



SMITHSONIAN INSTITUTION

# FY 2023 Management Discussion and Analysis

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## Message from the Secretary

It gives me great pleasure to submit the Smithsonian Institution's FY 2023 Management's Discussion and Analysis report, which presents the Smithsonian's financial, management, and programmatic results for the previous year.

In November of last year, we unveiled our latest strategic plan, "*Smithsonian 2027: Our Shared Future*," following nearly three years of dedicated efforts. This strategic plan embodies the bold ambition and innovative thinking that characterizes the Smithsonian.

Our plan revolves around five focus areas, where the Smithsonian will target efforts to build a shared future among ourselves and the world around us over the next five years:

- Ensure every home and classroom can access the Smithsonian's digital content.
- Work together to build a nimble and effective Smithsonian so we can better achieve our mission.
- Be a trusted source that explores and grapples with what it means to be American.
- Harness Smithsonian expertise to elevate science in the global discourse.
- Build and enrich a national culture of learning by engaging with educational systems nationwide.

Due to the strategic plan's recent release, this year's report will employ a hybrid approach to present our performance results. It will integrate performance metrics from our prior strategic plan while highlighting our achievements in alignment with the five focus areas of our new strategic plan. Our FY 2024 report will be the first report to fully integrate the new strategic plan's performance metrics.

As the leader of this influential institution, I believe it's our responsibility to bring people together to share big ideas and conflicting perspectives on important topics like race and the meaning of democracy. With the continued support from the Administration, Congress and the American people, we'll achieve our goals. The Smithsonian will continue to welcome everyone to learn and dream and will continue to use our creativity for the betterment of society. We'll continue transforming this institution into a hub of ideas, innovation, and understanding that reaches more people and has greater impact than ever before.



Lonnie G. Bunch III  
Secretary  
Smithsonian Institution

## Budget, Performance, and Financial Snapshot

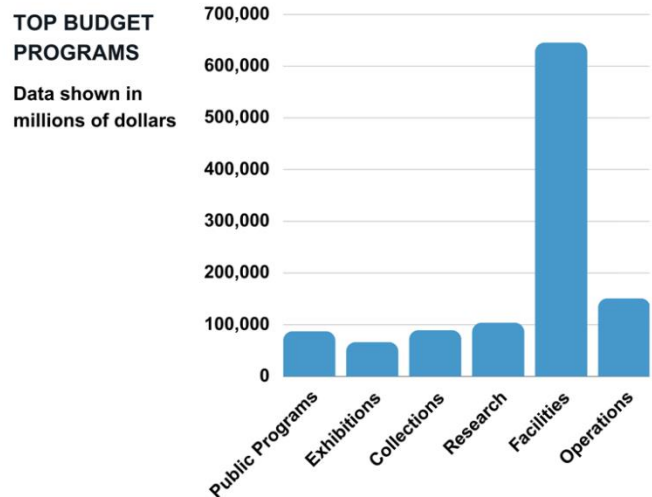
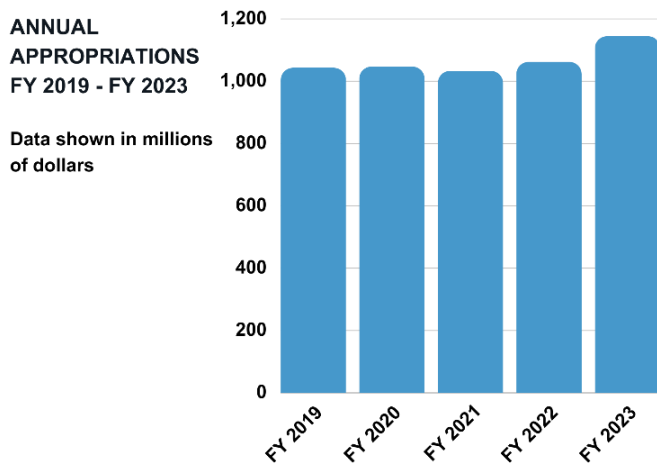
**Mission:** For 177 years, the Smithsonian has remained true to its mission, “the increase and diffusion of knowledge.” Today, we continue this mission through preserving heritage, discovering new knowledge, and sharing our resources with the world.

**Organization:** The Smithsonian is a unique institution — a vast national research and educational center that encompasses 21 museums and the National Zoo, as well as laboratories, observatories, field stations, scientific expeditions, libraries and archives, classrooms, performances, publications, and more.

**Personnel:** The Smithsonian’s workforce consists of more than 5,640 federal and non-federal employees and thousands of volunteers.

**Budgetary Resources:** The federal budgetary resources for FY 2023 totaled \$1,144.5 million, \$892.9 million (78 percent) were operating funds while \$251.6 million (22 percent) were capital funds.

### Budget Snapshot



FY 2022 Financial Snapshot	
Clean Opinion on Financial Statements	Yes*
Timely Financial Reporting	Yes*
Material Weaknesses	No*

FY 2022 (\$s in millions)	
Total Assets	2,686.2
Total Liabilities	916.7
Total Net Assets	1,769.5

\* Completion of the Smithsonian’s external audit is not expected until January 2024.

# Performance Snapshot

## PERFORMANCE AREA: Research and Scholarship

*Produce outstanding research in the sciences and history, art, and culture.*

Key Performance Indicator	Type	Prior-year Data	FY 2023 Target	FY 2023 Actual
Number of Books, Book Chapters, and Journal Publications	Output	FY 2020: 2,560 FY 2021: 2,734 FY 2022: 2,730	2,600	2,242

## PERFORMANCE AREA: Public Engagement

*Share knowledge with the public on-site, online, and across the nation and world through compelling exhibitions, educational programs, and media products.*

Key Performance Indicators	Type	Prior-year Data	FY 2023 Target	FY 2023 Actual
Number of visitors to SI websites	Output. Indicator of level of public use of SI resources via Web	FY 2020: 178 million FY 2021: 205.6 million FY 2022: 168.1 million	173 million	169 million

## PERFORMANCE AREA: Smithsonian Facilities

*Preserve our natural and cultural heritage while optimizing our assets.*

Key Performance Indicator	Type	Prior-year Data	FY 2023 Target	FY 2023 Actual
Number of major capital projects meeting milestones	Output	FY 2020: Met 5 of 7 milestones FY 2021: Met 6 of 6 milestones FY 2022: Met 3 of 6 milestones	Meet milestones on all 6 major projects	Met 5 of 6 milestones

## PERFORMANCE AREA: People and Operations

*Strengthen those organizational services that allow us to deliver on our mission.*

