrance, research and infrastructure support. The Museum achieved these objectives: 25 were met or exceeded and 9 were met and also on-going.

Financial Statements Summary

The Museum's financial position remained strong at September 30, 2019 and 2018, with total assets of approximately \$724.5 million and \$701.5 million, respectively, and total liabilities of approximately \$93.4 million and \$86.4 million, respectively. Net assets, which represent the residual interest in the Museum's assets after liabilities are deducted, are \$631.1 million, a 2.6% increase from FY 2018. The \$16.0 million FY 2019 increase in net assets is attributable primarily to both donor-restricted contributions and net investment returns.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Statement of Financial Position

The Museum's financial position reflects strong support from the Museum's donors and the success of our Campaign. Total net assets increased 92% since the Campaign began in 2013.

Contributions Receivable

Contributions receivable, net of allowance for doubtful accounts and discounted to present value, total \$64.8 million. Of the Museum's gross receivable balance, 21.1% is expected to be received within the next year.

Property and Equipment

Property and equipment is \$110.3 million and consists of \$4.6 million in land, \$185.6 million in buildings and capital improvements, \$47.3 million in the permanent exhibition and other exhibitions, \$29.6 million in furniture and equipment and \$1.8 million in leasehold improvements, less accumulated depreciation and amortization of \$158.6 million. The \$5.8 million net decrease compared to FY 2018 results from current year depreciation that exceeds current year capital expenditures.

Long-Term Investments

Long-term investments consist primarily of endowment funds - those with and without donor restrictions - intended to provide long-term financial security for the Museum. Under the direction of the Investment Committee of the Museum's governing board and a highly qualified investment consultant, the Museum invests in a diversified portfolio of equities, fixed income securities, alternatives, private equity and multi-asset strategies. All endowment funds are managed in a single investment pool.

The market value of investments totals \$502.5 million, an increase of 6.8% from last fiscal year. Investments produced a net gain of \$6.2 million in FY 2019, which includes interest and dividend income of \$10.0 million, investment management fees of (\$1.6 million), and (\$2.2 million) in net losses in the market value of the portfolio.

Endowment

The Museum's \$472.5 million endowment consists of donor-restricted endowment funds and Board-designated and other funds functioning as endowment. As of September 30, 2019 and 2018 donor-restricted endowment funds totaled \$312.6 million and \$285.6 million, respectively. The Board-designated funds functioning as endowment was \$159.9 million and \$147.0 million for FY 2019 and FY 2018, respectively. These balances include some liquidity reserves from purpose-restricted gifts that will be spent in the future on Museum programs.

The \$40.0 million increase in the value of the endowment in FY 2019 was the result of \$33.8 million in new endowment contributions, \$6.2 million in total net investment returns, a net addition of \$30.7 million to the Board-designated endowment, less distributions of \$30.7 million to support Museum activities. Distribution amounts were consistent with the Museum's spending policies, which aim to preserve capital while providing significant on-going support for the Museum's mission.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Liabilities and Net Assets/Federal Equity

Liabilities of \$93.4 million consist of accounts payable and accrued expenses, charitable gift annuity liability, unexpended federal appropriations and debt. The Museum used a term loan to pay for some of the cost of constructing the Shapell Center pending receipt of all of the related contribution pledges. As of September 30, 2019, the outstanding loan balance was \$35.1 million, unchanged from the prior year. Declining interest rates caused the swap agreement to go from being an asset at the end of FY 2018 to a liability of \$0.5 million at September 30, 2019, reducing the Museum's FY 2019 results by nearly \$1.2 million.

The Museum has total equity of \$631.1 million of which \$457.2 million is net assets with donor restrictions.

Statement of Activities

The statement of activities presents the Museum's annual results of financial activity and matches revenues to related expenses. The statement summarizes the annual change in net assets, which was an increase of \$16.0 million in FY 2019.

Total support and revenues in FY 2019 was \$146.2 million, \$25.7 million less than in FY 2018. The decrease of \$27.4 million in net investment return does not have an immediate impact on funds available to the Museum because endowment payout is calculated annually based on a 12 quarter rolling average balance, which tends to smooth market fluctuations.

A notable change within the \$2.1 million increase in contributions is its make-up: without donor restrictions decreased by \$2.4 million, one-time gifts with donor restrictions decreased by \$8.0 million, and gifts restricted by donors to the use of earnings increased by \$12.5 million.

Total FY 2019 operating expenses were \$129.1 million, up by \$5.8 million or 4.7% from FY 2018. Staff compensation costs continue to be our largest cost component and these increased by \$2.1 million or 3.4% in FY 2019. Federal headcount continues to decline consistent with objectives of the Federal Office of Management and Budget and Congress.

Program Activities

Program services, including an allocation for the occupancy, security, depreciation, and technology expenses applicable Museum-wide, consume more than 73.3% of total expenses.

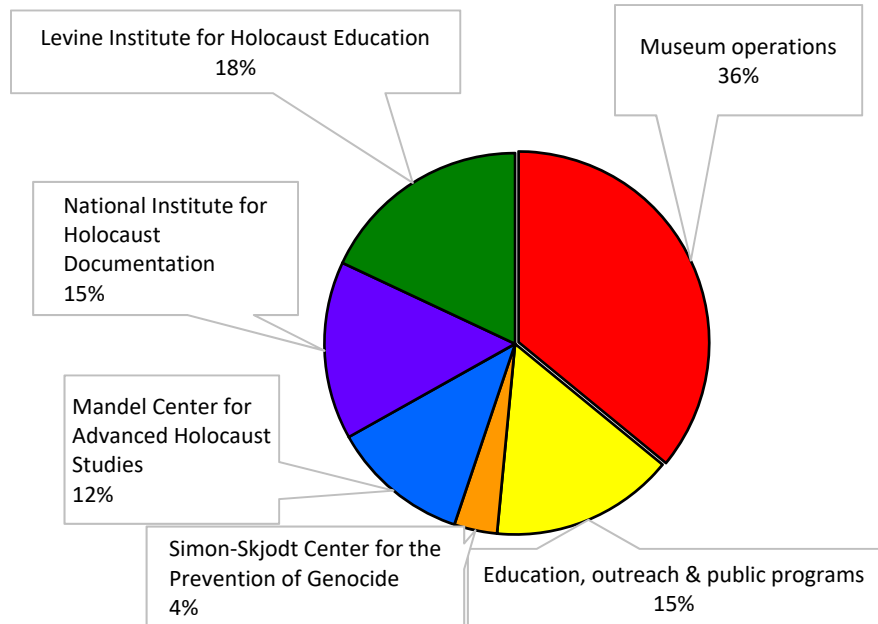
The operations and services of the Museum account for 36% of our program expenses.

The Levine Institute for Holocaust Education is 18% of program expenses. The goal of the Levine Institute is to develop new approaches to Holocaust education that deepen understanding of the learners' roles in society, help them to develop critical thinking and lead to changes in their attitudes and behavior. The Levine Institute creates our exhibitions and produces educational programs for teachers and students, military and civilian leaders, law enforcement and the judiciary. The Museum creates greater awareness of the Holocaust and its lessons in a complex world and teaches why the Holocaust happened--and was allowed to happen.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Another 15% is spent by the **National Institute for Holocaust Documentation**, which acquires, catalogs and conserves our collections of artifacts, documents, photographs, films, and the other evidence of the Holocaust (the Collection). This Institute's mission is to build the collection of record on the Holocaust, preserve it for posterity, and ensure its global accessibility to provide a foundation for education, exhibitions and scholarship.



The Collection--the most comprehensive anywhere--includes documentation from survivors, victims, rescuers, perpetrators, and bystanders. This body of evidence serves as an authentic witness to the Holocaust and as a permanent rejoinder to those who deny or distort this history. The Museum is in a race against time to collect the substantial material still remaining with individuals and institutions worldwide, which if not acquired now, may be lost forever. Digital preservation of the document archive is an increasingly important component of this work. Digital technology is also enabling far wider access to the Collection than previously possible.

The Museum's **Mandel Center for Advanced Holocaust Studies** spends 12% of our program funds to advance scholarship. Holocaust awareness and education rests on scholarly research and inquiry. The Mandel Center generates new knowledge and understanding of the many questions it presents about human nature and societies. Holocaust studies is a relatively new academic field that lacks the organizational infrastructure needed for sustainability and growth. By working with partner institutions and producing publications and programs, the Mandel Center actively supports researchers and faculty worldwide, especially young scholars, to create the next generation of professors, authors and researchers who will ensure the continued growth and vitality of Holocaust studies.

The **Simon-Skjodt Center for the Prevention of Genocide**, 4% of the total program expenses, is dedicated to stimulating timely global action to prevent genocide and catalyze an international response when genocide does occur. In an interconnected, rapidly changing world, atrocities fuel instability, refugee flows, and terrorism, making genocide prevention a matter of national and international interest. The long-term goal of the Simon-Skjodt Center is to ensure that the United States government, other governments, and multilateral organizations have institutionalized structures, tools, and policies to effectively prevent and respond to genocide and other mass atrocities.

Education, outreach and public programs extend the reach of programs to audiences beyond those who visit the Museum through events around the country, live streaming and publications.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Supporting Activities

Supporting services include executive leadership, activities of the governing board, fundraising, finance, human resources and other functions that support all of the Museum's activities. As with program expenses, these supporting service expenses also include an allocation for the occupancy, security, depreciation and amortization, and technology expenses applicable Museum-wide.

Management Integrity: Controls and Compliance

The Museum maintains a comprehensive management control program through the activities of its internal auditor and the Audit Committee of the governing board of trustees known as the United States Holocaust Memorial Council (the Council), the review and monitoring efforts of its legal staff, and the ongoing improvement efforts of its management staff.

Based on this program, the Museum has reasonable assurance that:

- The financial reporting is reliable.
- The Museum is in compliance with all applicable laws and regulations.
- Management's performance reporting systems are reliable.

In addition to these efforts, the Museum has also been accredited by the American Association of Museums. During the accreditation process, qualified museum professionals conduct a thorough independent evaluation of all aspects of the Museum, including a review of management controls.

The Director's Statement of Assurance in the Performance and Accountability Report, as required under the *Federal Manager's Financial Integrity Act*, attests to these and other Federal requirements for financial management.

Investment in Fundraising

The Museum continues to make significant investments in fundraising operations in support of the Museum's programs and endowment. These activities include membership, planned giving and major gift officer operations. Museum management evaluates each fundraising activity to ensure that expenditure levels are justified and producing the expected return on investment.

Limitations of the Federal Financial Statements

The financial statements have been prepared to report the financial position and results of operations of the Museum, pursuant to the requirements of 31 U.S.C. 3515(b). The statements were prepared from the books and records of the Museum in accordance with accounting principles generally accepted in the United States of America. The Federal schedules included in the supplementary information are in addition to the financial reports used to monitor and control budgetary resources and were prepared from the same books and records. The statements should be read with the realization that they are for a component of the United States Government, a sovereign entity.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Future Concerns and Issues

Demand for the Museum's programs has grown nationally and internationally as the lessons of the Holocaust remain relevant today. Federal funding, which remained constant between FY 2018 and FY 2019, currently covers most basic operating costs of the Museum and conservation facilities. The Museum depends increasingly on private support for programs and outreach. Building the institution's endowment so that our programs will continue as the Holocaust recedes in time remains a central financial objective. We are proud of the impact of our programs, and our productive investment in fundraising increases our confidence that the Museum can remain financially resilient.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

SUMMARY ANNUAL PERFORMANCE REPORT

Mission Statement

A living memorial to the Holocaust, the United States Holocaust Memorial Museum was created to remember the victims and to stimulate leaders and citizens to confront hatred, prevent genocide, promote human dignity, and strengthen democracy. The Museum, which opened in 1993, was created in response to recommendations by the *President's Commission on the Holocaust* (P.L. 96-388), which mandated the following:

- Build the Collection of Record (Acquisitions, Access, Preservation)
- Expand and Diversify our Audiences (Global, Digital Engagement)
- Secure the Future of the Museum (Campaign)

Strategic Plan Summary

Museum's Vision

- The permanence of Holocaust memory, understanding, and relevance
- A world in which people confront hatred, prevent genocide, and promote human dignity

Our Approach

The Museum is a memorial to the victims and focuses on documenting, examining and teaching how and why the Holocaust happened, targeting two major audiences—leaders and youth.

The Holocaust is a warning that the unthinkable is possible and that human nature makes all of us susceptible to the abuse of power, a belief in the inferiority of “the other” and the ability to justify any behavior—including inaction. Its significance is not only that it happened, but that it happened in one of the most educated, advanced regions of the world, and was led by a nation, albeit a struggling one, with a democratic constitution, a rule of law, and freedom of expression.

A harsh reminder of human nature and the fragility of societies, the Museum motivates citizens and leaders to work proactively to protect free societies and prevent future genocides.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

SUMMARY ANNUAL PERFORMANCE REPORT

Program Priorities

- Increase the visibility, impact and productivity of the field of Holocaust studies in the U.S. and abroad.
- Ensure that learning how and why the Holocaust happened is an important component of the education of American citizens and professions responsible for life and liberty and that it strengthens critical thinking about their role in society.
- Raise the level of Holocaust discourse and the legitimacy of the Holocaust in countries of influence where there is rising antisemitism and denial.
- Ensure that the U.S. government has institutionalized structures, tools and policies aimed at preventing and responding to genocide and other mass atrocities.
- Stimulate global conversations on the lessons and legacies of the Holocaust.

Relationship of Performance Plan to Mission Goals

The annual performance plan identifies the strategies that will be employed toward each mission goal and outlines key representative activities that are planned for the coming year. Performance goals are set annually through an iterative process involving evaluation of past-year results and incorporates feedback, where received, from Museum staff, Council members, the general public, the Office of Management and Budget (OMB), and the Congress. The Museum's Government Performance and Results Act (GPRA) documents are organized by major goal and are linked to the budget by grouping budget activities in the annual budget justification according to the major goals.

