

PERFORMANCE AND ACCOUNTABILITY REPORT

FISCAL YEAR **2012**

October 1, 2011 – September 30, 2012

Submitted November 15, 2012

UNITED STATES
HOLOCAUST
MEMORIAL
MUSEUM

**United States Holocaust
Memorial Museum**

Performance and Accountability Report
Year ended September 30, 2012

United States Holocaust Memorial Museum

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United States Holocaust Memorial Museum

Message from the Director

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 extremism, rising antisemitism, and continuing genocide, our work has never been more urgent. We believe that our programs for teachers, law enforcement officers, the judiciary, the military, the clergy, and diplomats as well as concerned citizens help people understand the powerful lessons that history holds for our own times.

Through its onsite programs, outreach activities, and Web site, the Museum 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 continued high demand for our programs, the Museum will continue in Fiscal Year 2013 to bring these lessons to millions more.



Sara J. Bloomfield
Director

United States Holocaust Memorial Museum

Statement of Assurance

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, 2012 and 2011 (FY 2012 and 2011). This information should assist readers of these statements in better understanding the Museum's financial position and operating activities.

As America's national institution for Holocaust education and remembrance, the Museum brings the history and lessons of the Holocaust to individuals from all walks of life through educational outreach, teacher training, traveling exhibitions, and scholarship.

The Museum is a public-private partnership which receives an annual Federal appropriation, as well as private donations. The Federal appropriation primarily supports the basic operations of the Museum facility, which is a national memorial. The private (nonappropriated) funding primarily supports educational programming, scholarly activities, and outreach.

The Museum is an independent establishment of the United States Government (Public Law 106-292 - October 12, 2000) and is governed by a board of trustees known as the United States Holocaust Memorial Council (the Council). The Council has 65 voting members and three nonvoting members. Of the voting members, 55 are appointed by the President of the United States, five are appointed from among Members of the U.S. House of Representatives, and five are appointed from among members of the U.S. Senate. Of the three nonvoting members, one appointment is made by each of the Secretaries of the Departments of the Interior, State, and Education. Presidentially appointed members serve five-year terms; Members of Congress serve until the end of the Congressional term.

Performance Goals and Results

Having achieved extraordinary success in its first ten years, the Museum established a strategic plan that provides a vision and framework for its activities through its second decade. The Museum had 74 established objectives for FY 2012 related to education, remembrance, research, and infrastructure support. The Museum met or exceeded 53 objectives, partially met 12 objectives, and deferred the targeted completion dates on six objectives. Three of the performance report items are statistical measures of activity for which the Museum did not set targets.

Financial Statements Summary

The Museum's financial position remained strong at September 30, 2012, with total assets of approximately \$363.8 million and total liabilities of approximately \$35.8 million. Net assets, which represent the residual interest in the Museum's assets after liabilities are deducted, are \$328.0 million, a 9% increase from the prior fiscal year. The increase in net assets is primarily attributable to investment income.

Statement of Financial Position

Contributions Receivable

The Museum has gross contributions receivable of \$20.6 million. Of these receivables, \$3.6 million are current and \$17.0 million are due after one year. The receivable amount, net of allowance for doubtful accounts when discounted to present value, is \$18.5 million.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

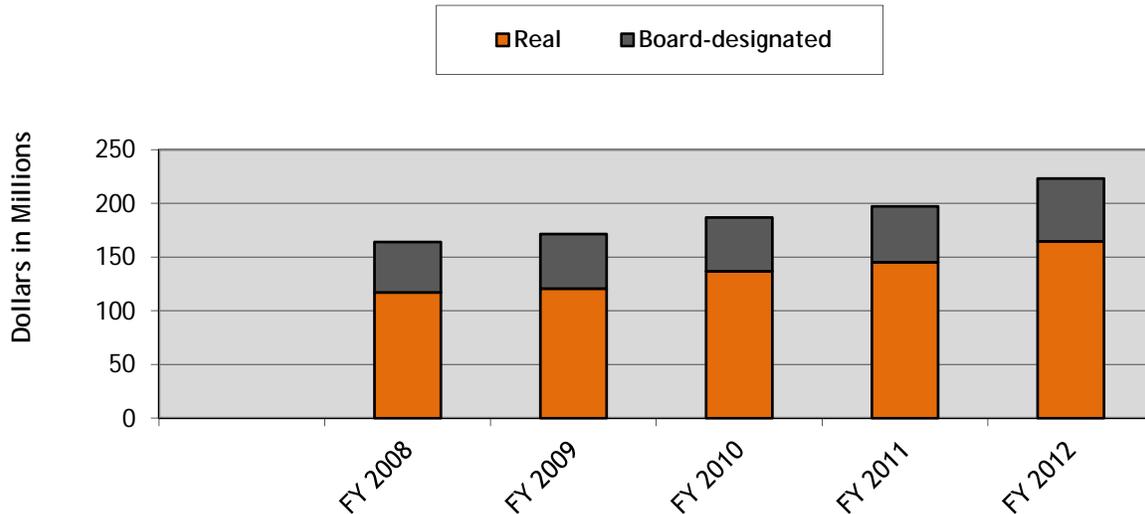
Long-Term Investments

Long-term investments are the largest of the noncurrent assets and consist mainly of donated securities and the investment of endowment funds. The current Museum investment policies call for an asset allocation of 60 (-20/+10) percent in equities, 30 (-15/+15) percent in fixed income, and ten (0/+10) percent in alternatives for endowment investments. Included in the Museum's interpretation of equity and fixed income strategies are investments in limited partnerships, limited liability companies, and trusts that seek a diverse range of equity and fixed income positions.

With the assistance of a highly qualified investment consultant, the Museum closely monitors all investments by meeting periodically with individual investment managers, reviewing related management reports including independently audited statements, daily monitoring public sources for issues of concern with these firms, and continually assessing performance benchmarks and risk indicators.

The endowment market value, \$223.2 million, has increased by 13% from last fiscal year. As outlined in the footnotes, the endowment consists of both board-designated and real endowments which are pooled for investment purposes. As of September 30, 2012 and 2011 the board-designated endowment balance was approximately \$58.6 million and \$51.9 million, and the real endowment balances totaled approximately \$164.6 million and \$145.3 million, respectively.

Endowment



United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Performance

The annual return for the pooled endowment fund this year was 15.7%. Included in the calculation of this performance figure are realized and unrealized gains/losses, along with investment income.

Property and Equipment

Property and equipment is \$80.0 million and consists of \$129.3 million in buildings and capital improvement, \$40.8 million in the permanent exhibition and other exhibitions, \$18.0 million in furniture and equipment and \$1.6 million in leasehold improvements, less accumulated depreciation and amortization of \$109.7 million.

Liabilities

Liabilities consist primarily of accounts payable, accrued expenses, charitable gift annuity and unexpended appropriations. Total liabilities are \$35.8 million.

Net Assets/Federal Equity

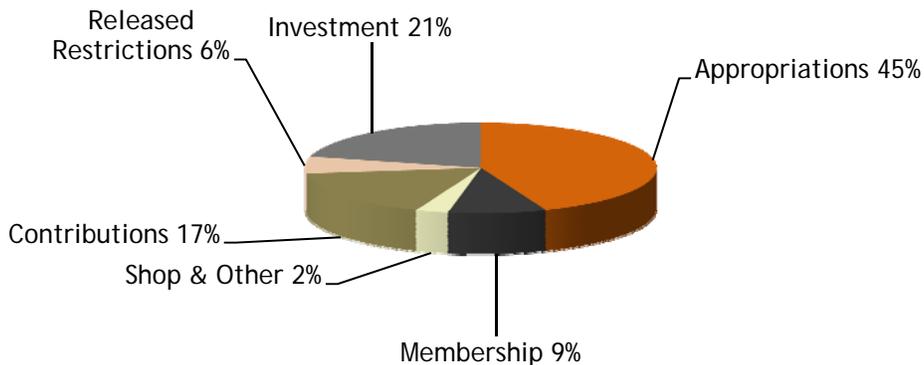
The Museum has total equity of \$328.0 million of which approximately \$146.4 million is permanently restricted, and approximately \$41.5 million is temporarily restricted by donors. The Museum's equity includes investments in the Museum buildings and exhibitions.

Statement of Activities

The Statement of Activities presents the Museum's results of financial activity for the fiscal year and matches revenues to related expenses. The statement summarizes the annual gain/loss in equity.

Nonappropriated sources in FY 2012 and FY 2011 provided 55% and 38% of unrestricted revenues. Museum expenditures increased \$1.0 million (1.1%) from FY 2011. Program services comprise 71% of these expenditures. The charts that follow provide details.

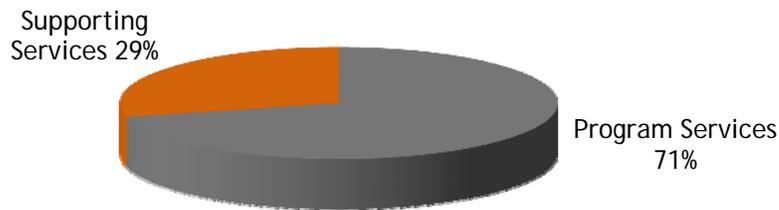
Unrestricted Revenue



United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Expense



Management Integrity: Controls and Compliance

The Museum maintains a comprehensive management control program through the activities of its internal auditor and the Council's Audit Committee, the review and monitoring efforts of its legal staff, and ongoing proactive improvement efforts made by 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. In going through the accreditation process, qualified museum professionals conducted a thorough independent evaluation of all aspects of the Museum, including a review of management controls.

The Director's Statement of Assurance, 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. Annually, Museum management reviews and evaluates each specific fundraising activity to ensure that the levels of expenditures are fully justified and are resulting in the desired return on investment. Museum officials are available to discuss this work upon request.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

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 have been prepared from the books and records of the Museum in accordance with U.S. generally accepted accounting principles. 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.

Future Concerns and Issues

As the lessons of the Holocaust become increasingly relevant to our own times, the demand for the Museum's programs has been growing nationally and internationally. While the current level of funding covers the basic operating costs of the Museum facility, the Museum depends on private support for educational programming and outreach. As demand for these programs increases and the Holocaust recedes in time, it is increasingly critical to secure the financial future of the institution hence the Museum continues to make a significant commitment to building the institution's endowment.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

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:

- Operate and maintain a permanent living memorial museum to the victims of the Holocaust,
- Provide appropriate ways for the nation to commemorate the victims of the Holocaust through the annual national civic observances known as *Days of Remembrance*, and
- Carry out the recommendations of the *President's Commission on the Holocaust* in its *Report to the President* of September 27, 1979.

Mission Goals from the Strategic Plan

- Protect and strengthen the core and impact of the living memorial
 - Rescue the Evidence
 - Expand, diversify, and more effectively engage audiences
- Secure the future of the Memorial Museum

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 incorporate feedback, where received, from Museum staff, Council members, the general public, OMB and the Congress. The Museum's 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 2012 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 2013 performance plan through narrative descriptions of each budget activity. The public-private partnership adds non-appropriated sources of funding that are applied to the goals in addition to federal funds. The non-appropriated 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 2012

SUMMARY ANNUAL PERFORMANCE REPORT

Consolidated status of all objectives

Budget authority applied:

	2012	2011
Federal	\$ 49,200,000	\$ 48,400,000
Non-appropriated**	38,000,000	36,500,000
Total	\$ 87,200,000	\$ 84,900,000

**Non-appropriated amounts excluded unpaid orders.

Status of objectives:

	2012 Results		2011
No specific targets	3	4%	4%
Met or exceeded targets	53	72%	68%
Partially met targets	12	16%	14%
Deferred	6	8%	14%
Not met	0	0%	0%

Major Accomplishment Highlights:

- Began the site search for the new Collections and Conservation Center to be built with private funds. This will be a state of the art facility, which will protect and conserve the Museum's collections.
- Continued to extend the victims' names list project by capturing name data from lists and sharing the information with Yad Vashem. The International Tracing Service archive is accessible to researchers using specialized software and within the Museum through a Web browser.
- Held the 2012 *Days of Remembrance*, which was themed *Choosing to Act: Stories of Rescue*.
- Provided educational programs to more than 3,200 active duty military and more than 400 Army foreign liaison officers, through a partnership with the Pentagon.
- Launched the *World Memory* project to support Collections' effort to serve Holocaust survivors and their families. More than 3,000 global volunteers indexed more than one million records using new technology tools and crowd sourcing techniques, saving the Museum countless hours and dollars.
- Hosted, in cooperation with the Council on Foreign Relations and CNN, *Imagine the Unimaginable: Ending Genocide in the 21st Century*, a July 2012 symposium of two panels featuring leading foreign policy experts - including U.S. Secretary of State Hillary Rodham Clinton as keynote speaker - authors, academics, and business leaders.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

SUMMARY ANNUAL PERFORMANCE REPORT

GOAL: Protect and strengthen the core and impact of the living memorial

Budget authority applied to this goal:

	2012	2011
Federal	\$ 41,100,000	\$ 40,300,000
Non-appropriated**	16,600,000	16,200,000
Total	\$ 57,700,000	\$ 56,500,000

**Non-appropriated amounts excluded unpaid orders.

Status of objectives:

	2012 Results		2011
No specific targets	3	7%	7%
Met or exceeded targets	34	73%	72%
Partially met targets	6	13%	7%
Deferred	3	7%	14%
Not met	0	0%	0%

Major objectives:

- Lead the nation in annual Days of Remembrance (DOR) commemoration.
- Extend the impact of the Permanent Exhibition through special exhibitions, the Web, traveling exhibitions, and other educational outreach programs for a variety of audiences.
- Establish a comprehensive collection of Holocaust evidence that is preserved and accessible.
- Increase global accessibility to information on the Holocaust and genocide and awareness of the dangers of unchecked hate.
- Foster increased excellence and vitality in the field of Holocaust studies.
- Expand and diversify audiences for Museum programs and outreach.

