

PERFORMANCE AND ACCOUNTABILITY REPORT

FISCAL YEAR 2018

October 1, 2017 – September 30, 2018

Submitted November 14, 2018

UNITED STATES
MEMORIAL
**HOLOCAUST
MUSEUM**

www.ushmm.org

**United States Holocaust
Memorial Museum**

Performance and Accountability Report
Year ended September 30, 2018

United States Holocaust Memorial Museum

Contents

Message from the Director	3
Statement of Assurance	4
Management's Discussion and Analysis	5-11
Government Performance and Results Act (GPRA) Annual Performance Plan - FY 2018	12-34
Museum Organization Chart	35
Message from the Chief Financial Officer	36
Independent Auditor's Report	37-38
Financial Statements	39-66
Supplementary Schedules	67-71
Independent Auditor's Reports Required by <i>Government Auditing Standards</i>	72-74

United States Holocaust Memorial Museum

Message from the Director

November 14, 2018

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

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

At a time when history education is declining, the Museum -- through its onsite programs, outreach activities, and global digital presence -- is reaching millions of Americans as well as a growing international audience each year with these stark lessons: evil is not eradicable; indifference has consequences; freedom requires responsibility. Inspired by the survivors, challenged by our times, and gratified by the high demand for our programs, the Museum will continue in Fiscal Year 2019 to bring these lessons to millions more.



Sara J. Bloomfield
Director

United States Holocaust Memorial Museum

Statement of Assurance

November 14, 2018

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, 2018 and 2017 (FY 2018 and FY 2017), respectively. The purpose of this information is to assist readers of these statements to better understand the Museum's financial position and operating activities.

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

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

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

Performance Goals and Results

Building on the extraordinary success in its first twenty years, the Museum's strategic plan provides a vision and framework for its activities through its third decade. The Museum had 34 established objectives for FY 2018 related to education, remembrance, research and infrastructure support. The Museum achieved these objectives: 25 were met or exceeded and 9 were met and also on-going.

Financial Statements Summary

The Museum's financial position remained strong at September 30, 2018 and 2017, with total assets of approximately \$701.5 million and \$648.6 million and total liabilities of approximately \$86.4 million and \$83.1 million, respectively. Net assets, which represent the residual interest in the Museum's assets after liabilities are deducted, are \$615.1 million, a 8.8% increase from FY 2017. The \$49.5 million increase in net assets is primarily attributable to an increase in the value of our endowment portfolio, and the result of both robust investment returns and significant endowment contributions.

Statement of Financial Position

The Museum's financial position reflects strong support from the Museum's donors and the success of our Campaign. Total net assets increased 87% since the Campaign began in 2013.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Contributions Receivable

Contribution receivables, net of allowance for doubtful accounts and discounted to present value, total \$73.5 million. Of the Museum's gross receivable balance, 18.8% is expected to be received within the next year. Growth in contributions receivable offers important future financial stability as these receivables are realized as cash gifts, primarily to build the endowment.

Property and Equipment

Property and equipment is \$116.0 million and consists of \$4.6 million in land, \$184.3 million in buildings and capital improvements, \$47.3 million in the permanent exhibition and other exhibitions, \$27.7 million in furniture and equipment and \$1.8 million in leasehold improvements, less accumulated depreciation and amortization of \$149.7 million. The \$1.8 million net decrease compared to FY 2017 results from current year depreciation that exceeds current year capital expenditures.

Long-Term Investments

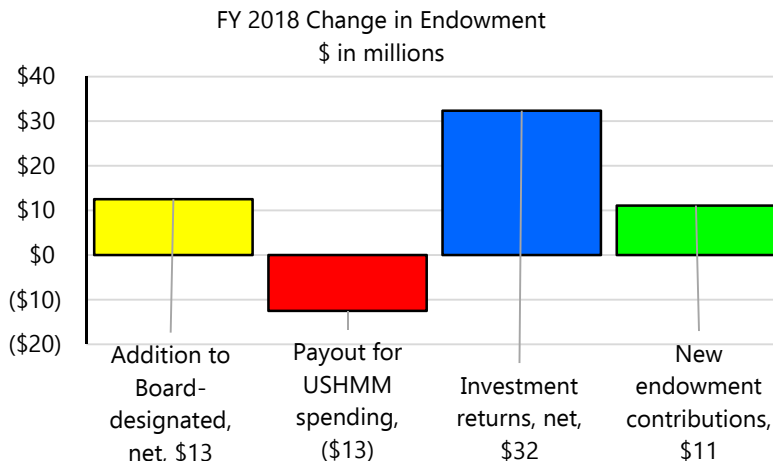
Long-term investments consist primarily of endowment funds intended to provide long-term financial security for the Museum. Under the direction of the Investment Committee of the Museum's governing board and a highly qualified investment consultant, the Museum invests in a diversified portfolio of equities, fixed income securities, alternatives, private equity and multi-asset strategies. All endowment funds are managed in a single investment pool.

The market value of investments totals \$470.7 million, an increase of 10.9% from last fiscal year. Investments produced a net gain of \$33.7 million in FY 2018, which includes interest and dividend income of \$9.2 million, investment management fees of (\$1.3 million), and \$25.8 million in net gains in the market value of the portfolio.

Endowment

The Museum's endowment consists of donor-restricted endowments, Board-designated funds and other unrestricted funds. As of September 30, 2018 and 2017 donor-restricted endowment balances totaled \$331.3 million and \$304.9 million, respectively. The Board-designated and other endowment balance was \$101.3 million and \$84.2 million for FY 2018 and FY 2017, respectively. These balances include some liquidity reserves from purpose-restricted gifts that will be spent in the future on Museum programs.

The \$43.4 million increase in the value of the endowment in FY 2018 was the result of \$11.1 million in new endowment contributions, \$32.3 million in total net investment returns, a net addition of \$12.5 million to the Board-designated endowment, less distributions of \$12.5 million to support Museum activities. Distributions amounts



United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

were consistent with the Museum's spending policies, which aim to preserve capital while providing significant on-going support for the Museum's mission.

Liabilities and Net Assets/Federal Equity

Liabilities of \$86.4 million consist of accounts payable and accrued expenses, charitable gift annuity liabilities, unexpended federal appropriations and debt. The Museum used a term loan to pay for some of the cost of constructing the Shapell Center pending receipt of all of the related contribution pledges. As of September 30, 2018, the outstanding loan balance was \$35.1 million, unchanged from the prior year. Rising interest rates caused the swap agreement to go from being a liability at the end of FY 2017 to an asset of \$0.6 million at September 30, 2018, adding nearly \$0.9 million to the Museum's FY 2018 results.

The Museum has total equity of \$615.1 million of which \$297.2 million is permanently restricted and \$135.7 million is temporarily restricted by donors.

Statement of Activities

The Statement of Activities presents the Museum's annual results of financial activity and matches revenues to related expenses. The statement summarizes the annual change in net assets, which was an increase of \$49.5 million in FY 2018.

Total revenue and support in FY 2018 was \$170.1 million, \$23.9 million less than in FY 2017 due to a \$23.9 million decrease in permanently restricted endowment contributions in FY 2018. All other revenue variances netted to zero, including a \$11.2 million decrease in net investment earnings and increases of \$5.7 million in temporarily restricted non-endowment contributions, \$4.0 million in unrestricted and membership contributions, \$1.3 million in federal appropriated funds, and \$0.2 million in all other sources. Non-appropriated sources including the investment returns, provided 67.8% and 72.5% of total revenue and support in FY 2018 and FY 2017 respectively.

The endowment gift decline in FY 2018 is relative to the receipt last year of an extraordinary bequest for the endowment, the largest single gift ever received by the Museum.

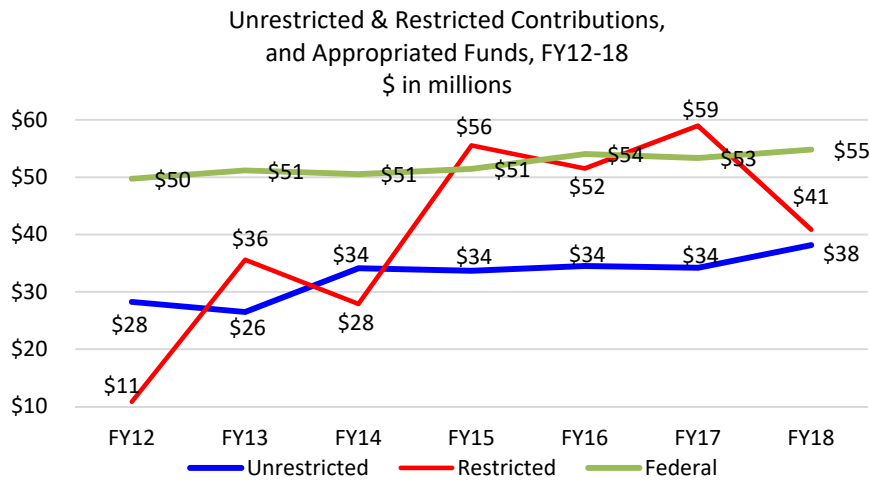
The change in investment earnings does not have an immediate impact on funds available to the Museum as endowment payout is calculated annually based on a twelve quarter rolling average balance, which tends to smooth modest market fluctuations.

Program-restricted gifts grew to a record level that reflects donor recognition of compelling national and international needs for our education and outreach activities.

The increase in unrestricted contributions reverses a troubling four-year trend. As the Campaign began in FY 2013, unrestricted gifts jumped, but then stalled at \$34.0 million per year for the next four years. The increase in FY 2018 is particularly notable, because, as for most not-for-profits, unrestricted gifts are the most challenging to raise. Donors increasingly prefer to direct their gifts to specific programs rather than to general expenses of an organization.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)



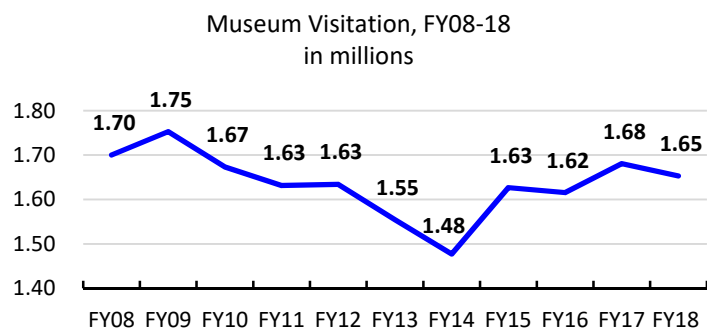
Additionally, after twelve years of membership revenue fluctuating from \$9.0 million to \$11.0 million, this effort to raise gifts of individually less than \$1,000 broke through the \$11.0 million barrier last year, then grew another \$0.7 million in FY 2018. For the first time, \$2.5 million in membership gifts was raised online rather than through traditional print and telephone campaigns.

