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MESSAGE FROM THE CHAIRMAN

I am pleased to present the annual *Performance and Accountability Report* (PAR) for the U.S. Commission on Civil Rights for fiscal year (FY) 2010. This report presents the agency's assessment of its FY 2010 program and financial accomplishments, as well as an outline for moving forward.

In FY 2010, the Commission continued to deliver quality civil rights programming, studies, policy analysis and recommendations to the President, Congress and the Nation. During this period, it has maintained its role as a primary voice of civil rights for the country, despite its current resource and staffing constraints. It has fulfilled this role through a broad range of projects undertaken in FY 2010, including an a first-of-its-kind national civil rights conference that attracted 200 participants and attendees; an aggressive schedule of four public hearings pursuant to its annual civil rights enforcement investigation; a briefing on age discrimination during the economic crisis; and a long-term study of the equal treatment of women in public and private college admissions. The Commission also issued six reports for publication, increased its issuance of policy letters regarding civil rights legislation and other developments around the country, and deployed a new Web site that serves as a civil rights clearinghouse for federal enforcement data, among other activities.

In September 2010, the Commission embarked on a landmark national conference to frame a new civil rights agenda for the 21st century, recognizing that many Americans believe civil rights to be the great unfinished business of the nation. The conference focused on the persistence of racial disparities in areas such as socioeconomic status, educational attainment and employment rates, despite the establishment, vigorous enforcement and expansion of anti-discrimination laws in the years since the passage of the Civil Rights and Voting Rights Acts and the dismantling of Jim Crow segregation. It addressed the role of factors such as the effects of historic discrimination, marriage rates, percentages of children born out-of-wedlock, and income, wealth,

and educational attainment levels in impeding disadvantaged Americans', especially black Americans', ability to take full advantage of the expanding opportunities presented by discrimination's decline. Distinguished participants addressed ideas for moving forward with a new civil rights agenda that takes into account modern-day challenges. Two-hundred people attended and participated in this day-long event focusing on the civil rights challenges facing blacks, and others, in the 21st century and beyond. The expectation is that this conference will have ripple effects that spur a national conversation and inspire follow-up research and policy initiatives.

During FY 2010, the Commission also focused on its core mission of assessing federal voting rights enforcement efforts by undertaking an investigation into the Department of Justice's decision to dismiss charges against three of the four defendants in the New Black Panther Party (NBPP) voter intimidation case. The case stemmed from an incident that occurred in Philadelphia during the 2008 presidential election in which two NBPP members stood in the entrance to a polling place in full paramilitary garb, one brandishing a nightstick, intimidating or attempting to intimidate white and black voters, poll workers and observers. A civil case for alleged Voting Rights Act violations was initiated against the NBPP and several NPPB members in late 2008. The Department of Justice later dismissed charges against three of the four defendants and reduced the sanctions it requested against the remaining defendant in the case, even though the defendants failed to appear to defend themselves and the case was in default. Our inquiry began with a simple letter asking for the Department's legal and policy rationales for dismissing the case. Based upon the incomplete, incorrect and changing explanations offered by the Department for its actions, the Commission was prompted to examine whether the Department of Justice (DOJ) enforced voting rights in a race-neutral manner when it voluntarily dismissed three defendants from the case and reduced the original sanctions it sought against the fourth.

Pursuant to this investigation, the Commission has held four public hearings, taken several depositions and attempted several others.¹ It has attempted to work cooperatively with the Justice Department, but has been met with substantial resistance. For example, DOJ has rebuffed Commission requests for key documents; has directed some of its employees under subpoena not to provide testimony to the Commission; has attempted to impose unreasonable conditions on the Commission before it will allow the deposition testimony of others; and has raised questionable and sweeping privilege claims.²

Despite these significant obstacles, the Commission held public hearings focusing on the incident and on DOJ's actions throughout the NBPP litigation. The Commission took testimony from various fact witnesses, as well as Congressman Frank Wolf (R-VA), former Acting Associate Attorney General Gregory Katsas, and current Assistant Attorney General for the Civil Rights Division, Thomas Perez. Two members of the DOJ trial team that worked on the case,

¹U.S. Commission on Civil Rights, *New Black Panther Party Investigation: Depositions*, <<http://www.usccr.gov/NBPH/NBPH.htm>> (lasted accessed Oct. 29, 2010).

²U.S. Commission on Civil Rights, *New Black Panther Party Investigation: Correspondence*, letter to the Honorable Eric Holder, Jr., Attorney General of the United States (Oct. 13, 2010), letter to Joseph H. Hunt, Director, Federal Programs Branch, Department of Justice (Mar. 30, 2010), letter to The Honorable Eric Holder, Jr., Attorney General of the United States (Apr. 1, 2010), <<http://www.usccr.gov/NBPH/NBPH.htm>> (lasted accessed Oct. 29, 2010).

former Voting Section Chief Christopher Coates and former Voting Section attorney J. Christian Adams, also testified before the Commission, defying DOJ's instructions to ignore the Commission's subpoenas at great personal risk to themselves. Mr. Coates, a former, long-time ACLU attorney, corroborated Mr. Adams' testimony, telling the Commission of specific instances of "hostility in the Civil Rights Division (CRD) and Voting Section toward the equal enforcement of some of the federal voting laws."

Though the Commission's work has been hampered by the Department's lack of cooperation—it approved its interim report on November 19, 2010, and will release a printed version with Commissioner statements and rebuttals in January 2011—the Commission is pleased that its diligent efforts have encouraged members of Congress to inquire into DOJ's race neutral enforcement of civil rights laws and have contributed to the Justice Department's own inspector general's (IG) decision to examine CRD's enforcement record. The IG investigation will also examine whether Voting Rights Section employees have been harassed for participating in the investigation or prosecution of particular matters,³ as two witnesses alleged in their testimonies.

Holding a landmark civil rights conference and aggressively pursuing hearings on critical matters related to the equal enforcement of voting rights did not limit the Commission's ability to comment on other current civil rights issues. For example, Commissioners approved six reports for publication during FY 2010 addressing a range of timely topics. These reports study or examine:

- encouraging minorities to pursue science, technology, engineering and math (STEM) careers;
- assessing the educational effectiveness of historically black colleges and universities (HBCUs);
- using domestic wiretapping as a tool in the war on terror;
- evaluating the impact of the Multi-ethnic Placement Act (MEPA) on the number of minorities in foster care and adoption;
- identifying the effects of illegal immigration on the wages and employment of black workers; and
- existing discrimination against Native Americans in border towns.⁴

Because of the fine work underpinning these reports, Commissioners were able to make numerous findings and recommendations for action by government and other stakeholders to further the goal of equal opportunity.

The Commission also offered critical civil rights analysis on pending civil rights legislation with national ramifications, including the racial preference provisions in the House and Senate versions of the health care reform bill,⁵ among others. For example, in a policy letter to

³Letter of Glenn A. Fine, inspector general, Department of Justice (Sept. 13, 2010) to Congressmen Frank R. Wolf and Lamar Smith.

⁴This report was approved for Web posting only. While the Commission approved Part A, the summaries of the research and witness testimony, the report on the ongoing nature of health care disparities did not receive final approval for publication by the end of the fiscal year.

⁵U.S. Commission on Civil Rights, *Recent Correspondence*, Letter to President Barack Obama (Dec. 11, 2009),

Congress issued on September 30, 2010, the Commission opposed the Paycheck Fairness Act for the heavy burden it places on employers during these harsh economic times without ample evidence that any existing pay disparities reflect actual discrimination.⁶ One example of the burdens created is a new record-keeping requirement for the collection of pay data disaggregated by race, gender and national origin on employers, including those with as few as two employees. The data, once gathered into a national database, would make it easier for employees to sue employers whose pay scale deviates from the norm. The result could cripple business growth during a time when our economy desperately needs more jobs. In April 2010, the Commission issued a letter to local officials in Youngstown, Ohio objecting to racially discriminatory hiring practices that penalize qualified applicants seeking employment as police officers and firefighters on the basis of race.⁷ The Commission also unanimously opposed a Louisiana justice of the peace's refusal to grant marriage licenses to interracial couples, contributing to his resignation from the position of public trust.⁸ These are but a few examples of the Commission's policy opinions on substantive civil rights matters during the fiscal year.

The Commission honored the administration's commitment to transparency by continuing to post its meeting transcripts, policy letters, reports, press releases and other documents on its Web site in a timely fashion to be accessible to the general public. It also made gathering and sharing information regarding federal civil rights enforcement efforts easier with a new Web site called CivilRightsUSA.Gov. This site serves as a clearinghouse for federal civil rights enforcement data from several agencies with enforcement authority. Here the public can view information from the Departments of Justice, Education and Labor, and the Equal Employment Opportunity Commission concerning their enforcement actions and policies.⁹ This site includes copies of complaints, motions, replies and appellate briefs filed by the government, consent decrees and other documents relevant to selected agency enforcement activities.

I can also report that the Commission worked hard to increase compliance with its mandate to maintain 51 state advisory committees ("SACs"). These committees, composed of volunteer citizens with a range of civil rights and other relevant experience, bring a state and local perspective to our civil rights work. In FY 2010, the agency increased the number of active state advisory committees and renewed more lapsed advisory committee charters for a total of 39 active SACs as of the end of this fiscal year. This year, for the first time in recent memory, the SAC chairs gathered in Washington, D.C., to share best practices, lay the foundation for future research projects, and identify topics considered appropriate for a regional-national office partnership.

<<http://www.usccr.gov/correspd/LetterPresidentSenatorsHealthCare12-11-09.pdf>> (last accessed Oct. 30, 2010).

⁶U.S. Commission on Civil Rights, *Recent Correspondence*, Letter to The Honorable Joseph Biden, President of the Senate, The Honorable Harry Reid, Majority Leader, U.S. Senate, et al. (Sept. 30, 2010),

<http://www.usccr.gov/correspd/PayEquity_09-30-10.pdf> (last accessed Oct. 30, 2010).


⁷U.S. Commission on Civil Rights, *Recent Correspondence*, Letter to the Mayor and City Council of Youngstown, Ohio (Apr. 20, 2010), <<http://www.usccr.gov/correspd/Youngstown-Hiring-Policies-USCCR.pdf>> (last accessed Oct. 30, 2010).

⁸ (U.S. Commission on Civil Rights, *Recent Correspondence*, Louisiana Justice of the Peace and Interracial Marriage, October 22, 2009), <http://www.usccr.gov/correspd/LAJusticePeaceInterracialMarr102209.pdf> (last accessed Oct. 30, 2010).

⁹U.S. Commission on Civil Rights, *Civil Rights Clearinghouse: CivilRightUSA.GOV*, <<http://www.civilrightsusa.gov/>> (last accessed Oct. 30, 2010).

The Commission continued to demonstrate success in improving its policies and procedures regarding its internal financial controls in FY 2010. For example, we have received an unqualified opinion for the fifth consecutive year from independent auditors, indicating yet another clean audit.

Our activities during the past fiscal year were in furtherance of our mission of being the conscience of the nation on civil rights, which has included being at the forefront of a rethinking of what civil rights should look like in the 21st century now that equality of opportunity is no longer impeded by institutional discrimination. Much of our research and study has been directed at identifying the problems that confront minority communities—problems that prejudicial attitudes and discriminatory practices can no longer primarily explain—and proposing alternative solutions for them. We made important progress toward this goal during FY 2010 and look forward to a successful FY 2011.



Gerald A. Reynolds
Chairman
United States Commission on Civil Rights
November 30, 2010

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis (MD&A) section provides an overview of our agency's mission and organizational structure, and offers FY 2010 performance and financial management highlights. It also analyzes the adequacy of our internal control and compliance with applicable laws, and identifies risks to the attainment of our mission and goals.

A. USCCR Mission

The Commission on Civil Rights was created pursuant to the Civil Rights Act of 1957, which was signed into law by President Eisenhower.¹⁰ Since then, Congress has reauthorized or extended the legislation creating the Commission several times; the last reauthorization was in 1994 by the Civil Rights Commission Amendments Act of 1994.¹¹ Established as an

¹⁰Civil Rights Act of 1957, Pub. L. No. 85-315, § 101, 71 Stat. 634 (1957). See United States Commission on Civil Rights Act of 1983, Pub. L. No. 98-183, 97 Stat. 1301 (1983); United States Commission on Civil Rights Act of 1991, Pub. L. No. 102-167, ___ Stat. ___ (1991).

¹¹Civil Rights Commission Amendments Act of 1994, Pub. L. No. 103-419, 108 Stat. 4338 (1994) (codified at 42 U.S.C.S. § 1975 (2005)).

independent, bipartisan, fact-finding federal agency, our mission is to inform the development of national civil rights policy and enhance enforcement of federal civil rights laws. We pursue this mission by studying alleged deprivations of voting rights and alleged discrimination based on race, color, religion, sex, age, disability, or national origin, or in the administration of justice. We play a vital role in advancing civil rights through objective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.

