

**UNITED STATES
COMMISSION ON CIVIL RIGHTS**



**PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)
FOR FISCAL YEAR 2017**

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MESSAGE FROM THE CHAIR



I attach the annual Performance and Accountability Report (PAR) for the U.S. Commission on Civil Rights for Fiscal Year 2017. This report reflects the agency's program and financial accomplishments over the past year. The Commission received an unqualified opinion on our Financial Statements.

In FY 2017, the Commission held two briefings to promote public awareness of current civil rights laws, remedies, and enforcement agencies: Targeted Fines and Fees Against Communities of Color: Civil Rights & Constitutional Implications; and Collateral Consequences: The Crossroads of Punishment, Redemption and the Effects on Communities.

In addition to our two briefings, the Commission published one report, in September 2017: *Targeted Fines and Fees Against Communities of Color: Civil Rights & Constitutional Implications*. The report focuses on the United States Department of Justice's enforcement efforts regarding municipal court reforms, and fines and fees.

The Commission approved two other reports for publication, which the Commission projects will occur before the end of calendar year 2017. *Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination Against Lesbian, Gay, Bisexual, and Transgender Americans* examines civil rights implications of the absence of federal nondiscrimination protections in the workplace for LGBT

employees. *Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation* examines inequities of the K-12 public education finance system.

We continue to enhance our engagement with and utilize the work of our state advisory committees. For the first time in years, the Commission has appointed members to all 51 state advisory committees. Commission state advisory committee members, working with regional office staff, held 11 civil rights briefings and forums in FY 2017. In addition, state advisory committees published nine reports during FY 2017, which a highest since FY 2012.

I look forward to building on the Commission's FY 2017 performance to continue to advance civil rights through effective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.



Catherine E. Lhamon
Chair
United States Commission on Civil Rights
November 15, 2017

Section I: Management Discussion and Analysis

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

A. USCCR Mission

Congress created the U.S. Commission on Civil Rights pursuant to the Civil Rights Act of 1957, which President Eisenhower signed into law.¹ 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 1994.² Established as an independent, bipartisan, fact-finding federal agency, our mission is to appraise 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 or 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 nonpartisan and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.

B. USCCR Organizational Structure

The Commission is an independent federal agency led by eight appointed commissioners. Their responsibilities include studying and collecting information relating to discrimination or denials of equal protection of the laws because of color, race, religion, sex, age, disability, or national origin, or in the administration of justice; appraising the laws and policies of the federal government regarding these civil rights issues; serving as a national clearinghouse of information regarding civil rights; and preparing public service announcements and advertising campaigns to discourage discrimination or denials of equal protection. The staff director, appointed by the President with the concurrence of a majority

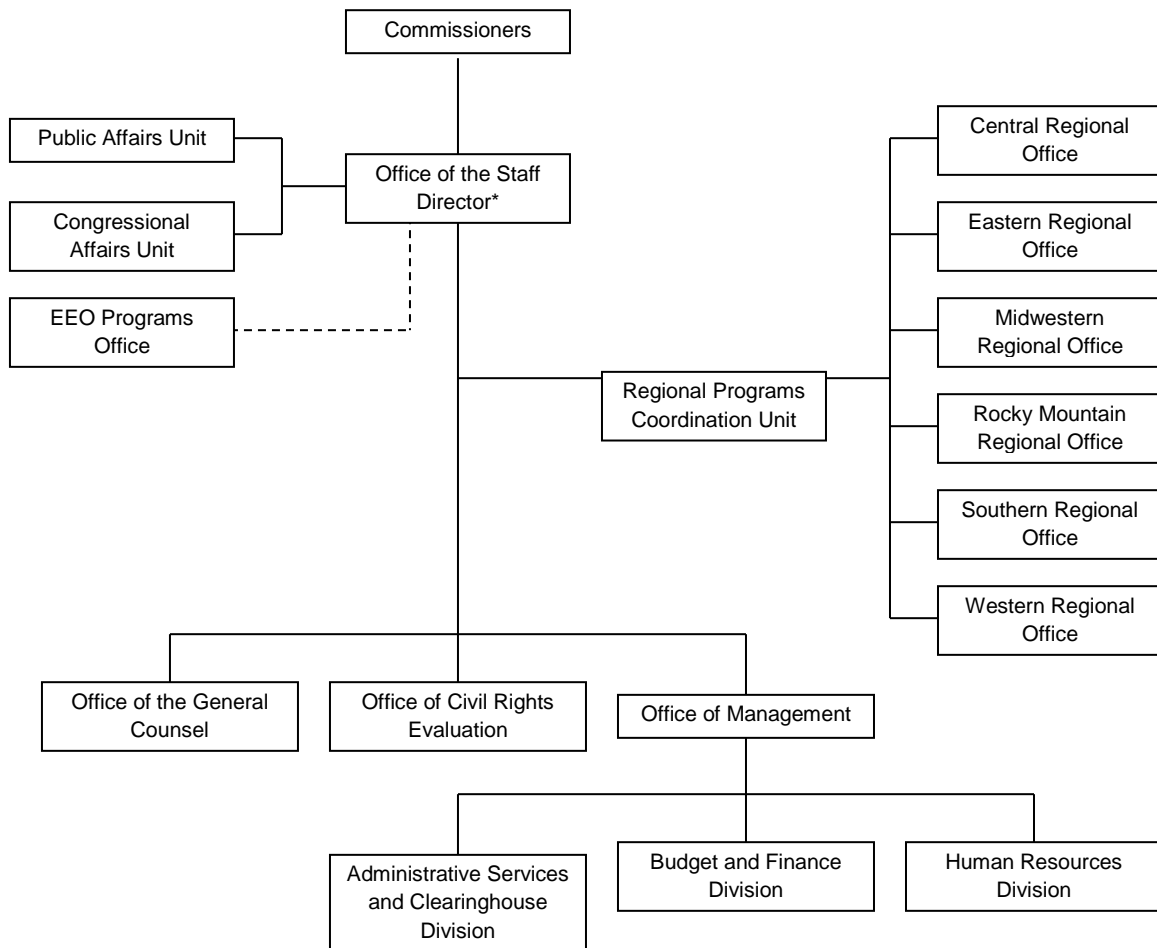
¹Civil Rights Act of 1957, Pub. L. No. 85-315, § 101, 71 Stat. 634 (1957).

²See 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); Civil Rights Commission Amendments Act of 1994, Pub. L. No. 103-419, 108 Stat. 4338 (1994) (codified at 42 U.S.C.A. § 1975 (2005)).

of the commissioners, is the administrative head of the agency. The organizational chart below shows our current structure.

Organizational Structure

U.S. Commission on Civil Rights



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

i. Headquarters Organization

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

Commissioners

- There are eight Commissioners, not more than four of whom may be of the same political party. The President appointed four members, the President pro tempore of the Senate appointed two, and the Speaker of the House of Representatives appointed two. The Commissioners are responsible for:
 - preparing or approving project concepts and proposals;
 - approving project assignments, outlines, and discovery plans;
 - altering or amending the scope or focus of a project;
 - reassessing priorities and making alterations to office assignments if budgetary changes occur during the year;
 - commenting on draft reports;
 - approving reports in whole or in part;
 - making statements of substance or policy, including statements of official Commission policy on a particular civil rights topic, commentary on court rulings, legislation, administrative rules, or actions by elected or appointed officials; and responses to news stories about civil rights issues;
 - approving membership on the Commission’s Advisory Committees, including nominating a Chair for Committee approval.

The Chair, along with the Staff Director, serves as the Commission’s designated spokesperson. In that capacity, the Chair communicates the official position of the Commission.

Office of the Staff Director

The Office of the Staff Director (OSD), through the staff director, oversees the overall operation and management of our agency including:

- disseminating policies established by the commissioners to staff;
- recommending program activities and projects for approval by the commissioners,
- managing agency-wide performance and evaluating program results;
- overseeing and coordinating the completion of the agency’s substantive civil rights work;

- ensuring that the budget is executed in a manner consistent with established agency priorities; and
- serving as the liaison between the Commission and the Executive Office of the President, Congress, and other federal agencies.

Office of the General Counsel

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

Office of Civil Rights Evaluation

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

Office of Management

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

Congressional Affairs Unit

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

Public Affairs Unit

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

Equal Employment Opportunity Programs

All the staff positions in the Equal Employment Opportunity (EEO) are vacant. Other staff, as an additional duty perform EEO functions, and the Commission uses contractual report and interagency agreements to satisfy its EEO responsibilities. When staffed EEO is responsible for the overall management of our equal employment opportunity compliance system. This system provides a means of review and appeal for applicants for employment and employees of the Commission, who believe that they were victims of discrimination based on race, color, age, religion, national origin, sex (including sexual harassment), physical or mental disability, or reprisal in connection with EEO-related activities.

ii. Regional Programs

Regional Programs Coordination Unit

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

Regional Activities: Organization and State Alignment

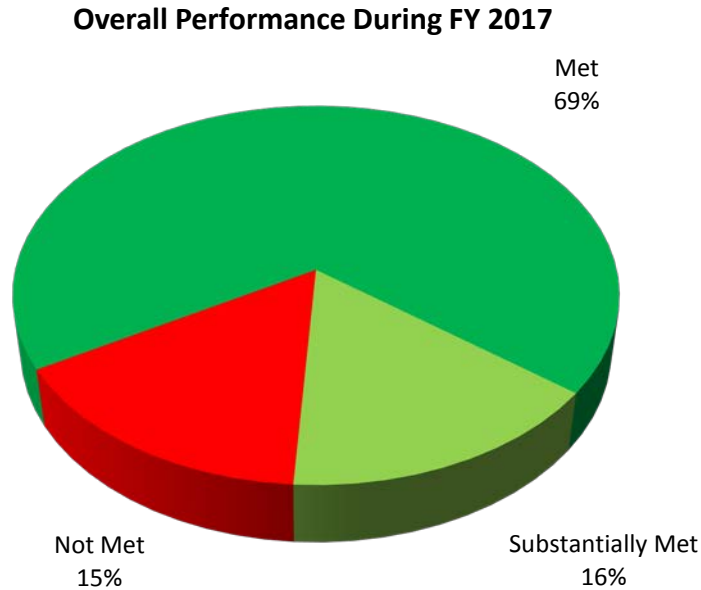
Regional staff provide critical support to the 51 state advisory committees required by our statute.

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.

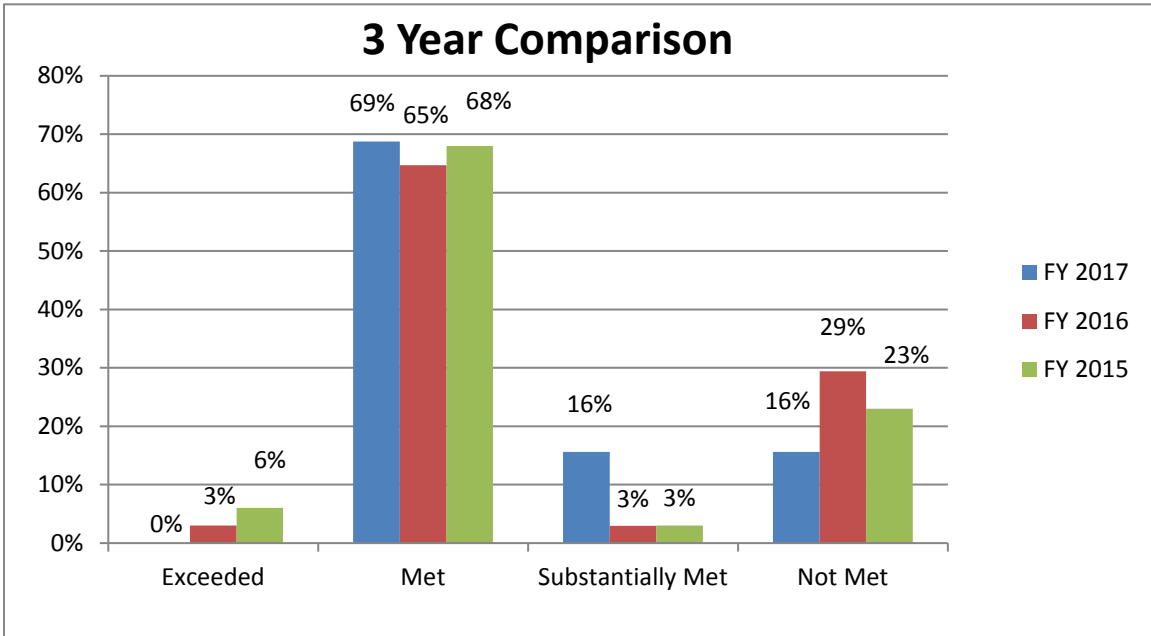
C. Performance Highlights

This subsection highlights our performance during the fiscal year. We met or substantially met 85 percent of our performance targets. The pie chart represents our overall level of performance for the year.



While we faced staffing and management constraints, we were able to meet or exceed most of our goals.

A detailed discussion of each strategic goal, our FY 2017 target performance, and our actual performance are in the section titled “Section II: Performance Report.” A comparison of agency performance for the last three years is presented in the below bar chart.



D. Federal Managers' Financial Integrity Act (FMFIA)

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

In FY 2017, all offices and division heads completed a self-assessment. The Commission identified one material weakness. The Agency lacks adequate controls to ensure reliability of financial reporting. The Commission is working on resolving this issue. Regional and headquarters' offices did identify several immaterial weaknesses. Based on this evaluation, the Commission is able to provide a statement of assurance that the internal controls except for internal controls over financial reporting are compliant.

