

**UNITED STATES  
COMMISSION ON CIVIL RIGHTS**



**PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)  
FOR FISCAL YEAR 2022**

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## MESSAGE FROM THE CHAIR



I attach the annual Performance and Accountability Report (PAR) for the U.S. Commission on Civil Rights for Fiscal Year 2022. This report reflects the agency's program and financial performance.

In FY 2022, the Commission held two briefings to assess the national state of critical civil rights issues. These included a virtual hearing for the Civil Rights Implications of Disaster Relief: Hurricane Harvey in Texas; we also held an in-person hearing in December 2021 in Puerto Rico on Hurricane Maria. Commissioners who could not participate in-person attended virtually.

The Commission published two reports. The statutory report: *Civil Rights and Protections During the Federal Response to Hurricanes Harvey and María* examined the Federal Emergency Management Agency's (FEMA) compliance with federal civil rights laws and policies in their responses in Texas and Puerto Rico following Hurricanes Harvey and María. *The Civil Rights Implications of Cash Bail* report examined current approaches towards reform in the pre-trial and bail system within our criminal justice system.

We continue to enhance our engagement with and rely on the work of our Advisory Committees. Commission Advisory Committee members, working with regional office staff, held 76 fact-finding events in FY 2022. In addition, Advisory Committees published 14 reports, statements, and memoranda. Through their fact-finding events and reports, the Advisory Committees covered a broad range of civil rights issues. Both Commission

reports this year relied on testimony, findings and recommendations from the Advisory Committees, and recommendations from experts.

In addition to the solid programmatic output during FY 2022, the Commission received an unmodified opinion on the Commission's Financial Statements. Accordingly, I look forward to continuing effective financial and other management controls in operation at the Commission.

Furthermore, I look forward to building on the Commission's FY 2022 performance to continue to advance civil rights through effective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.

A handwritten signature in black ink that reads "Norma V. Cantú". The signature is written in a cursive style with a large initial "N".

Norma V. Cantú  
Chair  
United States Commission on Civil Rights  
November 14, 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### **Mission**

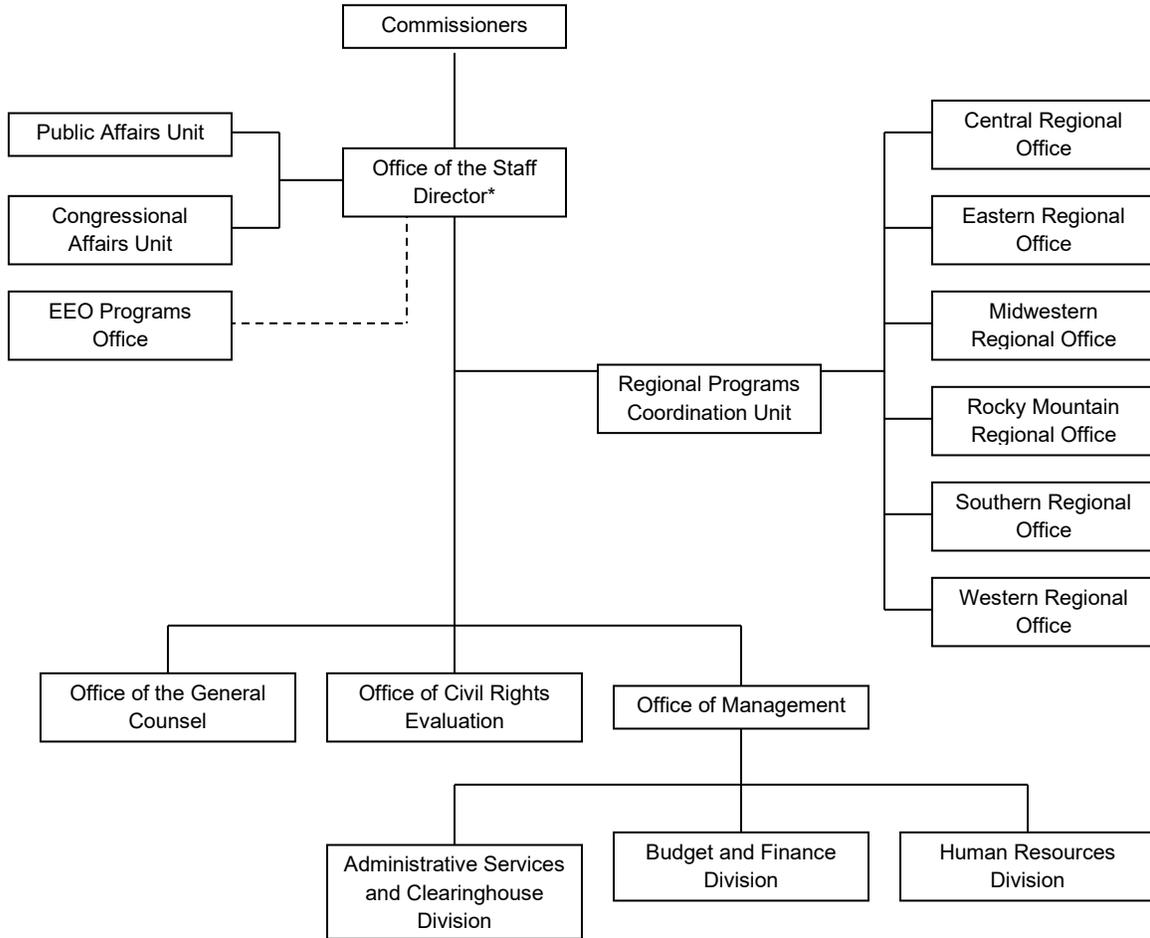
The mission of the United States Commission on Civil Rights is to inform the development of national civil rights policy and enhance enforcement of Federal civil rights laws. The Commission pursues this mission by investigating alleged deprivations of voting rights or allegations of discrimination based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

### **Organization**

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

# Organizational Structure

## U.S. Commission on Civil Rights



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

## Headquarters Organization

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

### Commissioners

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

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

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

### Office of the Staff Director

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

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

### Office of the General Counsel

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

### Office of Civil Rights Evaluation

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

### Office of Management

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

### Congressional Affairs Unit

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

### Public Affairs Unit

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

### Equal Employment Opportunity Programs

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

## Regional Programs

### Regional Programs Coordination Unit

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

### Regional Activities

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

## Performance Highlights

The Commission, staff, and advisory committee members have worked hard this year to achieve the goals, objectives, and performance measures set forth in our FY 2022 – FY 2026 Strategic Plan. The Commission achieved most, though not all, of its performance targets established for FY 2022, with shortfalls due to the impact of the COVID-19 pandemic.

The Commission held two briefings in FY 2022 to assess the national state of important civil rights laws:

- Civil Rights Implications of Disaster Relief: Hurricane Harvey in Texas; and
- Civil Rights Implications of Disaster Relief: Hurricane Harvey in Puerto Rico.

The Commission published two reports in FY 2022:

- *The Civil Rights Implications of Cash Bail*, and
- *Civil Rights and Protections During the Federal Response to Hurricanes Harvey and María*.

The Commission's Advisory Committees:

- Held 76 fact-finding events;
- Conducted 269 planning meetings; and
- Published 14 reports, memoranda, and statements.

A detailed discussion of each strategic goal, our FY 2022 target performance, and our actual performance are in the section titled “Performance Report.”

## **Federal Managers’ Financial Integrity Act (FMFIA)**

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

In FY 2022, all office and division heads completed a self-assessment. Based on this evaluation, the Commission is able to provide a statement of assurance that the internal controls are compliant.

## **Financial Highlights**

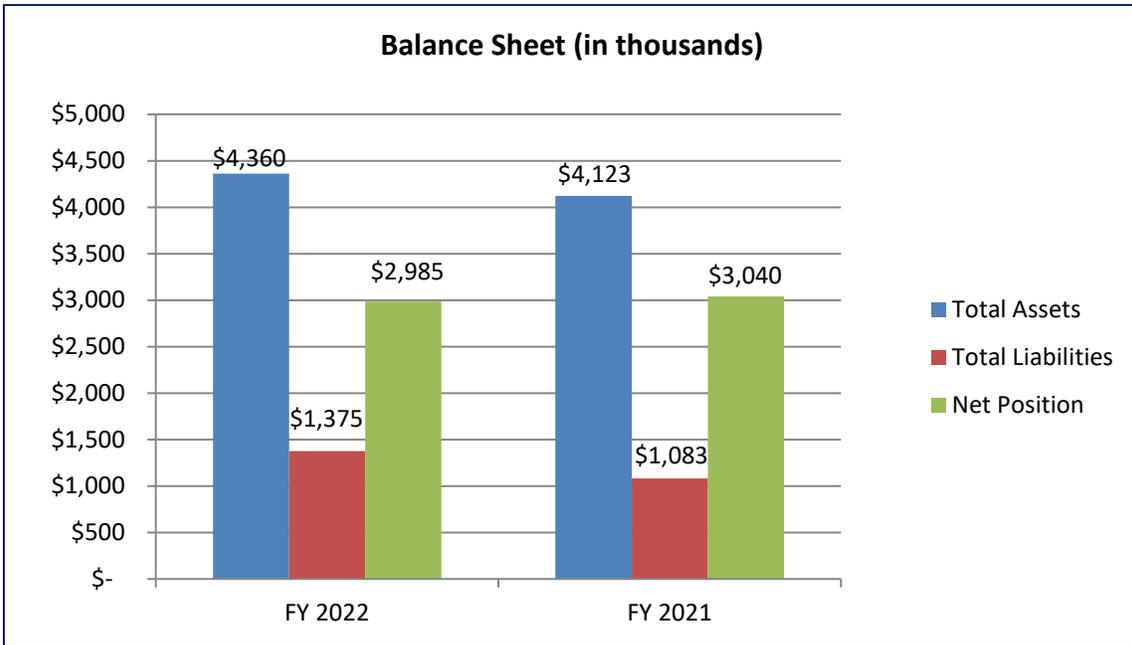
The Commission continues to use the U.S. Department of Agriculture’s Office of the Chief Financial Officer Pegasys Financial Services (USDA OCFO) as its accounting shared services provider. USDA OCFO provides a broad range of financial and accounting services including:

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

The Commission’s FY 2022 financial statements were prepared in accordance with Office of Management and Budget (OMB) Circular A-136. The Commission prepares four financial statements: Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, and Statement of Budgetary Resources.