Total FY 2018 expenses were \$120.6 million, up by \$6.8 million (6.0%) from FY 2017. Staff compensation costs continue to be our largest cost component, and these expenses increased by \$1.8 million (3.1%) in FY 2018. Federal headcount continues to decline consistent with objectives of the Federal Office of Management and Budget and Congress. Additional depreciation expense of \$1.6 million, largely from the first full year of operations at the Shapell Collections, Conservation and Research Center, also added to the expense increase. Most other new costs came from program activities funded with restricted gifts.

Program Activities

Program services consume more than 70% of total expenses.

The operations and services of the **Museum** account for 41% of our program expenses. Museum visitation ticked down slightly in FY 2018 to 1.6 million visitors, 1.8% less than in FY 2017 but higher than the six prior years. Most of the change appears to be traceable to weather and seasonal factors.



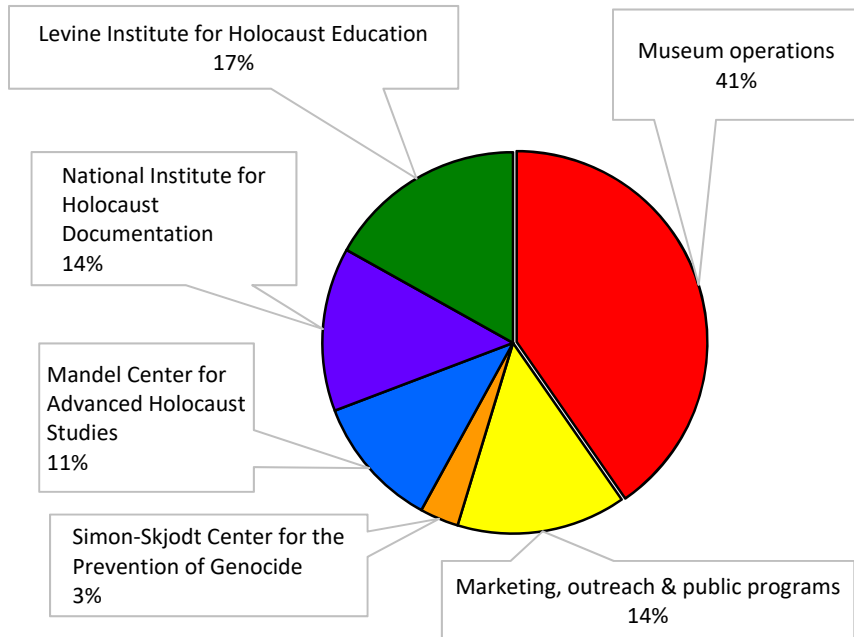
The **Levine Institute for Holocaust Education** is 17% of program expenses. The goal of the Levine Institute is to develop new approaches to Holocaust education that deepen understanding of the learners' roles in society, help them to develop critical thinking and lead to changes in their attitudes and behavior. The Levine Institute creates our exhibitions and produces educational programs for teachers and students, military and civilian leaders, law enforcement and the judiciary. The Museum creates greater awareness of the Holocaust and its lessons in a complex world and teaches why the Holocaust happened--and was allowed to happen.

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Our temporary exhibit, "Americans and the Holocaust" opened in April 2018. This portrait of American society shows how the Depression, isolationism, xenophobia, racism, and antisemitism shaped responses to Nazism and the Holocaust. It reveals how much information was available to Americans at the time and asks why rescuing Jews did not become a priority, except for a few individuals who took the risk to help.

Another 14% is spent by the **National Institute for Holocaust Documentation**, which acquires, catalogs and conserves our collections of artifacts, documents, photographs, films, and the other evidence of the Holocaust (the Collection). This Institute's mission is to build the collection of record on the Holocaust, preserve it for posterity, and ensure its global accessibility to provide a foundation for education, exhibitions and scholarship.



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

The Museum's **Mandel Center for Advanced Holocaust Studies** spends 11% of our program funds to advance scholarship. Holocaust awareness and education rests on scholarly research and inquiry. The Mandel Center generates new knowledge and understanding of the many questions it presents about human nature and societies. Holocaust studies is a relatively new academic field that lacks the organizational infrastructure needed for sustainability and growth. By working with partner institutions and producing publications and programs, the Mandel Center actively supports researchers and faculty worldwide, especially young scholars, to create the next generation of professors, authors and researchers who will ensure the continued growth and vitality of Holocaust studies.

The **Simon-Skjodt Center for the Prevention of Genocide**, 3% of the total programs expense, is dedicated to stimulating timely global action to prevent genocide and catalyze an international response when genocide does occur. In an interconnected, rapidly changing world, atrocities fuel instability, refugee flows, and terrorism, making genocide prevention a matter of national and international interest. The long-term goal of the Simon-Skjodt Center is to ensure that the United States government, other governments, and multilateral organizations have institutionalized

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

structures, tools, and policies to effectively prevent and respond to genocide and other mass atrocities.

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

Supporting Activities

Supporting services include the technical infrastructure that enlivens our Museum exhibitions, enables worldwide access to our collections, and educates through our online programs and resources. Supporting services also include executive leadership, fundraising, finance, human resources and other functions that support all of the Museum's activities.

Management Integrity: Controls and Compliance

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

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

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

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

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

Investment in Fundraising

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

Limitations of the Federal Financial Statements

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

United States Holocaust Memorial Museum

Management's Discussion and Analysis (Unaudited)

Future Concerns and Issues

Demand for the Museum's programs has grown nationally and internationally as the lessons of the Holocaust become increasingly relevant to our own times. Federal funding currently covers most basic operating costs of the Museum facility. The Museum depends on substantial private support for other programs and outreach, and is committed to building the institution's endowment so that our programs will continue as the Holocaust recedes in time. We are proud of the impact of our programs, and our productive investment in fundraising increases our confidence that the Museum can remain financially resilient.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

SUMMARY ANNUAL PERFORMANCE REPORT

Mission Statement

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

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

Strategic Plan Summary

Museum's Vision

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

Our Approach

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

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

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

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

SUMMARY ANNUAL PERFORMANCE REPORT

Program Priorities

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

Relationship of Performance Plan to Mission Goals

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

Relationship of Performance Plan to FY 2018 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 2018 performance plan through narrative descriptions of each budget activity. The public-private partnership adds nonappropriated sources of funding that are applied to the goals in addition to federal funds. The nonappropriated budget, however, is not determined until the year immediately preceding the budget year, so it is not included in the presentation.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

SUMMARY ANNUAL PERFORMANCE REPORT

Consolidated status of all objectives

Budget authority applied:

	FY 2018	FY 2017
Appropriated	\$ 54,480,000	\$ 57,470,000
Nonappropriated	58,690,000	55,310,000
Total	\$113,170,000	\$112,780,000

Status of objectives:

	FY 2018 Results		FY 2017
No specific targets	0	0%	0%
Met or exceeded targets	25	74%	74%
Met targets and ongoing	9	26%	26%
Deferred	0	0%	0%
Not met	0	0%	0%

Major Accomplishment Highlights:

- Continued to increase occupancy in the David and Fela Shapell Family Collections, Conservation and Research Center, a state-of-the-art facility, which protects and conserves the Museum's collections. The new facility is was built with private funds and is operated with federal funds. Final occupancy phase to be completed in FY 2019.
- Led the 2018 *Days of Remembrance* annual commemoration and national outreach effort.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

SUMMARY ANNUAL PERFORMANCE REPORT

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

Budget authority applied to this goal:

	FY 2018	FY 2017
Federal	\$ 46,510,000	\$ 49,130,000
Nonappropriated	28,830,000	25,500,000
Total	\$ 75,340,000	\$ 74,630,000

Status of objectives:

	FY 2018 Results		FY 2017
No specific targets	0	0%	0%
Met or exceeded targets	22	76%	77%
Met targets and ongoing	7	24%	23%
Deferred	0	0%	0%
Not met	0	0%	0%

Major objectives:

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

Highlights:

- Continued the major revitalization of the Permanent Exhibition.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

SUMMARY ANNUAL PERFORMANCE REPORT

GOAL: Secure the Future of the Museum

Budget authority applied to this goal:

	FY 2018	FY 2017
Appropriated	\$ 7,970,000	\$ 8,340,000
Nonappropriated	29,860,000	29,810,000
Total	\$ 37,830,000	\$ 38,150,000

Status of objectives:

	FY 2018 Results		FY 2017
No specific targets	0	0%	0%
Met or exceeded targets	3	60%	60%
Met targets and ongoing	2	40%	40%
Deferred	0	0%	0%
Not met	0	0%	0%

Major objectives:

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

Highlights:

- Raised \$64.9 million for the annual fund, and \$13.9 million in contributions and pledges for the endowment.
- Continued a major effort to operationalize the Museum's strategic plan.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquire, Preserve, Make Accessible)

Priority Outcome	Indicator	FY18 Actual*	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status (target met or work ongoing)
Build and preserve for posterity the fully accessible collection of the record of the Holocaust.	Increase the number of new acquisitions	6,038	6,813	6,161	6,018	5,583	Met
	Increase the number of records in the online catalog**	280,701	268,860	256,560	250,216	245,994	Met
	Increase the percentage of items cataloged^	68%	69%	70%	62%	65%	Met***
	Increase the percentage of items digitized^	20%	20%	20%	18%	18%	Met***
	Increase the number of names indexed in Holocaust Survivors & Victims Database**	1,882,219	1,438,415	1,035,416	864,152	654,774	Met
	Increase the number of searches conducted in the online catalog	1,340,576	862,062	738,753	668,115	519,608	Met
	Increase the number of reference inquiries resolved	52,763	37,744	31,033	29,124	25,492	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquire, Preserve, Make Accessible)

Priority Outcome	Indicator	FY18 Actual*	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status (target met or work ongoing)
	Increase the number of items inventoried	N/A	24,973	33,226	N/A	N/A	Met and completed in FY 17
	Increase the number of items surveyed for conservation and transportation	N/A	N/A	96,000	N/A	N/A	Completed in FY 16

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

** Cumulative data.

*** Cataloging and digitization operations were halted temporarily by the relocation to the Shapell Center; however, overall rates remained stable.

