

**UNITED STATES
COMMISSION ON CIVIL RIGHTS**



**PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)
FOR FISCAL YEAR 2023**

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MESSAGE FROM THE CHAIR



I attach the annual Performance and Accountability Report (PAR) for the U.S. Commission on Civil Rights for Fiscal Year 2023. This report reflects the agency’s program and financial performance.

In FY 2023, the Commission held a briefing to assess the federal government’s response to anti-Asian racism in the United States. At this public briefing, Commissioners heard from subject matter experts such as government officials, academics, policy experts, law enforcement professionals, advocates, and impacted persons.

The Commission published two reports. In our statutory report, *The Federal Response to Anti-Asian Racism in the United States*, the Commission examined the federal government’s role in documenting, prosecuting, and preventing hate crimes against persons of Asian descent during COVID-19. *The Contemporary Civil Rights Challenges – A View from the State Advisory Committee* report details the Commission’s survey of SAC members, capturing data on which civil rights issues SAC members believe should be prioritized.

We continue to enhance our engagement with and rely on the work of our Advisory Committees. In FY 2023, our Advisory Committees issued 17 reports and memoranda, conducted 66 fact-finding events, and held 302 planning meetings. Through their fact-finding events and reports, the Advisory Committees covered a broad range of civil rights issues. Both Commission reports this year relied on testimony, findings, and recommendations from the Advisory Committees and recommendations from experts.

In addition to the solid programmatic output during FY 2023, the Commission received an unmodified opinion on the Commission’s Financial Statements. Accordingly, I look forward to continuing effective financial and other management controls at the Commission.

Furthermore, I look forward to building on the Commission’s FY 2023 performance to continue to advance civil rights through effective and comprehensive investigation,

research, and analysis on issues of fundamental concern to the federal government and the public.

A handwritten signature in black ink, appearing to read "Rochelle M. Garza". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rochelle M. Garza
Chair
United States Commission on Civil Rights
November 13, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) section explains our mission, describes our organizational structure, presents performance highlights, analyzes our internal control environment, identifies financial highlights, and discusses the limitation of financial statements.

Mission

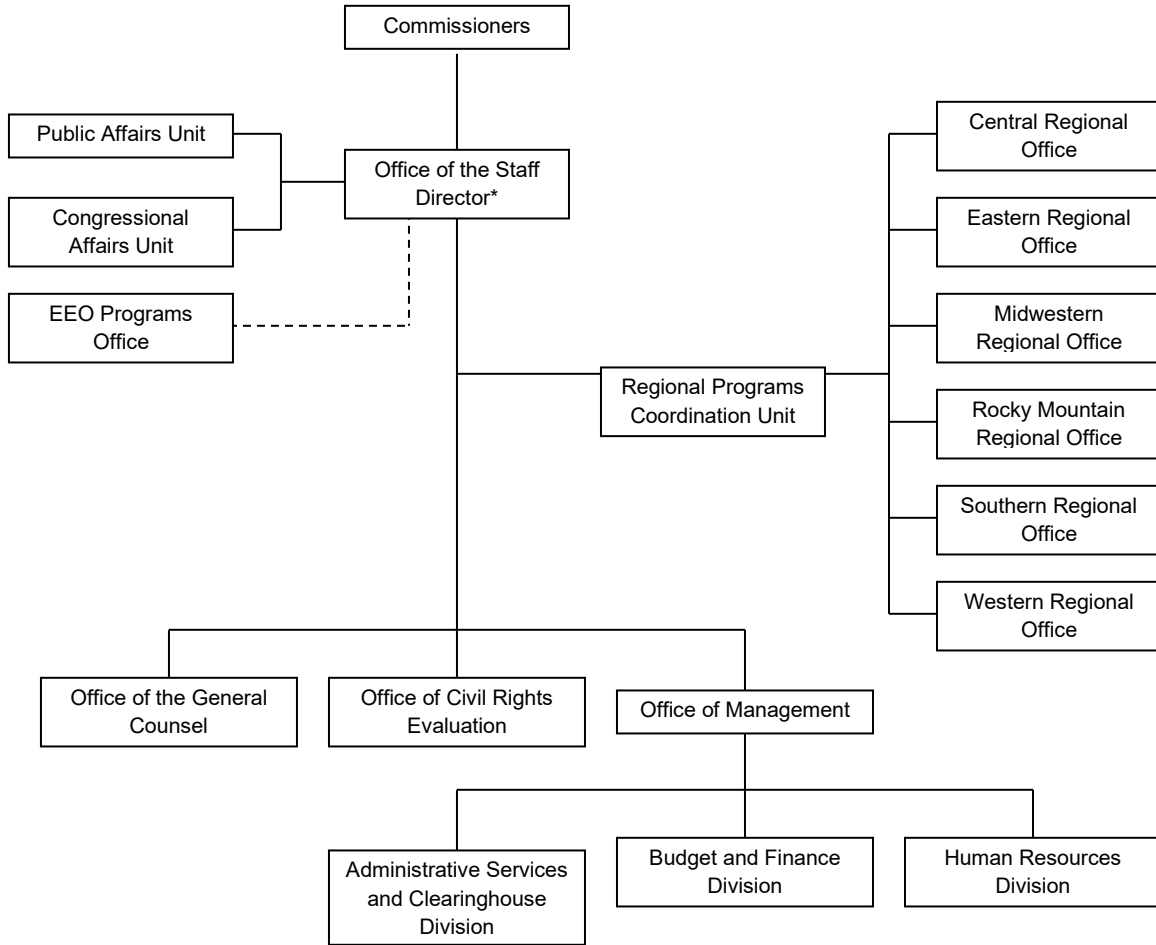
The mission of the United States Commission on Civil Rights is to inform the development of national civil rights policy and enhance enforcement of Federal civil rights laws. The Commission pursues this mission by investigating alleged deprivations of voting rights or allegations of discrimination based on race, color, religion, sex, age, disability, national origin, or in the administration of justice. The Commission also serves as a monitor of effective enforcement of civil rights laws by the Federal government. The Commission is committed to quality research that leads to findings and policy recommendations to inform the President, Congress, and the public on important civil rights issues.

Organization

The Commission is an independent federal agency composed of eight appointed Commissioners whose responsibilities include studying and collecting information relating to discrimination or denials of equal protection of the laws because of color, race, religion, sex, age, disability, or national origin, or in the administration of justice; appraising the laws and policies of the federal government regarding these civil rights issues; serving as a national clearinghouse of information regarding civil rights; and preparing public service announcements and advertising campaigns to discourage discrimination or denials of equal protection. The Staff Director, appointed by the President with the concurrence of a majority of the Commissioners, is the administrative head of the agency. The organizational chart below shows our current structure.

Organizational Structure

U.S. Commission on Civil Rights



* Although current agency regulations describe an "Office of the Deputy Staff Director," the Commission eliminated that office, and the Deputy Staff Director position has been transferred to the Office of the Staff Director.

Headquarters Organization

Descriptions of the key functions for each office and unit are below.

Commissioners

By statute, the Commission is composed of eight Commissioners, not more than four of whom may be of the same political party. The President appoints four Commissioners, the President pro tempore of the Senate appoints two Commissioners, and the Speaker of the House of Representatives appoints two Commissioners. The Commissioners' responsibilities include:

- Investigating allegations of deprivations because of color, race, religion, sex, age, disability, or national origin;
- Investigating allegations of deprivations as a result of any pattern or practice of fraud or of the right of citizens of the United States to vote and have votes counted;
- Studying and collecting information relating to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Making appraisals of federal laws and policies with respect to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Serving as a national clearinghouse for information relating to discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Preparing public service announcements and advertising campaigns to discourage discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, national origin, or in the administration of justice;
- Submitting, at minimum, one report annually that monitors federal civil rights enforcement efforts in the United States; and
- Constituting at least one Advisory Committee for each state and the District of Columbia composed of citizens of that state or district.

The Chair, along with the Staff Director, serves as the Commission's designated spokesperson. In that capacity, the Chair communicates the official position of the Commission. The Commissioners are aided in their work by Special Assistants.

Office of the Staff Director

The Office of the Staff Director (OSD), through the Staff Director, oversees the administrative operation and management of the agency including:

- Disseminating policies established by the Commissioners to staff;
- Recommending program activities and projects for approval by the Commissioners,
- Managing agency-wide performance and evaluating program results;
- Overseeing and coordinating the completion of the agency's substantive civil rights work;
- Ensuring that the budget is executed in a manner consistent with established agency priorities; and
- Serving as the liaison between the Commission and the Executive Office of the President, Congress, and other federal agencies.

Office of the General Counsel

The Office of the General Counsel (OGC) provides the legal expertise and advice required to support our fact-finding and ensure the legal integrity of our written products. This office supports the lawful operation of the agency and advises agency leadership and managers on a range of legal matters. This advice and support may include analyzing proposed legislation, interpreting various laws and regulations, advising on ethics matters and the scope of the agency's jurisdiction, and representing the agency in contractual disputes. The General Counsel and his or her staff also represent the agency in personnel matters, including litigation arising from equal employment discrimination complaints and other employment law issues. In addition, this office may develop concepts for briefings and hearings on civil rights issues and generate related reports for Commissioner review and consideration.

Office of Civil Rights Evaluation

The Office of Civil Rights Evaluation (OCRE) provides the subject matter and analytical expertise required to prepare evaluations of civil rights issues. This office monitors the activities of numerous federal agencies as well as national and regional civil rights trends. Based on information gathered through monitoring and other sources, this office develops concepts for, and conducts, civil rights studies, and other projects, ultimately preparing documents that articulate the Commission's view and concerns regarding federal civil rights. In addition to these functions, this office receives, reviews, and refers civil rights complaints to other agencies for appropriate enforcement action.

Office of Management

The Office of Management (OM) supports all the agency's strategic goals and objectives by ensuring that human and financial capital are available, and administrative support is in place to achieve the agency's mission. The OM provides administrative support to all other Commission offices. Several divisions fall within this office: The Budget and Finance Division, the Human Resources Division, and the Administrative Services and Clearinghouse Division. The Administrative Services and Clearinghouse Division is responsible for information technology, procurement and acquisition, copying, printing, mail and distribution services, and the Rankin National Civil Rights Library.

Congressional Affairs Unit

All staff positions in the Congressional Affairs Unit (CAU) are vacant. The public affairs unit performs the essential responsibilities of the congressional and public affairs units. The CAU serves as our liaison with Congress, responding to requests for specific information, identifying opportunities for our Commissioners and others to provide testimony and information to congressional members and their staff on civil rights matters, and ensuring the distribution of our studies and reports to all members. In addition, when staffed, CAU monitors the legislative activities of Congress and provides support in the conceptualization and production of studies and reports with information gathered via its monitoring activities.