E. Financial Highlights

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

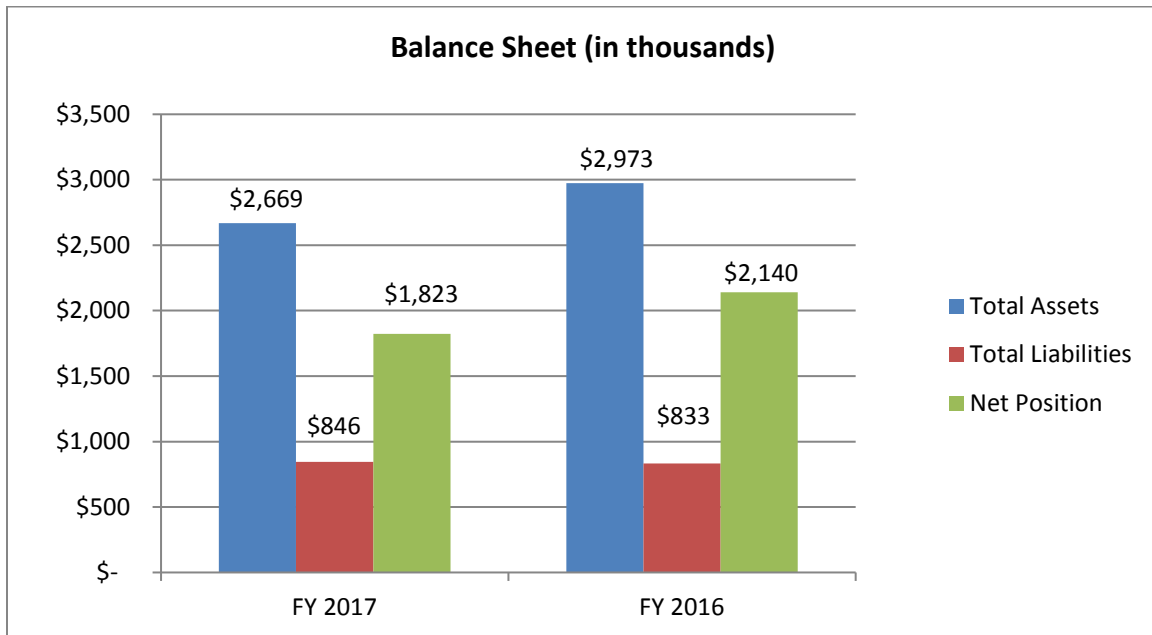
- maintaining the agency's standard general ledger,
- using a system (Pegasys) that is compliant with federal government standards,
- generating required financial reports for the Commission, and
- requiring appropriate documentation of financial transactions prior to payment.

With the Commission's limited budget and accounting staff, the services provided by USDA OCFO are essential to the financial stewardship of our resources.

The Commission's FY 2017 financial statements were prepared in accordance with Office of Management and Budget (OMB) Circular A-136. The Commission prepares four financial statements: Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, and Statement of Budgetary Resources.

Balance Sheet

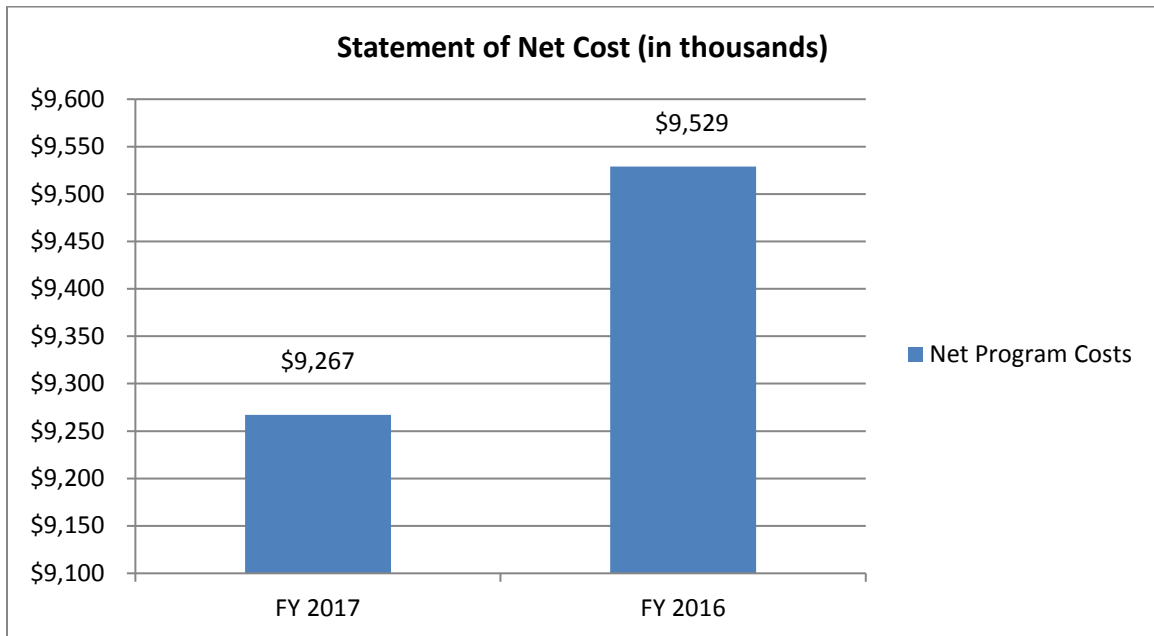
The balance sheet presents amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).



The Commission’s total assets decreased from \$2,972,702 in FY 2016 to \$2,669,085 in FY 2017. The Commission’s assets consist mainly of Fund Balance with Treasury (FBWT) with minimal amounts in General Property, Plant, and Equipment. Total liabilities increased from \$832,891 in FY 2016 to \$845,871 in FY 2017. Net Position decreased from \$2,139,811 in FY 2016 to \$1,823,214 in FY 2017.

Statement of Net Costs

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



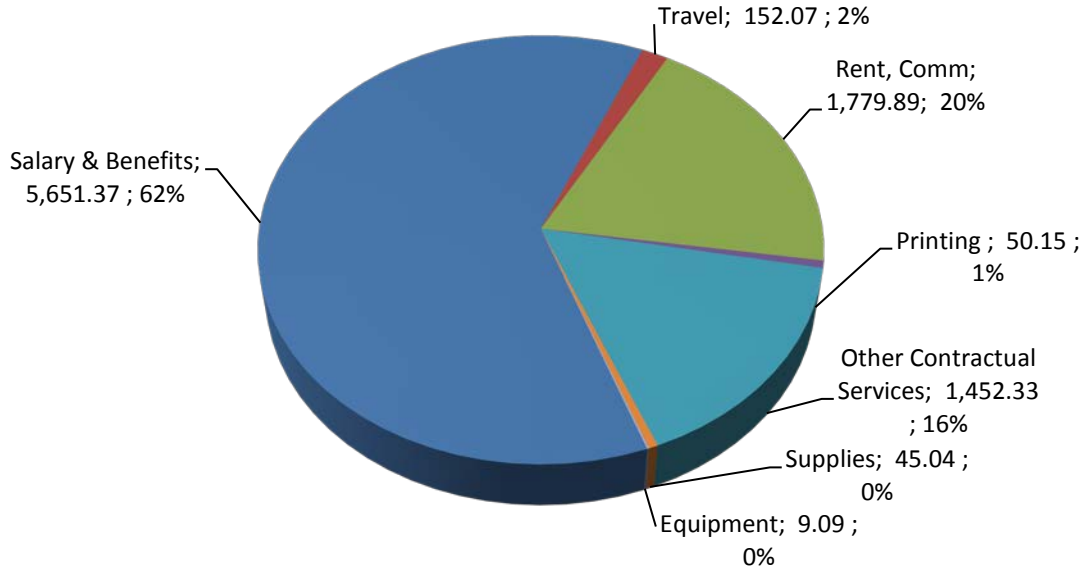
The Commission’s net cost of operation decreased from \$9,529,414 in FY 2017 to \$9,266,716 in FY 2017.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the sources of budgetary resources and their status at the end of the period. The Commission received \$9,200,000 in new budgetary authority in FY 2017. The Total Budgetary Resources and Status of Budget Resources increased from \$11,916,858 in FY 2016 to 10,975,306 in FY 2017.

Resources by Major Object Class

FY 2017 Obligations by Object Class (in thousands)



During FY 2017, the Commission obligated \$ 9,114,309 of its FY 2017 appropriation of \$9,200,000 for an obligation rate of 99 percent. Salary and Benefits, Other Contractual Services, and Rent and Communications consume 97 percent of the Commission’s obligations. The remaining 3 percent consists of travel, printing, supplies, and equipment.

F. Limitations on Financial Statements

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

G. Management Statement of Assurance

The U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission can provide reasonable assurance that its internal controls over financial reporting as of June 30, 2017 except for Undelivered Orders and Recoveries of Prior Years Obligations were operating effectively in the design or operation of the internal control over financial reporting. The Commission identified lack of controls to ensure reliability of Undelivered Orders and Recoveries of Prior Years Obligations as a material weakness.



UNITED STATES COMMISSION ON CIVIL RIGHTS

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

The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2017, were operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal controls over financial reporting as of June 30, 2017 except for Undelivered Orders and Recoveries of Prior Years Obligations were operating effectively in the design or operation of the internal control over financial reporting. The Commission identified lack of controls to ensure reliability of Undelivered Orders and Recoveries of Prior Years Obligations as a material weakness.

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

A handwritten signature in blue ink, appearing to read "Mauro Morales".

Mauro Morales
Staff Director
United States Commission on Civil Rights
November 15, 2017

Section II: Performance Report

Our agency performs an important role in identifying emergent civil rights trends and evaluating federal agency civil rights enforcement programs. Our agency's strategic plan articulates the Commission's vision for executing our vital mission from FY 2016 through FY 2018 and for overcoming various administrative challenges. The plan contains six 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 2017 annual performance plan includes performance goals and targets that support the accomplishment of our strategic objectives. Below, we describe our FY 2017 annual plan performance targets. We evaluate and report our performance using these categories: Exceeded, Met, Substantially Met, and Not Met.

A. Reliability of Performance Data

Over the course of the year, Commission managers monitor and record their progress on achieving their performance goals.

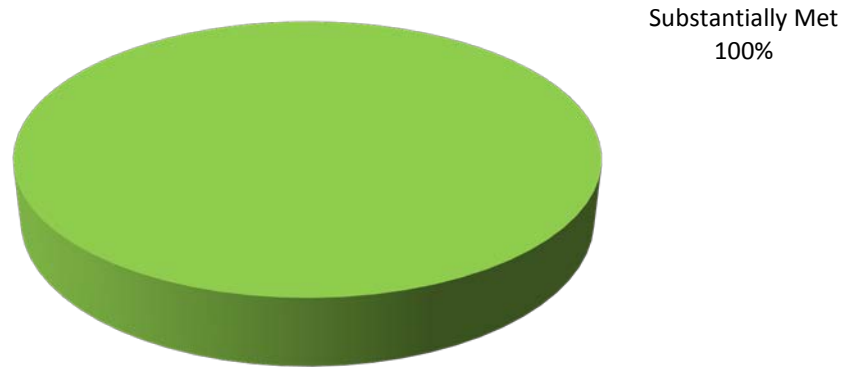
In headquarters, the Office of General Counsel, Office of Civil Rights Evaluation, and Office of Management typically begin reporting performance data during the last quarter of the fiscal year, reflecting results of ongoing and regular management review throughout the fiscal year. The Office of General Counsel and Office of Civil Rights Evaluation performance data reflects on the quantity, quality, effectiveness, and efficiency of their civil rights reports and briefings. The Office of Management reports on the administrative functions of the Commission. The Staff Director reviews and validates headquarters performance data for accuracy.

For our regional staff, performance management involves submitting end-of-the-year performance data using standardized agency reporting forms, end-of-year reports on their complaint referral services, and participating in periodic meetings with the chief of RPCU.

B. Strategic Goal A: The Commission will function as an effective civil rights watchdog and conduct studies and issue publications on important issues of civil rights.

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our first strategic goal of functioning as an effective civil rights watchdog and conduct studies and issue publications.

**Strategic Goal A: Function as an Effective Civil Right Watchdog and
Conduct Studies and Issue Publications on Important Issues of Civil
Rights
(actual v. target performance)**



This fiscal year we substantially met 100 percent of Strategic Goal A his goal. This year, the Commission determined to hold two – rather than three – public briefings to give us time to move through the substantial report backlog. In FY 2017, the Commission hired entirely new staff within OCRE and operated with an acting director who also performed all the General Counsel.

Sixty 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 and human rights commissions; the innumerable local civil and human rights commissions; the tens of thousands of private attorneys who pursue actions under Titles VI and VII of the Civil Rights Act of 1964, 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 in 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. We seek to function as an effective civil rights watchdog by conducting studies and issuing publications on important issues of civil rights.

i. Briefings

To promote public awareness of current civil rights laws, remedies, and enforcement agencies, we held two public briefings.

In carrying out our statutory mission to collect information about civil rights topics, the Commission holds public briefings and hearings. The Commission invites panelists to speak to the particular issue under consideration. Panels are often comprised of legal scholars, national experts, state representatives, local community members, and researchers. For our annual review of federal agency enforcement efforts, we invite present and past federal employees to provide insight into those efforts. We strive to include a balance of perspectives to engage with the Commission on the topic. Following our public briefings, we further engage the public by seeking public comments on the civil rights topic for at least 30 days. We accept electronically transmitted and mailed comments. All received comments are added to the briefing record for consideration in our reports.

Targeted Fines and Fees Against Communities of Color: Civil Right and Constitutional Implications

To fulfill our statutory obligation to annually examine federal agency civil rights enforcement, the Commission hosted a public briefing to review the Department of Justice's ("the Department") enforcement efforts in holding jurisdictions accountable for constitutional violations that come from financial conflicts of interest and the adverse impacts to communities that can result from jailing or otherwise further penalizing community members for the non-payment of fines and fees. At the first briefing in FY 2016, the Commission heard from legal scholars, national experts, and community representatives as to the historical context of how revenue-generating practices in the municipal courts have evolved and how pervasive these practices are across the county. The Commission also heard from the former Director of the Office of Access to Justice at the Department of Justice.

At the second briefing held this fiscal year on March 17, 2017, the Commission heard from the five states awarded grant money for reform by the Department, individuals familiar with the Department's investigation of Ferguson, Missouri related to this topic, those impacted by the Department's efforts, and researchers. Written and oral testimony received by the Commission encouraged the Department to investigate other jurisdictions in addition to Ferguson. Experts also recommended that the Department should continue

grant programs in this area and called for the Department to coordinate data collection and analysis on the imposition of municipal fines and fees.