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

Building *The Collection of Record on the Holocaust*, preserving it for posterity, and ensuring its global accessibility provide the foundation for education, exhibitions, and scholarship. The Collection--the most comprehensive anywhere--includes documentation from survivors, victims, rescuers, perpetrators, and bystanders. This body of evidence serves as an authentic witness to the Holocaust and as a permanent rejoinder to those who deny or distort this history. The Museum is in a race against time to collect the substantial material still remaining with individuals and institutions worldwide, which if not acquired now, may be lost forever. In FY 2018, the National Institute for Holocaust Documentation, which is responsible for this foundational work, advanced its priority outcome in its three core functional areas:

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquire, Preserve, Make Accessible)

Acquisitions

New additions to the collection totaled 6,038, across all formats, including archival and artifact collections, books and other published materials, historical films, oral histories, and photographs, and the Museum especially sought resources related to diverse victim groups and to American responses to the Holocaust. Highlights include:

- A letter written and signed by Albert Einstein to his sister in 1938, instructing her to leave Switzerland for the U.S., and describing his work in helping others flee German-held countries in Europe.
- A wedding dress shipped to the U.S. by a young bride in anticipation of her immigration and shortly before she was deported to Riga, where she was killed.
- 200 interviews conducted with Bulgarian survivors, rescuers, and witnesses by filmmaker Jacky Comforty, increasing representation of Sephardic communities in the collection, and providing new primary source documentation about the Holocaust in Bulgaria.
- 25 Decelith disks containing unedited recordings produced by German radio reporters, including interviews with Allied soldiers in German POW camps. Prisoners' greetings to loved ones provide enough information for the Museum to try locating living family members to provide them with copies.

Preservation

- A new Digital Preservation System was procured, configured, secured, tested, and implemented, with approximately 2 PetaBytes of storage, ensuring a high level of network isolation and other protections against intentional or unintentional attacks on the integrity of digital assets. Plans are in place to increase trustworthiness through geographic and systems diversity and redundancy.
- The David and Fela Shapell Family Collections, Conservation and Research Center (the Shapell Center), which opened in 2017, serves as the permanent home for the nation's Collection of Record of Holocaust-era artifacts. In the state-of-the-art facility, Collections Management and Conservation staff ensure the ideal conditions for the long-term preservation and security of materials. The facility began fulfilling its new role as a dynamic hub promoting collection access, new scholarship, and education by bringing together staff from National Institute for Holocaust Documentation and the Mandel Center for Advanced Holocaust Studies (the Mandel Center), visiting fellows, researchers, and museum professionals to utilize the full range of collections materials. Meetings, tours, and seminars were held at the Shapell Center on topics ranging from material culture studies to conservation techniques, including an European Holocaust Research Infrastructure-sponsored workshop, "Standing up to Scrutiny: Authenticating Holocaust Documentation." Planning efforts continued for the relocation of additional collections functions to the Shapell Center, including the opening of the Archival and Special Collections Reading Room, scheduled to occur in 2019.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

STRATEGIC OBJECTIVE: Building the Collection of Record (Acquire, Preserve, Make Accessible)

Access

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

- Cataloging efforts across all formats increased the total number of records in the online Collections Search catalog to 280,701. The catalog was searched 1,340,576 times by remote researchers in more than 200 countries. More than 350 name and subject headings were contributed to the authority files maintained by the Library of Congress.
- Digitization projects resulted in: 1,246 archival paper collections online, comprising 664,866 digital images; 1,018 rare books digitized in partnership with the nonprofit Internet Archive; 9,080 objects photographed; and 70% of historical films and 69% of oral histories available online. A new camera was acquired for archival digitization, allowing higher resolution and speed of operation, and an open source image server was deployed, to enhance viewing, enabling users to inspect details unavailable previously. Contracts are in place for the digital conversion of magnetic media, historical film, and microfilm.
- A project to provide digital access to survivor memoirs was expanded in partnership with the Conference on Jewish Material Claims Against Germany. The Library acquired more than 3,600 eBooks, and launched a “Demand Driven Acquisitions” program.
- Reference and research service staff in the Holocaust Survivors & Victims Resource Center, Film Archives, Library, and Photo Archives responded to 52,763 requests for information and resources, in-person and remotely. The units successfully implemented a new reference request management system, Illumin, to streamline, coordinate, and document patron requests.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Accomplishments

- Led the 2018 *Days of Remembrance* annual commemoration and national outreach effort.
- Continued the major revitalization of the Permanent Exhibition.

Priority Outcome	Indicator	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status <i>(target met or work on-going)</i>
Increase the visibility, impact and productivity of the field of Holocaust studies in the U.S. and abroad.	Increase publications, awards, and jobs won/promotions earned by Mandel Center staff and alumni	18 publications**	27 publications**	14 publications	41 publications	30 publications	Met
		5 awards**	3 awards**	5 awards	6 awards	23 awards	Met and on-going
		8 promotions**	7 promotions**	9 promotions	5 promotions	13 promotions	Met and on-going
	Increase applications for program offerings that focus on research and university teaching quality applicants from three areas: geographic, discipline, gender and and/or proposing new and underexplored topics	40% domestic applicants; 60% foreign applicants^	62% domestic applicants; 38% foreign applicants	44% domestic applicants; 56% foreign applicants	38% domestic applicants; 62% foreign applicants	68% domestic applicants; 32% foreign applicants	Met
		42% history applicants; 56% non-history applicants	45% history applicants; 55% non-history applicants	53% history applicants; 47% non-history applicants	49% history applicants; 51% non-history applicants	39% history applicants; 61% non-history applicants	Met
		46% male applicants; 54% female applicants	37% male applicants; 63% female applicants	40% male applicants; 60% female applicants	46% male applicants; 54% female applicants	46% male applicants; 54% female applicants	Met
		319 new and underexplored topics	270 new and underexplored topics	330 new and underexplored topics	293 new and underexplored topics	290 new and underexplored topics	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status <i>(target met or work on-going)</i>
	Maintain consistent record of scholarly activity (relationships with scholars and institutions) in new and underexplored topics	11 cooperative programs 2 cost-sharing agreements 4 discussions for future cooperative efforts	11 cooperative programs 9 cost-sharing agreements	11 cooperative programs 1 cost-sharing agreement	22 cooperative programs or publications 4 cost-sharing agreements 2 third location institutional developments 18 discussions for future cooperative efforts	18 cooperative programs 10 cost-sharing agreements	Met
	Ensure scholarly activity (relationships with scholars and institutions) in crucial geographic areas	11 cooperative programs 1 cost-sharing agreement 3 discussions for future cooperative efforts	12 cooperative programs 9 cost-sharing agreement 8 discussion for future cooperative efforts	1 cooperative program	3 cooperative programs 5 cost-sharing agreements 18 discussions for future cooperative efforts	4 cooperative programs 2 cost-sharing agreements	Met
	Track acquisitions of archival collections in new and underexplored topic areas	56 collections	75 collections	100 collectionst	68 collections	76 collections	Met

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

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

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

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

† This was a reporting error. Reported as 7 collections in FY16, but the Mandel Center acquired 100 collections in FY16.

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

In FY 2018, the Mandel Center sponsored 42 fellowships-in-residence, hosted four endowed lectures by leading Holocaust scholars, organized three seminars for university teaching faculty, and held five international research and conferences on underexplored topics. It also continued to build infrastructure for the field and to strengthen its relationships with centers for Holocaust studies around the world. In May, the Mandel Center held its first Latin American program, organized in conjunction with UNESCO, Yahad-In Unum, and its new venture, the Museo del Holocausto Guatemala in Guatemala City. The program consisted of a pedagogy workshop, *Holocaust Education in Latin America: Existing Tools, Challenges, and Strategies*, and an academic conference, *The Police and the Holocaust: The Role of Police Forces in the Genocide of Jews and Roma*, and drew an audience of approximately 800 youth, educators, and governmental officials from Guatemala and other Latin American countries. The Mandel Center also began planning for a research workshop, *Holocaust Studies in China* to take place in Shanghai, China, in October 2018. The program is being co-organized with New York University Shanghai and the Shanghai Jewish Refugees Museum. In partnership with Yad Vashem, the Mandel Center organized a research workshop on *Ego-Documents in the Soviet Sphere on the Holocaust: Revealing Personal Voices* (June 3-7, Jerusalem). In partnership with Ukrainian Center for Holocaust Studies and the Taras Shevchenko National University of Kyiv, the Mandel Center organized a third training program entitled *Holocaust Studies Summer Program* (July 3-13). With the University of Latvia, it held an international conference on *New Directions in Holocaust Research in Latvia* (July 2-3, Riga) and with the Vilnius Yiddish Institute it conducted its international summer school on *Holocaust History in Lithuania* (September 3-7, Vilnius).

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

The Mandel Center's publication program continued to disseminate the latest scholarship in the field. In FY 2018, it published volume three of the Encyclopedia of Camps and Ghettos, which details more than 700 sites under European regimes aligned with Nazi Germany. Four more volumes are planned, and, when completed, will be the most comprehensive and up-to-date guide to the Nazi camp system in existence. Published in cooperation with Oxford University Press, *Holocaust and Genocide Studies* (HGS) is the premier international forum for work on the literature and documentation of the Holocaust and genocide. In FY18, HGS published 15 articles and 36 book reviews. Two of our former fellows published their first monographs with the assistance of our Emerging Scholars program.

The Mandel Center's International Archival Program Division continued its work in 58 countries to rescue the evidence and help build the collection of record at the Museum. In FY18, the Mandel Center's archival collection efforts have added 182 collections (56 from new and underexplored topic areas), totaling approximately 6 million pages, from 19 countries, to the Museum's archive. The acquired material stimulates research and serves scholarly research and inquiry. In 2018, in cooperation with the French Shoah Memorial, the Museum received major archival holdings from the Historical Archives of the French Ministry of Defense and the French National Archives consisting of over 741,000 digitized pages. This follows a decree by French Prime Minister Manuel Valls making all judicial records related to the trials of war criminals or collaborators during World War II and the German occupation of France freely accessible to the public. This collection is particularly key to implementation of the Mandel Center's Europe and Global Strategies, designed to ensure Holocaust research and education is established and remains robust on university campuses and Holocaust-related institutions abroad.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status <i>(target met or work on-going)</i>
Ensure that learning how and why the Holocaust happened is an important component of the education of American citizens and professions responsible for life and liberty and that it strengthens critical thinking about their role in society.	Increase the number of in-person visitors educated about how and why the Holocaust happened	1,653,017	1,597,372	1,615,333	1,626,674	1,477,207	Met
	Increase the number of digital visitors educated about how and why the Holocaust happened	19.9 million	19.7 million	17.6 million	15.0 million	13.1 million	Met
	Increase the number of educators trained to teach about how and why the Holocaust happened	630	671 [‡]	945	921	839	Met
	Increase the number of professionals responsible for life and liberty trained about how and why the Holocaust happened	8,481	8,051	11,059	12,615	9,332	Met and on-going
	Increase the number of youth leaders educated about how	5,102	5,989 [§]	2,678	3,526	3,237	Met and on-going

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status (target met or work on-going)
	and why the Holocaust happened						
	Increase the number of target audiences** validating our models and/or approaches	16 validations 20 sustained validations	20 validations 23 sustained validations	29 validations 9 sustained validations	57 validations 37 sustained validations	59 validations 49 sustained validations	Met and on-going
	Increase the number of target audiences** adopting our models and/or approaches	6 adoptions 34 sustained adoptions^	4 adoptions 68 sustained adoptions^	5 adoptions 76 sustained adoptions^	25 adoptions 79 sustained adoptions^	42 adoptions 37 sustained adoptions^	Met and on-going
Raise the level of Holocaust discourse and the legitimacy of the Holocaust in countries of influence where there is rising antisemitism and denial.	Increase traffic to Museum web content and social media in Farsi, Arabic, and Turkish	957,794	642,470 ^{††}	249,339 ⁺	275,000	246,000	Met and on-going

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

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

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

^ Adoption: Target audiences report that they have incorporated Museum programs or resources into their curriculum.