Relationship of Performance Plan to FY 2019 Budget Request

Budget data is not integrated into the performance plan, but the financial and human resources available for each mission goal can be read directly from the budget tables in the Museum's budget justification document, which also provides details of the means available to carry out the FY 2019 performance plan through narrative descriptions of each budget activity. The public-private partnership adds nonappropriated sources of funding that are applied to the goals in addition to federal funds. The nonappropriated budget, however, is not determined until the year immediately preceding the budget year, so it is not included in the presentation.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

SUMMARY ANNUAL PERFORMANCE REPORT

Consolidated status of all objectives

Budget authority applied:

	FY 2019	FY 2018
Appropriated	\$ 56,440,000	\$ 54,480,000
Nonappropriated	59,250,000	58,690,000
Total	\$115,690,000	\$113,170,000

Status of objectives:

	FY 2019 Results		FY 2018
No specific targets	0	0%	0%
Met or exceeded targets	25	74%	74%
Met targets and ongoing	9	26%	26%
Deferred	0	0%	0%
Not met	0	0%	0%

Major Accomplishment Highlights:

- Continued to increase occupancy in the David and Fela Shapell Family Collections, Conservation and Research Center, a state-of-the-art facility, which protects and conserves the Museum's collections. The new facility was built with private funds and is operated with federal funds. Final occupancy phase to now be completed in FY 2020.
- Led the 2019 *Days of Remembrance* annual commemoration and national outreach effort.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

SUMMARY ANNUAL PERFORMANCE REPORT

GOAL: Build the Collection of Record; Expand and Diversify our Audiences

Budget authority applied to this goal:

	FY 2019	FY 2018
Federal	\$ 48,320,000	\$ 46,510,000
Nonappropriated	30,260,000	28,830,000
Total	\$ 78,580,000	\$ 75,340,000

Status of objectives:

	FY 2019 Results		FY 2018
No specific targets	0	0%	0%
Met or exceeded targets	22	76%	76%
Met targets and ongoing	7	24%	24%
Deferred	0	0%	0%
Not met	0	0%	0%

Major objectives:

- Build and preserve for posterity the fully accessible collection of the record of the Holocaust.
- Increase the visibility, impact and productivity of the field of Holocaust studies in the United States and abroad.
- Ensure that learning how and why the Holocaust happened is an important component of the education of American citizens and professions responsible for life and liberty and that it strengthens critical thinking about their role in society.
- Raise the level of Holocaust discourse and the legitimacy of the Holocaust in countries of influence where there is rising antisemitism and denial.
- Ensure that the United States government has institutionalized structures, tools and policies aimed at preventing and responding to genocide and other mass atrocities.

Highlights:

- Continued the major revitalization of the Permanent Exhibition.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

SUMMARY ANNUAL PERFORMANCE REPORT

GOAL: Secure the Future of the Museum

Budget authority applied to this goal:

	FY 2019	FY 2018
Appropriated	\$ 8,120,000	\$ 7,970,000
Nonappropriated	28,990,000	29,860,000
Total	\$ 37,110,000	\$ 37,830,000

Status of objectives:

	FY 201X Results		FY 2018
No specific targets	0	0%	0%
Met or exceeded targets	3	60%	60%
Met targets and ongoing	2	40%	40%
Deferred	0	0%	0%
Not met	0	0%	0%

Major objectives:

- Undertake fundraising efforts to fulfill the strategic plan and integrate fundraising plans with programmatic priorities.
- Pursue continuous improvement and excellence in financial and human capital management, information technology support, and Museum management and governance.

Highlights:

- Raised \$53.8 million for the annual fund, and \$26.1 million in contributions and pledges for the endowment.
- Continued a major effort to operationalize the Museum's strategic plan.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquisitions, Access, Preservation)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status <i>(target met or work ongoing)</i>
Build and preserve for posterity the fully accessible collection of the record of the Holocaust.	Increase the number of new acquisitions*	5,703	6,038	6,813	6,161	6,018	Met
	Increase the number of records in the online catalog**	290,690	280,701	268,860	256,560	250,216	Met
	Increase the percentage of items cataloged^	68%	68%	69%	70%	62%	Met
	Increase the percentage of items digitized^	23%	20%	20%	20%	18%	Met
	Increase the number of names indexed in Holocaust Survivors & Victims Database**	1,856,109***	1,882,219	1,438,415	1,035,416	864,152	Met
	Increase the number of searches conducted in the online catalog	1,655,783	1,340,576	862,062	738,753	668,115	Met
	Increase the number of reference inquiries resolved	45,574	52,763	37,744	31,033	29,124	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquisitions, Access, Preservation)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status (target met or work ongoing)
	Increase the number of items inventoried	N/A	N/A	24,973	33,226	N/A	Met and completed in FY 17
	Increase the number of items surveyed for conservation and transportation	N/A	N/A	N/A	96,000	N/A	Completed in FY 16

* Includes all formats - archival collections, artifact collections, books and other published materials, historical film collections, oral histories, and photographs. Totals combine counts of collections or individual items, depending upon format.

** Cumulative data.

*** Names added via World Memory Project. Reduced FY19 total reflects deletion of duplicates.

^ Digital and online. Many additional collections and items are restricted by copyright or contractual agreement to internal-only access.

Building *The Collection of Record on the Holocaust*, preserving it for posterity, and ensuring its global accessibility provide the foundation for education, exhibitions, and scholarship. The Collection--the most comprehensive anywhere--includes documentation from survivors, victims, rescuers, perpetrators, and bystanders. This body of evidence serves as an authentic witness to the Holocaust and as a permanent rejoinder to those who deny or distort this history. The Museum is in a race against time to collect the substantial material still remaining with individuals and institutions worldwide, which if not acquired now, may be lost forever. In FY 2019, the National Institute for Holocaust Documentation, which is responsible for this foundational work, advanced its priority outcome in its three core functional areas:

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquisitions, Access, Preservation)

Acquisitions

New additions to the collection totaled 5,703, across all formats, including archival and artifact collections, books and other published materials, historical films, oral histories, and photographs, and the Museum especially sought resources related to diverse victim groups and to American responses to the Holocaust. Highlights include:

- A witness interview in Ukraine with Gyorgy Dolgos, who was persecuted and interned for being a Jehovah's Witness in Ruthenia and continued to suffer discrimination under the Soviet regime.
- A 14-page handwritten document prepared by SS-Gruppenführer Jürgen Stroop who led the effort to repress the Warsaw Ghetto uprising in 1943.
- A wedding canopy (chuppah) made in Palestine by the American Jewish Joint Distribution Committee for Holocaust Survivors in the Displaced Persons Camps.
- A limited edition artist's book and family memoir by Bunny Burson, *Hidden in Plain Sight* (2015), based on letters from her German Jewish grandparents in Latvia, written from 1939 until they perished in 1941, to her mother, living in refuge in the U.S.

Preservation

- The Digital Asset Management and Preservation Division continued efforts, begun in 2018, to implement LibSafe, a state-of-the-art digital preservation repository, providing increased security by reducing the risk of human and hardware errors while safeguarding against hostile threats. The aim is to create three digital copies, housed in different storage systems in geographically distributed locations, routinely checked and audited in order to conform with ISO standard 16363. In FY 2019, more than 400 TB of data were ingested, including most oral history collections and digitized microfilm.
- The David and Fela Shapell Family Collections, Conservation and Research Center (the Shapell Center), which opened in 2017, serves as the permanent home for the nation's Collection of Record of Holocaust-era artifacts. In the state-of-the-art facility, Collections Management and Conservation staff ensure the ideal conditions for the long-term preservation and security of materials. The facility began fulfilling its new role as a dynamic hub promoting collection access, new scholarship, and education by bringing together staff from National Institute for Holocaust Documentation and the Mandel Center for Advanced Holocaust Studies (the Mandel Center), visiting fellows, researchers, and museum professionals to utilize the full range of collections materials. Meetings, tours, and seminars were held at the Shapell Center on topics ranging from material culture studies to conservation techniques, including an European Holocaust Research Infrastructure-sponsored workshop, "Standing up to Scrutiny: Authenticating Holocaust Documentation." Planning efforts continued for the relocation of additional collections functions to the Shapell Center, including the opening of the Archival and Special Collections Reading Room, now scheduled to occur in 2020.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquisitions, Access, Preservation)

Access

New and expanded projects have advanced the goal of global access:

- Cataloging efforts across all formats increased the total number of records in the online Collections Search catalog to 290,690. The catalog was searched 1,655,783 times by remote researchers in 231 countries. More than 700 name and subject headings were contributed to the authority files maintained by the Library of Congress.
- Digitization projects resulted in: 1,660 archival paper collections online, comprising more than 600,000 digital images; 1,700 rare books digitized in partnership with the nonprofit Internet Archive; 10,567 objects photographed; and 71% of historical films and 74% of oral histories made available online. A more user-friendly display of hierarchically-organized archival collections was deployed in the digital viewer. Multiple projects are under way for the digital conversion of magnetic audio-visual media, historical film, and microfilm. The “Save Their Stories” Kickstarter crowdfunding project resulted in cataloging, digitization, and online access to 207 collections containing diaries written in 17 languages.
- A joint project in cooperation with the Conference on Jewish Material Claims Against Germany contributed to digital access to more than 400 survivors’ memoirs. The Library expanded eBook holdings to more than 3,000 titles.
- Reference and research service staff in the Library, Holocaust Survivors & Victims Resource Center, Film Archives, and Photo Archives responded to 45,574 requests for information and resources, in-person and remotely. A new Collections Request fulfillment system (Aeon) was implemented to automate and streamline patron requests to access archival and artifact collections.
- The World Memory Project, in partnership with Ancestry.com, brought the total number of names indexed in the Holocaust Survivors and Victims (HSV) database to nearly 8.3 million, building the world’s largest online resource for information about individual victims of the Holocaust. The Instant Document Delivery system automatically fulfilled 73,557 requests for documents linked to the HSV, from patrons in 101 countries, and delivered 94,716 documents.
- The number of completed research requests using the Arolsen Archives/International Tracing Service exceeded 31,404, since the opening of the archive in 2007, serving patrons in 75 countries. Phase II of the Illumin reference request management system was successfully launched to manage, track, and document these research requests, replacing an obsolete system and introducing new efficiencies.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

Accomplishments

- Led the 2019 *Days of Remembrance* annual commemoration and national outreach effort.
- Continued the major revitalization of the Permanent Exhibition.

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
Increase the visibility, impact and productivity of the field of Holocaust studies in the U.S. and abroad.	Increase publications, awards, and jobs won/promotions earned by Mandel Center staff and alumni	19 publications**	18 publications**	27 publications**	14 publications	41 publications	Met
		5 awards**	5 awards**	3 awards	5 awards	6 awards	Met and on-going
		9 promotions**	8 promotions**	7 promotions	9 promotions	5 promotions	Met and on-going
	Increase applications for program offerings that focus on research and university teaching quality applicants from three areas: geographic, discipline, gender and and/or proposing new and underexplored topics	20% domestic applicants; 80% foreign applicants^^	40% domestic applicants; 60% foreign applicants^	62% domestic applicants; 38% foreign applicants	44% domestic applicants; 56% foreign applicants	38% domestic applicants; 62% foreign applicants	Met
		39% history applicants; 61% non-history applicants	42% history applicants; 56% non-history applicants	45% history applicants; 55% non-history applicants	53% history applicants; 47% non-history applicants	49% history applicants; 51% non-history applicants	Met
		43% male applicants; 57% female applicants	46% male applicants; 54% female applicants	37% male applicants; 63% female applicants	40% male applicants; 60% female applicants	46% male applicants; 54% female applicants	Met
		241 new and unexplored topics	319 new and underexplored topics	270 new and underexplored topics	330 new and underexplored topics	293 new and underexplored topics	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status <i>(target met or work on-going)</i>
	Maintain consistent record of scholarly activity (relationships with scholars and institutions) in new and underexplored topics	4 cooperative programs 3 cost-sharing agreements 4 discussions for future cooperative efforts+	11 cooperative programs 2 cost-sharing agreements 4 discussions for future cooperative efforts	11 cooperative programs 9 cost-sharing agreement	11 cooperative programs or publications 1 cost-sharing agreements	22 cooperative programs or publications 4 cost-sharing agreements 2 third location institutional developments 18 discussions for future cooperative efforts	Met
	Ensure scholarly activity (relationships with scholars and institutions) in crucial geographic areas	4 cooperative programs 7 cost-sharing agreement 4 discussions for future cooperative efforts+	11 cooperative programs 2 Museum-sponsored programs 1 cost-sharing agreement 3 discussions for future cooperative efforts	12 cooperative programs 9 cost-sharing agreement 8 discussions for future cooperative efforts	1 cooperative program	3 cooperative programs 5 cost-sharing agreement 18 discussions for future cooperative efforts	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
	Track acquisitions of archival collections in new and underexplored topic areas	50 collections	100 collections	75 collections	100 collections	68 collections	Met

* Reported as of September 25, 2017 unless otherwise noted.

** The Mandel Center is focused on building the field of Holocaust studies and recognizes that this ambitious goal will take time. These indicators of success reflect this long-term goal, and fluctuations mirror the ongoing challenges of our work and the changing external environment.

^ The Mandel Center had four new international programs in Guatemala, Latvia, Lithuania and China, which resulted in an increase of foreign applications.

^^ The Mandel Center expanded its international programs with cooperative workshops with Yad Vashem, and international partners in Ukraine, Czech Republic, and Mexico, which resulted in an increase of foreign applications.