Highlights:

- Traveled four exhibitions to 17 cities in 15 states during FY 2012, which were viewed by more than 175,000 people during the course of the year. Exhibitions were hosted for the first time by North and South Dakota.
- Added more than 1,000 collections to the Museum's holdings, including 228 new archival collections in multiple formats totaling almost 4.5 million pages.
- Organized research workshops on Confronting the Legacy of the Holocaust in Central Europe; The Fate of Holocaust Refugees and Displaced Persons; The Vatican during World War II; and the International Tracing Service archive.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

SUMMARY ANNUAL PERFORMANCE REPORT

GOAL: Secure the future of the Memorial Museum

Budget authority applied to this goal:

	2012	2011
Federal	\$ 8,100,000	\$ 8,100,000
Non-appropriated**	21,400,000	20,300,000
Total	\$ 29,500,000	\$ 28,400,000

**Non-appropriated amounts excluded unpaid orders.

Status of objectives:

	2012 Results		2011
No specific targets	0	0%	0%
Met or exceeded targets	19	68%	64%
Partially met targets	6	21%	23%
Deferred	3	11%	13%
Not met	0	0%	0%

Major objectives:

- Undertake fundraising efforts to fulfill the strategic plan and integrate fundraising plans with programmatic priorities.
- Enhance perception of the Museum as an institution that teaches the lessons of the Holocaust and encourages leaders and citizens to confront hate, prevent genocide, promote human dignity and strengthen democracy.
- Position the Museum to anticipate and benefit from opportunities that support the mission.
- Pursue continuous improvement and excellence in financial and human capital management, information technology support, and Museum management and governance.

Highlights:

- Raised \$38.4 million, including \$4 million for the endowment. (Restricted gifts may be spent only as the donors stipulate. Only endowment income may be spent, not its principal.)
- Continued a major effort to update the Museum's strategic plan and develop an implementation plan for the Museum's 20th anniversary.
- Initiated management coaching for Division Directors (including 360-assessments) and expanded executive coaching for members of the senior leadership team.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
General Museum operating statistics & objectives		
General Museum statistics (for general information; no specific targets are set)	FY 2011: <ul style="list-style-type: none"> • 1,631,387 visitors <ul style="list-style-type: none"> ▪ 198,393 in groups (12%) ▪ 570,984 to <i>Remember the Children</i> (35%) ▪ 440,470 to Kimmel-Rowan gallery (27%) ▪ 522,041 to Wexner Learning Center (32%) • 29,981 volunteer hours worked • Web site visits: 10.2 million as of September 8, 2011 <p><i>Note: The Museum now uses Google Analytics, which provides a lower but more accurate count.</i></p> <p>Web site visit statistics for the period of Oct. 1, 2010 - Sept. 30 2011 were not available due to transitioning to a web analytics system not yet fully operational at report submission date.</p>	FY 2012: <ul style="list-style-type: none"> • 1,633,994 visitors <ul style="list-style-type: none"> ▪ 188,606 in groups (11.5%) ▪ 575,857 to <i>Remember the Children</i> (35.2%) ▪ 438,678 to Kimmel-Rowan gallery (26.8%) ▪ 498,489 to Wexner Learning Center (30.5%) • 28,432 volunteer hours worked • Web site visits: 10.8 million as of September 30, 2012
Provide placement and enrichment opportunities for volunteers and interns (to be compared to previous years; no specific targets are set)	FY 2011: <ul style="list-style-type: none"> • 96 newly placed volunteers • 107 newly placed interns • 17 enrichment programs offered • Newsletter editions produced: <ul style="list-style-type: none"> ▪ 12 Volunteer ▪ 7 Intern 	FY 2012: <ul style="list-style-type: none"> • 56 newly placed volunteers • 107 newly placed interns • 40 enrichment programs offered • Newsletter editions produced: <ul style="list-style-type: none"> ▪ 12 Volunteer ▪ 9 Intern
	Group visits to special exhibitions:	Group visits to special exhibitions:

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
Diversify and improve group visitation (for general comparison to previous years; no specific targets are set)	FY 2011: 16 groups (984 visitors - Note, as of January 2011, Kimmel-Rowan gallery was dropped from the reservation system. Groups no longer need timed entry to visit this gallery.) FY 2010: 147 groups (7,567 visitors) FY 2009: 123 groups (243,800 visitors) FY 2008: 64 groups (247,749 visitors) FY 2007: 591 groups (baseline) (127,197 visitors)	FY 2012: Groups can no longer register for the special exhibitions. (Please see Note from FY 2011 field. This category will be dropped from future reports.)
Extend the impact of the permanent exhibition and provide core programming in the Museum	Continue replacement of technology components (monitors, digital players, projectors, other peripheral items) for the permanent exhibition.	Partially met: <ul style="list-style-type: none"> Acquired the last of the replacement monitors for "American Responses," 2d floor; installation (pending final area redesign and housing fabrication) is scheduled for FY 2013 Q1.
	Initiated a program to replace damaged and aging photomurals (including the digitization of source imagery).	Partially met: <ul style="list-style-type: none"> Completed in FY 2012 Q4, an RFI toward an IDIQ contract with photo houses capable of high-resolution digital scanning/large format digital printing; expect contract award FY 2013 Q1.
	Consult with experts in technology, design, and museology to advance the permanent exhibition refresh.	Deferred.
Rescue the Evidence: Develop a more comprehensive collection that is	Develop and implement collecting projects in several U.S. cities, Eastern Europe, and North Africa.	Met and ongoing: <ul style="list-style-type: none"> Completed a Collections Gap study that provides acquisition guidance for gaps in evidence on victims, witnesses, collaborators, and perpetrators.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
<p>better able to serve exhibition and research needs and fill identified gaps (this objective encompasses all areas and types of collections as well as collections management and access)</p>		<ul style="list-style-type: none"> Added more than 1,000 collections to the Museum's holdings, including 288 new archival collections in multiple formats totaling almost 4.5 million pages.
	Expand and diversify survivor and eyewitness interviews.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> Added more than 122 unique testimonies from eyewitnesses in Hungary, Italy, and Germany.
	Complete transfer of post-war/displaced person and remaining sections of the International Tracing Service (ITS) archive.	<p>Met:</p> <ul style="list-style-type: none"> Received approximately 5 million scanned images from ITS and integrated them into the OuSArchiv system for use by researchers.
	Pursue, in collaboration with both Yad Vashem and the ITS, the development of name resources of Jewish and non-Jewish victims of the Holocaust. This includes the many existing archival and testimonial collections at the Museum and Yad Vashem as well as the huge collections being shared by the ITS. The goal is to disseminate this name-based information to interested parties.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> Continued to extend the names list project by capturing name data from lists and sharing the information with Yad Vashem. The ITS archive is accessible to researchers using specialized software and within the Museum through a Web browser. Responded to 1,884 requests for information.
	Catalog and provide access to the Museum's music collections.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> Continued to acquire and catalog special materials to build the Library's Music collection.
	Transfer and integrate published materials held by Curatorial Affairs to the Library according to the schedule prepared in 2009.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> Continued to transfer additional published items to the Library and catalog them, as they are newly identified in Curatorial Affairs. Continued effort to modify the guidelines to further streamline the transfer process.
	Continue to implement the digital asset	<p>Partially met:</p>

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
	management system, collections management system and enterprise digital storage system.	<ul style="list-style-type: none"> • Developed a long-term digital storage architecture • Seeking grant funding to support equipment acquisition which would also support collections management. • Participated with IT in planning a storage architecture for preservation, use, and Web access.
	Improve accessibility of collections (increased functionality of collections mgt. system, creation of trusted digital repository, cataloging/creating metadata, IDAM, digitization).	<p>Met and ongoing:</p> <ul style="list-style-type: none"> • Continued research and planning to implement a trustworthy digital repository and finding aids metadata (this could remain as is). • Continued cataloging project that has cataloged and made accessible objects from the Museum’s artifact collection. • Collections digital assets tracking system includes nearly 19 million scanned images that are linked with collections management system records through the “Collections Search” research interface for access. • Migrated use copies of all digitized assets to new storage. • Added 188 new digitized archival collections and 3071 digitized oral history interviews. • Much progress been made on a Web-accessible version of Collections Search, scheduled for launch FY 2013.
	Develop easier access to information about survivors and victims of the Holocaust.	<p>Met:</p> <ul style="list-style-type: none"> • Implemented new Holocaust Survivors and Victims database which is now in use. • Initiated an innovative crowd-sourcing project that has resulted in the indexing of more than 200,000 victim names.
	Evaluate collections digitization goals and strategies by IT and Collections staff to develop specific plans/targets.	<p>Met and exceeded:</p> <ul style="list-style-type: none"> • Worked with IT staff to create storage retirement/migration plan, 5-year growth projections, and preservation storage architecture.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
	Begin accreditation review process for American Association of Museums (AAM) 10-year reaccreditation requirement.	Deferred: <ul style="list-style-type: none"> Postponed reaccreditation to FY 2016 due to AAM changes to the process and schedule.
	Complete feasibility studies for new offsite collections storage facility.	Met: <ul style="list-style-type: none"> Completed studies reviewed by Council. Responding to requests for additional information.
Lead the nation in annual Days of Remembrance (DOR) commemoration	<p>Improve outreach to key audiences: military, law enforcement, educators, and college students.</p> <p>Provide printed and on-line content and resources to citizens and organizations across the nation engaged in DOR commemoration.</p>	Met: <ul style="list-style-type: none"> Distributed DOR DVD Planning Guides, created to provide easy-to-use, historically accurate, engaging resources to support observances throughout the nation. The Guide was also sent to U.S. military installations abroad and provided information and materials on how to plan an observance, historical background material, poster sets, "how-to" videos, selected readings, personal histories, and Holocaust victim name list. Received, in response to outreach efforts, DOR proclamations issued by governors and mayors representing states, as well as other activities and resources all posted on the Museum's DOR Web site. Added more events to the Museum's Web-based map of DOR observances in communities across the country and around the world.
Center for Advanced Holocaust Studies (CAHS)		
Shape the emerging field of Holocaust studies to promote its excellence and vitality	Further develop partnership with Yahad-in-Unum.	Met: <ul style="list-style-type: none"> Transferred more than 1,000 testimonies to Museum's oral history archives. Conducted joint outreach programs for colleges, Catholic schools, and general public in communities in New York, Florida, Pennsylvania, Arizona, and Baku, Azerbaijan.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
	Engage 30-50 new university-based scholars in CAHS network of research/teaching activities.	Met and exceeded: <ul style="list-style-type: none"> • 22 new research fellows • 30 new speakers at conferences, symposia, and consultations. • 2 new lecturers in endowed lecture series • 9 new participants in seminary faculty symposium • 29 new participants in two university faculty seminars • 28 new participants in summer research workshop. Total = 120 new scholars
	Facilitate university scholars' research and teaching work through faculty seminars (2-3 per year); fellows program (25-30 per year); campus outreach/presence (25-40 presentations per year).	Met: <ul style="list-style-type: none"> • 3 Faculty Seminars: Hess Seminar, January 4-10, 2012; Silberman Seminar, June 4-14, 2012; Church Relations Committee Seminar, June 18-22, 2012 • 28 Fellows • 43 Campus Outreach Lecture Programs
	Build networks of scholars/communities of discourse through 4-6 summer research workshops; symposia; partnered activities offsite.	Met: <ul style="list-style-type: none"> • 1 symposium at Texas A&M University • 1 conference in Moscow, Russia • 1 consultation at New Mexico State University • 3 summer research workshops Total=6
	Publication of Volume 2 and advance stage of manuscript for Volumes 3 and 4 of an encyclopedia of Nazi killing centers, camps, ghettos, and other detention sites by FY 2011.	Met: <ul style="list-style-type: none"> • Volume 2 was published in May 2012. • Advanced research and writing for Volumes 3, 4, and 5.
	Conduct programs on Holocaust in USSR and relating to International Tracing Service (ITS).	Met: <ul style="list-style-type: none"> • Holocaust in USSR: Invited 2 students from Higher School of Economics to the Museum in summer 2012 (one seminar participant and one research assistant); provided research materials to faculty at Higher School of Economics;