On a day-to-day basis, during FY 2010, we accomplished this mission with a bare-bones staff of fewer than 50 national and regional office staff, and a network of state advisory committees. Our commissioners and their special assistants, along with a national and regional office staff of civil rights analysts, social scientists, attorneys, administrative personnel, and volunteer state advisory committee members execute our mission in a number of ways. Among them are:

- organizing and executing a first-of-its kind national civil rights conference in Washington, D.C. that attracted an estimated 200 participants and attendees;
- convening a meeting of state advisory committee chairmen to share ideas and best practices, and exchange information on regional and national office activities and future projects;
- conducting a year-long investigation into the Department of Justice's near-total dismissal of a voter intimidation case against the New Black Panther Party stemming from an incident occurring during the 2008 presidential election that includes testimony from key Department of Justice officials and others;
- advising the President, Congress and the general public on proposed or pending civil rights related legislation through policy letters and Congressional testimony;
- holding public hearings and briefings, issuing press releases, making information publicly available on our Web sites, and providing a complaint referral service to promote greater public awareness of civil rights issues, protections and enforcement; and
- increasing the number of chartered advisory committees to fulfill our statutory mandate.

B. USCCR Organizational Structure

The Commission is an independent federal agency led by eight appointed commissioners.¹² Their responsibilities include establishing agency policy on civil rights issues, adopting program

¹² Each commissioner is allowed one special assistant, each of whom is a political appointee serving in a

plans, goals and priorities, approving national office project proposals, and adopting the agency's budget. The staff director, appointed by the president with the concurrence of a majority of the commissioners, is the administrative head of the agency. The organizational chart provided at the end of this section visually depicts our operational structure.

i. Headquarters Organization

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

Office of the Staff Director

This office, through the staff director, oversees the overall operation and management of our agency including, but not limited to:

- disseminating policies established by the commissioners to staff,
- recommending program activities and projects for approval by the commissioners,
- managing agency-wide performance and evaluating program results,
- overseeing and coordinating the completion of the agency's substantive civil rights work,
- ensuring that the budget is executed in a manner consistent with established agency priorities, and
- serving as the liaison between the Commission and the Executive Office of the President, Congress, and other federal agencies.

This office also oversees all agency program activities and initiatives. During the FY, this office sponsored, approved and implemented several key management and program initiatives including:

- planning and executing the agency's national civil rights conference,
- sponsoring, chartering and leading a staff working group to develop a strategic human capital plan,
- chartering a team to oversee and coordinate implementation of the human capital plan,

confidential relationship with his/her commissioner.

- developing the agency's Continuity of Operations (COOP) Plan, and
- compiling civil rights enforcement data for posting on a new Commission Web site called CivilRightsUSA.gov.

Office of the General Counsel

The Office of the General Counsel provides the legal expertise and advice that is required to support our fact-finding and ensure the legal integrity of our written products. Three attorneys, including the general counsel, currently support the lawful operation of the agency and advise agency leadership and managers on a range of legal matters. This may include analyzing proposed legislation, interpreting various laws and regulations, advising on the scope of the agency's jurisdiction, and representing the agency in contractual disputes. The general counsel and his staff also represent the agency in personnel matters including litigation arising from equal employment discrimination complaints and other alleged employment violations. In addition, this office develops concepts for briefings and hearings on civil rights issues and generates related reports for public dissemination. The work of this office has focused on the Commission's investigation of the Department of Justice's dismissal of the NBPP case during FY 2010.

Office of Civil Rights Evaluation

The Office of Civil Rights Evaluation provides the subject matter and analytical expertise required to prepare social-scientific evaluations of civil rights issues. Consistent with agency resources, this office monitors the activities of numerous federal agencies as well as national and regional civil rights trends. Based on information gathered through monitoring and other sources, this office, like the Office of General Counsel, develops concepts for and conducts civil rights studies and other projects. In addition to these functions, this office receives, reviews, and refers civil rights complaints to other agencies for appropriate enforcement action. One of the primary civil rights projects for this office during the fiscal year is its ongoing examination of a possible gender imbalance in college admissions.

Office of Management

The Office of Management (OM) provides administrative support to all the 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.¹³

The Office of Management administratively supports all the agency's strategic goals and objectives by ensuring that human and financial capital are available, and that the logistical

¹³ Included within the Administrative Services and Clearinghouse Division are these component offices and functions: Information Technology, Procurement and Acquisition, the Robert Rankin National Civil Rights Library, Copying/Printing, and Mail Services/Distribution.

support is in place to achieve the agency's mission. For example, OM supported our civil rights-related goals and objectives in FY 2010 in several ways, including:

- ensuring that our civil rights reports are designed, published and distributed to our stakeholders and other interested parties,
- providing the public timely access to Commission policy statements and letters, and other information via our Web site,
- developing a new agency Web site, CivilRightsUSA.gov, to serve as a clearinghouse for enforcement data gathered from key federal civil rights enforcement agencies,
- upgrading and maintaining the official agency Web site;
- implementing the administration's hiring reforms requirements, and
- ensuring that the agency's financial management is sound and that appropriated funds are available to use in a manner consistent with applicable law and regulations, and established Commission priorities.

Congressional Affairs Unit

The Congressional Affairs Unit (CAU) serves as our liaison with Congress, responding to requests for specific information, identifying opportunities for our commissioners and others to provide testimony and information to congressional members and their staff on civil rights matters, and ensuring the distribution of our studies and reports to all members. CAU monitors the legislative activities of Congress and provides support in the conceptualization and production of studies and reports with information gathered via its monitoring activities. In FY 2010, as in prior years, all staff positions in CAU were vacant. An attorney advisor in the Office of the Staff Director handled basic duties related to congressional affairs.

Public Affairs Unit

The Public Affairs Unit (PAU) serves as the public voice of the Commission and ensures that the public knows about our activities and publications. It 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. In FY 2010, as it was in prior years, all staff positions in PAU were vacant. The Office of the Staff Director handled some basic duties, such as preparing press releases and responding to press calls, on an "as-needed" basis.

Equal Employment Opportunity (EEO) Programs

This office is responsible for the overall management of our EEO complaint system. This system affords applicants for employment and employees of the Commission, who believe that they were victims of discrimination based on race, color, age, religion, national origin, sex (including sexual harassment), physical or mental disability, or reprisal in connection with EEO-related activities, with a means of review and appeal. This office currently has no full-time staff; a staff member for the Office of Civil Rights Evaluation serves as the head of our EEO office as a collateral duty.

ii. **Regional Programs**

Regional Programs Coordination Unit

The chief of the Regional Programs Coordination Unit (RPCU) coordinates the activities of the Commission's six regional offices. This position has no supervisory relationship with regional office staff but is responsible for coordinating, monitoring, and reporting on regional activities for the national office, and communicating national office policies and priorities to regional offices. The position is currently filled in an acting capacity by the regional director for the Southern Regional Office located in Atlanta, Georgia.

Regional Offices: Organization and State Alignment

The six regional offices provide critical support to the 51 state advisory committees required by our statute. A regional director leads each office and generally has one administrative assistant. These offices coordinate the Commission's operations in their regions and assist the state advisory committees in their activities. Regional directors are also responsible for the day-to-day administration of their office and the supervision of office staff.

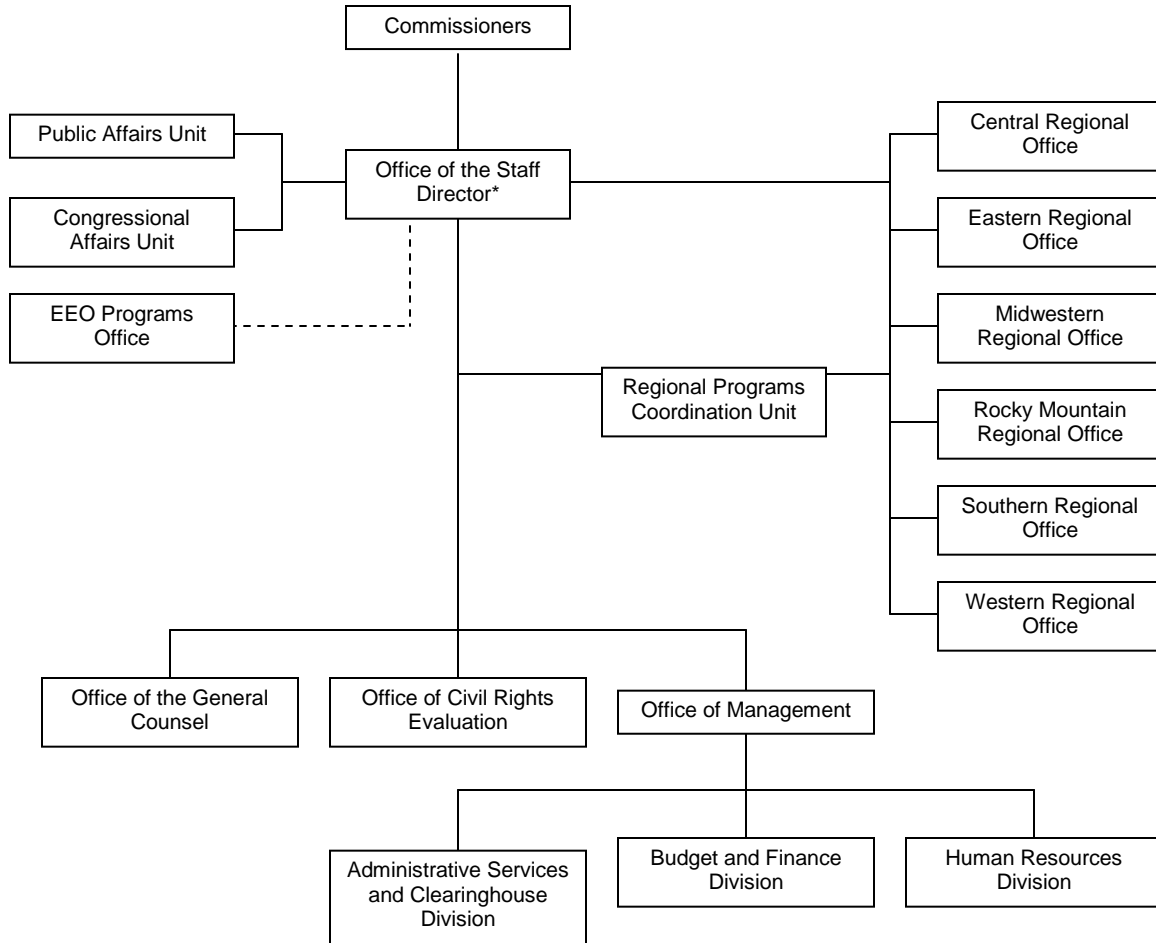
Presented below is our regional alignment.

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

- *Midwestern Region* (MWRO): Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

Through Commission and regional office efforts, FY 2010 saw an increase in the total number of chartered state advisory committees, a decrease in the number of committees with charters that expired on or before January 30, 2007, and an increase in SAC participation in national office programming. Headquarters demonstrated increased support for advisory committee fact-finding by funding and organizing a state advisory committee meeting for the chairmen of all chartered committees. The meeting, held in Washington, D.C. in September 2010, could be the foundation for closer SAC and headquarters collaboration.

Organizational Structure U.S. Commission on Civil Rights



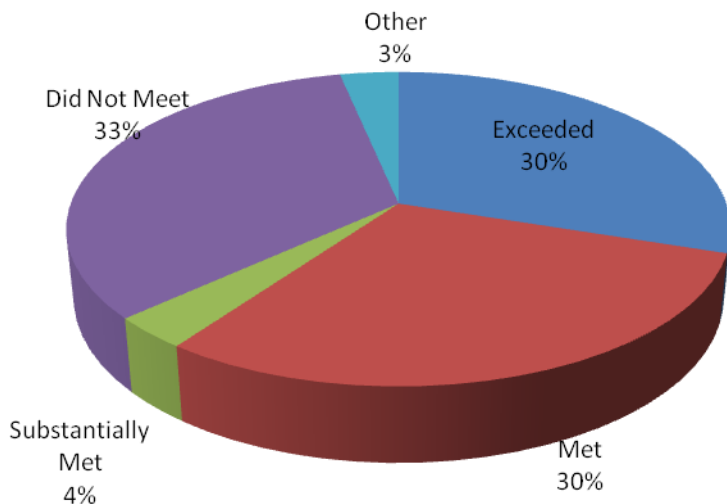
* Although current agency regulations describe an "Office of the Deputy Staff Director," the Commission eliminated that office and the deputy staff director position has been transferred to the Office of the Staff Director.