+ During FY 2019, the Mandel Center developed a new strategic plan and limited new partnerships during this phase.

Holocaust awareness and education rests on scholarly research and inquiry. The Mandel Center is the leading generator of new knowledge and understanding of the many questions it presents about human nature and societies. Holocaust studies is a relatively new academic field that lacks the organizational infrastructure to sustain it and build it in the decades ahead. By working with partner institutions and producing publications and programs, the Mandel Center actively supports researchers and faculty worldwide, especially young scholars, in order to create the next generation of professors, authors and researchers who will ensure the continued growth and vitality of Holocaust studies.

In FY 2019, the Mandel Center sponsored 42 fellowships-in-residence, hosted four endowed lectures by leading Holocaust scholars, and held one international research and conferences on underexplored topics.

The Mandel Center's International Archival Program Division continued its work in 58 countries to rescue the evidence and help build the collection of record at the Museum. In FY 2019, the Mandel Center's archival collection efforts have added 162 collections (50 from new and underexplored

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

topic areas), totaling approximately 5.8 million pages, from 22 countries, to the Museum’s archive. The acquired material stimulates research and serves scholarly research and inquiry.

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
Ensure that learning how and why the Holocaust happened is an important component of the education of American citizens and professions responsible for life and liberty and that it strengthens critical thinking about their role in society.	Increase the number of in-person visitors educated about how and why the Holocaust happened	1,599,204	1,653,017	1,597,372	1,615,333	1,626,674	Met
	Increase the number of digital visitors educated about how and why the Holocaust happened	18.0 million	19.9 million	19.7 million	17.6 million	15.0 million	Met
	Increase the number of educators trained to teach about how and why the Holocaust happened	1194	630	671 [‡]	945	921	On-going
	Increase the number of professionals responsible for life and liberty trained about how and why the Holocaust happened	8,868	8,481	8,051	11,059	12,615	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
	Increase the number of youth leaders educated about how and why the Holocaust happened	7,314	5,102	5,989 ^s	2,678	3,526	On-going
	Increase the number of target audiences** validating our models and/or approaches	13 validations 8 sustained validations	16 validations 20 sustained validations	20 validations 23 sustained validations	29 validations 9 sustained validations	57 validations 37 sustained validations	Met and on-going
	Increase the number of target audiences** adopting our models and/or approaches	7 adoptions 29 sustained adoptions [^]	6 adoptions 34 sustained adoptions [^]	4 adoptions 68 sustained adoptions [^]	5 adoptions 76 sustained adoptions [^]	25 adoptions 79 sustained adoptions [^]	Met and on-going
Raise the level of Holocaust discourse and the legitimacy of the Holocaust in countries of influence where there is rising antisemitism and denial.	Increase traffic to Museum web content and social media in Farsi, Arabic, and Turkish	912,159	957,794	642,470	249,339+	275,000	Met and on-going

* Reported as of September 18, 2017 unless otherwise noted.

** Validation: Target audiences confirm the usefulness of Museum programs or resources for learning about how and why the Holocaust happened.

Sustained Validation: Target audiences confirm the useful of Museum programs and resources over the course of two or more interactions.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

- ^ Adoption: Target audiences report that they have incorporated Museum programs or resources into their curriculum.
Sustained Adoption: Target audiences continue to report the incorporation of Museum programs and resources into their curriculum over the course of two or more interactions.
- + Reported as of March 2016.
- ‡ Modifications to the program resulted in more targeted outreach to fewer number of educators (FY 2017).
- § The increased numbers are a result of a new partnership with D.C. Public Schools as referenced in the narrative.
- || The increased number is related to user experience research and changes to our website as well as new storytelling approaches on social media, Instagram in particular, and medium for long form storytelling.

The Museum is the global leader in creating greater awareness of the Holocaust and its lessons in a complex world by teaching how and why the Holocaust happened--and was allowed to happen. Through exhibitions, educational resources, digital outreach and programs for students, teachers, and leaders, the goal of the William Levine Family Institute for Holocaust Education (the Levine Institute) is to develop new approaches to Holocaust education that deepen our audiences' understanding of their roles in society, help them to develop critical thinking, and lead to changes in their attitudes and ultimately their behavior.

A fundamental strategy employed by the Levine Institute is telling the history of the Holocaust and its lessons through compelling and thought-provoking exhibitions and digital platforms. We often employ a thematic approach when doing this and currently have several thematic initiatives. Our thematic approaches to the history are designed to appeal to new and diverse audiences as well as to stimulate discussion about how and why the Holocaust happened and its relevance for today.

Since opening at the end of April 2018, nearly half a million people have visited the *Americans and the Holocaust* exhibition, representing nearly 20% of Museum entries and an increase in visitation of 10% over the previous special exhibition during an equivalent period of time. In this time, Museum staff have trained 73 volunteers and staff members to give tours of *Americans and the Holocaust*. We have offered 644 public tours serving nearly 9,900 Museum visitors between November 2018 through August 2019.

The *Americans and the Holocaust* exhibition was recognized by the American Alliance of Museums (AAM) as one of five exhibits nationally to receive the Excellence in Exhibition Competition's Special Achievement award.

While the exhibition continues to educate Museum visitors about Americans' responses to the Holocaust and the factors that influenced those responses, most of the Initiative strategies now focus on reaching audiences beyond the walls of the Museum. This includes: publication of *The Unwanted* a popular press book based on research from the exhibition and its relevant themes; development of a smaller travelling version of the

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

exhibition to be hosted in 50 libraries across the country in 2020-2021; continuation of “History Unfolded,” an innovative, nationwide crowdsourcing project that invites students, teachers, and others to research the newspapers of their community in the 1930s and 1940s; and the creation of a major documentary film. All of these initiative components continue to advance and are on schedule to be completed in the coming years of this 5-7 year initiative as previously planned.

Our other thematic initiative *Some Were Neighbors: Choice, Human Behavior, and the Holocaust* examines the role of ordinary people in the Holocaust and the variety of motives and pressures that influenced individual choices to act. The exhibition opened at the German Parliament in Berlin in January 2019. The opening was attended by German parliament staff, government officials, and NGO representatives.

In partnership with mayors from the German Cities Association, the exhibition travelled to several other cities in Germany and will continue to do so in 2020. We continue to work with partner organizations to reach audiences that are not ordinarily exposed to Holocaust education, memorial sites/museums, and exhibits of this kind. This includes bringing the exhibition to the former East Germany and disadvantaged urban areas. We are pairing the exhibition with educational models that help students apply Holocaust history to their life in ways that illuminate the role of citizens today. The Museum has continued to develop resources and innovate new approaches to teaching the Holocaust, with a significant investment in new digital engagement and distribution platforms for its educational content that reach students and teachers both domestically and abroad. For 2019, we are pleased to announce a major new component in the Holocaust Encyclopedia—Discussion Questions. With input from leading experts in both subject matter and pedagogy, this section provides teachers, students, and members of the general public with a framework for understanding (through major questions) how and why the Holocaust was possible.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
Ensure that the United States government, other governments and multilateral organizations have institutionalized structures, tools and policies to effectively prevent and respond to genocide and other mass atrocities.	Record “touches” of senior officials participating in our meetings and programs	91^^	75^	50**	85	38	Met
	Track Genocide Prevention Task Force and Responsibility to Protect recommendations being implemented	The Elie Wiesel Genocide and Atrocities Prevention Act was signed into law on January 14, 2019 after receiving a groundswell of support in the House and Senate. The law includes several recommendations from a Museum report published in 2008 and has benefited from the Museum’s targeted recommendations on how governments should respond to early warning signs of mass atrocities. The law ensures the US government is equipped with the most constructive and cost-effective tools to address the root cause of violent conflict.					Met
	Our work cited by U.S. Government offices and officials	The U.S. Ambassador at Large for International Religious Freedom (IRF) headlined the opening event for the IRF Ministerial in July 2019, at the Museum. The Museum launched the 2018-2019 Early Warning Project Statistical Risk Assessment in November 2018. The Museum’s determination that genocide had been committed in Burma against the Rohingya population affirmed by many U.S. policymakers who highlighted the Museum’s important work on Burma during a July 25, 2019 event on Capitol Hill that was co-sponsored by Amnesty International, the American Jewish World Service, and Physicians for Human Rights.					Met
	Our work cited by media	There was wide coverage of the Museum’s genocide declaration in Burma and The Early Warning Project. Notable outlets that covered this story include ABC News , Voice of America , The Daily Observer , The Independent , Slate , and NPR .					Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

* Reported as of September 1, 2017 unless otherwise noted.

** Tracked from January 2017 through September 1, 2017.

^ Reported as of August 17, 2018.

^^ Tracked from October 2018 through September 2019.

In an interconnected, rapidly changing world, atrocities fuel instability, refugee flows, and terrorism, making genocide prevention a matter of national and international interest. The long-term goal of the Simon-Skjodt Center for the Prevention of Genocide (Simon-Skjodt Center) is to ensure that the United States government, other governments, and multilateral organizations have institutionalized structures, tools, and policies to effectively prevent and respond to genocide and other mass atrocities. Never before has an organization with the international stature and assets of the Museum devoted itself to the goal of genocide prevention.

Ensuring a better future requires innovative strategies—initiatives that leverage new technologies and tools, forge new partnerships, nurture bold ideas, and boost the global public’s commitment to action. In order to realize these ambitious goals, the Simon-Skjodt Center has undertaken the following pioneering and groundbreaking initiatives:

- A robust, targeted outreach initiative to policymakers and opinion-shapers to strengthen governments’ will and capacity to prevent genocide.
- A rigorous risk assessment system for identifying countries at risk of genocide and other forms of mass killing—and a plan for ensuring these assessments are widely distributed in the public and among policy makers.
- A world-class research program on the causes of genocide and how to prevent it, and a fellowship program designed to incubate new ideas and build a new generation of leaders in the field of genocide prevention.
- A new international justice and accountability initiative to redress and deter atrocity crimes by strengthening international justice.
- A new outreach effort for the public, utilizing primarily digital media, to enhance understanding of genocide, current threats, and the value of their engagement.

During the past year, the Museum and the Simon-Skjodt Center have continued to shine a light on mass atrocities in Syria and Burma. Our work builds on travel to the region undertaken by Simon-Skjodt Center staff in 2018. Our on-the-ground perspective gained from these missions continues to inform our efforts to highlight, for policymakers and the public, the suffering of the local populations and the opportunities to prevent mass violence.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Expand and Diversify our Audiences (Global, Digital Engagement)

The mandate of the Museum's Simon-Skjodt Center for the Prevention of Genocide (Simon-Skjodt Center) is to alert the national conscience, influence policymakers, and stimulate worldwide action to prevent or halt acts of genocide or related crimes against humanity, and advance justice and accountability. In addition to this mission, the long-term goal of the Simon-Skjodt Center is to ensure that the United States government, other governments, and multilateral organizations have the structures, tools, and policies to effectively prevent and respond to genocide and related crimes against humanity.

As a world leader in the effort to prevent genocide - coupled with our our federal status, convening power, and established reputation among the public, lawmakers, foreign policy experts, and the media - the Simon-Skjodt Center maximizes our influence and advances our mission through three strategic approaches:

- Identifying ways in which governments and institutions can intervene at the early warning signs of potential mass violence and calling for action before atrocities begin.
- Mobilizing lawmakers and foreign policy leaders to take action to save lives when mass atrocities occur.
- Promoting justice and accountability efforts for victim and survivor communities in situations where there is a history of atrocities, ongoing atrocities, or a high risk of future violence.

During the past year, the Museum and the Simon-Skjodt Center has continued to ensure that the US government retains dedicated policies and interagency processes to focus attention on preventing genocide and related crimes against humanity.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Secure the Future of the Museum (Campaign)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status (target met or work on-going)
Undertake fundraising efforts to fulfill the strategic plan and integrate fundraising plans with programmatic priorities.	Raise \$45.7 million for the annual fund and \$6.5 million for the endowments, for a combined total of \$52.2 million	\$53.8 million for the annual fund and \$26.1 million for the endowments, for a combined total of \$79.9 million	\$64.9 million for the annual fund and \$13.9 million for the endowments, for a combined total of \$78.8 million	\$53.1 million for the annual fund and \$31.9 million for the endowments, for a combined total of \$85.0 million	\$69.5 million for the annual fund and \$12.8 million for the endowments, for a combined total of \$82.3 million	\$59.1 million for the annual fund and \$43.2 million for the endowments, for a combined total of \$102.3 million	Exceeded
Pursue continuous improvement and excellence in financial and human capital management, information technology support, and Museum	Continue to develop mobile Web platforms for content delivery in the Museum space and to constituents worldwide	Continued development of multiple new web pages and continued deployment of content that is easily readable on smartphones and tablets	Developed multiple new web pages and deployed content that is easily readable on smartphones and tablets	Developed multiple new web pages and deployed content that is easily readable on smartphones and tablets	Developed multiple new web pages and deployed content that is easily readable on smartphones and tablets	N/A	Met