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: PROTECT AND STRENGTHEN THE CORE AND IMPACT OF THE LIVING MEMORIAL

Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
		assisted in research and helped fund publication of volume on Russian collaboration during the war. <ul style="list-style-type: none"> ITS: conducted archival and historical seminar for scholars who work on the history of Ukraine and Poland using ITS materials; began drafting manuscript for scholarly source volume using ITS materials; staff-led lectures at offsite venues on ITS research.
	Complete volume for archival studies project on Jewish responses to persecution.	Met: <ul style="list-style-type: none"> Completed manuscript for volume III of <i>Jewish Responses to Persecution</i>. Manuscript is currently under review.
Effectively use the Committee on Conscience (COC) to respond to contemporary genocide		
Expand the network of citizens who care about genocide	Begin implementation of new online strategy to make digital content more accessible and engaging.	Met: <ul style="list-style-type: none"> Engaged consultant services to work with the COC staff to develop a comprehensive strategic plan for how to move forward in the digital space. In the coming year, COC will implement key elements of the plan in conjunction with the Museum's redesign of its Website.
	Maintain and update <i>From Memory to Action</i> exhibition and accompanying Web site.	Met: <ul style="list-style-type: none"> Visitation totaled more than half a million visitors, averaging over 30% of total Museum visitation. Since opening in 2009, more than 143,000 people have engaged with the interactive pledge wall by writing a statement in response to the question, "What will you do to help meet the challenge of genocide today?" Trained docents provided approximately 52 tours to about 500 visitors. Obtained 4,300 new email addresses from the sign-up kiosk installed this year. Began making updates to the interactive table in the room to improve visitor experience.

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
	Develop and launch Cambodia Justice and Accountability Initiative.	<p>Met:</p> <ul style="list-style-type: none"> • Began planning work with the Museum’s National Institute for Holocaust Education on an initiative to educate audiences about international justice and accountability in the context of the trials of the Khmer Rouge leadership in Cambodia. Components of the initiative will include new physical displays in Museum and the creation of an online educational exhibit that will extend treatment of these issues beyond the Museum’s walls. • Undertook <i>Bearing Witness</i> trip to Cambodia to attend the trial of Khmer Rouge leaders. Trip included visits to sites and interviews with survivors, judges, and government officials. Photos and videos from the trip will be used in creating materials for educational initiative outlined above.
	Hold major symposium on the future of genocide to engage physical and online audiences.	<p>Met:</p> <ul style="list-style-type: none"> • Hosted U.S. Secretary of State Hillary Rodham Clinton as the keynote speaker for symposium entitled, <i>Imagine the Unimaginable: Ending Genocide in the 21st Century</i>. Symposium attracted more than 500 guests to the Museum and hundreds more online. Hosted in collaboration with the Council on Foreign Relations and CNN, symposium participants included policymakers, business leaders, subject matter experts, and journalists. • During symposium, COC released the findings of a major new poll, commissioned by the Museum and carried out by Penn Schoen Berland, on American attitudes on genocide. • Carried out outreach campaign to inform new audiences about the symposium and poll. Efforts included email updates and an advertising campaign on Facebook, Twitter, and YouTube. More than 104,600 people viewed the promotional video on YouTube, COC obtained almost 1,500 new email addresses for its mailing list, 2,700

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
		people participated in COC's online poll, and the Museum netted more than 3,000 new "fans" for its Facebook page. Additionally, the Facebook page had more than 4,000 "likes" and 500 "shares" and more than 1,000 visitors watched the webcast on the day of the event. The COC also received press coverage in the <i>New York Times</i> , <i>Foreign Policy</i> , and <i>AFP</i> .
	Hold 2-3 public programs to educate and engage physical and online audiences in COC's work.	<p>Met:</p> <ul style="list-style-type: none"> • Hosted public program at the Museum entitled, <i>In Search of Accountability: Justice after Nuremberg</i>. Panelists included State Department legal adviser, Harold Koh; author and historian, William Shawcross; and former U.S. Ambassador for War Crimes, David Scheffer. Attracted a sold out audience of more than 400 people. The event and video interviews with the panelists were made available for online viewing by countless others. • Hosted public program featuring former Secretary of State Madeleine K. Albright. Featured an interview with Secretary Albright about her new memoir, <i>Prague Winter</i>, and her formative years in Czechoslovakia during Nazi occupation. Attracted over 400 guests and countless more will soon be able to watch event online.
Strengthen the movement of organization and experts working on genocide prevention issues	Expand research capacity through development of fellowship program.	<p>Met:</p> <ul style="list-style-type: none"> • Appointed two new <i>Genocide Prevention Fellows</i> to support the development of leaders in the field, incubation of innovative projects, and the enhancement of the research capacity that is critical in developing a range of genocide prevention educational programs and activities.
	Launch new innovative projects to strengthen the field of genocide prevention.	<p>Met:</p> <ul style="list-style-type: none"> • Commissioned a feasibility study on developing a permanent public early warning system that will bring

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		<p>urgency to situations where assertive diplomacy at early stages can avert violence. The COC is now working to refine this plan, looking for resources to fund the project, and considering how to best implement it.</p> <ul style="list-style-type: none"> • Undertook a variety of exploratory initiatives to address the issue of incitement to genocide, including an in-depth study of the field of research on incitement and legal analysis of hate speech from the leadership of Iran. • In cooperation with the National Security Archive and Salzburg Global Seminar, the COC convened an international group of experts to design a multi-year project that would analyze the dynamics of decision-making by the international community during episodes of genocide and mass killing. The project will unfold over through a series of conferences built around detailed case studies of past genocides, with the participation of government officials and other who were centrally involved in the historical events.
<p>Bolster the will of decision-makers to prevent and respond to mass atrocities</p>	<p>Follow up with the implementation of recommendations from the Museum-sponsored Genocide Prevention Task Force report.</p>	<p>Met and Exceeded:</p> <ul style="list-style-type: none"> • The capstone of efforts was seen when President Barack Obama in April announced at the Museum a new initiative to prioritize mass atrocity prevention and response through the creation of an "Atrocities Prevention Board." The President's announcement resulted from intensive work conducted over the last several years by the COC staff and its partners, starting with the landmark publication of the Genocide Prevention Task Force report, which became the blueprint for the government's reform efforts. • The COC staff consulted informally with a wide range of U.S. and international government officials and leaders while attending a range of top-level convenings, not only in Washington and New York, but also in France, Brazil,

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
		and Argentina.
	Draft the final report of the Working Group on the Responsibility to Protect (R2P) and plan activities around the report roll-out.	<p>Partially Met:</p> <ul style="list-style-type: none"> • The Working Group, co-chaired by former Secretary of State Madeleine Albright and former U.S. Special Envoy to Sudan Richard Williamson, held discussions with distinguished current and former U.S. and international government officials on critical issues and challenges around the implementation of R2P. It also hosted a series of briefings and roundtable discussions with journalists, Congressional staff, foreign policy professionals, and others to raise the profile of these issues. The findings of these discussions informed the Working Group report. • The Working Group is currently finalizing its report and plans to roll-out the report in 2013. The report will offer practical recommendations to further institutionalize and render more effective genocide prevention efforts in the U.S.
	Develop training programs to educate foreign service officers, military, and other professionals on genocide prevention.	<p>Partially Met:</p> <ul style="list-style-type: none"> • Hosted a one-day symposium bringing together officials from across government agencies charged with designing prevention training programs and senior representatives from both government and nongovernmental institutions. Fostered dialogue about current scholarship and critical issues in the field of genocide prevention and initiated planning for the development of agency training programs. The COC continues to carry out follow up activities related to this symposium. • Hosted a seminar entitled, <i>The Power of Witness</i>, that brought together participants from the military, intelligence community, State Department, human rights advocates, and technology innovators to explore the possibilities for harnessing technologies to defend human rights and prevent mass atrocities. The symposium was

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		organized in partnership with Harvard University's Carr Center for Human Rights and with support from the Department of Defense.
Carry out the National Institute for Holocaust Education (NIHE) objectives		
Use special exhibitions, the Web site and related programs / products to stimulate dialogue / discourse	Present special exhibitions and associated programs at the Museum and through traveling exhibitions nationwide.	Met: <ul style="list-style-type: none"> • Traveled four exhibitions to 17 cities in 15 states during FY 2012. More than 175,000 people viewed the exhibitions during the course of the year, and exhibitions were hosted for the first time in North and South Dakota.
Present traveling exhibitions and related programs / products nationwide		
Use the Wexner Learning Center to enhance visitor engagement with the history and legacy of the Holocaust	Implement <i>Propaganda</i> initiative with special programming for targeted audiences such as journalists and public diplomacy officials.	Met: <ul style="list-style-type: none"> • Special exhibition, <i>State of Deception: the Power of Nazi Propaganda</i> had 438,678 visitors during FY 2012. More than 13,600 visitors received guided exhibition tours. • Companion Web site had more than 14,600 unique page views in FY 2012. • Programs conducted for: <ul style="list-style-type: none"> ▪ More than 1,300 university-level students and professors in journalism, media, public diplomacy, and public policy. ▪ More than 880 secondary level educators, including 230 middle and high school students who piloted and participated in discussions about the Mind over Media text message tour. ▪ A leadership summit on Propaganda, Hate Speech and Civic Engagement for 60 university students representing 26 states, 5 countries and 55 colleges/universities. Program partners included the Interfaith Youth Core, World Outside My Shoes, The Media Education Lab at the University of Rhode Island, NASPA (the leading professional organization for student affairs personnel in higher education) and Politifact.

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
		<ul style="list-style-type: none"> • Launch of <i>Mind over Media</i>, a mobile texting activity for secondary school students to increase engagement with exhibition content and critical thinking. 15,500 visitors participated. • More than 70 military personnel, including senior officials and service academy instructors; international diplomats including Ambassadors to Germany, Portugal, and Israel; and a group of Imams and Rabbis from Latin America. • Leadership from the Federation of State Humanities Councils. • Journalists participating in the United Nations Reham al-Farra Memorial Journalists Fellowship Programme, from nations including Croatia, the Democratic Republic of Congo, Georgia, Ghana, Oman, and the United Arab Emirates. • An environmental scan of the media literacy education field was conducted to identify best opportunities and potential partners to engage around the traveling version of <i>State of Deception</i>. • A roundtable discussion with national leaders in the field of media literacy education was held to inform the Museum's strategies for outreach. Participants are thought leaders in the fields of social studies, media literacy, and communication and represent such organizations as the American Library Association, the McCormick Foundation, the Aspen Institute, the Knight Center for Digital and Media Entrepreneurship at Arizona State University's Walter Cronkite School of Journalism and Mass Communication, the MacArthur Foundation's Research Network on Youth and Participatory Politics, and the Pulitzer Center of Crisis Reporting.
	Launch Collaboration & Complicity Initiative	<p>Met:</p> <ul style="list-style-type: none"> • Conducted an environmental scan of Holocaust education

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
		<p>and the topic of collaboration and complicity.</p> <ul style="list-style-type: none"> • Conducted audience research and evaluation at 4 regional summits for state education officials, professors, and other stakeholders in Holocaust education. • Began research, planning, and development of a companion Web site. • Planning of an educational symposium focused on the theme of collaboration and complicity for international educators and Holocaust organizations. • Intra-office planning of activities and outcomes associated with collaboration and complicity. • Exhibition research and design on schedule for April 2013 opening.
	<p>Prototype learning platform to advance global Holocaust education.</p>	<p>Met:</p> <ul style="list-style-type: none"> • Review of taxonomies complete. Plan to apply terminology to new Web site scheduled for launch in FY 2013.
	<p>Develop new presentation(s) for Wexner Center and other public spaces.</p>	<p>Deferred:</p> <ul style="list-style-type: none"> • Refinements were made in Room 1: <i>From Memory to Action: Meeting the Challenge of Genocide</i> and in Room 2: <i>The Nuremberg Trials: What is Justice?</i> Both are scheduled to remain on view indefinitely. <p>Partially met:</p> <ul style="list-style-type: none"> • Room 3: <i>GENOCIDE EMERGENCY—Darfur, Sudan: Who Will Survive Today?</i> is scheduled to be replaced in FY 2012 Q2 with new content about the history and potential of mass atrocities in Sudan/South Sudan. • New COC initiative to support displays on International Justice (with focus on Cambodia Khmer Rouge trials) as added content to Wexner Room 2, and on the history of genocide in Cambodia under the Khmer Rouge (1975-1979)

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		in the Meyerhoff Auditorium entry. Installation tentatively scheduled for FY 2013, Q1.
	Translate <i>Holocaust Encyclopedia</i> and other Web content into Indonesian and Korean; continue translations into Arabic, Farsi, Urdu, Russian, Portuguese, Turkish, French, Spanish, and Chinese; and produce new content in selected language(s).	Met: <ul style="list-style-type: none"> Continued translations into Arabic, Farsi, Urdu, Russian, Portuguese, Turkish, French, Spanish, and Chinese; added new content and .mobi versions of existing languages customized for viewing on smartphones and other mobile devices.

