

Message from the Chief Financial Officer

I am pleased to present the United States Holocaust Memorial Museum's Fiscal Year 2003 *Performance and Accountability Report* which, for the first year, presents both financial and performance information on the Museum's operations in a combined report for the fiscal year ending September 30, 2003. 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

The Museum received an unqualified opinion on its consolidated financial statements for Fiscal Year 2003. These statements fully account for both the Federal and non-appropriated funds.

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

- Development and implementation of an online financial reporting system that allows Museum managers, with no prior training, to access their fund balances and obtain real-time information on specific fund budgets, obligations, expenditures, and available fund balances. This system not only facilitates management's decision-making but also significantly strengthens accountability for Museum funds.
- Development and implementation of an online report system that provides Museum managers with monthly financial reports on key Museum revenue operations enabling Museum management to closely monitor expenditures versus revenue results. These reports provide Museum managers with results-oriented information and enables Management to evaluate and further improve such operations.
- Development and implementation of a quarterly financial reporting system that now provides key benchmarks to Museum management. These benchmarks will be extremely useful in future years to identify trends and concerns and to provide the basis for proactive management.
- Continued efforts to refine and improve our payment systems, ensuring timely and accurate payments to vendors.
- Implementation of an audit-closing schedule that exceeds newly mandated Federal reporting requirements.
- Implementation of consolidated statements that meet Federal reporting requirements while remaining informative and understandable to Museum donors interested primarily in the use of non-appropriated funds.

- Continued adjustments to our financial statement presentations for improved financial information that clearly identifies the composition of the Museum endowments and provides additional information on cash flows.

It has been a productive year for the Museum's Office of Finance and we believe that we now provide the basic financial information needed to effectively manage the Museum. There are several areas for additional improvements, such as true project costing, that will be addressed to provide the Museum program offices with the highest level of professional financial support. It is the role of financial management to provide services that ensure effective, efficient, and economical operations, and the Office of Finance looks forward to continuing these efforts.

John C. Fawsett
Chief Financial Officer