Public Affairs Unit

The Public Affairs Unit (PAU) serves as the public voice of the Commission and ensures that the public knows about our activities and publications. It is also responsible for coordinating and carrying out such activities as briefing reporters, holding press conferences, issuing press releases, arranging press interviews and speaking engagements for Commissioners and approved staff, and monitoring press activity regarding the Commission and civil rights issues. PAU deals directly with the public in responding to inquiries and by attending meetings of civil rights organizations.

Equal Employment Opportunity Programs

The Equal Employment Opportunity (EEO) Program Unit is responsible for the overall management of our equal employment opportunity compliance system. This system provides a means of review and appeal for applicants for employment and employees of the Commission, who believe that they were victims of discrimination based on race, color, age, religion, national origin, sex (including sexual harassment), physical or mental disability, or reprisal in connection with EEO-related activities.

Regional Programs

Regional Programs Coordination Unit

The Chief of the Regional Programs Coordination Unit (RPCU) supervises the activities of the Commission’s regional offices. The Chief of RPCU is responsible for coordinating, monitoring, and reporting on regional activities, and communicating national office policies and priorities to regional offices. The Chief of RPCU also serves as the agency’s Committee Management Officer (CMO) regarding the agency’s public reporting under the Federal Advisory Committee Act (FACA) on its 51 State Advisory Committees and 5 U.S. Territory Advisory Committees.

Regional Activities

Regional Programs Coordination Unit staff provide critical support to the 56 Advisory Committees.

Performance Highlights

The Commission, staff, and advisory committee members have worked hard this year to achieve the goals, objectives, and performance measures set forth in our FY 2022 – FY 2026 Strategic Plan. The Commission achieved most, though not all, of its performance targets established for FY 2023, with shortfalls due to the appointment of four new Commissioners.

The Commission held one briefing in FY 2023 to assess the national state of important civil rights laws:

- The Federal Response to Anti-Asian Racism in the United States.

The Commission published two reports in FY 2023:

- *Contemporary Civil Rights Challenges – A View from the State Advisory Committee, and*
- *The Federal Response to Anti-Asian Racism in the United States.*

The Commission’s Advisory Committees:

- Held 66 fact-finding events;
- Conducted 302 planning meetings; and
- Published 17 reports, memoranda, and statements.

A detailed discussion of each strategic goal, our FY 2023 target performance, and our actual performance are in the section titled “Performance Report.”

Federal Managers' Financial Integrity Act (FMFIA)

OMB Circular A-123, Management's Responsibility for Internal Control and the Federal Managers' Financial Integrity Act (FMFIA) require Federal managers to improve accountability and effectiveness of Federal programs and operations by establishing, assessing, correcting, and reporting on internal controls. Commission management is responsible for establishing and maintaining an effective internal control and financial management system. The Commission's Administrative Instruction 1-13 requires office and division heads to complete an annual self-assessment of internal controls as of June 30 each year.

In FY 2023, all office and division heads completed a self-assessment. Based on this evaluation, the Commission is able to provide a statement of assurance that the internal controls are compliant.

Financial Highlights

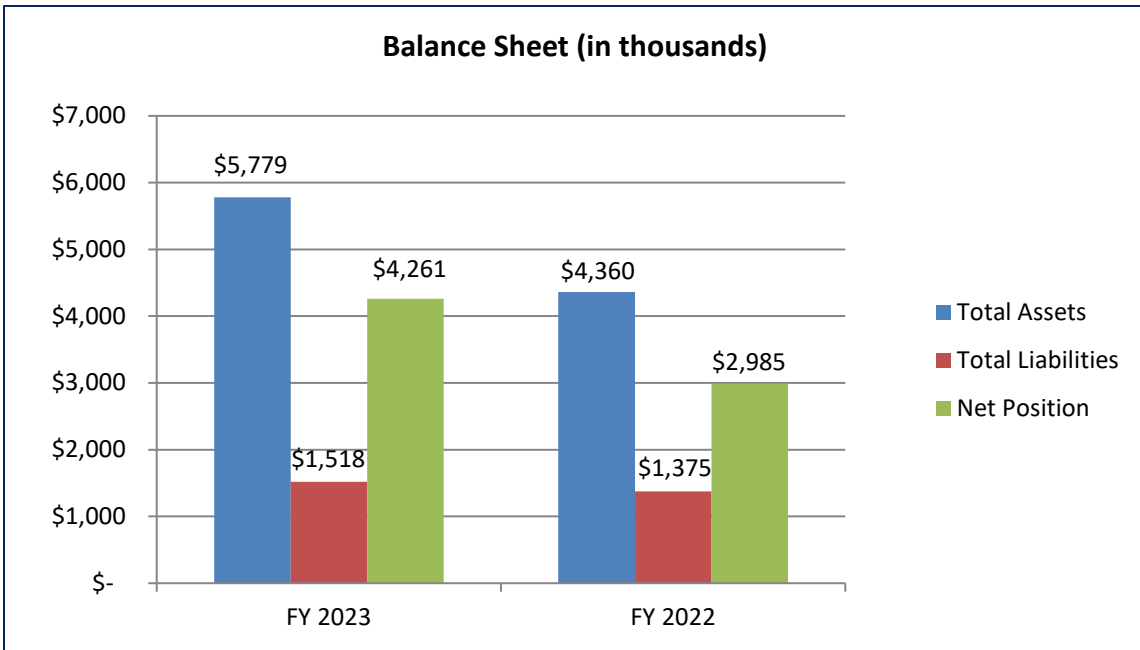
The Commission continues to use the U.S. Department of Agriculture's Office of the Chief Financial Officer Pegasys Financial Services (USDA OCFO) as its accounting shared services provider. USDA OCFO provides a broad range of financial and accounting services including:

- Maintaining the agency's standard general ledger;
- Using a system (Pegasys) that is compliant with federal government standards;
- Generating required financial reports for the Commission; and
- Requiring appropriate documentation of financial transactions prior to payment.

The Commission's FY 2023 financial statements were prepared in accordance with Office of Management and Budget (OMB) Circular A-136. The Commission prepares four financial statements: Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, and Statement of Budgetary Resources.

Balance Sheet

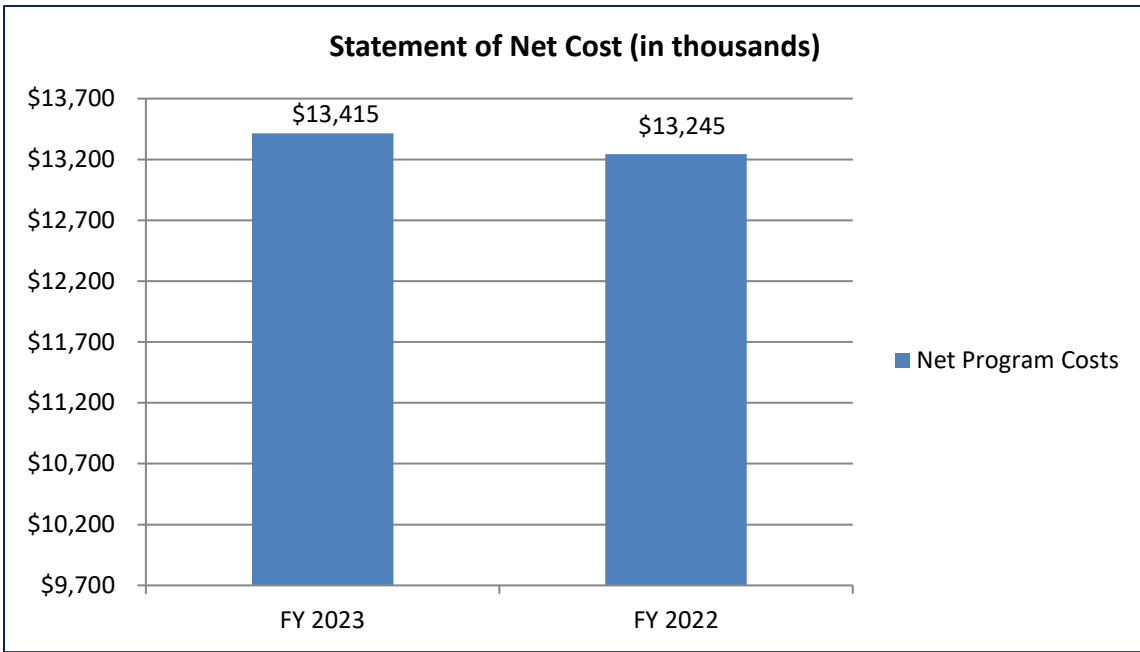
The balance sheet presents amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).



The Commission’s total assets increased from \$4,360,146 in FY 2022 to \$5,779,014 in FY 2023. The Commission’s assets consist of Fund Balance with Treasury (FBWT) with minimal amounts in General Property, Plant, and Equipment. Total liabilities increased from \$1,375,366 in FY 2022 to \$1,517,804 in FY 2023. Net Position increased from \$2,984,780 in FY 2022 to \$4,261,210 in FY 2023.

Statement of Net Costs

The Statement of Net Cost presents the annual cost of operating the Commission’s programs.