Collateral Consequences: The Crossroads of Punishment, Redemption and the Effects on Communities

At its briefing on May 19, 2017, the Commission examined the collateral consequences that formerly incarcerated individuals face upon and after reentry to society, and the extent to which these individuals and their families are affected. These collateral consequences create barriers for formerly incarcerated individuals to vote, serve on juries, and obtain gainful employment, adequate housing, public assistance, and much more. Additionally, given historic disproportions in the rates of felony convictions in the United States, people of color, people with disabilities, LGBT individuals, and other vulnerable populations are disproportionately affected by these collateral consequences.

ii. Commission Reports

Targeted Fines and Fees Against Communities of Color: Civil Rights & Constitutional Implications Statutory Briefing Report

Congress has tasked the United States Commission on Civil Rights with annually examining “Federal civil rights enforcement efforts in the United States.” This year’s report focuses on the United States Department of Justice’s (“the Department’s”) enforcement efforts regarding municipal court reforms, and fines and fees. After the shooting death of Michael Brown on August 9, 2014, by a Ferguson, Missouri police officer, the Department began an investigation of the Ferguson, Missouri police force, and municipal court system. The Department’s investigation revealed that the financial relationship between Ferguson’s municipal courts and its police department resulted in the disproportionate ticketing, fining, and jailing of its African American residents. The Department also found evidence of intentional racism in these practices. The investigation brought nationwide attention to these issues.

With the above in mind, the Commission reviewed the Department’s efforts in holding jurisdictions accountable for constitutional violations that come from financial conflicts of interest and the adverse impacts to communities that can result from jailing or otherwise further penalizing community members for the non-payment of fines and fees. The Commission also examined the Department’s efforts in issuing “Dear Colleague” letters informing states and localities of best practices for municipal courts, and for imposing fines and fees on juvenile offenders. Finally, the Commission considered the Department’s efforts in sponsoring a national taskforce and providing competitive grant money for reform of municipal court practices.

The Commission found, by majority vote, that the Department was unaware of the extent to which financial conflicts of interest in the administration, as well as the imposition and collection, of fines and fees existed until its investigation of the City of Ferguson. In addition, the Department's authority to investigate municipal courts is limited to those situations that involve juveniles or where the court's structure and revenue collection overlaps with law enforcement. Notwithstanding the Department's jurisdictional limitations, the Department of Justice responded quickly and implemented multiple enforcement efforts in a short, two-year period, including the issuance of "Dear Colleague" letters and offering a competitive grant to states and localities. The Department's approach of partnering with states and localities has been well received by those jurisdictions.

Highlights of the findings in the report:

1. Court imposition of fines and fees for criminal and civil justice activities has become a common practice in many jurisdictions.
2. A significant number of low-level fines and fees are for traffic violations.
3. Municipalities target poor citizens and communities of color for fines and fees.
4. Targeting the poor and communities of color for fines and fees undermines public confidence in the judicial system.
5. Revenue generated for courts and municipalities from fines and fees may create conflicts of interest between raising funds and law enforcement.
6. For-profit debt collection increases financial burdens on the poor.
7. Best practices delink revenue collection with budget needs of municipalities and courts.
8. More data is needed to examine the jailing of individuals because of their inability to pay.
9. There are inconsistent policies in determining the ability to pay fines and fees and the consequences for individuals' failure to pay.
10. Lack of counsel, waivers, and adequate community service options exacerbate the consequences of fines and fees.
11. Department of Justice consent decrees have resulted in changes that limit funding of municipalities from unreasonable fines and fees and preserve constitutional rights of individuals.

12. The Department's "Price of Justice" grant program provides innovative ways to determine individuals' ability to pay and to collect fines and fees in a constitutional manner.
13. The Department's "Dear Colleague" letter has led to reforms among states and municipalities.

Highlights of the recommendations in the report:

1. The Department should continue to promote core principles identified through its Dear Colleague letter.
2. Congress should enact legislation to give the Department authority to investigate courts inappropriately imposing fines and fees.
3. States and municipalities should create accountability mechanisms concerning the constitutionality of fines and fees, determination of indigency, and alternatives to the imposition of fines and fees.
4. The Department should coordinate and share publicly data collection and analysis of court fines and fees across the country. Such data collection should include the race, gender, and ability status of persons against whom fines and fees are assessed, to determine whether the assessment practices have a disparate impact on the basis of a protected status.

The full report is available on our website.

http://www.usccr.gov/pubs/Statutory_Enforcement_Report2017.pdf.

Approved Reports

In addition to the report published in September 2017, the Commission voted to approve text for two additional reports, which the Commission expects to publish before the end of calendar year 2017.

Working for Inclusion: Time for Congress to Enact Federal Legislation to Address Workplace Discrimination Against Lesbian, Gay, Bisexual, and Transgender Americans

This report examines civil rights implications of the absence of federal nondiscrimination protections in the workplace for LGBT employees. The report analyzes whether federal legislation should be enacted that would prohibit workplace discrimination against LGBT Americans. In examining this question, the report considers economic and religious liberties impacts such legislation would have, along with the efforts taken by some states

and businesses to increase workplace protections for LGBT employees. The Commission held a briefing on this topic on March 16, 2015. The majority of Commissioners voted on September 8, 2017, to approve this report. Commissioners have 60 days thereafter to write statements and rebuttals, following which the Commission will publish the report.

Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation

This report examines inequities of the K-12 public education finance system. Over 6 decades after the *Brown v. Board* decision that decreed that public education should be available to all on equal terms, many public schools have insufficient financial resources to provide a quality education for all students—disproportionately negatively affecting low-income students and students of color. This report examines how increasing concentrations of poverty and resegregation in neighborhoods and schools often exacerbate disparities in the quality of education that students receive and perpetuate achievement gaps among students. The Commission held a briefing on this topic on May 20, 2016. On September 26, 2017, the majority of the Commission voted to approve this report. Commissioners have 60 days thereafter to write statements and rebuttals, following which the Commission will publish the report.

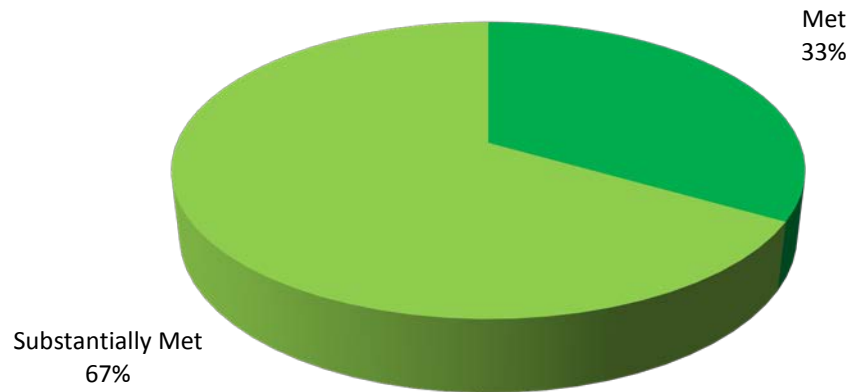
C. Strategic Goal B: The Commission will regularly provide new, objective information and analysis on civil rights issues.

We continue to work to provide new, information and analysis. The Commission will regularly conduct original fact-finding and/or a novel statistical data review in civil rights investigation. All Commission products will be prepared using standards that provide for maximum possible objectivity. We seek to accomplish this by:

- Selecting an investigation as part of its annual project planning.
- Strengthening employees' ability to conduct investigations.
- Improving information quality standards and other procedures regarding the process and review of agency products, as well as the implementation of such standards and procedures.

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our second strategic goal to regularly provide new, objective information and analysis on civil rights issues.

**Strategic Goal B: Provide New, Objective information and Analysis on Civil Rights Issues
(actual v. target performance)**



For FY17, the Commission had three performance targets:

1. To conduct one investigative project with original fact-finding and/or statistical data review; this goal was met. In FY17, the Commission conducted original fact-finding of the DOJ's enforcement efforts as related to targeted fines and fees.
2. To obtain assistance from three State Advisory Committees in an investigation. This goal was substantially met. The Nevada State Advisory Committee conducted an investigation in its state on Targeted Fines and Fees; the Committee submitted as Advisory Memorandum to be included in the Commission's report on the same topic. The Washington Advisory Committee conducted an investigation on educational equity, but has not yet finalized its report due to ongoing internal discussions.
3. To train at least two employees in field interview techniques and statistical analysis. This goal was substantially met. In FY 2017, the Commission hired three new employees in its Office of Civil Rights Evaluation who are trained in field interview techniques and statistical analysis. Though these employees have not engaged in new training this fiscal year, they were each hired for this expertise.

Appendix B contains additional detail on our performance targets and actual result.

D. Strategic Goal C: The Commission will cooperate, where appropriate, with other federal agencies to apprise individuals of civil rights laws and policies and to raise public awareness of civil rights.

The Commission will cooperate with other federal agencies to apprise individuals of civil rights laws and policies and raise public awareness of civil rights. The Commission will strengthen its position as a national clearinghouse for civil rights information and consult with the civil rights divisions of other agencies to ensure dissemination of accurate information for the complaint referral process. We seek to accomplish this by:

- Measuring and analyzing web traffic data on the clearinghouse web page to identify top three civil rights areas of interest
- Maintaining up-to-date information on the USCCR complaint referral process.
- Simplifying the telephone complaint referral process

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our third strategic goal to cooperate with other federal agencies to apprise individuals of civil rights laws and policies and raise public awareness of civil rights.

Strategic Goal C: Cooperate with Other Federal Agencies to Apprise Individuals of Civil Rights Laws and Policies and to Raise Public Awareness of Civil Rights Data (actual v. target performance)



i. Clearinghouse Website

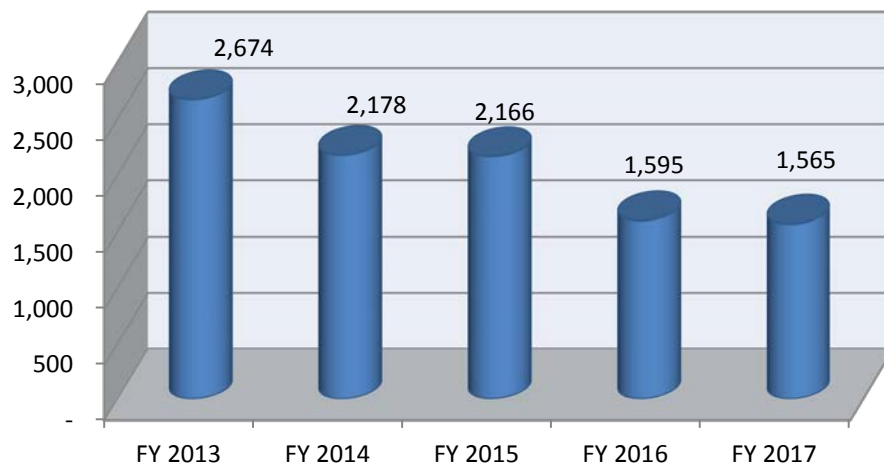
The Commission maintains a Clearinghouse Website to serve as a national clearinghouse for information about discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin.

The Commission also provides the public with English and Spanish version of Getting Uncle Sam to Enforce Your Civil Rights. This publication is a comprehensive resource for the American public that explains where and how an aggrieved individual can file a discrimination claim.

ii. Complaint Referral Program

The Commission increases public awareness and federal civil rights enforcement through our complaint referral program. The Office of Civil Rights Evaluation (OCRE) receive complaints alleging denial of civil rights because of color, race, religion, sex, age, disability, or national origin and refers these complaints to the appropriate government agency for investigation and resolution. In FY 2017, the Commission processed 1,565 complaints. The response time was 10 days or less.

Annual Number of Civil Rights Complaints



The largest aggregation of complaints the Commission receive come from inmates (25 percent). Of the complaints received, OCRE referred 531 complaints to civil rights enforcement agencies. OCRE referred approximately 86 percent of referrals to the Department of Justice (DOJ), 7 percent to the Employment Opportunity Commission (EEOC), and 4 percent to the Department of Health and Human Services (HHS). OCRE referred the remaining complaints to the Department of Education, the Department of Housing and Urban Development the Department of Transportation and the Environmental Protection Agency.

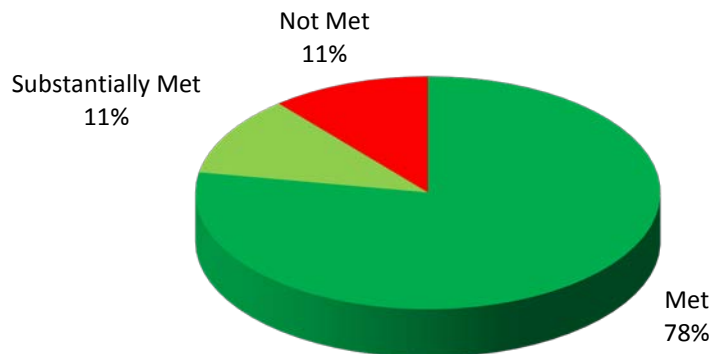
E. Strategic Goal D: Improve the Commission's profile and effectiveness in communicating with the general public

Our strategic goals in this section are (1) to raise public awareness of Commission work and modernize its information technology to increase access to the Commission's work products and (2) to improve access to agency publications and expand our complaint process to increase service to persons with disabilities and persons with limited English proficiency. We seek to accomplish these goals by:

- Expanding press outreach
- Revising and reformatting the website to increase web traffic and access to publications
- Increasing access to Commission briefings and hearings using online tools
- Measuring and analyzing web traffic and written requests for Commission reports.
- Revising and updating the USCCR Website to make electronic and information technology (EIT) accessible to persons with disabilities
- Analyzing complaint line data and written requests for assistance to identify language access needs
- Improving web-based complaint screening process and online guidance to complaints

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our fourth strategic goal to improve the Commission's profile and effectiveness in communicating with the general public. This fiscal year we met 78 percent and substantially met 11 percent of our targets on Strategic Goal D.

Strategic Goal D: Improve the Commission's Profile and Effectiveness in Communicating with the General Public
(actual v. target performance)



To expand our press outreach, the Commission significantly expanded its press contacts list, issued press releases, participated in speaking engagements, carried out media interviews, and improved its website.

i. Press List

The Commission expanded its press contacts list and carried out new outreach to engage the press before and during Commission or State Advisory Committee events, meeting the performance target to update the press list on a regular basis. The expanded press list increased the distribution of press releases to subject matter and state specific newswires. The Commission is leveraging social media to garner and extend coverage. These actions have greatly expanded our outreach to the press, interest groups, and the public.

ii. Press Releases

We issued 47 press releases on Commission activities including Commission meetings, SAC activities and reports, and announcements or comments on significant civil rights-related events. This exceeded our performance target of issuing three press releases.

iii. Website Improvements

The Commission is working to increase use of live-stream to increase the public's access to Commission meetings, briefings, and hearings. For example, the Commission live-streamed the Collateral Consequences: The Crossroads of Punishment, Redemption and the Effects on Communities briefing, which garnered 837 views on the Commission's YouTube page. The Commission also livestreamed a number of other Commission events, including when the Commission hosted speakers on civil rights topics at the Commission business meetings. Those videos continue to be posted for public viewing on the Commission's YouTube page.