### Balance Sheet

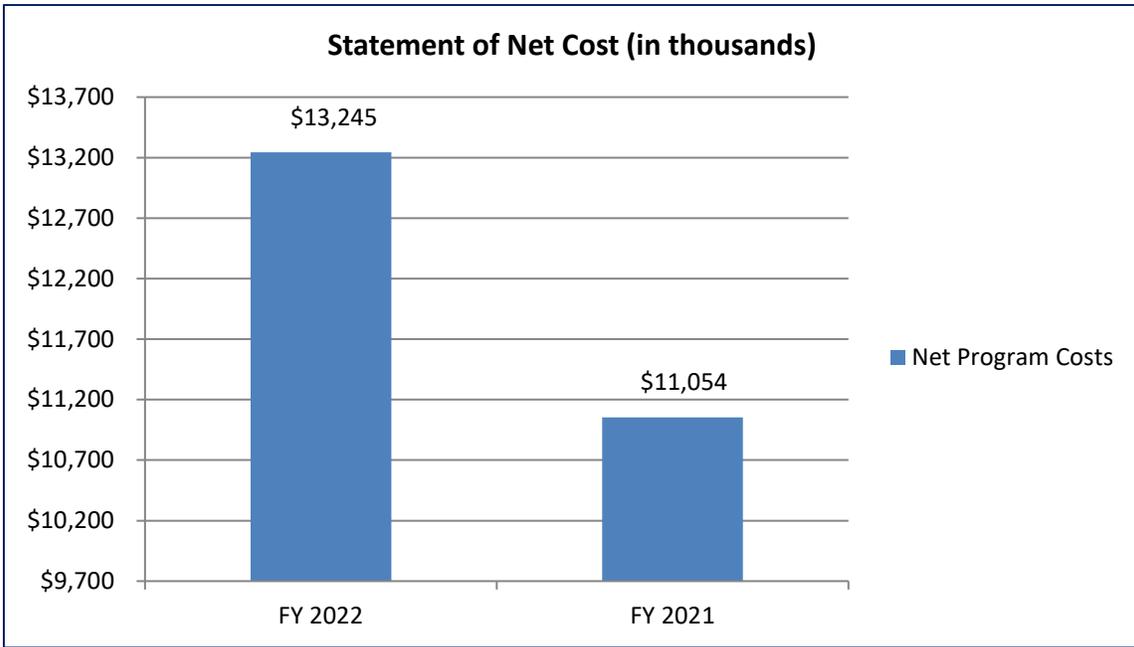
The balance sheet presents amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).



The Commission’s total assets increased from \$4,122,645 in FY 2021 to \$4,360,146 in FY 2022. The Commission’s assets consist mainly of Fund Balance with Treasury (FBWT) with minimal amounts in General Property, Plant, and Equipment. Total liabilities increased from \$1,082,994 in FY 2021 to 1,375,366 in FY 2022. Net Position decreased from \$3,039,651 in FY 2021 to \$2,984,780 in FY 2022.

Statement of Net Costs

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

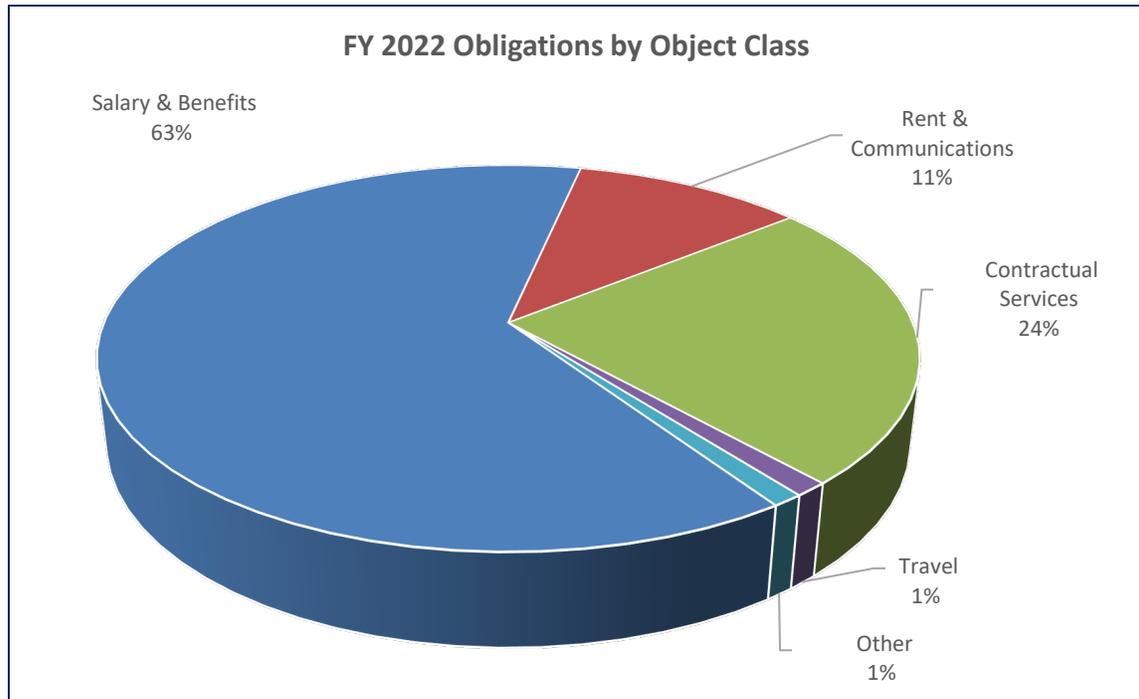


The Commission’s net cost of operation increased from \$11,054,189 in FY 2021 to 13,245,315 in FY 2022.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the sources of budgetary resources and their status at the end of the period. The Commission received \$13,000,000 in new budgetary authority in FY 2022. The Total Budgetary Resources and Status of Budget Resources increased from \$13,347,150 in FY 2021 to 14,071,120 in FY 2022.

## Resources by Major Object Class



During FY 2022, the Commission obligated \$12,943,221 of its FY 2022 appropriation of \$13,000,000. Salary and Benefits, Other Contractual Services, and Rent and Communications consume 98 percent of the Commission’s obligations. The remaining 1 percent consists of travel, printing, supplies, equipment, and other miscellaneous items.

### **Limitations on Financial Statements**

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

### **Management Statement of Assurance**

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

2022, were operating effectively in the design or operation of the internal control over financial reporting.

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

The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2022, were operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal controls over financial reporting as of June 30, 2022.

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



Mauro Morales  
Staff Director  
United States Commission on Civil Rights  
November 11, 2022

## PERFORMANCE REPORT

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

Our FY 2022 annual performance plan includes performance goals and targets that support the accomplishment of our strategic objectives. Below, we describe our FY 2022 annual performance targets. We evaluate and report our performance using these categories: Met and Not Met.

### Reliability of Performance Data

To ensure that the Commission's FY 2022 Performance Report is complete and reliable, the Commission identifies, verifies, and validates the sources of data used to assess performance measures. The Commission's staff verifies and validates that data to ensure that the information is accurate and complete. Agency senior leadership reviews the report for completeness and accuracy.

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

This fiscal year we met 80 percent of Strategic Goal A performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

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

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

<b>Strategy A.1.1 - The Commission will determine civil rights issues of national significance on which to conduct informative briefings and/or hearings.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
A.1.1.1 - The Commission will develop proposals and investigative plans to conduct investigations into civil rights issues of national significance.	Two new projects	Met
A.1.1.2 - The Commission will hold at least two briefings and/or hearings each year.	Two briefings and/or hearings	Met

**Performance Measure A.1.1.1**

The Commission develops proposals and investigative plans to investigate civil rights issues of national significance. In FY 2022, the Commissioners proposed and evaluated multiple projects and approve the following topics Anti-Asian Hate Crime and Victims of Crime.