United States Holocaust Memorial Museum

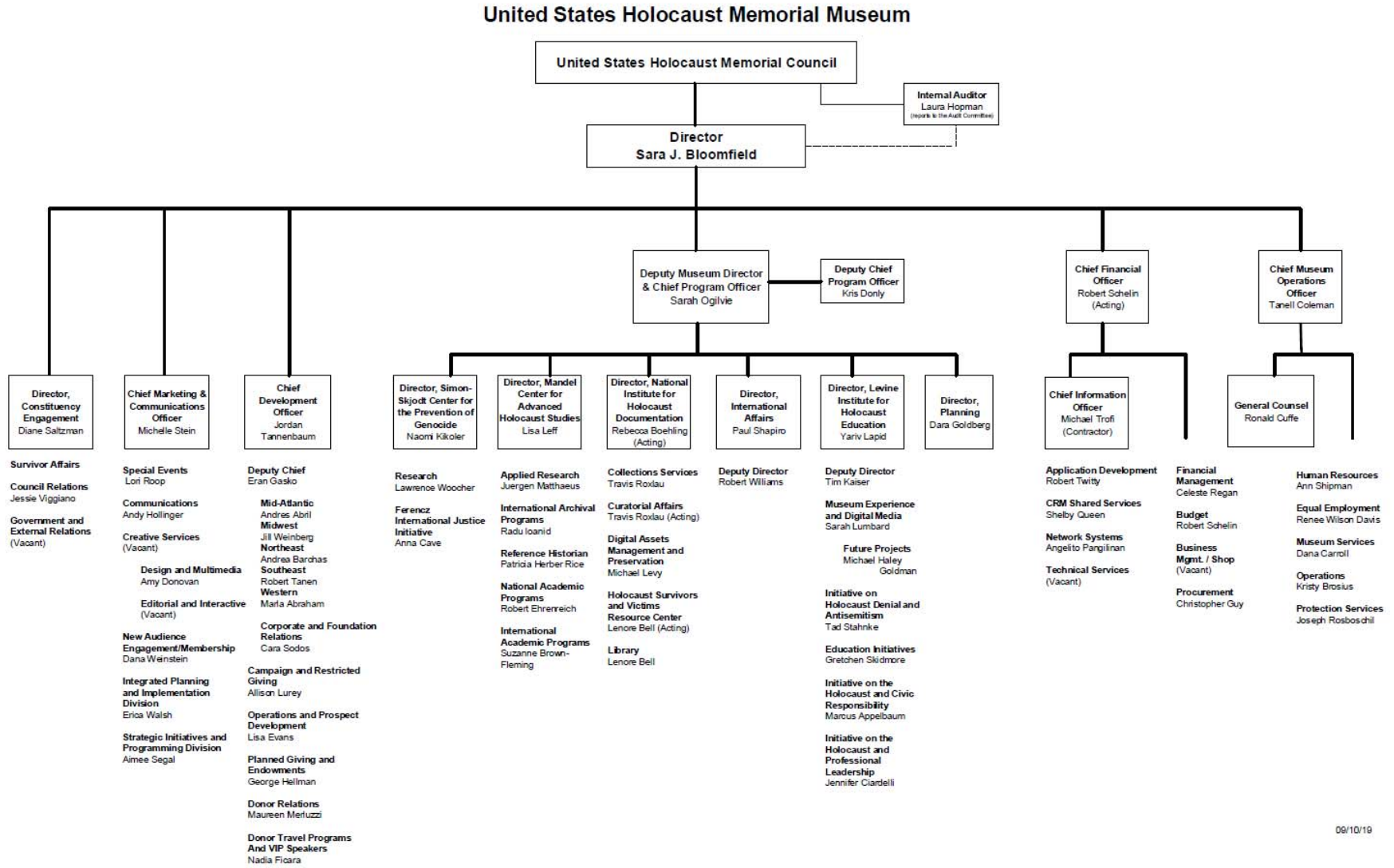
Government Performance and Results Act Annual Performance Plan - FY 2019

STRATEGIC OBJECTIVE: Secure the Future of the Museum (Campaign)

Priority Outcome	Indicator	FY19 Actual	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status <i>(target met or work on-going)</i>
management and governance.	Enhance performance of the data center, storage, and server infrastructure through server/storage platform virtualization	Outsourced IT operations to a fully managed service provider; Initiated selected Cloud migrations	Completed Cloud migration plan and began developing Cloud security hierarchy	Completed analysis of Cloud vendors and prepare migration plan	Completed analysis of Cloud vendors and prepare migration plan	N/A	Met and ongoing
	Develop design for exhibition hardware replacement as funding becomes available	Continued a cyclical exhibition hardware replacement plan	Established a cyclical exhibition hardware replacement plan	Completed the migration of the legacy hardware functions to new equipment	Migrated 50% of the legacy hardware functions to new equipment	N/A	Met
	Improve security around the information assets of the Museum	Continued significant progress on mitigating information security risks	Continued significant progress on mitigating information security risks	Continued significant progress on mitigating information security risks	Significant progress made in mitigating information security risks	N/A	Met and ongoing

United States Holocaust Memorial Museum

Museum Organization Chart



United States Holocaust Memorial Museum

Message from the Chief Financial Officer

November 14, 2019

I am pleased to present the United States Holocaust Memorial Museum's Fiscal Year 2019 *Performance and Accountability Report* which presents both financial and performance information on the Museum's operations in a combined report for the fiscal year ended September 30, 2019. This report satisfies the reporting requirements for the following:

- *Accountability of Tax Dollars Act of 2002*
- *Reports Consolidation Act of 2000*
- *Government Management Reform Act of 1994*
- *Government Performance and Results Act of 1993*
- *Chief Financial Officers Act of 1990*
- *Federal Managers' Financial Act of 1982*
- *Section 2308 of the Museum's authorizing legislation (36 USC 2302)*

The Museum received an unmodified opinion on its financial statements for Fiscal Year 2019. These statements fully account for both the federal appropriated and nonappropriated funds.

In the past year, we continued efforts to refine and improve the Museum's financial system with the goal of providing Museum managers, Council members, federal oversight officials, and the general public with timely, accurate, and useful financial information.

We remain committed to providing the Museum with the highest levels of financial management services and ensuring the efficiency, economy, and effectiveness of the Museum programs and activities.



Robert Schelin
Acting Chief Financial Officer
United States Holocaust Memorial Museum



Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive, Suite 800
McLean, VA 22102

Independent Auditor's Report

To the Council Members
United States Holocaust Memorial Museum
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of the **United States Holocaust Memorial Museum** (the Museum), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Holocaust Memorial Museum as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary Schedule of Budgetary Resources - Appropriated Funds, Schedule of Net Cost - Appropriated Funds, Schedule of Changes in Net Position - Appropriated Funds, and Schedule Reconciling Net Cost of Operations to Budget - Appropriated Funds for the years ended September 30, 2019 and 2018, and Schedule of Claims Conference Payments for the year ended September 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

The information in the Management's Discussion and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited the Museum's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 14, 2019, on our consideration of the Museum's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control over financial reporting and compliance.

BDO USA, LLP

November 14, 2019

Financial Statements

United States Holocaust Memorial Museum
Statement of Financial Position
As of September 30, 2019
(with summarized information as of September 30, 2018)

	Nonappropriated Funds	Appropriated Funds	2019 Total	2018 Total
Assets:				
Cash and fund balance with Treasury	\$ 9,613,596	\$ 35,457,634	\$ 45,071,230	\$ 39,425,331
Short-term investments	13,633	-	13,633	579
Contributions receivable, net	64,810,763	-	64,810,763	73,460,601
Other assets	1,689,411	209,490	1,898,901	1,309,840
Long-term investments	502,486,872	-	502,486,872	470,652,337
Property and equipment, net	93,878,735	16,389,374	110,268,109	116,019,082
Interest rate swap	-	-	-	646,967
Collections	-	-	-	-
Total assets	\$ 672,493,010	\$ 52,056,498	\$ 724,549,508	\$ 701,514,737
Liabilities and net assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 7,644,336	\$ 4,050,463	\$ 11,694,799	\$ 11,031,092
Charitable gift annuity liability	13,244,281	-	13,244,281	13,421,084
Unexpended appropriations	-	32,847,999	32,847,999	26,828,416
Interest rate swap	486,692	-	486,692	-
Term loan	35,145,216	-	35,145,216	35,145,216
Total liabilities	56,520,525	36,898,462	93,418,987	86,425,808
Commitments and contingencies				
Net assets:				
Without donor restrictions	158,749,733	15,158,036	173,907,769	182,152,814
With donor restrictions	457,222,752	-	457,222,752	432,936,115
Total net assets	615,972,485	15,158,036	631,130,521	615,088,929
Total liabilities and net assets	\$ 672,493,010	\$ 52,056,498	\$ 724,549,508	\$ 701,514,737

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Statement of Activities
Year Ended September 30, 2019
(with summarized information for the year ended September 30, 2018)

	Nonappropriated Funds	Appropriated Funds	Total Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Support and revenues:						
Federal appropriation revenue	\$ -	\$ 52,647,145	\$ 52,647,145	\$ -	\$ 52,647,145	\$ 53,647,289
Contributions	25,757,585	-	25,757,585	45,489,323	71,246,908	69,137,478
Membership revenue	11,897,637	-	11,897,637	-	11,897,637	11,701,740
Stein Museum Shop	2,136,870	-	2,136,870	-	2,136,870	2,226,260
Investment return, net	4,563,810	-	4,563,810	1,628,998	6,192,808	33,547,453
Contributed services	227,187	-	227,187	-	227,187	141,690
Imputed financing source	-	1,406,268	1,406,268	-	1,406,268	1,156,167
Other	472,666	-	472,666	-	472,666	346,782
Net assets released from restrictions:	22,831,684	-	22,831,684	(22,831,684)	-	-
Total support and revenues	67,887,439	54,053,413	121,940,852	24,286,637	146,227,489	171,904,859
Operating expenses:						
Program services						
Museum operations	6,227,273	25,330,009	31,557,282	-	31,557,282	30,163,585
Mandel Ctr for Advanced Holocaust Studies	7,049,027	4,031,832	11,080,859	-	11,080,859	10,676,839
Levine Institute for Holocaust Education	11,881,948	5,178,071	17,060,019	-	17,060,019	16,410,513
National Institute for Holocaust Documentation	6,032,755	8,269,553	14,302,308	-	14,302,308	13,798,880
Simon-Skjodt Ctr for the Prevention of Genocide	3,103,457	349,727	3,453,184	-	3,453,184	3,169,269
Education and outreach	7,552,057	1,537,711	9,089,768	-	9,089,768	9,717,492
Stein Museum Shop	2,100,065	349,727	2,449,792	-	2,449,792	2,346,240
Other outreach and public programs	3,593,957	2,067,475	5,661,432	-	5,661,432	6,406,209
Total program services	47,540,539	47,114,105	94,654,644	-	94,654,644	92,689,027
Supporting services						
Management and general	8,883,942	7,192,003	16,075,945	-	16,075,945	13,591,749
Membership development	5,760,044	218,094	5,978,138	-	5,978,138	5,344,284
Fundraising	11,627,887	715,624	12,343,511	-	12,343,511	11,612,922
Total supporting services	26,271,873	8,125,721	34,397,594	-	34,397,594	30,548,955
Total operating expenses	73,812,412	55,239,826	129,052,238	-	129,052,238	123,237,982
Non-operating activity						
Change in value of interest rate swap	(1,133,659)	-	(1,133,659)	-	(1,133,659)	879,663
Change in net assets	(7,058,632)	(1,186,413)	(8,245,045)	24,286,637	16,041,592	49,546,540
Net assets - beginning of year	165,808,365	16,344,449	182,152,814	432,936,115	615,088,929	565,542,389
Net assets - end of year	\$ 158,749,733	\$ 15,158,036	\$ 173,907,769	\$ 457,222,752	\$ 631,130,521	\$ 615,088,929

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Statement of Functional Expenses
Year Ended September 30, 2019
(with summarized information for the year ended September 30, 2018)

	Program Services									Support Services				2019 Total	2018 Total
	Museum Operations	Mandel Ctr for Advanced Holocaust Studies	Levine Institute for Holocaust Education	National Institute for Holocaust Documentation	Simon-Skjodt Ctr for the Prevention of Genocide	Education and Outreach	Stein Museum Shop	Other Outreach and Public Programs	Total Program Services	Management and General	Membership Development	Fundraising	Total Supporting Services		
Staff salary	\$ 5,941,516	\$ 4,665,315	\$ 8,145,281	\$ 7,224,307	\$ 1,660,531	\$ 4,355,986	\$ 736,061	\$ 2,113,149	\$ 34,842,146	\$ 6,707,139	\$ 786,692	\$ 5,953,865	\$ 13,447,696	\$ 48,289,842	\$ 46,067,208
Fringe benefits	2,231,306	1,520,869	2,405,354	2,586,382	400,295	1,192,267	224,395	697,084	11,257,952	2,317,779	211,533	1,503,229	4,032,541	15,290,493	15,402,086
<i>Personnel Subtotal</i>	8,172,822	6,186,184	10,550,635	9,810,689	2,060,826	5,548,253	960,456	2,810,233	46,100,098	9,024,918	998,225	7,457,094	17,480,237	63,580,335	61,469,294
Services	5,667,311	2,210,142	2,513,422	2,361,269	840,100	2,474,927	175,078	1,358,461	17,600,710	5,864,595	3,259,710	2,248,935	11,373,240	28,973,950	25,877,032
Occupancy and security	11,496,682	414,929	742,899	612,218	124,249	393,945	123,667	441,693	14,350,282	408,044	1,458,765	708,298	2,575,107	16,925,389	16,792,728
Depreciation and amortization	5,114,855	254,930	2,166,388	466,900	80,423	232,503	80,423	212,881	8,609,303	259,317	56,160	149,622	465,099	9,074,402	8,470,323
Supplies, non-capital equipment and others	1,084,032	1,400,482	686,180	830,438	131,858	341,342	66,151	428,388	4,968,871	406,341	198,222	1,184,463	1,789,026	6,757,897	6,747,325
Travel	21,580	614,192	400,495	220,794	215,728	98,798	64,837	409,776	2,046,200	112,730	7,056	595,099	714,885	2,761,085	2,908,549
Cost of goods sold	-	-	-	-	-	-	979,180	-	979,180	-	-	-	-	979,180	972,731
	\$31,557,282	\$11,080,859	\$17,060,019	\$14,302,308	\$3,453,184	\$9,089,768	\$2,449,792	\$5,661,432	\$94,654,644	\$16,075,945	\$5,978,138	\$12,343,511	\$34,397,594	\$129,052,238	\$123,237,982