Key Performance Indicators	Type	Prior-year Data	FY 2023 Target	FY 2023 Actual
Percent of employees who are satisfied with working at the Smithsonian on annual employee survey	Outcome. standard indicator of a healthy organization	FY 2020: 85% FY 2021: 82% FY 2022: 78%	80%	79%
Dollar amount of Private Sources: Gifts	Input	FY 2020: \$248 million FY 2021: \$480 million FY 2022: \$320 million	\$ 265 million	\$ 361.9 million
Dollar amount of Sponsored Projects Revenue	Input	FY 2020: \$135.7 million FY 2021: \$146 million FY 2022: \$162 million	\$ 148 million	\$ 185 million

# Management's Discussion and Analysis

## Overview of the Smithsonian Institution

The Smithsonian is unique among the world's institutions. It is not simply a museum, or even a cluster of museums, so much as it is a vast national research and educational center that encompasses — in addition to its exhibition galleries — laboratories, observatories, field stations, scientific expeditions, classrooms, performing arts events, publications, and more. The Institution is an extensive museum and research complex including 21 museums and galleries, the National Zoological Park, and research centers around the nation's capital, eight states, and the Republic of Panama. In addition, the Smithsonian is the steward of more than 157 million objects, which form the basis of world-renowned research, exhibitions, and public programs in the arts, culture, history, and various scientific disciplines. The Institution also preserves and displays many of our nation's treasures and objects that speak to our country's defining inquisitiveness, bold vision, creativity, and courage.

Financially, the Institution depends on the Federal Government for two-thirds of its funding. However, as a trust instrumentality of the United States, many of the laws and regulations applicable to federal agencies do not apply to the Smithsonian. Nevertheless, the Institution is ever mindful of and grateful for this support from the American public and will continue working with both the Office of Management and Budget (OMB) and Congress to provide the information they need to justify their continued support and to allocate limited resources in a cost-effective manner.

The Smithsonian continues to improve its day-to-day operations by strengthening its financial and human resource management and more closely integrating its budget with long-term performance goals. Specifically, the Smithsonian continues to conduct reviews with the Institution's directors to assess the Smithsonian's accomplishments against Institution-wide performance goals and integrate our budget with our performance objectives.

## **The Smithsonian Organization**

As an independent trust instrumentality governed by a Board of Regents, the Smithsonian is served by a staff of approximately 5,640 federal and trust employees and thousands of volunteers. Together, these individuals support the operations of the largest museum and research complex in the world.

An organizational chart, included as Attachment A to this report, shows the Institution's operational structure in detail.

## **The Strategic Plan and Five Focus Areas**

For over 177 years, the Smithsonian has been a trusted source of knowledge and hope, not just for understanding our history, but also for looking forward to the future. With a collaborative approach and a focus on complex topics such as climate change and biodiversity, the Smithsonian aims to lead communities in developing solutions that will benefit generations to come. The Institution's five-year Strategic Plan, launched in November of 2022, builds on this foundation and outlines the Smithsonian's priorities and planned impact as it continues to transform to meet the challenges of this rapidly changing world.

The Institution's Strategic Plan for 2023-2027 describes five broad focus areas where the Smithsonian will target our efforts to build a shared future among ourselves and the world around us over the next five years. Success in these areas, including work already underway, will ensure the Smithsonian's impact on our rapidly changing world.

*Digital: Ensure every home and classroom has access to the Smithsonian's digital content:* By 2026, the Smithsonian will bring the concept of a "virtual museum" to life by becoming a digitally empowered institution with expanded virtual reach. The purposeful connections we build will mean that every household, classroom, and community will have access to our shared knowledge and be able to use that to better our shared lives and futures. We will invite the people we serve on a lasting journey to explore, learn, and find meaning together.

Our goal is to have our content not only reach people around the globe, but also to serve as a valued, trusted tool that enriches their lives. Going forward, our digital transformation will build a digital ecosystem where the

Smithsonian's most valuable assets are accessible and can be deployed wherever, whenever, and however they are most needed. We also will deliver a connected, seamless experience focused on audience, informed by data, and driven by strategic goals. Finally, we will create impact by using innovative tools and platforms to form meaningful, lasting relationships with our audiences.

*Nimble: Work together to build a nimble and effective Smithsonian:* The Smithsonian can only be at its best if it embraces innovation, promotes integrated and efficient administrative functions, and creates an environment where staff brings our best talents to the workplace. We have a dedicated, resilient, creative, and caring workforce who are focused on service to the public. Yet there remain many areas where the Smithsonian can do more to improve our operations and provide opportunities for staff to develop our skills.

Over the next five years, the Smithsonian will focus on increasing the nimbleness of the organization's administrative functions, both those that are managed centrally and those that are embedded within the individual museums, research centers, and units. By building stronger connections within the Smithsonian, we will increase the efficiency of our processes and generate more effective and integrated solutions. Equally critical is the goal of fostering an environment for staff that promotes attributes such as safety, professional development, and individual accountability. We must achieve these objectives to ensure the Smithsonian remains an employer of choice for all staff.

*Trusted Source: Be a trusted source that explores and grapples with what it means to be an American:* Being a trusted source is core to the "Our Shared Future" vision. Based on the research that undergirds our efforts, especially our history and art scholarship, the Smithsonian, as the world's largest museum, education, and research complex, has a unique and critical role in finding common ground and creating hope among the American people.

Whether it is exploring racial or social justice through the aperture of history, using art as a medium for expression and understanding, engaging communities in urban and rural areas alike, the Smithsonian has a responsibility to use its exhibitions, educational programming, and digital content in innovative ways to foster dialogue and understanding. This commitment runs through all Smithsonian efforts. Over the next five years, the Smithsonian will, through several key Institution-wide initiatives, further the national dialogue on a variety of complex topics.



For example, we will explore the impacts of racial identification and racism in the United States and globally by providing historical context, innovative activations, and different visions through art. We will use the Smithsonian’s diverse collections and expertise to amplify and disseminate an expansive and diverse historical record of the accomplishments of American women. And we will identify and collaborate with stakeholders to meet the needs of, and learn from, all the communities that we serve and whose collections we steward, including those who reside in rural and tribal communities in the United States.

*Science: Harness Smithsonian expertise to elevate science in the global discourse:* The Smithsonian includes a robust science and research complex, with thousands of experts and rich partnerships with academia and the private sector. In tandem with our vast resources in the areas of art, history, and culture, we will bring our science to a broader public audience. To accomplish this, we will integrate our research, collections, data sets, field stations, digital infrastructure, and communication platforms. We will work with communities to create sustainable and impactful solutions. And we will communicate what we learn to the public through our museums, facilities, and educational programs, showcasing the ways we lead, collaborate, and share — expanding our understanding of life on Earth and our place in the universe.

Smithsonian scholars, researchers, and educators will generate global impact, pursue work on critical issues facing our oceans, and find ways to support environmental justice by meaningfully engaging a diversity of stakeholders in the development and implementation of environmental policy. We will continue our cutting-edge work in global health and animal-to-human virus transmission and our understanding of complex ecosystems. We will explore the tipping and turning points in the evolution of galaxies, solar systems, and planets, assessing the uniqueness of our place in the universe. Finally, we will inspire all generations to engage in scientific discovery; take advantage of science, technology, ingenuity, and culture; and contribute to a new era where people and nature can thrive.