**Performance Measure A.1.1.2**

In FY 2022 we held two public briefings.

***Civil Rights Implications of Disaster Relief: Hurricane Harvey in Texas***

On October 21, 2021, the Commission held a virtual public briefing on the civil rights implications of the federal response and impact of Hurricane Harvey in Texas. At this virtual public briefing, the Commissioners heard from subject matter experts such as government officials, volunteer organizations, non-governmental advocates, and academics. This briefing assisted the Commission in three purposes. One, review the Federal Emergency Management Agency (FEMA) and its role in disaster preparedness and response. Two, evaluate efforts by FEMA to comply with the Robert T. Stafford Disaster Relief and Emergency Act along with other federal civil rights and policies. And three, compare the response of FEMA to significant hurricane systems, including, but not limited to, Hurricanes Harvey and Maria.

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

<https://www.usccr.gov/meetings/2021/10-21-civil-rights-implications-disaster-relief-hurricane-harvey-texas>

### ***Civil Rights Implications of Disaster Relief: Hurricane Harvey in Puerto Rico***

On December 10, 2021, the Commission held a public briefing on the civil rights implications of the federal response and impact of Hurricane María in Puerto Rico. At this public briefing, the Commissioners heard from subject matter experts such as government officials, volunteer organizations, non-governmental advocates, and academics from Puerto Rico. The briefing focused on the challenges faced by the Federal Emergency Management Agency (FEMA) and other federal agencies in providing disaster and recovery aid. While highlighting lessons learned and developing best practices in order to address civil rights commitments when it comes to natural disaster response in Puerto Rico.

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

<https://www.usccr.gov/meetings/2021/12-10-civil-rights-implications-disaster-relief-hurricane-maria>

<b>Strategy A.1.2 - The Commission will keep the Advisory Committees engaged with the Commission’s investigative projects.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
A.1.2.1 - The Commission will keep Advisory Committees apprised of investigative priorities so that Advisory Committees can determine whether there is any beneficial overlap or alignment in their agenda setting.	Include relevant Advisory Committee reports in Commission Reports	Met
A.1.2.2 - The Staff Director or Commissioners will attend (telephonically or in-person) Advisory Committee briefings or meetings in order to maintain the connection between headquarters and the Committees.	Three Meetings	Met

#### **Performance Measure A.1.2.1**

The Commission keeps Advisory Committees apprised of the Commission’s investigative priorities allowing Advisory Committees to decide whether to align their work with the Commission’s. The Commission used Advisory Committees’ testimony, findings, and recommendations in both reports issued in FY 2022.

#### **Performance Measure A.1.2.2**

Commissioners attended multiple Advisory Committee meetings.

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

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

<b>Strategy A.2.1 - The Commission will continuously monitor the state of civil rights and issues of national significance and use its expertise to report its policy recommendations.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
A.2.1.1 - The Commission will issue reports, including its annual statutory enforcement report, to inform its stakeholders of policy recommendations.	Two reports	Met
A.2.1.2 - The Commission will issue statements and letters on current civil rights events and issues of concern.	Five statements and/or letters	Not Met

**Performance Measure A.2.1.1**

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

***The Civil Rights Implications of Cash Bail***

This report examines current approaches towards reform in the pre-trial and bail system within our criminal justice system. The Commission held a virtual briefing on February 26, 2021 and collected testimony from multiple panels examining the foundations and current state of the cash bail system, as well as a number of reforms at the state and local level meant to address current challenges. Panelists included members of state judiciaries, state and local law enforcement, public policy experts, bill reform advocates, civil rights and criminal justice scholars, and legal experts.

Overall, the report shows that there was a 433 percent increase in the number of individuals that have been detained pre-trial between 1970 and 2015, with pretrial detainees representing a larger proportion of the total incarcerated population in that same amount of time. Of those held prior to trial, there were stark disparities with regards to race (i.e., Black and Latinx individuals have higher rates of pretrial detention and have financial conditions of release imposed much more often than other demographic groups) and gender (i.e., males are less likely to be granted non-financial release and consistently have higher bails set than women); additionally, disparities exists between individuals of differing socioeconomic status, and data show that more than 60 percent of inmates are detained

prior to trial due to an inability to afford posting bail. Moreover, pretrial detention presents a number of negative consequences for the detainee population, including an increased likelihood of being convicted, lack of access to housing, detrimental effects on employment status, and increased recidivism. State and local jurisdictions have taken a number of steps to address these concerns, such as applying the use of risk assessment tools, wider collection of demographic data, implementing diversion programs, utilizing “compassionate release” policies, and other measures that are emphasized in the report.

In terms of recommendations for a federal response, a number of panelists suggested improved funding to the criminal justice system such as re-examining the grant making strategy of the Department of Justice (DOJ), or potentially expanding grant programs available to local and state jurisdictions, while others suggested that the DOJ could provide its expertise in a “monitoring and compliance role” to curb some of the abuses at the pre-trial level apparent in local jurisdictions. Other measures, such as the DOJ asking states to expand mandatory release and the federal government working with Congress to pass cash bail-free legislation were also suggested by stakeholders on the panels regarding a federal response to cash bail reform.

The report is available at the following website:

<https://www.usccr.gov/files/2022-01/USCCR-Bail-Reform-Report-01-20-22.pdf>

### ***Civil Rights and Protections During the Federal Response to Hurricanes Harvey and María***

This report examines the Federal Emergency Management Agency’s (FEMA) compliance with federal civil rights laws and policies in connection with responses in Texas and Puerto Rico following Hurricanes Harvey and María. Additionally, the analysis showed a comparison of federal responses to the two disasters. The Commission has not previously assessed the civil rights implications of disaster response in its 65 years of existence. As part of the examination, the Commission held three briefings, with testimony from federal officials such as FEMA’s Office of Response and Recovery, Inspectors General from the Department of Homeland Security and the Department of Housing and Urban Development, the President of the Emergency Management Association of Texas, the Texas General Land Office, the Secretary of State of Puerto Rico, and the former Mayor of San Juan, Puerto Rico. The Commission also heard from advocacy leaders, legal experts, and researchers in the field, and met with severely impacted community groups and stakeholders (see Appendices A-C for full panelist lists and briefing transcripts).

This report examines many factors, such as barriers to providing aid, FEMA’s coordinating role in disaster recovery efforts, consideration of local factors impacting damage assessments and delivering resources, and efforts by federal agencies to comply with the Stafford Act and other civil rights obligations. In addition to FEMA, the report also

assesses aid provided by the Department of Housing and Urban Development and the Small Business Administration for compliance with federal civil rights law and policy.

Across all Commission briefings, experts testified that there was a need for transparent and clear guidelines to apply for aid, additionally panelists recommended a more streamlined portal for the intake of all federal disaster assistance that would make the application experience less stressful and repetitive. Experts urged that such a cross sharing platform would expedite survivor data and information sharing across all responding agencies on the federal, state, and local level based on FEMA's needs assessment at the first point of entry. The Commission also heard from survivors and experts who testified that the lack of electricity and internet had significant impacts on their ability to access assistance and federal relief programs. The aid application process was complicated by the lack of electricity and internet access. This was especially true in Puerto Rico, where rolling power outages affect significant portions of the Island over four years later. Panelists suggested the federal government should adopt a flexible policy to provide aid to those in need, including providing access to technology to address the digital divide, and adopting a paper application process when survivors are without electricity or telecommunications access.

Language access was also a significant issue for survivors of both storms. After Harvey, there were many instances of information about shelter locations being provided only in English. In Puerto Rico, FEMA did not have enough Spanish-speaking employees to accommodate the Island, leading to delays in aid and assistance. Even after documents had been translated into Spanish, they were often inaccurate and confusing. Additionally, sign linguists sent to Puerto Rico often only knew ASL - English, rather than the Spanish variant used generally through the island. Witnesses and panelists consistently testified that Spanish-speaking Puerto Ricans received disproportionately lower amounts of assistance for María recovery than English speaking mainland Americans received. Given that Puerto Rico's residents are almost entirely Latinx, the territory's official languages include Spanish, and many Puerto Ricans speak limited English. Testimony shows that FEMA's lower levels of assistance to María survivors failed to comply with the principles underlying Title VI and 44 CFR § 7.5, which prohibits disparate treatment based on race, national origin, and linguistic characteristics in clear violation of federal court precedent and EEOC Guidance.

Many disaster survivors also recommended the need for increased collaboration across federal agencies, local governments, and aid organizations. Disaster recovery experts assert that this type of public engagement with stakeholders should begin with emergency planning and response and continue through the closeout of recovery and mitigation programs. The suggestion to focus on local collaboration included that hiring efforts of disaster relief contractors also be a local effort. Relying on out-of-town contractors creates missed opportunities to provide employment, job training, and contracting opportunities to

low-income local workers and small- and minority-controlled businesses, which are often in severe need of work due to the disruption to local business following a disaster.