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Statement of Cash Flows
Year Ended September 30, 2019
(with summarized information for the year ended September 30, 2018)

	Nonappropriated Funds	Appropriated Funds	2019 Total	2018 Total
Reconciliation of change in net assets to net cash provided by operating activities:				
Change in net assets	\$ 17,228,005	\$ (1,186,413)	\$ 16,041,592	\$ 49,546,540
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization	5,326,307	3,748,095	9,074,402	8,470,323
Realized/unrealized losses (gains) on investments	2,235,834	-	2,235,834	(25,834,977)
Provision for uncollectible accounts	83,310	-	83,310	218,837
Change in discount to present value of contributions receivable	(973,199)	-	(973,199)	460,270
Contributions of net assets with donor restrictions received as endowment	(33,772,133)	-	(33,772,133)	(11,068,816)
Loss (gain) on interest rate swap	1,133,659	-	1,133,659	(879,663)
Changes in assets and liabilities:				
Decrease (increase) in:				
Contributions receivable	9,539,727	-	9,539,727	(3,160,710)
Other assets	(579,922)	(9,139)	(589,061)	530,077
Increase (decrease) in:				
Accounts payable and accrued expenses	1,149,367	(485,660)	663,707	(2,132,318)
Charitable gift annuity liability	(176,803)	-	(176,803)	633,383
Unexpended appropriations	-	6,019,583	6,019,583	5,088,248
Net cash provided by operating activities	1,194,152	8,086,466	9,280,618	21,871,194
Cash flows from investing activities:				
Capital expenditures	(759,454)	(2,563,975)	(3,323,429)	(6,631,397)
Purchases of investments	(127,217,582)	-	(127,217,582)	(65,157,717)
Proceeds from sale of investments	93,134,159	-	93,134,159	44,906,076
Net cash used in investing activities	(34,842,877)	(2,563,975)	(37,406,852)	(26,883,038)
Cash flows from financing activities:				
Contributions of net assets with donor restrictions received as endowment	33,772,133	-	33,772,133	11,068,816
Net cash provided by financing activities	33,772,133	-	33,772,133	11,068,816
Net increase in cash and fund balance with Treasury	123,408	5,522,491	5,645,899	6,056,972
Cash and fund balance with Treasury - beginning of year	9,490,188	29,935,143	39,425,331	33,368,359
Cash and fund balance with Treasury - end of year	\$ 9,613,596	\$ 35,457,634	\$ 45,071,230	\$ 39,425,331
Supplemental data:				
Gifts of securities	\$ 12,139,480	\$ -	\$ 12,139,480	\$ 4,840,729
Cash paid for interest	\$ 1,077,698	\$ -	\$ 1,077,698	\$ 899,973

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

1. Organization and Purpose

Organization and Governance

The United States Holocaust Memorial Council was created as an independent Federal establishment by Public Law 96-388 on October 7, 1980, for the purposes of providing appropriate ways for the nation to commemorate the Days of Remembrance; planning, constructing, and overseeing the operation of a permanent memorial museum for the victims of the Holocaust; and developing a plan for carrying out the recommendations made in the Report to the President of the United States by the President's Commission on the Holocaust, dated September 27, 1979. The U.S. Congress changed the name from "Council" to "Museum" and permanently authorized the United States Holocaust Memorial Museum (the Museum) by Public Law 106-292 (36 U.S.C. 2301, et. seq.) on October 12, 2000, designating the Museum as an independent establishment of the United States Government.

The Museum is governed by 65 voting members and three nonvoting *ex officio* members (the Members). Fifty-five voting Members are appointed by the President of the United States, five are appointed by the Speaker of the U.S. House of Representatives from among Members of the U.S. House of Representatives, and five are appointed by the President Pro Tempore of the U.S. Senate, upon the recommendation of the majority and minority leaders, from among Members of the U.S. Senate. One nonvoting Member is appointed by each of the Secretaries of the Interior, State, and Education departments. Members serve a term of five years or, in the case of Members of Congress, until the end of their term in Congress.

The Museum receives an annual Federal appropriation (see Appropriated Funds - note 10) and was authorized by statute (36 U.S.C. Section 2307) to raise private funds (the nonappropriated funds) to aid or facilitate the operation and maintenance of the Museum. These financial statements present the financial position, activities, and cash flows of both the appropriated funds and the nonappropriated funds of the Museum.

Tax-Exempt Status

The Museum is exempt from income taxation, except for its unrelated business income, under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Museum recognizes the effect of income tax positions only if those positions are more likely than not to be sustained.

Under Financial Accounting Standards Board (FASB), *Accounting for Uncertainty in Income Taxes* Accounting Standards Codification (ASC) 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Museum does not believe there are any material uncertain tax positions, and accordingly, it will not recognize any liability for unrecognized tax benefits. The Museum has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Museum has filed Internal Revenue Service (IRS) Form 990 and Form 990-T tax returns as required and all other applicable returns in those jurisdictions where it is required. The Museum believes that it is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2016. For the years ended September 30, 2019 and 2018, there were no interest or penalties recorded or included in the statement of activities related to uncertain tax positions.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

2. Summary of Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Museum's financial statements are presented in accordance with FASB ASC 958-205, *Not-For-Profit Presentation of Financial Statements*.

The statement of activities includes certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Museum's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Significant Accounting Policies

Significant accounting policies followed are summarized below:

(a) Cash and Fund Balance with Treasury

Cash for nonappropriated funds consists of amounts held in financial institutions for day-to-day operations. Fund balance with Treasury for appropriated funds consists of funds held by the U.S. Department of the Treasury.

The Museum maintains cash balances with federally insured institutions, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 on interest-bearing accounts per bank at September 30, 2019 and 2018. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and fund balance with Treasury.

(b) Investments

Investments are reported at fair value, with gains and losses included in the statement of activities. Short-term and long-term investments represent donated securities and the investment of endowment funds.

Short-term investments include money market funds and government securities with maturities of less than one year, consistent with the cash management policy of the Museum. Certain liquid investments are considered noncurrent assets, as they are restricted or intended to be held for long-term purposes.

The whole endowment, consisting of the board-designated and donor-restricted endowments, is pooled for investment purposes. The endowment pays out an amount for annual support of operations and an amount allowed to be spent for specific purposes based on the trailing 12-quarter fair value averages as calculated using data through June 30th of the preceding year.

(c) Financial Instruments and Credit Risk

Financial instruments which potentially subject the Museum to a concentration of credit risk consist principally of investments held by creditworthy financial institutions. By policy, these investments are kept within limits designed to prevent risk caused by concentration.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Approximately 48% and 52% of the Museum's gross contributions receivable as of September 30, 2019 and 2018, respectively, are due from three grantors. The Museum believes the credit risk is mitigated based on a long history with the grantors and management's ongoing considerations around collectability of its receivables. The credit risk with respect to the remaining contributions receivable is considered limited due to the large donor base.

(d) Split-Interest Agreements - Charitable Gift Annuities and Interests in Perpetual Trusts

For gifts that establish charitable gift annuities, the contributed assets are recognized at fair value at the date of the annuity agreements. An annuity liability is recognized for the present value of future cash flows expected to be paid to the donor or the donor's designee and contribution revenues are recognized equal to the difference between the assets and the annuity liability. Liabilities are adjusted during the term of the annuities for payments, accretion of discounts and changes in life expectancies. The Museum uses the historical Internal Revenue Service discount rates and tables compiled from the Office of the Actuary of the Social Security Administration for life expectancies.

The interests in perpetual trusts are included in contributions receivable at the present value of the estimated future benefits to be received when the trusts' assets are distributed. Contribution revenue is recognized when the Museum is first made aware of its irrevocable interest in a perpetual trust. The receivable is adjusted during the term of the trust for the accretion of discounts, revaluation of the present value of the estimated future payments, and changes in life expectancies. These changes are reported as contribution revenue.

(e) Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are reported at their net realizable value. Unconditional promises to give that are expected to be collected in future years are discounted to their present value. Conditional promises to give are not recognized in the accompanying financial statements until the conditions have been met.

An allowance for uncollectible contributions is provided based on management's evaluation of potential uncollectible contributions receivable at year-end. The allowance is based on historical data and is applied as a percentage of receivables. Changes in the allowance for uncollectible contributions are recorded as bad debt expense.

(f) Other Assets

Other assets consist primarily of prepayments and inventory from the Museum bookstore (the Stein Museum Shop). The Stein Museum Shop sells Holocaust-related educational materials, such as books and DVDs, to the public. The Stein Museum Shop's inventory was \$475,833 and \$375,507 as of September 30, 2019 and 2018, respectively, and is valued at the lower of cost or net realizable value using the first-in, first-out inventory valuation method.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

(g) Property and Equipment

The Museum opened to the public on April 26, 1993. All costs associated with the construction of the Museum, including payments to construction contractors, architect's fees, excavation costs, direct materials and labor, Museum construction management, and interest were capitalized. All interest incurred on borrowed funds through April 26, 1993 was capitalized because the funds were specifically borrowed for the construction of the Museum. On April 26, 1993, depreciation on the Museum commenced and is computed on the straight-line basis over 40 years.

The land on which the Museum has been constructed, as well as an administrative building, are titled in the name of the U.S. Government and are not reflected in the accompanying financial statements. The Museum reserves administrative jurisdiction over the property for as long as it is used to carry out the mission of the Museum. The Museum has use of this land and building rent-free in perpetuity.

In April 2017, the Museum opened the David and Fela Shapell Family Collections, Conservation and Research Center (the Shapell Center) to serve as the repository for the collections and future site of scholarly activities. All costs associated with the construction of the Shapell Center, including payments to construction contractors, architect's fees, excavation costs, direct materials and labor, and construction management were capitalized. On May 1, 2017, depreciation on the Shapell Center commenced and is computed on the straight-line basis using the estimated useful life based on the asset type.

Renovations and improvements are recorded, and depreciated and/or amortized, on a straight-line basis over 10 years.

Museum exhibitions include the cost to design and construct the permanent exhibition and temporary exhibitions. The permanent exhibition is being amortized on the straight-line basis over 30 or 40 years and temporary exhibitions are amortized on a straight-line basis over the life of the specific exhibition.

Furniture and equipment are stated at cost. The Museum capitalizes all property and equipment having a useful life of one year or more and an acquisition cost of \$5,000 or more per unit. Depreciation is computed using the straight-line method. Estimated useful lives are three years for computer equipment and five years for furniture and other equipment.

(h) Impairment of Long-Lived Assets

The Museum reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced to its current fair value by a charge to the statement of activities.

(i) Collections

The Museum acquires its collections, which include works of art, artifacts, archives, film and video, oral histories, and historical treasures, by purchase or by donation. All collections are held for public exhibition, education, or research. The Museum's collection policy includes guidance on the preservation, care, and maintenance of the collections and procedures related to the accession/deaccession of collections items.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

In conformity with the practice generally followed by museums, no value is assigned to the collections in the statement of financial position. Purchases of collection items are recognized as reductions in net assets without donor restrictions in the period of acquisition. Proceeds from deaccessions of collection items are designated for future collection acquisitions.

(j) Accrued Vacation

The Museum records an expense and related liability for vacation earned and unpaid at the end of the year for appropriated and nonappropriated employees. This liability is reflected in accounts payable and accrued expenses in the accompanying statement of financial position.

(k) Net Assets

The Museum classifies net assets into two categories: without donor restrictions and with donor restrictions. Appropriated activity is part of net assets without donor restrictions even though the use requires compliance with Federal regulations. All contributions are considered to be available for general use unless specifically restricted by the donor or by time.

(l) Contributions

Contributions without donor restrictions are recorded as support without donor restrictions in the period received. Contributions without donor restrictions with payments due in future periods are initially recorded as support with donor restrictions due to inherent time restrictions. Once the contribution becomes due, the net assets with donor restrictions are reclassified to net assets without donor restrictions and are included in net assets released from restrictions in the accompanying statement of activities.

Contributions that are restricted for certain programs are initially recorded as net assets with donor restrictions support when received. When donor restrictions are met, the net assets with donor restrictions are reclassified to net assets without donor restrictions and are included in net assets released from restrictions in the accompanying statement of activities. Contributions received during the year for which the restrictions are met during the same year are recorded as both under net assets with donor restrictions and net assets released from restrictions in the accompanying statement of activities.

Contributions restricted by donors for the Museum's donor-restricted endowment that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Museum, are recorded as support restricted in perpetuity within net assets with donor restrictions in the year received in the accompanying statement of activities.

(m) Membership Revenue

Membership dues are considered contributions and are recognized as revenue in the period received.

(n) Appropriated Funds

The Museum receives an annual appropriation from Congress. Appropriations are used to fund certain Museum expenditures, as determined by the Museum and implemented by management, in conformity with the Museum's congressional mandate. Federal appropriation revenues are classified as net assets without donor restrictions and are recognized as revenue as expenditures are incurred.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

(o) Nonappropriated Funds

The nonappropriated funds reflect the receipts and expenditures of funds obtained from private sources through various fundraising and membership efforts, investment return, and certain revenue-producing activities related to the operations of the Museum.

(p) Imputed Financing Source

The Museum recognizes the costs of pension and Federal retirement benefits for its Federal employees during their active years of service, even though these costs will ultimately be paid by the Office of Personnel Management. An imputed financing source is recognized in support and revenue equal to this imputed cost in the statement of activities.

(q) Expenses

Expenses are recognized by the Museum during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to specific functions of the Museum are reported as expenses of these functional areas.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Museum. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and security, depreciation and amortization, and information technology and information security. Allocation is based on headcount.

