



UNITED STATES

COMMISSION ON CIVIL RIGHTS



2009 PERFORMANCE AND ACCOUNTABILITY REPORT

U.S. COMMISSION ON CIVIL RIGHTS

The U.S. Commission on Civil Rights is an independent, bipartisan agency established by Congress in 1957. It is directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, disability, or national origin, or by reason of fraudulent practices.
- Study and collect information relating to discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, disability, or national origin, or in the administration of justice.
- Appraise federal laws and policies with respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin, or in the administration of justice.
- Serve as a national clearinghouse for information in respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin.
- Submit reports, findings, and recommendations to the President and Congress.
- Issue public service announcements to discourage discrimination or denial of equal protection of the laws.

MEMBERS OF THE COMMISSION

Gerald A. Reynolds, Chairman
Abigail Thernstrom, Vice Chair
Todd Gaziano
Gail Heriot
Peter N. Kirsanow
Arlan D. Melendez
Ashley L. Taylor, Jr.
Michael Yaki
Martin Dannenfelser, Staff Director

U.S. Commission on Civil Rights
624 Ninth Street, NW
Washington, DC 20425
(202) 376-8128 voice
(202) 376-8116 TTY
www.usccr.gov



UNITED STATES
COMMISSION ON CIVIL RIGHTS

2009
PERFORMANCE AND
ACCOUNTABILITY REPORT

TABLE OF CONTENTS

MANAGEMENT DISCUSSION & ANALYSIS	5
A. USCCR Mission	5
B. USCCR Organizational Structure	6
i. Headquarters Organization	6
ii. Regional Programs	9
C. Performance Highlights	11
i. Continuing Implementation of our PART Improvement Plan	15
ii. FMFIA, OMB A-123, and FISMA Compliance	15
D. Financial Highlights	17
E. Limitations on Financial Statements	18
MANAGEMENT STATEMENTS OF ASSURANCE	18
FY 2009 PERFORMANCE: USCCR GOALS, OBJECTIVES, AND RESULTS	20
A. Reliability of Performance Data	20
B. Strategic Goal FY 2009 Performance Targets	21
C. Strategic Goal Two: FY 2009 Performance Targets	24
D. Strategic Goal Three: FY 2009 Performance Targets	27
E. Strategic Goal Four: FY 2009 Performance Targets	29
F. Other Information Related to Annual Performance Reporting	30
FY 2009 FINANCIAL MANAGEMENT: BEING GOOD STEWARDS OF OUR FINANCIAL RESOURCES	30
A. Message from the Director of Management	30
B. Financial Statements & Notes, and Auditors' Report	32
APPENDICES	59
Appendix A: Strategic Plan Goals, Objectives and Measures	59
Appendix B: FY 2009 Annual Performance Plan	64
Appendix C: Performance Charts and Tables	67
Appendix D: Fluctuation Analysis	70
Appendix E: Management Audit Response	71



MESSAGE FROM THE CHAIRMAN

I am pleased to present the annual *Performance and Accountability Report* (PAR) for the U.S. Commission of Civil Rights for fiscal year (FY) 2009. This report presents the agency's assessment of its FY 2009 program and financial accomplishments, as well as an outline for moving forward.

In FY 2009, we continued to focus on improving our program management while delivering quality civil rights studies, policy analysis and recommendations to the President, Congress and the Nation. During this period, the U.S. Commission on Civil Rights has maintained its role as a primary voice of civil rights for the country, despite its current resource constraints. The Commission conducted numerous projects in FY 2009, ranging from issues briefings to policy letters and congressional testimony regarding civil rights legislation and other developments, and a clearinghouse project to collect civil rights enforcement data from several federal agencies with enforcement authority.

The Commission stayed engaged by sending policy letters to the President, members of Congress other policymakers and offering Congressional testimony, both collectively and in their individual capacities, on a variety of civil rights issues. For example, the Commission commented on both federal and state bills with implications for civil rights during FY 2009, including the Matthew Shepard Hate Crimes Prevention Act, the Native Hawaiian Government Reorganization Act, and Ohio State Bill 146.¹ In a June 2009 letter to Congress, the Commission spoke out against a misguided hate crimes bill that did little to protect individuals against those motivated by racial or other prohibited animus and whose federalization of crimes already penalized under state law raised serious civil liberties concerns.² In August 2009, we again advised members of Congress on the reintroduced Native Hawaiian Government Reorganization Act, reiterating our opposition to the use of racial or ethnic categories by federal or state government. We opposed the legislation because it permits Hawaii to use racial or ethnic categories when distributing benefits and burdens and establishes a harmful precedent by establishing a separate sovereign for an ethnic group within a state.³ Commissioners Gail Heriot and Michael Yaki offered testimony in their capacities as members of the Commission to the House Committee

¹ Letter of Commission to Ohio State Senator Ray Miller (July 21, 2009), available at <http://www.usccr.gov/correspd/NativeHawaiianReorganization82809.pdf> (last visited Oct. 14, 2009).

² Letter of the Commission to the President and Several Members of the Senate Regarding S. 909 (June 16, 2009), available at <http://www.usccr.gov/correspd/SenateHateCrimes06-16-09.pdf> (last visited Oct. 14, 2009).

³ Letter of the Commission to Members of Congress on the Native Hawaiian Government Reorganization Act (Aug. 28, 2009), <http://www.usccr.gov/correspd/NativeHawaiianReorganization82809.pdf> (last visited Oct. 14, 2009).

on Natural Resources on the Native Hawaiian Government Reorganization Act of 2009.⁴ Commissioners Heriot and Kirsanow did the same regarding the Matthew Shepherd Hate Crimes Act and the confirmation of Justice Sonia Sotomayor, respectively, in their personal capacities. Commissioners also sent several letters expressing their concerns over the implications of the Department of Justice's dismissal of voter intimidation charges against members of the New Black Panthers Party in Philadelphia.⁵ Those early letters involving the case have formed the basis of the Commission's FY 2010 enforcement report project.

The Commission can count many successes this year including approving five civil rights reports:

- Minorities in Special Education,
- Department of Justice Voting Rights Enforcement for the 2008 U.S. Presidential Election,
- Civil Rights and the Mortgage Crisis,
- Supplemental Educational Services under the No Child Left Behind Act, and
- Title IX in Athletics: Accommodating Interests and Abilities.

In addition, representatives from over 20 universities, organizations, groups, and agencies appeared before the Commission to participate in public briefings on civil rights issues throughout the year. The Commission, through three briefings, presented the public with timely, lively and informed discussion on the sources of healthcare disparities between minorities and non-minorities, English as the common language in the workplace, and civil rights implications of the mortgage crisis. The Commission, because of its fine work, made 33 findings and recommendations for action by government and other stakeholders to further the goal of equal opportunity. Some of the Commission's policy positions are unpopular in some quarters. But its positions were based on the relevant facts, case law and guided by the belief that each American should be judged by the content of his or her character without regard to disability, race, national origin, religion or sex.

I can report that the Commission worked hard to increase compliance with its mandate to maintain 51 state advisory committees ("SACs"). These committees, composed of volunteer citizens with a range of civil rights and other relevant experience, bring a state and local perspective to our civil rights work. In FY 2009, the agency increased the number of active state advisory committees and renewed more lapsed advisory committee charters for a total of thirty-three active SACs.

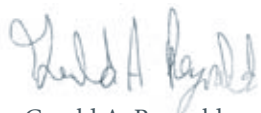
The Commission continued to demonstrate success in improving its policies and procedures regarding its internal financial controls in FY 2009. For example, we have received an unqualified opinion for the fourth consecutive year from independent auditors, indicating yet another clean audit. Prior to FY 2006, the Commission had not received a single clean audit. The Commission also worked to manage its internal control environment. Based on a review of agency-wide materials and an assessment by its managers, the agency's management and financial controls environment under the Federal Managers' Financial Integrity Act (FMFIA) were determined to be sound in FY 2009.

Our activities during the past fiscal year were in furtherance of our mission of being the conscience of the nation on civil rights, which has included being at the forefront of a rethinking of what civil rights should look

⁴ Copies of the testimony are available on the Commission's website and on the website of the House Natural Resources Committee.

⁵ Letter of the Commission to Loretta King, Acting Assistant Attorney General of the Civil Rights Division, United States Department of Justice (June 16, 2009), available at <http://www.usccr.gov/correspd/VoterIntimidation2008LetterDoJ.pdf> (last visited Oct. 14, 2009); Letter of Vice Chair Thernstrom and Commissioner Taylor to Loretta King, Acting Assistant Attorney General of the Civil Rights Division, United States Department of Justice (June 22, 2009), available at http://www.usccr.gov/correspd/Thernstrom_TaylorLetter2008.pdf (last visited Oct. 14, 2009); Letter of the Commission to United States Attorney General Eric Holder (Aug. 10, 2009), available at <http://www.usccr.gov/correspd/Follow-upVoterIntimidation.pdf> (last visited Oct. 14, 2009); Letter of the Commission to United States Attorney General Eric Holder (Sept. 30, 2009), available at <http://www.usccr.gov/correspd/VoterIntimidationNBPP093009.pdf> (last visited Oct. 14, 2009). Commissioners Melendez and Yaki were not signatories to these letters.

like in the 21st century now that equality of opportunity is no longer impeded by institutional discrimination. Much of our research and study has been directed at identifying the problems that confront minority communities—problems that prejudicial attitudes and discriminatory practices can no longer primarily explain—and proposing alternative solutions for them. We made important progress toward this goal during FY 2009 and look forward to a successful FY 2010.



Gerald A. Reynolds
Chairman
United States Commission on Civil Rights
January 4, 2010

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis (MD&A) section provides an overview of our agency's mission and organizational structure, and offers FY 2009 performance and financial management highlights. It also analyzes the adequacy of our internal control and compliance with applicable laws, and identifies risks to the attainment of our mission and goals.

A. USCCR MISSION

The Civil Rights Act of 1957 created our agency.⁶ Since then, Congress has reauthorized or extended the legislation creating the Commission several times; the last reauthorization was in 1994 by the Civil Rights Commission Amendments Act of 1994.⁷ Established as an independent, bipartisan, fact-finding federal agency, our mission is to inform the development of national civil rights policy and enhance enforcement of federal civil rights laws. We pursue this mission by studying alleged deprivations of voting rights and alleged discrimination based on race, color, religion, sex, age, disability, or national origin, or in the administration of justice. We play a vital role in advancing civil rights through objective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.

On a day-to-day basis, during FY 2009, we accomplished this mission with a bare-bones staff of only 47 national and regional office staff, and a network of state advisory committees. Our commissioners, national and regional office staff of civil rights analysts, social scientists, attorneys, administrative personnel, and our volunteer state advisory committee members executed our mission in a number of ways. Among them are:

- publishing a significant report on the civil rights implications of the mortgage crisis that examines the regulatory enforcement activities from 11 federal agencies and government-sponsored enterprises, and assembles historic trend data on homeownership disparities and mortgage lending statistics;
- holding public briefings, issuing press releases, making information publicly available on our Web site, and providing a complaint referral service to promote greater public awareness of civil rights issues, protections and enforcement;
- increasing the number of chartered advisory committees to fulfill our statutory mandate;
- working to decrease the amount of time required to renew expiring committees to support continuity of committee operation because only actively chartered committees may lawfully operate; and
- sustaining advisory committee involvement in national program planning and civil rights-related reports to strengthen fact-finding by broadening the scope of our research to include state and local perspectives and data.

⁶ Civil Rights Act of 1957, Pub. L. No. 85-315, § 101, 71 Stat. 634 (1957). See United States Commission on Civil Rights Act of 1983, Pub. L. No. 98-183, 97 Stat. 1301 (1983); United States Commission on Civil Rights Act of 1991, Pub. L. No. 102-167, ___ Stat. ___ (1991).

⁷ Civil Rights Commission Amendments Act of 1994, Pub. L. No. 103-419, 108 Stat. 4338 (1994) (codified at 42 U.S.C.S. § 1975 (2005)).

B. USCCR ORGANIZATIONAL STRUCTURE

The Commission is an independent federal agency led by eight appointed commissioners. Their responsibilities include establishing agency policy on civil rights issues, adopting program plans, goals and priorities, approving national office project proposals, and adopting the agency's budget. 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 provided at the end of this section visually depicts our operational structure.

i. Headquarters Organization

There are seven offices and units in our national office, and six regional offices. Of the national offices, two are primarily responsible for civil rights-related research and study—the Office of Civil Rights Evaluation and the Office of the General Counsel. Descriptions of the key functions for each Commission office and division are below.

Office of the Staff Director

This office, through the staff director, oversees the overall operation and management of our 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.

This office also oversees all agency program activities and initiatives. During the year, this office sponsored and approved several management initiatives including an information technology (IT) assessment that should determine how our IT systems could be improved or upgraded to support existing and future needs. The assessment should also assist the agency with:

- ongoing implementation and revision of its multi-year IT investment plan, and
- integrating equipment to improve efficiency, reduce maintenance costs, and take advantage of the economy of scale when making future purchases.