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Status report for special exhibitions:

Exhibition Title/Topic	Target Presentation Dates	Results / Status
<i>GENOCIDE EMERGENCY—Darfur, Sudan: Who Will Survive Today?</i> (Wexner Center, Room 3)	March 11, 2005 - FY 2013 Q2	Development of replacement content begun in FY 2011 Q4
<i>Sudan Divided: Peoples at Risk</i> (Wexner Center, Room 3)	FY 2013 Q2 - Indefinitely	Development of replacement content begun in FY 2011 Q4; installation targeted for FY 2013 Q2
<i>Abandoned at Srebrenica: Ten Years Later</i> (Meyerhoff Theater)	July 11, 2005 - FY 2014 Q1	No change
A display on the topic of the Khmer Rouge genocide in Cambodia, 1975-79	FY 2014 Q1	Content research begun in late FY 2012
<i>The Nuremberg Trials: What Is Justice?</i> (Wexner Learning Center)	December 20, 2005 - Indefinitely	Two artifact rotations completed in FY 2012
<i>International Justice: From Nuremberg to Present</i> (working title)	FY 2014 Q1 - Indefinitely	Will continue to present core content from <i>Nuremberg Trials</i> with added content on subsequent efforts at international justice, with focus on Cambodia's Khmer Rouge genocide trials. Content research begun in late FY 2012.
<i>A Dangerous Lie: The Protocols of the Elders of Zion</i> (Gonda Education Center)	April 21, 2006 - Indefinitely	No change
<i>From Memory to Action: Meeting the Challenge of Genocide</i> (Wexner Center, Room 1)	April 10, 2009 - 2014	Content changes to interactive table proposed for FY 2013, Q1-2
<i>State of Deception: The Power of Nazi Propaganda</i> (Kimmel-Rowan Gallery)	January 30, 2009 - October 8, 2012 FY 2012: artifact rotations approx. every 3 months	Four rotations of artifacts completed during FY 2012
<i>State of Deception: The Power of Nazi Propaganda</i> (traveling exhibition)	Tour tentatively scheduled to begin in November 2013 for approx. 5 years	Curatorial content revisions completed during FY 2012; Design phase began FY 2012 Q2
<i>Some Were Neighbors: Collaboration & Complicity during the Holocaust</i> (Kimmel-Rowan Gallery)	Spring 2013 - Fall 2017	Exhibition design near completion of detail design by end of FY 2012; exhibition fabricator selected (construction to

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Exhibition Title/Topic	Target Presentation Dates	Results / Status
		begin FY 2013 Q1). Project on schedule for April 2013 opening.
Traveling Exhibitions: <ul style="list-style-type: none"> • <i>Deadly Medicine: Creating the Master Race</i> (panel version) • <i>Fighting the Fires of Hate: America and the Nazi Book Burnings</i> • <i>The Nazi Olympics: Berlin 1936</i> • <i>Nazi Persecution of Homosexuals: 1933-1945</i> 	Various locations and schedules	Traveling exhibition <i>Deadly Medicine: Creating the Master Race</i> (with artifacts) ended its 6-year tour in FY 2012.

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
Carry out the NIHE objectives - continued		
Develop programming to increase awareness of contemporary antisemitism and its historical roots	Increase the number of Museum Teacher Fellows trained to implement Museum education programming.	<p>Met:</p> <ul style="list-style-type: none"> Trained 20 new Museum Teacher Fellows in the year-long program this fiscal year.
<p>Increase capacity to deliver teacher training and resources</p> <p>Extend reach of programs for military, government, law enforcement and other leadership audiences</p> <p>Build network of medical professionals/bioethicists interested in incorporating Holocaust related material in humanities and medical ethics training</p> <p>Develop programming to increase awareness of contemporary antisemitism and its historical roots</p> <p>Increase capacity to deliver teacher training and resources</p> <p>Extend reach of programs for military, government, law enforcement and other leadership audiences</p> <p>Build network of medical professionals/bioethicists interested in incorporating Holocaust related material in humanities and medical ethics training</p>	<p>Refine and implement plans for working with targeted audiences (justice, military, religious leaders, etc.) for achieving greatest impact: train military and judicial leadership; replicate youth leadership program in 2 inner-city or rural communities nationally; create resources for target audiences.</p>	<p>Met:</p> <ul style="list-style-type: none"> Served more than 1,300 members of the judiciary in 6 states. Members of the court received Continuing Legal Education credits in Ethics for completing the Museum's course, and interest in the program continues to grow. In addition, 3,000 law enforcement officials from local, state, and federal agencies completed trainings. This included 150 Chiefs and top leaders from around the country. Served more than 4,100 U.S. officers in training, active duty and command level officers. Also served 949 international military officers in programs of extended length dealing with human rights and genocide prevention. Offered three additional sections of the Holocaust and genocide prevention course to additional Army majors at the Ft. Belvoir Command and General Staff College and expanded trainings of service academy faculty to include representatives from the U.S. Military Academy at West Point, the U.S. Naval Academy as well as the U.S. Air Force Academy. Also developed resources that have been integrated into curricula for cadets. <i>Bringing the Lessons Home</i> – a program which helps students analyze and respond to events, problems and opportunities in their neighborhoods and ultimately in the larger world – continued to provide opportunities for immersive study of the Holocaust, leadership seminars, and internships. Students learned to integrate these lessons into their own lives. Since the program's inception,

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		<p>650 students have earned the position of “Ambassador” and are now serving as Museum tour guides, facilitators, program developers, and even full-time staff. Requests for programming increased significantly this year, as interest in both the Holocaust and the program continues to grow locally and nationally. More than 5,000 students in the Washington, D.C. area were served through special programming and resources this year.</p> <ul style="list-style-type: none"> • To support youth leadership development through study of the history and lessons of the Holocaust, young people and staff provided programming for United to End Genocide, Facing History and Ourselves, School for Ethics and Global Leadership, Close-Up Foundation, and the National Student Leadership Conference. • In 2010, the Museum established the <i>Stephen Tyrone Johns Summer Youth Leadership Program</i> to help young people develop skills to become leaders and stand against hate in their communities. This year, 70 high school students from 21 schools in the Washington, D.C. area participated in this intensive six-week educational internship at the Museum. • This summer, 60 young people from inner-city and rural communities across the nation joined the National Summer Youth Leadership Seminar and participated in week-long activities with the local Stephen T. Johns Ambassadors. Together they explored the Nation’s Capitol, American democracy, and discussed implications of the Holocaust for their lives today. These student leaders will stay connected throughout their next school year. Their goal is for each one to reach 100 others through presentations or service. Last year’s Ambassadors passed their goal. Collectively, they brought the lessons of the Holocaust home to over 11,000 members of their communities.

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Strategy to achieve objective	FY 2012 activity planned, target or comparison baseline	Results / Status
	Increase resources on denial and antisemitism through expanded Web site, new products and use of social media.	Met: <ul style="list-style-type: none">• Distributed <i>Voices on Antisemitism</i> and <i>Confronting Hatred</i> CDs for educational use. Prepared antisemitism film and supporting materials for website and DVD for FY2013 distribution.

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Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
Fundraising Activities		
Undertake fundraising efforts to fulfill the Strategic plan over the next decade	FY 2012 target \$31.8 million annual fund and \$5.0 million endowment for a combined total of \$36.8 million.	Met and exceeded: <ul style="list-style-type: none"> • Raised over \$38.9 million (includes major gifts, membership, planned gifts, grants and endowments), surpassing the \$36.8 million goal. (Note: Restricted gifts may only be spent as a donor stipulates, and endowment income may be spent, but not the principal.)
	Enhance annual fund marketing campaign.	Met: <ul style="list-style-type: none"> • Implemented, with Marketing, an annual communication schedule of mailings for both soliciting prospects and donor stewardship.
	Build a program for foundation and corporate giving.	Met and ongoing: <ul style="list-style-type: none"> • Launched the Corporate and Foundation Relations program to manage the Museum's strategic corporate and foundation fund-raising nationally and across the regions in collaboration with regional offices, volunteers, and friends of the Museum. • Launched, working with Marketing, a 20th Anniversary National Corporate Sponsorship program in FY 2012.
	Develop a comprehensive campaign culminating with the Museum's 25th anniversary.	Met and ongoing: <ul style="list-style-type: none"> • Using the Museum's 20th Anniversary as the key thematic driver to build momentum during the quiet phase of the fundraising campaign, plans are underway for an anniversary tour to raise national visibility and deepen engagement in key development regions and paving the way for campaign gift solicitations. • Building a leadership structure for both the 20th Anniversary and the campaign and convening regional groups across the country and began recruitment of a national leadership team.

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Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
	Continue targeted \$200 million bequest focused endowment effort.	<ul style="list-style-type: none"> • Continued to build the infrastructure to support the campaign (prospects, case, timeline, financial targets). <p>Met and ongoing:</p> <ul style="list-style-type: none"> • Endowment campaign gifts exceed the \$90 million mark, 46% of goal with 34% of the campaign timeline elapsed. For the FY 2012, the campaign added over \$20 million in new endowment commitments. • Launched the new <u>20th Anniversary Legacy Challenge</u>, a deferred matching gift program underwritten by donors, in effect through the campaign's public launch in April 2013. Over 50 new planned gifts totaling \$13.9M have been identified and confirmed for the benefit of the Museum's endowment, qualifying for matching funds from the challenge grant (a leverage factor of 27:1).
Increase the integration of fundraising plans with programmatic priorities.	Complete next Milestone in the conversion from Target's Team Approach to New Enterprise Constituent Relationship Management system with specific focus on membership.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> • Reorganized the Development Services unit into distinct areas of focus to streamline procedures and maximize performance. After an RFP process, selected Amergent to replace Blackbaud as vendor, and implementation has started.
	Continue implementation of national stewardship plan.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> • Began implementation of a comprehensive stewardship plan. Components included: <ul style="list-style-type: none"> ▪ pilot programs in the regions to serve as models for establishing regional boards, ▪ nation-wide mailings delivering greater program content to major donors and past donors, ▪ enhanced stewardship plans for key prospects of the Museum Director and Chief Development Officer, and ▪ ongoing work with Marketing to create blueprint for revitalizing donor communications vehicles (e.g.,

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Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
		magazine; institutional newsletter; Director's letter).
Marketing & Communications Activities		
Enhance perception of the Museum as institution that teaches the lessons of the Holocaust and encourages leaders and citizens to confront hate, prevent genocide, promote human dignity and strengthen democracy.	Expand opportunities for new visual identity for the Museum—to include Web site and Museum signage.	Met: <ul style="list-style-type: none"> Presented in brand all new program and development materials of the enhanced texting campaign and major new outreach initiatives on the Web, et cetera.
	Improve positioning efforts and outreach related to antisemitism, Holocaust denial, and genocide prevention.	Met: <ul style="list-style-type: none"> Continued support for COC genocide prevention conferences and digital outreach.
Position the Museum to anticipate and benefit from opportunities that support the mission and enhance the Museum's image.	Generate positive press coverage around key Museum initiatives such as traveling exhibitions and national programs in key cities and regions and (specifics to be determined).	Met: <ul style="list-style-type: none"> Created Remember Me and World Memory projects that brought thousands of visitors to the Web and assisted collections activity. Provided support for all major fundraising activities.
	Enhance and use the Web site as a fundraising, messaging, and educational tool—identify new opportunities for online marketing. Increase membership net revenue through message and technology strategy and increasing new and lapsed members.	Met and ongoing: <ul style="list-style-type: none"> Continued online fundraising initiatives to grow email acquisitions, raise small donations, and increase membership including online opportunities for renewals. Made ongoing efforts to integrate messages to online audiences; more online gifts from new and older members have been reported.
	Create a national awareness campaign to support the comprehensive campaign to raise funds for endowment, annual operations, and facilities.	Partially met and ongoing: <ul style="list-style-type: none"> Created national tour and tribute programs, media, and collateral and are delivering 20th Anniversary Tour and Tribute in four regions plus D.C. in 2013.
Improve stewardship of key constituencies (survivors, donors, Council, former Council,	Coordinate with Development and Marketing to create integrated communications strategy.	Met and ongoing: <ul style="list-style-type: none"> Coordinated closely with Development and Marketing on a variety of key Museum initiatives:

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Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
Congress, staff)		<ul style="list-style-type: none"> ▪ 2012 DOR events, including the presentation of the first Elie Wiesel Award ▪ Developed and implemented strategies for 20th Anniversary commemoration.
	Increase visibility and involvement of survivors in advancing Museum's programmatic priorities.	<p>Met:</p> <ul style="list-style-type: none"> • Increased survivor participants and participation in programs onsite, off site and via remote technology. Survivor speakers spoke to over 30,000 people in over 290 programs over the course of the year, including a first time video-conference to teachers in Rwanda.
	Strengthen internal communications and strategic planning.	<p>Met and ongoing:</p> <ul style="list-style-type: none"> • Worked with consultant to complete program-office logic models and develop program priorities and begin to track measures of success. Efforts continue to create a common approach to planning/evaluation and a shared vocabulary of terms. Program areas currently developing measures of success and tracking system.
	Enhance the role of Council and committee members in supporting programmatic priorities.	<p>Partially met:</p> <ul style="list-style-type: none"> • Made additional revisions to Council orientation program; continued to work with Development and Marketing to ensure Council's awareness of/engagement in key programs at Museum and their regions. • Deferred a larger Council stewardship effort due pressing priorities such as the strategic plan and the 20th Anniversary.
Pursue continuous improvement and excellence in financial management, human resources management, information technology support, and administration of the Museum and address relevant	Based on user feedback and evaluation, expand the functionality of the HR Web site (including integration of employee development tools and information).	<p>Partially met:</p> <ul style="list-style-type: none"> • In consultation with IT, continued to develop content but deferred roll-out pending full implementation of a Google operating platform (FY 12) and development of a new Museum-wide staff resources portal (FY13).

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GOAL: SECURE THE FUTURE OF THE MEMORIAL MUSEUM

Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
elements of the President's Management Agenda.	Provide leadership / management coaching for all supervisors.	Partially Met: <ul style="list-style-type: none"> • Expanded executive coaching for members of the senior leadership team. • Initiated management coaching for Division Directors (including 360 assessments for each) during the 4th quarter. The initiative will carry over into FY13 and will also include coaching for the Branch Directors.
	Complete a Museum-wide training needs assessment.	Met: <ul style="list-style-type: none"> • An on-line training needs assessment was delivered to all staff. 285 employees responded and findings will aid efforts to identify, prioritize, and deliver training to staff.
	Automate the vendor invoice receipt and approval process.	Deferred: <ul style="list-style-type: none"> • Due to lack of staff resources and funding.
	Develop an interface between the procurement and accounting systems.	Deferred: <ul style="list-style-type: none"> • Due to lack of staff resources and funding.
	Continue the redesign of the Museum's Web site including: <ul style="list-style-type: none"> • Re-architecture: information architecture analysis • Content management: implement enterprise content management for parts of the Web site • Search and discovery: Implement an enterprise-wide search, repository, and retrieval engine • Technical infrastructure: upgrade server architecture and operating system • Standards-based delivery: make more of Web site content available via standards-based and accessible presentations. 	Met: <ul style="list-style-type: none"> • Completed information architecture analysis. • Completed design and installation of content management system. • Developed a new Solr technology-based search engine and implemented Web site search and discovery. • Implemented new server hardware with upgraded operating system. • Established standards-based content delivery mechanism for the new Web site and continue to work on accessibility.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: SECURE THE FUTURE OF THE MEMORIAL MUSEUM

Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
Provide oversight for major Museum technology systems.	Continue to develop mobile Web platforms for content delivery in the Museum space and to constituents world-wide.	Met: <ul style="list-style-type: none"> • Completed methodology for effective delivery of mobile Web contents.
	Enhance performance of the data center, storage, and server infrastructure through server/storage platform virtualization.	Met: <ul style="list-style-type: none"> • Implemented server virtualization as needed to enhance data center performance. • Took measures with Operations and IT to improve power and cooling requirements within the data center. Additional work is needed to fully accomplish this scope. (see Partially Met section below). Partially Met: <ul style="list-style-type: none"> • Consolidated several storage systems into newer, smaller and more efficient systems that demand lesser cooling and power requirements. Recently started, this work is an on-going process that will continue through next year (FY 2013). • Began gradual migration to retire older servers, storage and other devices and replace them with more energy efficient hardware. Deferred: <ul style="list-style-type: none"> • Museum exhibition revamp to digital technologies due to funding constrains for any major improvements.
	Upgrade the Museum's IT network infrastructure.	Met: <ul style="list-style-type: none"> • Completed upgrades to: <ul style="list-style-type: none"> ▪ Network connectivity to all of the Museum's regional offices to provide enhanced bandwidth. ▪ Internal network hardware to meet the demands of increasing network traffic. ▪ Wireless network to handle additional bandwidth and built a new mobile phone infrastructure to boost cell

United States Holocaust Memorial Museum

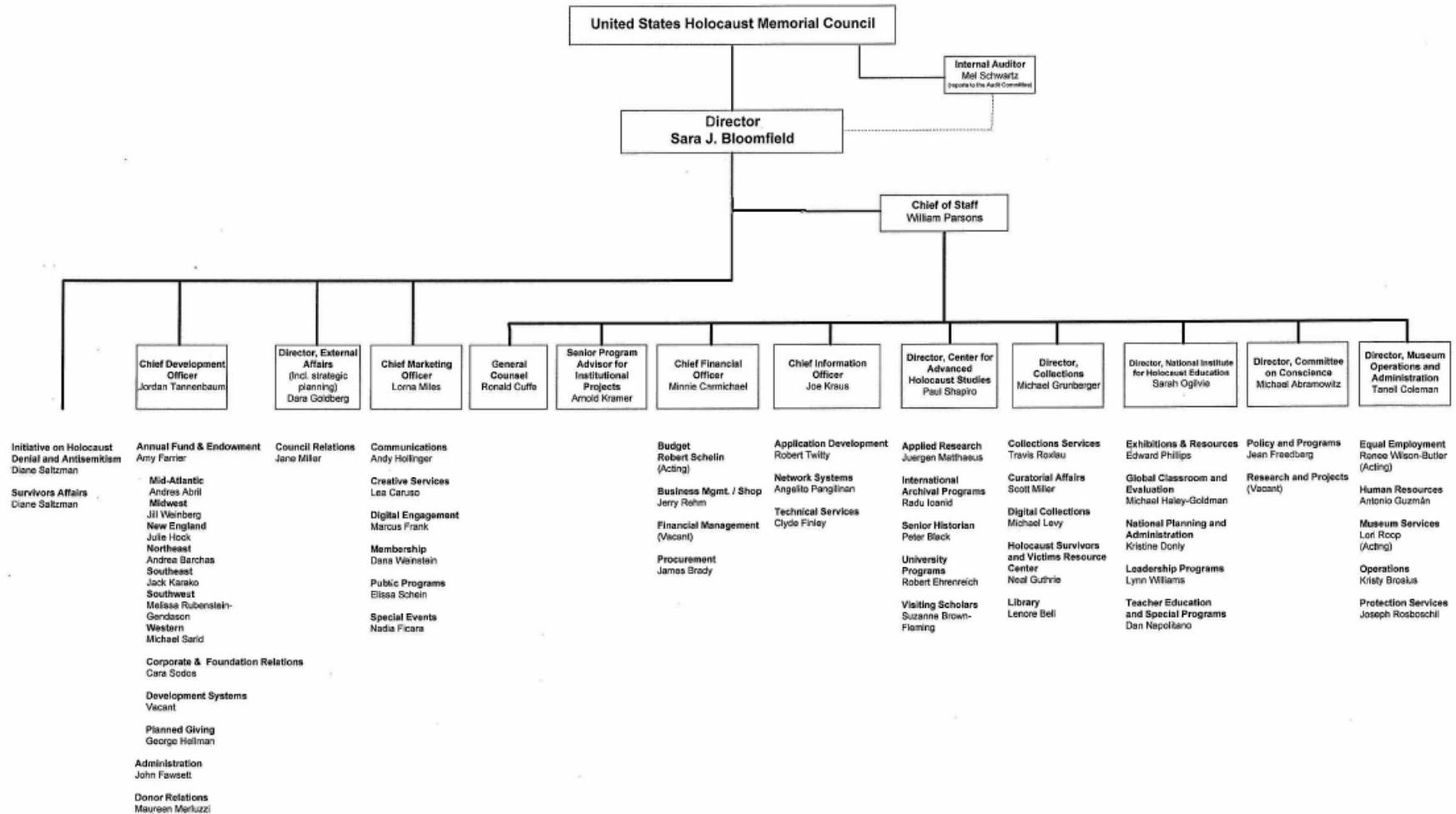
Government Performance and Results Act Annual Performance Plan - FY 2012

GOAL: SECURE THE FUTURE OF THE MEMORIAL MUSEUM

Strategy to achieve objective	FY 2012 Activity planned, target or comparison baseline	Results / Status
		signals in the Museum and Ross Administrative Center to support the Museum's mobile Web content delivery operations. <ul style="list-style-type: none"> ▪ Provide redundant connectivity to Internet Service Provider.
	Work with Human Resources to upgrade legacy HR systems and processes.	Partially met: <ul style="list-style-type: none"> • Contract awarded for a HR/Payroll system. To be implemented in 2013.

United States Holocaust Memorial Museum

Museum Organization Chart



United States Holocaust Memorial Museum

Message from the Chief Financial Officer

I am pleased to present the United States Holocaust Memorial Museum's Fiscal Year 2012 *Performance and Accountability Report* which presents both financial and performance information on the Museum's operations in a combined report for the fiscal year ending September 30, 2012. 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 unqualified opinion on its financial statements for Fiscal Year 2012. These statements fully account for both the Federal and non-appropriated 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.



Minnie P. Carmichael
Chief Financial Officer
United States Holocaust Memorial Museum



Independent Auditors' Report

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

We have audited the accompanying statement of financial position of the **United States Holocaust Memorial Museum** (the Museum) as of September 30, 2012, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Museum's 2011 financial statements, which were audited by other auditors whose report dated November 15, 2011, expressed an unqualified opinion on those statements.

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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information in the Management's Discussion and Analysis section is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 15, 2012, 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 other matters. The purpose of those reports is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

BDO USA, LLP

Bethesda, Maryland
November 15, 2012

Financial Statements

United States Holocaust Memorial Museum

Statement of Financial Position

As of September 30, 2012

(with summarized information as of September 30, 2011)

	Nonappropriated Funds	Appropriated Funds	2012 Total	2011 Total
Assets:				
Cash and fund balance with Treasury	\$ 2,147,483	\$ 18,330,357	\$ 20,477,840	\$ 15,735,046
Short-term investments	274,101	-	274,101	286,301
Contributions receivable, net	18,465,025	-	18,465,025	18,895,574
Other assets	1,416,581	254,211	1,670,792	1,165,212
Long-term investments	242,847,925	-	242,847,925	205,179,192
Property and equipment, net	68,488,656	11,529,411	80,018,067	84,734,032
Collections	-	-	-	-
Total assets	\$ 333,639,771	\$ 30,113,979	\$ 363,753,750	\$ 325,995,357
Liabilities and net assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,586,634	\$ 6,247,470	\$ 10,834,104	\$ 8,973,747
Charitable gift annuity liability	11,146,179	-	11,146,179	4,808,051
Unexpended appropriations	-	13,799,102	13,799,102	11,373,254
Total liabilities	15,732,813	20,046,572	35,779,385	25,155,052
Net assets:				
Unrestricted:				
Federal cumulative results of operations	-	10,067,407	10,067,407	10,170,976
Programming and supporting activities	71,453,263	-	71,453,263	64,656,453
Funds functioning as endowment	58,640,580	-	58,640,580	51,907,117
Total unrestricted	130,093,843	10,067,407	140,161,250	126,734,546
Temporarily restricted	41,459,384	-	41,459,384	36,718,616
Permanently restricted	146,353,731	-	146,353,731	137,387,143
Total net assets	317,906,958	10,067,407	327,974,365	300,840,305
Commitments and contingencies				
Total liabilities and net assets	\$ 333,639,771	\$ 30,113,979	\$ 363,753,750	\$ 325,995,357

See accompanying notes to financial statements.