Program services refer to activities that further the Museum's mission.

Supporting services refer to management and general, membership development and fundraising expenses of operating the Museum.

(r) Use of Estimates

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

(s) Fair Value of Financial Instruments

The Museum's financial instruments consist of cash, contributions receivable, investments, accounts payable, and accrued liabilities. The carrying amount of the cash, accounts payable, and accrued liabilities approximates their fair values. The value of contributions receivable is estimated as the present value of discounted cash flows using a current risk free rate. The values of publicly traded fixed income and equity securities are based on quoted market prices and exchange rates.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The Museum applies fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date assuming the transaction occurs in the entity's principal (or most advantageous) market.

The Museum's investments include a significant number of investment funds whose fair market values are reported using the net asset value (NAV) methodology. These funds calculate NAV and operate in all material respects in conformance with American Institute of Certified Public Accountants (AICPA) applicable guidelines for investment companies.

For those investments which are valued based on manager reported net asset values, the Museum applies methods and procedures to assess valuation including reviewing pricing techniques utilized by the individual managers, comparing fund performance to relevant market indexes, and evaluating the pricing methods and models utilized by the fund manager. In addition, the members of the Museum's Investment Committee are independent experts in the investment field who provide oversight in the selection and ongoing monitoring of investments.

For the interest rate swap, management reviews and relies on the counterparty valuation method.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements Adopted

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments Overall (Subtopic 825-10)*. The ASU addresses certain aspects of recognition, measurement, presentation, and the disclosure of financial instruments. The main impact on nonprofit organizations is the removal of the disclosures related to the fair value of financial instruments at amortized cost. Adoption of this ASU did not have a significant impact on the Museum's financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The Museum has adopted this standard during the fiscal year ended September 30, 2019 and adjusted the presentation of the financial statements accordingly.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The ASU has been applied retrospectively to all periods presented except the Museum has opted to present the liquidity and availability and the statement of functional expenses only for the year of adoption, as permitted under the ASU. There was no effect on the change in net assets reported at September 30, 2018.

Accounting Pronouncements Issued but Not Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The update establishes a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP, including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective dates of ASU 2014-09 until annual periods beginning after December 15, 2018 for the majority of nonprofit organizations. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The standard also requires lessors to treat a lease as a sale if it transfers all of the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a financing lease. If the lessor doesn't convey risks and rewards or control, an operating lease results. The guidance is effective for the Museum for the fiscal year beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)*. This ASU was issued to address the diversity in practice with regard to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The ASU addresses the following eight types of cash flow issues: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt, (3) contingent consideration related to a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from settlement of corporate-owned life insurance policies, (6) distributions received from equity method investments, (7) beneficial interests in securitization transactions, and (8) classification of cash receipts and payments that have aspects of more than one class of cash flows. The ASU is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted but the entity must adopt all the amendments at that date. The amendments in this ASU should be applied using a retrospective transition method to each period presented. If it is impracticable to do so for certain of these items, the amendments for those issues would be applied prospectively as of the earliest date practicable. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution, the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU will assist in the determination of the nature of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. The ASU is effective for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018. The ASU is effective for transactions in which the entity serves as a resource provider to annual periods beginning after December 15, 2019. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The ASU is effective for the Museum's financial statements for fiscal years beginning after December 15, 2019. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

3. Liquidity and Availability

The following reflects the Museum's financial assets as of September 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date due to donor-imposed restrictions. Amounts not available also include what has been set aside for long-term investing in the Board-designated endowment that could be drawn upon with the approval of the Council.

The Council approved an endowment spending policy that provides an annual endowment payout, and has also authorized one-time withdrawals from the Board-designated endowment for specific purposes. Amounts appropriated from either the donor-restricted endowment or Board-designated endowment for general expenditure in fiscal year 2020 are shown as reducing the amount available for appropriation.

Financial assets at September 30, 2019	\$ 612,382,498
Less:	
Pledge receivables due after one year, net of discount and allowance	(48,974,502)
Board-designated endowment, for long-term investing	(74,294,066)
Donor-restricted endowment principal and accumulated earnings	(312,618,282)
Invested funds subject to spending policy	(40,504,805)
Funds functioning as endowment, payout allocated for FY 2020	9,241,857
Board-designated endowment funds, payout allocated for FY 2020	3,788,845
Charitable gift annuity assets	(28,772,301)
Financial assets available to meet cash needs for general expenditures within one year	\$ 120,249,244

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Sufficient financial assets are expected to be available as general expenditures, liabilities, and other obligations come due. The composition of financial assets available for general expenditure within one year of September 30, 2019 are as follows:

Cash and fund balance with Treasury	\$ 45,071,230
Short-term investments	13,633
Contributions receivable, net	15,836,261
Reserve account	1,209,270
FY 2020 endowment payout (Board-designated and general)	13,030,702
Long-term investments - available for operations	45,088,148
Components of available financial resources at September 30, 2019	\$ 120,249,244

Appropriated federal funds generally become available when enacted or authorized in a continuing resolution.

The Museum receives substantial support from contributions with donor restrictions and maintains sufficient resources to meet those commitments to its donors. Fluctuations in operating cash balances increase and decrease the amount in the reserve account. The Council may designate a portion of any operating surplus to the Board-designated endowment.

4. Cash and Fund Balance with Treasury

Cash and fund balance with Treasury represent nonappropriated and appropriated funds, respectively.

Appropriated fund balance with Treasury at September 30 consists of the following:

	2019	2018
Status of fund balance with Treasury:		
Unobligated balance:		
Available	\$ 16,655,769	\$ 12,598,127
Unavailable	131,188	166,003
Obligated not yet disbursed	18,670,677	17,171,013
Total appropriated fund balance with Treasury	\$ 35,457,634	\$ 29,935,143

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

5. Investments and Fair Value Measurements

Investments are professionally managed by outside investment organizations subject to direction and oversight by the Investment Committee of the Museum. The Museum has established investment policies and guidelines that provide for asset allocation and performance objectives.

Net investment return for the years ended September 30 is summarized below:

	2019	2018
Interest and dividends	\$ 10,032,538	\$ 9,141,719
Net realized and unrealized (losses) gains	(2,235,834)	25,834,977
Investment management expenses	(1,603,896)	(1,429,243)
Net investment return	\$ 6,192,808	\$ 33,547,453

As described in note 2, the Museum applies the fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities. This level generally includes cash, certain U.S. large cap equities, U.S. small to mid cap equities, fixed income mutual funds, multi-strategy mutual funds, high yield corporate bond funds, and State of Israel bonds that are traded in an active exchange market.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. This category generally includes holdings which cannot be liquidated daily including certain U.S. large cap equities, international markets equities, emerging markets equities, and domestic equities and fixed income.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This level includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This level generally includes global equities, multi-strategy mutual funds, bank loan fund, equity long/short hedge funds, event driven hedge funds, multi-strategy hedge funds, and interests in charitable trusts.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments for which fair value is measured using the NAV per share, or its equivalent, as a practical expedient are not required to be categorized within the fair value hierarchy but are presented to reconcile to the statement of financial position.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The following table presents investments that are measured at fair value on a recurring basis at September 30, 2019:

	Level 1	Level 2	Level 3	NAV	Total
Short-term investments:					
Donated stocks	\$ 13,633	\$ -	\$ -	\$ -	\$ 13,633
Short-term investments subtotal	13,633	-	-	-	13,633
Long-term investments:					
Portfolio cash equivalents	46,060,711	-	-	-	46,060,711
U.S. large cap equities	120,756,765	-	-	-	120,756,765
U.S. small to mid-cap equities	21,563,184	-	-	-	21,563,184
International markets equities	6,424,521	-	-	32,372,656	38,797,177
Emerging markets equities	16,698,404	-	-	23,954,086	40,652,490
Fixed income mutual funds	41,940,526	-	-	-	41,940,526
Multi-strategy mutual funds	22,869,308	-	-	11,549,970	34,419,278
High yield corporate bond funds	13,390,650	-	-	-	13,390,650
Bank loan fund	-	-	-	15,958,233	15,958,233
Equity long/short hedge funds	-	-	-	14,719,984	14,719,984
Private equity - secondary markets	-	-	-	10,921,505	10,921,505
Event driven hedge funds	-	-	-	74,018,813	74,018,813
Multi-strategy hedge funds	-	-	-	379,343	379,343
State of Israel bonds	135,912	-	-	-	135,912
Gift annuity program investments:					
Portfolio cash equivalents	651,602	-	-	-	651,602
Domestic equities and fixed income	-	28,120,699	-	-	28,120,699
Long-term investments subtotal	290,491,583	28,120,699	-	183,874,590	502,486,872
Total	\$290,505,216	\$ 28,120,699	\$ -	\$183,874,590	\$502,500,505

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The following table presents investments that are measured at fair value on a recurring basis at September 30, 2018:

	Level 1	Level 2	Level 3	NAV	Total
Short-term investments:					
Donated stocks	\$ 579	\$ -	\$ -	\$ -	\$ 579
Short-term investments subtotal	579	-	-	-	579
Long-term investments:					
Portfolio cash equivalents	46,092,249	-	-	-	46,092,249
U.S. large cap equities	132,729,022	-	-	-	132,729,022
U.S. small to mid-cap equities	22,105,831	-	-	-	22,105,831
International markets equities	6,558,557	-	-	34,138,807	40,697,364
Emerging markets equities	12,304,820	-	-	3,810,579	16,115,399
Fixed income mutual funds	30,623,893	-	-	-	30,623,893
Multi-strategy mutual funds	22,473,963	-	-	11,168,687	33,642,650
High yield corporate bond funds	12,744,287	-	-	-	12,744,287
Bank loan fund	-	-	-	14,542,821	14,542,821
Equity long/short hedge funds	-	-	-	19,903,127	19,903,127
Private equity - secondary markets	-	-	-	8,043,124	8,043,124
Event driven hedge funds	-	-	-	63,714,247	63,714,247
Multi-strategy hedge funds	-	-	-	408,653	408,653
State of Israel bonds	209,303	-	-	-	209,303
Gift annuity program investments:					
Portfolio cash equivalents	509,066	-	-	-	509,066
Domestic equities and fixed income	-	28,571,301	-	-	28,571,301
Long-term investments subtotal	286,350,991	28,571,301	-	155,730,045	470,652,337
Total	\$286,351,570	\$ 28,571,301	\$ -	\$155,730,045	\$470,652,916

Other financial instruments measured at fair value on a recurring basis include the interest rate swap amounting to (\$486,692) and \$646,967 as of September 30, 2019 and 2018, respectively, which is considered as Level 2 under the fair value hierarchy; and interest in charitable trusts (included in contributions receivable) amounting to \$583,914 and \$560,328 as of September 30, 2019 and 2018, respectively, which is considered as Level 3 under the fair value hierarchy.

Management recorded \$23,586 and \$0 in unrealized gains in fiscal years 2019 and 2018, respectively, on the interest in charitable trusts.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Quantitative Information

As of September 30, 2019 and 2018, with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3), the principal valuation techniques used in valuing the interest in charitable trusts is income approach; and unobservable inputs include discount rates, life expectancies, trust payouts and allocation percentages.

Level 3 Valuation Process

Interest in Charitable Trusts

For interest in charitable trusts, the Museum gathers as much information as possible for each instrument, including the initial and current trust value, the amount allocated to the Museum, the date of birth of any other beneficiaries and payout amounts. The Museum uses a standard charitable gift calculation model using these inputs and a standard discount rate reset each year based on current IRS discount rates. For any input not readily available, management develops a best estimate for use in the calculation. There were no changes in valuation techniques for these receivables for 2019 and 2018.

Level 3 Sensitivity of Fair Value Measurements and Changes in Significant Observable Inputs

Interest in Charitable Trusts

The significant unobservable inputs used in the fair value measurement of the Museum's interest in charitable trusts are subject to risks resulting from changes in appropriate discount rates due to general economic fluctuations and differences in life expectancies and actualities.

The estimated fair values of the Museum's financial instruments that are not measured at fair value on a recurring basis as of September 30, 2019 are as follows:

	Carrying Amount	Fair Value
Contributions receivable	\$ 64,810,763	\$ 67,238,463
Charitable gift annuity liability	\$ 13,244,281	\$ 13,392,411

The estimated fair values of the Museum's financial instruments that are not measured at fair value on a recurring basis as of September 30, 2018 are as follows:

	Carrying Amount	Fair Value
Contributions receivable	\$ 73,460,601	\$ 65,596,845
Charitable gift annuity liability	\$ 13,421,084	\$ 12,509,485

Estimates of fair value at September 30, 2019 and 2018, were determined in accordance with ASC 820. ASC 820 defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Consistent with ASC 820, the disclosure excludes non-financial assets and liabilities.

The carrying amount is the amount at which the financial instrument is recorded on the books of the Museum.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Contributions receivable: Based on expected future cash flows, discounted at currently offered rates if the pledge is for a period greater than one year.

Charitable gift annuity liability: Fair value is estimated based on the present value of future cash flows expected to be paid to the donor or the donor's designee using the current IRS discount rates.

Cash and fund balance with Treasury, accounts payable and accrued expenses and unexpended appropriations are recorded in the financial statements at historical cost. The historical cost basis for these accounts is estimated to approximate their respective fair values due to the short maturity of these instruments.

Net Asset Value (NAV) Per Share

In accordance with ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820) - Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, the Museum expanded disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which fair value is not readily determinable.