Finally, it was recommended that the recovery and mitigation process should focus on survivors with the greatest needs, particularly people of color, low-income people, people with disabilities, immigrants, LGBTQ communities, and other marginalized individuals, to provide sufficient staff fluent in the various languages found in the affected areas (in Puerto Rico, it was particularly focused on Spanish). Additionally, FEMA should provide disability training to all shelter personnel and provide American Sign Language (ASL). Experts also stressed the need for FEMA to increase the cultural competency of existing staff and management.

The report is available at the following website:

<https://www.usccr.gov/reports/2022/civil-rights-and-protections-during-federal-response-hurricanes-harvey-and-maria>

**Performance Measure A.2.1.2**

During FY 2022, the Commission did not issue five statements and letters on current civil rights events and issues of concern.

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

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

<b>Strategy A.3.1 - The Commission will maintain all 56 Advisory Committees.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
A.3.1.1 - The Commission will ensure that each Advisory Committee is promptly appointed after expiration.	90% currently appointed Advisory Committees	Not Met

**Performance Measure A.3.1.1**

The Commission’s Advisory Committees operate in compliance with the Federal Advisory Committee Act (FACA). FACA requires that agencies file federal advisory committee

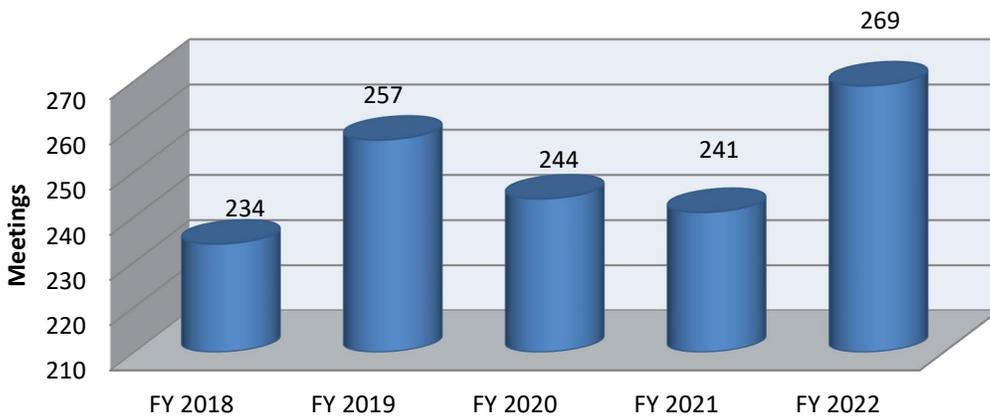
charters every two years. The charter for all advisory committees is current. Commissioners appoint members to advisory committees based on the Staff Director’s recommendations. Currently, 45 of 56 or 80 percent of the Commission’s Advisory Committees have appointed members. The Commission is working diligently to appoint members to all committees.

<b>Strategy A.3.2 - The Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
A.3.2.1 - Advisory Committees will develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction.	Ten meetings	Met
A.3.2.2 - Advisory Committees will hold briefings, public forums, or another mechanism.	Five briefings or hearings	Met
A.3.2.3 - Advisory Committees will publish reports, statements, memoranda, or other publications to provide policy recommendations to the Commission.	Five publications	Met

**Performance Measure A.3.2.1**

Advisory Committees develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction. During FY 2022, Advisory Committees held 269 planning meetings.

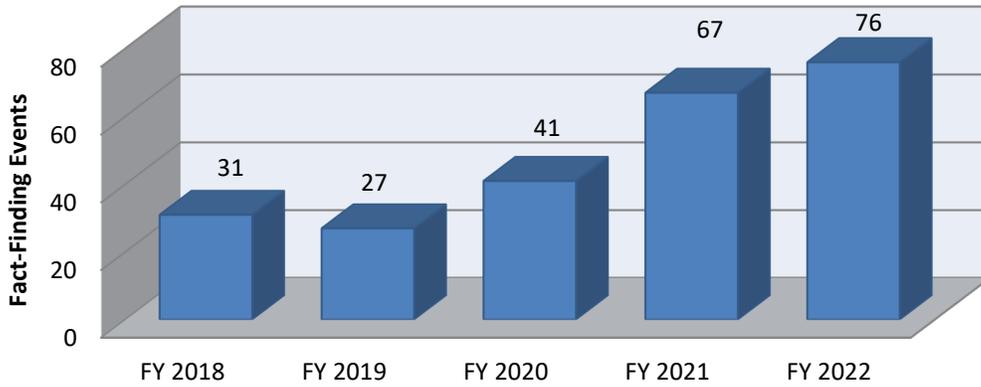
**Regional Office Planning Meetings**



**Performance Measure A.3.2.2**

Advisory Committees held briefings and meetings to conduct investigations into civil rights issues. During FY 2022, Advisory Committees held 76 fact-finding events.

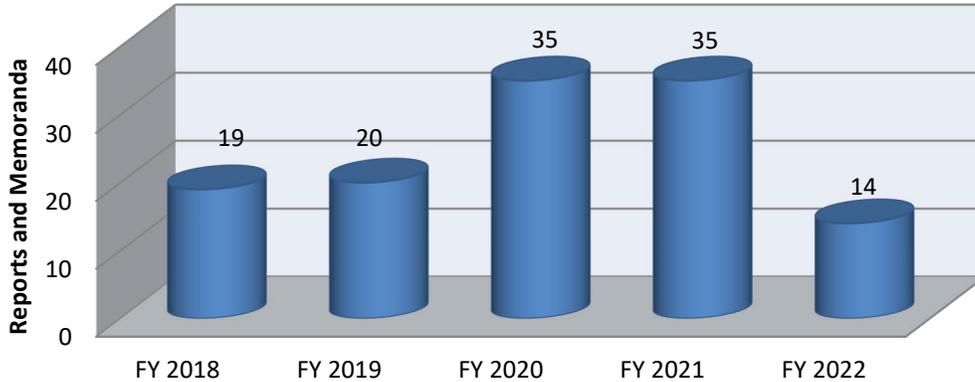
**Regional Office Fact-Finding Events**



**Performance Measure A.3.2.3**

Advisory Committees, with the support of regional staff, publish reports, statements, and memoranda. In FY 2022, Advisory Committees published 14 reports, statements, and memoranda.

## Advisory Committee Reports and Memoranda



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

### **Criminal Records: Civil Rights Impact on Access to Occupational Licenses-Employment in New Jersey**

The New Jersey Advisory Committee to the U.S. Commission on Civil Rights issued a report about its examination of the substantial barriers that prevent formerly incarcerated individuals from accessing occupational licenses. With the assistance of national and New Jersey experts, the Committee conducted five virtual panel briefings in 2020 and 2021. Members learned, that although all formerly incarcerated people are not prevented from obtaining occupational licenses, too many are unable to (a) complete the extensive training necessary to obtain a license, (b) pay the exorbitant cost of training and fees, and (c) navigate the complexities of broad licensing statutes, which too often are arbitrarily applied. Moreover, far too many people of color are caught in the web of the criminal justice system and lack the opportunities necessary and the support required to successfully reintegrate into society.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2021-10/new-jersey-licensing-report.pdf>

### **Hate Crimes Against Asian American Pacific Islander Communities in Massachusetts**

The Massachusetts Advisory Committee to the U.S. Commission on Civil Rights released a report on anti-Asian racism in the Commonwealth and the rise in attacks on Asian

Americans and Pacific Islanders (AAPI) during and prior to the pandemic. The report concluded that anti-AAPI violence today continues nearly two centuries of bigotry and marginalization, reflecting historic efforts “to eliminate Asian-Americans as part of the [US] American family. David Harris, chair of the Massachusetts Advisory Committee said, “The Advisory Committee has been concerned about the racism that infects our Commonwealth and felt the need to document its heightened manifestation against the AAPI community during the pandemic.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2021-10/ma-sac-aapi-hate-crimes.pdf>

### **Civil Rights Impacts of Civil and Criminal Asset Forfeitures in New Jersey**

The New Jersey Advisory Committee to the U.S. Commission on Civil Rights issued a report about its examination of asset forfeitures in New Jersey. The Committee conducted three virtual panel presentations by national and state experts in September and November 2020. Committee members received testimony from individuals impacted by asset forfeiture, as well as advocates, attorneys, scholars, and government officials. The Committee believes that numerous issues plague asset forfeiture practices, which combine to create a system that is ripe for abuse by law enforcement and result in individuals, mainly from communities of color and low-income communities, having their assets seized and forfeited by the government, often wrongfully. The revenue incentive for law enforcement makes bolstering their budget a top priority, often at the expense of fairness, and even, as set forth above, public safety. And, although bills signed into law in January 2020 provide some additional oversight of asset forfeiture, they do not fundamentally change the practice.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2021-10/combined-nj-forfeiture-report.pdf>

### **The Impact of Remote Learning on Education Equity in Nevada**

The Nevada Advisory Committee to the U.S. Commission on Civil Rights released a report following a series of web hearings to understand the impact of remote learning and equity in education, especially among students in K through 16 schools with disabilities and students of color, during the COVID-19 pandemic. The Committee heard from the Nevada State Board of Education, Nevada System of Higher Education, Nevada K-12 administrators, the legal community, educators in various institutions in urban and rural environments, behavioral health professionals, parents, and students. In this report, the Committee received testimony from speakers in the following areas: difficulties with technology literacy and professional development for educators, increasing behavioral health needs, learning loss, access for students with disabilities and English language

learners, the role of public/private partnerships, the lack of childcare, and questions about future options to choose distance learning.