The Commission also secured the participation of C-SPAN to live broadcast one business meeting, and record and later broadcast several Commission business meetings. These videos continue to be available on C-SPAN's website.

Persons with disabilities can access newly-issued Commission reports in HTML and test-based versions. As part of the agency's Section 508 plan, users can hear voice playback of Commission's main pages.

iv. Speaking Engagements.

Since joining the Commission in December 2016, Chair Lhamon has participated in numerous gatherings around the country with Commission stakeholders including Members of Congress, policy makers, civil rights advocates, academics, and community leaders. Chair Lhamon has communicated the perspective of the Commission on key civil rights issues as well as the Commission's recent reports, current investigations, and upcoming projects.

In addition to the formal speaking engagements noted below, Chair Lhamon has also met with numerous advocacy groups and leaders to hear their civil rights concerns and share information about the Commission's work. In addition, Chair Lhamon maintains an email list to communicate with stakeholders about activities of the Commission to share broadly information about Commission events, investigations, and other activities.

Chair Lhamon has also participated in extensive media outreach in order to reach a broader audience with the American public. This includes interviews with the following press outlets about the Commission's work: Associated Press, The Atlantic, Bloomberg, BuzzFeed, Chalkbeat, Chronicle of Higher Ed, CQ Roll Call, Education Week, ELLE Magazine, ESPN, FiveThirtyEight, The Guardian, Inside Higher Ed, Los Angeles Daily Journal, Los Angeles Times, Mic.com, Mother Jones, Ms. Magazine, PBS NewsHour, Politico, Rewire, NewsOne, New York Times, Vox, Washington Post, and The 74.

The Chair has also communicated directly with the Commission's Advisory Committees through email correspondence, phone calls, appearing by video or phone at some Committee meetings, and attending a Committee briefing in-person. She has also met with several Advisory Committee members while attending speaking engagements around the country, and when members have visited the Commission's headquarters in D.C.

The Chair spoke at the following gatherings:

- March 20, 2017: Charting a Path Forward for Women's Progress, Center for American Progress

Chair Lhamon spoke on a panel about women's rights and role of the Commission in protecting the civil rights of women. The audience included approximately 150 community leaders and advocates in-person, along with a number of people tuned in to the livestream.

- April 6, 2017: Civil Rights in the Trump Era, Judiciary Democrats, Education and the Workforce Democrats, and the Congressional Black Caucus

Chair Lhamon spoke on a panel about the state of civil rights efficacy from the federal government. The in-person audience included approximately 100 people, along with a number of people tuned in to the livestream.

- April 20, 2017: National Academies of Sciences, Engineering, and Medicine

Chair Lhamon spoke on a panel regarding educational equity indicators, and referenced past work of the Commission on desegregation and education equity.

- April 26, 2017: National Women’s Law Center, Let Her Learn: Stopping School Pushout

Chair Lhamon spoke on a panel about education equality, particularly with respect to gender, and the federal government’s role in assuring that equality. The audience included approximately 150 people in-person.

- April 26, 2017: Raising the Bar, DC Access to Justice Commission

Chair Lhamon keynoted a reception honoring local law firms who donated money to fund legal aid for low-income communities. Chair Lhamon spoke about the Commission’s work in ensuring the fair administration of justice.

- May 8, 2017: ADL National Leadership Summit, Anti-Defamation League

Chair Lhamon spoke on a panel, entitled Hate Goes to School: Tools to Confront Bullying and Promote a Safe School Environment. The in-person audience included approximately 40 people.

- May 12, 2017: Congressional Hispanic Caucus Institute

Chair Lhamon met with the Congressional Hispanic Caucus Institute’s class of fellows and interns to discuss the work of the Commission and the importance of government service.

- May 24, 2017: State Department IVLP

Chair Lhamon met with six international visitors who, as coordinated through the State Department, are part of the U.S. International Visitor Leadership Program. Chair Lhamon discussed the work of the Commission and its place in the federal government.

- June 6, 2017: National Law Center for Homelessness and Poverty, Luncheon Keynote

Chair Lhamon keynoted the National Law Center for Homelessness and Poverty’s annual conference, Housing Not Handcuffs. She spoke about the work of the Commission and how housing security has previously come up in the Commission’s work.

- June 7, 2017: DC Court of Appeals Law Clerks

Chair Lhamon spoke with the law clerks to judges on the D.C. Court of Appeals to discuss her career path and the work of the Commission.

- June 12, 2017: National Disability Rights Network

Chair Lhamon spoke at the National Disability Rights Network's annual conference, before a gathering of state protection and advocacy agency legal directors. She spoke about the importance of federal civil rights enforcement, and the Commission's role in ensuring effective enforcement.

- July 28, 2017: National Urban League Guilds' Leadership Luncheon

Chair Lhamon addressed an audience of over 1,200 at the National Urban League's annual conference. She spoke about the Commission and its role in protecting civil rights.

- August 11, 2017: Commission Introduction

Chair Lhamon met with approximately 30 influential business leaders in Southern California to introduce the Commission and its work.

- September 6, 2017: Michigan Alliance Against Hate Crimes (MIAAHC)

Chair Lhamon keynoted MIAAHC's annual conference to an audience of approximately 150 state and local community leaders and advocates. She spoke about the Commission's work, including the upcoming investigation on hate crimes and recent statements from the Commission.

- September 13, 2017: The Long Game: Why the 1957 Civil Rights Act Still Matters Today

Chair Lhamon participated in a panel at an event hosted by University of District of Columbia and the Leadership Conference on Civil and Human Rights, honoring the 60th anniversary of the Civil Rights Act of 1957, which also founded the Commission. Chair Lhamon spoke about the Commission's current work in ensuring the protection of civil rights.

- September 21, 2017: Congressional Black Caucus Foundation's Annual Legislative Conference, Education Braintrust

Chair Lhamon spoke on a panel about education equality and desegregation in front of an audience of approximately 200 people.

- September 26, 2017: International Association of Official Human Rights Agencies (IAOHRA)

Chair Lhamon keynoted IAOHRA's annual conference, speaking in front of an audience of approximately 150 local and community civil rights leaders. She spoke about the Commission's work, including the recently released report on Targeted Fines and Fees and upcoming briefings.

Appendix B contains additional detail on our performance targets and actual result.

F. Strategic Goal E: Continue to strengthen the Commission's financial and operational controls and advance the Commission's mission through management excellence, efficiency, and accountability.

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, efficiency, and accountability. The Commission is strengthening the Commission's financial, budget, and performance policy, procedures, and reports; improving the strategic management of the Commission's human capital, and refining administrative and clearinghouse services including information technology, acquisition, and library functions.

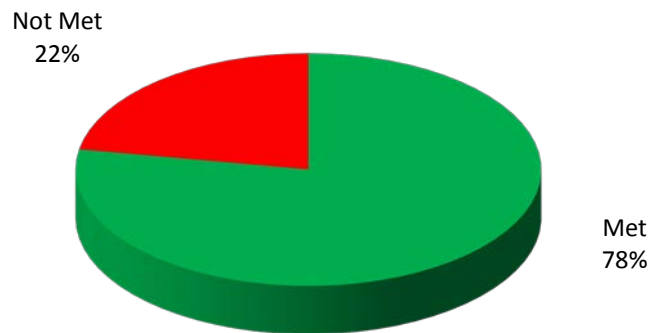
We seek to accomplish our strategic goals by:

- Aligning the Commission's budget submissions with the Agency's strategic plan and annual performance plan
- Ensuring that the Commission's budget submission complies with OMB Circular A-11
- Enhancing financial policy and procedures to ensure reliability of financial reporting
- Monitoring and reporting on the Commission's progress in achieving its annual performance plan goals and objectives
- Updating and Implementing the Commission's Human Capital Plan to ensure the agency has a highly skilled and flexible workforce to carry out its mission
- Conducting and analyzing Employee Satisfaction surveys and developing specific strategies to address issues
- Conducting training to increase awareness of acquisition processes and procedures
- Complying with Federal Information Security Act (FISMA) requirements
- Leveraging information technology to enhance the productivity and efficiency of the workforce

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our fifth strategic goal to strengthen the Commission's financial

and operational controls and advance the Commission’s mission through management excellence, efficiency, and accountability.

**Strategic Goal E: Strengthen the Commission's Financial and Operational Controls
(actual v. target performance)**



The Commission budget submission is fully compliant with OMB Circular A-11 and aligned with the Agency’s strategic and annual performance plans. The Performance and Accountability report adheres to all relevant guidance. The Agency continues to comply with OMB Cloud Computing Initiatives.

Appendix B contains additional detail on our performance targets and actual result.

G. Strategic Goal F: Increase the participation of our State Advisory Committees (SACs) in the Commission’s work.

The Commission has increased and is committed to further increasing the State Advisory Committees’ participation in the Commission’s work. The Commission is striving to include SAC input in the Commission’s program planning process; enhancing collaboration between and among SACs, regional offices, and the Commission; and strengthening the SAC re-chartering process. We seek to accomplish our strategic goals by:

- Soliciting SAC involvement in briefings and hearings
- Including regular participation and reports from SAC chairs as part of the monthly Commission business meetings
- Expanding communication and information sharing via a listserv and use of webinars.
- Achieving and maintaining chartered status for all 51 SACs

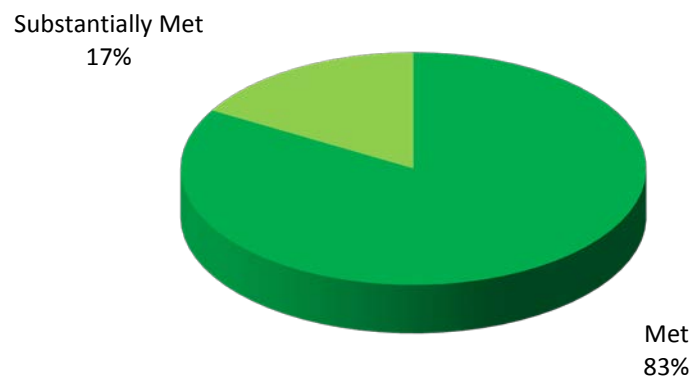
The Commission included the Nevada SAC Advisory Memorandum on Fines and Fees in its Targeted Fines and Fees Against Communities of Color: Civil Rights & Constitutional Implications Statutory Briefing Report.

In June 2017, the Commission voted to take up a new project, A View From the States, in which we will conduct a survey of all 51 of our Advisory Committee to determine which civil rights issues Committee members consider most pressing and significant in their respective states. This information will be used to assist the Commission in its annual project planning process.

Also in June 2017, the Commission voted to conduct an assessment of voting rights obstacles in the United States as its FY 2018 statutory enforcement report. In FY 2017, two Advisory Committees conducted fact-finding briefings (in Alaska and Illinois) and two Advisory Committees released reports on this topic (California and Kansas). This material will be used to supplement the material in the Commission's FY 2018 report on voting rights.

The below pie chart shows how well we executed the activities, strategies, and initiatives we proposed to achieve in our sixth strategic goal to increase the participation of our State Advisory Committees (SACs) in the Commission's work.

**Strategic Goal F: Increase the Participation of our State Advisory Committees (SACs) in the Commission's Work
(actual v. target performance)**

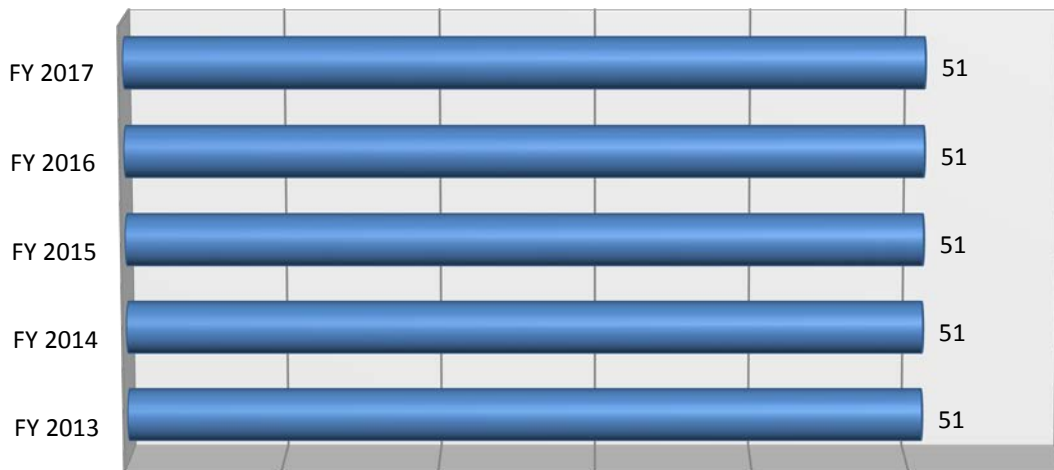


The Commission has made great strides in increasing the work of our state advisory committees. Our regional staff has been very busy with SAC appointments, reports, fact-finding activities, and complaint referral. We are pleased that this fiscal year we exceeded our performance on this goal, as compared to last fiscal year.

i. State Advisory Committee Charters and Appointments

The Commission’s state advisory committees operate in compliance with the Federal Advisory Committee Act (FACA). FACA requires that agencies file federal advisory committee charters every two years. In FY 2013, the Commission started filing one charter for all state advisory committees. This allows the Commission to ensure all 51 state advisory committees fall under an existing charter. The charter for all advisory committees is current.