Sustained Adoption: Target audiences continue to report the incorporation of Museum programs and resources into their curriculum over the course of two or more interactions.

+ Reported as of March 2016.

‡ Modifications to the program resulted in more targeted outreach to fewer number of educators.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

§ The increased numbers are a result of a new partnership with D.C. Public Schools as referenced in the narrative.

|| The increased number is related to user experience research and changes to our website as well as new storytelling approaches on social media, Instagram in particular, and medium for long form storytelling.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

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

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

This fiscal year, much of our emphasis focused on our "Americans and the Holocaust" thematic initiative. The special exhibition, *Americans and the Holocaust* opened to the general public in April 2018; in addition to this onsite exhibition a digital online version was also created and launched in April 2018 as well. Work continues on additional initiative elements such as the creation of a major documentary film, the writing of a popular press book, the creation of a traveling version to be hosted at libraries around the country, and the continuation of "History Unfolded", an innovative, nationwide crowdsourcing project that invites students, teachers, and others to research the newspapers of their community in the 1930s and 1940s. All of these initiative components continue to advance and are on schedule to be completed in the coming years of this 5-7 year initiative as previously planned.

Our other thematic initiatives on propaganda and collaboration and complicity continue to be developed and advanced both in the U.S. and also internationally. The Museum continues to display our travelling exhibition, *State of Deception: The Power of Nazi Propaganda*, around the country. This January for International Holocaust Remembrance Day a smaller version of the exhibition was displayed in the museum of the European Parliament in Brussels, Belgium. In the past year, the *State of Deception* exhibition and smaller poster-sized version were a centerpiece for our international work, reaching audiences in Strausberg France and in six locations throughout Tunisia, and played a critical role in helping us engage new partners around our Initiative on Holocaust Denial and Antisemitism. The Museum began this year developing a poster-sized version of our previous special exhibition, *Some Were Neighbors: Collaboration and Complicity in the Holocaust*. We plan to travel this new version to Europe in coming years.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual*	FY16 Actual	FY15 Actual	FY14 Actual	Performance Status (target met or work on-going)
Ensure that the United States government, other governments and multilateral organizations have institutionalized structures, tools and policies to effectively prevent and respond to genocide and other mass atrocities.	Record “touches” of senior officials participating in our meetings and programs	75 [^]	50 ^{**}	85	38	98	Met
	Track GPTF and R2P recommendations being implemented	The House of representatives passed the Elie Wiesel Genocide and Atrocities Act (H.R. 3030) on July 17, 2018. The vote was 406-5. The bill includes several recommendations from a Museum report published in 2008. The bill insures the U.S. government is equipped with the most constructive and cost-effective tools to address the root cause of violent conflict.					Met
	Our work cited by U.S. Gov’t offices and officials	The U.S. Ambassador to the United Nations and the U.S. National Security Advisor led a UN Security Council delegation visit to the Museum in January 2008. The delegation toured the Museum’s Syrian photo exhibit and received a private briefing by the Simon-Skjodt Deputy Director on her recent trip to Jordan and the Turkey-Syria border to assess risks facing civilians still inside Syria. The U.S. and UK governments issued statements on Syria following the delegation’s visit to the Museum.					Met
	Our work cited by media	There was wide coverage of the Museum’s <i>Bearing Witness</i> trip report and event marking the seventh anniversary of the war in Syria. Outlets covering the story included The Wall Street Journal , Politico , CBS News , The Daily Beast and The Independent .					Met

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

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

[^] Reported as of August 17, 2018.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

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

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

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

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

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Syria

In December 2017, the Museum opened a new exhibition, *Syria: Please Don't Forget Us*, in our Wexner Center. The exhibition uses video, music, artifacts, and testimony to introduce visitors to the conflict in Syria through the story of one man—Mansour Omari, who survived incarceration and torture. While in prison, he and his fellow prisoners wrote their names on five scraps of fabric using an ink made of rust and their own blood. After his release, he smuggled out the pieces of fabric so he could inform the families of his cellmates about what had happened to them. For the creation of the exhibition, he entrusted the Museum with these pieces of fabric, which were preserved by our conservation team and put on display. Over 400,000 visitors have visited the Syria exhibition since its opening and we have also screened a documentary film about Mr. Omari, entitled *82 Names: Syria, Please Don't Forget Us*, that traces Mr. Omari's journey.

On March 15, 2018, the Museum marked the seventh anniversary of the war in Syria with the release of a report based on the *Bearing Witness* trip to the region in January. Entitled [The Worst is Yet to Come? Ongoing Mass Atrocity Risks in Syria](#), the publication is a horrific account of atrocities committed by the Assad regime and the continued risks to civilians (most notably in the besieged areas of Eastern Ghouta and the Idlib province). The event at the Museum featured keynote remarks by Lt. General H.R. McMaster; a video on Syria's civilian defense force, the White Helmets; and a discussion with officials, Syrian refugees, human rights advocates, and policymakers. During the spring and summer of 2018 we maintained a focus on the situation in Syria through a series of briefings on the report, including to Congressional committees and State Department officials.

Burma

The Simon-Skjodt Center has used the platform and voice of the Museum to call greater attention to the situation facing the Rohingya community, focusing on how ignored warning signs led to a crisis of disastrous proportions. The Simon-Skjodt Center released report in November 2017 with Southeast Asia-based Fortify Rights, [They Tried to Kill Us All: Atrocity Crimes against Rohingya Muslims in Rakhine State, Myanmar](#), in which we documented crimes against humanity, ethnic cleansing, and mounting evidence of genocide against the Rohingya community led by Myanmar's military. At key points, the Museum has issued statements about the worsening situation for the Rohingya, such as during the recent one-year anniversary of the August 27, 2017 crackdown, and has revoked the Elie Wiesel award (the institution's highest honor) from past recipient Aung San Suu Kyi, citing her unwillingness to uphold the ideals of the award. Over the past several years, the Simon-Skjodt Center has cultivated connections with journalists covering Burma, and has been successful in shaping public narratives around the nature of the crimes. In recent days, Simon-Skjodt Center's leadership authored an op-ed that was placed in the Washington Post that captured our greatest concerns following a trip to the region.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

With the recent launch of Simon-Skjoldt Center's [Ferencz International Justice Initiative](#), we have chosen to focus on Burma as a primary country of concern, and we have successfully convened an inaugural meeting of a Burma Justice Advisory Group (JAG), which brought together local justice advocates alongside international justice experts to discuss concrete ways to advance accountability for mass atrocities in the country. The JAG is designed to foster a coalition of local and international actors who are committed to accountability, and to cultivate connections between local groups and those with international justice expertise who could come together to advance justice efforts both internationally and within Burma.

International Religious Freedom Ministerial

In July 2018, the Museum hosted an event featuring survivors of contemporary religious persecution as part of the State Department's Ministerial on Religious Freedom. The gathering brought together senior international policymakers from 80 countries who are responsible for combating religious persecution. The survivor delegation was led by Sam Brownback, Ambassador-at-Large for International Religious Freedom; Holocaust survivor and Museum volunteer Irene Weiss delivered remarks. At the closing event, Ambassador Nikki Haley delivered keynote remarks. The event gave us the opportunity to raise the issue of the Rohingya with senior U.S. and international officials.

United States Holocaust Memorial Museum

Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status <i>(target met or work on-going)</i>
Undertake fundraising efforts to fulfill the strategic plan and integrate fundraising plans with programmatic priorities.	Raise \$45 million for the annual fund and \$6.5 million for the endowments, for a combined total of \$51.5 million	\$64.9 million for the annual fund and \$13.9 million for the endowments, for a combined total of \$78.8 million	\$53.1 million for the annual fund and \$31.9 million for the endowments, for a combined total of \$85.0 million	\$69.5 million for the annual fund and \$12.8 million for the endowments, for a combined total of \$82.3 million	\$59.1 million for the annual fund and \$43.2 million for the endowments, for a combined total of \$102.3 million	Exceeded
Pursue continuous improvement and excellence in financial and human capital management, information technology support, and Museum management and governance.	Continue to develop mobile Web platforms for content delivery in the Museum space and to constituents worldwide	Continued development of multiple new web pages and continued deployment of content that is easily readable on smartphones and tablets	Developed multiple new web pages and deployed content that is easily readable on smartphones and tablets	Developed multiple new web pages and deployed content that is easily readable on smartphones and tablets	N/A	Met
	Enhance performance of the data center, storage, and server infrastructure through server/storage platform virtualization	Outsourced IT operations to a fully managed service provider	Completed Cloud migration plan and began developing Cloud security hierarchy	Completed analysis of Cloud vendors and prepare migration plan	N/A	Met and ongoing