United States Holocaust Memorial Museum

Statement of Activities Year Ended September 30, 2012 (with summarized information for the year ended September 30, 2011)

	Nonappropriated Funds	Appropriated Funds	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012	Total 2011
Support and revenues:							
Federal appropriation revenue	\$ -	\$ 48,073,860	\$ 48,073,860	\$ -	\$ -	\$ 48,073,860	\$ 49,432,270
Contributions	18,851,872	-	18,851,872	6,571,717	4,251,616	29,675,205	42,383,428
Membership revenue	9,383,625	-	9,383,625	-	-	9,383,625	8,949,252
Museum shop	1,807,700	-	1,807,700	-	-	1,807,700	1,895,532
Investment income (loss), net	22,852,191	-	22,852,191	5,187,358	4,714,972	32,754,521	(2,213,805)
Contributed services	22,882	-	22,882	-	-	22,882	16,836
Imputed financing source	-	1,663,536	1,663,536	-	-	1,663,536	1,477,356
Other	270,994	-	270,994	-	-	270,994	285,776
Net assets released from restrictions:							
Expiration of time restrictions	743,576	-	743,576	(743,576)	-	-	-
Satisfaction of program restrictions	6,274,731	-	6,274,731	(6,274,731)	-	-	-
Total support and revenues	60,207,571	49,737,396	109,944,967	4,740,768	8,966,588	123,652,323	102,226,645
Expenses:							
Program services							
Museum operations	3,874,600	24,355,686	28,230,286	-	-	28,230,286	27,671,160
Center for Advanced Holocaust Studies	5,359,873	2,374,589	7,734,462	-	-	7,734,462	7,508,068
National Institute for Holocaust Education	6,122,735	4,288,102	10,410,837	-	-	10,410,837	11,398,302
Collections	3,179,801	5,886,170	9,065,971	-	-	9,065,971	8,884,386
Committee on Conscience	1,400,444	-	1,400,444	-	-	1,400,444	1,107,074
Marketing	6,205,528	1,157,609	7,363,137	-	-	7,363,137	7,034,758
Museum shop	1,770,228	-	1,770,228	-	-	1,770,228	1,833,230
Other outreach programs	1,613,805	857,306	2,471,111	-	-	2,471,111	2,702,131
Total program services	29,527,014	38,919,462	68,446,476	-	-	68,446,476	68,139,109
Supporting services							
Management and general	5,385,691	10,921,503	16,307,194	-	-	16,307,194	15,914,459
Membership development	4,643,210	-	4,643,210	-	-	4,643,210	4,605,991
Fundraising	7,121,383	-	7,121,383	-	-	7,121,383	6,814,707
Total supporting services	17,150,284	10,921,503	28,071,787	-	-	28,071,787	27,335,157
Total expenses	46,677,298	49,840,965	96,518,263	-	-	96,518,263	95,474,266
Change in net assets	13,530,273	(103,569)	13,426,704	4,740,768	8,966,588	27,134,060	6,752,379
Net assets - beginning of year	116,563,570	10,170,976	126,734,546	36,718,616	137,387,143	300,840,305	294,087,926
Net assets - end of year	\$ 130,093,843	\$ 10,067,407	\$ 140,161,250	\$ 41,459,384	\$ 146,353,731	\$ 327,974,365	\$ 300,840,305

See accompanying notes to financial statements.

United States Holocaust Memorial Museum

Statement of Cash Flows Year Ended September 30, 2012

(with summarized information for the year ended September 30, 2011)

	Nonappropriated Funds	Appropriated Funds	2012 Total	2011 Total
Reconciliation of change in net assets to net cash provided by operating activities:				
Change in net assets	\$ 27,237,629	\$ (103,569)	\$ 27,134,060	\$ 6,752,379
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Museum depreciation	2,724,056	1,155,922	3,879,978	3,881,632
Equipment depreciation	528,711	891,816	1,420,527	1,392,835
Exhibit amortization	1,118,215	479,244	1,597,459	2,453,689
Realized/unrealized (gain) loss on investments	(26,959,128)	-	(26,959,128)	6,572,586
Change in allowance for doubtful accounts	78,149	-	78,149	(509,583)
Change in discount to present value of contributions receivable	(265,597)	-	(265,597)	500,387
Contributions of permanently restricted net assets	(2,510,663)	-	(2,510,663)	(9,454,770)
Contributions of gifts and securities	-	-	-	(11,858,438)
Changes in assets and liabilities:				
Decrease (increase) in:				
Contributions receivable, net	617,997	-	617,997	(1,455,328)
Other assets	(485,825)	(19,755)	(505,580)	(24,294)
Increase (decrease) in:				
Accounts payable and accrued expenses	1,114,074	746,283	1,860,357	(920,878)
Charitable gift annuity liability	6,338,128	-	6,338,128	1,286,111
Unexpended appropriations	-	2,425,848	2,425,848	(665,970)
Net cash provided by (used in) operating activities	9,535,746	5,575,789	15,111,535	(2,049,642)
Cash flows from investing activities:				
Capital expenditures	-	(2,181,999)	(2,181,999)	(3,426,894)
Purchases of investments	(75,846,870)	-	(75,846,870)	(50,562,410)
Proceeds from sale of investments	65,149,465	-	65,149,465	43,998,780
Net cash used in investing activities	(10,697,405)	(2,181,999)	(12,879,404)	(9,990,524)
Cash flows from financing activities:				
Permanently restricted contributions	2,510,663	-	2,510,663	9,454,770
Net cash provided by financing activities	2,510,663	-	2,510,663	9,454,770
Net increase (decrease) in cash and fund balance with Treasury	1,349,004	3,393,790	4,742,794	(2,585,396)
Cash and fund balance with Treasury - beginning of year	798,479	14,936,567	15,735,046	18,320,442
Cash and fund balance with Treasury - end of year	\$ 2,147,483	\$ 18,330,357	\$ 20,477,840	\$ 15,735,046
Supplemental data:				
Non-cash investing and financing activities:				
Gifts of securities	\$ -	\$ -	\$ -	\$ 11,858,438

See accompanying notes to financial statements.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

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 8) 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 of being sustained.

The Museum adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* (now codified as Accounting Standards Codification (ASC) 740-10), on July 1, 2007. Under FIN 48, 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 implementation of FIN 48 had no impact on the Museum's financial statements. 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 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 2008. For the year ended September 30, 2012 and 2011, there were no interest or penalties recorded or included in the statement of activities.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

2. Summary of Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (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, 2011, from which the summarized information was derived.

Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04: *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). The amendments in ASU 2011-04 were issued in order to align the fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The amendments in ASU 2011-04 change principles or requirements for measuring fair value or disclosing information about fair value measurements including the following: (1) the ASU permits an exception to the requirements in ASC 820 for measuring fair value when a reporting entity manages its financial instruments on the basis of its net exposure, rather than its gross exposure, to those risks; (2) the ASU clarifies that the application of premiums and discounts in a fair value measurement is related to the unit of account for the asset or liability being measured at fair value; and (3) the ASU amendments expand the disclosures about fair value measurements. Further, as a result of the amendments, blockage discounts are no longer permitted for level 2 and 3 investments. The amendments in ASU 2011-04 are to be applied prospectively. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2011. The Museum is currently assessing the impact of these amendments.

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 account per bank at September 30, 2012 and 2011. The Museum holds the majority of its cash on non-interest bearing account and is fully insured as of September 30, 2012 and 2011. 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.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

(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 real 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. Credit risk with respect to contributions receivable is considered limited due to the large donor base.

(d) Split-Interest Agreements

Split-interest agreements with donors consist of charitable gift annuities and interests in perpetual trusts. For charitable gift annuities, the 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 trust's 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.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

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 Museum Shop). The Museum Shop sells Holocaust-related educational materials, such as books and DVDs, to the public. The Museum Shop's inventory was \$355,228 and \$348,234 as of September 30, 2012 and 2011, respectively, and is valued at the lower of cost or market using the first-in, first-out inventory valuation method.

(g) Property and Equipment

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.

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

(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, by a charge to the statement of activities, to its current fair value.

(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

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

the preservation, care, and maintenance of the collections and procedures related to the accession/deaccession of collections items.

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 unrestricted net assets 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 nonappropriated net assets into three categories: unrestricted, temporarily restricted, or permanently restricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by time. Temporarily restricted net assets are contributions with temporary, donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a later period. Temporarily restricted net assets become unrestricted when the time restrictions expire and/or the funds are used for their restricted purposes and are reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets represent donor-restricted endowments to be held in perpetuity. Some donors require the Museum to reinvest all income earned on investments in the permanently restricted endowment fund, with only the payout, based on the Museum's payout policy, available for expenditure.

(l) Contributions

Unrestricted contributions are recorded as unrestricted support in the period received. Unrestricted contributions with payments due in future periods are initially recorded as temporarily restricted support due to inherent time restrictions. Once the contribution becomes due, the temporarily restricted net assets are reclassified to unrestricted net assets and are included in net assets released from time restrictions in the accompanying statement of activities.

Contributions that are restricted for certain programs are initially recorded as temporarily restricted support when received. When donor restrictions are met, the temporarily restricted net assets are reclassified to unrestricted net assets and are included in net assets released from program restrictions in the accompanying statement of activities. Temporarily restricted contributions received during the year for which the restrictions are met during the same year are recorded as both temporarily restricted contributions and net assets released from program restrictions in the accompanying statement of activities.

Permanently restricted contributions are contributions restricted by donors for the Museum's real endowment that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Museum, and are recorded as permanently restricted support in the year received in the accompanying statement of activities.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

(m) Membership Revenue

Membership dues are considered contributions and are recognized as revenue in the period received. Total fundraising costs include both membership development and fundraising expenses.

(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 unrestricted and are recognized as revenue as expenditures are incurred.

(o) Nonappropriated Funds

The nonappropriated funds reflect the receipts and expenditures of funds obtained from private sources through various fundraising and membership efforts, investment income, 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 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.

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

Supporting expenses refer to general administrative 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, contributions receivable, accounts payable, and accrued liabilities approximated their fair values. 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, 2012

(with comparative information for the year ended September 30, 2011)

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 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.

(t) Reclassifications

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

3. 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:

	2012	2011
Status of fund balance with Treasury:		
Unobligated balance:		
Available	\$ 4,806,422	\$ 4,617,411
Unavailable	844,475	833,453
Obligated not yet disbursed	12,679,460	9,485,703
Total appropriated fund balance with Treasury	\$ 18,330,357	\$ 14,936,567

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

4. 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.