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

<https://www.usccr.gov/files/2021-11/nv-sac-remote-learning-and-equity-in-education-report.pdf>

### **Maine Advisory Committee Urges Using General Assistance Funds for Internet Access for K-12 Students, Work Search, and Telehealth During the COVID-19 Pandemic**

The Maine Advisory Committee to the U.S. Commission on Civil Rights issued an Advisory Memorandum on digital equity and inclusion in Maine. In a series of five briefings in 2020, the Committee examined key aspects of digital equity: whether Mainers have adequate access to affordable broadband, devices, and digital literacy training, and the intersection of digital equity and civil rights in the educational setting, issues brought into sharp focus during the COVID-19 pandemic. The Committee's comprehensive report will be issued in the fall of 2021. The Committee urges Governor Mills, the Maine Legislature, and all municipal overseers of their respective General Assistance programs to immediately allow digital and internet access as a basic necessity, as described in this Statement of Concern.

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

<https://www.usccr.gov/files/2021-11/statement-of-concern-on-digital-equity.pdf>

### **Locked Up for Being Poor: The Need for Bail Reform in Kentucky**

The Kentucky Advisory Committee to the U.S. Commission on Civil Rights released a report examined the pretrial detention and bail process in Kentucky. The Committee's work focused on the impacts and uses of cash bail—that is, the money an individual must pay to secure their release from detention pretrial—in the state. As part of the inquiry, the Committee heard testimony on this topic from a diverse group of panelists during public meetings. The use of cash bail is prevalent in Kentucky courts, posing significant challenges to low-income defendants. Unnecessary pretrial detention of low- to moderate-risk individuals charged with nonviolent has significant consequences for individual detainees and the community. Detention based solely on the detainee's inability to pay bail can have extraordinary consequences, including the loss of wages, employment, and housing, as well as jeopardizing child custody.

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

<https://www.usccr.gov/files/2021-11/kentucky-bail-report.pdf>

## **Barriers to Accountability for Law Enforcement Officers' Use of Excessive Force in Washington State**

The Washington Advisory Committee to the U.S. Commission on Civil Rights released a report on the excessive use of force by law enforcement officers. The report was issued after a series of public hearings at which scholars, representatives of law enforcement, legal experts and community advocates testified. The report focuses on improving accountability for use of excessive force by law enforcement officers and highlights excessive force as a critical issue for ensuring that the civil rights of all Washington citizens are protected. Panelists were selected to provide diverse perspectives regarding the following issues: community impact from cases of excessive force; law enforcement policies and training; collective bargaining agreements; arbitration procedures following discipline for use of excessive force; and proposals for reform of policies and procedures addressing police discipline. Several common themes emerged from the hearings, including the need for comprehensive data collection, the importance of increased transparency for the handling of police discipline cases, the perception that current procedures did not adequately protect the public from the use of excessive force, and the need to prevent appropriate disciplinary procedures related to the use of force or discrimination from being obstructed as a result of collective bargaining.

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

[https://www.usccr.gov/files/2022-01/Washington-Advisory-Committees-Report-on-  
Barriers-to-Accountability-for-Law-Enforcement-Officers-Use-of-Excessive-Force.pdf](https://www.usccr.gov/files/2022-01/Washington-Advisory-Committees-Report-on-Barriers-to-Accountability-for-Law-Enforcement-Officers-Use-of-Excessive-Force.pdf)

## **Digital Equity as a Civil Right in Maine**

The Maine Advisory Committee to the U.S. Commission on Civil Rights released a report calling digital equity in Maine an urgent civil rights issue. The Advisory Committee held a series of public briefings and invited government officials, advocates, scholars, and members of the public to provide testimony about digital equity. The Committee's report makes findings and recommendations on key aspects of digital equity – issues that were brought into sharp focus during the COVID-19 pandemic. The Committee's findings and recommendations include: current access to reliable broadband is insufficient in both urban and rural areas; there is a significant need for devices for immigrants, communities of color, individuals with disabilities, older adults, English language learners, and low-income households; and there is a significant lack of digital literacy training, an essential component of digital equity, in Maine.

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

<https://www.usccr.gov/files/2022-01/ME-SAC-Digital-Equity-Report.pdf>

## **Racial Discrimination and Eviction Policies and Enforcement in New York**

The New York Advisory Committee to the U.S. Commission on Civil Rights released a report on eviction policies and enforcement following a study that involved a series of panel discussions and periods of public comment. During this study, the Committee heard testimony and received written statements from individuals impacted by evictions, researchers, academics, advocates, legal scholars, and government officials. Through the testimony they received, the Committee identified significant themes and highlighted recommendations for the Commission's consideration. Significant themes identified include factors that impact evictions, chaotic housing court practices, the need for legal representation in eviction proceedings, the need for eviction prevention efforts, and the need to strengthen and enforce current evictions-related laws in order to reduce the demonstrated disparate impact of evictions on communities of color nationally and in New York State, Albany, Buffalo, and New York City.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-03/New-York-Advisory-Committee-Evictions-Report-March-2022.pdf>

## **Zoning Practices in Connecticut**

The Connecticut Advisory Committee to the U.S. Commission on Civil Rights released an interim advisory memorandum on zoning practices in Connecticut. In December, the Committee began an investigation into whether zoning practices in Connecticut perpetuate segregation in the state. The Committee issued this memorandum to draw the attention to HB 5204, which is being considered by the Connecticut General Assembly. HB 5204, "An Act Concerning a Needs Assessment and Fair Share Plans for Municipalities," would require a statewide assessment of affordable housing needs by planning regions and municipalities. The Committee believes that HB 5204 advances the state in addressing the racial segregation of Connecticut's communities. The requirement that all municipalities be responsible for their fair share of affordable housing would not only alleviate the responsibility currently being supported by Connecticut's cities but may work toward ending the practices that perpetuate housing segregation.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-04/ct-sac-interim-memo-on-zoning.pdf>

## **Memo on Civil Asset Forfeiture in South Carolina**

The South Carolina Advisory Committee to the U.S. Commission on Civil Rights released an interim advisory memorandum on civil asset forfeiture in South Carolina. Due to the time sensitive nature of this concern, the Committee has deemed it appropriate to issue an interim memo to the Commission. There is currently a bill in the South Carolina General

Assembly to address this topic, and the legislative session is slated to end in May. The Committee would like to draw the Commission’s attention to this concern before the Assembly adjourns. The Committee has held three virtual briefings on the topic and may hear additional testimony before issuing its final report to the Commission. The Committee recommends that the U.S. Commission on Civil Rights investigate the federal government’s use of asset forfeiture.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-05/sc-sac-asset-forfeiture-memo.pdf>

### **Massachusetts Advisory Committee Interim Memo on Civil Asset Forfeiture**

The Massachusetts Advisory Committee to the U.S. Commission on Civil Rights released an interim advisory memorandum on civil asset forfeiture in Massachusetts. There are two bills to reform civil forfeiture laws in Massachusetts currently pending before the Senate Ways & Means Committee. The Massachusetts Committee has deemed it appropriate to issue an interim memorandum to the Commission due to the time-sensitive nature of this pending legislation. The first bill is Massachusetts Senate Bill S.2105 “An Act relative to civil asset forfeiture data reporting.” The second bill is Massachusetts Senate Bill S.2671 “An Act relative to forfeiture reform.” The Committee supports both pieces of legislation as a first step in remedying the injustices of civil asset forfeiture.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-06/ma-sac-interim-memo-on-asset-forfeiture.pdf>

### **Civil Rights and Fair Housing in Illinois**

The Illinois Advisory Committee to the U.S. Commission on Civil Rights released a report regarding civil rights and fair housing in Illinois, and the potential disparate impact in access to housing on the basis of race, color, age, religion, or disability. This report details civil rights concerns relating to potential disparities regarding access to housing and discrimination based upon the race, national origin, religion, sex, disability, and age. It also addresses challenges to fair access to housing facing the previously incarcerated, Limited English Proficient individuals, individuals with disabilities, and those experiencing homelessness. Primary concerns included examining fair housing and equal access to housing in Illinois. Specifically, the Committee examined the extent to which residents in the state have fair and equal access to housing without regard to race, color, disability status, national origin, age, religion, and/or sex. Findings were made from the testimony, and the Committee offers recommendations to the Commission for addressing these problems of state, regional, and national importance.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-06/il-fair-housing-report.pdf>

**Water Affordability in Maryland**

The Maryland Advisory Committee to the U.S. Commission on Civil Rights released a report on water affordability in Maryland. Access to clean affordable water is essential to life and is a fundamental human right, as the U.N. General Assembly recognized in 2010, but it is not guaranteed in Maryland or by federal law. In the state of Maryland, water is becoming increasingly unaffordable, and consequently, inaccessible. Rates are predicted to continue rising, perhaps unsustainably, given decreased local and state revenues. Shut-offs may increase while infrastructure maintenance declines. Low-income communities and communities of color will be hardest hit. Despite these looming crises, Maryland has no uniform, statewide standards or programs governing water access and affordability. Some communities offer no assistance to low-income residents, some offer discounts to low-income seniors and people with disabilities, but any discounts are available only to owner-occupants. No state law or program mandates or provides water assistance to all residents who need it, whether they own or rent their homes.