United States Holocaust Memorial Museum

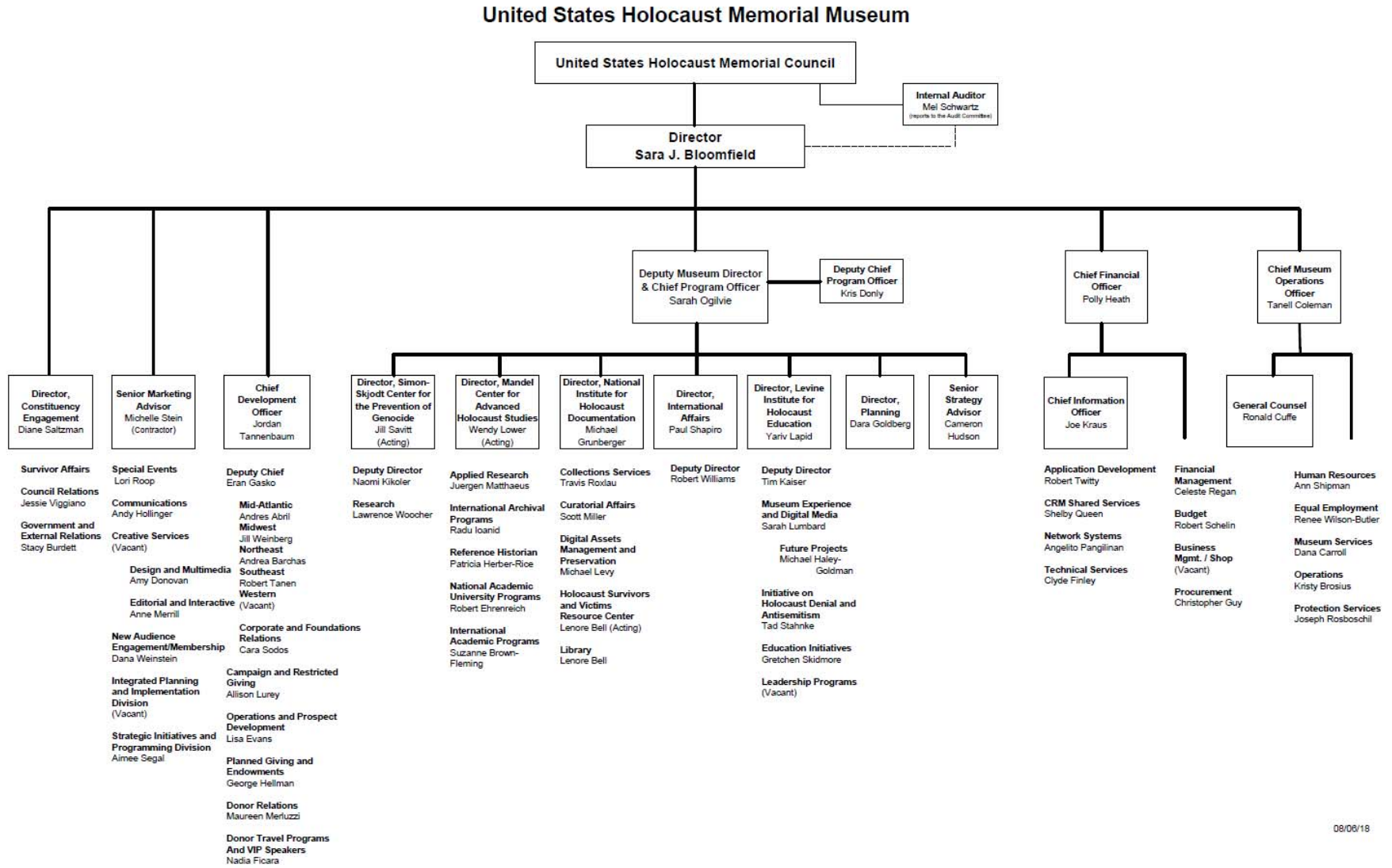
Government Performance and Results Act Annual Performance Plan - FY 2018

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

Priority Outcome	Indicator	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	Performance Status <i>(target met or work on-going)</i>
	Develop design for exhibition hardware replacement as funding becomes available	Established a cyclical exhibition hardware replacement plan	Completed the migration of the legacy hardware functions to new equipment	Migrated 50% of the legacy hardware functions to new equipment	N/A	Met
	Improve security around the information assets of the Museum	Continued significant progress on mitigating information security risks	Continued significant progress on mitigating information security risks	Significant progress made in mitigating information security risks	N/A	Met and ongoing

United States Holocaust Memorial Museum

Museum Organization Chart



United States Holocaust Memorial Museum

Message from the Chief Financial Officer

November 14, 2018

I am pleased to present the United States Holocaust Memorial Museum's Fiscal Year 2018 *Performance and Accountability Report* which presents both financial and performance information on the Museum's operations in a combined report for the fiscal year ended September 30, 2018. This report satisfies the reporting requirements for the following:

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

The Museum received an unmodified opinion on its financial statements for Fiscal Year 2018. These statements fully account for both the federal appropriated and nonappropriated funds.

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

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



Polly Povejsil Heath
Chief Financial Officer
United States Holocaust Memorial Museum



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the **United States Holocaust Memorial Museum** (the Museum), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-01 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Holocaust Memorial Museum as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary Schedule of Budgetary Resources - Appropriated Funds, Schedule of Net Cost - Appropriated Funds, Schedule of Changes in Net Position - Appropriated Funds and Schedule Reconciling Net Cost of Operations to Budget - Appropriated Funds for the years ended September 30, 2018 and 2017, and Schedule of Claims Conference Payments for the year ended September 30, 2018, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

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

Report on Summarized Comparative Information

We have previously audited the Museum's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 14, 2018, on our consideration of the Museum's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control over financial reporting and compliance.

BDO USA, LLP

November 14, 2018

Financial Statements

United States Holocaust Memorial Museum
Statement of Financial Position
As of September 30, 2018
(with summarized information as of September 30, 2017)

	Nonappropriated Funds	Appropriated Funds	2018 Total	2017 Total
Assets:				
Cash and fund balance with Treasury	\$ 9,490,188	\$ 29,935,143	\$ 39,425,331	\$ 33,368,359
Short-term investments	579	-	579	8,120
Contributions receivable, net	73,460,601	-	73,460,601	70,978,998
Other assets	1,109,489	200,351	1,309,840	1,839,917
Long-term investments	470,652,337	-	470,652,337	424,558,178
Property and equipment, net	98,445,588	17,573,494	116,019,082	117,858,008
Interest rate swap	646,967	-	646,967	-
Collections	-	-	-	-
Total assets	\$ 653,805,749	\$ 47,708,988	\$ 701,514,737	\$ 648,611,580
Liabilities and net assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 6,494,969	\$ 4,536,123	\$ 11,031,092	\$ 13,163,410
Charitable gift annuity liability	13,421,084	-	13,421,084	12,787,701
Unexpended appropriations	-	26,828,416	26,828,416	21,740,168
Interest rate swap	-	-	-	232,696
Term loan	35,145,216	-	35,145,216	35,145,216
Total liabilities	55,061,269	31,364,539	86,425,808	83,069,191
Commitments and contingencies				
Net assets:				
Unrestricted:				
Federal cumulative results of operations	-	16,344,449	16,344,449	13,870,739
Programming and supporting activities	77,689,373	-	77,689,373	65,615,151
Funds functioning as endowment	88,118,992	-	88,118,992	84,216,943
Total unrestricted	165,808,365	16,344,449	182,152,814	163,702,833
Temporarily restricted	135,701,375	-	135,701,375	117,927,720
Permanently restricted	297,234,740	-	297,234,740	283,911,836
Total net assets	598,744,480	16,344,449	615,088,929	565,542,389
Total liabilities and net assets	\$ 653,805,749	\$ 47,708,988	\$ 701,514,737	\$ 648,611,580

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Statement of Activities
Year Ended September 30, 2018
(with summarized information for the year ended September 30, 2017)

	Nonappropriated Funds	Appropriated Funds	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Total 2017
Support and revenues:							
Federal appropriation revenue	\$ -	\$ 53,647,289	\$ 53,647,289	\$ -	\$ -	\$ 53,647,289	\$ 52,377,634
Contributions	26,461,439	-	26,461,439	27,056,373	13,734,091	67,251,903	82,134,972
Membership revenue	11,701,740	-	11,701,740	-	-	11,701,740	11,041,936
Stein Museum Shop	2,226,260	-	2,226,260	-	-	2,226,260	2,166,905
Investment income, net	23,064,027	-	23,064,027	10,319,279	285,847	33,669,153	44,843,320
Contributed services	141,690	-	141,690	-	-	141,690	181,133
Imputed financing source	-	1,156,167	1,156,167	-	-	1,156,167	956,779
Other	346,782	-	346,782	-	-	346,782	338,149
Net assets released from restrictions:							
Expiration of time restrictions	1,660,355	-	1,660,355	(1,660,355)	-	-	-
Satisfaction of program restrictions	16,774,705	-	16,774,705	(16,774,705)	-	-	-
Total support and revenues	82,376,998	54,803,456	137,180,454	18,940,592	14,019,938	170,140,984	194,040,828
Expenses:							
Program services							
Museum operations	6,012,381	26,216,310	32,228,691	-	-	32,228,691	30,711,744
Mandel Ctr for Advanced Holocaust Studies	6,679,592	2,838,157	9,517,749	-	-	9,517,749	8,693,408
Levine Institute for Holocaust Education	10,184,311	4,115,724	14,300,035	-	-	14,300,035	12,913,002
National Institute for Holocaust Documentation	5,076,728	6,686,510	11,763,238	-	-	11,763,238	10,845,100
Simon-Skjodt Ctr for the Prevention of Genocide	2,782,879	-	2,782,879	-	-	2,782,879	2,187,477
Marketing	7,563,028	737,862	8,300,890	-	-	8,300,890	7,324,543
Stein Museum Shop	1,941,141	-	1,941,141	-	-	1,941,141	1,897,674
Other outreach programs	2,573,059	1,274,691	3,847,750	-	-	3,847,750	5,787,783
Total program services	42,813,119	41,869,254	84,682,373	-	-	84,682,373	80,360,731
Supporting services							
Management and general	8,373,875	4,982,295	13,356,170	-	-	13,356,170	11,162,288
Technology	2,224,870	5,478,197	7,703,067	-	-	7,703,067	6,787,940
Membership development	5,080,455	-	5,080,455	-	-	5,080,455	5,261,187
Fundraising	9,772,379	-	9,772,379	-	-	9,772,379	10,214,869
Total supporting services	25,451,579	10,460,492	35,912,071	-	-	35,912,071	33,426,284
Total expenses	68,264,698	52,329,746	120,594,444	-	-	120,594,444	113,787,015
Change in net assets	14,112,300	2,473,710	16,586,010	18,940,592	14,019,938	49,546,540	80,253,813
Reclassifications to net assets	1,863,971	-	1,863,971	(1,166,937)	(697,034)	-	-
Net assets - beginning of year	149,832,094	13,870,739	163,702,833	117,927,720	283,911,836	565,542,389	485,288,576
Net assets - end of year	\$ 165,808,365	\$ 16,344,449	\$ 182,152,814	\$ 135,701,375	\$ 297,234,740	\$ 615,088,929	\$ 565,542,389

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Statement of Cash Flows
Year Ended September 30, 2018
(with summarized information for the year ended September 30, 2017)