C. Performance Highlights

This subsection highlights our performance during the fiscal year. We met and exceeded 60 percent of our performance targets and substantially met another 3 percent. The pie chart

represents our overall level of performance for the year and the bar graph compares FY 2010 to the previous two performance years.

Overall Performance During FY 2010

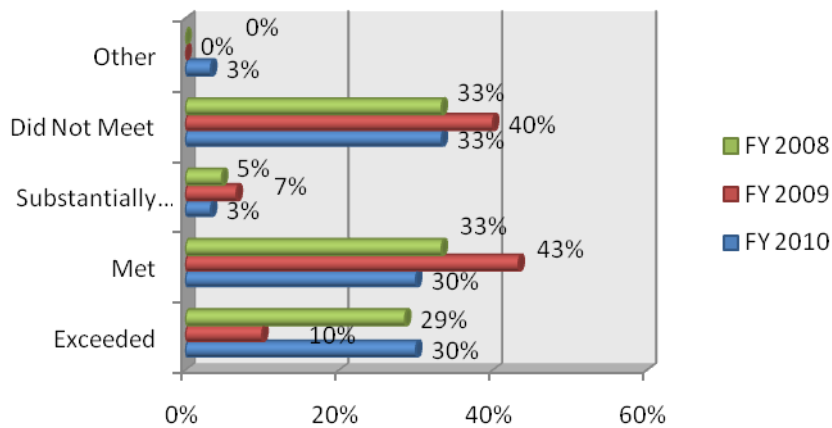


Our FY 2010 annual performance plan set forth the specific activities and outcomes that we anticipated accomplishing during the year. Based on our performance successes and challenges during FY 2010, we view FY 2011 as full of opportunities to further our progress on our long-term strategic goals and objectives. However, because of our financial, staffing and management constraints we began a reassessment of our performance targets and measures this year. The result is either postponing or eliminating activities considered unrealistic. This accounts for the increase in the “Other” performance measure category. We will undertake a similar reassessment heading into FY 2011 and will propose adjustments as appropriate. Our strategic plan, adopted in 2007, may also be reviewed and updated in the coming year.

A detailed discussion of each strategic goal, and its FY 2010 target performance and our actual performance are in the section titled “FY 2010 Performance: USCCR Goals, Objectives, and Results”. A comparison of agency performance for the last three years is presented in the below bar chart. On average, this year we increased by 7 percent the number of performance targets met and exceeded compared to FY 2009. However, there is a 3 percent increase in activities removed from the annual plan during the course of the year as reflected in the “Other” category.¹⁴

¹⁴ The target related to seeking a PART assessment in FY 2010 was removed because it is impractical or unrealistic based on the current state of the PART program. Looking forward to FY 2011, targets dealing with organizational and structural assessments will likely be removed as too ambitious and unrealistic due to the agency’s funding level.

3-Year Comparison of Performance Data



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

FY 2009 Update

Several components of our FY 2009 corrective action plan were completed and others are near completion. The completed reforms include, for example:

- providing more training to regional directors on internal requirements for budget formulation and execution, including reallocating funds to support SAC activities and effectively utilize available funds, and budget-performance integration;
- providing accurate and timely information to regional offices on the status of their operating budgets throughout the fiscal year;
- increasing information sharing and coordination between regional offices and RPCU by returning to regularly scheduled meetings to ensure compliance with Commission policies and procedures; and
- eliminating several barriers to our long-term success.

In March 2010, we adopted a human capital strategic plan that is a roadmap for eliminating several barriers to our strategic success. This plan identifies specific initiatives, strategies and activities, sets timetables, and establishes quantifiable performance targets. Managing our human resources for results is the cornerstone of our plan and several of the initiatives and activities it includes are:

- evaluating mission-critical positions to ensure the duties, skills, outputs and resources align with the agency's strategic plan outputs;
- identifying skills gaps and using Individual Development Plans (IDPs) to close these gaps;
- ensuring recruitment and selection systems screen for and prioritize candidates based on mission-critical competencies and skills;
- conducting process mapping to document critical or core office/agency functions as a part of the agency's knowledge management protocol;
- establishing leadership success criteria and providing 360 degree performance feedback for Commission managers/supervisors; and
- aligning employee performance standards with organizational goals and objectives, and strategic initiatives.

Improved information sharing and coordination resulted from resuming the practice of convening regular meetings with the regional directors. RPCU, in consultation with regional staff, determined that monthly meetings are more appropriate than weekly meetings and began organizing them during FY 2010. Representatives of various offices and divisions with the headquarters office participate in these meetings to provide a headquarters perspective, share general information on policies and procedures, and obtain regional office insights and feedback. Our budget office conducted training for the regional directors on agency budget formulation and execution, including performance-budget integration. Among the areas covered are:

- how to complete the annual budget call documents;
- how budget call requests are assessed and used to determine office and agency proposed funding levels;
- how agency and office budgets are revised based on the president's budget request and the final congressional appropriation;
- how offices reallocate funds between budget codes; and
- how regional offices can track their spending.

While this training is the most recent it was not the only training provided on budget matters during the year. Prior to this training the budget office already began issuing quarterly status of funds reports to each regional office.

Though we have implemented corrective actions that address the majority of the FY 2009 weaknesses, other corrective actions have not yet been fully implemented. The following corrective actions are, however, near completion:

- creating a standardized process for conducting SAC meetings, especially ensuring that meetings comply with the Sunshine Act, and
- providing additional training to office and division heads on agency policies to improve performance-budget integration.

By working with the regional offices, we mapped the “as-is” process for holding and providing notice of advisory committee meetings. With that information, we developed an improved or “to-be” process flow chart that includes tasks/activities and cycle times. The standardized and improved process was approved by the agency head and the regional directors and should be issued in a matter of weeks.

Though at least six corrective measures have been implemented or are near completion, we realize that the Commission has several areas where additional effort is needed to minimize potential risks to program operations. These FY 2009 weaknesses or vulnerabilities include:

- strengthening compliance with existing policies on timely submission of payment requests (e.g., travel vouchers, billable hours, etc.) to support proper budget management, including de-obligation and reallocation of funds;
- increasing accountability at all levels for submitting, reviewing and approving advisory committee re-charter and appointment packages recommendations to support timely re-chartering;
- providing more oversight and feedback to regional directors on the adequacy of their compliance with the Lean Six Sigma process to increase the efficiency and effectiveness of regional office recruitment and re-chartering; and
- improving or changing the organizational culture and employee morale.

FY 2010 Status Report

Some of the weaknesses from FY 2009 reappear in FY 2010 in different forms, including:

- poor information and knowledge management,
- inadequate adherence to performance management standards and requirements,
- inconsistent commitment to the agency’s strategic plan strategies/activities, and

- insufficient resources and funding.

Compared to last fiscal year, we decreased the number of identified internal control risks and vulnerabilities by 13 percent.¹⁵ Poor information and knowledge management appear as problems in several headquarters offices. Throughout the agency several key functions must be mapped, standardized, and documented. In other instances existing policies and procedures must be revised or updated. For example, though the budget office's *Desk Manual* was recently updated, there is still a need to revise policies governing the development and implementation of controls over financial reporting and budget formulation, justification and execution. Moreover, the agency's *Procurement Manual* requires revision to reflect current transaction processing and the agency's purchase or smart card policies. The reliability of the agency's financial management is not compromised by these needs. Nonetheless, updating and streamlining our financial management and reporting policies will ensure a process that is not only reliable and well documented but one that can be consistently executed within existing staffing and funding constraints.

Related to budget, though not specifically its policies and procedures, is the need to continuously improve project cost reporting. The current challenges to cost reporting remain inconsistent use of available project codes by staff and the failure of offices to request codes when new projects are opened. Also attributed to poor information and knowledge management, is the finding by our Human Resources Division that agency employees are unaware of the various programs offered by the division and that appropriate information is not provided to new employees during orientation.

Inadequate adherence to performance management standards and requirements is an area where additional risk management is also required. Holding office and division heads accountable for completing their managerial duties and responsibilities is the first step toward resolving management shortcomings. Finally, greater adherence to existing process improvement and quality control policies is also needed at all levels to support agency strategic goals. This concern is also related to concerns about the adequacy of funding to execute agency priorities.

The number of FISMA deficiencies reported also decreased compared to last year. We addressed one of two deficiencies reported in FY 2009 by developing a continuity of operations (COOP) plan for information technology that was issued as a part of the agency-wide COOP plan. When we expanded our IT systems in FY 2009 we created a second FISMA-related concern that has yet to be resolved. More specifically, we are still attempting to resolve remote site acquisition and planning for IT COOP Operations but don't currently expect to eliminate the problem until FY 2012.

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

¹⁵ Several mission-critical offices from the regions and headquarters failed to submit assessment results in FY 2010. The response rate was disappointing with only 73 percent of those solicited responding compared to a response rate in FY 2009 of 91 percent.

D. Financial Highlights

We continued using an external accounting services provider to strengthen our financial management during FY 2010 and supplement the work of our limited budget staff. Our accounting services provider, the General Services Administration (GSA)'s Heartland Finance Center, delivers a broad range of financial reports and services, and internal controls, including:

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

Based on our internal controls and GSA accounting services, which comply with all applicable OMB standards, we received a clean financial audit. We have no material weaknesses related to internal control over financial reporting and no Improper Payment Act violations. We have no Prompt Payment Act violations.

E. Limitations on Financial Statements

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

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

MANAGEMENT STATEMENTS OF ASSURANCE



The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission is able to provide an unqualified statement of assurance that the internal controls over financial reporting and financial management systems meet the objectives of FMFIA as of September 30, 2010.

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


The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2010, was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable

laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal control over financial reporting as of June 30, 2010 was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

The Federal Financial Managers' Improvement Act of 1996 (FFMIA) requires that "each agency shall implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the United States Government Standard General Ledger at the transaction level." The Commission's external accounting services provider, the General Services Administration (GSA), uses Pegasys Financial Management Application to process our accounting transactions. This application is a commercial-off-the-shelf (COTS) package based on CGI Federal's Momentum Financials. We also use the National Finance Center (NFC), a service provider agency within the Department of Agriculture, for our payroll and personnel processing. Both these systems meet the standards established by FFMIA.

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

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

MARTIN DANNENFELSER
Staff Director
United States Commission on Civil Rights
November 14, 2010

FY 2010 PERFORMANCE: USCCR GOALS, OBJECTIVES, AND RESULTS

Our agency performs an important role in identifying emergent civil rights trends and evaluating federal agency civil rights enforcement programs. Our agency's strategic plan articulates the Commission's vision for executing our vital mission from FY 2008 through FY 2013 and for overcoming various administrative challenges. The plan contains four long-term strategic goals. Associated with each of these goals are one or more objectives or specific statements of what we plan to accomplish.

Our FY 2010 annual performance plan includes performance goals or targets, against which we proposed to measure our performance. These performance targets support accomplishment of our strategic objectives. Below, we describe our FY 2010 annual plan performance targets. We evaluate and report our performance using these categories: Exceeded, Met, Substantially Met (achieved at least 75% of target performance), and Did Not Meet.

A. Reliability of Performance Data

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

Offices in our headquarters are similarly responsible for reporting annual performance. The Office of General Counsel and the Office of Civil Rights Evaluation typically begin reporting performance data during the last quarter of the fiscal year. The performance data primarily addresses the quantity, quality, effectiveness, and efficiency of their civil rights reports and briefings. Data collection and annual planning at the office and division levels remain challenging even though agency staff are provided the agency's annual performance plan identifying the offices and divisions responsible for each performance measure and target. Generating timely, comprehensive and accurate financial data related to program activities also remains challenging. We recently completed the integration of our payroll and accounting systems and revised the agency's budget formulation tool to address these issues.