The report, memorandum or statement is available at the following website:  
<https://www.usccr.gov/files/2022-07/md-sac-water-affordability.pdf>

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

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

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

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

<b>Strategy B.1.1 - The Commission will routinely post to social media to keep the public informed on civil rights historical events.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
B.1.1.1 – Increase engagement with the Commission’s social media accounts as seen through analytic tracking	Increase social media activity	Met

**Performance Measure B.1.1.1**

Overall metrics for the Commission’s social media platforms increased and were at their highest levels since tracking began in 2020. Combined impressions for Twitter, Facebook, and LinkedIn (added in May 2020) were 169,700. Commission social media platforms also grew an audience base of 8,782 individuals. These factors led to an overall increase in social media activity across all platforms for the Commission.

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

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

<b>Strategy B.2.1 - Use press outreach, social media, and newsletters to reach more individuals, improve participation at events, and increase awareness of Commission and Advisory Committees activities</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
B.2.1.1 – The Commission will regularly publicize Commission and Advisory Committee investigations, fact-finding activities, reports, and other publications.	Newsletters, press releases, and social media posts	Met

**Performance Measure B.2.1.1**

The Commission significantly increased their email traffic by adding Advisory Committee communications to our Constant Contact platform. Of which, 56 emails were sent over the course of FY2022. Of those 56 – 30 were related to Advisory Committee activities. Additionally, the Commission saw an increase in activity due to monthly newsletters being sent to Commission followers informed of all activities, including that of the Commission on the Social Status of Black Men and Boys. Overall, emails were sent to 65,639 individuals over the 12-month time span. The open rate for emails overall was at 30 percent, which is well over the industry standard of 10 percent.

<b>Strategy B.2.2 - Increase access to Commission briefings, hearings, and business meetings</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
B.2.2.1 - The Commission will use technology, including live streaming, phone lines, and social media, to provide immediate public access to its meetings, briefings, publications, and other activities.	Two live streamed events	Met

**Performance Measure B.2.2.1**

The Commission uses technology to provide the public with access to its meetings, briefings, publications, and other activities. During FY 2022, the Commission conducted two briefings. The public can view the video for these events following website: <https://www.youtube.com/user/USCCR> The Commission also provides a call-in line for individuals to listen to the Commission’s telephonic business meetings. In FY 2022, the Commission held seven telephonic business meetings. The Commission advises the public of its meetings and briefings through its web page, press releases, Twitter, and Facebook.

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

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

<b>Strategy B.3.1 - Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
B.3.1.1 - Ensure that the Chair or other designated spokesperson speaks directly to the public about civil rights	Two speaking engagements with national reach in the fiscal year	Met

**Performance Measure B.3.1.1**

During FY 2022, Chair Cantú conducted press availability and approved a press statement on the Commission’s two appointments to the U.S. Election Assistance Committee (EAC), confirming the Commission had made bipartisan appointments to a bipartisan agency. She made national statements on the release of the two Commission reports, with the support and expertise of Commissioners Yaki, Kladney, and Adegbile. The Chair was invited to address the League of United Latin American Citizens (LULAC) at their national conference where she spoke at a panel with the Chair of the U.S. Equal Employment

Opportunity Commission (EEOC) and with staff from the U.S. Department of Justice regarding how to file civil rights complaints. The Chair issued a statement commemorating the 65th Anniversary of the Commission. She also addressed the public in English and Spanish in the inaugural meeting of the Puerto Rico Advisory Committee, and in English at the inaugural meeting of the Guam Advisory Committee.

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

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

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

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

<b>Strategy C.1.1 - Align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.1.1.1 - Compliance with OMB Circular A-11.	Budget is compliant with OMB Circular A-11	Met

**Performance Measure C.1.1.1**

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

<b>Strategy C.1.2 - Monitor and report on the Commission's progress in achieving its annual performance plan goals and objectives.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.1.2.1 - Submit a Performance and Accountability Report that adheres to all relevant guidance.	PAR adheres to relevant guidance.	Met

### **Performance Measure C.1.2.1**

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

<b>Strategy C.1.3 – Ensure the agency has a highly skilled and flexible workforce to carry out its mission.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.1.3.1 - Implementation of Commission's Recruitment and Hiring Plan and Office of Personnel Management's program, strategies, and initiatives.	Implement the Commission's and OPM's hiring initiatives	Met

### **Performance Measure C.1.3.1**

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

<b>Strategy C.1.4 - Conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.1.4.1 - Results of the Employee Satisfaction surveys	Increase response rate in one or more categories	Met

### **Performance Measure C.1.4.1**

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. It allows the Commission's employees to share their opinions about what matters most to them and enable them to let their leadership know how they feel about their job, their supervisor, and their agency. In the FY 2021 Employee

Viewpoint, the Commission’s Employee Engagement Index Trends increased from 72 percent to 75 percent and Global Satisfaction went from 62 percent to 69 percent.

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

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

<b>Strategy C.2.1 - Comply with federal information security requirements</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.2.1.1 - Conduct an annual FISMA Audit	FISMA Audit	Met

**Performance Measure C.1.2.1**

The Commission conducted its annual FISMA Audit.

<b>Strategy C.2.2 - Leverage information technology to enhance the productivity and efficiency of the workforce.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.2.2.1 - Compliance with OMB Cloud Computing initiatives.	Compliant with Cloud Computer Initiatives	Met

**Performance Measure C.2.2.1**

The Commission is compliant with OMB Cloud Computing initiatives.

<b>Strategy C.2.3 – Establish a modern and scalable network infrastructure.</b>	<b>FY 2022 Target</b>	<b>FY 2022 Results</b>
C.2.3.1 - Compliance with OMB memo M-21-07, “Completing the Transition to Internet Protocol Version 6 (IPv6) Cloud Computing initiatives.	All new networked Federal information systems will be IPv6-enabled at the time of deployment, and USCCR will begin phasing out the use of IPv4.	Met

**Performance Measure C.2.2.1**

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

## **Other Information Related to Annual Performance Reporting**

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

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

## **AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

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

# Auditor's Report, Financial Statements & Notes

UNITED STATES COMMISSION ON CIVIL RIGHTS  
AUDIT REPORT  
SEPTEMBER 30, 2022



ALLMOND & COMPANY, LLC  
Certified Public Accountants  
7501 Forbes Blvd, Suite 200  
Lanham, Maryland 20706  
(301) 918-8200



## Independent Auditors' Report

Chairperson  
United States Commission on Civil Rights:

### Report on the Financial Statements

#### Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the accompanying financial statements of the U.S Commission on Civil Rights (CCR), which comprise the balance sheets as of September 30, 2022 and 2021; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the U.S. Commission on Civil Rights as of September 30, 2022 and 2021, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

CCR management is responsible for (1) the preparation and fair presentation of these financial statements accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in CCR's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 22-01 will always detect a material misstatement when it exists.

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

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 22-01, our responsibilities are to exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCR's internal control. Accordingly, we express no such opinion.

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

Required Supplementary Information (RSI)

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

of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the CCR's financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

**Report on Internal Control over Financial Reporting**

In connection with our audits of CCR's financial statements as of and for the year ended September 30, 2022, we considered CCR's internal control over financial reporting, consistent with the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies<sup>1</sup> or to express an opinion on the effectiveness of CCR's internal control

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<sup>1</sup> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CCR's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

*Responsibilities of Management for Internal Control over Financial Reporting*

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

*Auditor's Responsibilities for Internal Control over Financial Reporting*

In planning and performing our audit of CCR's financial statements as of and for the fiscal year ended September 30, 2022, in accordance with U.S. generally accepted government auditing standards, we considered CCR's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCR's internal control over financial reporting. Accordingly, we do not express an opinion on CCR's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

*Definition and Inherent Limitations of Internal Control over Financial Reporting*

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

*Intended Purpose of Report on Internal Control over Financial Reporting*

The purpose of this report is solely to describe the scope of our consideration of CCR's internal control over financial reporting and the results of our procedures, and not to provide an opinion

on the effectiveness of CCR's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

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

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2022 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CCR. Accordingly, we do not express such an opinion.