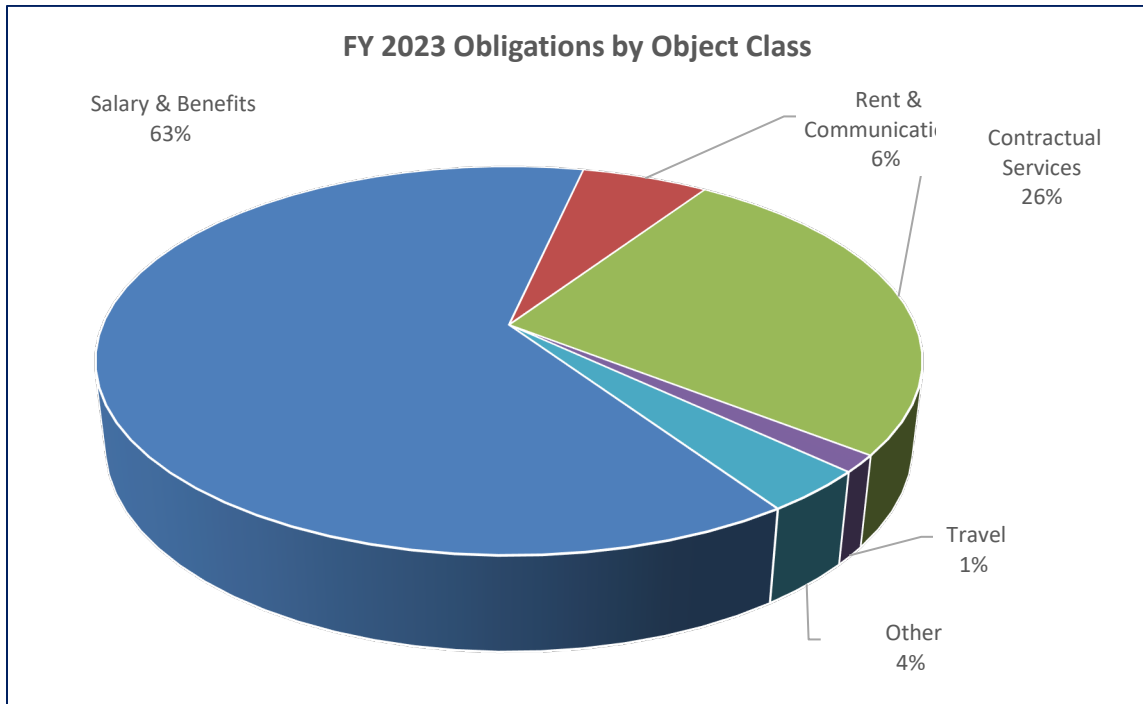


The Commission’s net cost of operation increased from \$13,245,315 in FY 2022 to \$13,414,706 in FY 2023.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the sources of budgetary resources and their status at the end of the period. The Commission received \$14,350,000 in new budgetary authority in FY 2023. The Total Budgetary Resources and Status of Budget Resources increased from \$14,074,120 in FY 2022 to \$15,673,201 in FY 2023.

Resources by Major Object Class



During FY 2023, the Commission obligated \$13,892,029 of its FY 2023 appropriation of \$14,350,000. Salary and Benefits, Other Contractual Services, and Rent and Communications consume 95 percent of the Commission's obligations. The remaining 5 percent consists of travel, printing, supplies, equipment, and other miscellaneous items.

Limitations on Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 U.S.C. 3515 (b). The statements are prepared from the records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

Management Statement of Assurance

The U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission can provide reasonable assurance that its internal controls over financial reporting as of September 30,

2023, were operating effectively in the design or operation of the internal control over financial reporting.

Statements of Assurance: Federal Managers' Financial Integrity Act, OMB Circular A-123, and the Federal Financial Managers Improvement Act of 1996

The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2023, were operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal controls over financial reporting as of September 30, 2023.

The performance and financial data contained in this report, to the best of my knowledge, are complete and reliable.



Mauro Morales
Staff Director
United States Commission on Civil Rights
November 13, 2023

PERFORMANCE REPORT

Our agency performs an important role in identifying emergent civil rights trends and evaluating federal agency civil rights enforcement programs. Our agency's strategic plan articulates the Commission's vision for executing our vital mission from FY 2022 through FY 2026. The plan contains three long-term strategic goals. Associated with each of these goals are one or more objectives or specific statements of what we plan to accomplish.

Our FY 2023 annual performance plan includes performance goals and targets that support the accomplishment of our strategic objectives. Below, we describe our FY 2023 annual performance targets. We evaluate and report our performance using these categories: Met and Not Met.

Reliability of Performance Data

To ensure that the Commission's FY 2023 Performance Report is complete and reliable, the Commission identifies, verifies, and validates the sources of data used to assess performance measures. The Commission's staff verifies and validates that data to ensure that the information is accurate and complete. Agency senior leadership reviews the report for completeness and accuracy.

Strategic Goal A: The Commission will function as a monitor of effective federal enforcement of civil rights laws and inform national civil rights laws and policy. Advisory Committees aid the Commission in this endeavor.

This fiscal year we met 60 percent of Strategic Goal A performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

Objective 1: The Commission will assess the national state of important civil rights issues.

The Commission plans to achieve this objective by using the following strategies: 1) the Commission will determine civil rights issues of national significance on which to conduct informative briefings and/or hearings; and 2) the Commission will keep the Advisory Committees engaged with the Commission's investigative projects.

Strategy A.1.1 - The Commission will determine civil rights issues of national significance on which to conduct informative briefings and/or hearings.	FY 2023 Target	FY 2023 Results
A.1.1.1 - The Commission will develop proposals and investigative plans to conduct investigations into civil rights issues of national significance.	Two new projects	Not Met
A.1.1.2 - The Commission will hold at least two briefings and/or hearings each year.	Two briefings and/or hearings	Not Met

Performance Measure A.1.1.1

The Commission develops proposals and investigative plans to investigate civil rights issues of national significance. In FY 2023, the Commissioners did not approve any new topics.

Performance Measure A.1.1.2

In FY 2023, we held one public briefing.

The Federal Response to Anti-Asian Racism in the United States

On March 24, 2023, the Commission held an in-person public briefing on the federal government’s response to anti-Asian racism in the United States. The Commission’s investigation seeks to examine the federal government’s role in documenting, prosecuting, and preventing hate crimes against persons of Asian descent during the COVID-19 pandemic. The investigation will also include background and historical perspectives of Asian immigration in the U.S.; anti-Asian immigration laws and changes to immigration laws for persons of Asian descent; and misperceptions and stereotypes of Asian immigrants and Asian Americans. At this public briefing, Commissioners heard from subject matter experts such as government officials, academics, policy experts, law enforcement professionals, advocates, and impacted persons.

Video of the briefing, including the expert panels and open comment period, along with written statements submitted to the Commission from invited experts and members of the public, can be viewed on our website here:

<https://www.usccr.gov/meetings/2023/03-24-federal-response-anti-asian-racism-united-states>

Strategy A.1.2 - The Commission will keep the Advisory Committees engaged with the Commission’s investigative projects.	FY 2023 Target	FY 2023 Results
A.1.2.1 - The Commission will keep Advisory Committees apprised of investigative priorities so that Advisory Committees can determine whether there is any beneficial overlap or alignment in their agenda setting.	Include relevant Advisory Committee reports in Commission Reports	Met
A.1.2.2 - The Staff Director or Commissioners will attend (telephonically or in-person) Advisory Committee briefings or meetings in order to maintain the connection between headquarters and the Committees.	Three Meetings	Met

Performance Measure A.1.2.1

The Commission keeps Advisory Committees apprised of the Commission’s investigative priorities allowing Advisory Committees to decide whether to align their work with the Commission’s. The Commission used Advisory Committees’ testimony, findings, and recommendations in both reports issued in FY 2023.

Performance Measure A.1.2.2

Commissioners attended multiple Advisory Committee meetings.

Objective 2: The Commission will publish reports, letters, and statements on important civil rights issues, following investigation and as informed by research, and distribute them to the President, Congress, and the American people.

The Commission plans to achieve this objective by using the following strategy: The Commission will continuously monitor the state of civil rights and issues of national significance and use its expertise to report its policy recommendations.

Strategy A.2.1 - The Commission will continuously monitor the state of civil rights and issues of national significance and use its expertise to report its policy recommendations.	FY 2023 Target	FY 2023 Results
A.2.1.1 - The Commission will issue reports, including its annual statutory enforcement report, to inform its stakeholders of policy recommendations.	Two reports	Met
A.2.1.2 - The Commission will issue statements and letters on current civil rights events and issues of concern.	Five statements and/or letters	Not Met

Performance Measure A.2.1.1

The Commission issued the following reports to inform Commission stakeholders of policy recommendations:

Contemporary Civil Rights Challenges – A View from the State Advisory Committee

This report, collected before the establishment of four of five territorial advisory committees, details the Commission’s survey of SAC members, capturing data on which civil rights issues SAC members believe should be prioritized. Pursuant to 42 U.S.C. § 1975a(d), the Commission maintains 56 independent State Advisory Committees (SACs), with one in each state, the District of Columbia, and the five territories –Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands and American Samoa –and comprised of appointed expert members who advise and assist the Commission with investigations at the state, local, and territory level.

Some of the key conclusions in the report include that, of the eight areas of civil rights that fall within the Commission’s jurisdiction, 24.4 percent of the survey respondents rank race/color as currently the area of highest importance, followed by 23 percent who rank the administration of justice as highest, and 16.4 percent who rank education as the highest importance. High priority civil rights topics included voting rights as the lead priority, with 29 percent of respondents indicating it as the current topic with the highest importance, followed by freedom of expression, criminal justice, and civil rights violations and enforcement.

The report is available at the following website: <https://www.usccr.gov/files/2022-11/advisory-committe-report-final-11.17.22.pdf>

The Federal Response to Anti-Asian Racism in the United States

Since the start of the COVID-19 pandemic, there has been a troubling number of incidents stemming from anti-Asian animus, many rising to the criminal level which has caused substantial concerns surrounding hate crimes and discrimination against persons of Asian descent in the United States. As a result, this report marks the second time the Commission has examined the rise of anti-Asian racism and discrimination in its 65-year history.

In May 2021, the Commission urged the Administration to address anti-Asian racism and xenophobia, emphasizing that scapegoating Asian communities is not a new phenomenon. These harmful stereotypes have persisted since the 19th Century, when Asian immigrants were unjustly labeled the “Yellow Peril.” Media, medical journals, and government officials propagated the false ideas that Asians were “dirty, diseased, sinister, sexually depraved, invasive, and perpetually foreign.” These stereotypes have also fueled violence against Asian communities, such as the 1980s “Dotbusters” attacks on South Asians in

New Jersey and the post-9/11 hate crimes in New York City, which marked one of the FBI’s highest reported hate crime numbers since 1992.

In October 2022, as a response to increased reports of anti-Asian hate crime and bias-motivated incidents, the Commission voted to investigate the federal government’s role in combating these incidents. This report examines three main areas: 1) national trends and data regarding the rise of hate incidents and hate crimes against members of Asian communities; 2) local and state law enforcement’s prevention and reporting practices regarding hate crimes; and 3) federal efforts and policies that encourage greater participation in reporting hate crime incidents, as well as prosecution and enforcement efforts to prevent hate crimes.

The report emphasizes the importance of not only acknowledging the issue but also taking concrete actions to protect the rights and well-being of Asian Americans and Pacific Islanders across the nation. This report is bolstered by this Commission’s specific findings and recommendations (agreed upon by a bi-partisan majority), that will accompany the report for the first time since 2019.