B. Strategic Goal One: FY 2010 Performance Targets

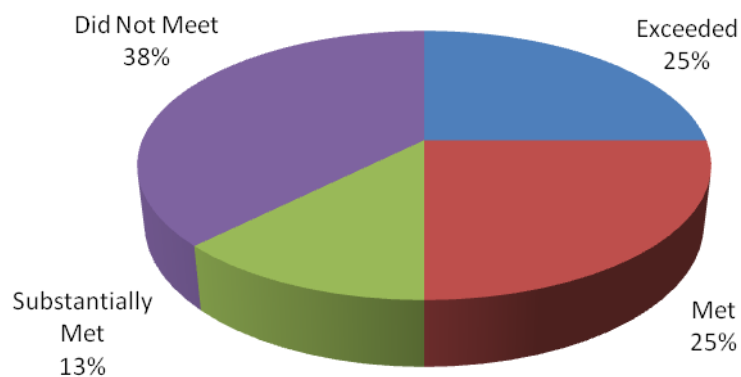
Fifty years after the founding of the Commission, an extensive governmental structure has been erected to protect civil rights. Bulwarks against discrimination are well entrenched features of America's legal landscape and include the Equal Employment Opportunity Commission (EEOC); the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor; the Civil Rights Division of the Department of Justice; the Office for Civil Rights of the Department of Education; the Office of Civil Rights of the Department of Health and Human Services; the Office of Fair Housing and Equal Opportunity of the Department of Housing and Urban Development; the various state civil rights commissions; the innumerable local civil rights commissions; the tens of thousands of, private attorneys who pursue actions under Title VII of the Civil Rights Act of 1964, Title VI and Title IX of the 1972 Education Amendments, the Voting Rights Act of 1965, the Fair Housing Act of 1968, the Civil Rights Act of 1991, Executive Order 11246, the Americans with Disabilities Act, the Age Discrimination and Employment Act, and their state and local comparatives; and affirmative action compliance officers in thousands of corporations and political subdivisions.

The Commission's unique position in the civil rights landscape allows it to think and act prospectively regarding civil rights and to ask the question: Is the nation's civil rights infrastructure equipped to address the civil rights challenges of the 21st Century? During FY 2010, the Commission worked to answer these questions and shape a national conversation on current civil rights issues by:

- Reinvigorating the Commission's state advisory committees (SACs), consistent with budgetary resources, by bringing more active SACs online and increasing their productivity.
- Energizing the Commission's SACs by enhancing their institutional role in program planning and increasing their productivity.
- Commissioning a multi-state report, in which the Commission's individual SACs identify civil rights priorities facing their states/regions.
- Convening a national conference to elicit diverse, multi-disciplinary and bipartisan perspectives on civil rights in the 21st century.

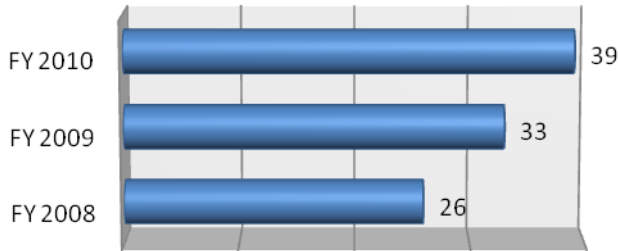
Charts with more details on our FY 2010 annual performance plan, including specific performance measures, indicators and target levels, are provided in Appendix B. The below pie chart shows how well we executed the activities, strategies and initiatives we proposed in relation to our first strategic goal of shaping a national civil rights conversation.

**Strategic Goal 1: Shaping a National Conversation
on Civil Rights
(actual v. target performance)**



Bringing more state advisory committees online was a FY 2010 priority and will remain a focus of the Commission at least through FY 2011. By the end of FY 2011 we anticipate having the backlog of expired charters cleared and will be merely renewing newly expiring charters. This fiscal year we reduced our backlog of expired charters to eight and increased the total number of chartered advisory committees to 39 as of September 30, 2010. This is an 18 percent increase over the total number reported in FY 2009.

**Active State Advisory Committee
Charters
By Fiscal Year**



As a part of the re-chartering process, commissioners approve recommendations for committee member appointments. Nearly 300 citizen volunteers from 20 states were appointed to serve as state advisory committee members in FY 2010. Our chartered advisory committee members, working with regional office staff, held 22 civil rights briefings and forums, and 89 business, orientation and subcommittee meetings, for 111 meetings. This activity far exceeds the 67 meetings of various types held the previous year.

Incorporating our advisory committees into the work of the Commission continues to be an area of some focus. So, in addition to their attendance at the national civil rights conference, a national SAC chair meeting was held in Washington, D.C. in September. The meeting included three facilitated workshops that primarily centered on developing recommendations for national office projects and exploring opportunities for joint SAC-national office projects. Specific recommendations were forwarded to headquarters¹⁶ and provided to the commissioners for review and appropriate action. Similarly, in April 2010, we solicited input from each chartered advisory committee on national office report topics. This fiscal year 93 percent of the committees solicited in April responded to our request for recommendations and suggestions for potential civil rights projects that the Commission could undertake in fiscal year 2011.

In addition to holding meetings, committees in four states, and regional office staff from two regions, were responsible for completing all five of the SAC reports issued during in FY 2010. The reports are all listed below.

Advisory Committee	Report Title
Connecticut	<i>Dropouts to Diplomas</i> (September 2010)
District of Columbia	<i>The Need to Ensure Equal Access to High Quality Education for All Children</i> (January 2010)
New Jersey	<i>Overcoming the Barriers Faced by Immigrants</i>

¹⁶ Memorandum for the Staff Director, State Advisory Committee Chair Recommendations for National Programs and Joint national Office-SAC Projects, Peter Minarik, acting chief, Regional Programs Coordination Unit (Sept. 30, 2010).

(September 2010)

New Jersey

Teacher Quality: A Vital Determinant of Student Achievement
(September 2010)

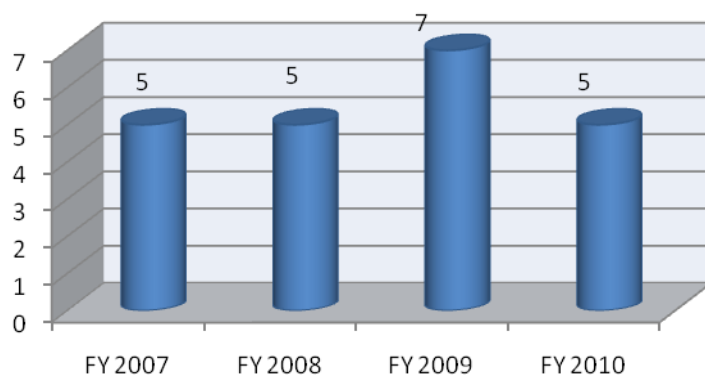
Florida

School Discipline in Florida: Discipline Practices Leave Many Children Behind (September 2010)

In FY 2008, we commissioned a multi-state report in which our advisory committees identify emerging civil rights issues and priorities in their states and regions. This should be a valuable tool for policy-makers, researchers, and anyone interested in or directly affected by civil rights issues. Moreover, our advisory committees could make use of the multi-state report in planning their fact-finding activities over the next several years. This report, approved in late August 2010, is being prepared for distribution.

Overall, the number of committee reports decreased in comparison to FY 2009 but is consistent with previous years. This may be explained by the greater emphasis regional offices placed on chartering advisory committees in FY 2010. This may have left little time to research and draft reports based on advisory committee fact-finding events such as briefings and forums on specific civil rights issues.

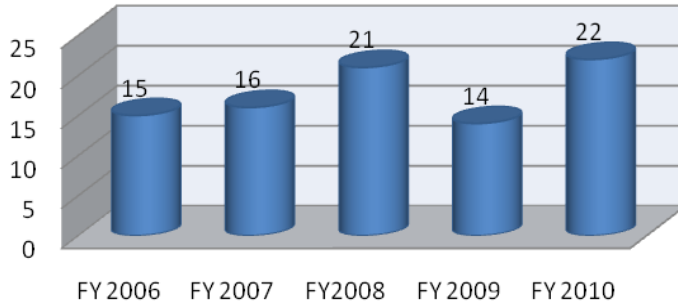
**Number of State Advisory Committee Reports
By Fiscal Year**



Advisory committee fact-finding activity, such as s briefings and forums, increased significantly over last year and was at its highest level for the that five years.

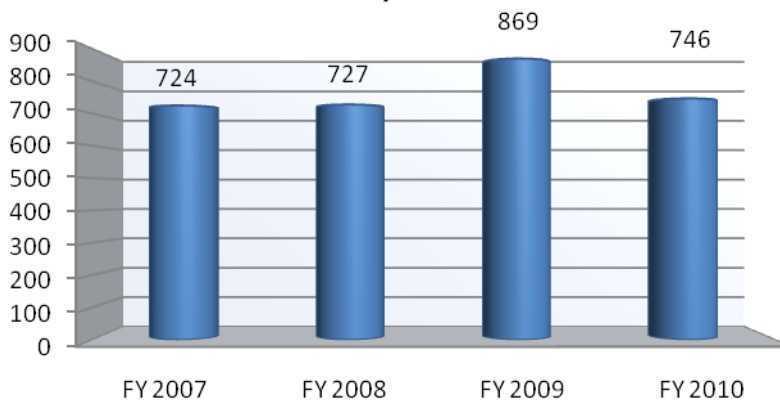
Regional Office Fact-Finding By Fiscal Year

(meetings, briefings and forums)



While re-chartering and advisory committee meetings and briefings account for a sizable portion of the regional activity, we also dedicated resources to the complaint referral service our regional offices provide to the public and to completing civil rights reports. Our regional staff received 746 civil rights complaints from members of the public seeking to protect and enforce their rights. This is slightly less than the more than 800 complaints in FY 2009. It is noteworthy that, on average, our regional offices processed complaints in one day in FY 2010; a 50 percent decrease in processing time compared to FY 2009 and well under the target of 30-days.

of Civil Rights Complaints Received By Regional Offices By Fiscal Year



C. Strategic Goal Two: FY 2010 Performance Targets

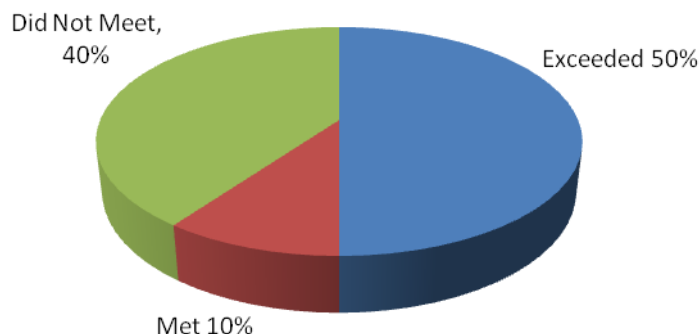
We continue to attempt to partner or work collaboratively with other federal agencies to increase or identify new ways in which they can more effectively and efficiently carry out their civil

rights program, develop and interpret civil rights laws and policies, and inform the public of civil rights enforcement and remedies. We seek to accomplish partnering on issues of mutual interest or concern by:

- Partnering with other federal civil rights agencies to raise public awareness of civil rights laws, remedies, and enforcement agencies.
- Partnering with other civil rights agencies to collect and analyze data on various civil rights topics.
- Partnering with other civil rights agencies in studying the effectiveness of current civil rights laws, in developing reasonable interpretations of unclear laws, and in making recommendations for updates or changes to current law.
- Studying the role and effectiveness of the different federal enforcement agencies and making recommendations as to how those agencies might enhance their effectiveness.

Because the Commission is not an enforcement agency itself, it is in a unique position to provide leadership and advice on civil rights enforcement within the executive and legislative branches. We are also well positioned to inform and serve the general public by providing opportunities to hear experts and others debate and discuss current and emerging civil rights issues, which is critical to creating a national civil rights conversation. As shown below, we made success in this area and demonstrated by the Commission meeting and exceeding 60 percent of our FY 2010 targets related to improving federal civil rights enforcement and educating the public.

Strategic Goal 2: Expanding the Ability of Federal Agencies to Expand Public Awareness and Execute Their Enforcement Responsibilities
(actual v. target performance)



We successfully held four hearings and briefings, and a national conference on civil rights during FY 2010 that expanded the amount of information available to the general public. Our hearings and briefings involve, in varying degrees, the cooperation or participation of federal enforcement agencies. An estimated 200 people attended and participated in this historic conference. Held on September 14, 2010, the full-day conference, "A New Era: Defining Civil Rights in the 21st Century," included discussions about the role of family structure in perpetuating racial and ethnic disparities, new tools for a new civil rights era, education as a path forward, and the future of the Civil Rights Commission. The Commission's ultimate goal for the conference is spurring a fresh dialogue that will lead to a refashioning of the means, goals and methods of civil rights so that they more effectively address the needs of disadvantaged Americans, a disproportionate number of whom are people of color. Among the featured panelists was keynote speaker and Pulitzer Prize winning columnist, William Raspberry, as well as James Patterson, Clarence B. Jones, Heather MacDonald, Kay Hymowitz, Robert Moses, William Stephney, Amy Wax, Carol Swain and Robert Woodson were among the featured panelists.

Using a media consultant, we were able to generate significant press opportunities or availabilities related to our national conference and its speakers. This event was covered by CSPAN and several print publications including *The Washington Post*. Currently plans are to post a complete conference transcript on our Web site, stream video from the event, and preserve the conference Web site by migrating it to the agency's official Web site in increase the amount of information available to the public.