The following table presents the nature and risk of assets with fair values estimated using NAV as a practical expedient held at September 30, 2019:

	Fair Value	Unfunded commitments	Redemption Frequency	Redemption notice period
International markets equities	\$ 32,372,656	\$ -	daily to monthly	none to 6 days
Emerging markets equities	23,954,086	-	daily to quarterly	none to 10 days
Multi-strategy mutual funds	11,549,970	-	quarterly	30 days
Bank loan fund	15,958,233	-	quarterly	90 days
Equity long/short hedge funds	14,719,984	-	quarterly	45 days
Private equity - secondary markets	10,921,505	13,047,865	N/A	N/A
Event driven hedge funds	74,018,813	-	quarterly to at maturity	none to 90 days
Multi-strategy hedge funds	379,343	-	annually	N/A
Total	\$ 183,874,590	\$ 13,047,865		

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The following table presents the nature and risk of assets with fair values estimated using NAV as a practical expedient held at September 30, 2018:

	Fair Value	Unfunded commitments	Redemption Frequency	Redemption notice period
International markets equities	\$ 34,138,807	\$ -	daily to monthly	none to 6 days
Emerging markets equities	3,810,579	-	daily to quarterly	none to 10 days
Multi-strategy mutual funds	11,168,687	-	quarterly	30 days
Bank loan fund	14,542,821	-	quarterly	90 days
Equity long/short hedge funds	19,903,127	-	quarterly	45 days
Private equity - secondary markets	8,043,124	6,749,280	N/A	N/A
Event driven hedge funds	63,714,247	-	quarterly to at maturity	none to 90 days
Multi-strategy hedge funds	408,653	-	annually	N/A
Total	\$ 155,730,045	\$ 6,749,280		

For all funds where the NAV is used as a basis for estimating fair value not validated by active markets, the Museum obtains independent audited statements as of the funds' year-end and reconciles the audited balance to the Museum's reported balance as of that same reporting period, and performs other procedures to estimate fair value for the Museum's year-end.

International markets equities include investments in two funds. One of these investments estimates fair values using the NAV per share on a monthly basis and the other investment is a mutual fund with a manager reported NAV based on daily closing market values.

Emerging markets equities include investments in a limited partnership with reported values based on closing market prices.

Multi-strategy mutual funds are invested in one fund which is estimated at fair values using NAV per share.

Bank loan fund is composed of one investment, a limited partnership that invests in senior loans and other senior debt instruments including bridge loans for high yield bond commitments. The fair value of the investments in this category is estimated using the NAV per share. The Museum obtains independent audited statements for this partnership which is reconciled to the Museum's reported balances.

The Museum's investments in hedge funds include an investment in equity long/short hedge funds, six investments in event driven funds, and one investment in multi-strategy hedge funds. The fair values in these categories are estimated using the NAV per share. The Museum obtains independent audited statements for these investments, which are reconciled to the Museum's reported balances. An investment of \$379,343 in a multi-strategy hedge fund is in the process of liquidating the remaining side pocket investment. The remaining hedge fund investments provide for quarterly redemption.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The Museum is invested in two private equity funds in the private equity secondary markets. These funds are invested in established private equity fund interests with investments in various sectors including leveraged buyouts, venture capital, and mezzanine and growth equity. The Museum also has one pending private equity fund investment that will be focusing on infrastructure opportunities. Redemptions do not apply to these partnerships since they are closed vehicles and withdrawals will be generally upon the termination and liquidation of the partnerships.

6. Split-Interest Agreements

Split-interest agreements include charitable gift annuities and interests in charitable trusts. The charitable gift annuities are valued at approximately \$28.8 million and \$29.1 million as of September 30, 2019 and 2018, respectively. These investments are recognized at fair value using quoted market prices. An annuity liability for approximately \$13.2 million and \$13.4 million as of September 30, 2019 and 2018, respectively, is reported in charitable gift annuity liability and represents the present value of future cash flows expected to be paid to the donor or the donor's designee. The revenue and change in value of split-interest agreements recognized for charitable gift annuities was \$564,141 and (\$460,145), respectively, in 2019 and \$899,773 and (\$572,870), respectively, in 2018 and are included in contributions revenue.

7. Contributions Receivable

Contributions receivable as of September 30 included the following unconditional promises to give:

	2019	2018
Amounts due in:		
Less than one year	\$ 15,836,261	\$ 15,946,520
One to five years	42,636,313	49,185,509
More than five years	16,671,839	19,574,828
Subtotal	75,144,413	84,706,857
Less:		
Allowance for doubtful accounts	(2,564,275)	(2,503,682)
Discount to present value (2.6% - 4.6%)	(7,769,375)	(8,742,574)
Total	\$ 64,810,763	\$ 73,460,601

Write-off of contributions and other receivables amounted to \$22,717 and \$307,548 during fiscal year 2019 and 2018, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

8. Property and Equipment

At September 30, 2019, property and equipment consisted of the following:

	Nonappropriated funds	Appropriated funds	Total
Land	\$ 4,597,930	\$ -	\$ 4,597,930
Buildings and capital improvements	156,927,211	28,664,583	185,591,794
Furniture, equipment and software	9,012,213	20,612,901	29,625,114
Exhibitions	30,630,694	16,707,776	47,338,470
Leasehold improvements	1,687,225	63,505	1,750,730
Total property and equipment	202,855,273	66,048,765	268,904,038
Less accumulated depreciation and amortization	(108,976,537)	(49,659,392)	(158,635,929)
Total property and equipment, net	\$ 93,878,736	\$ 16,389,373	\$110,268,109

At September 30, 2018, property and equipment consisted of the following:

	Nonappropriated funds	Appropriated funds	Total
Land	\$ 4,597,930	\$ -	\$ 4,597,930
Buildings and capital improvements	156,313,107	28,009,861	184,322,968
Furniture, equipment and software	8,866,862	18,872,978	27,739,840
Exhibitions	30,630,694	16,708,447	47,339,141
Leasehold improvements	1,687,225	63,505	1,750,730
Total property and equipment	202,095,818	63,654,791	265,750,609
Less accumulated depreciation and amortization	(103,650,230)	(46,081,297)	(149,731,527)
Total property and equipment, net	\$ 98,445,588	\$ 17,573,494	\$ 116,019,082

Depreciation and amortization expense for the years ended September 30, 2019 and 2018 was \$9,074,402 and \$8,470,323, respectively. The Museum wrote off \$170,000 and \$14,996 of fully depreciated assets during the years ended September 30, 2019 and 2018, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

9. Debt

Term Loan

On August 13, 2014, the Museum entered into a drawdown term loan agreement in the principal amount of up to \$50.0 million to finance the purchase of land and construction of the new David and Fela Shapell Family Collections, Conservation and Research Center. As of both September 30, 2019 and 2018, the Museum has an outstanding principal balance of \$35,145,216 on this loan.

Interest on the outstanding principal balance of the term loan is due and payable monthly, in arrears, on the 1st day of each month until the unpaid principal balance of the term loan has been paid in full. Beginning July 1, 2021 and on the same day of each year thereafter, annual principal payments on the term loan are due equal to the lesser of \$1.5 million per year or an annual principal payment determined on July 1, 2021 as that amount of principal which, if paid on an annual basis, will be sufficient to amortize on a level debt service basis the principal balance of the term loan over a period of 25 years at an annual interest rate equal to the adjusted LIBOR rate on such date. The entire outstanding principal balance and all accrued unpaid interest under the term loan are due and payable in full on January 1, 2027, or such earlier date as may be required.

At September 30, 2019, principal maturities on the term loan are as follows:

Years ending September 30,

2020	\$	-
2021		1,500,000
2022		1,500,000
2023		1,500,000
2024		1,500,000
Thereafter		29,145,216
Total	\$	35,145,216

The Museum is subject to certain financial covenants under the loan agreement. All covenants have been met by the Museum in fiscal years 2019 and 2018.

Interest Rate Swap

On January 27, 2015, the Museum entered into an interest rate swap agreement with a bank, with an effective date of February 1, 2017 and a termination date of February 1, 2023. The Museum pays the fixed rate of 2.13%, while the bank pays the floating rate based on USD-LIBOR-BBA-Bloomberg, with a reset date on the 1st day of each floating rate calculation period. Initial payment commenced on March 1, 2017. Thereafter, payments are on the 1st day of each month.

The swap is recognized on the statement of financial position at fair value and is recorded as interest rate swap. Changes in the fair value of the swap are recorded under the Museum's non-operating activity in the statement of activities.

The interest rate swap (liability) asset as of September 30, 2019 and 2018 was (\$486,692) and \$646,967, respectively, and the (loss) gain on interest rate swap during fiscal years 2019 and 2018 amounted to (\$1,133,659) and \$879,663, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

10. Appropriated Funds

The fiscal year 2019 and 2018 Federal appropriations totaled \$59,000,000 in both years, which includes appropriations of \$1,264,000 in both years, for the outreach initiatives program; and \$4,000,000 in both years, for building repair and rehabilitation; to be used by the Museum until fully expended. The Federal appropriations also include additional funding for a three year appropriation in the amount of \$1,715,000 in both years, to be used for equipment replacement.

Below is a reconciliation of the fiscal year 2019 and 2018 Federal appropriations received to Federal appropriations expended and recognized as revenue:

	2019	2018
Federal appropriation received	\$ 59,000,000	\$ 59,000,000
Unexpended appropriation - current year	(15,021,067)	(15,082,915)
Amounts obligated in previous years - expended in current year	8,668,212	9,730,204
Federal appropriation revenue	\$ 52,647,145	\$ 53,647,289

Below is a reconciliation of the spending of the fiscal year 2019 and 2018 Federal appropriations:

	2019	2018
Total expenses	\$ 55,239,826	\$ 52,329,746
Depreciation and amortization	(3,748,095)	(3,210,626)
Unpaid vacation and other unfunded expenses	(1,417,562)	(1,094,873)
Prepayments and others	9,001	(3,768)
Unexpended appropriation - current year	15,021,067	15,082,915
Amounts obligated in previous years - expended in current year	(8,668,212)	(9,730,204)
Capital expenditures	2,563,975	5,626,810
Federal appropriation	\$ 59,000,000	\$ 59,000,000

11. Commitments and Contingencies

The Museum has leases for regional offices, a warehouse, and additional office space. These leases expire at various dates through 2028. Annual minimum lease payments due under operating leases in effect at September 30, 2019, by year and in the aggregate, are summarized as follows:

2020	\$ 2,435,703
2021	2,382,167
2022	2,412,372
2023	2,443,497
2024	2,475,567
Thereafter	7,517,440
Total	\$ 19,666,746

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Rent expense for fiscal years 2019 and 2018 was \$2,334,791 and \$2,716,528, respectively. This amount was composed of appropriated funds and nonappropriated funds of \$1,846,270 and \$488,521 and \$1,218,514 and \$1,498,014 in 2019 and 2018, respectively.

12. Retirement Plans

Although the Museum funds a portion of the pension benefits for its appropriated fund employees under the Civil Service Retirement System and the Federal Employees Retirement System (the Systems) and makes the necessary payroll withholdings, the Museum is not required to disclose the Systems' assets or the actuarial data with respect to accumulated plan benefits or the unfunded pension liability relative to its employees. Reporting such amounts is the direct responsibility of the United States Office of Personnel Management (OPM). The Museum's expense for these appropriated plans in fiscal year 2019 and 2018 was \$3,066,425 and \$3,207,586, respectively.

The Museum recognizes the cost of pensions and other retirement benefits during its employees' active years of service. OPM determines pension cost factors by calculating the value of pension benefits expected to be paid in the future, and communicates these factors to the Museum for current period expense reporting. OPM also provides cost factors regarding the full cost of health and life insurance benefits. In fiscal year 2019 and 2018, the Museum, utilizing OPM's cost factors, recognized \$429,852 and \$97,774, respectively, of pension expenses, \$973,912 and \$1,055,533, respectively, of postretirement health benefits expenses, \$2,504 and \$2,860, respectively, of postretirement life insurance expenses, beyond amounts actually paid. The Museum recognized offsetting revenue of \$1,406,268 and \$1,156,167 in 2019 and 2018, respectively, as an imputed financing source to the extent these intergovernmental expenses will be paid by OPM.

The Museum sponsors a defined contribution salary deferral 403(b) plan for its nonappropriated fund employees. Starting January 1, 2007, the Museum contributes 8% of annual pay for each eligible employee. In addition, the Museum matches 100% of the participant contributions up to 3% and 50% of contributions for the next 2% of annual pay. The Museum's expense for the 403(b) plan in 2019 and 2018 was \$3,556,477 and \$3,207,167, respectively.

13. Federal Employees' Compensation Act Actuarial Liability

The Department of Labor (DOL) provided the Museum with the calculation model and ratios to determine this liability as of September 30, 2019 and 2018. The Museum recognizes the actuarial cost of future Federal Employees' Compensation Act (FECA) benefits. The estimated FECA actuarial liability represents the expected liability of benefits to be paid for death, disability, medical, and miscellaneous costs for approved compensation cases beyond the current fiscal year plus a component for incurred but not reported claims. The estimated future costs are regarded as a liability because neither the costs nor the reimbursements have been recognized by DOL.

The actuarial calculation takes the amount of Museum benefit payments over the last 12 quarters, and calculates the annual average of payments for medical expenses and compensation. This average is then multiplied by the liability-to-benefits-paid ratios for the Government-wide FECA program for fiscal year 2019 and 2018. The fiscal year 2019 and 2018 appropriated actuarial liability is \$1,750, and the fiscal year 2019 and 2018 nonappropriated actuarial liability is \$385.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

The FECA actuarial liability, included in the accounts payable and accrued expenses in the statement of financial position, is recorded for financial reporting purposes only. This liability constitutes an extended future estimate of cost which will not be obligated against budgetary resources until the fiscal year in which DOL actually bills the cost to the Museum. The cost associated with this liability cannot be met by the Museum without further appropriation action.