The report is available at the following website: https://www.usccr.gov/files/2023-09/fy-2023-se-report_0.pdf

Performance Measure A.2.1.2

During FY 2023, the Commission did not issue five statements and letters on current civil rights events and issues of concern.

Objective 3: The Commission’s Advisory Committees as a group will hold briefings and meetings on civil rights concerns in their jurisdiction and issue publications on their concerns, providing recommendation for action on those issues.

The Commission plans to achieve this objective by using the following strategies: 1) the Commission will maintain all 56 Advisory Committees; and 2) the Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.

Strategy A.3.1 - The Commission will maintain all 56 Advisory Committees.	FY 2023 Target	FY 2023 Results
A.3.1.1 - The Commission will ensure that each Advisory Committee is promptly appointed after expiration.	90% currently appointed Advisory Committees	Not Met

Performance Measure A.3.1.1

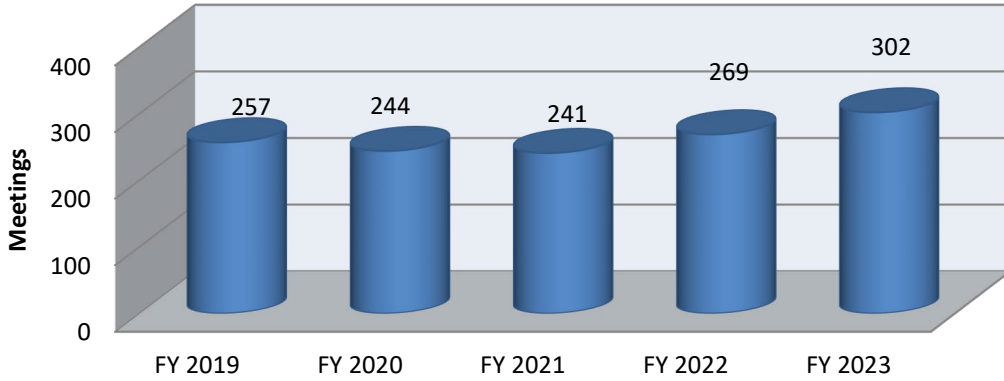
The Commission’s Advisory Committees operate in compliance with the Federal Advisory Committee Act (FACA). FACA requires that agencies file federal advisory committee charters every two years. The charter for all advisory committees is current. Commissioners appoint members to advisory committees based on the Staff Director’s recommendations. Currently, 37 of 56 or 66 percent of the Commission’s Advisory Committees have appointed members. The Commission is working diligently to appoint members to all committees.

Strategy A.3.2 - The Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.	FY 2023 Target	FY 2023 Results
A.3.2.1 - Advisory Committees will develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction.	Ten meetings	Met
A.3.2.2 - Advisory Committees will hold briefings, public forums, or another mechanism.	Five briefings or hearings	Met
A.3.2.3 - Advisory Committees will publish reports, statements, memoranda, or other publications to provide policy recommendations to the Commission.	Five publications	Met

Performance Measure A.3.2.1

Advisory Committees develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction. During FY 2023, Advisory Committees held 302 planning meetings.

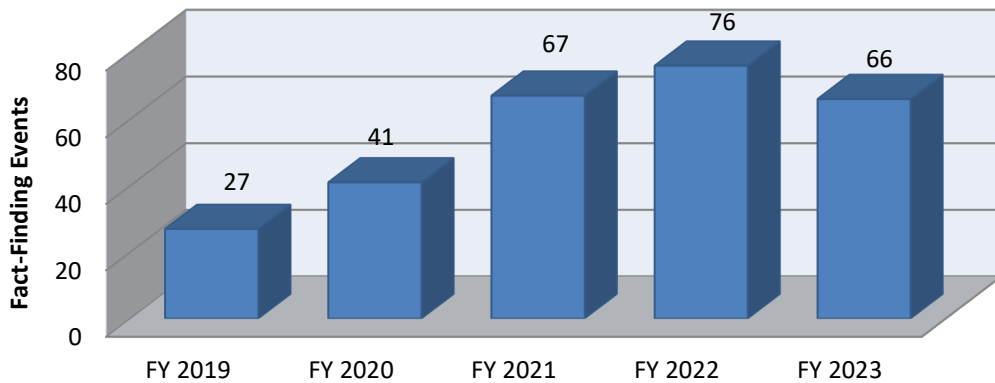
Regional Office Planning Meetings



Performance Measure A.3.2.2

Advisory Committees hold briefings and meetings to conduct investigations into civil rights issues. During FY 2023, Advisory Committees held 66 fact-finding events.

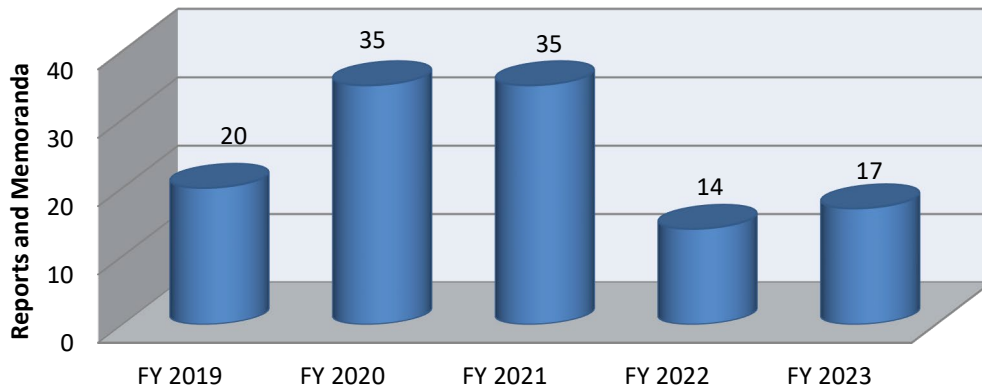
Regional Office Fact-Finding Events



Performance Measure A.3.2.3

Advisory Committees, with the support of regional staff, publish reports, statements, and memoranda. In FY 2023, Advisory Committees published 17 reports, statements, and memoranda.

Advisory Committee Reports and Memoranda



Advisory Committees published the following reports, memoranda, and statements:

State Advisory Committees published the following reports, memoranda, and statements:

Mental Health Care in the Juvenile Justice System in Texas

The Texas Advisory Committee to the U.S. Commission on Civil Rights issued a memorandum about abuse and mistreatment within the Texas Juvenile Justice system. The Committee heard and will continue to hear expert testimony from individuals, organizations, and professionals with specific and intimate knowledge of the conditions and challenges, especially with respect to mental health disparities and denial of the civil rights of those confined within these facilities. Those testimonies have raised several concerns about: (1) access to mental health resources for youth confined in TJJJ facilities; (2) the ability for them to report abuse, mistreatment, and denial of rights in a safe, private manner and without fear of repercussion; (3) and the overall state and effectiveness of these facilities in their current form. The Committee urges Texas Governor Greg Abbott, Lt. Gov. Dan Patrick, Speaker Dade Phelan, and members of the Texas Legislature tasked with oversight of state facilities, to move expeditiously in identifying the issues within the Texas

Juvenile Justice system and resolve them in a manner that protects the rights of those in state custody.

The report, memorandum or statement is available at the following website:

<https://www.usccr.gov/files/2022-10/interim-memo-tx-sac-.pdf>

Civil Asset Forfeiture and its Impact on Communities of Color in Georgia

The Georgia Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding civil asset forfeiture and its impact on communities of color in Georgia. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference on March 10, May 10, August 2, and August 4, 2021. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns regarding state and federal civil asset forfeiture and its disproportionate impact on communities of color. Specifically, the Committee sought to examine the extent to which civil asset forfeiture practices in Georgia may have a disproportionate and discriminatory impact on the basis of race, color, or national origin.

The report, memorandum or statement is available at the following website:

https://www.usccr.gov/files/2022-11/2022_civil-asset-forfeiture-in-ga_report.pdf

Interim Memorandum on Access to Voting in Tennessee

The Tennessee Advisory Committee to the U.S. Commission on Civil Rights issued a memorandum on access to voting. The Committee voted to examine whether certain voting laws, policies, or practices in Tennessee inappropriately restrict the exercise of voting or create unjustifiable barriers to voting, causing a disparate impact on people within one or more protected classes. The Committee called upon a variety of stakeholders and prioritizes diverse perspectives. The Committee did not hear testimony on the constitutional requirements of state or federal voting practices. The presentations made by panelists in testimony to the Committee warrant further investigation by the Committee in its deliberative process. The Committee's memorandum offers preliminary observations and recommendations to provide context for assessing the impact of voting procedures and to better ensure access to the ballot for all Tennesseans.

The report, memorandum or statement is available at the following website:

https://www.usccr.gov/files/2022-11/interim-memorandum-on-access-to-voting-in-tennessee_0.pdf

Seizing Property: Civil Asset Forfeiture in South Carolina

The South Carolina Advisory Committee to the U.S. Commission on Civil Rights issued a report on civil asset forfeiture in South Carolina as part of its responsibility to study and report on civil rights issues in the state. Civil asset forfeiture is a practice that allows law enforcement agencies to seize money or property—including bank accounts, real estate, and other personal property—if the person is suspected of being involved in criminal activity. Such seizures often take place regardless of whether the owner of the property has been convicted of—or is ever even charged with—committing a crime. In South Carolina civil asset forfeiture has few procedural safeguards or meaningful limitations to protect the due process rights of the state’s residents. Because civil asset forfeiture necessarily includes seizures of personal property, affords citizens reduced procedural protections compared with criminal proceedings, and disproportionately impacts people of color, the Committee recommends that protective measures be put in place to ensure equal, equitable, and fair administration of justice.

The report, memorandum or statement is available at the following website:

<https://www.usccr.gov/files/2022-11/sc-sac-asset-forfeiture-report.pdf>

Examining Equal Access to Post-Secondary Education in Illinois

The Illinois Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding access to post-secondary education. The focus of the Committee’s inquiry was to examine which factors impact access to post-secondary education, and which protected communities are most affected in Illinois. Additionally, the Committee sought to consider the efficacy of current accountability and compliance structures; the role such measures may play in ensuring equal protection of the laws; and work to identify “gaps” or continued areas of concern where additional accountability structures or protections may be warranted. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference on February 22, 2022; March 22, 2022; and May 31, 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil rights concerns. This report is intended to focus on civil rights concerns regarding access to post-secondary education. Specifically, the Committee sought to examine barriers to access and to determine if current federal civil rights protections are sufficient to ensure access to post-secondary education.