Our four NBPP hearings on voter intimidation and DOJ's dismissal of civil charges were reported by CSPAN, FOX News, MSNBC, National Public Radio and several local radio and television outlets including stations in Baltimore, California, and Detroit. We made transcripts of these public civil rights hearings available for public viewing. We also made available our briefing transcript on the impact of the current economic crisis on older workers and whether potential age discrimination by employers contributes to the crisis.

The list of well-known, expert and important presenters that participated in our age discrimination briefing includes:

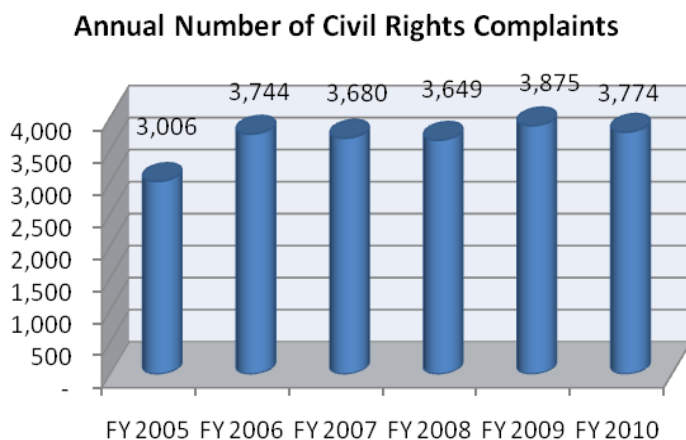
- Thomas Nardone, Assistant Commissioner for Current Employment Analysis, the Bureau of Labor Statistics,
- Dianna Johnston, Assistant Legal Counsel, EEOC,
- Walt Connolly, senior partner, Connolly Rodgers & Scharman,
- Michael Harper, Professor, Boston University School of Law,
- Elizabeth Milito, Senior Executive Counsel, National Federation of Independent Business,
- Laurie McCann, Senior Attorney, AARP Foundation Litigation, and
- Cathy Ventrell-Monsees, President of Workplace Fairness.

Forty-one press releases were issued in support of these and other Commission activities, including Commission meetings, SAC activities and reports, and announcements or comments on significant civil rights-related events. This is significant public outreach activity for an agency without full-time, experienced staff in our Public Affairs and Congressional Affairs

Units. Without appropriate staffing, we struggled with effectively engaging Congress and proactively engaging the media. Since October 2007, for example, we have not held a press conference announcing publication of our annual enforcement reports or other significant Commission activity as called for in our strategic plan. In addition, the agency's plan to develop and distribute a public service announcement will remain unrealized.¹⁷

We have not been able to undertake a sustained and coordinated effort to engage congressional members and offices on substantive policy issues, identify opportunities for Commissioners and others to testify and provide information on civil rights matters, and monitor, analyze and report on legislative activities. As a result, meaningful congressional outreach remains elusive, potentially leading to missed opportunities to provide testimony and timely civil rights research on pending and proposed legislative initiatives.

Providing the public substantive information on current issues is but one of several ways we measure progress toward our strategic goal increasing awareness and improving federal civil rights enforcement. Another is the agency's complaint referral program. For the fourth year in a row, we out-performed our target complaint processing 30-day response time. Our average national office response time was 10 days for the 3,028 complaints we received in headquarters. Regional offices posted an average response time of one day for their 746 complaints.



Inmates, African Americans and persons with disabilities are still far more likely than any other group to seek the assistance of the Commission. Twenty-six percent of the complaints we receive in the national office are from inmates. Consistent with FY 2009, nearly half of all complaints received were from the states of Pennsylvania, New York, California, and Texas respectively. Of the total number of complaints referred, the majority were referred to the Department of Justice (DOJ) and the Equal Employment Opportunity Commission (EEOC).

¹⁷ U.S. Commission on Civil Rights, *Reinvigorating the Nation's Civil Rights Debate: The Strategic Plan of the United States Commission on Civil Rights for Fiscal Years 2008-2013*, page 16.

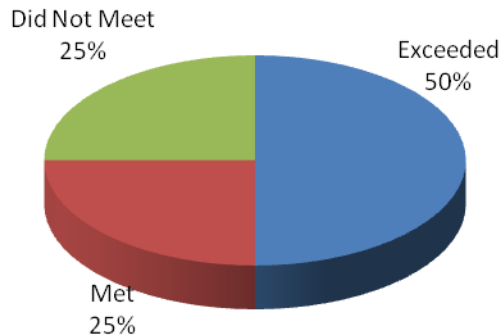
D. Strategic Goal Three: FY 2010 Performance Targets

The Commission is charged with keeping the President, Congress and the public informed of civil rights issues, including discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin, or in the administration of justice. As such, the Commission is committed to making information on civil rights enforcement and civil rights issues available to the broadest range of stakeholders. We accomplish this goal by:

- Strengthening the quality and objectivity of the Commission's reporting.
- Collecting and analyzing existing data on disparities among racial and ethnic groups, between the sexes, between the disabled and those who are not disabled, and among other protected classes.
- Issuing reports that assess the credibility of claims of systemic or pervasive discrimination and, where discrimination is found to be present, illuminate the causes of such discrimination and make recommendations for policy changes to address the problem.
- Conducting original social scientific research that brings new or unique information to the civil rights policy debate.

This year we met and exceeded 75 percent of our performance targets, though the release of our annual enforcement report that includes original research into voter intimidation and DOJ's enforcement policies is delayed due to difficulty in obtaining key information from DOJ. Following our FY 2009 report, it was determined that we appropriately implemented all applicable GAO recommendations concerning the quality of our work products, and operational and financial issues consistent with staffing and funding limitations. Consequently, our emphasis going forward will be on monitoring implementation and making required revisions to processes and policies.

Strategic Goal 3: Serving as an Authoritative National Clearinghouse and Repository of Civil Rights Data and Information
(actual v. target performance)



Other examples of our civil rights research and reports in FY 2010, most completed under new quality standards, include approving six reports for publication on civil rights topics such as:

- encouraging minorities to pursue science, technology, engineering and math (STEM) careers,
- assessing the educational effectiveness of historically black colleges and universities (HBCUs),
- using domestic wiretapping as a tool in the war on terror,
- evaluating the impact of the Multi-ethnic Placement Act (MEPA) on the number of minorities in foster care and adoption,
- identifying the effects of illegal immigration on the wages and employment of black workers, and
- assessing discrimination against Native Americans in border towns.

Based on the absence of complaints filed under our information quality guidelines providing a method for challenging the accuracy for information disseminated by the Commission, we have determined that this performance measure is no longer appropriate or sufficiently ambitious. Accordingly, this measure will no longer be tracked and reported.

The ongoing nature of our of NBPP voter intimidation project, including obstacles to timely obtaining access to witnesses and requested documents, delayed completion of the final report. In addition, internal process delayed action on the draft final report once it was presented. This report should be released by the end of the calendar year.

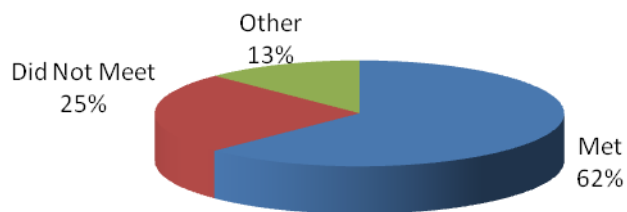
We began work in FY 2010 on a report examining sex discrimination in college admissions that will include original social scientific research. As currently framed, the completed report will examine claims of discrimination against women in the admissions process to maintain what some colleges and universities regard as an appropriate gender balance. In other words, some colleges and universities may be denying admission to women to prevent the schools from becoming “too female” in violation of Title IX of the Education Amendments of 1972 prohibiting sex discrimination. Thus far, the Commission has identified and subpoenaed data from 19 nearby schools, including some each of moderately and highly selective institutions, public and private ones, religious-affiliated schools, and historically Black colleges and universities.

E. Strategic Goal Four: FY 2010 Performance Targets

The Commission is committed not only to serving as the nation’s conscience on civil rights matters, but also as a model of management excellence, integrity, efficiency, and accountability. Our success will be evidenced by a number of indicators, including:

- Fully comports with OMB A-11 guidance for integrated budget by FY 2010.
- Receiving an OMB PART Program Management assessment score of at least “moderately effective” by FY 2010.
- Establish website similar to Firstgov.com by FY 2012.
- Maintain a “clean” or unqualified financial audit status for each fiscal year beginning in FY 2008.
- Conduct an assessment during FY 2008 of the effectiveness and efficiency of the Commission’s current administrative structure and, based on the results, develop during FY 2009 a plan of action for achieving increased agency effectiveness and efficiency.

**Strategic Goal 4: Normalizing the Commission's
Financial and Operational Controls, and
Modernizing its Information Technology
(actual v. target performance)**



This year we further improved compliance with OMB A-11 guidance for integrating budget and performance in agency budget submissions, adopted a sound and implementable human capital strategic plan, adopted a Continuity of Operations plan for headquarters, shifted our focus to monitoring and evaluating previously implemented GAO and OPM findings and recommendations that address financial and operational procedures, and received our fifth consecutive clean financial audit. Our Firstgov-style Web site, called CiviRightsUSA.gov, was launched successfully this year, work continued on a new agency Web site that will improve the appearance, design, and navigation of the Commission's official site, and we made use of existing technology by establishing a presence on YouTube by making portions of our voter intimidation briefings available.¹⁸

After assessing the costs and resources required to conduct an assessment of the effectiveness and efficiency of the Commission's current administrative structure and develop a plan of action, and evaluate the agency's organizational structure we concluded that these items are currently beyond the reach of our resources or compete with program priorities core to our mission. Finally, because PART is no longer actively used, we will not seek a PART reassessment as originally proposed in our strategic plan.

F. Other Information Related to Annual Performance Reporting

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

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

FY 2010 FINANCIAL MANAGEMENT: BEING GOOD STEWARDS OF OUR FINANCIAL RESOURCES

This section demonstrates our commitment to effective stewardship over our funds and compliance with applicable federal financial management laws and regulations. It includes the message from the director of management who is responsible for the Budget and Finance Division, Financial Statements and Notes to the Financial Statements, the *Independent Auditors' Report* – an independent opinion on the Financial Statements, and Required Supplemental Information.¹⁹

¹⁸ US Commission on Civil Rights: New Black Panther Party Hearing, April 23, 2010, <<http://www.youtube.com/watch?v=SA4COX1nXWE>> (last accessed Nov. 30, 2010).

¹⁹ The FY 2009 Financial Statements are being restated. See Financial Statement Note 13 for additional

A. Message from the Chief of Budget and Finance

I am pleased to report that, for fiscal year 2010, the Commission once again received an unqualified audit opinion on its financial statements. This marks the fifth straight year that we have received a clean audit opinion with no identified material weaknesses in internal control over financial reporting. In light of these successes, we proudly report that we fully achieved our target performance level related to financial management, including obtaining a timely financial audit under the Accountability of Tax Dollars Act and receiving a clean audit opinion. The Commission remains committed to continuous improvement in financial management and internal controls, even with the receipt of this clean audit opinion.

During FY 2010, we continued to monitor and evaluate the implementation and effectiveness of the financial management practices developed over the past few years. In FY 2010, we updated our reconciliation and desk procedures to ensure the accuracy of financial information. We also continued our contract with an accounting services provider to supplement our budget staff and provide an accounting system that complies with all applicable federal laws and regulations. On behalf of the Commission, I thank the employees who worked tirelessly each day to achieve our goals. This report is a reflection of their extraordinary dedication to the Commission and our mission.

The auditors' report on Compliance with Laws and Regulations for this year does contain compliance issues and related recommendations for action. We accept responsibility for addressing these issues; we expect to take immediate action.

While we are pleased with our FY 2010 accomplishments, we will continue striving to improve all aspects of our financial management and anticipate even greater accomplishments during FY 2011.