	Nonappropriated Funds	Appropriated Funds	2018 Total	2017 Total
Reconciliation of change in net assets to net cash provided by operating activities:				
Change in net assets	\$ 47,072,830	\$ 2,473,710	\$ 49,546,540	\$ 80,253,813
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Museum depreciation	3,891,233	1,265,191	5,156,424	4,368,429
Equipment depreciation	464,639	1,376,204	1,840,843	1,276,023
Exhibit amortization	903,825	569,231	1,473,056	1,228,867
Realized/unrealized gains on investments	(25,834,977)	-	(25,834,977)	(38,951,279)
Provision for (recovery of) uncollectible accounts	218,837	-	218,837	(325,573)
Change in discount to present value of contributions receivable	460,270	-	460,270	(6,402,680)
Contributions of permanently restricted net assets received as endowment	(11,068,816)	-	(11,068,816)	(26,205,538)
Gain on interest rate swap	(879,663)	-	(879,663)	(969,489)
Changes in assets and liabilities:				
Decrease (increase) in:				
Contributions receivable	(3,160,710)	-	(3,160,710)	(3,695,731)
Other assets	526,309	3,768	530,077	(36,757)
Increase (decrease) in:				
Accounts payable and accrued expenses	(1,588,875)	(543,443)	(2,132,318)	426,046
Charitable gift annuity liability	633,383	-	633,383	280,669
Unexpended appropriations	-	5,088,248	5,088,248	4,393,169
Net cash provided by operating activities	11,638,285	10,232,909	21,871,194	15,639,969
Cash flows from investing activities:				
Capital expenditures	(1,004,587)	(5,626,810)	(6,631,397)	(21,567,350)
Purchases of investments	(65,157,717)	-	(65,157,717)	(74,278,338)
Proceeds from sale of investments	44,906,076	-	44,906,076	49,168,819
Net cash used in investing activities	(21,256,228)	(5,626,810)	(26,883,038)	(46,676,869)
Cash flows from financing activities:				
Proceeds from term loan	-	-	-	12,701,293
Permanently restricted contributions	11,068,816	-	11,068,816	26,205,538
Net cash provided by financing activities	11,068,816	-	11,068,816	38,906,831
Net increase in cash and fund balance with Treasury	1,450,873	4,606,099	6,056,972	7,869,931
Cash and fund balance with Treasury - beginning of year	8,039,315	25,329,044	33,368,359	25,498,428
Cash and fund balance with Treasury - end of year	\$ 9,490,188	\$ 29,935,143	\$ 39,425,331	\$ 33,368,359
Supplemental data:				
Gifts of securities	\$ 4,840,729	\$ -	\$ 4,840,729	\$ 4,737,101
Cash paid for interest	\$ 899,973	\$ -	\$ 899,973	\$ 594,676

See accompanying notes to financial statements.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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 9) and was authorized by statute (36 U.S.C. Section 2307) to raise private funds (the nonappropriated funds) to aid or facilitate the operation and maintenance of the Museum. These financial statements present the financial position, activities, and cash flows of both the appropriated funds and the nonappropriated funds of the Museum.

Tax-Exempt Status

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

Under Financial Accounting Standards Board (FASB), *Accounting for Uncertainty in Income Taxes* Accounting Standards Codification (ASC) 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Museum does not believe there are any material uncertain tax positions, and accordingly, it will not recognize any liability for unrecognized tax benefits. The Museum has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Museum has filed Internal Revenue Service (IRS) Form 990 and Form 990-T tax returns as required and all other applicable returns in those jurisdictions where it is required. The Museum believes that it is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2015. For the years ended September 30, 2018 and 2017, there were no interest or penalties recorded or included in the statement of activities related to uncertain tax positions.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

2. Summary of Significant Accounting Policies

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

The statement of activities includes certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Museum's financial statements for the year ended September 30, 2017, from which the summarized information was derived.

Significant Accounting Policies

Significant accounting policies followed are summarized below:

(a) Cash and Fund Balance with Treasury

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

The Museum maintains cash balances with federally insured institutions, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 on interest-bearing accounts per bank at September 30, 2018 and 2017. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and fund balance with Treasury.

(b) Investments

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

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

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

(c) Financial Instruments and Credit Risk

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

Approximately 52% and 64% of the Museum's gross contributions receivable as of September 30, 2018 and 2017, respectively, are due from three grantors. The Museum believes the credit risk is mitigated based on a long history with the grantors and management's ongoing considerations around collectability of its receivables. The credit risk with respect to the remaining contributions receivable is considered limited due to the large donor base.

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

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

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

(e) Contributions Receivable

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

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

(f) Other Assets

Other assets consist primarily of prepayments and inventory from the Museum bookstore (the Stein Museum Shop). The Stein Museum Shop sells Holocaust-related educational materials, such as books and DVDs, to the public. The Stein Museum Shop's inventory was \$375,507 and \$374,878 as of September 30, 2018 and 2017, respectively, and is valued at the lower of cost or net realizable value using the first-in, first-out inventory valuation method.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

(g) Property and Equipment

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

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

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

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

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

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

(h) Impairment of Long-Lived Assets

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

(i) Collections

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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.

Reclassifications to net assets reflect prior year clarifications regarding land, bad debts and split interest classifications.

(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 donor-restricted 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, 2018
(with comparative information for the year ended September 30, 2017)

(m) Membership Revenue

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

(n) Appropriated Funds

The Museum receives an annual appropriation from Congress. Appropriations are used to fund certain Museum expenditures, as determined by the Museum and implemented by management, in conformity with the Museum's congressional mandate. Federal appropriation revenues are classified as 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 in support and revenue equal to this imputed cost in the statement of activities.

(q) Expenses

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

The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

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

(r) Use of Estimates

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

(s) Fair Value of Financial Instruments

The Museum's financial instruments consist of cash, contributions receivable, investments, accounts payable, and accrued liabilities. The carrying amount of the cash, accounts payable, and accrued liabilities approximates their fair values. The value of contributions receivable is estimated as the

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

present value of discounted cash flows using a current risk free rate. The values of publicly traded fixed income and equity securities are based on quoted market prices and exchange rates.

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

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

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

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

Reclassifications

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

Recent Accounting Pronouncements Adopted

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share*. The ASU simplifies Topic 820 by removing the requirement to categorize, within the fair value hierarchy, all investments measured using the NAV per share practical expedient. Although classification within the fair value hierarchy is no longer required, an entity must disclose the amount of investments measured using the net asset value practical expedient in order to permit reconciliation of the fair value of investments in the hierarchy to the corresponding line items in the statement of financial position. Other than changes in fair value disclosure in note 4 as described above, adoption of this ASU did not have a significant impact on the Museum's financial statements.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330)*. The ASU currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The amendments in this update require an entity to measure inventory currently being carried at first in, first out (FIFO) or average cost at lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory measured using last-in, first-out (LIFO) or the retail inventory method. Adoption of this ASU did not have a significant impact on the Museum's financial statements.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

Accounting Pronouncements Issued but Not Adopted

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

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments Overall (Subtopic 825-10)*. The provisions of this ASU address certain aspects of recognition, measurement, presentation, and the disclosure of financial instruments. The main impact on nonprofit organizations will be the removal of the disclosures related to the fair value of financial instruments at amortized cost. The provisions of the ASU are effective for fiscal years beginning after December 15, 2018. Early adoption may be selected for fiscal years beginning after December 15, 2017. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

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

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Museum's financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

certain optional practical expedients are available for periods prior to adoption. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

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

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*. This ASU was issued to address diversity in practice with regard to the classification and presentation of changes in restricted cash on the statement of cash flows. The provisions of the ASU require that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. To meet this requirement amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied on a retrospective transition method to each period presented. Management of the Museum is currently assessing the impact the adoption of this ASU will have on the financial statements.

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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:

	2018	2017
Status of fund balance with Treasury:		
Unobligated balance:		
Available	\$ 12,598,127	\$ 9,086,218
Unavailable	166,003	218,843
Obligated not yet disbursed	17,171,013	16,023,983
Total appropriated fund balance with Treasury	\$ 29,935,143	\$ 25,329,044

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.

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

	2018	2017
Interest and dividends	\$ 9,141,719	\$ 6,951,702
Net realized and unrealized gains	25,834,977	38,951,279
Investment management fees	(1,307,543)	(1,059,661)
Net investment income	\$ 33,669,153	\$ 44,843,320

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

- Level 1: Quoted prices in active markets for identical assets or liabilities. This level generally includes cash, certain U.S. large cap equities, U.S. small to mid cap equities, fixed income mutual funds, multi-strategy mutual funds, high yield corporate bond funds, and State of Israel bonds that are traded in an active exchange market.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. This category generally includes holdings which cannot be liquidated daily including certain U.S. large cap equities, international markets equities, emerging markets equities, and domestic equities and fixed income.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This level includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This level generally includes global equities, multi-strategy mutual funds, bank loan fund, equity long/short hedge funds, event driven hedge funds, multi-strategy hedge funds, and interests in charitable trusts.

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

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

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

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

The following table presents investments that are measured at fair value on a recurring basis at September 30, 2017:

	Level 1	Level 2	Level 3	NAV	Total
Short-term investments:					
Donated stock	\$ 8,120	\$ -	\$ -	\$ -	\$ 8,120
Short-term investments subtotal	8,120	-	-	-	8,120
Long-term investments:					
Portfolio cash equivalents	38,585,601	-	-	-	38,585,601
U.S. large cap equities	109,249,581	-	-	-	109,249,581
U.S. small to mid-cap equities	18,492,719	-	-	-	18,492,719
International markets equities	6,380,625	-	-	29,101,669	35,482,294
Emerging markets equities	13,380,820	-	-	4,201,143	17,581,963
Fixed income mutual funds	30,181,049	-	-	-	30,181,049
Multi-strategy mutual funds	22,634,186	-	-	10,534,647	33,168,833
High yield corporate bond funds	12,509,941	-	-	-	12,509,941
Bank loan fund	-	-	-	13,922,184	13,922,184
Equity long/short hedge funds	-	-	-	19,312,119	19,312,119
Private equity - secondary	-	-	-	4,092,921	4,092,921
Event driven hedge funds	-	-	-	64,544,194	64,544,194
Multi-strategy hedge funds	-	-	-	620,000	620,000
State of Israel bonds	165,982	-	-	-	165,982
Gifts annuity program investments:					
Portfolio cash equivalents	524,454	-	-	-	524,454
Domestic equities and fixed income	-	26,124,343	-	-	26,124,343
Long-term investments subtotal	252,104,958	26,124,343	-	146,328,877	424,558,178
Total	\$252,113,078	\$ 26,124,343	\$ -	\$ 146,328,877	\$424,566,298

Other financial instruments measured at fair value on a recurring basis include the interest rate swap amounting to \$646,967 and (\$232,696) as of September 30, 2018 and 2017, respectively, which is considered as Level 2 under the fair value hierarchy; and interest in charitable trusts (included in contributions receivable) amounting to \$560,328 in both years, which is considered as Level 3 under the fair value hierarchy.