*Education: Build and enrich a national culture of learning by engaging with educational systems nationwide:* Education is at the core of the Smithsonian’s mission, “the increase and diffusion of knowledge.” Today over 300 education professionals and 600 supporting volunteers work in more than 30 Smithsonian units to help learners build knowledge, foster inquiry and cultivate creativity. Further, we have a large and diverse internship and fellowship ecosystem, which brings students from across the world to contribute to the Smithsonian’s mission. Through these programs and the thought leaders they support, the Smithsonian strives to help the American people make sense of the complexities of the past and present, while we also imagine and help shape the future. Working with partners, collaborators, colleagues, and education leaders, the Smithsonian

will build a national culture of learning to ensure that our audiences have the tools they need to understand and navigate the world around them.

The Smithsonian has an ambitious goal to reach every classroom in America. To achieve this, we will strategically leverage the work that is already occurring in the Smithsonian and scale up our signature offerings. Using the collections found in our art, science, and history museums, we can reach each discipline taught in the classroom. We will also reach out externally, working with stakeholders at local and state levels to implement a comprehensive education strategy that will allow Smithsonian education programming, tools, and resources to achieve greater reach, greater relevance, and profound impact. This strategy will foster dialogue and generate shared goals between the Smithsonian and teachers, students, partners, and donors across the nation.

## **Strategic Accomplishments**

### **Digital Focus Area, Audience and Data Initiative**

*Increase audience-centered, data-informed decision making by building out and refining audience analysis and engagement tools and technologies that will transform the engagement experience with the Smithsonian.*

A first notable accomplishment of this initiative was the research and initial design of an institution-wide strategy for data management and governance. This work spans multiple types of data across the Smithsonian (collections, research, audience, and finance/administrative) and is foundational to enabling safe and effective use of data for decision making at the Smithsonian. To support this strategy, we also initiated our research efforts to procure data platform technology that will support unified data management, governance, analysis, etc. and created a Chief Data Officer position, currently in recruitment, to oversee this scope long term.

Building upon this foundation, we identified areas where a unified, data-informed experience could best serve our public audiences, including visitor services. As such, we researched and procured technology that will enable the Smithsonian to provide a cohesive, seamless experience for visitors across our museums and centers. This technology will also allow us to better measure how we are serving the public to ensure we are meeting their needs while also fulfilling our mission.

These efforts – the curation of the Smithsonian audience experience, and the leveraging of data to maximize impact and audience benefit – require strong oversight and building of trust across teams and with the public. To meet this need, the Smithsonian implemented an institution-wide data governance charter and framework which sets forth organizational governance policies, best practices, and oversight essential in safeguarding the accuracy, integrity, and security of audience data.

Finally, a point on overall impact: The Audience and Data initiative directly aligns with and supports most other initiatives within the Our Shared Future strategic plan. This initiative will result in two fundamental changes to the Smithsonian, and these changes underpin much of the strategic plan: First, by thoughtfully designing and implementing a robust data strategy that provides necessary data and data services to all strategic initiatives, and second, by unifying our approach to audience experiences. While each of the strategic initiatives will have their own unique needs and audience touchpoints, the impact of these initiatives further underscores the need for unified Smithsonian data strategy, and a unified audience experience that immediately, and visibly, puts that strategy to work.

### **Education Focus Area, Education Strategy Initiative**

*Develop and implement a comprehensive Smithsonian education strategy that leverages a set of guiding principles, grounded by research and evidence, that will shape the why, how, for whom, and what we do as Smithsonian educators across the education ecosystem.*

In collaboration with a wide range of stakeholders, Smithsonian educators are charged with building a national culture of learning. This culture requires that our audiences have the tools they need to understand and navigate a changing world. The Smithsonian education team knows that, to equip learners appropriately, we must first shine a light on our own practices.

During FY 2023, we consulted with internal stakeholders to create a set of shared guiding principles that will unify and coordinate our work pan-institutionally. These include Mission, Vision, and Values; Priorities and Goals; Audiences; Shared Language; and the Office of the Under Secretary for Education and Units' Roles and Responsibilities. In addition, we took a close look at the workforce data and human resources practices of the Smithsonian education team. We also started working on professional standards, which are essential for identifying our strengths and areas for improvement. This helps guarantee that our educators receive the necessary training and resources to effectively carry out their work and achieve our ambitious objectives.

The work done by the Education Strategy Initiative will inform subsequent phases and initiatives that will help our community of educators elevate education across the Smithsonian and strengthen our reach, relevance, and impact nationwide.

### **Nimble Focus Area, Diversity, Equity, Access, and Inclusion (DEAI) Initiative**

*Implement a robust internal diversity, equity, accessibility, and inclusion program that ensures that internal Smithsonian policies and practices reduce barriers to equity and reflect the same principles of inclusion that the Smithsonian seeks to disseminate through its external programs and scholarship.*

Our Shared Future challenges the Smithsonian to embody diversity, equity, accessibility, and inclusion (DEAI) in equal measure in our workforce and our external programs and scholarship. To ensure the Smithsonian fully activates and responds to concerns around DEAI, we created a diversity office at the highest level of the organization to lead these efforts, build community, and engage staff pan-institutionally. We are building a foundation for a nimble, effective, and sustainable DEAI program that is staff-owned, informed by our collective lived experiences, and fueled by a goal of equity.

In FY 2023, numerous DEAI milestones/activities were accomplished to meet our goal. A head diversity officer (HDO) was appointed in January. Access Smithsonian, an office that reported to the Under Secretary of Administration, was realigned to the Office of Diversity. Two new staff were recruited and selected for the office. A senior staff member from the Smithsonian Tropical Research Institute was detailed to the office for six months to collaborate on strategic initiatives and an office strategic plan.

To build a Smithsonian-wide community of DEAI cohorts, the HDO and the DEAI strategic initiative co-leads held listening sessions with museum and office directors on their DEAI expectations and recommendations for the central office. Four pan-institution working groups were formed to assist with evaluating unit-level DEAI committees; developing a framework to manage the transition of identity-based affinity groups to employee resource groups; assessing unit-level professional development and training; and completing an inventory of and guidance on accessible and inclusive staff and visitor facilities, including restrooms, lactation rooms, and quiet spaces. Two of the groups completed their recommendations for the HDO to act upon.

## **Trusted Source Focus Area, Collections Stewardship Initiative**

*Further the Smithsonian's role as a trusted source and work closely with communities from which Smithsonian collections originate and those they serve to evaluate the collections themselves, the narratives that surround them, and develop stewardship practices that ensure their preservation and sustainability for future generations.*

This year, 21 Smithsonian units amended their collections management policies to implement the Smithsonian's Shared Stewardship and Ethical Returns Policy. These amendments ensure consistency in the successful implementation of the new policy, including procedures to address external requests and inquiries and allow the Smithsonian to address complex topics around collections stewardship through a policy framework.