John Ratcliffe
Chief
Budget and Finance Division

B. Financial Statements & Notes, and Auditors' Report
UNITED STATES COMMISSION ON CIVIL RIGHTS
BALANCE SHEETS

	September 30,	
	2010	(Restated) 2009
ASSETS		
Intra-governmental		
Fund balance with Treasury (Note 3)	\$ 2,901,965	\$ 2,925,740
Accounts receivable (Note 4)	5,516	5,516
Total intra-governmental	<u>2,907,481</u>	<u>2,931,256</u>
General property, plant and equipment, net (Note 5)	31,109	47,472
Total Assets	<u><u>\$ 2,938,590</u></u>	<u><u>\$ 2,978,728</u></u>
LIABILITIES (Note 6)		
Intra-governmental		
Accounts payable	\$ 4,955	\$ 4,955
Other	13,936	45,292
Total intra-governmental	<u>18,891</u>	<u>50,247</u>
Accounts payable	149,183	396,979
Other	884,394	610,824
Total Liabilities	<u>1,052,468</u>	<u>1,058,050</u>
NET POSITION		
Unexpended appropriations - other funds	2,280,590	2,196,037
Cumulative results of operations - other funds	(394,468)	(275,359)
Total Net Position	<u>1,886,122</u>	<u>1,920,678</u>
Total Liabilities and Net Position	<u><u>\$ 2,938,590</u></u>	<u><u>\$ 2,978,728</u></u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENTS OF NET COST

	Year ended September 30,	
		(Restated) 2009
	2010	
GROSS PROGRAM COSTS		
Program A		
Gross costs (Note 7)	\$ 9,159,231	\$ 8,597,107
Net program costs	9,159,231	8,597,107
 NET COST OF OPERATIONS	 \$ 9,159,231	 \$ 8,597,107

The accompanying notes are an integral part of these statements.

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

	Year ended September 30,	
	2010	(Restated) 2009
Cumulative Results of Operations		
Beginning balances	\$ (275,359)	\$ (215,874)
Budgetary Financing Sources		
Appropriations used	9,040,122	8,537,622
Total financing sources	9,040,122	8,537,622
Net cost of operations	9,159,231	8,597,107
Net Change	(119,109)	(59,485)
Cumulative Results of Operations	<u>\$ (394,468)</u>	<u>\$ (275,359)</u>
 Unexpended Appropriations		
Beginning balances	\$ 2,196,037	\$ 1,994,224
Budgetary Financing Sources		
Appropriations received	9,400,000	8,800,000
Other adjustments	(275,325)	(60,565)
Appropriations used	(9,040,122)	(8,537,622)
Total Budgetary Financing Sources	84,553	201,813
Total Unexpended Appropriations	<u>\$ 2,280,590</u>	<u>\$ 2,196,037</u>
 Net Position	 <u>\$ 1,886,122</u>	 <u>\$ 1,920,678</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENTS OF BUDGETARY RESOURCES

	Year ended September 30,	
	2010	(Restated) 2009
Budgetary Resources		
Unobligated balance, brought forward, October 1	\$ 648,970	\$ 674,306
Recoveries of prior year unpaid obligations	199,010	223,796
 Budget authority		
Appropriations received	9,400,000	8,800,000
Collected	9,233	2,095
 Permanently not available	<u>(275,325)</u>	<u>(60,565)</u>
Total Budgetary Resources	<u><u>\$ 9,981,888</u></u>	<u><u>\$ 9,639,632</u></u>
 Status of Budgetary Resources		
Obligations incurred		
Direct, Category A (Note 8)	<u>\$ 9,272,810</u>	<u>\$ 8,990,662</u>
 Unobligated balances		
Apportioned	50,250	22,283
Unobligated balances-not available	<u>658,828</u>	<u>626,687</u>
Total unobligated balances-not available	<u>709,078</u>	<u>648,970</u>
Total Status of Budgetary Resources	<u><u>\$ 9,981,888</u></u>	<u><u>\$ 9,639,632</u></u>
 Change in Obligated Balance		
Unpaid obligations, brought forward, net	2,276,770	2,235,364
Obligations incurred, net	9,272,810	8,990,662
Gross outlays	(9,157,683)	(8,725,460)
Recoveries of prior-year unpaid obligations, actual	<u>(199,010)</u>	<u>(223,796)</u>
Total Unpaid Obligated Balance, Net, End of Period (Note 9)	<u><u>\$ 2,192,887</u></u>	<u><u>\$ 2,276,770</u></u>
 Net Outlays		
Gross outlays	9,157,683	8,725,460
Offsetting collections	<u>(9,233)</u>	<u>(2,095)</u>
Net Outlays	<u><u>\$ 9,148,450</u></u>	<u><u>\$ 8,723,365</u></u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 1 ORGANIZATION AND PURPOSE

Reporting entity

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

- investigate allegations in writing, under oath or affirmation relating to deprivations because of color, race, religion, sex, age, disability, or national origin; or as a result of any pattern or practice of fraud; or of the right of citizens of the United States to vote and have votes counted 42 U.S.C. §1975a(1); and
- study and collect information, appraise the laws and policies of the federal government, serve as a national clearinghouse for information, and prepare public service announcements and advertising campaigns to discourage discrimination or denials of equal protection of the laws under the Constitution of the United States because of color, race, religion, sex, age, disability, or national origin, or in the administration of justice. 42 U.S.C. §1975a (2).

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

Powers

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

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

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 1 ORGANIZATION AND PURPOSE (Continued)

Organization and structure of the Commission

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of presentation

The Commission's financial statements are prepared from the accounting records of the Commission in accordance with accounting principles generally accepted in the United States (GAAP), and the form and content for entity's financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, *Financial Reporting Requirements*, as revised. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the federal government by the American Institute of Certified Public Accountants (AICPA).

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Basis of presentation (continued)

OMB Circular No. A-136 requires agencies to prepare basic financial statements, which include a balance sheet, statement of net cost, statement of changes in net position and a statement of budgetary resources. The balance sheets present, as of September 30, 2010 and 2009, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities) and amounts which comprise the difference (net position). The statements of net cost report the full cost of the Agency's program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports the Commission's budgetary activity.

Basis of accounting

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

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

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

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

Fund balance with Treasury

The Commission maintains its available funds with the Department of the Treasury (Treasury). The fund balance with Treasury is available to pay current liabilities and finance authorized purchases. Cash receipts and disbursements are processed by Treasury and reconciled with those of Treasury on a regular basis. Note 3, Fund Balance with Treasury, provides additional information.

Accounts receivable

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

General property and equipment

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

The P&E is depreciated using the straight-line method over the estimated useful lives of assets. Maintenance and repair costs are expensed as incurred. Statement of Federal Financial Accounting Standards (SFFAS) No. 10, *Accounting for Internal Use Software*, requires that the capitalization of internally-developed,

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

contractor-developed and commercial off-the-shelf (COTS) software begins in the software development phase.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General property and equipment (continued)

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

Liabilities

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

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

Accounts payable

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

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Accrued payroll and benefits

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

Revenue and financing sources

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

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

Federal employee benefits

Most Commission employees participate in either the Civil Service Retirement System (CSRS) – a defined benefit plan, or the Federal Employees Retirement System (FERS) – a defined benefit and contribution plan. For employees covered under CSRS the Commission contributes a fixed percentage of pay. Most employees hired after December 31, 1983, are automatically covered by FERS. For employees covered under FERS the Commission contributes the employer's matching share for Social Security and Medicare Insurance. A primary feature of FERS is that it offers a Thrift Savings Plan (TSP) into which the Commission automatically contributes one percent of employee pay and matches employee contributions up to an additional four percent of pay.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal employee benefits (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.

NOTE 3 FUND BALANCE WITH TREASURY

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

	2010	2009
Fund balance with Treasury		
Trust fund	\$ <u>2,901,965</u>	\$ <u>2,925,740</u>
 Status of fund balance with Treasury		
1) Unobligated balance		
a. Available	50,250	22,283
b. Unavailable	658,828	626,687
2) Obligated balance not yet disbursed	<u>2,192,887</u>	<u>2,276,770</u>
Total	<u>\$ 2,901,965</u>	<u>\$ 2,925,740</u>

In fiscal 2010, the Commission cancelled its FY 2005 annual fund and returned the \$275,325 balance in the fund to the Treasury.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable balance was established for a vendor overpayment and as of September 30, 2010 and 2009, was \$5,516 in each fiscal year.

NOTE 5 GENERAL PROPERTY, PLANT AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	2010	2009
Equipment	\$ 17,277	\$ 17,277
Software	<u>64,840</u>	<u>64,840</u>
	82,117	82,117
Less: Accumulated depreciation and amortization	<u>(51,008)</u>	<u>(34,645)</u>

UNITED STATES COMMISSION ON CIVIL RIGHTS

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009 (Restated)

NOTE 5 Property and equipment, net \$ 31,109 \$ 47,472
GENERAL PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense for the fiscal years ended September 30, 2010 and 2009, was \$16,363, for each fiscal year.

NOTE 6 **LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

The Commission's total liabilities are comprised of the following at September 30:

	<u>2010</u>	<u>2009</u>
Liabilities not covered by budgetary resources-with the public		
Other (unfunded leave liability)	\$ <u>431,093</u>	\$ <u>328,347</u>
Total liabilities covered by budgetary resources	<u>621,375</u>	<u>729,703</u>
Total liabilities	\$ <u>1,052,468</u>	\$ <u>1,058,050</u>

Liabilities not covered by budgetary resources include liabilities for which congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely, it is not certain that appropriations will be enacted to fund these liabilities.

Liabilities covered by budgetary resources as of September 30, 2010 and 2009, are comprised of accounts payable of \$154,138 and \$401,934, respectively, employer's retirement contribution of \$13,936 and \$45,292, respectively and accrued funded payroll and leave of \$453,301 and \$282,478, respectively.

Non-current and current portions of these liabilities that have been summarized in the Commission's balance sheets under other liabilities as of September 30, are as follows:

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2010	Other liabilities	\$ <u>431,093</u>	\$ <u>453,301</u>	\$ <u>884,394</u>
2009	Other liabilities	\$ <u>328,347</u>	\$ <u>282,478</u>	\$ <u>610,825</u>

	<u>Intra-governmental</u>	<u>Current</u>	<u>Total</u>
2010	Other liabilities	\$ <u>13,936</u>	\$ <u>13,936</u>
2009	Other liabilities	\$ <u>45,292</u>	\$ <u>45,292</u>

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 7 INTRA-GOVERNMENTAL COSTS AND EXCHANGE REVENUE

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

	2010	2009
Program A		
Intra-governmental costs	\$ 2,150,294	\$ 2,270,278
Public costs	7,008,937	<u>6,326,829</u>
Total program A costs	<u>9,159,231</u>	<u>8,597,107</u>
Total program A earned revenue	<u>\$ 9,159,231</u>	<u>\$ 8,597,107</u>

NOTE 8 APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

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

	2010	(Restated) 2009
Category A	\$ <u>9,272,810</u>	\$ <u>8,990,662</u>

NOTE 9 UNDELIVERED ORDERS AT THE END OF THE PERIOD

The Unpaid Obligated Balance of \$2,192,887 and \$2,276,770 for the fiscal years ended September 30, 2010 and 2009, respectively, is comprised of obligations relating to Undelivered Orders (goods and services contracted for but not yet received at year end) and Accounts Payable (amounts owed at year end for goods and services received).

Undelivered orders for the fiscal years ended September 30, 2010 and 2009, amounted to \$1,571,512 and \$1,547,067, respectively.

NOTE 10 BUDGETARY RESOURCES

The Unobligated Balance for fiscal years 2010 and 2009, includes amounts totaling \$50,250 and \$22,283, respectively, which are restricted for future use and are not apportioned for current use.

NOTE 11 OPERATING LEASES

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

The Commission has various leases for offices and branches throughout the United States. The longest term of those obligations extends through 2017. Certain of the leases contain renewal options and escalation clauses. No leases

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 11 OPERATING LEASES (Continued)

include restrictions on the Commission’s activities. The aggregate rent expense totaled \$1,316,110 and \$1,263,121 for fiscal years ended September 30, 2010 and 2009, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

2011	\$ 1,249,723
2012	1,154,494
2013	357,303
2014	88,515
2015	79,897
Thereafter	66,752
Total	\$ <u>2,996,684</u>

NOTE 12 RESTATEMENT

The Commission restated the 2009 financial statements to reflect a correction of an error in recording a downward adjustment of \$60,181 to delivered orders that was incorrectly posted at the end of fiscal 2009.

The restatement decreased, by \$60,181, appropriations used to \$8,537,622, thereby increasing the negative balance in cumulative results of operations and increasing unexpended appropriations to (\$275,359) and \$2,196,073, respectively. Net position, however, remained unaffected.

In the statements of budgetary resources recoveries of prior year unpaid obligations and obligations incurred decreased by \$60,181 to \$223,796 and \$8,990,662, respectively, thereby decreasing total status of budgetary resources to \$9,639,632. Net outlays at the end of fiscal 2009, however, remained unaffected.

NOTE 13 BUDGETARY RESOURCE COMPARISONS TO THE BUDGET OF THE UNITED STATES GOVERNMENT

The President’s Budget that will include fiscal year 2010 actual budgetary execution information has not yet been published. The President’s Budget is scheduled for publication in February 2011 and can be found at the OMB Web site <http://www.whitehouse.gov/omb/>.