Management recorded \$0 and \$85,943 in unrealized gains in fiscal years 2018 and 2017, respectively, on the interest in charitable trusts.

Quantitative Information

As of September 30, 2018 and 2017, with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3), the principal valuation techniques used in valuing the interest in charitable trusts is income approach; and unobservable inputs include discount rates, life expectancies, trust payouts and allocation percentages.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

Level 3 Valuation Process

Interest in Charitable Trusts

For interest in charitable trusts, the Museum gathers as much information as possible for each instrument, including the initial and current trust value, the amount allocated to the Museum, the date of birth of any other beneficiaries and payout amounts. The Museum uses a standard charitable gift calculation model using these inputs and a standard discount rate reset each year based on current IRS discount rates. For any input not readily available, management develops a best estimate for use in the calculation. There were no changes in valuation techniques for these receivables for 2018 and 2017.

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

Interest in Charitable Trusts

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

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

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

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, 2017 are as follows:

	Carrying Amount	Fair Value
Contributions receivable	\$ 70,978,998	\$ 64,386,415
Charitable gift annuity liability	\$ 12,787,701	\$ 12,687,241

Estimates of fair value at September 30, 2018 and 2017, were determined in accordance with ASC 820. ASC 820 defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Consistent with ASC 820, the disclosure excludes non-financial assets and liabilities.

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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

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

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

Net Asset Value (NAV) Per Share

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

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

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

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

The following table presents the nature and risk of assets with fair values estimated using NAV as a practical expedient held at September 30, 2017:

	Fair Value	Unfunded commitments	Redemption Frequency	Redemption notice period
International markets equities	\$ 29,101,669	\$ -	daily to monthly	none to 6 days
Emerging markets equities	4,201,143	-	daily to quarterly	none to 10 days
Multi-strategy mutual funds	10,534,647	-	quarterly	30 days
Bank loan fund	13,922,184	-	quarterly	90 days
Equity long/short hedge funds	19,312,119	-	quarterly	45 days
Private equity - secondary	4,092,921	20,586,396	N/A	N/A
Event driven hedge funds	64,544,194	-	quarterly to at maturity	none to 90 days
Multi-strategy hedge funds	620,000	-	annually	N/A
Total	\$ 146,328,877	\$ 20,586,396		

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

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

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

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

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

The Museum's investments in hedge funds include two investments in equity long/short funds, six investments in event driven funds, and one investment in multi-strategy hedge funds. The fair values in these categories are estimated using the NAV per share. The Museum obtains independent audited statements for these investments, which are reconciled to the Museum's reported balances. An investment of \$408,653 in a multi-strategy hedge fund is in the process of liquidating the remaining side pocket investment. The remaining hedge fund investments provide for quarterly redemption.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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

5. Split-Interest Agreements

Split-interest agreements include charitable gift annuities and interests in charitable trusts. The charitable gift annuities are valued at approximately \$29.1 million and \$26.6 million as of September 30, 2018 and 2017, respectively. These investments are recognized at fair value using quoted market prices. An annuity liability for approximately \$13.4 million and \$12.8 million as of September 30, 2018 and 2017, 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 \$899,773 and (\$572,870), respectively, in 2018 and \$477,271 and (\$805,647), respectively, in 2017 and is included in contributions revenue.

6. Contributions Receivable

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

	2018	2017
Amounts due in:		
Less than one year	\$ 15,946,520	\$ 15,209,179
One to five years	49,185,509	47,673,559
More than five years	19,574,828	18,970,957
Subtotal	84,706,857	81,853,695
Less:		
Allowance for doubtful accounts	(2,503,682)	(2,592,393)
Discount to present value (2.6% - 4.6%)	(8,742,574)	(8,282,304)
Total	\$ 73,460,601	\$ 70,978,998

Write-off of contributions and other receivables amounted to \$307,548 and \$370,611 during fiscal year 2018 and 2017, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

7. Property and Equipment

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

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

At September 30, 2017, property and equipment consisted of the following:

	Nonappropriated funds	Appropriated funds	Total
Land	\$ 4,597,930	\$ -	\$ 4,597,930
Buildings and capital improvements	155,769,254	26,908,720	182,677,974
Furniture and equipment	8,521,370	16,605,451	25,126,821
Exhibitions	30,515,448	14,465,305	44,980,753
Leasehold improvements	1,687,225	63,505	1,750,730
Total property and equipment	201,091,227	58,042,981	259,134,208
Less accumulated depreciation and amortization	(98,390,529)	(42,885,671)	(141,276,200)
Total property and equipment, net	\$ 102,700,698	\$ 15,157,310	\$ 117,858,008

Depreciation and amortization expense for the years ended September 30, 2018 and 2017 was \$8,470,323 and \$6,873,319, respectively. The Museum wrote off \$14,996 and \$359,700 of fully depreciated assets during the years ended September 30, 2018 and 2017, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

8. Debt

Term Loan

On August 13, 2014, the Museum entered into a drawdown term loan agreement in the principal amount of up to \$50.0 million to finance the purchase of land and construction of the new David and Fela Shapell Family Collections, Conservation and Research Center. As of both September 30, 2018 and 2017, the Museum has an outstanding principal balance of \$35,145,216 on this loan.

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

Interest Rate Swap

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

The swap is recognized on the statement of financial position at fair value and is recorded as interest rate swap. Changes in the fair value of the swap are recorded under museum operations expense in the statement of activities.

The interest rate swap asset (liability) as of September 30, 2018 and 2017 was \$646,967 and (\$232,696), respectively, and the gain on interest rate swap during fiscal years 2018 and 2017 amounted to \$879,663 and \$969,489, respectively.

9. Appropriated Funds

The fiscal year 2018 and 2017 Federal appropriations totaled \$59,000,000 and \$57,000,000, respectively, which includes appropriations of \$1,264,000 in both years, for exhibition design and production; and \$4,000,000 and \$2,500,000, respectively, for building repair and rehabilitation, to be used by the Museum until fully expended. The Federal appropriations also include additional funding for a three year appropriation in the amount of \$1,715,000 and \$1,215,000, respectively, in both years, to be used for equipment replacement.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

Below is a reconciliation of the fiscal year 2018 and 2017 Federal appropriations received to Federal appropriations expended and recognized as revenue:

	2018	2017
Federal appropriation received	\$ 59,000,000	\$ 57,000,000
Unexpended appropriation - current year	(15,082,915)	(11,715,086)
Amounts obligated in previous years - expended in current year	9,730,204	7,092,720
Federal appropriation revenue	\$ 53,647,289	\$ 52,377,634

Below is a reconciliation of the spending of the fiscal year 2018 and 2017 Federal appropriations:

	2018	2017
Total expenses	\$ 52,329,746	\$ 51,336,947
Depreciation and amortization	(3,210,626)	(2,550,232)
Unpaid vacation and other unfunded expenses	(1,094,873)	(943,099)
Prepayments and others	(3,768)	(25,392)
Unexpended appropriation - current year	15,082,915	11,715,086
Amounts obligated in previous years - expended in current year	(9,730,204)	(7,092,720)
Capital expenditures	5,626,810	4,559,410
Federal appropriation	\$ 59,000,000	\$ 57,000,000

10. Commitments and Contingencies

The Museum has leases for regional offices, a warehouse, and additional office space. These leases expire at various dates through 2028. Annual minimum lease payments due under operating leases in effect at September 30, 2018, by year and in the aggregate, are summarized as follows:

2019	\$ 2,442,672
2020	2,223,250
2021	2,146,678
2022	2,176,883
2023	2,208,008
Thereafter	9,639,774
Total	\$ 20,837,265

Rent expense for fiscal years 2018 and 2017 was \$2,716,528 and \$2,980,612, respectively. This amount was composed of appropriated funds and nonappropriated funds of \$1,218,514 and \$1,498,014 and \$2,569,374 and \$411,238 in 2018 and 2017, respectively.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

11. 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 2018 and 2017 was \$3,207,586 and \$3,099,055, respectively.

The Museum recognizes the cost of pensions and other retirement benefits during its employees' active years of service. OPM determines pension cost factors by calculating the value of pension benefits expected to be paid in the future, and communicates these factors to the Museum for current period expense reporting. OPM also provides cost factors regarding the full cost of health and life insurance benefits. In fiscal year 2018 and 2017, the Museum, utilizing OPM's cost factors, recognized \$97,774 and \$128,690, respectively, of pension expenses, \$1,055,533 and \$825,330, respectively, of postretirement health benefits expenses, \$2,860 and \$2,759, respectively, of postretirement life insurance expenses, beyond amounts actually paid. The Museum recognized offsetting revenue of \$1,156,167 and \$956,779 in 2018 and 2017, respectively, as an imputed financing source to the extent these intergovernmental expenses will be paid by OPM.

The Museum sponsors a defined contribution salary deferral 403(b) plan for its nonappropriated fund employees. Starting January 1, 2007, the Museum contributes 8% of annual pay for each eligible employee. In addition, the Museum matches 100% of the participant contributions up to 3% and 50% of contributions for the next 2% of annual pay. The Museum's expense for the 403(b) plan in 2018 and 2017 was \$3,207,167 and \$3,083,099, respectively.

12. 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, 2018 and 2017. 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 2018 and 2017. The fiscal year 2018 and 2017 appropriated actuarial liability is \$1,750, and the fiscal year 2018 and 2017 nonappropriated actuarial liability is \$385.

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.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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 \$25,537 and \$25,019 in 2018 and 2017, respectively. The fiscal year unfunded liability for the Museum's nonappropriated employees is \$475 and \$7,126 for 2018 and 2017, respectively.

13. Temporarily Restricted Net Assets

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

	2018	2017
Contributions to be received in future periods - for general use	\$ 7,334,310	\$ 7,212,141
Secure the Future	38,154,812	26,780,779
Levine Institute for Holocaust Education	27,644,553	17,555,602
Rescue the Evidence	44,087,710	44,717,658
Mandel Center for Advanced Holocaust Studies	12,923,652	15,538,845
Simon-Skjodt Center for the Prevention of Genocide	5,556,338	6,122,695
Total temporarily restricted net assets	\$ 135,701,375	\$ 117,927,720

14. 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:

	2018	2017
Secure the Future	\$ 176,610,597	\$ 178,278,620
Levine Institute for Holocaust Education	42,759,425	42,709,833
Rescue the Evidence	14,995,516	2,239,181
Mandel Center for Advanced Holocaust Studies	38,428,451	37,928,451
Simon-Skjodt Center for the Prevention of Genocide	24,440,751	22,755,751
Total permanently restricted net assets	\$ 297,234,740	\$ 283,911,836

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

15. Contributed Services

In-kind contributions of goods and services totaling \$141,690 and \$181,133 were received by the Museum during the fiscal years ended September 30, 2018 and 2017, respectively. This amount has been recognized as revenue and expense in the accompanying statement of activities based on the amount reported by the independent third-party providers. In addition to the contributed services recognized in the financial statements, the Museum has more than 400 volunteers, including 80 Holocaust survivors, donating more than 35,840 hours annually. The value of these contributions cannot be objectively measured and do not meet the criteria for recognition of in-kind contributions, and accordingly, are not recognized in the financial statements.