The report, memorandum or statement is available at the following website:

<https://www.usccr.gov/files/2022-12/illinois-advisory-committee-report.pdf>

Civil Rights Implications of Policing

The Minnesota Advisory Committee to the U.S. Commission on Civil Rights issued a report detailing civil rights concerns associated with police practices in Minnesota. There will be no end to disparate policing, and the accompanying resentment in the community, until sufficient data can be collected to better inform both policymakers and the people who elect them. Disparate policing is abusive on many levels, affecting the individuals involved, reopening unhealed wounds left by historical injustices, and reminding entire communities that their lives do not matter. The Committee found that the lack of political will at all levels of government to enforce the limits on police conduct is the major impediment to meaningful change that would address the Constitutional violations identified in this report. The committee made numerous recommendations including the need for comprehensive use-of-force training and training in de-escalation techniques.

The report, memorandum or statement is available at the following website:

<https://www.usccr.gov/files/2022-12/mn-policing-report-11.2022.pdf>

IDEA Compliance and Implementation in Arkansas

The Arkansas Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding IDEA Compliance and Implementation in Arkansas Schools. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference on June 4, 2021, August 6, 2021, November 5, 2021, December 10, 2021, and March 4, 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil rights concerns. This report is intended to focus on civil rights concerns regarding IDEA Compliance and Implementation in Arkansas Schools. Specifically, the Committee sought to examine the extent to which the provision of services to students with disabilities in Arkansas has resulted in disparities in both access and effectiveness based on race, color, sex, national origin, or religion.

The report, memorandum or statement is available at the following website:

https://www.usccr.gov/files/2023-01/2023_idea-compliance-and-implementation-in-ar.pdf

Examining Employment Discrimination and Administrative Closures

The Iowa Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding employment discrimination and administrative closure of discrimination complaints. The contents of this report are primarily based on testimony the Committee

heard during public meetings held via videoconference on April 1, 2022; May 13, 2022; and June 6, 2022. The Committee also includes related testimony and other supplemental information submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns regarding administrative closures, fair practices, and due process. Specifically, the Committee sought to consider the impact of the Iowa Civil Rights Commission's screening process in developing an accurate record from which an impartial decision can be made; if its screening process comports with traditional notions of due process, such as the right to view, respond and question adverse evidence; and potential improvements for consideration.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-02/iowa-report-on-examining-employment-discrimination-and-administrative-closures.pdf>

The Civil Rights Implications of Algorithms in Connecticut

The Connecticut Advisory Committee to the U.S. Commission on Civil Rights issued a memorandum on the civil rights implications of algorithms used by the state of Connecticut. The Committee held an in-person briefing at the Legislative Office Building in Hartford and convened three virtual briefings. The presentations focused on defining algorithms; how algorithms may create or perpetuate discrimination; the current use of algorithms by government agencies; and regulatory approaches to address bias and discrimination. Based on the testimony the Committee heard and additional research conducted, the Committee is concerned that algorithms and the use of computers for decision making may limit individuals' opportunities such as for employment or credit; prevent access to critical resources or services such as housing; reflect and reproduce existing inequities in highly policed neighborhoods; and/or embed new harmful bias and discrimination though inaccurate language translation for example. The preliminary recommendations call for transparency and accountability in the use of algorithms and suggest guardrails to help ensure this technology does not negatively affect the public, and in particular does not have a negative disparate impact on people with lower income and people of color.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-02/ct-sac-memo-on-algorithms.pdf>

Indigent Legal Services for Criminal Defendants in Maine

The Maine Advisory Committee to the U.S. Commission on Civil Rights issued a memorandum examining whether Maine’s lack of a robust public criminal defender system impacts the civil rights of indigent criminal defendants. The Committee received testimony on three occasions in 2022, from impacted individuals, advocates, academics, and government officials familiar with Maine’s system for providing public defense. Recent articles highlight that the Maine Legislature is currently receiving proposals to fund Maine’s system of indigent legal service provision at levels far below what the Committee heard would be necessary for Maine to provide effective legal counsel and meaningful defense against prosecution. Based on the evidence we received, we initially conclude that Governor Mills’ 2023 budget proposal is far below the funding levels necessary for effective legal counsel and meaningful defense. The Committee recommends that Maine’s Legislature provide funding at the minimum level recommended by the Maine Commission on Indigent Legal Services to ensure enough provision for effective legal services.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-04/interim-memo-me-sac-3.28.23.pdf>

The Civil Rights Implications of Algorithms

The Connecticut Advisory Committee to the U.S. Commission on Civil Rights issued a report on the civil rights implications in the use of algorithms. The Committee previously issued an interim memorandum on the issue. The Committee held an in-person briefing at the Legislative Office Building in Hartford and convened three virtual briefings. The presentations focused on defining algorithms; how algorithms may create or perpetuate discrimination; the current use of algorithms by government agencies; and regulatory approaches to address bias and discrimination. Based on the testimony the Committee heard and additional research conducted, the Committee is concerned that algorithms and the use of computers for decision making may limit individuals’ opportunities such as for employment or credit; prevent access to critical resources or services such as housing; reflect and reproduce existing inequities in highly policed neighborhoods; and/or embed new harmful bias and discrimination through inaccurate language translation for example. The report provides the Committee’s findings and recommendations directed at the state legislature and state agencies.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-04/ct-sac-algorithm-report.pdf>

Mental Healthcare in the Texas Juvenile Justice System

The Texas Advisory Committee to the U.S. Commission on Civil Rights issued a report on mental health care in the Texas Juvenile Justice Department. In recent years, allegations of

civil rights violations, state and federal investigations, and reports of abuse and mistreatment have plagued the Texas Juvenile Justice Department. In response, the Committee determined to examine the mental health care provided in these facilities and other potential civil rights issues. The Committee heard expert testimony from individuals, organizations, and professionals with specific knowledge of and experience with the conditions and challenges. Given the in-custody death of an individual who contributed to the Committee's research and given that the Committee had concluded the fact-finding period of its inquiry, the Committee felt compelled to release an expedited, but abbreviated, report of its findings. The report provides findings and recommendations to address systemic inadequacies in mental health care in the Texas Juvenile Justice System.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-05/texas-interim-report-mental-healthcare-in-tjjd-.pdf>

Police Oversight and Accountability in Virginia

The Virginia Advisory Committee to the U.S. Commission on Civil Rights issued a report on police oversight and accountability measures in Virginia. The contents of this report are primarily based on testimony the Committee heard during a series of eight public meetings held via videoconference between July of 2021 and May of 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns regarding police oversight and accountability in the Commonwealth. Specifically, the Committee sought to examine the role current accountability structures have in ensuring equal protection of the laws and in the administration of justice, and the impact they may have on any disparities in police contact and use of force based on race, color, sex, disability, and national origin.

The report, memorandum or statement is available at the following website:
https://www.usccr.gov/files/2023-07/police-accountability-va-sac-report-2023_with-concurrence.pdf

Voting Rights and Access in South Dakota

The South Dakota Advisory Committee to the U.S. Commission on Civil Rights issued a report on voting rights and access in South Dakota for South Dakota's Tribal, disability, and New American immigrant communities. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference on July 27, 2022; September 12, 2022; September 26, 2022; October 17, 2022; and November 14, 2022. The Committee also includes related testimony submitted in writing during the

relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on voting rights and access in South Dakota. Specifically, the Committee sought to examine whether certain voting laws, policies, or practices in South Dakota restrict the exercise of voting or create barriers to voting without justification causing a disparate impact on individuals on the basis of race, color, national origin, or disability for South Dakota's Tribal, disability, and New American immigrant communities.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/reports/2023/voting-rights-and-access-south-dakota>

Affirmatively Furthering Fair Housing: An Analysis of Fair Housing Access & Zoning Practices in Pennsylvania

The Pennsylvania Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding fair housing and zoning practices in Pennsylvania. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference between March and November 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns regarding fair housing in Pennsylvania. Specifically, the Committee sought to examine the impact of zoning laws, municipal nuisance and crime-free housing ordinances, and related fair housing concerns on disparities based on race, color, disability status, national origin, age, religion, sex and/or familial status.

The report, memorandum or statement is available at the following website:
https://www.usccr.gov/files/2023-07/pa_advisory_committee_report-fair-housing.pdf

Civil Rights and Equity of Legal Financial Obligations in North Carolina

The North Carolina Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding Civil Rights and Equity of Legal Financial Obligations. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference in 2020 and 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for

addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns specifically regarding post-conviction legal financial obligations.

The report, memorandum or statement is available at the following website:
<https://www.usccr.gov/files/2023-08/nc-lfo-report.pdf>

Report on Voting Rights in Florida Following Recent Amendments to the Election Code

The Florida Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding recent changes to Florida’s election code and related civil rights impacts. The contents of this report are primarily based on testimony the Committee heard during public meetings held via videoconference on March 28, April 29, and September 14, 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. This report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil-rights concerns. This report is intended to focus on civil-rights concerns regarding state voting procedures and recent related statutory changes. Specifically, the Committee sought to examine the extent to which recent changes to the state election code may have a disproportionate and/or discriminatory impact on voting rights based on race, color, or national origin.

The report, memorandum or statement is available at the following website:
https://www.usccr.gov/files/2023-09/fl-voting-rights-update-report_2023.pdf

Strategic Goal B: The Commission will serve as a national clearinghouse to inform and raise awareness on civil rights issues amongst the public.

This fiscal year we met 75 percent of Strategic Goal B performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

Objective 1: The Commission will keep the public apprised of historical and current civil rights issues.

The Commission plans to achieve this objective by using the following strategy: the Commission will routinely host public speakers to share their experience and expertise on historical and current civil rights issues.

Strategy B.1.1 - The Commission will routinely post to social media to keep the public informed on civil rights historical events.	FY 2023 Target	FY 2023 Results
B.1.1.1 – Increase engagement with the Commission’s social media accounts as seen through analytic tracking	Increase social media activity	Met

Performance Measure B.1.1.1

Overall metrics for the Commission’s social media platforms increased and were at their highest levels since tracking began in 2020. Combined impressions for Twitter, Facebook, LinkedIn, and Instagram (added in February 2023) were 314,500. Commission social media platforms also grew an audience base of 9,957 individuals. These factors led to an overall increase in social media activity across all platforms for the Commission.

Objective 2: The Commission will keep the public and individual Advisory Committees apprised of both the Commission’s and Advisory Committees’ investigations, fact-finding activities, reports, and other publications.

The Commission plans to achieve this objective by using the following strategies: 1) Use press outreach, social media, and newsletters to reach more individuals, improve participation at events, and increase awareness of Commission and Advisory Committees activities; and 2) increase access to Commission briefings, hearings, and business meetings.