Short-term investments, at fair value at September 30 consist of the following:

	2012	2011
Money market funds	\$ 263,139	\$ 261,894
Donated stock	10,962	24,407
Total	\$ 274,101	\$ 286,301

Long-term investments, at fair value at September 30 consist of the following:

	2012	2011
Investments:		
Portfolio cash	\$ 10,747,859	\$ 19,346,927
U.S. large cap equities	52,839,495	42,437,847
U.S. small to mid-cap equities	15,341,291	13,238,493
International markets equities	25,626,654	22,839,436
Emerging markets equities	1,088,407	903,481
Global equities	6,904,655	6,168,573
Fixed income mutual funds	26,690,073	36,650,390
Fixed income commodity funds	-	3,036,415
Multi-strategy mutual funds	10,615,249	-
High yield corporate bond funds	20,198,349	12,348,253
Bank loan fund	10,419,052	-
Equity long/short hedge funds	9,330,504	8,427,570
Event driven hedge funds	26,394,638	23,798,546
Multi-strategy hedge funds	7,145,906	7,827,165
State of Israel bonds	474,062	929,157
Gift annuity program investments:		
Portfolio cash	403,847	274,337
Domestic equities and fixed income	18,627,884	6,952,602
Total	\$ 242,847,925	\$ 205,179,192

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

Net investment income/(loss) for the years ended September 30 is summarized below:

	2012	2011
Interest and dividends	\$ 6,932,783	\$ 5,438,573
Net realized and unrealized gains/(losses)	26,959,128	(6,572,586)
Investment management fees	(1,137,390)	(1,079,792)
Net investment income/(loss)	\$ 32,754,521	\$ (2,213,805)

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, fixed income commodity funds, multi-strategy mutual funds, high yield corporate bonds, 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, certain high yield corporate bond funds, 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, certain high yield corporate bond funds, 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.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

The following table presents financial instruments that are measured at fair value on a recurring basis at September 30, 2012:

	Level 1	Level 2	Level 3	Total
Investments:				
Portfolio cash	\$ 10,747,859	\$ -	\$ -	\$ 10,747,859
U.S. large cap equities	22,354,589	30,484,906	-	52,839,495
U.S. small to mid-cap equities	15,341,291	-	-	15,341,291
International markets equities	-	25,626,654	-	25,626,654
Emerging markets equities	-	1,088,407	-	1,088,407
Global equities	-	-	6,904,655	6,904,655
Fixed income mutual funds	26,690,073	-	-	26,690,073
Multi-strategy mutual funds	10,615,249	-	-	10,615,249
High yield corporate bond funds	10,393,891	-	9,804,458	20,198,349
Bank loan fund	-	-	10,419,052	10,419,052
Equity long/short hedge funds	-	-	9,330,504	9,330,504
Event driven hedge funds	-	-	26,394,638	26,394,638
Multi-strategy hedge funds	-	-	7,145,906	7,145,906
State of Israel bonds	474,062	-	-	474,062
Gifts annuity program investments:				
Portfolio cash	403,847	-	-	403,847
Domestic equities and fixed income	-	18,627,884	-	18,627,884
Long-term investments subtotal	97,020,861	75,827,851	69,999,213	242,847,925
Interest in charitable trusts - included in contributions receivable	-	-	1,034,211	1,034,211
	\$ 97,020,861	\$ 75,827,851	\$ 71,033,424	\$ 243,882,136

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

The following table presents financial instruments that are measured at fair value on a recurring basis at September 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments:				
Portfolio cash	\$ 19,346,927	\$ -	\$ -	\$ 19,346,927
U.S. large cap equities	18,837,478	23,600,369	-	42,437,847
U.S. small to mid-cap equities	13,238,493	-	-	13,238,493
International markets equities	-	22,839,436	-	22,839,436
Emerging markets equities	-	903,481	-	903,481
Global equities	-	-	6,168,573	6,168,573
Fixed income mutual funds	36,650,390	-	-	36,650,390
High yield corporate bond funds	-	4,063,746	8,284,507	12,348,253
Fixed income commodity funds	3,036,415	-	-	3,036,415
Equity long/short hedge funds	-	-	8,427,570	8,427,570
Event driven hedge funds	-	-	23,798,546	23,798,546
Multi-strategy hedge funds	-	-	7,827,165	7,827,165
State of Israel bonds	929,157	-	-	929,157
Gifts annuity program investments:				
Portfolio cash	274,337	-	-	274,337
Domestic equities and fixed income	-	6,952,602	-	6,952,602
Long-term investments subtotal	92,313,197	58,359,634	54,506,361	205,179,192
Interest in charitable trusts - included in contributions receivable	-	-	1,049,211	1,049,211
	\$ 92,313,197	\$ 58,359,634	\$ 55,555,572	\$ 206,228,403

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

The following table presents the Museum's activity for Level 3 assets measured at fair value on a recurring basis for the year ended September 30, 2012:

	Beginning balance October 1, 2011	Dividend and interest income	Realized and unrealized gains/(losses), net	Purchases, sales, issuances, and settlements, net	Ending balance September 30, 2012
Global equities	\$ 6,168,573	\$ 138,160	\$ 597,922	\$ -	\$ 6,904,655
High yield corporate bond funds	8,284,507	914,884	605,067	-	9,804,458
Bank loan fund	-	211,128	207,924	10,000,000	10,419,052
Equity long/short hedge funds	8,427,570	-	902,934	-	9,330,504
Event driven hedge funds	23,798,546	1,036,328	2,426,423	(866,659)	26,394,638
Multi-strategy hedge funds	7,827,165	35	375,697	(1,056,991)	7,145,906
Interest in charitable trusts	1,049,211	-	-	(15,000)	1,034,211
Total	\$ 55,555,572	\$ 2,300,535	\$ 5,115,967	\$ 8,061,350	\$71,033,424

The following table presents the Museum's activity for Level 3 assets measured at fair value on a recurring basis for the years ended September 30, 2011:

	Beginning balance October 1, 2010	Dividend and interest income	Realized and unrealized gains/(losses), net	Purchases, sales, issuances, and settlements, net	Ending balance September 30, 2011
Global equities	\$ 6,381,275	\$ 126,817	\$ (339,519)	\$ -	\$ 6,168,573
High yield corporate bond funds	8,092,311	608,436	(416,240)	-	8,284,507
Equity long/short hedge funds	8,536,459	-	(108,889)	-	8,427,570
Event driven hedge funds	21,130,994	403,685	(69,133)	2,333,000	23,798,546
Multi-strategy hedge funds	7,670,488	24	156,653	-	7,827,165
Interest in charitable trusts	1,160,983	-	(111,772)	-	1,049,211
Total	\$ 52,972,510	\$ 1,138,962	\$ (888,900)	\$ 2,333,000	\$ 55,555,572

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

The following table presents the nature and risk of assets with fair values estimated using net asset value (NAV) as a practical expedient held at September 30, 2012:

	Fair Value	Unfunded commitments	Redemption Frequency	Redemption notice period
U.S. large cap equities	\$ 30,484,906	\$ -	daily to monthly	none to 10 days
International markets equities	25,626,654	-	daily to monthly	none to 8 days
Emerging markets equities	1,088,407	-	daily	N/A
Global equities	6,904,655	-	semi-annually	75 days
High yield corporate bond funds	9,804,458	-	monthly	10 days
Bank loan fund	10,419,052	-	monthly	10 days
Equity long/short hedge funds	9,330,504	-	quarterly	45 days
Event driven hedge funds	26,394,638	-	quarterly to at maturity	none to 90 days
Multi-strategy hedge funds	7,145,906	-	quarterly to at maturity	70 days to N/A
Total	\$ 127,199,180	\$ -		

U.S. large cap equities include investments in three funds. Two of these investments are mutual funds with values set on a daily basis and the remaining investment is estimated at fair value using NAV per share. International markets equities include investments in three funds. Two of these investments estimate fair values using the NAV per share on a monthly basis and the remaining investment is a mutual fund with a manager reported NAV based on daily closing market values. Emerging markets equities is an investment in one mutual fund with a value set on a daily basis. Global equities is also an investment in one fund which is estimated at fair values using NAV per share. 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.

High yield corporate bond funds is composed of one investment, a limited partnership that invests in below investment grade fixed income securities, with a focus on higher quality issues of the high yield bond market. The fair value of the investments in this category is estimated using the 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 these partnerships which are reconciled to the Museum's reported balances.

The Museum's investments in hedge funds include an investment in an equity long/short fund, four investments in event driven funds, and two investments in multi-strategy 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.

United States Holocaust Memorial Museum

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As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

In the event driven hedge funds, one investment, totaling \$9.2 million remains in a lockup for 90 more days, then will allow quarterly redemptions. An investment, totaling \$5.6 million does restrict the withdrawals to 25% semi-annually and an investment of \$1.3 million 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.

Estimates of fair value at September 30, 2012 and 2011, 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

- *Cash and fund balance with Treasury, accounts payable and accrued expenses and unexpended appropriations:*
These items 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 the short maturity of these instruments.
- *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.

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, 2012 are as follows:

	Carrying Amount	Fair Value
Contributions receivable	\$ 18,465,025	\$ 19,614,183
Charitable gift annuity liability	\$ 11,146,179	\$ 12,309,692

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, 2011 are as follows:

	Carrying Amount	Fair Value
Contributions receivable	\$ 18,895,574	\$ 19,656,241
Charitable gift annuity liability	\$ 4,808,051	\$ 5,426,526

5. Split-Interest Agreements

Split-interest agreements include charitable gift annuities and interests in charitable trusts. The charitable gift annuities are valued at approximately \$19.0 million and \$7.2 million in 2012 and 2011, respectively. These investments are recognized at fair value using quoted market prices. An

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

annuity liability for approximately \$11.1 million and \$4.8 million in 2012 and 2011, 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 \$3,297,518 and \$260,861, respectively, in 2012 and \$655,076 and (\$103,384), respectively, in 2011 and is included in contributions revenue.

6. Contributions Receivable

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

	2012	2011
Amounts due in:		
Less than one year	\$ 3,567,431	\$ 3,490,869
One to five years	14,187,285	14,939,028
More than five years	2,860,454	2,803,270
Subtotal	20,615,170	21,233,167
Less:		
Allowance for doubtful accounts	(963,245)	(885,096)
Discount to present value (1.6% - 4.1%)	(1,186,900)	(1,452,497)
	\$ 18,465,025	\$ 18,895,574

7. Property and Equipment

At September 30, 2012 property and equipment consisted of the following:

	Nonappropriated funds	Appropriated funds	Total
Buildings and capital improvement	\$108,896,449	\$ 20,403,275	\$129,299,724
Furniture and equipment	6,685,451	11,343,597	18,029,048
Exhibitions	30,044,836	10,734,905	40,779,741
Leasehold improvements	1,562,428	63,505	1,625,933
Total property and equipment	147,189,164	42,545,282	189,734,446
Less accumulated depreciation and amortization	(78,700,508)	(31,015,871)	(109,716,379)
Total property and equipment, net	\$ 68,488,656	\$ 11,529,411	\$ 80,018,067

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

At September 30, 2011 property and equipment consisted of the following:

	Nonappropriated funds	Appropriated funds	Total
Buildings and capital improvement	\$108,896,449	\$ 19,385,075	\$128,281,524
Furniture and equipment	6,722,103	10,768,439	17,490,542
Exhibitions	30,044,836	10,327,067	40,371,903
Leasehold improvements	1,562,428	63,505	1,625,933
Total property and equipment	147,225,816	40,544,086	187,769,902
Less accumulated depreciation and amortization	(74,366,178)	(28,669,692)	(103,035,870)
Total property and equipment, net	\$ 72,859,638	\$ 11,874,394	\$ 84,734,032

Depreciation and amortization expense for the years ended September 30, 2012 and 2011 was \$6,897,964 and \$7,728,156, respectively.

8. Appropriated Funds

The fiscal year 2012 and 2011 Federal appropriations (net of rescissions) totaled \$50,716,724 and \$49,023,756, respectively, which includes appropriations of \$1,261,978 and \$1,261,472 for exhibition design and production and \$1,896,960 and \$1,896,200 for building repair and rehabilitation, for fiscal years 2012 and 2011, respectively, 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 \$514,176 and \$513,970, for fiscal years 2012 and 2011, respectively, to be used for equipment replacement.

Below is a reconciliation of the fiscal year 2012 and 2011 Federal appropriations received to Federal appropriations expended and recognized as revenue:

	2012	2011
Federal appropriation (net of rescissions) received	\$ 50,716,724	\$ 49,023,756
Unexpended appropriation - current year	(8,635,499)	(6,483,063)
Amounts obligated in previous years - expended in current year	5,992,635	6,891,577
Federal appropriation revenue	\$ 48,073,860	\$ 49,432,270

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

Below is a reconciliation of the spending of the fiscal year 2012 and 2011 Federal appropriations:

	2012	2011
Total expenses	\$ 49,840,965	\$ 50,793,811
Depreciation and amortization	(2,526,982)	(3,129,539)
Unpaid vacation and other unfunded expenses	(1,665,944)	(1,616,936)
Prepayments	243,822	-
Unexpended appropriation - current year	8,635,499	6,483,063
Amounts obligated in previous years - expended in current year	(5,992,635)	(6,891,577)
Capital expenditures	2,181,999	3,384,934
Federal appropriation	\$ 50,716,724	\$ 49,023,756

9. Commitments and Contingencies

The Museum has leases for regional offices, warehouses, and additional office space. These leases expire at various dates through 2018. Annual minimum lease payments due under operating leases in effect at September 30, 2012, by year and in the aggregate, are summarized as follows:

2013	\$ 2,737,254
2014	2,777,026
2015	2,469,345
2016	2,059,981
2017	2,050,648
Thereafter	380,210
	\$ 12,474,464

Rent expense for fiscal year 2012 and 2011 was \$3,076,505 and \$2,784,216, respectively. This amount was comprised of appropriated funds and nonappropriated funds of \$2,725,426 and \$351,079 and \$2,451,737 and \$332,479 in 2012 and 2011, respectively.

10. 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 2012 and 2011 was \$3,376,705 and \$3,101,075, respectively.