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



Commissioners appoint members to advisory committees based on the Staff Director’s recommendations. Currently all 51 state advisory committees have appointed members. Our chartered advisory committees, working with regional office staff, held 11 civil rights briefings and forums and 187 planning or business meetings.

ii. State Advisory Committee Reports

In addition to holding meetings, state advisory committees, with regional staff support, published the following nine SAC reports in FY 2017:

Advisory Committee	Report Title
Wisconsin	Hate Crime and Civil Rights in Wisconsin
California	Voting Integrity in California - Issues and Concerns in the 21 st Century
Ohio	Human Trafficking and Civil Rights in Ohio
Nevada	Municipal Fines and Fees in the State of Nevada
Connecticut	Advisory Memorandum Recommending Legislation on Solitary Confinement in Connecticut
Maine	Human Trafficking in Maine
Kansas	Voting Rights and the Kansas Secure and Fair Elections Act
Indiana	Civil Rights and School-to-Prison Pipeline in Indiana
Michigan	Civil Rights and Civil Asset Forfeiture in Michigan

Hate Crime and Civil Rights in Wisconsin

The Wisconsin Advisory Committee to the U.S. Commission on Civil Rights held two public hearings; one in Madison, WI on September 12, 2013; the other in Milwaukee, WI on August 29, 2016. The Committee heard testimony on hate crimes in Wisconsin, and their impact on communities targeted because of their race, color, age, religion, or disability. This report details civil rights concerns relating to the incidence of and response to hate crime in the state. Primary concerns included victim underreporting; a lack of trust and collaboration between communities and law enforcement, which may result in unequal protection of the law; respect for First Amendment rights to free speech; and the high burden of proof necessary to successfully prosecute bias-motivated crimes. From these findings, the Committee offers to the Commission recommendations for addressing this problem of national importance. This report was approved by a majority vote of the Committee for publication and submission to the Commission on June 16, 2017.

<http://www.usccr.gov/pubs/08-17-Wisconsin-hate-crimes.pdf>

Voting Integrity in California - Issues and Concerns in the 21st Century

On August 28, 2015, the California Advisory Committee to the U.S. Commission on Civil Rights convened public hearing at the Central Library of the City of Los Angeles. The scope of the hearing was the general compliance by the California with the Help America Vote Act (HAVA) of 2002. Invited presenters included, among others, the California Secretary of State, the California State Auditor, election officials in Los Angeles and San Diego Counties, representatives from the Pew Charitable Trust, Everyone Counts, the Election Integrity Project, and the public. An assessment of all 50 states' election performances in 2012 and 2014 by an independent non-profit organization reported that California performed well below the national average. California's low performance prompted the California Advisory Committee to undertake an examination questioning the implementation of HAVA, and the integrity of the voting process in California. This report was approved by the members of the California Advisory Committee on June 1, 2016. The report did not go through the Commission's editorial or legal sufficiency review process and was released in June 2017.

<http://www.usccr.gov/pubs/07-24-Voting-Integrity-in-CA.pdf>

Human Trafficking and Civil Rights in Ohio

The Ohio Advisory Committee to the U.S. Commission on Civil Rights held two public hearings in Toledo, OH on June 5 & 6, 2013. The Committee heard testimony regarding human trafficking in Ohio, and its impact on communities targeted because of their race, color, age, sex, religion, national origin, or disability. This report details civil rights concerns relating to the incidence of and response to human trafficking in the State of Ohio. Primary concerns include: the continued perception or treatment of trafficking victims as criminals; insufficient mental health supports to address the psychological impact of trauma associated with trafficking; insufficient or incomplete data collection; insufficient legal protection for children involved in sex trafficking; and a lack of public awareness and cooperation between law enforcement and community groups to most effectively identify victims and connect them with the appropriate support services. From these findings, the Committee offers to the Commission recommendations for addressing this problem of national importance. This report was approved by a majority vote of the Committee for publication and submission to the Commission on February 27, 2017.

<http://www.usccr.gov/pubs/06-15-Human-Trafficking-and-Civil-Rights-Ohio.pdf>

Municipal Fines and Fees in the State of Nevada

On March 15, 2017, the Nevada Advisory Committee to the U.S. Commission on Civil Rights convened public meetings held simultaneously in Las Vegas and Reno to hear testimony to examine the potential for disparate impact on the basis of race, color, or other

federally protected category in the enforcement of municipal fines and fees. The advisory memorandum was based on the following sources: (i) testimony provided during the March 15, 2017 meeting of the Nevada Advisory Committee, (ii) supplementary testimony provided during a March 29, 2017, meeting of the Nevada Advisory Committee, and (iii) written testimony and comment submitted to the Committee during the thirty-day public comment period. It begins with a brief background of the topic. It then presents an overview of the testimony received. To conclude, this memorandum identifies recommendations for addressing civil rights concerns directed to various stakeholders at the federal and state level. This memo with recommendations was approved by the Committee for publication and submission to the Commission on May 25, 2017.

<http://www.usccr.gov/press/2017/06-13-Fines-Fees-Nevada-Memo.pdf>

Advisory Memorandum Recommending Legislation on Solitary Confinement in Connecticut

The Connecticut Advisory Committee to the U.S. Commission on Civil Rights held a briefing on February 7, 2017, to examine the use of solitary confinement in Connecticut correctional facilities. The Committee convened this briefing because of reports that Blacks and Latinos are overrepresented in solitary confinement and that solitary confinement can be particularly harmful for vulnerable people, such as juveniles, young adults, and people with mental illness and other disabilities. The Committee wanted to learn whether there are disparities in solitary confinement practices and examine the underlying factors that may contribute to such disparities in the Connecticut correctional system. The Committee heard from the Commissioner of the Department of Correction, legal and medical experts, advocates, and academics. The Committee also heard presentations from individuals previously incarcerated in Connecticut as well as statements read for the record for individuals currently incarcerated. The Committee recommends that Connecticut enact legislation regarding solitary confinement. This memorandum was approved by the Committee for publication and submission on May 2, 2017.

<http://www.usccr.gov/corresp/05-02-17-Advisory-Memorandum.pdf>

Human Trafficking in Maine

The Maine Advisory Committee to the U.S. Commission on Civil Rights started examining the issue of human trafficking in 2011 and convened a briefing in April 2012. The Committee heard from law enforcement officials, prosecutors, legislators, and advocates. Survivors of human trafficking also participated, putting a human face on the problem. The briefing shined a light on the fact that Maine did not have a stand-alone dedicated human trafficking law. The Maine SAC convened a second briefing on human trafficking in June 2014 to learn about the impact of the new trafficking laws and to find out what still needs

to be done to address human trafficking in Maine. The Committee invited additional law enforcement officials, prosecutors, legislators, advocates, and survivors of human trafficking to update the Committee. In issuing this report, the Committee commends the state for the progress it has made in addressing human trafficking. Nonetheless, the Committee finds that more needs to be done to help victims and survivors of trafficking. This report was approved by the Committee for publication and submission to the Commission on May 2, 2017.

<http://www.usccr.gov/pubs/Human-Trafficking-in-Maine.pdf>

Voting Rights and the Kansas Secure and Fair Elections Act

The Kansas Advisory Committee to the U.S. Commission on Civil Rights heard testimony during a public hearing on January 28, 2016 in Topeka, KS. The Committee heard testimony on voting requirements outlined in the Kansas Secure and Fair Elections (S.A.F.E.) Act, and the potential disparate impact such requirements have on the basis of race, color, age, religion, or disability. This report details civil rights concerns relating to the SAFE Act's key requirements that: (1) voters provide documentary proof of citizenship upon registering to vote; and (2) that voters present photographic identification at the polls. Primary concerns included inconsistent training and implementation, resulting in individuals with valid identification being turned away at the polls; insufficient voter education to ensure that voters are aware of the new documentation requirements and how to fulfill them; circumstances under which individuals may be charged a fee to obtain the required documentation to vote; the potential for disparate impact on the basis of a number of federally protected classes; and the importance of weighing measures intended to prevent voter fraud against the potential for voter disenfranchisement. From these findings, the Committee offers to the Commission recommendations for addressing this problem of national importance. This report was approved by the Committee for publication and submission to the Commission on February 22, 2017.

<http://www.usccr.gov/pubs/KS-Voting-Rights-Report.pdf>

Civil Rights and the School-to-Prison Pipeline in Indiana

The Indiana Advisory Committee to the U.S. Commission on Civil Rights heard testimony during a web-based hearing on January 20, 2016 and an in-person hearing on February 17, 2015 in Indianapolis, IN. The Committee heard testimony on the civil rights impact of school discipline and juvenile justice policies in the state, which may lead to high rates of juvenile incarceration in what has become known as the "school to prison pipeline." This report details civil rights concerns raised by panelists with respect to school discipline disparities, particularly for students of color, throughout the state of Indiana. It discusses the roles of implicit biases, economic disparities, and exclusionary school discipline

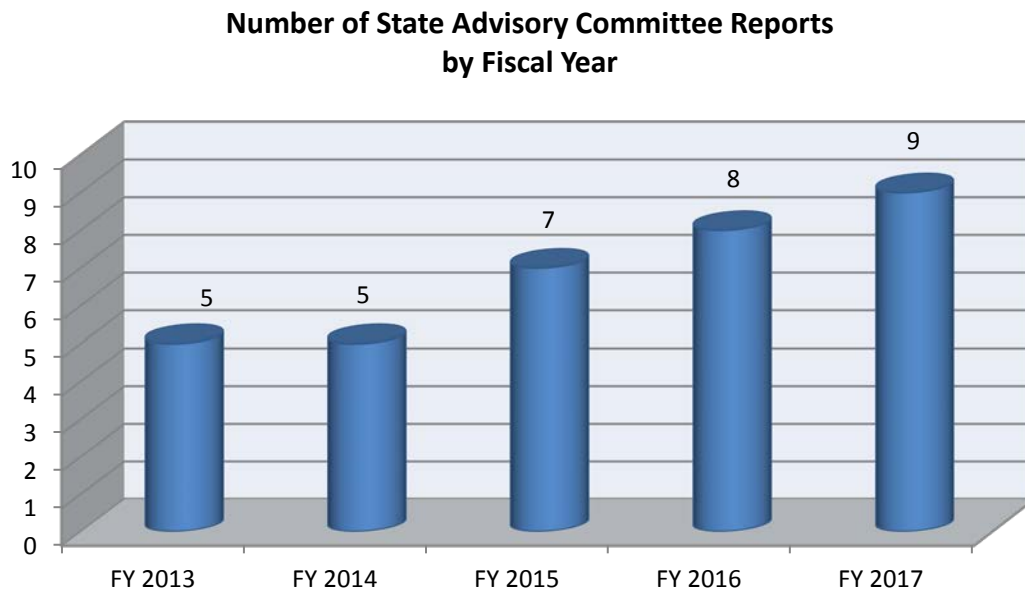
policies in funneling students of color into the school-to-prison pipeline. From these findings, the Committee offers to the Commission recommendations for addressing this problem of national importance. This report was approved by the Committee for publication and submission to the Commission on December 9, 2016.

<http://www.usccr.gov/pubs/Civil-Rights%20and-the-School-to-Prison-Pipeline-in%20Indiana.pdf>

Civil Rights and Civil Asset Forfeiture in Michigan

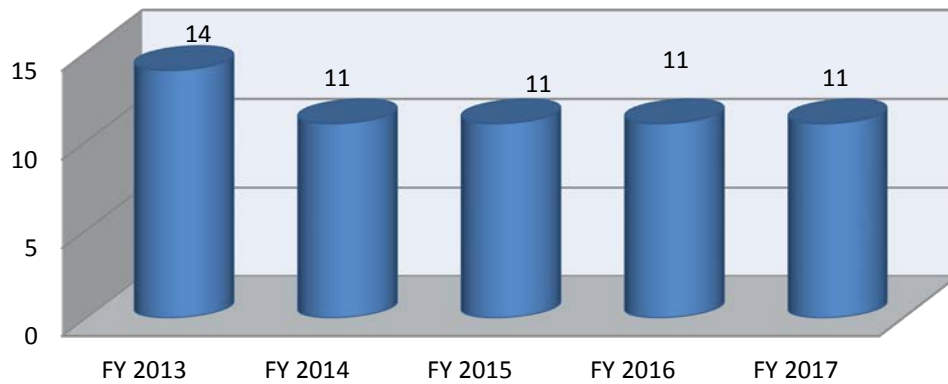
The Michigan Advisory Committee to the U.S. Commission on Civil Rights held public hearings on May 23 and 26, 2016 and received related testimony submitted to the Committee in writing during the relevant period of public comment. The Committee heard testimony regarding the civil rights impact of asset forfeiture in Michigan as part of its responsibility to study and report on civil rights issues in the state of Michigan. The focus of this report is on civil rights concerns regarding due process and the potential for disparate impact resulting from asset forfeiture practices in Michigan. This report was approved by the Committee for publication and submission to the Commission on October 3, 2016.

http://www.usccr.gov/pubs/Michigan%20Civil%20Forfeiture%20Report_2016.pdf



iii. SAC Fact Finding Activity

**Regional Office Fact-Finding
By Fiscal Year**
(meetings, briefings and forums)



State advisory committees conducted 11 fact-finding activities in FY 2017. All regional offices have the technology to use conference calls and video teleconferencing to conduct public meetings and to provide access to briefings and forums to the public.

Appendix B contains additional detail on our performance targets and actual result.

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 OMB's Program Assessment Rating Tool (PART) guidance.

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

Section: III: Auditors Report and Financial Statements

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

A. Message from the Chief of Budget and Finance

We received an unqualified audit opinion on our fiscal year 2017 financial statements. We have made great progress in improving our internal controls over financial reporting, but we still have more to do.

In FY 2017, we 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. We will work with our accounting service provider to improve our internal controls over financial reporting.



John Ratcliffe
Chief, Budget and Finance Division
November 15, 2017

B. Auditor's Report, Financial Statements & Notes

**Commission on Civil Rights (CCR)
Fiscal Year 2017 Financial Statement Audit**

Final Independent Auditors' Report

Submitted for review and acceptance to:
John Ratcliffe
Contracting Officer's Representative (COR)
Commission on Civil Rights
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Submitted by:
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Final Independent Auditors' Report

Prepared under contract to the Commission on Civil Rights (CCR) to provide financial auditing services

UNITED STATES COMMISSION ON CIVIL RIGHTS
AUDIT REPORT
SEPTEMBER 30, 2017



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Independent Auditors' Report

The Honorable Catherine E. Lhamon
Chairperson
United States Commission on Civil Rights:

Report on the Financial Statements

We have audited the accompanying financial statements of the United States Commission on Civil Rights (the "Commission"), which comprise the balance sheet as of September 30, 2017 and 2016, and the related statement of net cost, statement of changes in net position, and the combined statement of budgetary resources for the year ended, and the related notes to the financial statements (hereinafter referred to as the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the fiscal year 2017 and 2016 financial statements of the Commission 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 U.S. *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 17-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 17-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Commission on Civil Rights as of September 30, 2017 and 2016, and its net costs, changes in net position, and budgetary resources for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Emphasis of Matter

As stated in Note 14 to the financial statements, the Commission restated its fiscal year 2016 statements of budgetary resources in order to correct balances related to material errors in Undelivered Orders and Recoveries of Prior Year Obligations. Also, the Commission restated its fiscal year 2016 balance sheet to correct balances related to liabilities, which they determined had material errors caused by inadequate internal controls. The fiscal year 2016 balance sheet and statement of budgetary resources was materially misstated and the previously-issued auditor's report dated November 15, 2016 is withdrawn and replaced by an unmodified opinion on our report on the restated balance sheet and statement of budgetary resources.