16. Endowment

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

The Museum's endowment consists of 82 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, 2018:

	Unrestricted	Temporarily restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 53,767,679	\$ 7,574,585	\$269,910,724	\$ 331,252,988
Funds functioning as endowment	101,293,772	-	-	101,293,772
Total	\$155,061,451	\$ 7,574,585	\$269,910,724	\$ 432,546,760

Endowment net assets consist of the following at September 30, 2017:

	Unrestricted	Temporarily restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 45,563,052	\$ 5,490,690	\$253,856,391	\$ 304,910,133
Funds functioning as endowment	84,216,943	-	-	84,216,943
Total	\$129,779,995	\$ 5,490,690	\$253,856,391	\$ 389,127,076

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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

	Unrestricted	Temporarily restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2017	\$129,779,995	\$ 5,490,690	\$253,856,391	\$389,127,076
Investment return:				
Investment income	5,861,834	819,389	1,700,283	8,381,506
Net appreciation	17,094,028	2,451,725	4,423,609	23,969,362
Total investment return	22,955,862	3,271,114	6,123,892	32,350,868
Contributions	-	-	11,068,816	11,068,816
Payout of endowment assets for expenditures	(10,114,703)	(1,187,219)	(1,201,767)	(12,503,689)
Additions to Board Designated, net	12,503,689	-	-	12,503,689
Underwater adjustment	(63,392)	-	63,392	-
Endowment net assets, September 30, 2018	\$155,061,451	\$ 7,574,585	\$ 269,910,724	\$432,546,760

Changes in endowment net assets for the year ended September 30, 2017 are as follows:

	Unrestricted	Temporarily restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2016	\$103,127,520	\$ 5,798,568	\$217,778,090	\$326,704,178
Investment return:				
Investment income	4,284,496	667,768	1,350,805	6,303,069
Net appreciation	23,801,926	3,660,378	8,451,987	35,914,291
Total investment return	28,086,422	4,328,146	9,802,792	42,217,360
Contributions	-	-	26,205,538	26,205,538
Payout of endowment assets for expenditures	(9,688,208)	(4,636,024)	-	(14,324,232)
Additions to Board Designated	8,324,232	-	-	8,324,232
Underwater adjustment	(69,971)	-	69,971	-
Endowment net assets, September 30, 2017	\$129,779,995	\$ 5,490,690	\$ 253,856,391	\$389,127,076

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

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 \$63,392 and \$69,971 as of September 30, 2018 and 2017, 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 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, alternative investment and multi-asset class funds in a 50, 25, 15 and 10% ratio to achieve its long-term return objectives within prudent risk constraints.

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

17. Risks and Uncertainties

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

In the normal course of business, the Museum is from time to time a party to various claims and lawsuits. If management determines, based on the underlying facts and circumstances, that it is probable a loss will result from a litigation contingency and the amount of the loss can be reasonably estimated, the estimated loss is accrued for. Management does not expect any adverse financial impact from open litigation matters occurring in the normal course of business as of September 30, 2018.

United States Holocaust Memorial Museum
Notes to Financial Statements
As of and for the Year Ended September 30, 2018
(with comparative information for the year ended September 30, 2017)

18. Related Party Transactions

There were no related party transactions that require disclosure during the years ended September 30, 2018 and 2017.

19. Subsequent Events

Management has performed an evaluation of subsequent events through November 14, 2018, 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, 2018.

Supplementary Schedules

United States Holocaust Memorial Museum

Schedule of Budgetary Resources - Appropriated Funds Years ended September 30, 2018 and 2017

<i>For the years ended September 30,</i>	2018	2017
Budgetary resources:		
Unobligated balance, brought forward, October 1	\$ 9,305,060	\$ 5,977,205
Recoveries of prior year unpaid obligations	1,438,260	1,186,290
Budgetary authority appropriations received	59,000,000	57,000,000
Spending authority from offsetting collections	-	-
Canceled appropriation - permanently not available	(264,463)	(199,980)
Others	26,049	10,178
Total budgetary resources	\$ 69,504,906	\$ 63,973,693

<i>For the years ended September 30,</i>	2018	2017
Status of budgetary resources:		
Obligations incurred, net	\$ 56,740,776	\$ 54,668,632
Unobligated balance - available apportioned	12,598,127	9,086,218
Unobligated balance not available	166,003	218,843
Status of budgetary resources	\$ 69,504,906	\$ 63,973,693

<i>For the years ended September 30,</i>	2018	2017
Change in obligation balance:		
Obligated balances, net:		
Unpaid obligations, brought forward, October 1	\$ 16,023,983	\$ 15,535,319
Obligations incurred, net	56,740,776	54,668,632
Less: gross outlays	(54,155,486)	(52,993,678)
Less: recoveries of prior year unpaid obligations, actual	(1,438,260)	(1,186,290)
Obligated balances, net, end of year	\$ 17,171,013	\$ 16,023,983

<i>For the years ended September 30,</i>	2018	2017
Outlays:		
Gross outlays	\$ 54,155,486	\$ 52,993,678
Less: offsetting collections	-	-
Net outlays	\$ 54,155,486	\$ 52,993,678

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Net Cost - Appropriated Funds Years ended September 30, 2018 and 2017

	For the year ended 2018		
	Intra- government	Public	Total
Museum operations	\$ 3,864,557	\$ 22,351,753	\$ 26,216,310
Mandel Center for Advanced Holocaust Studies	584,516	2,253,641	2,838,157
Levine Institute for Holocaust Education	660,027	3,455,697	4,115,724
National Institute for Holocaust Documentation	1,309,612	5,376,898	6,686,510
Marketing	108,460	629,402	737,862
Other outreach programs	283,195	991,496	1,274,691
Management and general	1,035,003	3,947,292	4,982,295
Technology	405,778	5,072,419	5,478,197
Net cost of operations	\$ 8,251,148	\$ 44,078,598	\$ 52,329,746

See accompanying independent auditor's report.

	For the year ended 2017		
	Intra- government	Public	Total
Museum operations	\$ 5,326,741	\$ 21,269,296	\$ 26,596,037
Mandel Center for Advanced Holocaust Studies	577,352	2,131,667	2,709,019
Levine Institute for Holocaust Education	701,321	3,184,782	3,886,103
National Institute for Holocaust Documentation	1,283,900	4,737,008	6,020,908
Marketing	156,608	457,049	613,657
Other outreach programs	297,468	1,476,535	1,774,003
Management and general	882,865	4,055,769	4,938,634
Technology	374,748	4,423,838	4,798,586
Net cost of operations	\$ 9,601,003	\$ 41,735,944	\$ 51,336,947

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Changes in Net Position - Appropriated Funds Years Ended September 30, 2018 and 2017

<i>For the years ended September 30,</i>	2018		2017	
	Cumulative results of operations	Unexpended appropriations	Cumulative results of operations	Unexpended appropriations
Beginning balances	\$ 13,870,739	\$ 21,740,168	\$ 11,873,273	\$ 17,346,999
Budgetary financing sources:				
Appropriations received (current period)	-	59,000,000	-	57,000,000
Canceled or expired appropriations	-	(264,463)	-	(199,980)
Appropriations used	53,647,289	(53,647,289)	52,377,634	(52,377,634)
Others	-	-	-	(29,217)
Other financing resources:				
Imputed financing from costs absorbed by others	1,156,167	-	956,779	-
Total financing sources	54,803,456	5,088,248	53,334,413	4,393,169
Total	68,674,195	26,828,416	65,207,686	21,740,168
Net cost of operations	(52,329,746)	-	(51,336,947)	-
Ending balances	\$ 16,344,449	\$ 26,828,416	\$ 13,870,739	\$ 21,740,168

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule Reconciling Net Cost of Operations to Budget - Appropriated Funds Years ended September 30, 2018 and 2017

<i>For the year ended September 30,</i>	2018	2017
Total resources used to finance activities:		
Obligations, offsetting receipts, imputed financing sources	\$ 56,438,827	\$ 54,571,901
Change in budgetary resources obligated for goods and services	(1,640,951)	(1,237,488)
Resources that finance the acquisition of capital assets	(5,626,810)	(4,559,410)
	49,171,066	48,775,003
Components requiring or generating resources in future periods:		
Annual leave liability, decrease	(65,758)	(30,538)
Unfunded FECA, NonBudgetary Receivables, Actuarial FECA	13,812	42,250
Components not requiring or generating resources in current period:		
Depreciation and amortization	3,210,626	2,550,232
Total components of the net cost of operations that will not require or generate resources	3,158,680	2,561,944
Net cost of operations	\$ 52,329,746	\$ 51,336,947

See accompanying independent auditor's report.

United States Holocaust Memorial Museum

Schedule of Claims Conference Payments Year ended September 30, 2018

Grant Award	2018
Fund SO34/App. 11043	\$ 70,705
Fund SO35/App. 11380	770
Fund SO38/App. 12870	1,753
Fund SWVLP/App. 15217	16,615
Fund SO34/App. 14663	51,278
Fund SO43/App. 14662	22,889
Fund SO43/App. 15019	49,539
Fund SO45/App. 15988	65,118
Fund SO47/App. 17183	206,799
Fund Phse 3/App. 15990	177,443
Fund SO47/App. 17184	34,555
Fund SO47/App. 17185	57,211
Fund SO49/App. 17684	130,644
Fund SO49/App. 17685	128,478
Fund SO50/App. 18264	244,470
Fiscal year 2018 grant payment	\$ 1,258,267
USHMM - CC Joint Memoir Project	32,500
Fiscal year 2018 grant payments to United States Holocaust Memorial Museum	\$ 1,290,767

See accompanying independent auditor's report.

Independent Auditor's Reports Required by
Government Auditing Standards



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*, the financial statements of the United States Holocaust Memorial Museum (the Museum), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2018.

Internal Control Over Financial Reporting

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

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

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



Purpose of this Report

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

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

BDO USA, LLP

November 14, 2018



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*, the financial statements of the **United States Holocaust Memorial Museum** (the Museum), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2018.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 19-01. We limited tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts and grant agreements applicable to the Museum. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests described in the preceding paragraph of this report disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-01.

Purpose of this Report

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

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

BDO USA, LLP

November 14, 2018

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