Strategy B.2.1 - Use press outreach, social media, and newsletters to reach more individuals, improve participation at events, and increase awareness of Commission and Advisory Committees activities	FY 2023 Target	FY 2023 Results
B.2.1.1 – The Commission will regularly publicize Commission and Advisory Committee investigations, fact-finding activities, reports, and other publications.	Newsletters, press releases, and social media posts	Met

Performance Measure B.2.1.1

The Commission significantly increased their email traffic by continuing to build upon the Advisory Committee communications added to our Constant Contact platform in 2022. Of which, 90 emails were sent over the course of FY2023. Of those 90 – 67 were related to Advisory Committee activities. Additionally, the Commission saw an increase in activity

due to monthly newsletters being sent to Commission followers with all Commission activities, including that of the Commission on the Social Status of Black Men and Boys. Overall, emails were sent to 117,210 individuals over the 12-month time span. The open rate for emails overall was 41 percent, which is well over the industry standard of 10 percent.

Strategy B.2.2 - Increase access to Commission briefings, hearings, and business meetings	FY 2023 Target	FY 2023 Results
B.2.2.1 - The Commission will use technology, including live streaming, phone lines, and social media, to provide immediate public access to its meetings, briefings, publications, and other activities.	Two live streamed events	Met

Performance Measure B.2.2.1

The Commission uses technology to provide the public with access to its meetings, briefings, publications, and other activities. During FY 2023, the Commission conducted two briefings. The public can view the video for these events following website: <https://www.youtube.com/user/USCCR> The Commission also provides a call-in line for individuals to listen to the Commission’s telephonic business meetings. In FY 2023, the Commission held seven telephonic business meetings. The Commission advises the public of its meetings and briefings through its web page, press releases, Twitter, and Facebook.

Objective 3: Elevate the public profile of the Commission as a national authority on civil rights issues.

The Commission plans to achieve this objective by using the following strategy: Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues.

Strategy B.3.1 - Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues	FY 2023 Target	FY 2023 Results
B.3.1.1 - Ensure that the Chair or other designated spokesperson speaks directly to the public about civil rights	Two speaking engagements with national reach in the fiscal year	Not Met

Performance Measure B.3.1.1

Since the position of the Chair was vacant for most of the fiscal year, the Commission was unable to achieve this goal. Chair Garza assumed the position on July 21, 2023.

Strategic Goal C: The Commission will continue to strengthen the Commission’s financial and operational controls and advance the Commission’s mission through management excellence, efficiency, and accountability.

This fiscal year we met 100 percent of Strategic Goal C performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

Objective 1: The Commission will strengthen its human resources, financial, budget, and performance policy, procedures, and reports.

The Commission plans to achieve this objective by using the following strategies: 1) align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan; 2) monitor and report on the Commission’s progress in achieving its annual performance plan goals and objectives; 3) Ensure the agency has a highly skilled and flexible workforce to carry out its mission; and 4) conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.

Strategy C.1.1 - Align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan.	FY 2023 Target	FY 2023 Results
C.1.1.1 - Compliance with OMB Circular A-11.	Budget is compliant with OMB Circular A-11	Met

Performance Measure C.1.1.1

The Commission’s budget submissions were aligned with its strategic plan and annual performance plan and compliant with OMB Circular A-11.

Strategy C.1.2 - Monitor and report on the Commission’s progress in achieving its annual performance plan goals and objectives.	FY 2023 Target	FY 2023 Results
C.1.2.1 - Submit a Performance and Accountability Report that adheres to all relevant guidance.	PAR adheres to relevant guidance.	Met

Performance Measure C.1.2.1

The Commission’s Performance and Accountability Report adheres to all relevant guidance.

Strategy C.1.3 – Ensure the agency has a highly skilled and flexible workforce to carry out its mission.	FY 2023 Target	FY 2023 Results
C.1.3.1 - Implementation of Commission’s Recruitment and Hiring Plan and Office of Personnel Management’s program, strategies, and initiatives.	Implement the Commission’s and OPM’s hiring initiatives	Met

Performance Measure C.1.3.1

The Commission continues to implement the Commission’s and OPM’s hiring initiatives.

Strategy C.1.4 - Conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.	FY 2023 Target	FY 2023 Results
C.1.4.1 - Results of the Employee Satisfaction surveys	Increase response rate in one or more categories	Met

Performance Measure C.1.4.1

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. It allows the Commission’s employees to share their opinions about what matters most to them and enables them to let their leadership know how they feel about their job, their supervisor, and their agency. In the FY 2023 Employee Viewpoint, the Commission’s Global Satisfaction went from 69 percent to 73

percent. The Commission’s Employee Experience rating is 87 percent, well above the governmentwide average of 73 percent.

Objective 2: The Commission will strengthen its information technology infrastructure and security.

The Commission plans to achieve this objective by using the following strategies: 1) comply with federal information security requirements, 2) leverage information technology to enhance the productivity and efficiency of the workforce, and 3) establish a modern and scalable network infrastructure.

Strategy C.2.1 - Comply with federal information security requirements	FY 2023 Target	FY 2023 Results
C.2.1.1 - Conduct an annual FISMA Audit	FISMA Audit	Met

Performance Measure C.1.2.1

The Commission conducted its annual FISMA Audit.

Strategy C.2.2 - Leverage information technology to enhance the productivity and efficiency of the workforce.	FY 2023 Target	FY 2023 Results
C.2.2.1 - Compliance with OMB Cloud Computing initiatives.	Compliant with Cloud Computer Initiatives	Met

Performance Measure C.2.2.1

The Commission is compliant with OMB Cloud Computing initiatives.

Strategy C.2.3 – Establish a modern and scalable network infrastructure.	FY 2023 Target	FY 2023 Results
C.2.3.1 - Compliance with OMB memo M-21-07, “Completing the Transition to Internet Protocol Version 6 (IPv6) Cloud Computing initiatives.	All new networked Federal information systems will be IPv6-enabled at the time of deployment, and USCCR will begin phasing out the use of IPv4.	Met

Performance Measure C.2.2.1

The Commission is working towards compliance with OMB M-21-07 Completing the Transition to Internet Protocol Version 6. All new networked Federal information systems are IPv6 enabled at the time of deployment.

Other Information Related to Annual Performance Reporting

The Government Performance and Results Act of 1993 requires that the Annual Performance Report include information on program evaluations that are relevant to an agency's efforts to attain its goals and objectives as identified in its Strategic Plan or to performance measures and goals reported at the agency level. There were no program evaluations conducted during the fiscal year that met the criteria established by OMB's Program Assessment Rating Tool (PART) guidance.

No significant contribution to the preparation of our annual performance report was made by a non-federal entity.

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

This section demonstrates our commitment to effective stewardship over our funds and compliance with applicable federal financial management laws and regulations. It includes Independent Auditors' Report – an independent opinion on the Financial Statements; Financial Statements and Notes to the Financial Statements; and Required Supplemental Information.

Auditor's Report, Financial Statements & Notes

CCR – 2023 Financial Statement Audit
Contract: 47QRAA21D0026/CR0-23-0025

**Commission on Civil Rights (CCR)
Fiscal Year 2023 Financial Statement Audit**

Final Independent Auditors' Report

Submitted for review and acceptance to:
John Ratcliffe
Contracting Officer's Representative
Commission on Civil Rights
1331 Pennsylvania Avenue, NW
Washington, DC 20425

Submitted by:
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Final Independent Auditors' Report
Prepared under contract to the Commission on Civil Rights (CCR) to provide financial auditing services

UNITED STATES COMMISSION ON CIVIL RIGHTS
AUDIT REPORT
SEPTEMBER 30, 2023



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Independent Auditors' Report

Chairperson
United States Commission on Civil Rights:

Report on the Financial Statements

Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the accompanying financial statements of the U.S. Commission on Civil Rights (CCR), which comprise the balance sheets as of September 30, 2023 and 2022; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the U.S. Commission on Civil Rights as of September 30, 2023 and 2022, and its net cost, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (GAAS), 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. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CCR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for (1) the preparation and fair presentation of the financial statements in accordance U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in CCR's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-01 will always detect a material misstatement or material weakness when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-01, we exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit 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 CCR's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements, and performing other procedures we consider necessary in the circumstances. We are required to communicate with those charged with governance regarding, among other matters, the planned scope of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the CCR's financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any

assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CCR's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CCR's Performance Accountability Report. The other information comprises the *Message from the Chair, Management and Discussion Analysis*, and *Other Accompanying Information* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of CCR's financial statements, we considered CCR's internal control over financial reporting, consistent with the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express an opinion on the effectiveness of CCR's internal control over financial reporting. 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 or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CCR's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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 over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Responsibilities of Management for Internal Control over Financial Reporting

CCR management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CCR's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered CCR's internal control relevant to the financial statement audit 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 CCR's internal control over financial reporting. Accordingly, we do not express an opinion on CCR's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CCR's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CCR's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CCR's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to

provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CCR. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CCR management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CCR.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CCR that have a direct effect on the determination of material amounts and disclosures in CCR's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CCR. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, 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 U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Allmond & Company, LLC

Lanham, MD
November 13, 2023

UNITED STATES COMMISSION ON CIVIL RIGHTS

**Fiscal Year 2023
Financial Statements**



UNITED STATES COMMISSION ON CIVIL RIGHTS

BALANCE SHEET

As of September 30 2023 and 2022

(Dollars)

		2023	2022
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 5,751,084	\$ 4,308,351
Accounts Receivable, net	(Note 3)	\$ -	\$ 4,914
Total Intragovernmental		<u>5,751,084</u>	<u>4,313,265</u>
Other than Intragovernmental			
General Property, Plant and Equipment, net	(Note 4)	27,930	46,881
Total Other than Intragovernmental		<u>\$ 27,930</u>	<u>\$ 46,881</u>
Total Assets		<u>\$ 5,779,014</u>	<u>\$ 4,360,146</u>
Liabilities:			
Intragovernmental:			
Accounts Payable	(Note 5)	\$ 13,871	\$ 30,680
Other Current Liabilities-Benefits Contributions Payable	(Note 5)	111,252	121,895
Total Intragovernmental		<u>125,123</u>	<u>152,575</u>
Other than Intragovernmental:			
Accounts Payable	(Note 5)	\$ 339,019	\$ 88,556
Federal Employee and Veteran Benefits Payable:	(Note 5)		
Employer Contributions and Payroll Taxes Payable		22,935	16,627
Unfunded Leave		629,693	624,162
Other:	(Note 6)		
Accrued Funded Payroll and Leave		\$ 401,034	493,447
Total Other than Intragovernmental		<u>\$ 1,392,682</u>	<u>\$ 1,222,792</u>
Total Liabilities		<u>\$ 1,517,804</u>	<u>\$ 1,375,366</u>
Net Position:			
Total Unexpended Appropriations (consolidated)		\$ 4,858,059	\$ 3,557,147
Total Cumulative Results of Operations (consolidated)		(596,849)	(572,367)
Total Net Position		<u>4,261,210</u>	<u>2,984,780</u>
Total Liabilities and Net Position		<u>\$ 5,779,014</u>	<u>\$ 4,360,146</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENT OF NET COST
For the Years Ended September 30, 2023 and 2022
(Dollars)