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

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

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

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

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

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

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

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

*Allmond & Company, LLC*

Lanham, MD  
November 11, 2022

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**Fiscal Year 2022  
Financial Statements**



## UNITED STATES COMMISSION ON CIVIL RIGHTS

### BALANCE SHEET

As of September 30 2022 and 2021

(Dollars)

	2022	2021
<b>Assets:</b>		
Intragovernmental:		
Fund Balance With Treasury	(Note 2) \$ 4,308,351	\$ 4,056,813
Accounts Receivable, net	(Note 3) \$ 4,914	\$ -
Total Intragovernmental	<u>4,313,265</u>	<u>4,056,813</u>
Other than Intragovernmental		
General Property, Plant and Equipment, net	(Note 4) 46,881	65,833
Total Other than Intragovernmental	<u>\$ 46,881</u>	<u>\$ 65,833</u>
Total Assets	<u>\$ 4,360,146</u>	<u>\$ 4,122,645</u>
<b>Liabilities:</b>		
Intragovernmental:		
Accounts Payable	(Note 5) \$ 30,680	\$ 42,503
Benefit Program Contributions Payable	(Note 5) 121,895	80,643
Total Intragovernmental	<u>152,575</u>	<u>123,146</u>
Other than Intragovernmental/With the Public:		
Accounts Payable	(Note 5) \$ 88,556	\$ 111,277
Federal Employee and Veteran Benefits Payable:		
Employer Contributions and Payroll Taxes Payable	16,627	11,880
Unfunded Leave	624,162	534,025
Other:		
Accrued Funded Payroll and Leave	(Note 6) 493,447	302,667
Total Other than Intragovernmental/ With the Public	<u>\$ 1,222,792</u>	<u>\$ 959,849</u>
Total Liabilities	<u>\$ 1,375,366</u>	<u>\$ 1,082,994</u>
<b>Net Position:</b>		
Unexpended Appropriations - All Other Funds	\$ 3,557,147	\$ 3,507,844
Cumulative Results of Operations - All Other Funds	(572,367)	(468,193)
Total Net Position	<u>2,984,780</u>	<u>3,039,651</u>
Total Liabilities and Net Position	<u>\$ 4,360,146</u>	<u>\$ 4,122,645</u>

The accompanying notes are an integral part of these statements.

# UNITED STATES COMMISSION ON CIVIL RIGHTS

## STATEMENT OF NET COST

For the Years Ended September 30, 2022 and 2021

(Dollars)

	2022	2021
<b>Program Costs:</b>		
Gross Cost	\$ 13,250,229	\$ 11,054,189
Less: earned revenue	\$ (4,914)	
Net Program Cost	<u>13,245,315</u>	<u>11,054,189</u>
Net Cost of Operations	<u>\$ 13,245,315</u>	<u>\$ 11,054,189</u>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENT OF BUDGETARY RESOURCES**  
**For the Years Ended September 30, 2022 and 2021**  
**(Dollars)**

	2022	2021
<b>BUDGETARY RESOURCES</b>		
Unobligated Balance from prior year budget authority, net (discretionary and mandatory) (Note 13)	\$ 1,074,120	\$ 847,150
Appropriations (discretionary and mandatory)	13,000,000	12,500,000
Total budgetary resources	<b><u>\$ 14,074,120</u></b>	<b><u>\$ 13,347,150</u></b>
<b>STATUS OF BUDGETARY RESOURCES</b>		
New obligations and upward adjustments (Note 8)	\$ 13,077,636	\$ 12,425,405
Unobligated balance, end of year:		
Apportioned, unexpired account	56,779	132,927
Expired unobligated balance, end of year	<u>\$ 939,705</u>	<u>\$ 788,817</u>
Unobligated balance, end of year	<b><u>996,484</u></b>	<b><u>921,744</u></b>
Total budgetary resources	<b><u>\$ 14,074,120</u></b>	<b><u>\$ 13,347,150</u></b>
<b>OUTLAYS, NET AND DISBURSEMENTS, NET</b>		
Outlays, net (total) (discretionary and mandatory)	\$ 12,570,001	\$ 10,674,773
Agency outlays, net (discretionary and mandatory)	<b><u>\$ 12,570,001</u></b>	<b><u>\$ 10,674,773</u></b>
Disbursements, net (total) (mandatory)	\$ 12,570,001	\$ 10,674,773

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENT OF CHANGES IN NET POSITION**  
For the Year Ended September 30, 2022 and 2021  
(Dollars)

	2022	2021
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ <u>3,507,844</u>	\$ <u>1,911,788</u>
Appropriations received	\$ 13,000,000	\$ 12,500,000
Other adjustments	\$ (178,461)	(199,760)
Appropriations used	<u>\$ (12,772,236)</u>	<u>(10,704,184)</u>
Change in Unexpended Appropriations	<u>\$ 49,303</u>	<u>1,596,056</u>
<b>Total Unexpended Appropriations</b>	<b>\$ <u>3,557,147</u></b>	<b>\$ <u>3,507,844</u></b>
<b>Cumulative Results of Operations:</b>		
Beginning Balances	\$ (468,193)	\$ (441,419)
Appropriations used	\$ 12,772,236	10,704,184
Imputed Financing Sources (Note 10)	<u>\$ 368,905</u>	<u>323,232</u>
Net Cost of Operations	<u>\$ (13,245,315)</u>	<u>\$ (11,054,189)</u>
Net Change in Cumulative Results of Operations	<u>\$ (104,175)</u>	<u>\$ (26,773)</u>
<b>Cumulative Results of Operations</b>	<b>\$ <u>(572,367)</u></b>	<b>\$ <u>(468,193)</u></b>
<b>Net Position</b>	<b>\$ <u>2,984,780</u></b>	<b>\$ <u>3,039,651</u></b>

The accompanying notes are an integral part of these statements.

## U.S. COMMISSION ON CIVIL RIGHTS GENERAL FUND

### GENERAL FUND

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### *Basis of Presentation*

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

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and a statement of budgetary resources. The balance sheets present, as of September 30, 2022 and 2021, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports the Commission's budgetary activity.

##### *Basis of Accounting*

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Use of Estimates*

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

*Fund Balance with Treasury*

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

*General Property and Equipment*

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Liabilities*

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

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

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Accounts Payable*

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

*Accrued Payroll and Benefits*

Accrued payroll and benefits consist of salaries, wages, leave and benefits earned by employees, but not disbursed as of September 30. Liability for annual and other vested compensatory leave is accrued when earned and reduced when taken. At the end of each fiscal year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken is considered an unfunded liability since this leave will be funded from future appropriations when it is actually taken by employees. Sick leave and other types of leave are not accrued and are expensed when taken.

*Revenue and Financing Sources*

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

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

*Federal Employee Benefits*

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Classified Activities*

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

*Budgetary Terms*

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

The following budget terms are commonly used:

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

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

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

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

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

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

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

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

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

**NOTE 2 FUND BALANCE WITH TREASURY**

The fund balance with the Treasury is as follows on September 30:

	2022	2021
1. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	56,779	132,927
b) Unavailable	939,705	788,817
2) Obligated Balance not yet Disbursed	<u>3,311,867</u>	<u>3,135,069</u>
<b>Total</b>	<b><u>\$ 4,308,351</u></b>	<b><u>\$ 4,056,813</u></b>

In fiscal year 2022, the Commission cancelled its fiscal 2017 remaining funds and returned the balance of \$178,461 to the Treasury.

**NOTE 3 ACCOUNTS RECEIVABLE**

The Commission was erroneously billed by the Department of Labor for Unemployment Insurance claims. The Department of Labor will issue refunds. The direct write-off method is used for uncollectible receivables.

The accounts receivable balances consisted of the following on September 30:

	2022	2021
Gross Receivables	\$ 4,914	\$ -
Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>
<b>Account Receivables, Net</b>	<b><u>\$ 4,914</u></b>	<b><u>\$ -</u></b>

**NOTE 4 GENERAL PROPERTY, PLANT AND EQUIPMENT**

Property and equipment consisted of the following on September 30:

	2022	2021
Equipment	\$ 314,551	\$ 314,551
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
<b>Total</b>	<b>\$ 322,235</b>	<b>\$ 322,235</b>
Less: Accumulated depreciation		
Equipment	\$ 267,670	\$ 248,718
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
<b>Total</b>	<b>\$ 275,354</b>	<b>\$ 256,402</b>
<b>Property and Equipment Net</b>	<b>\$ 46,881</b>	<b>\$ 65,833</b>

Depreciation and amortization expense for the fiscal years ended September 30, 2022, and 2021 was \$18,951 and \$13,880, respectively.

**NOTE 5 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the Commission are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2022, the Commission had liabilities covered by budgetary resources of \$751,201 and liabilities not covered by budgetary resources of \$624,162. As of September 30, 2021, the Commission had liabilities covered by budgetary resources of \$548,969 and liabilities not covered by budgetary resources of \$534,025.