No material differences exist between the amounts reported in the fiscal year 2009 Statement of Budgetary Resources and the 2009 actual amounts reported in the 2011 Budget of the United States Government.

UNITED STATES COMMISSION ON CIVIL RIGHTS
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009 (Restated)

NOTE 14 RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

The Commission has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations as follows:

	<u>2010</u>	<u>(Restated) 2009</u>
Resources Used to Finance Activities		
Budgetary resources obligated		
Obligations incurred	\$ 9,272,810	\$ 8,990,662
Less: Spending authority from offsetting collections and recoveries	(208,243)	(225,891)
Obligations net of offsetting collections and recoveries	<u>9,064,567</u>	<u>8,764,771</u>
Total Resources Used to Finance Activities	9,064,567	8,764,771
 Resources Used to Finance Items Not Part of Net Cost of Operations		
Change in budgetary resources obligated for goods, services, and benefits ordered but not yet provided	(24,445)	(227,149)
Total Resources Used to Finance the Net Cost of Operations	<u>9,040,122</u>	<u>8,537,622</u>
 Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period		
Components requiring or generating resources in future periods:		
Increase in annual leave liability	<u>102,746</u>	<u>43,122</u>
Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods	102,746	43,122
 Components Not Requiring or Generating Resources:		
Depreciation and amortization	<u>16,363</u>	<u>16,363</u>
Total Components of Net Cost of Operations That Not Will Require or Generate Resources in the Current Period	<u>119,109</u>	<u>59,485</u>
Net Cost of Operations	<u>\$ 9,159,231</u>	<u>\$ 8,597,107</u>



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

REPORT OF INDEPENDENT AUDITORS

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the accompanying balance sheets of the United States Commission on Civil Rights (the Commission or Agency) as of September 30, 2010 and 2009 (restated), and the related statements of net cost, changes in net position and budgetary resources for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

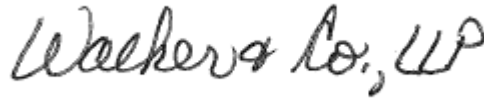
We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB)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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2010 and 2009 (restated), and its net cost, changes in net position and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

In accordance with *Government Auditing Standards* and OMB Bulletin 07-04, as amended, we have also issued our reports dated November 15, 2010, on our consideration of the Agency's internal control over financial reporting, and on our tests of the Commission's compliance with certain provisions of laws and regulations and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of our audits performed in accordance with *Government Auditing Standards* and OMB Bulletin 07-04, as amended, and should be considered in assessing the results of our audits

A handwritten signature in cursive script that reads "Weckert Co., LLP".

November 15, 2010



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

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the financial statements of the United States Commission on Civil Rights (the Commission or Agency) as of and for the years ended September 30, 2010 and 2009 (restated), and have issued our report thereon dated November 15, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

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

Our consideration of internal control over financial reporting was for the limited purposes described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

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 significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control, 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 material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements

will not be prevented or detected by the organization's internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Wachter Co., LP

November 15, 2010



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

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH LAWS AND REGULATIONS

Chairman and the Staff Director
United States Commission on Civil Rights

We have audited the financial statements of the United States Commission on Civil Rights (the Commission or Agency) as of and for the year ended September 30, 2010 and 2009(restated), and have issued our report thereon dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

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

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

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

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

The results of our tests disclosed one instance of noncompliance with laws and regulations as described below:

- A. The Commission does not fully comply with the Federal Information Security Management Act (FISMA)

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

The Commission's Information Technology Specialist, working with a contractor, has implemented a timetable for correcting the two remaining deficiencies. The Commission continues to comply with its FISMA obligations by conducting the required assessments and implementing corrective action plans. One of these two deficiencies, the Continuity of Operations (COOP) Plan, which was scheduled to be eliminated in December 2009, was adopted in June 2010, while the other, Offsite/Remote Operations for COOP, is scheduled to be completed in fiscal year 2012.

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

Wachter & Co., LLP

November 15, 2010

APPENDICES

Appendix A: Strategic Plan Goals, Objectives and Measures

SUMMARY OF THE COMMISSION'S MISSION AND GOALS

(as adopted in October 2007)

MISSION STATEMENT

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

Strategic Goal 1: <i>Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.</i>	
Objectives:	Performance Measures:
1. Reinvigorate the Commission's state advisory committees (SACs).	<p>1(a). Increase the number of SACs re-chartered annually.</p> <p>1(b). Eliminate the backlog of SACs with charters that expire on or before January 30, 2007 by FY 2011.</p> <p>1(c). Recharter SACs with charters expiring after January 30, 2007 within 60 days of charter expiration.</p>
2. Energize the Commission's SACs by enhancing their institutional role in program planning and increasing their productivity.	<p>2(a). Obtain input from SACs as a part of the program planning cycle annually by October 31st.</p> <p>2(b). Conduct a joint national office and SAC project every two years (i.e., biennially) and issue a report within 12 to 18 months following initiation of each project.</p>

	2(c). Solicit SAC ideas for SAC follow-up activities on Commission (national office) projects at the regional, state, and local levels annually during October.
3. Commission a multi-state report, requesting the Commission’s individual SACs to identify civil rights priorities facing their states/regions.	3. Complete the multi-state report by FY 2009.
4. Convene a national conference in FY 2009 to elicit diverse, multidisciplinary and bipartisan perspectives on civil rights in the 21 st century.	4(a). Attract at least 100 civil rights practitioners, experts and others to the conference. 4(b). Issue a report based on the findings of the conference entitled “Civil Rights Priorities for the 21 st Century” during FY 2010. 4(c). Identify 6 civil rights issues and research topics appropriate for incorporation into the Commission’s programmatic planning cycles for FY 2010 through FY 2012. 4(d). Identify civil rights issues and research topics that could lay the foundation for updating the Commission’s Strategic Plan in 2011. 4(e). Identify areas where the Commission’s powers and mission need to be expanded to respond to emerging challenges and publish these areas by FY 2011.
Strategic Goal 2: <i>Expand the capacity of federal agencies to raise public awareness of civil rights and efficiently and effectively execute their civil rights enforcement responsibilities by engaging in strategic partnerships.</i>	
Objectives:	Performance Measures:
1. Study the role and effectiveness of the different federal enforcement agencies and make recommendations as to how those agencies might enhance their effectiveness.	1. Produce one report per fiscal year that addresses how particular civil rights agencies might enhance their effectiveness, including conducting exit or follow-up activities with agencies.
2. Partner with other federal civil rights agencies to raise public awareness of civil rights laws, remedies, and enforcement agencies.	2. Implement Memoranda of Understanding (MOUs) with one or more federal agencies.
3. Partner with other civil rights agencies to collect and analyze data on various civil rights topics.	3. Collect data from other agencies on complaint types to identify discrimination issues and/or trends (e.g., information on types of complaints nationally,

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

	5(f). Increase Commission participation in public policy symposia and venues in which the Commission shares its views concerning civil rights policies.
Strategic Goal 3: <i>Serve as an authoritative national clearinghouse and repository of civil rights data and information.</i>	
Objectives:	Performance Measures:
1. Strengthen the quality and objectivity of the Commission’s reports.	1(a). Written work products issued by the Commission meet rigorous standards for accuracy, objectivity, transparency, and accountability. 1(b). Implement adopted GAO findings and recommendations consistent with any Commissioner-approved timeline.
2. Collect and analyze existing data on disparities among racial and ethnic groups, between the sexes, between the disabled and those who are not disabled, and among other protected classes.	2. Issue report(s) and conduct follow-up research where necessary.
3. Issue reports that assess the credibility of claims of systemic or pervasive discrimination and, where discrimination is found to be present, illuminate the causes of such discrimination, and make recommendations for policy changes to address the problem.	3. Issue report(s) and conduct follow-up research where necessary.
4. Conduct original social scientific research that brings new or unique information to the civil rights policy debate.	4. Incorporate original social scientific research into Commission reports.
Strategic Goal 4: <i>Normalize the Commission’s financial and operational controls, and modernize its information technology management and dissemination.</i>	
Objectives:	Performance Measures:
1. Adhere to integrated budgeting, planning, and performance management.	1(a). Fully comply with OMB A-11 guidance for integrated budget by FY 2010. 1(b). Receive an OMB PART Program Management assessment score of at least “moderately effective” by FY 2010.
2. Achieve sound financial management, demonstrate financial accountability, and streamline and/or reorganize the Commission’s structure to efficiently execute its mission and make efficient use of its appropriations	2(a). Maintain a “clean” or unqualified financial audit status each fiscal year beginning in FY 2008. 2(b). Full compliance with laws and regulations respecting the stewardship of tax dollars.

	<p>2(c). Complete an evaluation of the Commission’s organizational structure and operations by FY 2009 to identify and implement changes necessary to support increased effectiveness and improved efficiency in light of existing fiscal and human capital resources.</p> <p>2(d). Conduct an assessment during FY 2008 of the effectiveness and efficiency of the Commission’s current administrative structure and, based on the results, develop during FY 2009 a plan of action for achieving increased agency effectiveness and efficiency.</p> <p>2(e). Execution of workforce planning and human capital accountability systems by FY 2008.</p>
<p>3. Continued implementation of adopted GAO and OPM recommendations.</p>	<p>3. Implement adopted GAO and OPM audit findings and recommendations that address financial and operational procedures.</p>
<p>4. Modernize information technology infrastructure and improve IT management to enhance program efficiency.</p>	<p>4. Establish Web site similar to Firstgov.com. by FY 2012.</p>

Appendix B: FY 2010 Annual Performance Plan and Targets

<i>STRATEGIC GOAL 1: Shape a national conversation on current and future civil rights issues that identifies civil rights priorities for policy makers.</i>						
	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 2010 (actual)	
Increase the # of SACs re-chartered (1.1.1(a))	33% Chartered	51% Chartered	65% Chartered	95% Chartered	76% Chartered	
Eliminate the backlog of un-chartered SACs ²⁰ (1.1.1(b))	13% Reduction	50%	56%	75%	76%	
Achieve an average re-charter time of 60 days (1.1.1(c))	N/A	24	78	60 days	204 days	
Obtain input from SACs as a part of national program planning (1.2.2(a))	Once by October 31	Once by October 31	Once by October 31	Once by October 31	Once by October 31	
Solicit SAC ideas for SAC follow-up activities on national office projects (1.2.2(c))	Completed one solicitation	Completed one solicitation	Completed one solicitation	Complete one solicitation (during October)	Not Solicited	
Conduct a joint national and SAC project every two years and issue a report within 12-18 months (1.2.2(b))	Report Approved and Issued ²¹	Report Approved and Issued ²²	No Joint Report Approved and Issued	Approve and Issue a Joint Report	Not Approved and Issued	
Complete multi-state SAC report (1.3)	N/A	N/A	Report Pending Completion in FY 2010	Complete multi-state advisory committee report on state/regional issues	Completed	
Convene a national civil rights conference (1.4(a))	N/A	N/A	FY 2009 Civil Rights Conference postponed until FY 2010	Hold a National Civil Rights Conference with at least 100 Attendees	National Civil Rights Conference Conducted with more than 100 Attendees	

²⁰ The backlog is composed of charters that expired on or before January 30, 2007. Thirty-four state advisory committees were in the backlog when the baseline was established.

²¹ *Becoming Less Separate? School Desegregation, Justice Department Enforcement, and the Pursuit of Unitary Status*, U.S. Commission on Civil Rights, Washington, DC (Sept. 2007).

²² *Enforcing Religious Freedom in Prison*, U.S. Commission on Civil Rights, Washington, DC (Sept. 2008).

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

Challenge	Proposed Corrective Action
Increase the number of chartered advisory committees and committee reports.	Develop capacity within all regional offices so that the acting chief of RPCU is not called upon to re-charter committees within the regions.
	Monitor and give feedback to regional directors on their use of Lean Six Sigma checklists, and tracking and reporting tools by all regional offices and RPCU.
	Maintain a master list or summary sheet within RPCU on the status of all regional office re-chartering activity and annual performance targets to identify potential delays and challenges related to achieving regional office and agency-level performance targets. Distribute this list or summary to regional directors monthly.
	Fill vacant regional program positions, resources allowing, including the regional director in the Western Region and the permanent chief of RPCU.
	Determine the extent of any backlog of advisory committee reports and adopt a plan (including a timetable) for eliminating the backlog.