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Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

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 2012 and 2011, the Museum, utilizing OPM's cost factors, recognized \$642,531 and \$401,531 of pension expenses, \$1,017,975 and \$1,072,806 of postretirement health benefits expenses, and \$3,331 and \$3,019, respectively, of post-retirement life insurance expenses, beyond amounts actually paid. The Museum recognized offsetting revenue of \$1,663,536 and \$1,477,356 in 2012 and 2011, 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 4% of annual pay. The Museum's expense for the 403(b) plan in 2012 and 2011 was \$1,975,778 and \$1,759,612, respectively.

11. 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, 2012 and 2011. 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 2012 and 2011. The fiscal year 2012 and 2011 appropriated actuarial liability is \$231,574 and \$230,500, and the fiscal year 2012 and 2011 nonappropriated actuarial liability is \$395,722 and \$394,720, respectively.

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 \$300 and \$280 in 2012 and 2011, respectively. The fiscal year unfunded liability for the Museum's nonappropriated employees is \$476 and \$342 in 2012 and 2011, respectively.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

12. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following programs or periods:

	2012	2011
Contributions to be received in future periods - for general use	\$ 6,078,849	\$ 5,668,610
Secure the Future	4,986,907	5,018,563
National Institute for Holocaust Education	12,800,362	10,495,667
Rescue the Evidence	4,607,170	4,269,601
Center for Advanced Holocaust Studies	10,369,217	8,887,144
Committee on Conscience	2,616,879	2,379,031
Total temporarily restricted net assets	\$ 41,459,384	\$ 36,718,616

13. Permanently Restricted Net Assets

At September 30 permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the following purposes:

	2012	2011
Secure the Future	\$106,082,090	\$ 99,909,796
National Institute for Holocaust Education	16,300,657	14,812,579
Rescue the Evidence	1,906,328	1,765,879
Center for Advanced Holocaust Studies	19,046,280	18,040,442
Committee on Conscience	3,018,376	2,858,447
Total permanently restricted net assets	\$146,353,731	\$137,387,143

14. Contributed Services

In-kind contributions of goods and services totaling \$22,882 and \$16,836 were received by the Museum during the fiscal years ended September 30, 2012 and 2011, respectively. This amount has been recognized as revenue and expense in the accompanying statement of activities. In addition to the contributed services recognized in the financial statements, the Museum has more than 400 volunteers, including 74 Holocaust survivors, donating more than 30,000 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.

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

15. 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 63 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, 2012:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ 17,526,209	\$ 9,363,198	\$137,720,340	\$164,609,747
Funds functioning as endowment	58,640,580	-	-	58,640,580
Total	\$ 76,166,789	\$ 9,363,198	\$137,720,340	\$223,250,327

Endowment net assets consist of the following at September 30, 2011:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ 5,943,183	\$ 7,535,076	\$ 131,813,030	\$ 145,291,289
Funds functioning as endowment	51,907,117	-	-	51,907,117
Total	\$ 57,850,300	\$ 7,535,076	\$ 131,813,030	\$ 197,198,406

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

Changes in endowment net assets for the year ended September 30, 2012 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, October 1, 2011	\$ 57,850,300	\$ 7,535,076	\$ 131,813,030	\$ 197,198,406
Investment return:				
Investment income	4,933,320	896,926	725,708	6,555,954
Net appreciation/ depreciation	18,081,318	3,293,107	2,504,171	23,878,596
Total investment return	23,014,638	4,190,033	3,229,879	30,434,550
Contributions	-	-	2,510,663	2,510,663
Payout of endowment assets for expenditures	(6,392,543)	(2,361,911)	-	(8,754,454)
Additions to Board Designated	1,861,162	-	-	1,861,162
Underwater adjustment	(166,768)	-	166,768	-
Endowment net assets, September 30, 2012	\$ 76,166,789	\$ 9,363,198	\$ 137,720,340	\$ 223,250,327

Changes in endowment net assets for the year ended September 30, 2011 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, October 1, 2010	\$ 64,611,131	\$ 8,934,957	\$ 113,295,970	\$ 186,842,058
Investment return:				
Investment income	3,824,533	779,710	620,101	5,224,344
Net appreciation/ depreciation	(5,100,964)	7,884	(1,686,133)	(6,779,213)
Total investment return	(1,276,431)	787,594	(1,066,032)	(1,554,869)
Contributions	-	-	19,399,894	19,399,894
Payout of endowment assets for expenditures	(6,271,965)	(2,187,475)	-	(8,459,440)
Additions to Board Designated	970,763	-	-	970,763
Underwater adjustment	(183,198)	-	183,198	-
Endowment net assets, September 30, 2011	\$ 57,850,300	\$ 7,535,076	\$ 131,813,030	\$ 197,198,406

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. Deficiencies of this nature that are reported in unrestricted net assets were \$166,768 and \$183,198 as of September 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was

United States Holocaust Memorial Museum

Notes to Financial Statements

As of and for the Year Ended September 30, 2012

(with comparative information for the year ended September 30, 2011)

deemed prudent by the Museum's Council. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

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 and alternative investment funds in a 60, 30, 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.

16. Risks and Uncertainties

The Museum invests in various investment securities. Investment securities are 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.

17. Related Party Transactions

There were no related party transactions that require disclosure during the year ended September 30, 2012 and 2011.

18. Subsequent Events

Management has performed an evaluation of subsequent events through November 15, 2012, 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, 2012.

Supplementary Schedules

United States Holocaust Memorial Museum

Schedule of Budgetary Resources - Appropriated Funds Year ended September 30, 2012

(with summarized information for the year ended September 30, 2011)

<i>For the year ended September 30,</i>	2012	2011
Budgetary resources:		
Unobligated balance, brought forward, October 1	\$ 5,450,863	\$ 3,727,708
Recoveries of prior year unpaid obligations	56,139	127,410
Budgetary authority appropriations received	50,798,000	49,122,000
Spending authority from offsetting collections	260,707	56,415
Rescission	(81,276)	(98,244)
Canceled appropriation - permanently not available	(217,016)	(257,456)
Total budgetary resources	\$ 56,267,417	\$ 52,677,833

<i>For the year ended September 30,</i>	2012	2011
Status of budgetary resources:		
Obligations incurred, net	\$ 50,616,520	\$ 47,226,969
Unobligated balance - available apportioned	4,806,422	4,617,411
Unobligated balance not available	844,475	833,453
Status of budgetary resources	\$ 56,267,417	\$ 52,677,833

<i>For the year ended September 30,</i>	2012	2011
Change in obligation balance:		
Obligated balances, net:		
Unpaid obligations, brought forward, October 1	\$ 9,485,703	\$ 12,215,148
Obligations incurred, net	50,616,520	47,226,969
Less: gross outlays	(47,366,624)	(49,829,004)
Less: recoveries of prior year unpaid obligations, actual	(56,139)	(127,410)
Obligated balances, net, end of year	\$ 12,679,460	\$ 9,485,703

<i>For the year ended September 30,</i>	2012	2011
Outlays:		
Gross outlays	\$ 47,366,624	\$ 49,829,004
Less: offsetting collections	(260,707)	(56,415)
Net outlays	\$ 47,105,917	\$ 49,772,589

See accompanying independent auditors' report.

United States Holocaust Memorial Museum

Schedule of Net Cost - Appropriated Funds Year ended September 30, 2012 (with summarized information for the year ended September 30, 2011)

	For the year ended 2012		
	Intra- government	Public	Total
Museum operations	\$ 4,944,196	\$ 19,411,490	\$ 24,355,686
Center for Advanced Holocaust Studies	523,548	1,851,041	2,374,589
National Institute for Holocaust Education	848,006	3,440,096	4,288,102
Collections	1,257,306	4,628,864	5,886,170
Marketing	212,726	944,883	1,157,609
Other outreach programs	194,596	662,710	857,306
Management and general	1,751,898	9,169,605	10,921,503
Net cost of operations	\$ 9,732,276	\$ 40,108,689	\$ 49,840,965

	For the year ended 2011		
	Intra- government	Public	Total
Museum operations	\$ 4,292,392	\$ 19,486,310	\$ 23,778,702
Center for Advanced Holocaust Studies	494,350	2,061,569	2,555,919
National Institute for Holocaust Education	847,292	4,338,363	5,185,655
Collections	1,254,309	4,371,766	5,626,075
Marketing	204,731	1,700,979	1,905,710
Other outreach programs	182,575	640,126	822,701
Management and general	1,811,705	9,107,344	10,919,049
Net cost of operations	\$ 9,087,354	\$ 41,706,457	\$ 50,793,811

See accompanying independent auditors' report.

United States Holocaust Memorial Museum

Schedule of Changes in Net Position - Appropriated Funds Year Ended September 30, 2012 (with summarized information for the year ended September 30, 2011)

<i>For the year ended September 30,</i>	2012		2011	
	Cumulative results of operations	Unexpended appropriations	Cumulative results of operations	Unexpended appropriations
Beginning balances	\$ 10,170,976	\$ 11,373,254	\$ 10,055,161	\$ 12,039,224
Budgetary financing sources:				
Appropriations received (current period)	-	50,798,000	-	49,122,000
Rescissions	-	(81,276)	-	(98,244)
Canceled expired appropriations	-	(217,016)	-	(257,456)
Appropriations used	48,073,860	(48,073,860)	49,432,270	(49,432,270)
Other financing resources:				
Imputed financing from costs absorbed by others	1,663,536	-	1,477,356	-
Total financing sources	49,737,396	2,425,848	50,909,626	(665,970)
Total	59,908,372	13,799,102	60,964,787	11,373,254
Net cost of operations	(49,840,965)	-	(50,793,811)	-
Ending balances	\$ 10,067,407	\$ 13,799,102	\$ 10,170,976	\$ 11,373,254

See accompanying independent auditors' report.

United States Holocaust Memorial Museum

Schedule Reconciling Net Cost of Operations to Budget - Appropriated Funds Year ended September 30, 2012 (with summarized information for the year ended September 30, 2011)

<i>For the year ended September 30,</i>	2012	2011
Total resources used to finance activities:		
Obligations, offsetting receipts, imputed financing sources	\$ 52,261,975	\$ 48,520,500
Change in budgetary resources obligated for goods and services	(2,761,598)	2,392,044
Resources that finance the acquisition of capital assets	(2,181,999)	(3,384,934)
	47,318,378	47,527,610
Components requiring or generating resources in future periods:		
Annual leave liability increase	1,313	101,920
Unfunded FECA, NonBudgetary Receivables, Actuarial FECA	(5,708)	34,742
Components not requiring or generating resources in current period:		
Depreciation and amortization	2,526,982	3,129,539
Total components of the net cost of operations that will not require or generate resources	2,522,587	3,266,201
Net cost of operations	\$ 49,840,965	\$ 50,793,811

See accompanying independent auditors' report.

United States Holocaust Memorial Museum

Schedule of Claims Conference Payments Year ended September 30, 2012

Grant Award	2012
112-30448-7	\$ 1,180
172-30448-10	(17,283)
192-304448-11	14,601
SWVLP-30448-15	24,665
222-30448-16	7,973
SWVLP-30448-17	6,386
252-30448-18	17,264
S028-7538	5,500
S028-7730	38,696
SWLVP-8135	10,897
SWVLP-8442	113,013
FUND SO33/APP. 10298	348,142
FUND SO30/APP. 8651	95,457
SWVLP/AP. 11151	36,331
Fund S029/App. 8534	105,000
SWVLP/App. 11233	89,423
FUND SO34/APP. 11043	99,275
FUND SO34/APP. 11044	108,350
Fund S029/App. 11770	253,192
Fund S035/App. 11380	360,969
Fund S035/App. 11568	29,369
Fund S038/App. 12870	103,941

Fiscal year 2012 payments to United States Holocaust Memorial Museum	\$ 1,852,341
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See accompanying independent auditors' report.

Independent Auditors' Reports Required by
Government Auditing Standards



Independent Auditors' Report on Internal Control Over Financial Reporting

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

We have audited the financial statements of the **United States Holocaust Memorial Museum** (the Museum) as of and for the year ended September 30, 2012, and have issued our report thereon dated November 15, 2012. We conducted our audit 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Management of the Museum is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Museum's internal control over financial reporting by obtaining an understanding of the Museum's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control over financial reporting. 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Bethesda, Maryland
November 15, 2012

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Independent Auditors' Report on Compliance and Other Matters

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

We have audited the financial statements of the **United States Holocaust Memorial Museum** (the Museum) as of and for the year ended September 30, 2012, and have issued our report thereon dated November 15, 2012. We conducted our audit 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Management of the Museum is responsible for complying with laws, regulations, and contracts applicable to the Museum. 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. 07-04. 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 of compliance 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. 07-04.

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

Bethesda, Maryland
November 15, 2012