To foster communication among collecting units on requests and inquiries, the Shared Stewardship and Ethical Returns Tracking Tool was established using the SharePoint platform. This tool allows the Smithsonian to document and monitor inquiries and requests centrally, allowing for more streamlined communication between collecting units. The team looks forward to adjusting the tracking tool as implementations for ethical returns are documented, monitored, and communicated across collecting units.

The theme of the Smithsonian's 2023 Collections Collaboration Community (C3) Conference focused solely on the topics of shared stewardship and ethical returns, which included panel sessions with the Secretary, Under Secretaries, unit directors, subject-matter-experts, and external consultants. The Shared Stewardship and Ethical Returns Policy is being socialized at external conferences to reinforce Smithsonian commitment and to hear feedback from impacted communities.

A proposal was created for the creation of a Provenance Research In-Residency Program. This proposal will result in more provenance research findings being available and will build the pipeline of professional provenance researchers for future potential employment. The proposal was shared by the co-leads with the Office of Advancement (OA).

The National Collections Program and the Head Diversity Officer are developing two resource pools for rapid response collecting and diversifying collections. These pools, funded by an endowment draw, are intended to focus on rapid response collecting so that current events that are important to diverse communities are

reflected in the Smithsonian's collections, and so that diverse creators and communities are reflected in the collections. The Smithsonian established the Human Remains Task Force in April to develop recommendations for the care and shared stewardship or ethical return of human remains in the collections. Final recommendations are due in December.

A working group was established to develop suggestions regarding how community and/or public input can be incorporated into collections information systems. The group will evolve into a community of practice that focuses on "Evolving Collections Systems." Additionally, discussions were initiated with the Strategic Initiative for Collections Digitization. Together, the group has discussed the prioritization of collections digitization for shared stewardship and ethical returns, focusing on areas of concern.

The Trusted Source Collections Stewardship working group also initiated an Administrative Operations Audit Framework that aims to enhance collaboration and consultation with source communities by addressing administrative challenges faced by source communities and Smithsonian staff in coordinating consultations, site visits, and events. This framework also aims to identify associated costs for collections access, inquiry tracking, and OGC parameters for Shared Stewardship Agreements.

Looking forward, the Collections Stewardship team plans to organize a convening in 2024 to continue the conversation on shared stewardship and ethical returns work with internal audiences and external partners.

### **Science Focus Area, Sustainability & Resiliency Initiative**

*Develop a culture of sustainability and activate the Smithsonian's Climate Action Plan to further museum collections and facility sustainability, scientific research, and climate education.*

This past year, we have sharpened our focus on defining the Smithsonian's role in developing a culture of sustainability – amongst our staff, our visitors, our partners, and our operations. We launched the Sustainability Portal on PRISM as the central hub of information about sustainability at the Smithsonian. We collaborated with our intrepid colleagues, who initiated Green Teams in their own departments several years ago, to curate a collection of useful toolkits for units that are embarking on their own sustainability endeavors. We held several virtual Green Team get-togethers to foster collaborative efforts and build community. We engaged with the Recycling Task Force and other waste-reduction groups to discuss challenges

brought about by GSA's disruption in recycling collection services. In partnership with the Department of Energy and Smithsonian Enterprises, we are actively working to bring electric vehicle charging stations to several units for use by staff and visitors.

We know we must look at our own actions and serve as a model to organizations and communities worldwide, and so we have continued to track and monitor our sustainability plans. To better understand the full depth and breadth of sustainability at the Smithsonian, we launched an internal survey about sustainability metrics and goals across units and central offices and will be analyzing results this fiscal year. The responses from this survey will help guide the working group activities, identify areas of particular importance, and help us marshal support for our sustainability priorities. As one high point of the year, we had a highly successful waste diversion percentage for our marquis staff event, the Smithsonian Staff Picnic.

While this initiative focuses largely on our internal efforts, we have also been leveraging our research, exhibition, capacity-building programs, and extensive educational outreach; we have conducted important work helping local visitors and communities around the world understand the benefits of becoming more sustainable. For our local visitors, Smithsonian Enterprises continues to be a valuable partner as we aim to eliminate single-use plastics in our shops and restaurants.

## **Financial Position**

The Smithsonian's financial statements are prepared from the Institution's official financial accounting records and are audited annually. The Smithsonian Institution's management and financial controls systems provide reasonable assurance that the Institution's programs and resources are protected from fraud, waste, and misuse, and that its financial management systems conform to Government-wide requirements. Although the Smithsonian is not a department or agency of the Executive branch, the Institution has achieved the intent of the Federal Managers' Financial Integrity Act (FMFIA) (P.L. 97-255) to prevent problems by systematically reviewing and evaluating the Smithsonian's management and financial controls and financial management systems. Previous independent audits have found no material weaknesses in the Smithsonian's internal controls or non-compliance with laws and regulations.

## Looking Forward

The Smithsonian plays a vital role in the nation’s educational, research, and cultural life. Our name is trusted because it represents excellence in research and education, and we are developing a reputation for excellence in management, operations, oversight, and governance, as well. Despite the inherent strength of the Institution, the Smithsonian faces significant challenges during this pandemic period as it continues to serve the public with both engaging, modern exhibitions and groundbreaking scientific research and exploration.

In FY 2024, we will continue to implement our Strategic Plan. The plan sets forth the following goals to be a more unified Institution: **Digital:** *Ensure every home and classroom has access to the Smithsonian’s digital content;* **Trusted Source:** *Be a trusted source that explores and grapples with what it means to be American;* **Science:** *Harness Smithsonian expertise to elevate science in the global discourse;* **Education:** *Build and enrich a national culture of learning by engaging with educational systems nationwide;* **Nimble:** *Work together to build a nimble and effective Smithsonian.*

In FY 2024, with the support of the Administration and Congress, the Smithsonian will continue to aggressively address our challenges and take advantage of our opportunities, using the dedication of our staff and the efficiencies of new technology to fulfill our longstanding mission “for the increase and diffusion of knowledge.”

## Highlights of Financial Position

### Overview of Financial Data

The Smithsonian’s FY 2022 financial statements (e.g., balance sheet and statement of operations), Treasury reporting and related footnotes were prepared by the Institution. These financial statements can be considered complete and reliable as evidenced by the report provided by the independent audit firm of KPMG LLP. These statements represent the results of all activities supported by federal appropriations granted to the Smithsonian. Additional financial activity, which is supported by non-federal activities, is not included in the financial information and discussions noted herein.