Other Information

The information in the *Chairperson's Message, Management and Discussion Analysis* section, and *Other Information* section of this report is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However we did not audit this information and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2017, we considered the Commission's internal control over financial reporting by obtaining an understanding of the Commission's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of control to determine auditing procedures for the purpose of expressing our opinion on the financial statements, but not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the Commission's internal controls over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 17-03. We did not test all internal control relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control over financial reporting was for the limited purpose as described in the paragraph above and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in Exhibit I to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's fiscal year 2017 financial statements are free of material misstatements, we performed tests of the Commission's compliance with certain provisions of laws and regulations, with which noncompliance could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws specified in OMB Bulletin No. 17-03. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance as described in the preceding paragraph, disclosed an instance of noncompliance or other matters that are required to be reported herein under Government Auditing Standards or OMB Bulletin No. 17-03 and which are described in Exhibit II.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication provided in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This communication is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control and compliance with provisions of laws and regulations which could have a material effect on the Commission's financial statements. Accordingly, this communication is not suitable for any other purpose.

Allmond & Company, LLC

November 15, 2017
Landover, MD

Lack of Sufficient Internal Controls over Financial Reporting for Undelivered Orders

CONDITION:

CCR's internal controls over financial reporting lacks sufficient internal controls to ensure the reliability of its Undelivered Orders balance. Specifically, we noted that the recorded Undelivered Orders and Upward Adjustments and Downward Adjustments of Prior year Obligations was not properly supported by sufficient and appropriate documentation. CCR is in the process of reconciling the UDO balance in the general ledger to the supporting documentation; however, CCR's service provider has not made all the necessary adjustments in the general ledger to present an accurate UDO balance in the general ledger. We noted the following exceptions during our review of obligations:

- Disbursement transactions of \$91,532.84 were incorrectly recorded as recoveries of prior year unpaid obligations. Obligations are being disbursed and incorrectly recorded to USSGL account 487100 in order to process payments in the general ledger.
- Unsupported transactions of \$106,552 are being recorded to USSGL account 487100 and account 488100 due to a move or change to the line of accounting on obligations in in the general ledger.
- CCR's service provider recorded obligations of \$318,965 that should have been recoveries of prior year obligations as of FY16 as recoveries of prior year obligations as of FY17.
- Several disbursement transactions in the amount of \$103,413 where the payment did not liquidate the proper obligation. Specifically, payments to credit card vendors do not liquidate the undelivered order balance in the general ledger.
- Several new obligations in the amount of \$92,893 were incorrectly recorded as accruals in the general ledger.

CRITERIA:

Government Accountability Office (GAO), Standards for Internal Control in the Federal Government (issued September 2014), Principle 10 – Design Control Activities, 10.03, Accurate and timely recording of transactions, states, “Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions...In addition, management designs control activities so that all transactions are completely and accurately recorded.”

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design Control Activities, 10.03, Appropriate documentation of transactions and internal control, states, “Management clearly documents internal controls and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and

records are properly managed and maintained.”

CAUSE:

The above conditions were caused by the following:

The Commission's service provider uses account 487100 to transfer document types in the general ledger in order to process payments.

The system is not properly configured to record transactions to account 487100 and 488100 that relate to a change in the line of accounting.

The Commission's service provider did not record downward adjustments to prior year unpaid obligations in the general ledger in a timely manner.

Due to the manual process of posting credit card payments to multiple lines of accounting, user input errors create incorrect postings to obligations. Further the Commission has not implemented policies and procedures to require the review of the credit card postings to validate disbursements are posted against the correct obligation or errors are detected and corrected within a timely manner.

The Commission's service provider incorrectly recorded new obligations as accounts payable in the general ledger.

EFFECT:

The lack of financial reporting internal controls can lead to potential misstatements to the financial statements or line items not being properly classified in accordance with generally accepted accounting principles.

RECOMMENDATION:

We recommend that:

1. The Commission with the assistance of its service provider design and implement a policy and procedure to identify any disbursements processed as recoveries and make the necessary adjustments to the general ledger.
2. The Commission with the assistance of its service provider design and implement a policy and procedure to identify on a quarterly basis upward adjustments and downward adjustments that should not be recorded to the general ledger so that adjustments can be recorded to properly state ending balances.
3. The Commission establishes a deadline for their service provider to make the necessary adjustments to inactive obligations in the general ledger.

4. The Commission design and implement a policy and procedure to ensure that credit card payments are liquidated against the correct purchase orders.
5. The Commission with the assistance of its service provider design and implement a policy and procedures to have someone other than the preparer review new obligation activities to verify that transactions are being recorded in the general ledger correctly.

MANAGEMENT RESPONSE:

Management agrees with this material weakness. We will work to resolve this weakness in the future.

Lack of Review over Journal Vouchers and Financial Statements

CONDITION:

CCR's internal controls over financial reporting lacks sufficient internal controls to ensure the reliability of its financial reporting. CCR has not implemented policies and procedures to require someone other than the preparer to review on-top adjustments and financial statements for completeness and accuracy. During our review over the on-top adjustments and financial statements we noted the following exceptions:

- CCR did not properly compute imputed costs related to the Office of Personnel Management (OPM) benefits for the year ending September 30, 2017. Specifically, The Commission failed to use the appropriate cost factors when computing imputed costs. The cost factors for fiscal year 2016 were utilized, as opposed to the cost factors for fiscal year 2017.
- CCR did not include a footnote disclosing their pensions, other retirement benefits, and other postretirement benefit expenses in the Notes to the Financial Statements.
- The year-end employer benefit accrual of \$50,822 was incorrectly posted to general ledger account 221000 Accrued Funded Payroll and Leave, as opposed to USSGL account 221300 Employer Contributions and Payroll Taxes Payable.

CRITERIA:

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design Control Activities, 10.03, Segregation of Duties, states, “Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.”

Office of Personnel Management (OPM) Benefits Administration Letter 17-303, states, “This Letter provides the fiscal year (FY) 2017 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs relating to the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), the Federal Employees Health Benefits Program (FEHB) and the Federal Employees' Group Life Insurance Program (FEGLI). The imputed costs are used to determine the actuarial liabilities which are included in Governmental financial statements.

Office of Management and Budget (OMB) Circular A-136, section II.4.9.15. Note 15 Federal Employee and Veterans' Benefits, states, “Entities responsible for administering pensions, ORB, and OPEB should calculate and report these liabilities and related expenses in accordance with SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting

Discount Rates and Valuation Dates. These entities should disclose, at a minimum, the assumptions used to calculate the liability (pursuant to SFFAS 5, paragraph 67)."

United States Standard General Ledger (USSGL) Section III: Account Transactions, transaction code E104, states, "To record the accrued benefit at the end of the accounting period for unpaid estimated costs incurred. This entry is recorded by the employer agency." The transaction to record employer benefits is as follows:

Budgetary Entry

Debit 461000 Allotments - Realized Resources
Credit 490100 Delivered Orders - Obligations, Unpaid

Proprietary Entry

Debit 610000 Operating Expenses/Program Costs
Debit 640000 Benefit Expense
Credit 221300 Employer Contributions and Payroll Taxes Payable

CAUSE:

The Commission was unaware that a new Benefits Administration Letter (BAL), specifically BAL 17-303, had been issued, detailing the change in cost factors for the 2017 fiscal year and unaware that a footnote disclosure was required for pensions and other postretirement benefits.

The Commission posted a worksheet adjustment to the incorrect USSGL accounts when making the entries to Accrued Funded Payroll and Leave and Liabilities with the Public.

EFFECT:

Continuing not to have someone other than the preparer review journal voucher, financial statements and note disclosures increases the risk line items reported in the financial statements are misstated and or misclassified are not detected and corrected in a timely manner.

RECOMMENDATION:

We recommend that CCR management:

1. Design and implement policies and procedures that document the computation of imputed costs on a quarterly basis. The policy and procedure should also include someone other than the preparer reviewing the computation for completeness and accuracy.
2. Design and implement policies and procedure to separate the duties of the preparer and the reviewer of the financial statements and worksheet adjustments to validate the completeness and accuracy of financial information and verify amounts are presented in accordance with financial reporting requirements.

MANAGEMENT RESPONSE:

Management agrees with this material weakness. We will work to resolve this weakness in the future.

Differences between the Financial Statements and GTAS Submission

CONDITION:

During our review of the September Government Wide Treasury Account Symbol (GTAS) submission, we noted differences between the September 30, 2017 Financial Statements and the GTAS Adjusted Trial Balance (ATB) for several USSGL accounts.

Specially, we identified 3 instances where there was a difference between the CCR trial balance and GTAS ATB. The differences were noted in the following USSGL accounts: (1) Account #4801 (\$441,854); (2) Account #4871 (\$548,407); and (3) Account #4881 (\$106,552).

CRITERIA:

Office of Management and Budget (OMB) Circular No A-11, Preparation, Submission, and Execution of the Budget, section 82.12, states, "When year-end GTAS information is submitted, the information must not only pass a number of GTAS edit-checks, but a person separate from the "preparer" (i.e. data entry person) named a "certifier" must certify that the information is correct. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via GTAS agree."

Treasury Financial Manual, Chapter 4700 – Agency Reporting Requirements for the Financial Report of the United States Government, Section 4701 – Scope and Applicability, states, "Please note that agency data reported in GFRS must be consistent with the agency's audited financial statements, as well as the agency GTAS ATB submission."

Treasury Financial Manual, Chapter 4707 – GTAS Requirements, Section 4707.10b – GTAS Requirements, Adjusted Trial Balance, states, "The GTAS ATBs must include USSGL accounts with the required attributes, and USSGL account balances must reflect the pre-closing adjusting entries needed to produce financial statements."

CAUSE:

The Commission was unable to enter their on-top worksheet adjustments used to prepare the financial statements into GTAS.

EFFECT:

Differences between financial statements and balances submitted to GTAS could result in inaccurate reporting to Treasury.

RECOMMENDATION:

We recommend that the Commission develop and implement policies and procedures to ensure that the on-top adjustments are recorded in the general ledger and agree to the balances in GTAS.

MANAGEMENT RESPONSE:

Management agrees with this material weakness. The Commission was unable to update GTAS due to limitations in adjusting beginning balances in GTAS. Without adjustments to beginning balances, GTAS edit checks prevented us from updating GTAS to agree to our financial statements. We will work to resolve this weakness in the future.

Lack of Compliance with Provisions of the Prompt Payment Act

CONDITION:

The Prompt Payment Act requires federal agencies to make payments for property or services by the due date specified in the related contract or, if a payment date is not specified in the contract, generally 30 days after the invoice for the amount due are received. If payments are not made within the appropriate timeframe, the agency must pay an interest penalty to the vendor. We noted several instances of noncompliance with this provision of the Prompt Payment Act, where CCR either did not make payments within the specified days or did not pay the correct interest payment.

CRITERIA:

U.S. Code Title 31, Subtitle III, Chapter 39 states that under regulations prescribed under section 3903 of this title, the head of an agency acquiring property or service from a business concern, who does not pay the concern for each complete delivered item of property or service by the required payment date, shall pay an interest penalty to the concern on the amount of payment due.

Prompt Payment Act enacted by Congress August 25, 1982: § 1315.10 Late payment interest penalties, states, "(a) Application and calculation. Agencies will use the following procedures in calculating interest due on late payments: (1) Interest will be calculated from the day after the payment due date through the payment date at the interest rate in effect on the day after the payment due date; (2) Adjustments will be made for errors in calculating interest; (3) For up to one year, interest penalties remaining unpaid at the end of any 30 day period will be added to the principal and subsequent interest penalties will accrue on that amount until paid; (4) When an interest penalty is owed and not paid, interest will accrue on the unpaid amount until paid, except as described in paragraph (a)(5) of this section"

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, section 10.03, Appropriate documentation of transactions and internal control states, "Management clearly documents internal controls and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

CAUSE:

The Commission relies on a service provider to make its vendor payments timely however the Commission maintains responsibility for its financial reporting and compliance with laws and regulations. Also, the Commission does not forward its approved vendor invoices to its service provider in a timely manner.

EFFECT:

Inadequate monitoring of payments made by its service provider could result in continued noncompliance with the Prompt Payment Act. Not forwarding approved vendor invoices to its service provider could result in continue noncompliance with the Prompt Payment Act.

RECOMMENDATION:

We recommend that the Commission management review the payments subjected to the Prompt Payment Act made by its service provider to monitor the timeliness and accuracy of the interest amounts paid to vendors. As well as forward a copy of vendor invoices to its service provider within five business days of receipt and acceptance of the invoice.

MANAGEMENT RESPONSE:

Management agrees with the non-compliance with the Prompt Payment Act. We have begun reviewing payments subject to the Prompt Payment Act made by our service provider to monitor the timeliness and accuracy of the interest amounts paid to vendors. We will work to resolve this non-compliance in the future.