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 2010 (actual)
Produce a report that addresses how civil rights agencies might enhance their effectiveness, including conducting exit or follow-up activities with agencies (2.1.1)	Statutory Report (school desegregation)	Statutory Report (religious freedom)	Statutory Report (mortgage crisis)	Statutory Report (voting intimidation and DOJ Enforcement)	Not Released in FY 2010
Issue guidance to the executive branch on civil rights enforcement efforts	N/A	N/A	5 policy and enforcement letters (Baseline Year)	Issue 6 policy and enforcement letters	9 policy and enforcement letters
Participate in a least one inter-agency working group responsible for developing civil rights policy (2.4(d))	N/A	N/A	N/A	Join 1 inter-agency working group on civil rights policy	0 inter-agency working groups memberships
Establish congressional contacts and provide substantive input on proposed civil rights legislative agenda items	Baseline Year	0	3	3	4

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 2010 (actual)
(2.4.4(e))					
Host public briefings or hearings annually on civil rights issues	6 ²³	6	3	5	6 (including the national conference)
(2.5.5(a))					
Issue press releases related to civil rights issues and Commission activities	18	10	21	10	41
(2.5.5(c))					
Hold a press conference on the Commission's statutory report or other significant activity/publication	N/A	0	0	1	0
(2.2.5)					
Post all public meeting and briefing transcripts, and approved reports on the Web site	12	17	14	21	21
(2.5.5(d))					
Provide assistance to members of the public who seek advice and information about protecting their civil rights by offering a complaint referral service	Maintain a 30-day complaint referral response time	21-day complaint referral response time	14-day complaint response time	30-day complaint referral response time	10-day complaint response time
(2.5.5(e))					
Increase participation in public policy symposia and venues in which the Commission shares its views concerning civil rights policies	Baseline Year	0	0	1	0
(2.5.5(f))					

²³ Strategic Goal Two, as applicable in FY 2007 in draft form, called for the agency to “Promote greater public awareness of civil rights issues, enforcement efforts and protections, and serve as a national clearinghouse for credible and reliable civil rights information.” Briefings were not specifically associated with this goal in FY 2007 though the agency did conduct six briefings that year.

**STRATEGIC GOAL 2
CHALLENGES AND PROPOSED CORRECTIVE ACTIONS**

Challenge	Proposed Action
Establish congressional contacts and provide substantive input on proposed civil rights legislative agenda items	Finalize the review and revise AI 1-4 on congressional and White House liaison activities (last issued in 1999) to ensure that it supports current agency goals and objectives.
Hold an annual press conference on Commission reports and/or other significant activity	Seek to fill the position of chief of PAU with an experienced full-time permanent hire, budgetary resources allowing, and plan to hold a press conference every two years (instead of annually) in the absence of public affairs staff.
Post all meeting and briefing transcripts, and approved reports on the Web site	Establish a timetable and process for completing of transcript edits. Hold all parties accountable for promptly reviewing, editing and approving and posting transcripts.
Increase participation in public symposia where we share our views	Propose elimination of this item from all future annual plans based on staffing and funding constraints.

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 20 (actual)
Written work products meet rigorous standards for accuracy, objectivity, transparency and accountability	N/A	N/A	No adverse decisions	No adverse decisions	No adverse decisions
			No reversals of Commission decisions on appeal (Baseline Year)	No reversals of Commission decisions on appeal	No reversals of Commission decisions on appeal
Implement adopted GAO findings and recommendations related to report quality (consistent with any Commissioner-approved timeline) (3.1.1.(b))	95% (Baseline Year)	95%	100%	N/A	N/A
Issue a report(s) and conduct follow-up research, where necessary, on disparities (3.2.3)	2 briefing reports	1 briefing report	2 briefing reports	2 reports including disparities data	3 briefing reports
Issue a report(s) and conduct	N/A ²⁴	1 briefing	2 briefing reports	2 briefing	3 briefing

²⁴ Strategic Goal Three, as applicable in FY 2007, calls for the Commission to “Evaluate and identify ways of improving the effectiveness and efficiency of federal agency enforcement of civil rights laws and policies.”

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 20 (actual)
follow-up research, where necessary, assessing the credibility of claims of systemic or pervasive discrimination (3.3.3)		report		reports	reports
Incorporate original social scientific research into Commission reports (3.4.4)	1 report containing original research data (statutory report)	1 report containing original research data (statutory report)	1 report containing original research data (statutory report)	1 report containing original research data	0

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 2010 (actual)
Full compliance with OMB A-11 guidance for integrated budget by FY 2011 (4.1.1(a))	N/A	Baseline Year	Created annual plans and revised budget(s)	Timely submit budget, Create annual performance plan, Revise budget priorities based on actual appropriations, Post CJ materials	Completed
Receive a PART score of at least "moderately effective" by FY 2010 (4.1.1(b))	N/A	Baseline Year	Updated PART Improvement Plan Data	Update PART as scheduled; Request FY 2010 Reassessment (as determined)	N/A
Receive a "clean" or unqualified financial audit (4.2.2(a))	"Clean Audit"	"Clean Audit"	"Clean Audit"	"Clean Audit" opinion of Financial Statements	"Clean Audit"
Full Compliance with laws and regulations respecting stewardship of tax dollars (4.2(b))	N/A	Baseline Year	Resolved two of three FISMA weaknesses	Resolve identified FISMA weaknesses; Timely complete financial audit	Resolved one of two FISMA weaknesses; Timely completed financial audit
Conduct an assessment during FY 2008 of the effectiveness and efficiency of the Commission's current administrative structure and develop plan of action in FY 2009	N/A	No assessment conducted	No assessment conducted	Conduct assessment of effectiveness & efficiency of administrative structure	N/A

Associated with the FY 2007 goal was the completion of the annual statutory report evaluating federal agency enforcement and two briefing reports.

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

	FY 2007 (actual)	FY 2008 (actual)	FY 2009 (actual)	FY 2010 (target)	FY 2010 (actual)
(4.2.2(d))					
Evaluate the agency's organizational structure to support increased effectiveness and efficiency	N/A	N/A	No assessment conducted	Complete organizational assessment and issue report/POA with implementation timetable	N/A
Execute workforce planning and human capital accountability systems by FY 2008 (4.2.2(e))	N/A	HCP Plan Not Completed	HCP process underway	Complete Human Capital Plan (HCP)	Completed
Implement adopted GAO and OPM audit findings and recommendations that address financial and operational procedures (4.3.3)	N/A	Baseline Year	Implemented adopted GAO and OPM audit findings/recommendations for financial and operational procedures	Performance budget integrates program activities and costs; Budget document revisions based on actual appropriations	Completed

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

Challenge	Proposed Action
Conduct an assessment during FY 2008 of the effectiveness and efficiency of our administrative structure	This item was determined to be impractical and not feasible based on agency's financial resources. It is being removed as a performance measure going forward.

Appendix C: Performance Charts and Tables

Updated FISMA Corrective Action Plan FY 2009						
	First Target Date	Second Target Date	Third Target Date	Fourth Target Date	Fifth Target Date	Current Status
Develop IT Coop Plan	FY06	FY07	FY08	FY 09	FY 2010	Completed
Create Written Authorization to Operate System on Interim Basis	FY06	FY08	FY08	FY 09	N/A	Completed
Identify and Obtain Offsite/Remote Access for New Server	FY 2012	N/A	N/A	N/A	N/A	Pending

FMFIA and OMB A-123 Corrective Action Plan FY 2009						
	First Target Date	Second Target Date	Third Target Date	Fourth Target Date	Current Status	
Provide Managers Training on Creating Office/Division Annual Plans that are Linked to Agency Strategic and Annual Plans	FY08	FY 09	FY 2010	N/A	Pending	
Complete Human Capital Assessment and Accountability Plan	FY08	FY09	FY 2010	N/A	Completed in FY 2010	
Complete Records Management Schedule	FY08	FY09	FY 2010	FY 2011	Pending. Currently under informal review by NARA.	
Identify and Update Outdated Office/Division Policies	FY 08	FY 09 (ongoing in nature)	FY 2010 (ongoing in nature)	FY 2010 (ongoing in nature)	Ongoing	
Complete National Office COOP Plan	FY 07	FY 08	FY 09	FY 2010	Completed FY 2010	

Updated Status of Briefings/Hearings and Reports			
	Briefing/Hearing Conducted	Report Approved	Target Report Approval Date
An Assessment of the Effectiveness of Historically Black Colleges and Universities (FY06 Project)	Yes	Yes	1 st Target Date FY07 2 nd Target Date FY08 3 rd Target Date FY09 4 th target Date FY 2010
Racial Categorization in the 2010 Census (aka Representation of Minorities in the Census) (FY06 Project)	Yes	Yes	1 st Target Date FY07 2 nd Target Date FY08
Racially Identifiable School Districts in Omaha (FY06 Project)	Yes	No (only issued as an executive summary)	1 st Target Date FY07 2 nd Target Date FY08
Minority Children in State Foster Care (FY07 Project)	Yes	Yes	1 st Target Date FY 07 2 nd Target Date FY08 3 rd Target Date FY09 4 th Target Date FY 2010
School Choice and Anti-Catholic Blaine Amendments (FY07 Project)	Yes	Pending	1 st Target Date FY08 2 nd Target Date FY09 3 rd Target Date FY 2010 4 nd Target Date FY 2011
Minority Students in Special Education (FY07 Project)	Yes	Yes	1 st Target Date FY08 2 nd Target Date FY09
Domestic Wiretapping (FY07 Project)	Yes	Yes	1 st Target Date FY08 2 nd Target Date FY09 3 rd Target Date 2010
Title IX Athletics (FY07 Project)	Yes	Yes	1 st Target Date FY08 2 nd Target Date FY09 3 rd Target Date FY 2010
Voter Fraud and Voter Intimidation (FY07 Project)	Yes	Yes	1 st Target Date FY07 2 nd Target Date FY08
Supplemental Education Services Under NCLB (FY 07 Project)	Yes	Yes	1 st Target Date FY08 2 nd Target Date FY09
Enforcing Religious Freedom in Prisons (aka Religious Discrimination and Prisoners' Rights)	Yes	Yes	1 st Target Date FY08
Department of Justice 2008 Presidential Election Monitoring (FY 08 Project)	Yes	Yes	1 st Target Date FY 2009
Discrimination Against Native Americans in Border Towns (FY 08 Project)	Yes	Yes	1 st Target Date FY 08 2 nd Target Date FY 09 3 rd Target Date FY 2010
Minority Students in Science, Technology, Engineering, and Math (STEM) (FY 08 Project)	Yes	Yes	1 st Target Date FY09 2 nd Target Date FY 2010
The Impact of Illegal Immigration on the Wages and Employment of Black Workers (FY 08 Project)	Yes	Yes	1 st Target Date FY 09 2 nd Target Date FY 2010

Updated Status of Briefings/Hearings and Reports

	Briefing/Hearing Conducted	Report Approved	Target Report Approval Date
Specifying English as the Common Language in the Workplace (FY 09 Project)	Yes	Pending	1 st Target Date FY 2009 2 nd Target Date FY 2010 3 rd Target Date: FY 2011
Health Disparities Between Minorities and Non-Minorities (FY 09 Project)	Yes	Pending	1 st Target Date FY 2010 2 nd Target Date FY 2011
Implications of DOJ's Actions in the New Black Panther Party (NBPP) Litigation for Enforcement of Section 11(b) of the Voting Rights Act (FY 2010 project (statutory report))	Yes	Pending	1 st Target Date; FY 2010 2 nd Target Date: FY 2011

Appendix D: Management Audit Response



UNITED STATES COMMISSION ON CIVIL RIGHTS

624 NINTH STREET, NW, WASHINGTON, DC 20425

www.usccr.gov

November 15, 2010

Ronald P. Walker
Walker & Company, LLP
4200 Wisconsin Avenue, NW
Suite 300
Washington, DC 20016

RE: FY 2010 Audit Findings and Recommendations

Dear Mr. Walker:

I have received and reviewed the independent audit report recently completed by your firm for the U.S. Commission on Civil Rights ("the Commission"). The Commission continues to improve upon the great progress we have made in our financial management as evidenced by our fifth consecutive clean financial audit. This year's clean audit is further proof of our commitment to sound financial management practices.

As noted in your audit report, our financial statements fairly present the financial position of the Commission as of September 30, 2010 and 2009 (restated) and conform to accounting principles generally accepted in the United States of America. I am gratified to see that your audit did not identify any deficiencies in internal control over financial reporting that are considered material weaknesses. Furthermore, as you note in your audit report, the Commission continues to comply with its legal and regulatory obligations by conducting the required FISMA assessments and implementing corrective action plans, as appropriate. One of two deficiencies, the Continuity of Operations (COOP) Plan, which was scheduled to be eliminated in December 2009, was adopted in June 2010, while the other, Offsite/Remote Operations for COOP, is scheduled to be completed in fiscal year 2012. Accordingly, there is no need for additional remedial action by the agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin Dannenfels", written over a horizontal line.

MARTIN DANNENFELSER
Staff Director