An unfunded liability is recorded for future payments to be made for workers' compensation pursuant to FECA. The liability consists of the un-reimbursed cost paid by DOL for compensation paid to recipients under FECA. The costs incurred are reflected as a liability because the Museum will reimburse DOL two years after the payment of expenses by DOL. Future Museum appropriated and nonappropriated funds will be used to reimburse DOL for appropriate payments. The fiscal year unfunded liability for the Museum's appropriated employees is \$12,281 and \$25,537 in 2019 and 2018, respectively. The fiscal year unfunded liability (credit) for the Museum's nonappropriated employees is (\$6,210) and \$475 for 2019 and 2018, respectively.

14. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of September 30:

	2019	2018
Subject to expenditure for specified purpose:		
Contributions to be received in future periods -		
for general use	\$ 6,094,175	\$ 7,334,310
Secure the Future	41,852,569	38,154,812
Levine Institute for Holocaust Education	27,223,465	27,644,553
Rescue the Evidence	40,668,397	44,087,710
Mandel Center for Advanced Holocaust Studies	11,541,112	12,923,652
Simon-Skjodt Center for the Prevention of Genocide	6,229,881	5,556,338
	133,609,599	135,701,375
Restricted in perpetuity:		
Secure the Future	183,746,778	176,610,597
Levine Institute for Holocaust Education	52,017,707	42,759,425
Rescue the Evidence	23,781,467	14,995,516
Mandel Center for Advanced Holocaust Studies	39,576,451	38,428,451
Simon-Skjodt Center for the Prevention of Genocide	24,490,750	24,440,751
	323,613,153	297,234,740
Total net assets with donor restrictions	\$ 457,222,752	\$ 432,936,115

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

15. Contributed Services

In-kind contributions of goods and services totaling \$227,187 and \$141,690 were received by the Museum during the fiscal years ended September 30, 2019 and 2018, respectively. This amount has been recognized as revenue and expense in the accompanying statement of activities based on the amount reported by the independent third-party providers. In addition to the contributed services recognized in the financial statements, the Museum has more than 398 volunteers, including 80 Holocaust survivors, donating more than 38,000 hours annually. The value of these contributions cannot be objectively measured and do not meet the criteria for recognition of in-kind contributions, and accordingly, are not recognized in the financial statements.

16. Endowment

On January 23, 2008, the District of Columbia adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which defines a robust set of guidelines about what constitutes prudent spending of endowment funds. The Museum, as an independent establishment of the United States Government, has constitutional immunity from regulation by states as conferred by the Supremacy Clause of the Constitution and as such is not subject to and has not adopted the provisions of UPMIFA.

The Museum's endowment consists of 86 individual funds established for a variety of purposes including donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. In accordance with U.S. GAAP, the Museum discloses the activities related to the donor-restricted and board-designated (funds functioning as endowment) endowment funds.

Endowment net assets consist of the following at September 30, 2019:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 271,312,248	\$ 271,312,248
Funds functioning as endowment	159,887,019	41,306,034	201,193,053
Total	\$ 159,887,019	\$ 312,618,282	\$ 472,505,301

Endowment net assets consist of the following at September 30, 2018:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 237,540,114	\$ 237,540,114
Funds functioning as endowment	146,978,853	48,027,793	195,006,646
Total	\$ 146,978,853	\$ 285,567,907	\$ 432,546,760

Funds functioning as endowment include Board-designated funds and accumulated returns on endowment net assets.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

Changes in endowment net assets for the year ended September 30, 2019 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, September 30, 2018	\$ 146,978,853	\$ 285,567,907	\$ 432,546,760
Investment return, net	4,484,873	1,701,535	6,186,408
Contributions	-	33,772,133	33,772,133
Payout of endowment assets for expenditures	(22,278,114)	(8,423,293)	(30,701,407)
Additions to funds functioning as endowment	30,701,407	-	30,701,407
Endowment net assets, September 30, 2019	\$ 159,887,019	\$ 312,618,282	\$ 472,505,301

Changes in endowment net assets for the year ended September 30, 2018 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, September 30, 2017	\$ 129,716,603	\$ 259,410,473	\$ 389,127,076
Investment return, net	14,873,264	17,477,604	32,350,868
Contributions	-	11,068,816	11,068,816
Payout of endowment assets for expenditures	(10,114,703)	(2,388,986)	(12,503,689)
Additions to funds functioning as endowment	12,503,689	-	12,503,689
Endowment net assets, September 30, 2018	\$ 146,978,853	\$ 285,567,907	\$ 432,546,760

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or U.S. GAAP requires the Museum to retain as a fund of perpetual duration. These deficiencies would result from unfavorable market fluctuations that occur after the investment of new endowments restricted in perpetuity and continued appropriation for certain programs that was deemed prudent by the Museum's Council. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Museum considers a fund to be underwater if its fair value is less than the sum of the (a) original value of initial and subsequent gift amounts, (b) any accumulations to the fund from net investment return, and (c) appropriations from the funds. Temporary deficiencies are reported under net assets with donor restrictions. Future investment gains restore the balance to their required levels as stipulated by the donors or UPMIFA. There were no funds with a deficiency for the years ended September 30, 2019 and 2018.

The Museum has adopted investment and spending policies that provide a predictable stream of funding to programs while maintaining the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity or for a donor-specified period. Under these policies, as approved by the Museum's Council, endowment assets are invested in a manner to attain an average annual real return (net of management fees) of at least 5%, with adjustments for inflation (as measured by the CPI-U index), over a period of five years. It is recognized that the real return objective may be difficult to attain in every five-year period, but should be attainable over a series of five-year periods.

To satisfy its long-term rate-of-return objectives, the Museum 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 Museum targets a diversified asset allocation that places emphasis on investments in equities, fixed income, alternative investment and multi-asset class funds in a 50, 25, 15 and 10% ratio to achieve its long-term return objectives within prudent risk constraints.

The Museum has a policy of distributing each year 5% of its endowment funds' average fair value using the prior 12 quarters through June 30th preceding the fiscal year in which the distribution is planned. In establishing these policies, the Museum considered the expected return on its endowment. Accordingly, the Museum expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

17. Risks and Uncertainties

The Museum invests in various investment securities that may be exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and the statement of activities.

In the normal course of business, the Museum is from time to time a party to various claims and lawsuits. If management determines, based on the underlying facts and circumstances, that it is probable a loss will result from a litigation contingency and the amount of the loss can be reasonably estimated, the estimated loss is accrued for. Management does not expect any adverse financial impact from open litigation matters occurring in the normal course of business as of September 30, 2019.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2019
(with comparative information for the year ended September 30, 2018)

18. Related Party Transactions

There were no related party transactions that require disclosure during the years ended September 30, 2019 and 2018.

19. Subsequent Events

Management has performed an evaluation of subsequent events through November 14, 2019, which is the date that the financial statements were available to be issued, noting no events which affect the financial statements as of September 30, 2019.

Supplementary Schedules

United States Holocaust Memorial Museum

Schedule of Budgetary Resources - Appropriated Funds Years Ended September 30, 2019 and 2018

<i>For the years ended September 30,</i>	2019	2018
Budgetary resources:		
Unobligated balance, brought forward, October 1	\$ 12,764,130	\$ 9,305,060
Recoveries of prior year unpaid obligations	1,422,213	1,438,260
Budgetary authority appropriations received	59,000,000	59,000,000
Spending authority from offsetting collections	-	-
Canceled appropriation - permanently not available	(333,272)	(264,463)
Others	180,687	26,049
Total budgetary resources	\$ 73,033,758	\$ 69,504,906

<i>For the years ended September 30,</i>	2019	2018
Status of budgetary resources:		
Obligations incurred, net	\$ 56,246,801	\$ 56,740,776
Unobligated balance - available apportioned	16,655,769	12,598,127
Unobligated balance not available	131,188	166,003
Status of budgetary resources	\$ 73,033,758	\$ 69,504,906

<i>For the years ended September 30,</i>	2019	2018
Change in obligation balance:		
Obligated balances, net:		
Unpaid obligations, brought forward, October 1	\$ 17,171,013	\$ 16,023,983
Obligations incurred, net	56,246,801	56,740,776
Less: gross outlays	(53,324,924)	(54,155,486)
Less: recoveries of prior year unpaid obligations, actual	(1,422,213)	(1,438,260)
Obligated balances, net, end of year	\$ 18,670,677	\$ 17,171,013

<i>For the years ended September 30,</i>	2019	2018
Outlays:		
Gross outlays	\$ 53,324,924	\$ 54,155,486
Less: offsetting collections	-	-
Net outlays	\$ 53,324,924	\$ 54,155,486

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Net Cost - Appropriated Funds Years Ended September 30, 2019 and 2018

	For the year ended 2019		
	Intra- government	Public	Total
Museum operations	\$ 4,617,733	\$ 20,712,276	\$ 25,330,009
Mandel Center for Advanced Holocaust Studies	578,231	3,453,601	4,031,832
Levine Institute for Holocaust Education	578,491	4,599,580	5,178,071
National Institute for Holocaust Documentation	1,334,327	6,935,226	8,269,553
Education and outreach	71,795	1,465,916	1,537,711
Stein Museum shop	-	349,727	349,727
Simon-Skjodt Ctr for the Prevention of Genocide and other outreach and public programs	265,831	2,151,371	2,417,202
Supporting services	1,210,817	6,914,904	8,125,721
Net cost of operations	\$ 8,657,225	\$ 46,582,601	\$ 55,239,826

See accompanying independent auditor's report.

	For the year ended 2018		
	Intra- government	Public	Total
Museum operations	\$ 3,864,557	\$ 19,252,544	\$ 23,117,101
Mandel Center for Advanced Holocaust Studies	584,516	3,188,197	3,772,713
Levine Institute for Holocaust Education	660,027	5,152,895	5,812,922
National Institute for Holocaust Documentation	1,309,612	7,020,429	8,330,041
Education and outreach	108,460	1,491,418	1,599,878
Stein Museum shop	-	324,955	324,955
Simon-Skjodt Ctr for the Prevention of Genocide and other outreach and public programs	283,195	2,097,402	2,380,597
Management and general	1,440,781	5,550,758	6,991,539
Net cost of operations	\$ 8,251,148	\$ 44,078,598	\$ 52,329,746

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Changes in Net Position - Appropriated Funds Years Ended September 30, 2019 and 2018

<i>For the years ended September 30,</i>	2019		2018	
	Cumulative results of operations	Unexpended appropriations	Cumulative results of operations	Unexpended appropriations
Beginning balances	\$ 16,344,449	\$ 26,828,416	\$ 13,870,739	\$ 21,740,168
Budgetary financing sources:				
Appropriations received (current period)	-	59,000,000	-	59,000,000
Canceled or expired appropriations	-	(333,272)	-	(264,463)
Appropriations used	52,647,145	(52,647,145)	53,647,289	(53,647,289)
Other financing resources:				
Imputed financing from costs absorbed by others	1,406,268	-	1,156,167	-
Total financing sources	54,053,413	6,019,583	54,803,456	5,088,248
Total	70,397,862	32,847,999	68,674,195	26,828,416
Net cost of operations	(55,239,826)	-	(52,329,746)	-
Ending balances	\$ 15,158,036	\$ 32,847,999	\$ 16,344,449	\$ 26,828,416

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule Reconciling Net Cost of Operations to Budget - Appropriated Funds Years Ended September 30, 2019 and 2018

<i>For the year ended September 30,</i>	2019	2018
Total resources used to finance activities:		
Obligations, offsetting receipts, imputed financing sources	\$ 55,871,833	\$ 56,438,827
Change in budgetary resources obligated for goods and services	(1,865,020)	(1,640,951)
Resources that finance the acquisition of capital assets	(2,563,975)	(5,626,810)
	51,442,838	49,171,066
Components requiring or generating resources in future periods:		
Annual leave liability increase (decrease)	26,636	(65,758)
Unfunded FECA, NonBudgetary Receivables, Actuarial FECA	22,257	13,812
Components not requiring or generating resources in current period:		
Depreciation and amortization	3,748,095	3,210,626
Total components of the net cost of operations that will not require or generate resources	3,796,988	3,158,680
Net cost of operations	\$ 55,239,826	\$ 52,329,746

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Claims Conference Payments Year Ended September 30, 2019

Grant Award	2019
Fund SO35/App. 11380	\$ 2,203
Fund SO35/App. 11568 & App. 13299	66,380
Fund App. 14022	45,958
Fund SWVLP/App. 15217	5,900
Fund SO34/App. 14663	6,133
Fund S043/App. 15019	1,049
Fund S045/App. 15988	20,491
Fund S047/App. 17183	70,625
Fund S047/App. 17185	21,316
Fund S050/App. 18264	37,241
Fund App.19625	41,167
<hr/>	
Fiscal year 2019 grant payment	318,463
USHMM - CC Joint Memoir Project	97,500
<hr/>	
Fiscal year 2019 grant payments to United States Holocaust Memorial Museum	\$ 415,963

See accompanying independent auditor's report.

Independent Auditor's Reports Required by
Government Auditing Standards



Independent Auditor's Report on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Council Members
United States Holocaust Memorial Museum
Washington, D.C.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the **United States Holocaust Memorial Museum** (the Museum), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Museum's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control. Further, we did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

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



Purpose of this Report

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

This report is intended solely for the information and use of the Museum's management, Council Members, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, LLP

November 14, 2019



Independent Auditor's Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Council Members
United States Holocaust Memorial Museum
Washington, D.C.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the **United States Holocaust Memorial Museum** (the Museum), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2019.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 19-03. We limited tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts and grant agreements applicable to the Museum. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests described in the preceding paragraph of this report disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-03.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Museum's management, Council Members, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, LLP

November 14, 2019