UNITED STATES COMMISSION ON CIVIL RIGHTS

Fiscal Year 2017
Financial Statements



UNITED STATES COMMISSION ON CIVIL RIGHTS

BALANCE SHEET

As of September 30, 2017 and 2016

	2017	Restated 2016
Assets:		
Intragovernmental:		
Fund Balance With Treasury	(Note 2) \$ 2,589,005	\$ 2,838,419
Total Intragovernmental	\$ 2,589,005	\$ 2,838,419
Assets With The Public:		
General Property, Plant and Equipment, net	(Note 3) \$ 80,079	\$ 134,284
Total Assets	\$ 2,669,085	\$ 2,972,702
Liabilities:		
(Note 4)		
Intragovernmental:		
Accounts Payable	\$ 41,115	\$ 5,855
Other:		
Employer Contributions and Payroll Taxes	\$ 50,882	\$ 47,801
Total Intragovernmental	\$ 91,997	\$ 53,656
Liabilities With the Public		
Accounts Payable	\$ 227,309	\$ 219,374
Other:		
Accrued Funded Payroll and Leave	(Note 5) \$ 201,569	\$ 199,183
Unfunded Leave	\$ 324,996	\$ 360,679
Total Liabilities	\$ 845,871	\$ 832,891
Net Position:		
Unexpended Appropriations - All Other Funds	\$ 2,068,131	\$ 2,366,206
Cumulative Results of Operations - All Others	\$ (244,917)	\$ (226,395)
Total Net Position - All Other Funds	\$ 1,823,214	\$ 2,139,811
Total Net Position	\$ 1,823,214	\$ 2,139,811
Total Liabilities and Net Position	\$ 2,669,085	\$ 2,972,702

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS

STATEMENT OF NET COST

As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Program Costs:		
Gross Cost	\$ 9,266,716	\$ 9,529,414
Net Program Cost	(Note 6) \$ 9,266,716	\$ 9,529,414
Net Cost of Operations	<u>\$ 9,266,716</u>	<u>\$ 9,529,414</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENT OF BUDGETARY RESOURCES
As of September 30, 2017 and 2016

	<u>2017</u>	<u>Restated</u>
	<u>Budgetary</u>	<u>2016</u>
		<u>Budgetary</u>
BUDGETARY RESOURCES		
Unobligated balance brought forward, October 1	\$ 1,716,664	\$ 1,825,597
Adjustment of unobligated balance brought forward, October 1 (+ or -)	\$ 185,959	\$ 78,670
Unobligated balance brought forward, October 1, adjusted	\$ 1,902,623	\$ 1,904,267
Recoveries of prior year unpaid obligations (unobligated balances)	\$ 124,535	\$ 1,205,755
Other changes in unobligated balance	\$ (251,852)	\$ (395,058)
Unobligated balance from prior year budget authority, net	\$ 1,775,306	\$ 2,714,964
Appropriations (discretionary and mandatory)	\$ 9,200,000	\$ 9,200,000
Spending authority from offsetting collections	\$ -	\$ 1,895
Total budgetary resources	\$ 10,975,306	\$ 11,916,858
STATUS OF BUDGETARY RESOURCES		
New obligations and upward adjustments (Note 7)	\$ 9,488,109	\$ 10,014,236
Apportioned	\$ 85,690	\$ 165,763
Unapportioned	\$ 1,401,507	\$ 1,736,860
Unobligated balance brought forward, end of year	\$ 1,487,197	\$ 1,902,623
Total budgetary resources	\$ 10,975,306	\$ 11,916,859
CHANGES IN OBLIGATED BALANCE		
Unpaid obligations, brought forward, October 1 (gross)	\$ 935,796	\$ 1,372,798
Adjustment of unpaid obligations, brought forward, October 1 (+ or -)	\$ -	\$ (78,670)
Unobligated balance brought forward, October 1, adjusted	\$ 935,796	\$ 1,294,128
New obligations and upward adjustments	\$ 9,488,109	\$ 10,014,236
Outlays (gross) (-)	\$ (9,197,562)	\$ (9,166,813)
Recoveries of prior year unpaid obligations (-)	\$ (124,535)	\$ (1,205,756)
Unpaid obligations, end of year	\$ 1,101,808	\$ 935,796
Obligated balance, start of year (net)	\$ 935,796	\$ 1,294,128
Obligated balance, end of year (net)	\$ 1,101,808	\$ 935,796
BUDGET AUTHORITY AND OUTLAYS, NET		
Budget authority, gross (discretionary and mandatory)	\$ 9,200,000	\$ 9,201,895
Actual offsetting collections (discretionary and mandatory) (-)	\$ (199,111)	\$ (1,895)
Budget authority, net (discretionary and mandatory)	\$ 9,000,889	\$ 9,200,000
Outlays, gross (discretionary and mandatory)	\$ 9,197,562	\$ 9,166,813
Actual offsetting collections (discretionary and mandatory) (-)	\$ (199,111)	\$ (1,895)
Outlays, net (discretionary and mandatory)	\$ 8,998,451	\$ 9,164,918
Agency outlays, net (discretionary and mandatory)	\$ 8,998,451	\$ 9,164,918

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS
STATEMENT OF CHANGES IN NET POSITION
As of September 30, 2017 and 2016

	FY 2017 Current Year		
	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Totals
Cumulative Results of Operations:			
Beginning Balances	\$ (226,396)		\$ (226,396)
Beginning balance, as adjusted	<u>\$ (226,396)</u>	<u> </u>	<u>\$ (226,396)</u>
Budgetary Financing Sources:			
Appropriations used	\$ 9,047,113		\$ 9,047,113
Other Financing Sources (Non-Exchange):			
Imputed Financing Sources (Note 9)	\$ 201,082		\$ 201,082
Total Financing Sources	\$ 9,248,195		\$ 9,248,195
Net Cost of Operations	\$ 9,266,716		\$ 9,266,716
Net Change	<u>\$ (18,521)</u>	<u> </u>	<u>\$ (18,521)</u>
Cumulative Results of Operations	\$ (244,917)		\$ (244,917)
			\$ -
Unexpended Appropriations:			
Beginning Balances	\$ 2,366,206		\$ 2,366,206
Beginning balance, as adjusted	<u>\$ 2,366,206</u>	<u> </u>	<u>\$ 2,366,206</u>
			<u>\$ -</u>
			<u>\$ -</u>
Budgetary Financing Sources:			
Appropriations received	\$ 9,200,000		\$ 9,200,000
Appropriations transferred-in/out			
Other adjustments	\$ (450,962)		\$ (450,962)
Appropriations used	\$ (9,047,113)		\$ (9,047,113)
Total Budgetary Financing Sources	<u>\$ (298,075)</u>	<u> </u>	<u>\$ (298,075)</u>
Total Unexpended Appropriations	<u>\$ 2,068,131</u>	<u> </u>	<u>\$ 2,068,131</u>
Net Position	<u>\$ 1,823,214</u>	<u> </u>	<u>\$ 1,823,214</u>

The accompanying notes are an integral part of these statements.

UNITED STATES COMMISSION ON CIVIL RIGHTS

STATEMENT OF CHANGES IN NET POSITION

As of September 30, 2017 and 2016

	FY 2016 Prior Year		
	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Totals
Cumulative Results of Operations:			
Beginning Balances	\$ (151,509)		\$ (151,509)
Beginning balance, as adjusted	\$ (151,509)		\$ (151,509)
			\$ -
Budgetary Financing Sources:			
Appropriations used	\$ 9,200,019		\$ 9,200,019
			\$ -
Other Financing Sources (Non-Exchange):			
Imputed Financing Sources (Note 9)	\$ 254,508		\$ 254,508
			\$ -
Total Financing Sources	\$ 9,454,527		\$ 9,454,527
			\$ -
Net Cost of Operations	\$ 9,529,414		\$ 9,529,414
Net Change	\$ (74,887)		\$ (74,887)
			\$ -
Cumulative Results of Operations	\$ (226,395)		\$ (226,395)
			\$ -
Unexpended Appropriations:			
Beginning Balances	\$ 2,761,283		\$ 2,761,283
Beginning balance, as adjusted	\$ 2,761,283		\$ 2,761,283
			\$ -
Budgetary Financing Sources:			
Appropriations received	\$ 9,200,000		\$ 9,200,000
Other adjustments	\$ (395,058)		\$ (395,058)
Appropriations used	\$ (9,200,019)		\$ (9,200,019)
Total Budgetary Financing Sources	\$ (395,077)		\$ (395,077)
Total Unexpended Appropriations	\$ 2,366,206		\$ 2,366,206
Net Position	\$ 2,139,811		\$ 2,139,811

The accompanying notes are an integral part of these statements.

U.S. COMMISSION ON CIVIL RIGHTS GENERAL FUND

GENERAL FUND

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The statutory mandate of the U.S. 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 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 briefings 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 and refers them to the appropriate federal, state, or local government agency or private organization for action.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, the Office of Civil Rights Evaluation, and six regional offices. The activities of these regional offices are coordinated through the Regional Programs Coordination Unit. The chief of this unit reports directly to the staff director.

Administratively, the 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:

- Congressional Affairs Unit, and
- Equal Employment Opportunity Programs

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

Basis of Presentation

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

OMB Circular No. A-136 requires agencies to prepare basic 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, 2017 and 2016, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports the Commission's budgetary activity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 presented in accordance with the requirements in OMB Circular No. A-136, as revised. These statements have been prepared from the Commission's financial records using an accrual basis in conformity with GAAP. The generally accepted accounting principles (GAAP) for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB) and recognized by the AICPA as Federal GAAP. These statements are, therefore, different from financial reports prepared pursuant to other OMB directives that are primarily used to monitor and control the Commission's use of budgetary resources.

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

Use of Estimates

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

Fund Balance with Treasury

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Property and Equipment

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

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

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

Liabilities

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Accounts Payable

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

Accrued Payroll and Benefits

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

Revenue and Financing Sources

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Employee Benefits

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

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 2 FUND BALANCE WITH TREASURY

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

	2017	Restated 2016
A. Fund Balance with Treasury		
Appropriated Fund	<u>\$ 2,589,005</u>	<u>\$ 2,838,419</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	85,690	165,763
b) Unavailable	1,401,507	1,736,860
2) Obligated Balance not yet Disbursed	<u>1,101,808</u>	<u>935,796</u>
Total	<u>\$ 2,589,005</u>	<u>\$ 2,838,419</u>

In fiscal year 2017, the Commission cancelled its fiscal 2012 remaining funds and returned the balance of \$450,962 to the Treasury.

NOTE 3 GENERAL PROPERTY, PLANT AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	2017	2016
Equipment	\$ 293,070	\$ 293,070
Software	<u>7,684</u>	<u>7,684</u>
Total	\$ 300,754	\$ 300,754
Less: Accumulated depreciation		
Equipment	214,122	161,454
Software	<u>6,552</u>	<u>5,016</u>
Total	\$ 220,674	\$ 166,470
Property and Equipment Net	\$ 80,079	\$ 134,284

Depreciation and amortization expense for the fiscal years ended September 30, 2017 and 2016 was \$54,204 and \$54,751, respectively.

NOTE 4 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Commission are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2017, the Commission had liabilities covered by budgetary resources of \$520,875 and liabilities not covered by budgetary resources of \$324,996. As of September 30, 2016, the Commission had liabilities covered by budgetary resources of \$472,212 and liabilities not covered by budgetary resources of \$360,679.

	2017	2016 Restated
Intragovernmental		
Accounts Payable	\$ 41,115	\$ 5,855
Other:		
Employer Contributions and Payroll Taxes	<u>\$ 50,882</u>	<u>\$ 47,801</u>
Total Intragovernmental	\$ 91,997	\$ 53,656
With the Public		
Accounts Payable	227,309	219,374
Accrued Funded Payroll and Leave	201,569	199,183
Unfunded Leave	<u>324,996</u>	<u>360,679</u>
Total with the Public	\$ 753,874	\$ 779,235
Total Liabilities	\$ 845,871	\$ 832,891

Liabilities not covered by budgetary resources with the public Other (unfunded leave liability)	\$	324,996	\$	360,679
Liabilities covered by budgetary resources		<u>469,993</u>		<u>472,212</u>
Total Liabilities	\$	794,989	\$	832,891

NOTE 5 OTHER LIABILITIES

Other liabilities with the public for the years ended September 30, 2017 and 2016 consist of Accrued Funded Payroll and Unfunded Leave in the amounts shown below.

	Non-Current	Current	2017 Total
Intragovernmental			
Employer Contributions and Payroll Taxes	\$ -	\$ <u>50,882</u>	\$ <u>50,882</u>
Total Intragovernmental	\$ -	\$ 50,882	\$ 50,882
Liabilities with the Public			
Accrued Funded Payroll and Leave	\$ -	\$ 201,569	\$ 201,569
Unfunded Leave	<u>324,996</u>	<u>-</u>	<u>324,996</u>
Total Other Liabilities	\$ 324,996	\$ 252,451	\$ 577,447

	Non-Current	Current	2016 Total
Intragovernmental			
Employer Contributions and Payroll Taxes	\$ -	\$ 47,801	\$ 47,801
Total Intragovernmental	\$ -	\$ 47,801	\$ 47,801
Liabilities with the Public			
Accrued Funded Payroll and Leave	\$ -	\$ 199,183	\$ 199,183
Unfunded Leave	<u>360,679</u>	<u>-</u>	<u>360,679</u>
Total Other Liabilities	\$ 360,679	\$ 246,984	\$ 607,663

NOTE 6 COST AND EXCHANGE REVENUE

Intra-governmental costs arise from purchases of goods or services from other components of the Federal Government. In contrast, public costs are those that arise from the purchase of goods or services from nonfederal entities. The Commission does not provide services to another federal entity. Intra-governmental costs were comprised of the following for the fiscal years ended September 30:

	2017	Restated 2016
Intragovernmental costs	\$ 3,473,524	\$ 3,240,749
Public costs	<u>5,793,192</u>	<u>6,288,665</u>
Total Costs	\$ 9,266,716	\$ 9,529,414

NOTE 7 APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

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

	2017	2016
Category A	\$ 9,488,109	\$ 10,014,236

NOTE 8 UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of budgetary resources obligated for undelivered orders was \$580,934 and \$503,583 as of September 30, 2017 and 2016 respectively.

NOTE 9 PENSIONS, OTHER RETIREMENT BENEFITS, AND OTHER POST RETIREMENT BENEFITS

The Commission recognizes as imputed financing the cost of future benefits, which include health benefits, life insurance, pensions, and post-retirement benefit expense for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30- 2017 and 2016, imputed financing was as follows:

	2017	2016
Office of Personnel Management	\$ 201,082	\$ 254,508

NOTE 10 OPERATING LEASES

The Commission has various leases for offices and branches throughout the United States. The longest of those obligations extends through 2025. Certain of the leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. The aggregate rent expense totaled \$1,473,058 and \$1,490,464 for fiscal years ended September 30, 2017 and 2016, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

	2017
2018	\$ 1,443,622
2019	\$ 1,401,687
2020	\$ 1,354,024
2021	\$ 1,328,185
2022	\$ 920,752
Thereafter	<u>\$ 92,419</u>
Total	\$ 6,540,689

NOTE 11 COMMITMENTS AND CONTINGENCIES

Litigation and Other Claims

The Commission is involved in two Equal Employment Opportunity complaints. There is a reasonable chance of an unfavorable outcome for one claim. The estimated range of possible loss is \$32,000 to \$500,000. Given the early stages of the second claim, it is difficult to access the likelihood of an unfavorable outcome or estimate a range of possible loss.