### Balance Sheet



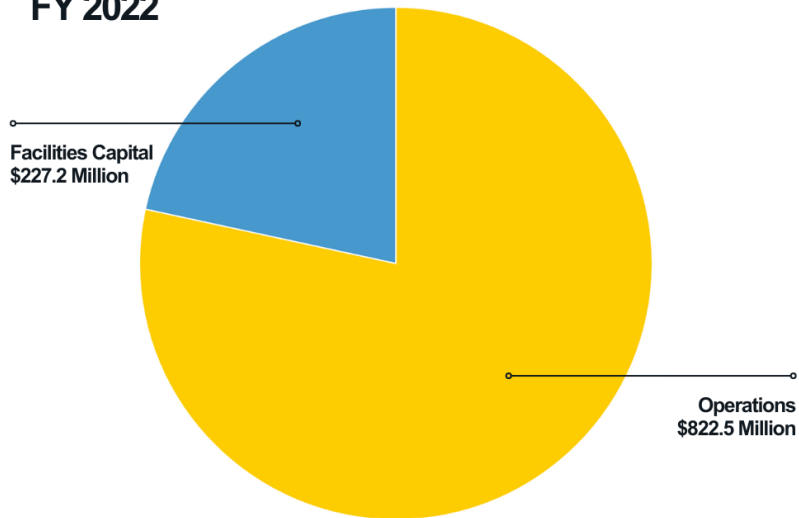
The Balance Sheet reflects total assets of \$2,686.2 million, a 4.6 percent increase over the previous year. Approximately 70.2 percent of these assets are invested in property and equipment, with the balance of assets (approximately 29.8 percent) represented principally by cash and balances with the United States Treasury. Liabilities (accounts payable, accrued expenses, and environmental remediation obligations) comprise approximately 25.2 percent of the Smithsonian's liabilities. The environmental remediation obligations were \$46.1 at the end of the fiscal year. The remaining liabilities (approximately 74.8 percent) consist of unexpended federal appropriation balances. Reflecting the higher growth in assets than liabilities, the total net assets grew by \$90 million or 5.4 percent in FY 2022.

## **Statement of Operations**

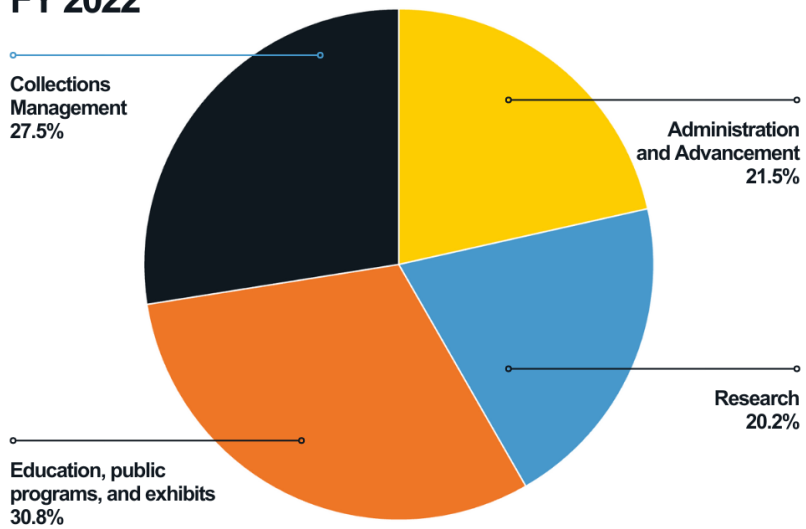
Federal appropriations recognized in the current fiscal year are \$1,049.6 million (including reimbursables and other of \$12.3 million) and represent an increase of \$65.8 million over the prior year (\$987.2 million). Of the total appropriation recognized in FY 2022, approximately \$822.5 million (78.4 percent) were operating funds while \$227.2 million (21.6 percent) were construction funds, as shown in the graph below. Comparable recognized appropriation amounts from FY 2021 were \$773.9 million for operating costs and \$213.3 million for construction projects. Total expenditures (including \$3.9 million in collections items purchased) increased by \$80.5 million to \$1,128.8 million (7.7 percent) from FY 2021 total expenditures of \$1,048.3 million. Total program and support expenses were up by \$80.6 million or 7.7 percent.

The remainder of the federal component of the Smithsonian's budget is spent to support the Institution's Facilities Capital Program. The Smithsonian depends on federal support for the revitalization and basic maintenance of its physical infrastructure. Facilities revitalization activities correct extensive and serious deficiencies, materially extend the service life of infrastructure systems, and often add capital value to the buildings and systems which form the backbone of the Smithsonian's physical plant. Maintenance, which is funded in the federal Salaries and Expense appropriation, is the more routine repair and maintenance work necessary to realize the originally anticipated useful life of a fixed asset. Although non-federal funds are often used to enhance the experience of the visitor in what would otherwise be an ordinary exhibition space, federal funding is essential to fulfill a federal obligation to revitalize the buildings for use by the public.