Office of the General Counsel

The Office of the General Counsel provides the legal expertise and advice that is required to support our fact-finding and ensure the legal integrity of our written products. Three attorneys, including the general counsel, support the lawful operation of the agency and advise agency leadership and managers on a range of legal matters. This may include analyzing proposed legislation, interpreting various laws and regulations, advising on the scope of the agency's jurisdiction, and contractual disputes. With the assistance of the agency's solicitor, when requested, this office represents the agency in personnel matters including litigation arising from equal employment discrimination complaints and other alleged violations. In addition, this office develops concepts for briefings and hearings on civil rights issues and generates related reports for public dissemination.

Office of Civil Rights Evaluation

The Office of Civil Rights Evaluation provides the subject matter and analytical expertise required to prepare social-scientific evaluations of civil rights issues. Consistent with agency resources, 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, like the Office of the General Counsel, develops concepts for and conducts civil rights studies and other projects. In addition to these functions, this office receives and refers civil rights complaints to other agencies for appropriate enforcement action.

Office of Management

The Office of Management provides administrative support to all the other Commission offices. Several divisions fall within this office:

- Budget and Finance Division,
- Human Resources Division, and
- Administrative Services and Clearinghouse Division.⁸

The Office of Management supports all the agency's strategic goals and objectives by ensuring that human and financial capital are available, and that logistical support is in place to support the agency's mission. For example, this office supported our civil rights-related goals and objectives in FY 2009 in several ways, including ensuring that:

- our reports are published and distributed to our stakeholders and other interested parties via mail and the agency's Web site,
- our Web site provides the public timely information about Commission reports, civil rights fact-finding and policy statements,
- our recruitment and hiring are undertaken with an awareness of the agency's mission and the skills and abilities that support mission success, and in a manner consistent with OPM rules and regulations, and
- our financial management is sound and that appropriated funds are available to use in a manner consistent with applicable law and regulations, and established Commission priorities.

Congressional Affairs Unit

The Congressional Affairs Unit (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. 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. In FY 2009, as in prior years, all staff positions in CAU were vacant. An attorney advisor in the Office of the Staff Director handled basic duties related to congressional affairs.

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 also coordinates and carries out such activities as briefing reporters, holding press conferences, issuing press releases, arranging press interviews and speaking engagements for

⁸ The Administrative Services and Clearinghouse Division is responsible for Information Technology, Procurement and Acquisition, Robert Rankin National Civil Rights Library, Copying/Printing, and Mail Services/Distribution.

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. In FY 2009, as it was in prior years, all staff positions in PAU were vacant. The Office of the Staff Director handled some basic duties, such as preparing press releases and responding to press calls, on an “as-needed” basis.

Equal Employment Opportunity (EEO) Programs

This office is responsible for the overall management of our EEO complaint system. This system affords 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, with a means of review and appeal. This office currently has no full-time staff; a staff member for the Office of civil Rights Evaluation serves as the head of our EEO office as a collateral duty.

ii. Regional Programs

Regional Programs Coordination Unit

The chief of the Regional Programs Coordination Unit (RPCU) coordinates the activities of the Commission’s six regional offices. This position has no supervisory relationship with regional office staff but is responsible for coordinating, monitoring, and reporting on regional activities for the national office, and communicating national office policies and priorities to regional offices.

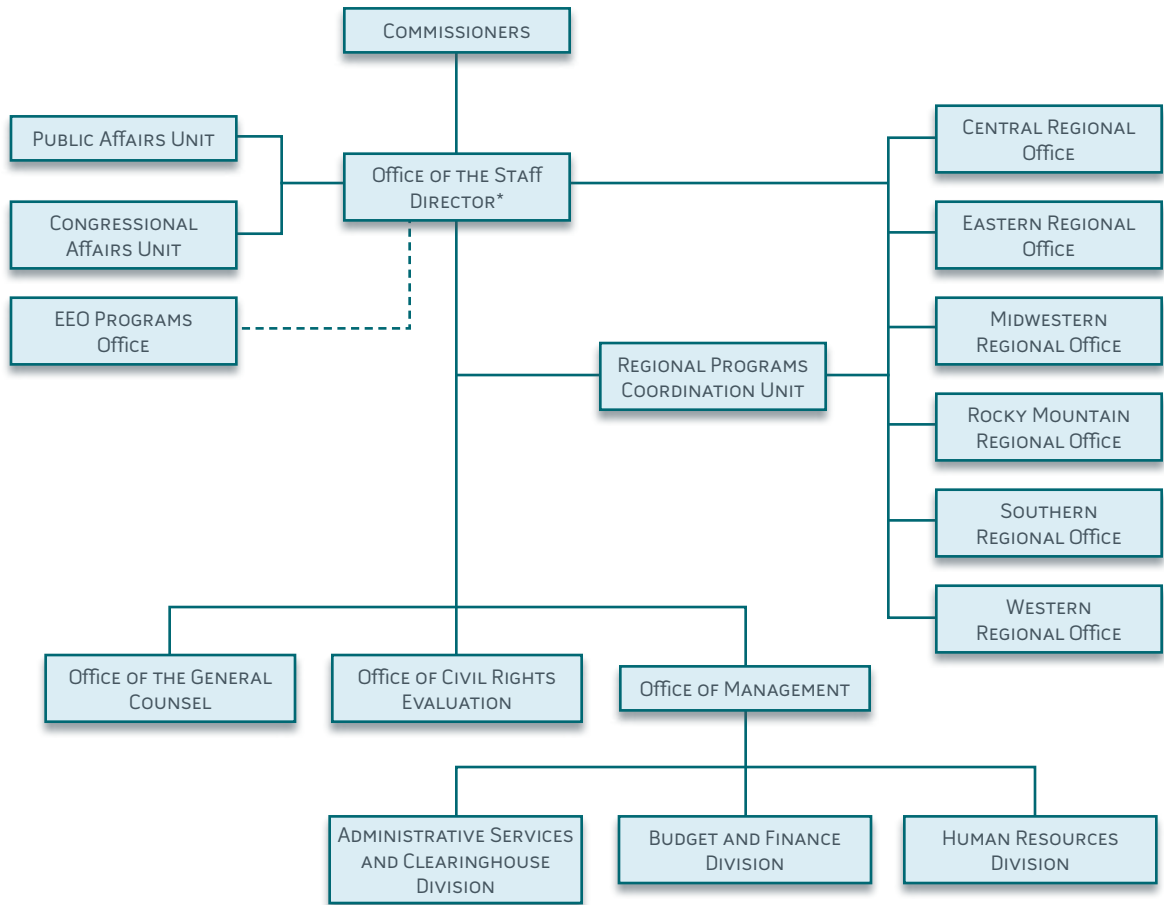
Regional Offices: Organization and State Alignment

Our six regional offices provide critical support to the 51 state advisory committees required by our statute. A regional director leads each office and, for several years, each office typically has one or more civil rights analysts and a secretary. These offices coordinate the Commission’s operations in their regions and assist the state advisory committees in their activities. Regional directors are also responsible for the day-to-day administration of their office and the supervision of office staff.

Presented below is our regional alignment.

- *Central Region (CRO)*: Alabama, Arkansas, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska, and Oklahoma.
- *Eastern Region (ERO)*: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.
- *Western Region (WRO)*: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Texas, and Washington.
- *Southern Region (SRO)*: Florida, Georgia, Kentucky, North Carolina, South Carolina, and Tennessee.
- *Rocky Mountain Region (RMRO)*: Colorado, Montana, New Mexico, North Dakota, South Dakota, Utah, and Wyoming.
- *Midwestern Region (MWRO)*: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

ORGANIZATIONAL STRUCTURE US COMMISSION ON CIVIL RIGHTS

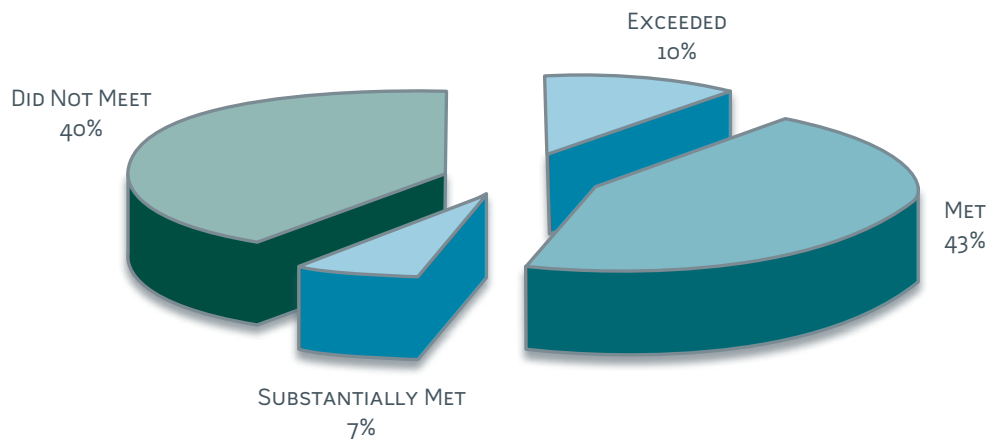


* Although current regulations describe an “Office of the Deputy Staff Director,” the Commission eliminated that office and the position of Deputy Staff Director has been transferred to the Office of the Staff Director.

C. PERFORMANCE HIGHLIGHTS

This subsection highlights our performance during the fiscal year. We met and exceeded 53 percent of our performance targets and substantially met another 7 percent. The below pie chart depicts the overall level of our performance for the year.

OVERALL PERFORMANCE DURING FY 2009 ON PERFORMANCE TARGETS



Contributing to our accomplishments during FY 2009 are our briefings highlighting three relevant and timely civil rights questions:

- What are the reasons for persistent gaps between the health status of minorities and non-minorities in the United States?
- Do employers have the legal authority to specify English as the language of the workplace?
- Does the current mortgage crisis have civil rights implications and what contribution did the Community Reinvestment Act, relaxed lending standards, predatory lending, and the Department of Housing and Urban Development's lending goals for Fannie Mae and Freddie Mac make to this crisis?

In addition to these briefings, during which we gather information from experts, we publish reports examining the issues, data, and recommendations, if any, raised during them. Our reports also reflect supplemental research, independent analyses, and our own recommendations for future action by policymakers and Federal civil rights enforcement agencies. We approved five reports for publication during the year on compelling topics that touch on core civil right issues such as housing, education, and voting. Thirty-three findings and recommendations for action by government and other stakeholders are presented in reports on:

- minority misplacement in special education programs,
- election monitoring by the Department of Justice during the 2008 presidential election,
- civil rights implications of the mortgage crisis (annual enforcement report),
- implementation of supplemental educational services programs under the No Child Left Behind Act, and
- enforcement of Title IX in athletics and the merits of using the Department of Education's model survey to gauge the interest and abilities of female students in intercollegiate sports.

These national office activities are also opportunities for our advisory committees to propose and develop future follow-up activities that focus on these same issues from the state and local perspectives. Similarly, our annual enforcement reports energize the advisory committees by providing them an opportunity to participate in a national office civil rights project. After the commissioners approve the topic of the enforcement report, they have followed a practice of requesting that chartered advisory committees and our regional offices also take up the issue. Their research often complements the research of our national office staff and strengthens the final report.⁹

⁹ The enforcement report for FY 2009 on the mortgage crisis does not reflect contributions from our advisory committees because the original research topic was subsequently changed. This change limited their ability to timely participate in this effort.

In addition to serving our stakeholders through our reports and briefings, we provide a complaint referral service that allows us to provide a public service as well as informally collaborate with other federal agencies. Complaints received by our headquarters office most often involve discrimination in the administration of justice and employment, law enforcement misconduct, and the rights of institutionalized persons. Other types of complaints include discrimination in housing, education, federal programs, voting, and public accommodations, violence or threats of violence based on prohibited animus, and human rights violations. In FY 2009, we received 3,786 complaints and requests for assistance from the public and members of Congress.¹⁰ This is an increase of about 4 percent over FY 2008. The majority of these complaints were referred to other federal agencies with civil rights enforcement authority.

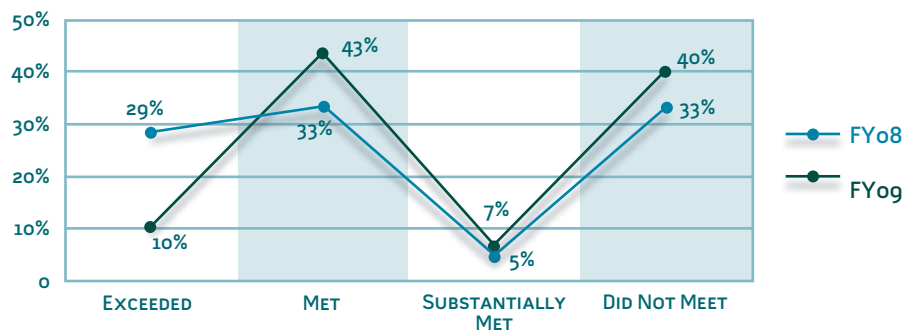
In FY 2009, our Office of Civil Rights Evaluation began constructing a proposal for evolving this complaint referral service into a national complaint database. This should allow us to identify existing and emerging civil rights issues needing concentrated enforcement efforts. The anticipated result is the publication of data that should inform the decision-making of other agencies with respect to identifying their civil rights enforcement priorities.

Our regional offices have made headway in meeting the agency’s strategic goals of reinvigorating and effectively utilizing our state advisory committees. Our regional offices began FY 2009 with 26 of 51 state advisory committees possessing active charters. We ended the fiscal year with 33 actively chartered committees. By the end of FY 2010, current projections are that we will have 95 percent of our advisory committees actively chartered. Moreover, assuming additional regional staffing and other resources, all our committees should hold active charters in FY 2011.