	2023	2022
Program Costs:		
Gross Cost	\$ 13,414,706	\$ 13,250,229
Less: earned revenue	\$ -	\$ (4,914)
Net Program Cost	<u>13,414,706</u>	<u>13,245,315</u>
Net Cost of Operations	<u>\$ 13,414,706</u>	<u>\$ 13,245,315</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2023 and 2022
(Dollars)

	2023	2022
BUDGETARY RESOURCES		
Unobligated Balance from prior year budget authority, net (discretionary and mandatory) (Note 13)	\$ 1,318,287	\$ 1,074,120
Appropriations (discretionary and mandatory)	14,350,000	13,000,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>4,914</u>	<u>-</u>
Total budgetary resources	<u>\$ 15,673,201</u>	<u>\$ 14,074,120</u>
STATUS OF BUDGETARY RESOURCES		
New obligations and upward adjustments (Note 8)	\$ 13,966,442	\$ 13,077,636
Unobligated balance, end of year:		
Apportioned, unexpired account	457,971	56,779
Expired unobligated balance, end of year	<u>\$ 1,248,788</u>	<u>\$ 939,705</u>
Unobligated balance, end of year	<u>1,706,759</u>	<u>996,484</u>
Total budgetary resources	<u>\$ 15,673,201</u>	<u>\$ 14,074,120</u>
OUTLAYS, NET AND DISBURSEMENTS, NET		
Outlays, net (total) (discretionary and mandatory)	\$ 12,688,706	\$ 12,570,001
Agency outlays, net (discretionary and mandatory)	<u>\$ 12,688,706</u>	<u>\$ 12,570,001</u>
Disbursements, net (total) (mandatory)	\$ 12,688,706	\$ 12,570,001

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2023 and 2022
(Dollars)

	2023	2022
Unexpended Appropriations:		
Beginning Balances	\$ <u>3,557,147</u>	\$ <u>3,507,844</u>
Appropriations received	\$ 14,350,000	\$ 13,000,000
Other adjustments	\$ (223,475)	(178,461)
Appropriations used	<u>\$ (12,825,613)</u>	<u>(12,772,236)</u>
Change in Unexpended Appropriations	<u>\$ 1,300,912</u>	<u>49,303</u>
Total Unexpended Appropriations	\$ <u>4,858,059</u>	\$ <u>3,557,147</u>
Cumulative Results of Operations:		
Beginning Balances	\$ (572,367)	\$ (468,193)
Appropriations used	\$ 12,825,613	12,772,236
Imputed Financing Sources (Note 9)	\$ 564,611	368,905
Net Cost of Operations	<u>\$ (13,414,706)</u>	<u>\$ (13,245,315)</u>
Net Change in Cumulative Results of Operations	<u>\$ (24,482)</u>	<u>\$ (104,175)</u>
Cumulative Results of Operations	\$ <u>(596,849)</u>	\$ <u>(572,367)</u>
Net Position	\$ <u>4,261,210</u>	\$ <u>2,984,780</u>

The accompanying notes are an integral part of these statements.

U.S. COMMISSION ON CIVIL RIGHTS GENERAL FUND

GENERAL FUND

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies utilized in the preparation of the financial statements is as follows:

Basis of Presentation

The Commission's financial statements are prepared from the official accounting records and general ledger in conformity with U.S. general accepted accounting principles and follows the presentation guidance established by Office of Management and Budget (OMB) in OMB Circular No. A-136, "Financial-Reporting Requirements", as revised. U.S. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the federal government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and a statement of budgetary resources. The balance sheets present, as of September 30, 2023, and 2022, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports on the Commission's budgetary activity.

Basis of Accounting

The Commission prepares financial statements to report its financial position and results of operations pursuant to the requirements of 31 U.S.C. 3515(b), the Chief Financial Officers Act of 1990 (P. L. 101-576), as amended by the Government Management Reform Act of 1994, and Accountability Tax Dollars Act of 2002, Public Law 107-289, and presented in accordance with the requirements in OMB Circular No. A-136, as revised. These statements have been prepared from the Commission's financial records using an accrual basis in conformity with GAAP. The generally accepted accounting principles (GAAP) for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB) and recognized by the AICPA as Federal GAAP. These statements are, therefore, different from financial reports prepared pursuant to other OMB directives that are primarily used to monitor and control the Commission's use of budgetary resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transactions are recorded on an accrual and budgetary basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when resources are consumed, without regard to the payment of cash. Budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds. The Commission uses the cash basis of accounting for some programs with an accrual adjustment made by recording year-end estimates of unpaid liabilities.

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance with Treasury

The Commission maintains its available funds with the Department of the Treasury (Treasury). The fund balance with Treasury is available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by the Treasury and are reconciled with those of the Treasury on a regular basis. Note 2, Fund Balance with Treasury, provides additional information.

General Property and Equipment

General property and equipment (PP&E) consists of equipment used for general operations and internal use software. The basis for recording purchased PP&E is full cost, which includes all costs incurred to bring the PP&E to a form and location suitable for its intended use. The cost of PP&E acquired through donation is the estimated fair market value when acquired. All PP&E with an initial acquisition cost of \$5,000 or more and an estimated useful life of two years or more are capitalized, except for internal use software discussed below.

The PP&E is depreciated using the straight-line method over the estimated useful life of the asset. Normal maintenance and repair costs are expensed as incurred. Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, requires that the capitalization of internally developed, contractor-developed and commercial off-the-shelf (COTS) software begin in the software development phase.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For amortization purposes, the estimated useful life for internal use software was determined to be five years. SFFAS No. 10 also requires that amortization begin when the asset is placed in use. Costs below the threshold levels are expensed. Software is depreciated for a period of time consistent with the estimated useful life used for planning and acquisition purposes.

Liabilities

Liabilities are recognized for amounts of probable and measurable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Commission is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with public law and existing federal accounting standards, no liability is recognized for future payments to be made on behalf of current workers contributing to the Medicare Health Insurance Trust Fund, since liabilities are only those items that are present obligations of the government. The Commission's liabilities are classified as covered by budgetary resources or not covered by budgetary resources.

Liabilities Covered by Budgetary Resources are Liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include:

(1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the Balance Sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

Liabilities Not Covered by Budgetary Resources are liabilities, which are not considered to be covered by budgetary resources. Liabilities Not Covered by Budgetary Resources are combined with liabilities covered by budgetary resources with liabilities on the face of the Balance Sheet.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

Accounts payable primarily consists of amounts due for goods and services received in progress in contract performance, interest due on accounts payable, and other *miscellaneous payables*.

Accrued Payroll and Benefits

Accrued payroll and benefits consist of salaries, wages, leave, and benefits earned by employees, but not disbursed as of September. Liability for annual and other vested compensatory leave is accrued when earned and reduced when taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken is considered an unfunded liability since this leave will be funded from future appropriations when it is actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

Revenue and Financing Sources

The Commission receives the funding needed to support its programs through an annual Congressional appropriation. The United States Constitution prescribes that no money may be expended by a federal agency unless and until funds have been made available by Congressional appropriation. Appropriations are recognized as financing sources when related expenses are incurred or assets are purchased.

The Commission receives an annual appropriation that may be used within statutory limits. For example, funds for general operations are generally made available for one fiscal year. The Statement of Budgetary Resources presents information about the resources appropriated to the Commission.

Federal Employee Benefits

Most Commission employees participate in either the Civil Service Retirement System (CSRS) – a defined benefit plan, or the Federal Employees Retirement System (FERS) - a defined benefit and contribution plan. For employees covered under CSRS the Commission contributes a fixed percentage of pay. Most employees hired after December 31, 1983, are automatically covered by FERS. FERS employees contribute .8 percent of their salary for the FERS Basic Benefit pension plan. Employees hired after 1/1/2013 and before 1/1/2014 (FERS-Revised Annuity Employees) contribute 3.1 percent of gross pay for the FERS Basic Benefit pension plan. Employees hired after 1/1/2014 (FERS-Further Revised Annuity Employees) contribute 4.41 percent of gross pay for the FERS Basic Benefit pension plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The U.S. Office of Personnel Management is the administering agency for both of these benefit plans and, thus, reports CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities applicable to federal employees. Therefore, the Commission does not recognize any liability on its balance sheet for pensions, other retirement benefits, and other post-employment benefits.

Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Budgetary Terms

The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law.

The following budget terms are commonly used:

Appropriation – is a plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations).

Budgetary Resources – mean amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.

Offsetting Collections – mean payments to the Government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts.

Offsetting Receipts – mean payments to the Government that are credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts.

Obligations – means a binding agreement that will result in outlays, immediately or in the future.

Outlays – means a payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions).

Gross Outlays – outlay before refunds, offsetting collections, and offsetting receipts.

Net Outlays – outlays after refunds, offsetting collections, and offsetting receipts.

For further information about budget terms and concepts, see the “Budget Concepts” chapter of the Analytical Perspectives volume of the President’s Budget: <https://www.whitehouse.gov/omb/budget/analytical-perspectives/>

NOTE 2 FUND BALANCE WITH TREASURY

The fund balance with the Treasury is as follows on September:

	2023	2022
1. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	457,971	56,779
b) Unavailable	1,248,788	939,705
2) Obligated Balance not yet Disbursed	<u>4,044,325</u>	<u>3,311,867</u>
Total	<u>\$ 5,751,084</u>	<u>\$ 4,308,351</u>

NOTE 3 ACCOUNT RECEIVABLES, NET

In FY 2022, the Commission was erroneously billed by the Department of Labor for Unemployment Insurance claims. The Department of Labor issued a refund in FY 2023. The Commission uses the direct write-off method for uncollectible receivables.