## TOTAL FEDERAL EXPENSES FY 2022



## FEDERAL OPERATING EXPENSES FY 2022



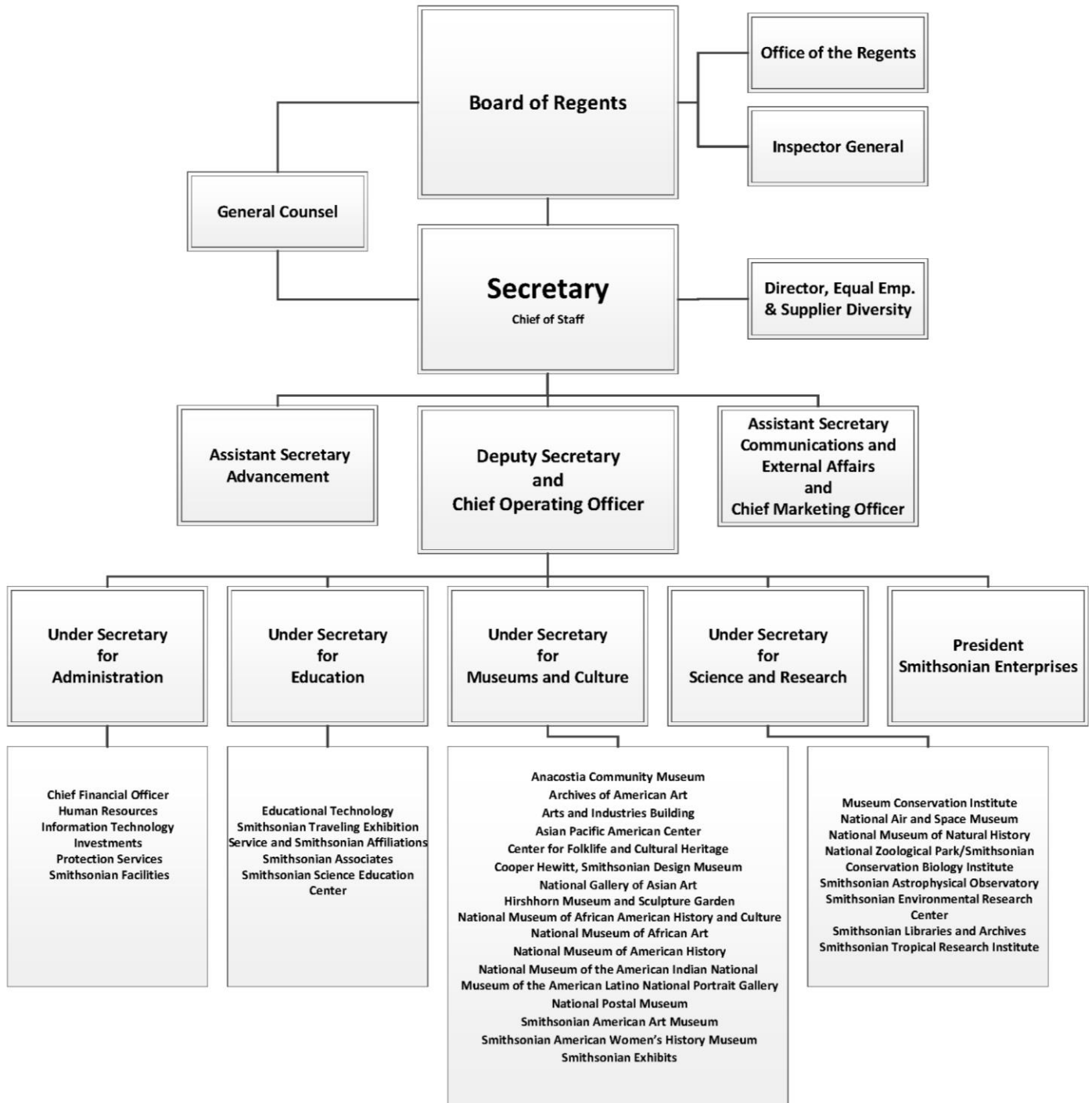
## **Attachments**

- Attachment A: Smithsonian Organizational Chart
- Attachment B: Fiscal Year 2023 Annual Performance Report

# Attachment A – Smithsonian Organization Chart

## SMITHSONIAN INSTITUTION

December 2022



## **Attachment B – Fiscal Year 2023 Annual Performance Report**



Smithsonian  
Institution

**Annual Performance Report**  
*Fiscal Year 2023*

**ATTACHMENT B**



# Smithsonian 2027: Our Shared Future

## Our Purpose

*The increase and diffusion of knowledge*

## Our Mission

- The Smithsonian **creates knowledge through high-impact research** in science, art, history, and culture.
- It preserves our national and natural heritage, as well as aspects of other cultures, through art and its curation, by maintaining important historical artifacts, and by **caring for and expanding the National Collection**.
- It **shares knowledge with the public** through compelling exhibitions, education programs, and media products, by telling the American story, and by showcasing American artistic, intellectual, and technological leadership.

## Our Vision

Through our unparalleled collections and research capabilities, and the insight and creativity we foster through art, history, and culture, the Smithsonian strives to provide Americans and the world with the tools and information they need to forge **Our Shared Future**.

## Introduction

Our latest strategic plan, "Smithsonian 2027: Our Shared Future," was unveiled in November of last year after almost three years of dedicated efforts. To reflect the recent release of the strategic plan, this year's report will utilize a hybrid approach to present our performance results. It will incorporate the performance metrics of our previous strategic plan while we work to develop performance metrics that best align with our new strategic. The upcoming FY 2024 report will be the first to fully integrate the performance metrics of the new strategic plan.

## The Smithsonian's Mission Goals

The Institution's Strategic Plan for 2023-2027 describes five broad focus areas where the Smithsonian will target our efforts to build a shared future among ourselves and the world around us over the next five years:

- Ensure every home and classroom can access the Smithsonian’s digital content.
- Work together to build a nimble and effective Smithsonian so we can better achieve our mission.
- Be a trusted source that explores and grapples with what it means to be American.
- Harness Smithsonian expertise to elevate science in the global discourse.
- Build and enrich a national culture of learning by engaging with educational systems nationwide.

## **Annual Performance Plan for Fiscal Year 2023**

To ensure that our ambitious goals will be successfully implemented over the next five years, a dedicated Strategic Plan Implementation team is working to develop key performance indicators that align with the five focus areas of our new strategic plan. This year, our annual report will take a hybrid approach, highlighting last year’s performance areas as well as acknowledging the latest goals and metrics. As part of this effort, we will continue to track core metrics of performance results and organizational accountability across the major programs and functions of the Institution as mandated by the Government Performance and Results Act (GPRA), GPRA Modernization Act of 2010, and related Office of Management and Budget (OMB) performance standards. Our Annual Performance Plan and Report align with the program structure used in the Smithsonian’s Federal budget documents and Enterprise Resource Planning (ERP) financial accounting system, enabling us to relate dollars budgeted and results achieved. The Smithsonian has made great progress in integrating performance indicators throughout the Institution to track program results and incorporating linked performance metrics in individual performance plans. The Smithsonian Dashboard shares metrics related to its core activities and performance with the public at <http://dashboard.si.edu/>.



## Index to Strategic Goals by Programmatic and Functional Performance areas

PERFORMANCE AREAS
<b>Research and Scholarship:</b> We will create knowledge through high-impact research in science, art, history, and culture.
<b>Public Engagement:</b> We will share knowledge with the public on-site, online, and across the nation and world through compelling exhibitions, educational programs, and media products.
<b>National Collections:</b> We will preserve our national and natural heritage, as well as aspects of other cultures, by caring for and expanding the National Collections.
<b>Smithsonian Facilities:</b> We will maintain our historic and diverse infrastructure that is essential to the care of fragile collections, support for critical scientific research, and hosting millions of visitors.
<b>People and Operations</b> <ul style="list-style-type: none"><li>• Operational Efficiency and Effectiveness: We will institute nimble and cost-effective pan-Institutional administrative processes.</li><li>• Diversity and Inclusion: We will ensure that diversity, inclusion, cultural awareness, and sensitivity are hallmarks of the Institution.</li><li>• Financial Strength</li></ul>

## Research and Scholarship

We create knowledge, and share it with professional communities, through high-impact research in science, art, history, and culture.

➤ Ties to Program Category in ERP:

- RESEARCH (Program Code 4XXX)

### Key Performance Indicators – Research and Scholarship

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Number of Book, Book Chapter, and Journal Publications*	Output	FY 2020: 2,560 FY 2021: 2,734 FY 2022: 2,730	2,600	2,242
Number of Fellows in residence	Output	FY 2020: 772 FY 2021: 778 FY 2022: 857	775	851
Number of Grant and Contract proposals submitted	Output	FY 2020: 608 FY 2021: 559 FY 2022: 481	550	555

\*Note: Metric for quality/high impact Smithsonian publications formerly reported as “peer-reviewed” publications

## Public Engagement

We share knowledge with the public on-site, online, and across the nation and world through compelling exhibitions, educational programs, and media products.