By law, our advisory committees are unable to operate unless they are chartered. Reducing our backlog of expired charters and promptly renewing newly expiring charters within 60 days of expiration are key agency priorities.¹¹ We continue our efforts to reduce the backlog of advisory committees with charters that expired on or before January 30, 2007. FY 2009 began and ended with a backlog of 17 advisory committees, but we anticipate having nine of these committees ready for a Commission vote by the close of the first quarter of FY 2010. We still expect to meet our target of reducing the state advisory committee backlog by 75 percent in FY 2010 and eliminating it in FY 2011.

The below chart is a comparison of our overall annual performance to the prior year.

COMPARISON OF FY 2009 TO FY 2008 PERFORMANCE



¹⁰ The headquarters received 3,006 complaints while our regional offices received a combined 780 complaints.

¹¹ “Renewing” as used here means obtaining staff director approval for submission of the appointment/re-charter package to the eight appointed commissioners for final approval.

Based on our performance successes and challenges during FY 2009, we view FY 2010 as full of opportunities to further our progress on our long-term strategic goals and objectives. Each long-term goal has objectives and performance measures. Our FY 2009 annual performance plan sets forth the specific activities and outcomes that we should accomplish during the year in order to attain our long-term goals. A detailed discussion of each strategic goal, its target levels of performance goal and our actual performance, and our proposed actions going forward to enhance performance are in the section titled “FY 2009 Performance: USCCR Goals, Objectives, and Results”.

i. Continuing Implementation of our PART Improvement Plan

The agency’s OMB Program Assessment Rating Tool (PART) assessment, conducted in 2006, found that the Commission needed improvement in strategic planning, program management, and program results/accountability. Since then, we have taken many significant steps to resolve the shortcomings discovered during the PART process. Just a few examples of our actions changes include:

- Adopting a strategic plan,
- Creating annual performance plans,
- Implementing standardized performance reporting for several core mission functions,
- Conducting process mapping for several core key functions and continuing to standardize the process for executing those functions,
- Providing project management training to increase efficiency and effectiveness, and create more accountability,
- Undertaking human capital planning, and
- Hiring a full-time budget director to move our financial management to the next level of professionalism and compliance with federal regulations and standards.

Our strategic plan calls for improving our 2006 PART score and we currently propose achieving a “moderately effective” score by FY 2010; however, we cannot currently predict when we might request a reassessment. This is primarily due to uncertainty about the future nature of the assessment tool; it is being reviewed by the administration. Our PART improvement plan supports our efforts to demonstrate effectiveness; an example of how it does so is its focus on increasing the utilization of our state advisory committees.

ii. FMFIA, OMB A-123, and FISMA Compliance

Though we identified several risks and weaknesses in our operational internal controls during our annual FMFIA and OMB A-123 assessment, the assessment results and plan for moving forward are clearer than in previous years. As our office and division heads become more skillful with the tool, including the analytical process underlying it, we expect that the depth of analysis and the appropriateness of the recommendations for corrective action will improve.

Nonetheless, during FY 2009, we believe that the new tool resulted in better information collection, including improvement in:

- the amount of analysis conducted to determine real and potential risks, and evaluate the strength of related controls,
- the identification of the severity of the impact associated with identified risks on several of the agency’s core program and operational activities,

- the recognition of responsibility for managing risk and implementing remedial action at the office/division levels, and
- the number of feasible recommendations for action made by managers responding to the assessment.

The assessment revealed the need for enhanced controls to minimize risks associated with advisory committee re-chartering and meetings, office and division budget preparation and execution, national office oversight of various regional activities, and human resources management. Among the recommendations for strengthening internal controls in these areas are:

- Creating standardized processes for executing administrative functions required to conduct SAC meetings, especially those needed to ensure meetings comply with the Sunshine Act and other laws and regulations,
- Providing more national office oversight and feedback to regional directors on the adequacy of their compliance with the Lean Six Sigma process to increase the efficiency and effectiveness of regional office recruitment and re-chartering,
- Providing more training to regional directors on internal requirements for budget execution, including reallocating funds to support SAC activities and effectively utilize available funds,
- Providing accurate and timely information to regional offices on the status of their operating budgets throughout the fiscal year,
- Increasing accountability at all levels for submitting, reviewing and approving advisory committee re-charter and appointment packages recommendations to support timely re-chartering,
- Increasing information sharing and coordination between regional offices and RPCU by returning to regularly scheduled meetings to ensure compliance with Commission policies and procedures,
- Strengthening compliance with existing policies on timely submission of payment requests (e.g., travel vouchers, billable hours, etc.) to support proper budget management, including de-obligation and reallocation of funds, and
- Providing training to office and division heads on agency budget formulation and execution procedures and policies to improve performance-budget integration.

The need for a human capital plan that establishes an accountability framework and aligns human resources, as well as the management of these resources, with the agency's strategic plan was a reoccurring thread in the assessment responses. In late FY 2009, we began working with experienced human resources consultants to develop a human capital strategic plan by early 2010 that will serve as a roadmap for eliminating barriers to our strategic success. Among the possible barriers identified are:

- inadequate performance monitoring,
- unavailable or inadequate skill sets,
- poor alignment of human resource policies and initiatives with agency strategic goals and objectives, and
- matters of organizational culture.

The number of FISMA deficiencies has not increased compared to last year. We addressed one of two deficiencies identified in FY 2008 by developing a continuity of operations (COOP) plan for information technology that is pending issuance as a part of the agency-wide COOP plan. We plan to issue the agency-wide plan in December 2009. The remaining deficiency was resolved in FY 2009 with the creation of written authorization to operate systems on an interim basis.

As we expanded our IT systems in FY 2009, we also triggered a new FISMA-related concern. After adding a new server to support our project management initiative we determined that the system should be incorporated into our remote/off-site plans for COOP planning. We are researching to create options for accomplishing this, within existing agency funding constraints, by FY 2012.

A list of our current FISMA deficiencies is in Appendix C.

D. FINANCIAL HIGHLIGHTS

We continued using an external accounting services provider to strengthen our financial management during FY 2009 and supplement the work of our budget staff. Our accounting services provider, the General Services Administration's (GSA's) Heartland Finance Center, delivers a broad range of financial reports and services, and internal controls, 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.

Based on our internal controls and GSA accounting services, which comply with all applicable OMB standards, we received a clean financial audit. We have no material weaknesses related to internal control over financial reporting and no Improper Payment Act violations. We have no significant Prompt Payment Act violations though we paid \$169 in interest to vendors. This is a 46 percent reduction in interest paid compared to last year.

E. LIMITATIONS ON FINANCIAL STATEMENTS

The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the entity in accordance with GAAP for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.



MANAGEMENT STATEMENTS OF ASSURANCE

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 is able to provide an unqualified statement of assurance that the internal controls over financial reporting and financial management systems meet the objectives of FMFIA as of September 30, 2009.

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 over the effectiveness 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, 2009, was 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, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal control over financial reporting as of June 30, 2009 was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

The Federal Financial Managers Improvement Act of 1996 (FFMIA) requires that "each agency shall implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the United States Government Standard General Ledger at the transaction level." The Commission's external accounting services provider, the General Services Administration (GSA), uses Pegasys Financial Management Application to process our accounting transactions. This application is a commercial-off-the-shelf (COTS) package based on CGI Federal's

Momentum Financials. We also use the National Finance Center (NFC), a service provider agency within the Department of Agriculture, for our payroll and personnel processing. Both these systems meet the standards established by FFMIA.

A handwritten signature in cursive script, reading "Martin Dannenfels".

MARTIN DANNENFELSER
Staff Director
United States Commission on Civil Rights
November 15, 2009

FY 2009 PERFORMANCE: USCCR GOALS, OBJECTIVES, AND RESULTS

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 its vital mission over the next five years and for overcoming various administrative challenges. The plan, adopted in October 2007, contains four 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 2009 annual performance plan includes performance goals or targets, against which we proposed to measure our performance. These performance targets support accomplishment of our strategic objectives. Below, we describe our FY 2009 annual plan performance targets. We evaluate and report our performance using these categories: Exceeded, Met, Substantially Met (achieved at least 75% of target performance), and Did Not Meet.

A. RELIABILITY OF PERFORMANCE DATA

Over the course of the year, Commission managers monitor and record their progress on achieving their performance goals. For our regional staff, this involves determining which advisory committees should be re-chartered in order to meet their annual goals, and documenting their advisory committee re-charter and member appointment progress. It also involves submitting quarterly and end-of-year reports on their complaint referral services, participating in periodic meetings with the chief of RPCU, and submitting end-of-the-year performance data using new standardized agency reporting forms. RPCU is responsible for thoroughly reviewing, verifying and consolidating regional data into one document for performance reporting. When we find data discrepancies that cannot be resolved, we either do not rely on the data or use the most conservative interpretation of the available data.

Offices in our headquarters are similarly responsible for reporting annual performance. The Office of the General Counsel and the Office of Civil Rights Evaluation typically begin reporting performance data during the last quarter of the fiscal year. The performance data primarily addresses the quantity, quality, effectiveness, and efficiency of their civil rights reports and briefings. Data collection and annual planning at the office and division levels remain challenging even though agency staff are provided the agency's annual performance plan identifying the offices and divisions responsible for each performance measure and target. The expectation remains, however, that reporting by national program offices will improve through training and the use of project management software. In October 2009, as mentioned previously, a certified project management professional conducted in-house basic project management theory training for program office heads and their staff. This was followed by hands-on training on using MS Project and Project Web Access (PWA). We subsequently scheduled one-on-one training and troubleshooting to resolve issues experienced by staff during their initial use of the software for November 2009. We are proposing bringing other offices, including regional offices, online as resources are available to expand this accountability initiative. Except where otherwise noted, the performance data is generally reliable. However, improving our data collection and reliability is a continuing process.

Generating timely, comprehensive and accurate financial data related to program activities also remains challenging. We can report spending \$2,284,582 of the agency's budget on civil rights projects.¹² Under the guidance of a new budget director, beginning in November 2009, we expect to address several priorities including completing the process of integrating our payroll and accounting systems, improving activity-based cost reporting, and revising the agency's budget formulation tools.

B. STRATEGIC GOAL FY 2009 PERFORMANCE TARGETS

STRATEGIC GOAL 1: Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Increase the # of SACs re-chartered (1.1.1(a))	33% Chartered	51%	65%	90%
Eliminate the backlog of un-chartered SACs ¹³ (1.1.1(b))	13% Reduction	50%	56%	50%
Achieve an average re-charter time of 60 days (1.1.1(c))	N/A	24	78	60 days
Obtain input from SACs as a part of national program planning (1.2.2(a))	Once by October 31	Once by October 31	Once by October 31	Once by October 31
Solicit SAC ideas for SAC follow-up activities on national office projects (1.2.2(c))	Completed one solicitation	Completed one solicitation	Completed one solicitation	Solicit once annually (during October)
Conduct a joint national and SAC project every two years and issue a report within 12-18 months (1.2.2(b))	Report approved and issued ¹⁴	Report approved and issued ¹⁵	No joint report issued ¹⁶	Approve and issue a one joint report
Complete multi-state SAC report (1.3)	N/A	N/A	Report pending completion in FY 2010	Issue one multi-state advisory committee report on state/regional issues

¹² U.S. Commission on Civil Rights, *FY 2009 Project Cost Report*, Office of Management, Budget and Finance Division, November 2009.

¹³ There were 34 state advisory committees in the backlog of un-chartered committees at the time the baseline was established.

¹⁴ See *Becoming Less Separate? School Desegregation*, Justice Department Enforcement, and the Pursuit of Unitary Status, U.S. Commission on Civil Rights, Washington, DC (Sept. 2007).

¹⁵ See *Enforcing Religious Freedom in Prison*, U.S. Commission on Civil Rights, Washington, DC (Sept. 2008).

¹⁶ Our annual enforcement report, often referred to as the statutory report, for FY 2009 is *Civil Rights and the Mortgage Crisis*, U.S. Commission on Civil Rights, Washington, DC (Sept. 2009). We originally invited our chartered state advisory committees to conduct fact-finding on fair housing issues when that was our statutory report; however, the agency subsequently changed the topic. Time constraints limited our ability to request and, more importantly, wait for new state research appropriate for consideration in the agency's statutory report.

STRATEGIC GOAL 1: Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.

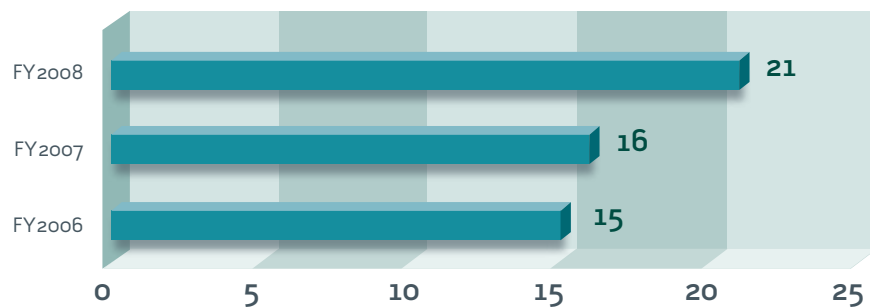
	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Convene a national civil rights conference (1.4(a))	N/A	N/A	Conference postponed until FY 2010	National civil rights conference with 100 attendees

Incorporating our advisory committees into the work of the Commission continues to be an area of some focus. As in previous years, we solicited input from each chartered advisory committee on topics and follow-up activities for consideration during national office annual program planning. Similarly, we solicited their participation in the annual enforcement report when the topic was fair housing. Improving our tracking and reporting during the year allowed us to record the level of response and participation of our advisory committees. During FY 2009, we are able to report that 90 percent of the committees we contacted responded to our request to provide their input into national office program planning.