	2023	2022
Gross Receivables	\$ -	\$ 4,914
Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>
Account Receivables, Net	<u>\$ -</u>	<u>\$ 4,914</u>

NOTE 4 GENERAL PROPERTY, PLANT AND EQUIPMENT

Property and equipment consisted of the following on September 30:

	2023	2022
Equipment	\$ 280,955	\$ 314,551
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
Total	<u>\$ 288,639</u>	<u>\$ 322,235</u>
Less: Accumulated depreciation		
Equipment	\$ 253,025	\$ 267,670
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
Total	<u>\$ 260,709</u>	<u>\$ 275,354</u>

Property and Equipment Net \$ 27,930 \$ 46,881

Depreciation and amortization expenses for the fiscal years ended September 30, 2023, and 2022 was \$18,951 and \$18,951, respectively.

NOTE 5 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Commission are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2023, the Commission had liabilities covered by budgetary resources of \$888,111 and liabilities not covered by budgetary resources of \$629,693. As of September 30, 2022, the Commission had liabilities covered by budgetary resources of \$751,204 and liabilities not covered by budgetary resources of \$624,162.

	2023	2022
Intragovernmental		
Accounts Payable	\$ 13,871	\$ 30,680
Other Current Liabilities-Benefits Contributions Payable	<u>111,252</u>	<u>121,895</u>
Total Intragovernmental	\$ 125,123	\$ 152,575
Other than Intragovernmental		
Accounts Payable	\$ 339,019	\$ 88,556
Federal Employee and Veteran Benefits Payable:		
Employer Contributions and Payroll Taxes Payable	22,935	16,627
Unfunded Leave	629,693	624,162
Other Liabilities:		
Accrued Funded Payroll and Leave	<u>401,034</u>	<u>493,447</u>
Total Other than Intragovernmental	\$ 1,392,682	\$ 1,222,792
Total Liabilities	\$ 1,517,804	\$ 1,375,366
Total Liabilities covered by budgetary resources	\$ 888,111	\$ 751,204
Total Liabilities not covered by budgetary resources	<u>629,693</u>	<u>624,162</u>
Total Liabilities	\$ 1,517,804	\$ 1,375,366

NOTE 6 OTHER LIABILITIES -

Other Liabilities with the public for the years ended September 30, 2023, and 2022 consist of Benefit Program Contributions Payable, Employer Contributions and Payroll Taxes, and Accrued Funded Payroll in the amounts shown below.

	Non-Current	Current	2023 Total
Intragovernmental			
Other Current Liabilities-Benefits Contributions Payable	\$ -	<u>111,252</u>	<u>\$ 111,252</u>
Total Intragovernmental	0	111,252	111,252
Other than Intragovernmental			
Accrued Funded Payroll and Leave	-	<u>401,034</u>	<u>\$ 401,034</u>
Total Other than Intragovernmental	0	401,034	401,034
Total Other Liabilities	\$ -	\$ 512,286	\$ 512,286
	Non-Current	Current	2022 Total
Intragovernmental			
Other Current Liabilities-Benefits Contributions Payable	\$ -	<u>121,895</u>	<u>\$ 121,895</u>
Total Intragovernmental	0	121,895	121,895
Other than Intragovernmental			
Accrued Funded Payroll and Leave	-	<u>493,447</u>	<u>\$ 493,447</u>
Total Other than Intragovernmental	0	493,447	493,447
Total Other Liabilities	\$ -	\$ 615,341	\$ 615,341

NOTE 7 OPERATING LEASES

The Commission has various Federal leases for offices and branches throughout the United States. The longest of those obligations extends through 2037. Certain leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. The aggregate rent expense totaled \$332,589 and \$1,013,524 as of September 30, 2023, and 2022, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

2024	1,241,015
2025	1,376,470
2026	1,395,890
2027	1,415,880
2028	1,392,194
Thereafter	<u>11,830,274</u>
Total	\$ 18,651,724

NOTE 8 APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

Obligations of the Commission represent direct new obligations and upward adjustments against amounts apportioned under category A on the latest Apportionment and Reapportionment Schedule.

	2023	2022
Category A	\$ 13,966,442	\$ 13,077,636

NOTE 9 UNDELIVERED ORDERS AT THE END OF THE PERIOD

The budgetary resources obligated for undelivered orders were \$3,156,214 and \$2,560,663 as of September 30, 2023 and 2022 respectively.

	Paid	Unpaid	Total 2023
FY 2023 Undelivered Orders			
Federal	\$ -	170,514	\$ 170,514
Non-Federal	-	<u>2,985,700</u>	<u>2,985,700</u>
Total Undelivered Orders	\$ -	\$ 3,156,214	\$ 3,156,214

	Paid	Unpaid	Total 2022
FY 2022 Undelivered Orders			
Federal	\$ -	244,711	\$ 244,711
Non-Federal	-	<u>2,315,951</u>	<u>2,315,951</u>
Total Undelivered Orders	\$ -	\$ 2,560,663	\$ 2,560,663

NOTE 10 INTER-ENTITY COSTS

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed [by the component reporting entity] are recognized as imputed cost [in the Statement of Net Cost] and are offset by imputed revenue [in the Statement of Changes in Net Position]. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

The Commission recognizes as imputed financing the cost of future benefits, which include health benefits, life insurance, pensions, and post-retirement benefit expense for

current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2023, and 2022, imputed financing was as follows:

	2023	2022
Office of Personnel Management	\$ 564,611	\$ 368,905

NOTE 11 EXPLANATIONS OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE UNITED STATES GOVERNMENT

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2023 actual budgetary execution information is scheduled for publication in February 2024, which will be available through OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2022 SBR and the related President's Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 14	\$ 13	\$ -	\$ 13
Expired Unobligated Balances	\$ 1	\$ -	\$ -	\$ (1)
Budget of the U.S. Government	\$ 13	\$ 13	\$ -	\$ 12

The Budgetary Resources difference is caused by Expired Unobligated Balances being reported in the Statement of Budgetary Resources but not in the Budget of the United States Government. The Net Outlay difference is due to rounding. The Commission's Financial statements are reported in dollars while the Budget of the United States is reported in millions.

NOTE 12 RECONCILIATION OF NET COST TO NEW OUTLAYS

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

FY 2023

	Intra- Governmental	Other Than Intragovernmental	Total FY 2023
Net Operating Cost (SNC)	3,491,422	9,923,284	13,414,706
Components of Net Cost That Are Not Part of Net Outlays			-
Property, Plant, and Equipment depreciation, expense		(18,951)	(18,951)
Increase/(decrease) in Assets:			-
Accounts Receivable	(4,914)		(4,914)
(Increase)/Decrease in Liabilities not affecting Budget Outlays			-
Accounts Payable	16,810	(250,463)	(233,654)
Federal Employee and Veteran Benefits Payable (Nonfederal Employer Contributions and Unfunded Leave)		(11,839)	(11,839)
Other liabilities (Accrued Payroll)	10,643	92,413	103,056
Other financing sources			-
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(564,611)</u>	<u>-</u>	<u>(564,611)</u>
Total Components of Net Cost That Are Not Part of Budget Outlays	(542,073)	(188,841)	(730,914)
Other Reconciling Items			
Collection of Account Receivable	4,914	-	4,914

NET OUTLAYS	2,954,263	9,734,443	12,688,706
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FY 2022

	Intra-Governmental	With the Public	Total FY 2022
Net Operating Cost (SNC)	3,951,927	9,293,388	13,245,315
Components of Net Cost That Are Not Part of Net Outlays			-
Property, Plant, and Equipment depreciation, expense		(18,951)	(18,951)
Increase/(decrease) in Assets:			-
Accounts Receivable	4,914		4,914
(Increase)/Decrease in Liabilities not affecting Budget Outlays			-
Budget Outlays			
Accounts Payable	(29,429)	22,721	(6,708)
Federal Employee and Veteran Benefits Payable (Nonfederal Employer Contributions and Unfunded Leave)		(94,884)	(94,884)
Other liabilities (Accrued Payroll)		(190,780)	(190,780)
Other financing sources			-
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(368,905)</u>	<u>-</u>	<u>(368,905)</u>
Total Components of Net Cost That Are Not Part of Budget Outlays	(393,420)	(281,895)	(675,314)

NET OUTLAYS	3,558,507	9,011,494	12,570,001
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NOTE 13 NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2023, and 2022, consisted of the following:

	2023	2022
Unobligated Balance Brought Forward, October 1	\$ 996,484	\$ 921,744
Recoveries of Prior Year Obligations	\$ 545,278	\$ 330,836
Other Changes in Unobligated Balances	<u>(223,475)</u>	<u>(178,461)</u>
Unobligated Balance from Prior Year Budget Authority, Net	\$ 1,318,287	\$ 1,074,120

OTHER ACCOMPANYING INFORMATION

Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit

Audit Opinion: Unmodified
 Restatement: No

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting - Federal Managers' Financial Integrity Act (FMFIA) 2

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations - FMFIA 2

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management System Requirements - FMFIA 4

Statement of Assurance: Systems Conform

Non-Conformance	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformance	0	0	0	0	0	0

Improper Payments Information Act Reporting Details

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010, requires agencies to review all programs and activities they administer, and identify those programs that are susceptible to significant erroneous payments. Significant erroneous payments are gross annual improper payments in the program exceeding both 1.5 percent of program outlays and \$10 million of all program payments made during the fiscal year reported or \$100 million of total annual program payments.

Risk Assessment

Due to the Commission's mission and size, the Commission does not separate its mission into individual programs. We conducted a risk assessment for all relevant payments. The Commission evaluated the following risk factors: whether the program or activity was new to the agency; the complexity of the program; the volume of payments; how eligibility decisions are made; recent major changes in funding, authorities, practices, and procedures; the level and experience of personnel; and significant deficiencies in audit reports. The risk assessment determined that the risk of significant improper payments was low. Based on the risk assessment, we determined that the Commission does not have significant improper payments.

Payment Recapture Audits

Section 2(H) of the Improper Payments Elimination and Recovery Act requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million if conducting such an audit is cost-effective. The Commission's payments as defined in OMB Circular A – 123, Appendix C exceed this threshold. Accordingly, we conducted a cost-benefit analysis on October 26, 2020. Based on our analysis, we have determined that the costs of a payment recapture audit at the Commission would exceed the benefits. According to OMB Circular A – 123, Appendix C, once an agency determines that it would be unable to conduct a cost-effective recovery audit for certain programs, the analysis will need to be repeated only if circumstances change within the program that might make a recovery audit cost-effective. The circumstances have not changed in FY 2023.

Improper Payment Reporting

The Commission did not have an improper payment in Fiscal Year 2023.