➤ Ties to Program Categories in ERP:

- PUBLIC PROGRAMS (Program Code 1XXX)
  - WEB DEVELOPMENT ACTIVITIES IN SUPPORT OF PUBLIC PROGRAMS
  - IT ACTIVITIES IN SUPPORT OF PUBLIC PROGRAMS
- EXHIBITIONS (Program Code 2XXX)
- EDUCATION (Program Code 11XX)

## Key Performance Indicators – Public Engagement

Key Performance Indicators	Type	Prior- year data	FY 2023 target	FY 2023 actual
Participations in Smithsonian education programs	Output. Indicator of level of public use/quality of SI education programs	FY 2020: 9.3 million** FY 2021: 5.9 million** FY 2022: 4.3 million**	4.5 million	7.6 million
Number of visitors to SI websites	Output. Indicator of level of public use of SI resources via Web	FY 2020: 178 million FY 2021: 205.6 million FY 2022: 168.1 million	173 million	169 million
Number of Social media followers: <ul style="list-style-type: none"> <li>• Facebook</li> <li>• X (Formerly known as Twitter)</li> </ul>	Output. Indicator of level of public use of SI resources	FY 2020: Facebook 7.2 million; Twitter 6.1 million FY 2021: Facebook 7.5 million; Twitter 6.3 million FY 2022: Facebook 7.7 million; Twitter: 6.6 million	Data unavailable***	Facebook: 7.9 million*** X: 6.5 million***

\*Note: Museums not fully opened during the FY due to COVID-19

\*\* Figures for past fiscal years revised since previous Performance Report to correct for an earlier program misclassification; Figures revised to correct for a program misclassification; FY2022 target was based on non-revised figures

\*\*\* Figures for social media metrics are pulled from January 2023 to September 2023. Incomplete dataset is due to a change in social media management platform

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Number of states and territories with Smithsonian Traveling Exhibitions and poster exhibits	Output. Indicator of outreach success and national access to SI resources	FY 2020: SITES exhibitions in 128 venues + poster exhibits in 20,657 locations reaching 50 states, DC, Puerto Rico, and worldwide* FY 2021: SITES exhibitions in 151 venues + poster exhibits in 6,911 locations reaching 50 states, DC, Puerto Rico, and worldwide FY 2022: SITES exhibitions in 156 venues + poster exhibits in 4,136 locations reaching 50 States, DC, Puerto Rico, and worldwide	SITES exhibitions in 120 venues + poster exhibits in 4,400 locations reaching 50 States, DC, Puerto Rico, and worldwide	SITES exhibitions in 146 venues + poster exhibits in 5,614 locations reaching 50 States, DC, Puerto Rico, and worldwide
Number of Smithsonian Affiliates	Output. Indicator of extent/success of outreach and national access to SI collections	FY 2020: 210 Affiliates in 46 states, Panama, and Puerto Rico FY 2021: 213 Affiliates in 46 states, Panama, and Puerto Rico FY 2022: 210 Affiliates in 48 states, Panama, and Puerto Rico	210 Affiliates	209 Affiliates in 48 states, Panama, and Puerto Rico

\*Note: Metric changed to combine locations of traveling exhibitions and smaller poster exhibits

## National Collections

We preserve our national and natural heritage, as well as aspects of other cultures, by caring for and expanding the National Collections.

- Ties to Program Categories in ERP:
  - COLLECTIONS (*Program Code 3XXX*)

## Key Performance Indicators – Preserve Our Natural and Cultural Heritage Collections

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
<p>Percentage of <b>museum collections (objects and specimens)</b> that meet/exceed unit standards for:</p> <ul style="list-style-type: none"> <li>• <b>Physical Condition:</b> Measures the need for intervention to prevent further or future deterioration of the collections.</li> <li>• <b>Housing Materials:</b> Measures the appropriateness and stability of the materials used to house or contain collections.</li> <li>• <b>Storage Equipment:</b> Measures the appropriateness of equipment intended to provide long-term protection of the collection.</li> <li>• <b>Physical Accessibility:</b> Measures the extent to which the collection is organized, arranged, located, and retrieved for intended use.</li> </ul> <p><i>Collections Totals:</i>  FY 2020: 155.5 million objects/ specimens  FY 2021: 157.1 million objects/ specimens  FY 2022: 157.2 million objects/ specimens</p>	<p>Outcome. Indicator of established standards and sound management practices for collections</p>	<p>FY 2020:</p> <ul style="list-style-type: none"> <li>• Physical Condition: 75%</li> <li>• Housing Materials: 69%</li> <li>• Storage Equipment: 71%</li> <li>• Physical Accessibility: 87%</li> </ul> <p>FY 2021:</p> <ul style="list-style-type: none"> <li>• Physical Condition: 75%</li> <li>• Housing Materials: 69%</li> <li>• Storage Equipment: 71%</li> <li>• Physical Accessibility: 87%</li> </ul> <p>FY 2022:</p> <ul style="list-style-type: none"> <li>• Physical Condition: 75%</li> <li>• Housing Materials: 69%</li> <li>• Storage Equipment: 71%</li> <li>• Physical Accessibility: 87%</li> </ul>	<p>Increase over prior year</p>	<p>Data currently not available</p>
<p>Percentage of <b>museum collections (objects and specimens)</b> that are digitized:</p> <ul style="list-style-type: none"> <li>• <b>Digital Records:</b> Measures percentage of Collections Totals with digital records that meet or exceed unit standards</li> </ul> <p><i>Collection Totals:</i>  FY 2020: 155.5 million objects/ specimens  FY 2021: 157.1 million objects/ specimens  FY 2022: 157.2 million objects/ specimens</p> <ul style="list-style-type: none"> <li>• <b>Digital Images:</b> Measures percentage of Collections Prioritized for Digitization with digital images that meet or exceed unit standards</li> </ul> <p><i>Collections Prioritized for Digitization:</i>  FY 2020: # of prioritized objects: 18.7 million  FY 2021: # of prioritized objects: 23.2 million  FY 2022: # of prioritized objects: 23.3 million</p>	<p>Outcome. Indicator of public access to SI collections</p>	<p>FY 2020:</p> <ul style="list-style-type: none"> <li>• Digital Records: # completed: 34.2 M (22%)</li> <li>• Digital Images: # completed: 6.5 M (35%)</li> </ul> <p>FY 2021:</p> <ul style="list-style-type: none"> <li>• Digital Records: # completed: 35 M (22%)</li> <li>• Digital Images: # completed: 7 M (30%)</li> </ul> <p>FY 2022:</p> <ul style="list-style-type: none"> <li>• Digital Records: # completed: 37.1 M (21%)</li> <li>• Digital Images: # completed: 7.6 M (30%)</li> </ul>	<p>Increase over prior year</p>	<p>Data currently not available</p>