In FY 2008, we commissioned a multi-state report in which our advisory committees identify emerging civil rights issues and priorities in their states and regions. This will be a valuable tool for policy-makers, researchers, and anyone interested in or directly affected by civil rights issues. Moreover, our advisory committees could make use of the multi-state report in planning their fact-finding activities for the next several years. A draft report is currently under review and we anticipate releasing a final report during FY 2010.

Shortly after the issuance of this report, during FY 2011, we still anticipate that all 51 advisory committees will have active charters. We continue to make real progress toward this goal by increasing the number of chartered committees to 33 in FY 2009 (or to 65 percent). Of these, 15 were newly expiring charters that were renewed and three others were charters that lapsed before January 30, 2007. Overall, we have reduced our committee backlog by 56 percent and expect to eliminate it in FY 2011, and appointed over 180 citizens in 18 states to serve as state advisory committee members. Our advisory committees held 14 civil rights briefings and forums and, when we combine briefings and forums with advisory committee business and planning meetings, our committees held 67 meetings of various types during the year.

COMPARISON OF STATE ADVISORY COMMITTEE FACT-FINDING ACTIVITY



While re-chartering and advisory committee meetings and briefings account for a sizable portion of the regional activity, we also dedicated resources to the complaint referral service our regional offices provide to the public and to completing civil rights reports. Our regional staff handled over 800 civil rights complaints from members of the public seeking to protect and enforce their rights. It is noteworthy that, on average, our regional offices processed complaints within two days. They also completed seven civil rights reports working with our advisory committees, we list many of the reports in the below table.

State	Report Title
Vermont	Racial Profiling in Vermont
North Carolina	Voting Rights in Kentucky: Felons Who Have Completed All Terms of Their Sentences Should Have the Right to Vote
South Carolina	Fair Housing Enforcement in North Carolina: Presence of HUD-Certified Local Agencies to Investigate Fair Housing Complaints
South Carolina	School Desegregation in South Carolina: High Level of Segregation Persists 50 Years After <i>Brown</i>
Tennessee	Fair Housing Enforcement in Tennessee: Persistence of Housing Discrimination Demands Greater Support for Federally Funded Local Programs and New Approaches to Enforcement

The national conference planning proceeded in FY 2009 with the production of a conference plan, list of proposed speakers, and a location secured. Additional time was allocated to ensure that the caliber of speakers was appropriate for an event of this significance for the nation. Our national conference is planned for FY 2010 with the conference report to be issued by the following year.

STRATEGIC GOAL ONE CHALLENGES AND PROPOSED CORRECTIVE ACTIONS	
Challenge	Proposed Action
Increase the number of chartered advisory committees	Resume regular semi-monthly meetings chaired by the RPCU chief to discuss performance targets and report on the status of regional office re-chartering.
	Monitor and give feedback to regional directors on their use of Lean Six Sigma checklists, and tracking and reporting tools by all regional offices and RPCU.
	Maintain a master list or summary sheet within RPCU on the status of all regional office re-chartering activity and annual performance targets to identify potential delays and challenges related to achieving regional office and agency-level performance targets. Distribute this list or summary to regional directors monthly.
Conduct a joint national office and advisory committee project every two years	Fill vacant regional program positions, resources allowing, including the regional director in the Western Region and the permanent chief of RPCU.
	Approve the statutory report topic providing sufficient time for regional offices to solicit and obtain the meaningful participation of interested advisory committees.

C. STRATEGIC GOAL TWO: FY 2009 PERFORMANCE TARGETS

STRATEGIC GOAL 2: Expand the capacity of federal agencies to raise public awareness of civil rights and efficiently and effectively execute their civil rights enforcement responsibilities by engaging in strategic partnerships.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Produce a report that addresses how civil rights agencies might enhance their effectiveness, including conducting exit or follow-up activities with agencies (2.1.1)	Statutory Report (school desegregation)	Statutory Report (religious freedom)	Statutory Report (mortgage crisis)	Statutory Report (fair housing)
Issue guidance to the executive branch on civil rights enforcement efforts	N/A	N/A	5 policy and enforcement letters	Baseline Year
Establish congressional contacts and provide substantive input on proposed civil rights legislative agenda items (2.4.4(e))	Baseline Year	0	3	3
Host public briefings or hearings annually on civil rights issues (2.5.5(a))	6 ¹⁷	6	3	5
Issue press releases related to civil rights issues and Commission activities (2.5.5(c))	18	10	21	10
Hold press conference on the Commission's statutory report or other significant activity/publication (2.2.5)	N/A	0	0	1
Post all public meeting and briefing transcripts, and approved reports on the Web site (2.5.5(d))	12	17	14	21
Provide assistance to members of the public who seek advice and information about protecting their civil rights by offering a complaint referral service (2.5.5(e))	Maintain a 30-day complaint referral response time	21-day complaint referral response time	14-day complaint response time	30-day complaint referral response time

¹⁷ Strategic Goal Two, as applicable in FY 2007 in draft form, called for the agency to "Promote greater public awareness of civil rights issues, enforcement efforts and protections, and serve as a national clearinghouse for credible and reliable civil rights information." Briefings were not specifically associated with this goal in FY 2007 though the agency did conduct six briefings that year.

STRATEGIC GOAL 2: Expand the capacity of federal agencies to raise public awareness of civil rights and efficiently and effectively execute their civil rights enforcement responsibilities by engaging in strategic partnerships.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Increase participation in public policy symposia and venues in which the Commission shares its views concerning civil rights policies (2.5.5(f))	Baseline Year	0	0	1

Providing the public with opportunities to hear experts and others debate and discuss current and emerging civil rights issues is critical to creating a national civil rights conversation. In this effort, representatives from more than 22 universities, organizations, groups, and agencies appeared before the Commission to discuss three civil rights issues during FY 2009; specifically, healthcare disparities between minorities and non-minorities, English as the common language in the workplace, and the mortgage crisis. Examples of the groups appearing at the Commission to share their subject matter expertise include:

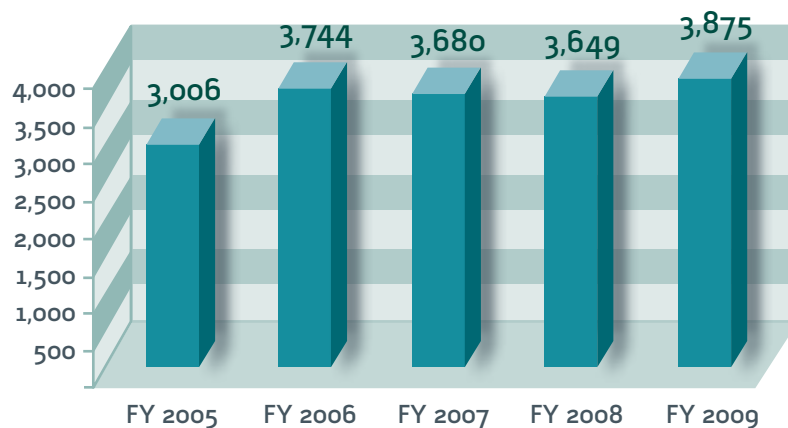
Equal Employment Opportunity Commission	Memorial Sloan-Kettering Cancer Center
Fannie Mae	Center for Equal Opportunity
Federal Housing Finance Agency	ProEnglish
National Fair Housing Alliance	CASA de Maryland
Federal Trade Commission	University of Texas at Dallas
Department of Health and Human Services	Hudson Institute
Boston Men's Cardiovascular Health Project	Federal Reserve
University of Nebraska Medical Center	National Community Reinvestment Coalition
American Enterprise Institute	Comptroller of the Currency
Harvard's Kennedy School of Government	Department of Housing and Urban Development
National Bureau of Economic Research	Freddie Mac

Transcripts of the presentations made by the experts representing these and other organizations, as well as transcripts from Commission business meetings and copies of our civil rights reports, are publicly available on our Web site. We posted 11 Commission meeting and civil rights briefing transcripts, and three Commission reports to our Web site in FY 2009. The reports were:

- Department of Justice Voting Rights Enforcement for the U.S. 2008 Presidential Election (July 2009),
- Minorities in Special Education (April 2009), and
- Civil Rights and the Mortgage Crisis (September 2009).

We out-performed our target 30-day response time with an actual national office response time of 14 days for the 3,006 complaints received by the national office.

ANNUAL NUMBER OF CIVIL RIGHTS COMPLAINTS



Inmates and African Americans are still far more likely than any other group to seek the assistance of the Commission. Nearly half of all complaints received were from the states of Pennsylvania, New York, California, and Texas respectively. Of the total number of complaints referred, 83 percent were forwarded to the Department of Justice (DOJ) and 11 percent to the Equal Employment Opportunity Commission (EEOC). Our regional offices also receive civil rights complaints, reporting 869 complaints during FY 2009. Our combined annual number of complaints received exceeds 3,875.

STRATEGIC GOAL TWO CHALLENGES AND PROPOSED CORRECTIVE ACTIONS	
Challenge	Proposed Action
Hold 5 briefings annually	Review the feasibility of this target based on the Commission moving away from approving a full slate of topics 12-18 months in advance (to align with the budget cycle) to a process based on quarterly approval during the current calendar year.
Establish congressional contacts and provide substantive input on proposed civil rights legislative agenda items	Continue to pursue submitting policy letters or statements to Congress in the absence of congressional affairs staff that would support the broader outreach and engagement with Congress that were originally envisioned.
	Finalize the review and revise AI 1-4 on congressional and White House liaison activities (last issued in 1999) to ensure that it supports current agency goals and objectives.
Hold an annual press conference on Commission reports and/or other significant activity	Seek to fill the position of chief of PAU with an experienced full-time permanent hire, budgetary resources allowing, and plan to hold a press conference every two years (instead of annually) in the absence of public affairs staff.
	Request that a written proposal be prepared for holding a press conference for the proposed FY 2010 national conference, postponed from FY 2009, to support sound management of this project.

**STRATEGIC GOAL TWO
CHALLENGES AND PROPOSED CORRECTIVE ACTIONS**

Challenge	Proposed Action
Post all meeting and briefing transcripts, and approved reports on the Web site	Implement and monitor agreed upon changes to how draft transcripts are finalized.
Increase participation in public symposia where we share our views	Review in FY 2010 to determine whether this target remains realistic under existing budgetary and staffing constraints.

D. STRATEGIC GOAL THREE: FY 2009 PERFORMANCE TARGETS

STRATEGIC GOAL 3: Serve as an authoritative national clearinghouse and repository of civil rights data and information.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Written work products meet rigorous standards for accuracy, objectivity, transparency and accountability	N/A	N/A	No adverse decisions No reversals of Commission decisions on appeal	Baseline Year ¹⁸
Implement adopted GAO findings and recommendations related to report quality (consistent with any Commissioner-approved timeline) (3.1.1.(b))	95% (Baseline Year)	95%	100%	100%
Issue a report(s) and conduct follow-up research, where necessary, on disparities (3.2.3)	2 briefing reports	1 briefing report	2 briefing reports	2 reports including disparities data
Issue a report(s) and conduct follow-up research, where necessary, assessing the credibility of claims of systemic or pervasive discrimination (3.3.3)	N/A ¹⁹	1 briefing report	2 briefing reports	2 reports assessing claims of systemic or pervasive discrimination

¹⁸ Measures for which baselines was sought are 1) the percentage of adverse decisions under agency information quality guidelines, and 2) the percentage of agency decisions reversed on appeal under information quality guidelines.

¹⁹ Strategic Goal Three, as applicable in FY 2007, calls for the Commission to "Evaluate and identify ways of improving the effectiveness and efficiency of federal agency enforcement of civil rights laws and policies." Associated with the FY 2007 goal was the completion of the annual statutory report evaluating federal agency enforcement and two briefing reports.

STRATEGIC GOAL 3: Serve as an authoritative national clearinghouse and repository of civil rights data and information.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Incorporate original social scientific research into Commission reports (3.4.4)	1 report containing original research data (statutory report)	1 report containing original research data (statutory report)	1 report containing original research data (statutory report)	1 report containing original research data

For the second year, we achieved 100 percent of our planned performance targets for this strategic goal. We implemented all recommendations for strengthening the quality of our reports, presented three civil rights briefings, issued four briefing reports, and incorporated social scientific data into the annual enforcement report. Examples of our civil rights work in FY 2009 include approving five reports for publication on civil rights topics such as:

- special education and the over-representation of minorities,
- election monitoring by the Department of Justice during the 2008 presidential election,
- the mortgage crisis and its civil rights implications (annual enforcement report),
- supplemental educational services under the *No Child Left Behind Act*, and
- accommodating interests and abilities in athletics under Title IX.