	2022	2021
Intragovernmental		
Accounts Payable	\$ 30,680	\$ 42,503
Benefit Program Contributions Payable	<u>121,895</u>	<u>80,643</u>
<b>Total Intragovernmental</b>	<b>\$ 152,575</b>	<b>\$ 123,146</b>
Other than Intragovernmental/With the Public		
Accounts Payable	\$ 88,556	\$ 111,277
Federal Employee and Veteran Benefits Payable:		
Employer Contributions and Payroll Taxes Payable	16,627	11,880
Unfunded Leave	624,162	534,025
Other Liabilities:		
Accrued Funded Payroll and Leave	<u>493,447</u>	<u>302,667</u>
<b>Total Other than Intragovernmental/ With the Public</b>	<b>\$ 1,222,792</b>	<b>\$ 959,849</b>

<b>Total Liabilities</b>	<b>\$ 1,375,366</b>	<b>\$ 1,082,994</b>
Total Liabilities covered by budgetary resources	\$ 751,204	\$ 548,969
Total Liabilities not covered by budgetary resources	<u>624,162</u>	<u>534,025</u>
<b>Total Liabilities</b>	<b>\$ 1,375,366</b>	<b>\$ 1,082,994</b>

**NOTE 6 OTHER LIABILITIES -**

Other Liabilities with the public for the years ended September 30, 2022, and 2021 consist of Benefit Program Contributions Payable, Employer Contributions and Payroll Taxes, Unfunded Leave, and Accrued Funded Payroll in the amounts shown below.

	<b>Non-Current</b>	<b>Current</b>	<b>2022 Total</b>
<b>Other than Intragovernmental/With the Public</b>			
Accrued Funded Payroll and Leave	<u>\$ -</u>	<u>493,447</u>	<u>\$ 493,447</u>
<b>Total Other than Intragovernmental/ With the Public</b>	<b>0</b>	<b>493,447</b>	<b>493,447</b>
<b>Total Other Liabilities</b>	<b>\$ -</b>	<b>\$ 493,447</b>	<b>\$ 493,447</b>
	<b>Non-Current</b>	<b>Current</b>	<b>2021 Total</b>
<b>Other than Intragovernmental/With the Public</b>			
Accrued Funded Payroll and Leave	<u>\$ -</u>	<u>302,667</u>	<u>\$ 302,667</u>
<b>Total Other than Intragovernmental/ With the Public</b>	<b>0</b>	<b>302,667</b>	<b>302,667</b>
<b>Total Other Liabilities</b>	<b>\$ -</b>	<b>\$ 302,667</b>	<b>\$ 302,667</b>

**NOTE 7 OPERATING LEASES**

The Commission has various Federal leases for offices and branches throughout the United States. The longest of those obligations extends through 2037. Certain leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. The aggregate rent expense totaled \$1,013,524 and \$1,381,288 as of September 30, 2022 and 2021, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

2023	\$ 344,994
2024	1,241,015
2025	1,376,470
2026	1,395,890
2027	1,415,880
Thereafter	<u>13,222,469</u>
<b>Total</b>	<b>\$ 18,996,718</b>

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

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

	2022	2021
Category A	\$ 13,077,636	\$ 12,425,405

**NOTE 9 UNDELIVERED ORDERS AT THE END OF THE PERIOD**

The budgetary resources obligated for undelivered orders was \$2,560,663 and \$2,586,099 as of September 30, 2022 and 2021 respectively.

	Paid	Unpaid	Total 2022
<b>FY 2022 Undelivered Orders</b>			
Federal	\$ -	244,711	\$ 244,711
Non-Federal	-	<u>2,315,951</u>	<u>2,315,951</u>
<b>Total Undelivered Orders</b>	<b>\$ -</b>	<b>\$ 2,560,663</b>	<b>\$ 2,560,663</b>
	Paid	Unpaid	Total 2021
<b>FY 2021 Undelivered Orders</b>			
Federal	\$ -	120,041	\$ 120,041
Non-Federal	-	<u>2,466,059</u>	<u>2,466,059</u>
<b>Total Undelivered Orders</b>	<b>\$ -</b>	<b>\$ 2,586,099</b>	<b>\$ 2,586,099</b>

**NOTE 10 INTER-ENTITY COSTS**

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

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

current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2022 and 2021, imputed financing was as follows:

	2022	2021
Office of Personnel Management	\$ 368,905	\$ 323,232

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

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2022 actual budgetary execution information is scheduled for publication in February 2023, which will be available through OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2021 SBR and the related President's Budget reflected the following:

(Millions)

	<b>Budgetary Resources</b>	<b>New Obligations &amp; Upward Adjustments (Total)</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
Combined Statement of Budgetary Resources	\$ 13	\$ 12	\$ -	\$ 11
Expired Unobligated Balances	\$ -	\$ -	\$ -	\$ -
Budget of the U.S. Government	\$ 13	\$ 12	\$ -	\$ 11

The difference is caused by Expired Unobligated Balances being reported in the Statement of Budgetary Resources but not in the Budget of the United States Government.

**NOTE 12 RECONCILIATION OF NET COST TO NEW OUTLAYS**

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as

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

**FY 2022**

	<b>Intra- Governmental</b>	<b>With the Public</b>	<b>Total FY 2022</b>
<b>Net Operating Cost (SNC)</b>	3,951,927	9,293,388	13,245,315
<b>Components of Net Cost That Are Not Part of Net Outlays</b>			-
Property, Plant, and Equipment depreciation, expense		(18,951)	(18,951)
<b>Increase/(decrease) in Assets:</b>			-
Accounts Receivable	4,914		4,914
<b>(Increase)/Decrease in Liabilities not affecting Budget Outlays</b>			-
Accounts Payable	(29,429)	22,721	(6,708)
Federal Employee and Veteran Benefits Payable (Nonfederal Employer Contributions and Unfunded Leave)		(94,884)	(94,884)
Other liabilities (Accrued Payroll)		(190,780)	(190,780)
<b>Other financing sources</b>			-
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(368,905)</u>	<u>-</u>	<u>(368,905)</u>
<b>Total Components of Net Cost That Are Not Part of Budget Outlays</b>	<b>(393,420)</b>	<b>(281,895)</b>	<b>(675,314)</b>
 <b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of capital assets		-	-
 <b>NET OUTLAYS</b>	 3,558,507	 9,011,494	 12,570,001

**FY 2021**

	<b>Intra- Governmental</b>	<b>With the Public</b>	<b>Total FY 2021</b>
<b>Net Operating Cost (SNC)</b>	4,069,128	6,985,061	11,054,189
<b>Components of Net Cost That Are Not Part of Net Outlays</b>			-
Property, Plant, and Equipment depreciation, expense		(13,880)	(13,880)
<b>Increase/(decrease) in Assets:</b>			-
Accounts Receivable		(1,034)	(1,034)
<b>(Increase)/Decrease in Liabilities not affecting Budget Outlays</b>			-
Accounts Payable	19,265	(4,437)	14,829
Federal Employee and Veteran Benefits Payable (Nonfederal Employer Contributions and Unfunded Leave)		(49,632)	(49,632)
Other liabilities (Accrued Payroll)		(43,663)	(43,663)
<b>Other financing sources</b>			-
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(323,232)</u>	<u>-</u>	<u>(323,232)</u>
<b>Total Components of Net Cost That Are Not Part of Budget Outlays</b>	<b>(303,967)</b>	<b>(112,647)</b>	<b>(416,613)</b>
 <b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of capital assets		37,197	37,197
 <b>NET OUTLAYS</b>	<b>3,765,161</b>	<b>6,909,612</b>	<b>10,674,773</b>

**NOTE 13 NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1**

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2022, and 2021, consisted of the following:

	<b>2022</b>	<b>2021</b>
Unobligated Balance Brought Forward, October 1	\$ 921,744	\$ 829,347
Recoveries of Prior Year Obligations	\$ 330,836	\$ 217,563

Other Changes in Unobligated Balances	<u>(178,461)</u>	<u>(199,760)</u>
<b>Unobligated Balance from Prior Year Budget Authority, Net</b>	<b>\$ 1,074,120</b>	<b>\$ 847,150</b>

# OTHER ACCOMPANYING INFORMATION

## Summary of Financial Statement Audit and Management Assurances

### Summary of Financial Statement Audit

Audit Opinion: Unmodified  
 Restatement: No

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	0	0	0	0	0	0

### Summary of Management Assurances

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

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	0	0	0	0	0	0

#### Effectiveness of Internal Control over Operations - FMFIA 2

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Material Weaknesses	0	0	0	0	0	0

#### Conformance with Financial Management System Requirements - FMFIA 4

Statement of Assurance: Systems Conform

<b>Non-Conformance</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
Total Non-Conformance	0	0	0	0	0	0

## **Improper Payments Information Act Reporting Details**

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

### Risk Assessment

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

### Payment Recapture Audits

Section 2(H) of the Improper Payments Elimination and Recovery Act requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million if conducting such an audit is cost-effective. The Commission's payments as defined in OMB Circular A – 123, Appendix C exceed this threshold. Accordingly, we conducted a cost-benefit analysis on October 26, 2020. Based on our analysis, we have determined that the costs of a payment recapture audit at the Commission would exceed the benefits. According to OMB Circular A – 123, Appendix C, once an agency determines that it would be unable to conduct a cost-effective recovery audit for certain programs, the analysis will need to be repeated only if circumstances change within the program that might make a recovery audit cost-effective. The circumstances have not changed in FY 2022.

### Improper Payment Reporting

The Commission did not have an improper payment in Fiscal Year 2022.