## Smithsonian Facilities

- Ties to Program Categories in ERP:
  - FACILITIES (Program Code 5XXX)
  - SECURITY & SAFETY (Program Code 6XXX)

### Key Performance Indicators – Smithsonian Facilities Capital/Maintenance and Safety/Security

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Percent of available capital funds obligated compared to funds available	Efficiency (obligation rate is indicator in initiating capital work in a timely manner)	FY 2020: 94% FY 2021: 91% FY 2022: 82%	85%	63%
Number of major capital projects meeting milestones (see below):	Output	FY 2020: Met milestones on 5 of 7 projects FY 2021: Met milestones on all 6 major projects FY 2022: Met Milestones on 3 of 6 major projects	Meet milestones on all 6 major projects	Met Milestones on 5 of 6 major projects
Revitalize Historic Core (SIB)	Output	FY 2020: Design awarded FY 2021: Design 5% complete FY 2022: Design 35% complete	Design 65% complete	Design 65% complete
Renew Bird House and Great Flight Aviary - National Zoological Park	Output	FY 2020: Renovation is 73% complete FY 2021: Renovation 89% complete FY 2022: Renovation 96% complete	Renovation 100% complete	Renovation 99% complete (holding contract open)
Repair Building Envelope, Roof, and Exterior Panels - Hirshhorn Museum Building	Output	FY 2021: Renovation 27% complete FY 2022: Renovation 65% complete	Renovation 90% complete	Renovation 97% complete
Revitalize Building Envelope and Infrastructure - National Air and Space Museum – National Mall Building	Output	FY 2020: Renovation is 40% complete FY 2021: Renovation 55% complete FY 2022: Renovation 68% complete	Renovation 75% complete	Renovation 85% complete

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Restore Exterior Envelope and Replace Roof - National Air and Space Museum - Udvar Hazy Center	Output	FY 2020: Renovation is 24% complete (on completion schedule) FY 2021: Renovation 77% complete FY 2022: Renovation 87% complete	Renovation 95% complete	Renovation 99% complete
Construct Pod 6 - Museum Support Center	Output	FY 2020: 35% design has been submitted FY 2021: Design 75% complete FY 2022: Construction awarded	Construction 15% complete	Construction 19% complete
Percent of revitalization projects designed to 35% prior to request for construction funding	Efficiency (35% design prior to funding improves cost estimates; early award avoids cost escalation and project delays)	FY 2020: Target not met due to lack of planning funds FY 2021: Target not met due to lack of planning funds FY 2022: Target not met due to lack of planning funds	Complete 35% design prior to Cong. budget submission for 80% of major projects in the FY 2023 capital program	Target not met due to lack of planning funding
Percentage of buildings with Facilities Condition Index (FCI) above 70%	Output. Higher % shows improvement of buildings condition	FY 2020: 61% FY 2021: 61% FY 2022: 57.5%	85%: Switching to Federal Real Property Profile (FRPP) scoring	81%
Planned maintenance cost as percent of total annual maintenance costs	Efficiency — a higher proportion planned vs. unplanned is indicator of more efficient use	FY 2020: 57% (impacted by COVID19: minimum staffing, buildings closed) FY 2021: 49% (impacted by COVID19: minimum staffing, buildings closed) FY 2022: 54.5%	62%	58%
100% of facilities at level 3 “managed 1” for cleanliness on the APPA scale	Output. Shows improvement in buildings cleanliness	FY 2020: 33% @ Level 3 (impacted by COVID 19: minimum staffing, buildings closed, less cleaning) FY 2021: 33% @ Level 3 (Impacted by COVID 19; minimum staffing, buildings closed) FY 2022: Achieved 85% APPA Level 3	85% APPA Level 3	Achieved 85% APPA Level 3

Safety: total recordable case rate (injuries per 100 employees)	Output (annual basis)	FY 2020: 1.44 FY 2021: 1.16 FY 2022: 3.35 (increase due to return to work/COVID cases)	<3.35	2.70
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## Operational Effectiveness

We will institute nimble and cost-effective pan-Institutional administrative processes.

### Key Performance Indicators – Organizational Efficiency and Effectiveness

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Workdays to complete recruitment action against OPM End-to-End Hiring Model of 80 days	Efficiency	FY 2020: 132 average days FY 2021: 132 average days FY 2022: 174 average days	5% reduction in the overall average.	98 days
Percent of SI contract actions completed within Federal Standard Time Frames	Efficiency	FY 2020: 93.4% FY 2021: 87% FY 2022: 92%	92%	91.6%
Customer satisfaction with quality and timeliness of IT services	Outcome	FY 2020: Quality 97.76%; Timeliness 96.97% FY 2021: Quality 97.73%; Timeliness 97.30% FY 2022: Quality 97%; Timeliness 95%	Quality: 95%; Timeliness: 95%	Quality: 97.12%; Timeliness: 96.74%
Percent of employees who are satisfied with working at the Smithsonian on annual employee survey	Outcome. Employee satisfaction is a standard indicator of a healthy organization	FY 2020: 85% FY 2021: 82% FY 2022: 78%	80%	79%

## Diversity and Inclusion

We will ensure that diversity, inclusion, cultural awareness, and sensitivity are hallmarks of the Smithsonian Institution.

### Key Performance Indicators – Diversity and Inclusion

Key Performance Indicators	Type	Prior-year data (%)	FY 2023 target	FY 2023 actual
Percent of workforce diversity by race/ethnicity	Output	FY 2020 2021 2022	<u>Meet or exceed</u>	
		Nat Am 1.4 1.3 1.4	<u>DC Metro CLF</u>	Nat Am 1.4
		Asian 6.1 5.9 6.3	<u>standard</u>	Asian 6.3
		NHPI 0.1 0.2 0.1	Nat Am 0.4	NHPI 0.1
		Black 29.1 28.9 29.7	Asian 9.6	Black 29.7
		Hispanic 10.7 10.6 10.9	NHPI 0.1	Hispanic 10.9
			Black 25.4	
	Hispanic 13.2			

## Financial Strength

### Key Performance Indicators – Financial Strength

Key Performance Indicators	Type	Prior-year data	FY 2023 target	FY 2023 actual
Dollar amount of Private Sources: Gifts	Input	FY 2020: \$248 million FY 2021: \$480 million FY 2022: \$320 million	\$265 million	\$361.9 million
Dollar amount of Sponsored Projects Revenue	Input	FY 2020: \$135.7 million FY 2021: \$146 million FY 2022: \$162 million	\$148 million	\$185 million
Dollar amount of Private Sources: Business Revenue	Input	FY 2020: \$109 million FY 2021: \$89 million FY 2022: \$134	\$162.7 million	\$169.7 million