E. STRATEGIC GOAL FOUR: FY 2009 PERFORMANCE TARGETS

STRATEGIC GOAL 4: Normalize the Commission’s financial and operational controls, and modernize its information technology management and dissemination.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Full compliance with OMB A-11 guidance for integrated budget by FY 2010 (4.1.1(a))	N/A	Baseline year	Created annual plans and revised budget	Timely submit budget; Create annual performance plan; Revise budget priorities based on actual appropriations; Post CJ materials
Receive a PART score of at least “moderately effective” by FY 2010 (4.1.1(b))	N/A	Baseline Year	Updated PART Improvement Plan Data	Update PART as scheduled; Request FY 2010 Reassessment (as determined)
Receive a “clean” or unqualified financial audit (4.2.2(a))	“Clean Audit”	“Clean Audit”	“Clean Audit”	“Clean Audit” opinion of Financial Statements

STRATEGIC GOAL 4: Normalize the Commission's financial and operational controls, and modernize its information technology management and dissemination.

	FY 2007	FY 2008 (actual)	FY 2009 (actual)	FY 2009 (target)
Full Compliance with laws and regulations respecting stewardship of tax dollars (4.2(b))	N/A	Baseline Year	Resolved two of three FISMA weaknesses	Resolve identified FISMA weaknesses; Timely complete financial audit
Conduct an assessment during FY 2008 of the effectiveness and efficiency of the Commission's current administrative structure and develop plan of action in FY 2009 (4.2.2(d))	N/A	No assessment conducted	No assessment conducted	Conduct assessment of effectiveness & efficiency of administrative structure
Evaluate the agency's organizational structure to support increased effectiveness and efficiency	N/A	N/A	No assessment conducted	Complete organizational assessment and issue report/ POA with implementation timetable
Execute workforce planning and human capital accountability systems by FY 2008 (4.2.2(e))	N/A	HCP Plan Not Completed	HCP process underway	Complete Human Capital Plan (HCP)
Implement adopted GAO and OPM audit findings and recommendations that address financial and operational procedures (4.3.3)	N/A	Baseline Year	Implemented	Performance budget integrates program activities and costs; Budget document revisions based on actual appropriations

**STRATEGIC GOAL FOUR
CHALLENGES AND PROPOSED CORRECTIVE ACTIONS**

Challenge	Proposed Action
Conduct an assessment during FY 2008 of the effectiveness and efficiency of our administrative structure	Review this target to determine whether or how it can be accomplished in FY 2010 or FY 2011. Assess whether this target is too ambitious given various factors, including staffing and funding, agency priorities, and possible agency reauthorization.
Execute a workforce planning and human capital accountability system	Complete a draft human capital plan no later than March 2010.

F. 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 meet the criteria established by PART guidance.

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

FY 2009 FINANCIAL MANAGEMENT: BEING GOOD STEWARDS OF OUR FINANCIAL RESOURCES

This section demonstrates our commitment to effective stewardship over our funds and compliance with applicable federal financial management laws and regulations. It includes the message from the director of management who is responsible for the Budget and Finance Division, Financial Statements and Notes to the Financial Statements, the Independent Auditors' Report – an independent opinion on the Financial Statements, and Required Supplemental Information.

A. MESSAGE FROM THE DIRECTOR OF MANAGEMENT

I am pleased to report that, for fiscal year 2009, the Commission once again received an unqualified audit opinion on its financial statements. This marks the fourth straight year that we have received a clean audit opinion with no identified material weaknesses in internal control over financial reporting. In light of these successes, we proudly report that we fully achieved our target performance level related to financial management, including obtaining a timely financial audit under the Accountability of Tax Dollars Act and receiving a clean audit opinion. The Commission remains committed to continuous improvement in financial management and internal controls, even with the receipt of this clean audit opinion.

During FY 2009, we continued to monitor and evaluate the implementation and effectiveness of the financial management practices developed over the past few years. In FY 2009, we continued to use our reconciliation procedures to ensure the accuracy of financial information, created policies and forms to ensure that we appropriately documented our procurement transactions, and revisited our travel and financial policies to ensure the existence of needed documentation and compliance with federal regulations. We also continued our contract with an accounting services provider to supplement our budget staff and provide an accounting system that complies with all applicable federal laws and regulations. This year in particular was more challenging than most, as we had several staffing shortages in the Office of Management. However, due to the continuous adherence of the above implementations and other efforts by dedicated and professional Commission staff, we were able to earn our fourth clean financial audit. On behalf of the Commission, I thank the employees who worked tirelessly each day to achieve our goals. This report is a reflection of their extraordinary dedication to the Commission and our mission.

The auditors' report on Compliance with Laws and Regulations for this year does contain compliance issues and related recommendations for action. We accept responsibility for addressing these issues and with the help of our new budget officer, hired in FY 2010, we expect to take immediate action.

While we are pleased with our FY 2009 accomplishments, we will continue striving to improve all aspects of our financial management and anticipate even greater accomplishments during FY 2010.



TinaLouise Martin
Director of Management

B. FINANCIAL STATEMENTS & NOTES, AND AUDITORS' REPORT

UNITED STATES COMMISSION ON CIVIL RIGHTS

AUDIT REPORTS
IN ACCORDANCE WITH THE REPORTING REQUIREMENTS OF THE FEDERAL
ACCOUNTING STANDARDS ADVISORY BOARD

For the Years Ended September 30, 2009 and 2008



Walker & Company, LLP
Assurance, Business and Advisory Services

UNITED STATES COMMISSION ON CIVIL RIGHTS

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Net Cost	4
Statements of Changes in Net Position	5
Statements of Budgetary Resources	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
Intra-governmental Balances by Trading Partner	18
GOVERNMENT REPORTS	
Report of Independent Auditors on Internal Control	19
Report of Independent Auditors on Compliance with Laws and Regulations	21



Walker & Co., LLP
Assurance, Business and Advisory Services

REPORT OF INDEPENDENT AUDITORS

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the accompanying balance sheets of the United States Commission on Civil Rights (the Commission or Agency) as of September 30, 2009 and 2008, and the related statements of net cost, changes in net position and budgetary resources for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2009 and 2008, and its net cost, changes in net position and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in the Management's Discussion and Analysis and Required Supplementary Information sections are not a required part of the basic financial statements, but are supplementary information required by OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures to such information, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. We also reviewed such information for consistency with the related information presented in the Commission's financial statements. We did not audit this information, however and, accordingly, express no opinion on it.

4200 Wisconsin Avenue, NW, Suite 300, Washington, DC 20016 | T. 202.363.9300 F. 202.363.0531
Member AICPA Private Companies Practice Section & Government Audit Quality Center

The other accompanying information on performance and accountability and appendices are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards* and OMB Bulletin 07-04, as amended, we have also issued our reports dated November 12, 2009, on our consideration of the Agency's internal control over financial reporting, and on our tests of the Commission's compliance with certain provisions of laws and regulations and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of our audits performed in accordance with *Government Auditing Standards* and OMB Bulletin 07-04, as amended, and should be considered in assessing the results of our audits.

Walker & Co., LLP

November 12, 2009

**UNITED STATES COMMISSION ON CIVIL RIGHTS
BALANCE SHEETS**

	September 30,	
	2009	2008
ASSETS		
Intra-governmental		
Fund balance with Treasury (Note 3)	\$ 2,925,740	\$ 2,909,670
Accounts receivable (Note 4)	5,516	5,516
Total intra-governmental	2,931,256	2,915,186
General property, plant and equipment, net (Note 5)	47,472	63,835
TOTAL ASSETS	\$ 2,978,728	\$ 2,979,021
LIABILITIES (Note 6)		
Intra-governmental		
Accounts payable	\$ 4,955	\$ 6,955
Other	45,292	-
Total intra-governmental	50,247	6,955
Accounts payable	396,979	569,262
Other (Note 7)	610,824	624,454
Total Liabilities	1,058,050	1,200,671
NET POSITION		
Unexpended appropriations - other funds	2,135,856	1,994,224
Cumulative results of operations - other funds	(215,178)	(215,874)
Total Net Position	1,920,678	1,778,350
TOTAL LIABILITIES AND NET POSITION	\$ 2,978,728	\$ 2,979,021

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENTS OF NET COST**

	<u>Year ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
PROGRAM COSTS		
Gross costs (Note 8)	\$ <u>8,597,107</u>	\$ <u>8,383,710</u>
Net program costs	<u>8,597,107</u>	<u>8,383,710</u>
 NET COST OF OPERATIONS	 <u>\$ 8,597,107</u>	 <u>\$ 8,383,710</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENTS OF CHANGES IN NET POSITION

	Year ended September 30,			
	2009	2008		
	Cumulative Results of Operations	Cumulative Results of Operations	Unexpended Appropriations	Unexpended Appropriations
Beginning balances, as adjusted	\$ (215,874)	\$ (211,978)	\$ 1,994,224	\$ 1,939,741
Budgetary Financing Sources:				
Appropriations received	-	-	8,800,000	8,460,000
Other adjustments (recissions, etc.)	-	-	(60,565)	(25,703)
Appropriations used	8,597,803	8,379,814	(8,597,803)	(8,379,814)
Total Financing Sources	<u>8,597,803</u>	<u>8,379,814</u>	<u>141,632</u>	<u>54,483</u>
Net cost of operations	8,597,107	8,383,710	-	-
Ending Balances	<u>\$ (215,178)</u>	<u>\$ (215,874)</u>	<u>\$ 2,135,856</u>	<u>\$ 1,994,224</u>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENTS OF BUDGETARY RESOURCES**

	<u>Year ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
Budgetary Resources		
Unobligated balance, brought forward, October 1	\$ 674,306	\$ 771,948
Recoveries of prior year unpaid obligations	<u>283,977</u>	<u>32,771</u>
Budget authority		
Appropriations received	8,800,000	8,460,000
Collected	<u>2,095</u>	<u>615</u>
Subtotal	<u>8,802,095</u>	<u>8,460,615</u>
Permanently not available	<u>(60,565)</u>	<u>(25,703)</u>
Total Budgetary Resources	<u>\$ 9,699,813</u>	<u>\$ 9,239,631</u>
Status of Budgetary Resources		
Obligations incurred		
Direct, Category A (Note 9)	<u>\$ 9,050,843</u>	<u>\$ 8,565,325</u>
Unobligated balances		
Apportioned	22,283	55,247
Unobligated balances-not available	<u>626,687</u>	<u>619,059</u>
Total Status of Budgetary Resources	<u>\$ 648,970</u>	<u>\$ 674,306</u>
Change in Obligated Balance		
Unpaid obligations, brought forward, net	2,235,364	2,012,337
Obligations incurred, net	9,050,843	8,565,325
Gross outlays	(8,725,460)	(8,309,527)
Recoveries of prior-year unpaid obligations, actual	<u>(283,977)</u>	<u>(32,771)</u>
Total Unpaid Obligated Balance, Net, End of Period (Note 10)	<u>\$ 2,276,770</u>	<u>\$ 2,235,364</u>
Net Outlays		
Gross outlays	8,725,460	8,309,527
Offsetting collections	<u>(2,095)</u>	<u>(615)</u>
Net Outlays	<u>\$ 8,723,365</u>	<u>\$ 8,308,912</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 ORGANIZATION AND PURPOSE

Reporting entity

The statutory mandate of the United States Commission on Civil Rights (the Commission or Agency) is to:

- investigate allegations in writing, under oath or affirmation relating to deprivations because of color, race, religion, sex, age, disability, or national origin; or 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, 42 U.S.C. §1975a(1); and
- study and collect information, appraise the laws and policies of the federal government, serve as a national clearinghouse for information, and prepare 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, or national origin, or in the administration of justice, 42 U.S.C. §1975a (2).

The Commission also issues a report annually to the President of the United States and Congress on monitoring federal civil rights enforcement and establishing state advisory committees in each of the fifty states and the District of Columbia.

Powers

In furtherance of its fact-finding duties, the Commission may hold hearings and issue subpoenas (within states in which hearings are being held and within a 100-mile radius of such sites) for the production of documents and the attendance of witnesses. The Commission also uses depositions and written interrogatories to collect information and testimony about matters subject to hearings or reports. In addition to these more formal measures, the Commission conducts public briefings on existing and emerging civil rights issues and produces briefing reports. The Commission maintains state advisory committees, and consults with representatives of federal, state and local governments in addition to private organizations.

Since the Commission lacks enforcement powers that would enable it to apply specific remedies in individual cases, its civil rights reports contain findings and recommendations for corrective action by federal and state agencies and other civil rights stakeholders as deemed appropriate. The Commission also provides a complaint referral service that receives complaints from citizens and other sources which are forwarded to appropriate federal, state, or local government agencies or private organizations for action.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 ORGANIZATION AND PURPOSE (Continued)

Organization and structure of the Commission

The Office of the Staff Director is responsible for the day-to-day management of the Commission and for executing the policy direction established by the Agency's eight appointed commissioners.

The Commission is comprised of two programmatic units, the Office of General Counsel and the Office of Civil Rights Evaluation, in addition to six regional offices. The activities of these regional offices are coordinated through the Regional Programs Coordination Unit (Unit). The chief of this Unit reports directly to the Staff Director.

Administratively, Office Management oversees the work of three divisions: Administrative Services and Clearinghouse (ASCD), Budget and Finance and Human Resources. Included within ASCD are the Commission's procurement services, public civil rights library, copy/print shop, and information technology services.

Other Commission offices, which at present remain unstaffed, include:

- Public Affairs Unit,
- Congressional Affairs Unit, and
- Equal Employment Opportunity Programs

NOTE 2 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 accounting records of the Commission in accordance with accounting principles generally accepted in the United States (GAAP), and the form and content for entity's financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, *Financial Reporting Requirements*, as revised. 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 financial statements, which include a balance sheet, statement of net cost, statement of changes in net

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation (continued)

position and a statement of budgetary resources. The balance sheets present, as of September 30, 2009 and 2008, 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 Agency's 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 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 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 the accrual basis in conformity with GAAP. GAAP for federal entities are the standards prescribed by the FASAB and recognized by the AICPA as federal GAAP. These financial statements are, therefore, different from financial reports prepared pursuant to other OMB directives used primarily to monitor and control the Commission's use of budgetary resources.

Transactions are recorded on accrual and budgetary bases of accounting. According to the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded 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 accrual based transactions. 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 accrual adjustments made by recording year-end estimates of unpaid liabilities.

Use of estimates

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

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 Treasury and reconciled with those of Treasury on a regular basis. Note 3, Fund Balance with Treasury, provides additional information.

Accounts receivable

Accounts receivable consist of the amounts owed to the Commission as the result of the provision of goods and services. Intra-governmental accounts receivable generally arise from the provision of reimbursable work to other federal agencies and no allowance for uncollectible accounts is established as those accounts are considered to be fully collectible. Accounts receivable also include interest due to the Commission directly attributable to delinquent receivable balances. They are presented net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is determined based on past collection experience and an analysis of outstanding balances. Note 4, Accounts Receivable, provides additional information.

General property and equipment

General property and equipment (P&E) consists of equipment used for operations and internal use software. The basis for recording purchased P&E is full cost, which includes all costs incurred to bring the P&E to a form and location suitable for its intended use. All P&E with initial acquisition cost of \$5,000 or more and estimated useful lives of five years or more, are capitalized except for internal use software discussed below.

The P&E is depreciated using the straight-line method over the estimated useful lives of assets. 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 begins in the software development phase.

For amortization purposes, the estimated useful life of 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 threshold levels are expensed. Software is depreciated for a period of time consistent with the estimated useful life used for planning and acquisition purposes.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liabilities

Liabilities are recognized for amounts of probable, 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 providing 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: Available budgetary resources include: (1) new budget authority, (2) spending authority from offsetting collections, (3) recoveries of expired budget authority, (4) unobligated balances of budgetary resources at the beginning of the year, and (5) permanent indefinite appropriations or borrowing authority. *Liabilities Not Covered by Budgetary Resources:* Sometimes funding has not yet been made available through Congressional appropriations or current earnings. The major liabilities in this category include employee annual leave earned but not taken. *Liabilities Covered by Budgetary Resources and Liabilities Not Covered by Budgetary Resources* are combined on the balance sheet.

Accounts payable

Accounts payable primarily consist of amounts due for goods and services received, progress on 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 30. Liabilities for annual and other vested compensatory leave are 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 actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue and financing sources

The Commission receives the funding needed to support its programs through an annual Congressional appropriation. The United States Constitution mandates 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 purchased.

The Commission receives an annual appropriation that may be used within statutory limits. For example, funds for general operations are typically made available for one fiscal year. The Statement of Budgetary Resources reflects 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. For employees covered under FERS the Commission contributes the employer's matching share for Social Security and Medicare Insurance. A primary feature of FERS is that it offers a Thrift Savings Plan (TSP) into which the Commission automatically contributes one percent of employee pay and matches employee contributions up to an additional four percent of pay.

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.

NOTE 3 **FUND BALANCE WITH TREASURY**

The Commission's fund balance with Treasury comes from appropriations. This fund balance with Treasury is a consolidated balance of five annual funds (980: FY 2005, FY 2006, FY 2007, FY 2008, and FY 2009). The annual fund for FY 2004 is cancelled and the remaining fund balance of \$60,565 was returned to Treasury during fiscal year 2009.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 3 FUND BALANCE WITH TREASURY (Continued)

The balance with the Treasury is as follows at September 30:

	2009	2008
A. Fund balance with Treasury		
Trust fund	\$ 2,925,740	\$ 2,909,670
B. Status of fund balance with Treasury		
1) Unobligated balance		
a. Available	22,283	55,247
b. Unavailable	626,687	619,059
2) Obligated balance not yet disbursed	2,276,770	2,235,364
Total	\$ 2,925,740	\$ 2,909,670

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable is comprised of an Accounts Receivable-Other. In FY 2008, the Commission established the receivable for a vendor overpayment. The direct write-off method is used for uncollectible receivables.

	2009	2008
Accounts receivable		
Other:	\$	\$
Non-federal	5,516	5,516
Total	\$ 5,516	\$ 5,516

NOTE 5 GENERAL PROPERTY, PLANT AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	2009	2008
Equipment	\$ 17,277	\$ 17,277
Software	64,840	64,840
	82,117	82,117
Less: Accumulated depreciation and amortization	(34,645)	(18,282)
Property and equipment, net	\$ 47,472	\$ 63,835

Depreciation expense for the years ended September 30, 2009 and 2008, was \$16,363, for each fiscal year.

NOTE 6 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Commission are classified as obligations covered or not covered by budgetary resources. As of September 30, 2009 and 2008, liabilities covered by budgetary resources totaled \$729,703 and \$915,446, respectively, and liabilities not covered by budgetary resources were \$328,347 and \$285,225, respectively.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 6 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES
(Continued)

Liabilities covered by budgetary resources as of September 30, 2009 and 2008, are comprised of accounts payable of \$401,934 and \$576,217, respectively, and accrued funded payroll and leave of \$282,478 and \$339,229, respectively.

	2009	2008
With the public		
Other (unfunded leave liability)	\$ 328,347	\$ 285,225
Total liabilities not covered by budgetary resources	328,347	285,225
Total liabilities covered by budgetary resources	729,703	915,446
Total liabilities	\$ 1,058,050	\$ 1,200,671

NOTE 7 OTHER LIABILITIES

Other liabilities with the public as of September 30, 2009 and 2008, consisted of accrued funded payroll and leave of \$282,478 and \$339,229, respectively, and unfunded leave of \$328,347 and \$285,225, respectively. Other Intra-governmental liabilities as of September 30, 2009, consisted of employer's retirement contributions of \$45,292. There were no employer's retirement contributions in 2008.

	With the Public	Non-Current	Current	Total
2009	Other liabilities	\$ 328,347	\$ 282,478	\$ 610,825
2008	Other liabilities	\$ 285,225	\$ 339,229	\$ 624,454
	Intra-governmental	Current	Total	
2009	Other liabilities	\$ 45,292	\$ 45,292	
2008	Other liabilities	\$ -	\$ -	

NOTE 8 INTRA-GOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intra-governmental costs and related exchange revenue are comprised of the following for the fiscal years ended September 30:

	2009	2008
Program A		
Intra-governmental costs	\$ 2,270,278	\$ 2,161,641
Public costs	6,326,829	6,222,069
Total program A costs	8,597,107	8,383,710
Total program A earned revenue	\$ 8,597,107	\$ 8,383,710

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 9 APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

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

	<u>2009</u>	<u>2008</u>
Category A	\$ <u>9,050,843</u>	\$ <u>8,565,325</u>

NOTE 10 UNDELIVERED ORDERS AT THE END OF THE PERIOD

The Unpaid Obligated Balance, Net, End of Period is comprised of obligations relating to Undelivered Orders (goods and services contracted for but not yet received at year end) and Accounts Payable (amounts owed at year end for goods and services received).

Federal employee benefits

	<u>Undelivered Orders</u>	<u>Accounts Payable</u>	<u>Unpaid Obligated Balance, Net</u>
2009	\$ <u>1,547,067</u>	\$ <u>729,703</u>	\$ <u>2,276,770</u>
2008	\$ <u>1,319,918</u>	\$ <u>915,446</u>	\$ <u>2,235,364</u>

NOTE 11 BUDGETARY RESOURCES

The Unobligated Balance includes \$22,283 and \$55,247 at September 30, 2009 and 2008, respectively, are restricted for future use, not apportioned for current use.

NOTE 12 OPERATING LEASES

The Commission has various leases for offices and branches throughout the United States. The longest term of those obligations extends through 2017. Certain of the leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. The aggregate rent expense consisted of the following at September 30:

	<u>2009</u>	<u>2008</u>
Basic expense	\$ <u>1,263,121</u>	\$ <u>1,197,726</u>

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 12 OPERATING LEASES (Continued)

Future minimum rent payments at September 30, under agreements classified as operating leases with non-cancelable terms in excess of one year were as follows:

2010	\$ 1,300,113
2011	1,265,823
2012	1,172,669
2013	390,368
2014	122,147
Thereafter	167,928
Total	<u>\$ 4,419,048</u>

NOTE 13 RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

At September 30, 2009 and 2008, liabilities not covered by budgetary resources totaled \$328,347 and \$285,225 respectively, representing accrued leave. The change in components requiring or generating resources in future periods totaled \$43,122 and (\$2,371), respectively, representing the increase in annual leave liability. The accrued funded payroll liability is covered by budgetary resources and included in the net cost of operations, whereas the unfunded leave liability includes the expenses related to future annual leave liability for which the budgetary resources will be provided in subsequent periods.

	<u>2009</u>	<u>2008</u>
Liabilities not covered by budgetary resources	\$ 328,347	\$ 285,225
Change in components requiring/generating resources	\$ 43,122	\$ (2,371)

**UNITED STATES COMMISSION ON CIVIL RIGHTS
RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET**

**NOTE 13 RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET
(Continued)**

	<u>Year ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
Resources Used to Finance Activities		
Budgetary resources obligated		
Obligations incurred	\$ 9,050,843	\$ 8,565,325
Less: Spending authority from offsetting collections and recoveries	<u>286,072</u>	<u>33,387</u>
Obligations net of offsetting collections and recoveries	<u>8,764,771</u>	<u>8,531,938</u>
Total Resources Used to Finance Activities	<u>8,764,771</u>	<u>8,531,938</u>
Resources Used to Finance Items Not Part of Net Cost of Operations		
Change in budgetary resources obligated for goods, services, and benefits		
Ordered but not yet provided	(227,149)	(152,124)
Resources that fund expenses recognized in prior periods	<u>-</u>	<u>(10,516)</u>
Total Resources Used to Finance Items Not Part of Net Cost	<u>(227,149)</u>	<u>(162,640)</u>
Total Resources Used to Finance the Net Cost of Operations	<u>8,537,622</u>	<u>8,369,298</u>
Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period		
Components requiring or generating resources in future periods		
Increase in annual leave liability	<u>43,122</u>	<u>(2,371)</u>
Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods	<u>43,122</u>	<u>(2,371)</u>
Components Not Requiring or Generating Resources		
Depreciation and amortization	<u>16,363</u>	<u>16,783</u>
Total Components of Net Cost of Operations That Will Not Require or Generate Resources	<u>16,363</u>	<u>16,783</u>
Total Components of Net Cost of Operations That Not Will Require or Generate Resources in the Current Period	<u>59,485</u>	<u>14,412</u>
Net Cost of Operations	<u>\$ 8,597,107</u>	<u>\$ 8,383,710</u>

The accompanying notes are an integral part of these statements.

SUPPLEMENTAL INFORMATION

UNITED STATES COMMISSION ON CIVIL RIGHTS
Required Supplemental Information

Intra-governmental Balances by Trading Partner:

Intra-governmental Assets by Trading Partner:

Trading Partner	Fund Balance with Treasury	Accounts Receivable	Other Assets
Library of Congress (03)	\$ -	\$ -	\$ -
Government Printing Office (04)	-	-	-
General Accounting Office (05)	-	-	-
U.S. Capital Police (09)	-	-	-
U.S. Postal Service (18)	-	-	-
Department of State (19)	-	-	-
Department of Treasury (20)	2,925,740	-	-
Office of Personnel Management (24)	-	-	-
General Services Administration (47)	-	-	-
National Science Foundation (49)	-	-	-
Department of Transportation (69)	-	-	-
Treasury General Fund (99)	-	-	-
Other Material Agency (Please List)	-	-	-
Others - Immaterial Agencies (Please List)	-	-	-
Total	\$ 2,925,740	\$ -	\$ -
Total Intra-governmental Assets	\$ 2,925,740		

Intra-governmental Liabilities by Trading Partner:

Trading Partner	Accounts Payable	Other Liabilities
Library of Congress (03)	\$ -	\$ -
Government Printing Office (04)	-	-
General Accounting Office (05)	-	-
U.S. Capital Police (09)	-	-
U.S. Postal Service (18)	-	-
Department of State (19)	-	-
Department of Treasury (20)	-	-
Office of Personnel Management (24)	-	50,247
General Services Administration (47)	-	-
Department of Transportation (69)	-	-
Other Material Agency (Please List)	-	-
Others - Immaterial Agencies (Please List)	-	-
Total	\$ -	\$ 50,247
Total Intra-governmental Liabilities	\$ 50,247	

GOVERNMENT REPORTS



Walker & Co., LLP

Assurance, Business and Advisory Services

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the financial statements of the United States Commission on Civil Rights (the Commission or Agency) as of and for the years ended September 30, 2009 and 2008, and have issued our report thereon dated November 12, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

In planning and performing our audits, we considered the Commission's internal control over financial reporting by obtaining an understanding of the design effectiveness of the Commission's internal controls; determined whether internal controls had been placed in operation; assessed control risk; and performed tests of controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04, as amended. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers Financial Integrity Act of 1982 (FMFIA)*, such as those controls relevant to ensuring efficient operations. The objective of our audits was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies. Under standards issued by the American Institute of Certified Public Accountants (AICPA) and OMB, a *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States, such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We did not identify any

4200 Wisconsin Avenue, NW, Suite 300, Washington, DC 20016 | T. 202.363.9300 F. 202.363.0531
Member AICPA Private Companies Practice Section & Government Audit Quality Center

deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Walker & Co., LLP

November 12, 2009



Walker & Co., LLP
Assurance, Business and Advisory Services

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH LAWS AND REGULATIONS

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the financial statements of the United States Commission on Civil Rights (the Commission or Agency) as of and for the year ended September 30, 2009 and 2008, and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

Management of the Commission is responsible for complying with laws and regulations applicable to the Agency. As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 07-04, as amended, including requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to the Commission. Providing an opinion on compliance with laws, regulations, contracts, and grants agreements was not an objective of our audit and, accordingly, we do not express such an opinion.

Under OMB Bulletin No. 07-04, as amended, and FFMIA, we are required to report whether the Commission's financial management systems substantially comply with: (1) federal financial management systems requirements, (2) applicable federal accounting standards, and (3) the United States Government Standard General Ledger (USSGL) at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA Section 803(a) requirements.

Under FFMIA, we are required to report whether the Commission's financial management systems substantially comply with the federal financial management systems requirements, applicable federal accounting standards, and the USSGL at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA section 803(a) requirements.

The results of our tests disclosed that the Commission did not fully comply with the FFMIA, which is required to be reported under *Government Auditing Standards* or OMB Bulletin No. 07-04, as amended.

4200 Wisconsin Avenue, NW, Suite 300, Washington, DC 20016 | T. 202.363.9300 F. 202.363.0531
Member AICPA Private Companies Practice Section & Government Audit Quality Center

The results of our tests disclosed three instances of noncompliance with laws and regulations as described below:

A. The Commission Does Not Fully Comply with the Federal Information Security Management Act (FISMA)

During 2009, the Commission prepared a Plan of Action and Miles tones and identified two significant non-compliance issues with FISMA requirements.

The Commission's Information Technology Specialist, working with a contractor, has implemented a timetable for correcting the two remaining deficiencies. The Commission continues to comply with its FISMA obligations by conducting the required assessments and implementing corrective action plans. One of these two deficiencies, the Continuity of Operations (COOP) Plan, is scheduled to be eliminated in December 2009, while the other, Offsite/Remote Operations for COOP, is scheduled to be completed in fiscal year 2012.

We are reporting this deficiency as required by the guidance issued by the Office of Management and Budget. Because this deficiency is being addressed, however, we are not making any recommendations in this report.

B. The Commission Did Not Fully Comply with the Prompt Payment Act

Condition:

Based on our sample of forty-five disbursements selected for testing, we noted one test item on which the Commission did not pay a vendor by the contractual due date. Failure to pay within the statutory time frame resulted in interest payments. It was also noted that the Commission paid a total of \$169 in interest to vendors because of late payments.

Criteria:

The Prompt Payment Act (the Act) requires that United States government agencies remit payment to vendors consistent with contractual terms or if no date was established, within thirty days after receipt of a proper invoice.

Cause:

Management did not give reasons for the late payment of this invoice.

Effect:

The Commission paid interest on invoices that were not paid in accordance with the Act.

Recommendation:

We recommend that the Commission follow its established procedures as stated in the Agency's *Procurement and Acquisition Guide*, and to pay invoices timely to avoid payment of interest. We

B. The Commission Did Not Fully Comply with the Prompt Payment Act (Continued)

Recommendation (continued)

further recommend strict adherence to existing Commission policies requiring date stamping and otherwise tracking and documenting the receipt of the invoices.

C. Unused Amounts of Obligations not Deobligated Timely

Condition:

Based on our sample of forty-five undelivered orders selected for testing, we noted two test items on which the Commission did not timely deobligate excess funds committed. We also found two instances where the actual obligated amounts did not agree to the approved amount on the purchase order. Failure to deobligate excess funds on a timely basis restricts the availability of funds which could have been used for other approved purposes.

Criteria:

Title 31, United States Code, Section 1501 (31 U.S.C 1501) requires that obligations of the United States shall be recorded only when supported by documentary evidence. The Treasury Financial Manual Bulletin 99-04 states: Agencies that have not reviewed unliquidated obligations during the year must do so before year-end closing. This ensures that agencies properly record transactions meeting the criteria of valid obligations set forth in 31 U.S.C. 1501.

Cause:

Staffing constraints prevented management from reviewing obligations on an annual basis and closing contracts as quickly as possible.

Effect:

Timely deobligation of excess funds could make funds available for other purposes or return funds to Treasury at the year-end.

Recommendation:

We recommend that the Commission implement a process whereby undelivered and unpaid orders will be reviewed at the fiscal year-end to identify and timely deobligate excess funds.

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

Walker & Co., LLP

November 12, 2009

APPENDICES

APPENDIX A: STRATEGIC PLAN GOALS, OBJECTIVES AND MEASURES

SUMMARY OF THE COMMISSION'S MISSION AND GOALS (as adopted in October 2007)

MISSION STATEMENT

To inform the development of national civil rights policy and enhance enforcement of Federal civil rights laws by investigating allegations of widespread deprivations of voting rights or allegations of pervasive discrimination on the basis of race, color, religion, sex, age, disability or national origin, or in the administration of justice; and through quality research, objective findings and sound recommendations.

Strategic Goal 1: Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.

Objectives:	Performance Measures:
1. Reinvigorate the Commission's state advisory committees (SACs).	1(a). Increase the number of SACs re-chartered annually. 1(b). Eliminate the backlog of SACs with charters that expire on or before January 30, 2007 by FY 2011. 1(c). Recharter SACs with charters expiring after January 30, 2007 within 60 days of charter expiration.
2. Energize the Commission's SACs by enhancing their institutional role in program planning and increasing their productivity.	2(a). Obtain input from SACs as a part of the program planning cycle annually by October 31st. 2(b). Conduct a joint national office and SAC project every two years (i.e., biennially) and issue a report within 12 to 18 months following initiation of each project. 2(c). Solicit SAC ideas for SAC follow-up activities on Commission (national office) projects at the regional, state, and local levels annually during October.
3. Commission a multi-state report, requesting the Commission's individual SACs to identify civil rights priorities facing their states/regions.	3. Complete the multi-state report by FY 2009.

Strategic Goal 1: Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.

Objectives:	Performance Measures:
<p>4. Convene a national conference in FY 2009 to elicit diverse, multidisciplinary and bipartisan perspectives on civil rights in the 21st century.</p>	<p>4(a). Attract at least 100 civil rights practitioners, experts and others to the conference.</p> <p>4(b). Issue a report based on the findings of the conference entitled “Civil Rights Priorities for the 21st Century” during FY 2010.</p> <p>4(c). Identify 6 civil rights issues and research topics appropriate for incorporation into the Commission’s programmatic planning cycles for FY 2010 through FY 2012.</p> <p>4(d). Identify civil rights issues and research topics that could lay the foundation for updating the Commission’s Strategic Plan in 2011.</p> <p>4(e). Identify areas where the Commission’s powers and mission need to be expanded to respond to emerging challenges and publish these areas by FY 2011.</p>

Strategic Goal 2: Expand the capacity of federal agencies to raise public awareness of civil rights and efficiently and effectively execute their civil rights enforcement responsibilities by engaging in strategic partnerships.

Objectives:	Performance Measures:
<p>1. Study the role and effectiveness of the different federal enforcement agencies and make recommendations as to how those agencies might enhance their effectiveness.</p>	<p>1. Produce one report per fiscal year that addresses how particular civil rights agencies might enhance their effectiveness, including conducting exit or follow-up activities with agencies.</p>
<p>2. Partner with other federal civil rights agencies to raise public awareness of civil rights laws, remedies, and enforcement agencies.</p>	<p>2. Implement Memoranda of Understanding (MOUs) with one or more federal agencies.</p>
<p>3. Partner with other civil rights agencies to collect and analyze data on various civil rights topics.</p>	<p>3. Collect data from other agencies on complaint types to identify discrimination issues and/or trends (e.g., information on types of complaints nationally, geographic areas experiencing increases in types of complaints or number of complaints over time) to identify for agencies, policy-makers, and the public areas requiring concentrated enforcement efforts.</p>

Strategic Goal 2: Expand the capacity of federal agencies to raise public awareness of civil rights and efficiently and effectively execute their civil rights enforcement responsibilities by engaging in strategic partnerships.

Objectives:	Performance Measures:
<p>4. Partner with other civil rights agencies in studying the effectiveness of current civil rights laws, in developing reasonable interpretations of unclear laws, and in making recommendations for updates or changes to current law.</p>	<p>4(a). Participate in at least one major civil rights working group established in the executive branch.</p> <p>4(b). Issue guidance to the executive branch on civil rights enforcement efforts.</p> <p>4(c). Cooperate and coordinate with civil rights enforcement agencies during times of national emergencies, such as significant natural disasters and homeland security emergencies, to support the continuity of civil rights protections and enforcement.</p> <p>4(d). Participate in inter-agency working groups responsible for developing and proposing civil rights policy as substantive experts.</p> <p>4(e). Establish Congressional contacts that provide substantive insight and direction on proposed civil rights legislative agenda items.</p>
<p>5. Promote public awareness of current civil rights laws, remedies and enforcement agencies.</p>	<p>5(a). Host 5 public briefings or hearings annually on civil rights issues.</p> <p>5(b). Issue 10 press releases annually related to civil rights issues and Commission activities.</p> <p>5(c). Hold one press conference annually announcing the issuance of the Commission's statutory report or other significant Commission publication or activity.</p> <p>5(d). Post all Commission meeting and briefing transcripts, and approved reports, on the USCCR website.</p> <p>5(e). Provide assistance to members of the public who seek advice and information about protecting their civil rights by offering a complaint referral service.</p> <p>5(f). Increase Commission participation in public policy symposia and venues in which the Commission shares its views concerning civil rights policies.</p>

Strategic Goal 3: Serve as an authoritative national clearinghouse and repository of civil rights data and information.

Objectives:	Performance Measures:
1. Strengthen the quality and objectivity of the Commission's reports.	1(a). Written work products issued by the Commission meet rigorous standards for accuracy, objectivity, transparency, and accountability. 1(b). Implement adopted GAO findings and recommendations consistent with any Commissioner-approved timeline.
2. Collect and analyze existing data on disparities among racial and ethnic groups, between the sexes, between the disabled and those who are not disabled, and among other protected classes.	2. Issue report(s) and conduct follow-up research where necessary.
3. Issue reports that assess the credibility of claims of systemic or pervasive discrimination and, where discrimination is found to be present, illuminate the causes of such discrimination, and make recommendations for policy changes to address the problem.	3. Issue report(s) and conduct follow-up research where necessary.
4. Conduct original social scientific research that brings new or unique information to the civil rights policy debate.	4. Incorporate original social scientific research into Commission reports.

Strategic Goal 4: Normalize the Commission's financial and operational controls, and modernize its information technology management and dissemination.

Objectives:	Performance Measures:
1. Adhere to integrated budgeting, planning, and performance management.	1(a). Fully comply with OMB A-11 guidance for integrated budget by FY 2010. 1(b). Receive an OMB PART Program Management assessment score of at least "moderately effective" by FY 2010.

Strategic Goal 4: Normalize the Commission’s financial and operational controls, and modernize its information technology management and dissemination.

Objectives:	Performance Measures:
<p>2. Achieve sound financial management, demonstrate financial accountability, and streamline and/or reorganize the Commission’s structure to efficiently execute its mission and make efficient use of its appropriations</p>	<p>2(a). Maintain a “clean” or unqualified financial audit status each fiscal year beginning in FY 2008.</p> <p>2(b). Full compliance with laws and regulations respecting the stewardship of tax dollars.</p> <p>2(c). Complete an evaluation of the Commission’s organizational structure and operations by FY 2009 to identify and implement changes necessary to support increased effectiveness and improved efficiency in light of existing fiscal and human capital resources.</p> <p>2(d). Conduct an assessment during FY 2008 of the effectiveness and efficiency of the Commission’s current administrative structure and, based on the results, develop during FY 2009 a plan of action for achieving increased agency effectiveness and efficiency.</p> <p>2(e). Execution of workforce planning and human capital accountability systems by FY 2008.</p>
<p>3. Continued implementation of adopted GAO and OPM recommendations.</p>	<p>3. Implement adopted GAO and OPM audit findings and recommendations that address financial and operational procedures.</p>
<p>4. Modernize information technology infrastructure and improve IT management to enhance program efficiency.</p>	<p>4. Establish Web site similar to Firstgov.com. by FY 2012.</p>

APPENDIX B: FY 2009 ANNUAL PERFORMANCE PLAN

US Commission on Civil Rights FY 2009 Performance Plan & Targets		
Annual Performance Measure ²⁰	Lead Component(s)	FY 2009 Target
Increase the # of SACs re-chartered ²¹ (1.1(a))	RO, RPCU, OSD	Increase # of chartered SACs to 90%
Eliminate the backlog of un-chartered SACs ²² (1.1(b))	RO, RPCU, OSD	Reduce backlog by 50%
Achieve an average re-charter time of 60-days ²³ (1.1(c))	RO, RPCU, OSD	60-day average recharter time for SACs with charters that expired after January 30, 2007
Obtain input from SACs as a part of national program planning (1.2(a))	OSD, RPCU, RO,	Once annually (by October 31)
Conduct a joint national office and SAC project every two years and issue a report within 12 to 18 months following initiation of each project (1.2(a))	RO, RPCU, OSD, OCRE	Complete a joint report in FY 2009
Solicit SAC ideas for SAC follow-up activities on national office projects (1.2 (c))	OSD, RPCU, RO	Once annually (during October)
Complete a multi-state SAC report (1.3)	RPCU, OSD, RO	Complete and issue a 1 multi-state report
Convene a national civil rights conference (1.4(a))	OSD, PAU, OCRE, OGC, OM/ASCD	Secure attendance of 100 civil rights practitioners, experts and others at the national civil rights conference
Produce a report that addresses how civil rights agencies might enhance their effectiveness, including conducting exit or follow-up activities with agencies (2.1)	OCRE, OGC	Once annually (statutory report by Sept. 30)
Issue guidance to the executive branch on civil rights enforcement efforts (2.4(b))	OCRE, OGC, OSD	TBD (Baseline Year)
Establish congressional contacts and provide substantive input on proposed civil rights legislative agenda items (2.4(e))	CAU, OSD	At least 3 congressional contacts based on substantive civil rights input ²⁴
Host public briefings or hearings annually on civil rights issues (2.5(a))	OCRE, OGC	5 hearings or briefings

²⁰ The strategic goals and their associated performance measures from the Commission's Strategic Plan for FY 2008 -2013 are listed immediately following each measure. For example, the designation "1.1(a)" means strategic goal #1, performance measure 1(a).

²¹ FY 2007 baseline is 17 chartered SACs or 33%.

²² FY 2007 baseline is 34 unchartered SACs or 67%. The backlog is composed of SACs with charters that expired on or before January 30, 2007.

²³ Sixty days refers to approval by the staff director.

²⁴ FY 2007 baseline is two and the FY 2009 target is baseline + 40%.

US Commission on Civil Rights FY 2009 Performance Plan & Targets

Annual Performance Measure ²⁰	Lead Component(s)	FY 2009 Target
Issue press releases related to civil rights issues and Commission activities (2.5(b))	PAU, OSD	Issue 10 press releases (annually)
Hold press conference on the Commission's statutory report or other significant activity/publication (2.5(c))	PAU, OSD	Hold 1 press conference (annually)
Post all public Commission meeting and briefing transcripts, and approved reports, on the USCCR Web site (2.5(d))	OSD, OGC, OCRE, OM/ASCD	21 transcripts and reports posted on the Web site
Provide assistance to members of the public who seek advice and information about protecting their civil rights by offering a complaint referral service (2.5(e))	OCRE	Maintain 30-day average complaint response time
Increase participation in public policy symposia and venues in which the Commission shares its views concerning civil rights policies (2.5(f))	OSD	Participate in at least 1 public symposium or other venue concerning civil rights
Written work products issued by the Commission meet rigorous standards for accuracy, objectivity, transparency, and accountability (3.1(a))	OCRE, OGC, OSD, RPCU, RO	Adverse decisions under agency information quality guidelines of less than ____% by FY 2013 (FY 2009 is a Baseline Year) Less than ____% of agency decisions are reversed on appeal under information quality guidelines (FY 2009 is a Baseline Year)
Implement adopted GAO findings and recommendations consistent with any Commissioner-approved timeline (3.1(b))	OSD	100 percent compliance with Commission adopted GAO recommendations
Issue a report(s) and conduct follow-up research, where necessary, that involves the collection of data on disparities (3.2)	OCRE, OGC	Issue 2 reports that include disparities data
Issue a report(s) and conduct follow-up research, where necessary, assessing claims of systemic or pervasive discrimination (3.3)	OCRE, OGC	Issue 2 reports assessing claims of systemic or pervasive discrimination
Incorporate original social scientific research into Commission reports (3.4)	OCRE	Issue 1 report containing original research data

US Commission on Civil Rights FY 2009 Performance Plan & Targets		
Annual Performance Measure ²⁰	Lead Component(s)	FY 2009 Target
Full compliance with OMB A-11 by FY2010 Budget Cycle (4.1(a))	BFD, OM, OSD	Timely submit budget materials; Create and post agency annual performance plan; Revise budget and priorities based on actual appropriation; Post CJ Materials
Receive a PART score of at least “moderately effective” (4.1(b))	OSD, OM/ BFD	Participate in Scheduled PART Updates; Request Reassessment for 2010
Receive a “clean” or unqualified financial statement audit (4.2(a))	OM/BFD, OM/ASCD	Receive clean audit opinion on financial statements
Full compliance with laws and regulations respecting the stewardship of tax dollars (4.2(b))	OM/BFD, ASCD/ IT	Resolve previously identified FISMA weaknesses; Timely complete financial audit
Evaluate the agency’s organizational structure to support increased effectiveness and improved efficiency (4.2(c))	OSD	Complete an assessment
Conduct an assessment of the effectiveness and efficiency of the Commission’s current administrative structure (4.2(d))	OSD	Develop a plan of action for achieving increased agency effectiveness and efficiency
Implement adopted GAO and OPM audit findings and recommendations that address financial and operational procedures (4.3)	OSD, OM/HR	Submit a performance budget that integrates program activities and costs

APPENDIX C: PERFORMANCE CHARTS AND TABLES

Updated FISMA Corrective Action Plan FY 2009						
	First Target Date	Second Target Date	Third Target Date	Fourth Target Date	Fifth Target Date	Current Status
Develop IT Coop Plan	FY06	FY07	FY08	FY09	FY2010	Completed and will be issued along with agency-wide plan in Dec. 2009
Create Written Authorization to Operate System on Interim Basis	FY06	FY07	FY08	FY09	N/A	Completed
No Offsite/Remote Access for New Server	FY 2012	N/A	N/A	N/A	N/A	Pending

FMFIA and OMB A-123 Corrective Action Plan FY 2009						
	First Target Date	Second Target Date	Third Target Date	Fourth Target Date		Current Status
Provide Managers Training on Creating Office/Division Annual Plans that are Linked to Agency Strategic and Annual Plans	FY08	FY09	FY2010	N/A		Pending
Complete Human Capital Assessment and Accountability Plan	FY08	FY09	FY2010	N/A		Pending
Complete Records Management Schedule	FY08	FY09	FY2010	N/A		Pending
Identify and Update Outdated Office/Division Policies	FY08	FY09	FY2010	N/A	Ongoing	Ongoing
Complete National Office COOP Plan	FY07	FY08	FY09	FY2010		Pending

Updated Status of Briefings and Reports			
	Briefing Conducted	Briefing Report Approved	Target Report Approval Date
An Assessment of the Effectiveness of Historically Black Colleges and Universities (FY06 Project)	Yes	Pending	1st Target Date FY07 2nd Target Date FY08 3rd Target Date FY09 4th target Date FY 2010
Racial Categorization in the 2010 Census (aka Representation of Minorities in the Census) (FY06 Project)	Yes	Yes	1st Target Date FY07 2nd Target Date FY08
Racially Identifiable School Districts in Omaha (FY06 Project)	Yes	No (only issued as an executive summary)	1st Target Date FY07 2nd Target Date FY08
Minority Children in State Foster Care (FY07 Project)	Yes	Pending	1st Target Date FY 07 2nd Target Date FY08 3rd Target Date FY09 4th Target Date FY 2010
School Choice and Anti-Catholic Blaine Amendments (FY07 Project)	Yes	Pending	1st Target Date FY08 2nd Target Date FY09 3rd Target Date FY 2010
Minority Students in Special Education (FY07 Project)	Yes	Pending	1st Target Date FY08 2nd Target Date FY09
Domestic Wiretapping (FY07 Project)	Yes	Pending	1st Target Date FY08 2nd Target Date FY09 3rd Target Date TBD
Title IX Athletics (FY07 Project)	Yes	Pending	1st Target Date FY08 2nd Target Date FY09 3rd Target Date FY 2010
Voter Fraud and Voter Intimidation (FY07 Project)	Yes	Yes	1st Target Date FY07 2nd Target Date FY08
Supplemental Education Services Under NCLB (FY 07 Project)	Yes	Yes	1st Target Date FY08 2nd Target Date FY09
Enforcing Religious Freedom in Prisons (aka Religious Discrimination and Prisoners' Rights)	Yes	Yes	1st Target Date FY08
Department of Justice 2008 Presidential Election Monitoring (FY 08 Project)	Yes	Yes	1st Target Date FY 2009
Discrimination Against Native Americans in Border Towns (FY 08 Project)	Yes	Pending	1st Target Date FY 08 2nd Target Date FY 09 3rd Target Date FY 2010

Updated Status of Briefings and Reports

	Briefing Conducted	Briefing Report Approved	Target Report Approval Date
Minority Students in Science, Technology, Engineering, and Math (STEM) (FY 08 Project)	Yes	Pending	1st Target Date FY09 2nd Target Date FY 2010
The Impact of Illegal Immigration on the Wages and Employment of Black Workers (FY 08 Project)	Yes	Pending	1st Target Date FY 09 2nd Target Date FY 2010
Specifying English as the Common Language in the Workplace (FY 09 Project)	Yes	Pending	1st Target Date FY 2009 2nd Target Date FY 2010
Health Disparities Between Minorities and Non-Minorities (FY 09 Project)	Yes	Pending	1st Target Date FY 2010

APPENDIX D: FLUCTUATION ANALYSIS

U.S. Commission on Civil Rights Fluctuation Analysis for Significant Differences		
STATEMENT	Difference from FY 2008 to FY 2009	Explanation for Significant Increase or Decrease
BALANCE SHEET		
General Property, Plant, and Equipment	(16,363)	A result of depreciation of equipment over time.
Federal Accounts Payable	(2,000)	A result of better processing of invoices.
Non Federal Accounts Payable	(172,283)	A result of better processing of invoices.
Other (Non-Federal)	(13,629)	A result of better processing of invoices.
STATEMENT OF NET COST		
		There are no significant variances this quarter.
STATEMENT OF BUDGETARY RESOURCES		
Recoveries of PY Unpaid Obligations	251,206	A result of a more thorough review of obligations at the end of the year.
Spending authority from Offsetting collections - Collected	1,479	A result of reviewing invoices before being paid and catching the discrepancies.
Unobligated Balances-Apportioned	(32,964)	A result of more de-obligated before the end of the fiscal year.
Recoveries of PY Unpaid Obligations	(251,206)	A result of a more thorough review of obligations at the end of the year.
Offsetting Collections	(1,479)	A result of reviewing invoices before being paid and catching the discrepancies.

APPENDIX E: MANAGEMENT AUDIT RESPONSE



OFFICE OF STAFF DIRECTOR

UNITED STATES COMMISSION ON CIVIL RIGHTS
WASHINGTON, D.C. 20425

November 15, 2009

Mr. Mozart C. Bernard
Walker & Company, LLP
4200 Wisconsin Avenue, NW
Suite 300
Washington, DC 20016

RE: FY 2009 Audit Findings and Recommendations

Dear Mr. Bernard:

I have received and reviewed the independent audit report recently completed by your firm for the U.S. Commission on Civil Rights ("the Commission"). The Commission continues to improve upon the great progress we have made in our financial management as evidenced by our fourth consecutive clean financial audit. This year's clean audit is further proof of our commitment to sound financial management practices. As noted in your audit report, our financial statements fairly present the financial position of the Commission as of September 30, 2009 and 2008 and conform to accounting principles generally accepted in the United States of America. Furthermore, we have no material weaknesses in internal control over financial reporting.

I note with interest your finding that the Commission, in three instances, failed to comply with laws and regulations. More specifically, that the Commission:

1. failed to comply with the Federal Information Security Management Act (FISMA) based on two instances of non-compliance that are currently scheduled for full remediation during FY 2009 and FY 2012,
2. failed to pay vendors promptly in violation of the Prompt Payment Act and, consequently, paid \$169 in interest, and
3. failed to timely de-obligate excess funds.

Each instance of FISMA noncompliance is already the subject of remediation within the Commission. We have already developed and approved an information technology (IT) continuity of operations (COOP) plan for release in December 2009, and we are currently exploring options for securing additional off-site/remote access for IT systems. To avoid

future payment delays we will stress conformity with existing agency policies to all staff and will periodically monitor performance. We project a continuation of existing staffing constraints; however, we are pursuing an internal process of de-obligating funds at least quarterly.

Thank you for your work, including your thoughtful findings and recommendations. We believe that our proposed corrective measures appropriately address both.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin Dannenfels". The signature is written in a cursive, flowing style with a prominent loop at the end.

MARTIN DANNENFELSER
Staff Director

U.S. COMMISSION ON CIVIL RIGHTS

Washington, DC 20425

Visit us on the Web: www.usccr.gov