NOTE 12 EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE UNITED STATES GOVERNMENT

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2017 actual budgetary execution information is scheduled for publication in February 2018, which will be available through OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2016 SBR and the related President's Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 12	\$ 10	\$ -	\$ 9
Expired Unobligated Balances	(3)	(1)	-	0
Budget of the U.S. Government	\$ 9	\$ 9	\$ -	\$ 9

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

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

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the Commission in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Commission in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the Commission employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered but

not yet provided represents the difference between the beginning and ending balances of undelivered orders (i.e., good and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and not cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and financial (proprietary) accounting) is as follows (note: in prior years, this information was presented as a separate financial statement, the Statement of Financing):

	2017	2016
Budgetary Resources Obligated	\$ 9,488,109	\$ 10,014,236
Spending Authority from Recoveries and Offsetting Collections	(323,646)	(1,207,651)
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(117,351)	393,433
Resources that Finance the Acquisition of Assets	-	-
Imputed Financing from Costs Absorbed by Others	201,082	254,508
Financing Sources Yet to be Provided	(35,683)	20,135
Components Not Requiring or Generating Resources	54,204	54,751
Net Cost of Operations	\$ 9,266,716	\$ 9,529,414

NOTE 14 RESTATEMENT

In accordance with SFFAS No. 21 Reporting Corrections, Errors, and Changes in Accounting Principles, the Commission restated the FY 2016 financial statements.

The Commission determined that material errors were caused by inadequate internal control associated with related processes. Specifically, liabilities, undelivered orders and recoveries of prior year unpaid obligations. The following tables identify the specific amounts of the material misstatements and related effects on the financial statements:

Balance Sheet

	<u>Original 2016</u>	<u>Restated 2016</u>	<u>Misstatement</u>
Liabilities:			
Intragovernmental:			
Accounts Payable	\$ 5,855	\$ 5,855	\$ -
Other:		\$ 47,801	\$ 47,801
Employer Contributions and Payroll Taxes	\$ -	\$ -	
Total Intragovernmental	<u>\$ 5,855</u>	<u>\$ 53,656</u>	<u>\$ 47,801</u>
Liabilities With the Public	\$ 219,374	\$ 219,374	\$ -
Accounts Payable			
Other:			
Accrued Funded Payroll and Leave	\$ 246,984	\$ 199,183	\$ (47,801)
Unfunded Leave	<u>\$ 360,679</u>	<u>\$ 360,679</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 832,891</u>	<u>\$ 832,891</u>	<u>\$ -</u>

STATEMENT OF BUDGETARY RESOURCES

	<u>Original 2016</u>	<u>Restated 2016</u>	<u>Misstatement</u>
BUDGETARY RESOURCES			
Unobligated balance brought forward, October 1	\$ 1,825,597	\$ 1,825,597	\$ -
Adjustment of unobligated balance brought forward, October 1 (+ or -)	<u>\$ -</u>	<u>\$ 78,670</u>	<u>\$ (78,670)</u>
Unobligated balance brought forward, October 1, adjusted	\$ 1,825,597	\$ 1,904,267	\$ (78,670)
Recoveries of prior year unpaid obligations (unobligated balances)	\$ 1,098,467	\$ 1,205,755	\$ (107,289)
Other changes in unobligated balance	<u>\$ (395,058)</u>	<u>\$ (395,058)</u>	<u>\$ -</u>
Unobligated balance from prior year budget authority, net	\$ 2,529,005	\$ 2,714,964	\$ (185,959)
Appropriations (discretionary and mandatory)	\$ 9,200,000	\$ 9,200,000	\$ -
Spending authority from offsetting collections	<u>\$ 1,895</u>	<u>\$ 1,895</u>	<u>\$ -</u>
Total budgetary resources	<u>\$ 11,730,900</u>	<u>\$ 11,916,859</u>	<u>\$ (185,959)</u>
STATUS OF BUDGETARY RESOURCES			
New obligations and upward adjustments	\$ 10,014,236	\$ 10,014,236	\$ -
Apportioned	\$ 165,763	\$ 165,763	\$ -
Unapportioned	<u>\$ 1,550,901</u>	<u>\$ 1,736,860</u>	<u>\$ (185,959)</u>

Unobligated balance brought forward, end of year	\$ 1,716,664	\$ 1,902,623	\$ (185,959)
Total budgetary resources	<u>\$ 11,730,900</u>	<u>\$ 11,916,859</u>	<u>\$ (185,959)</u>

CHANGES IN OBLIGATED BALANCE

Unpaid obligations, brought forward, October 1 (gross)	\$ 1,372,798	\$ 1,372,798	\$ -
Adjustment of unpaid obligations, brought forward, October 1 (+ or -)		<u>\$ (78,670)</u>	\$ 78,670
Unobligated balance brought forward, October 1, adjusted	\$ 1,372,798	\$ 1,294,128	\$ 78,670
New obligations and upward adjustments	\$ 10,014,236	\$ 10,014,236	\$ -
Outlays (gross) (-)	\$ (9,166,813)	\$ (9,166,813)	\$ -
Recoveries of prior year unpaid obligations (-)	\$ (1,098,467)	\$ (1,205,756)	\$ 107,289
Unpaid obligations, end of year	<u>\$ 1,121,754</u>	<u>\$ 935,796</u>	<u>\$ 185,959</u>
Obligated balance, start of year (net)	<u>\$ 1,372,798</u>	<u>\$ 1,294,128</u>	<u>\$ -</u>
Obligated balance, end of year (net)	<u>\$ 1,121,754</u>	<u>\$ 935,796</u>	<u>\$ 185,959</u>

BUDGET AUTHORITY AND OUTLAYS, NET

Budget authority, gross (discretionary and mandatory)	\$ 9,201,895	\$ 9,201,895	\$ -
Actual offsetting collections (discretionary and mandatory) (-)	<u>\$ (1,895)</u>	<u>\$ (1,895)</u>	<u>\$ -</u>
Budget authority, net (discretionary and mandatory)	\$ 9,200,000	\$ 9,200,000	\$ -
Outlays, gross (discretionary and mandatory)	\$ 9,166,813	\$ 9,166,813	\$ -
Actual offsetting collections (discretionary and mandatory) (-)	<u>\$ (1,895)</u>	<u>\$ (1,895)</u>	<u>\$ -</u>
Outlays, net (discretionary and mandatory)	<u>\$ 9,164,918</u>	<u>\$ 9,164,918</u>	<u>\$ -</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 9,164,918</u>	<u>\$ 9,164,918</u>	<u>\$ -</u>

Section: IV: Other Accompanying Information

A. Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit

Audit Opinion: Unqualified
 Restatement: Yes

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	1	2	0	0	0	3

Summary of Management Assurances

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

Statement of Assurance: Disclaimer

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	1	0	0	0	0	1

Effectiveness of Internal Control over Operations - FMFIA 2

Statement of Assurance: Unqualified

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

Conformance with Financial Management System Requirements - FMFIA 4

Statement of Assurance: Systems Conform

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

B. Improper Payments Information Act Reporting Details

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010, requires agencies to review all programs and activities they administer, and identify those programs that are susceptible to significant erroneous payments. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 2.5 percent or \$100 million of total annual program payments.

Risk Assessment

Due to the Commission's mission and size, the Commission does not separate its mission into individual programs. We conducted a risk assessment for all relevant payments. The Commission evaluated the following risk factors: whether the program or activity was new to the agency; the complexity of the program; the volume of payments; how eligibility decisions are made; recent major changes in funding, authorities, practices, and procedures; the level and experience of personnel; and significant deficiencies in audit reports. The risk assessment determined that the risk of significant improper payments was low. Furthermore, since the Commission's total budget is less than the \$10 million threshold for significant improper payments, it is virtually impossible for the Commission to have improper payments over \$10 million. Based on the risk assessment, we determined that the Commission does not have significant improper payments.

Payment Recapture Audits

Section 2(H) of the Improper Payments Elimination and Recovery Act requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million or more annually if conducting such an audit is cost-effective. Since the Commission's payments as defined in OMB Circular A – 123, Appendix C exceed the \$1 million threshold, we conducted a cost-benefit analysis for the entire agency. To determine if it was cost effective for the Commission to engage in a Payment Recapture Audit, we estimated improper payments, determined the anticipated collections, examined the costs of a recapture audit, and applied OMB's criteria to make a decision. Based on our analysis, we have determined that the costs of a payment recapture audit at the Commission would exceed the benefits. In accordance with OMB Circular A – 123, Appendix C, we provided OMB with our analysis and notified them that we decided that a payment recapture audit is not cost-effective.

Improper Payment Reporting

The Commission had a \$1,500 improper payment in Fiscal Year 2017.

APPENDICES

Appendix A: Strategic Plan Goals, Objectives, and Measures

FY 2016-2018 STRATEGIC GOALS AND OBJECTIVES

Led by eight commissioners,³ the Staff Director, along with, our national and regional office staff of civil rights analysts, social scientists, attorneys, and our 51 state advisory committees will carry out our mission by continuing to improve the alignment of our program activities with the goals and objectives in our strategic plan. We will measure performance against established targets, and report on our challenges and successes.

Throughout our history, the Commission has worked towards fulfilling our Congressional mandate to serve as a bipartisan, fact-finding federal agency charged with making recommendations on civil rights issues that affect our nation. With this in mind, the Commission solicited the views of Commissioners, staff members and Congress to identify areas of strength and weakness within the Commission and its activities. This input served as a basis for drafting our strategic goals.

Key concerns identified throughout this process centered around the need for the Commission to: produce more data-driven reports; increase the public's accessibility to these reports; and, to efficiently integrate the SACs into the Commission's work both as a way to raise public awareness of the essential work that the Commission is doing, and as a way to leverage the state-level resources of our SACs to inform the Commission's work.

As we move towards implementing our new strategic plan, the Commission's goal is to incorporate our stakeholders' feedback into our efforts to shape the nation's civil rights debate through expanded research, information, and reports generated by agency program activities.

³ Four commissioners are presidential appointees and four are congressional appointees; all serve six-year terms.

STRATEGIC GOAL A:

The Commission will function as an effective civil rights watchdog and conduct studies and issue publications on important issues of civil rights.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> Strengthen the quality and objectivity of the Commission’s reports. 	<ul style="list-style-type: none"> Concentrate studies and research on national priorities. 	<ul style="list-style-type: none"> The Commission will hold at least three briefings and/or hearings each year.

STRATEGIC GOAL B:

The Commission will regularly provide new, objective information and analysis on civil rights issues.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> The Commission will regularly conduct original fact-finding and/or a novel statistical data review in a civil rights investigation. 	<ul style="list-style-type: none"> The Commission will include selection of an investigation as part of its annual project planning. The Commission will strengthen employees’ ability to conduct investigations. 	<ul style="list-style-type: none"> During its regular project planning process, the Commission will select one investigative project involving original fact-finding and/or statistical data reviews, either as a stand-alone project or in conjunction with a briefing or enforcement report. Upon approval of an investigative project by the Commission, SACs may be solicited to aid the Commission in state and local fact gathering. The Commission will train and/or cross-train designated employees on field interview techniques and statistical analysis.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> All Commission products will be prepared using standards that provide for maximum objectivity. 	<ul style="list-style-type: none"> The Commission will strengthen its information quality standards and other procedures regarding the process and review of agency products, as well as the implementation of such standards and procedures. 	<ul style="list-style-type: none"> The Commission will amend its Human Capital Plan to prioritize developing employee capacities in the areas of statistical analysis and complaint interviews. By 2016, the Commission will conduct a review of existing information quality standards, administrative instructions, and other quality control and quality assurance guidelines to ensure its reporting maximizes objectivity.

STRATEGIC GOAL C:

The Commission will cooperate, where appropriate, with other federal agencies to apprise individuals of civil rights laws and policies and to raise public awareness of civil rights.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> Strengthen the Commission’s position as a national clearinghouse for civil rights information. 	<ul style="list-style-type: none"> Measure and analyze web traffic data on the clearinghouse web page to identify top three civil rights areas of interest 	<ul style="list-style-type: none"> Yearly updates to the clearinghouse web page. Review annually (FY) and update, as needed, the Uncle Sam publication, in both English and Spanish. By FY 2016, issue quarterly data reports that

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> Consult with the civil rights divisions of other agencies to ensure dissemination of accurate information for the complaint referral process. 	<ul style="list-style-type: none"> Maintain up to date information on the USCCR complaint referral process. Simplify the telephone complaint referral process. 	<ul style="list-style-type: none"> list and rank clearinghouse information hits tabulated by agency (DOJ, EEOC, DOE and DOL). List the name, URL and contact information for each Federal Civil Rights division that we refer complaints to on the USCCR website. Contact the Federal civil rights divisions that we refer complaints to, semi-annually, to confirm accuracy of civil rights complaint contact information. By 2016 update the phone lines to allow callers to use a push button system to obtain complaint referral information (ex: push 1 for Employment; Push 2 for Housing, etc.)

STRATEGIC GOAL D:

Improve the Commission’s profile and effectiveness in communicating with the general public.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> • Raise public awareness of the Commission’s work • Modernize the Commission’s information technology infrastructure to increase access to the Commission’s work products. • Improve access to agency publications and dissemination of information for all persons including persons with disabilities and persons with limited English proficiency. 	<ul style="list-style-type: none"> • Expand Press Outreach • Revise and reformat the website to increase web traffic and access to publications. • Increase access to Commission briefings and hearings using online tools • Measure and analyze web traffic and written requests for Commission reports. • Revise and update the USCCR website to make electronic and information technology (EIT) 	<ul style="list-style-type: none"> • Create and update press list on a regular basis • Issue press releases (English & Spanish) and update website prior to every hearing and briefing. • Participate in speaking engagements and public policy symposia. • Reformat website to increase Google hits. • By FY 2016, Commission briefings and hearings will be streamed live online and made available on the website for future viewings. • By FY 2016, issue monthly reports on downloads and written requests for USCCR publications (top ten for each category). • By FY 2016, the agency shall implement accessible elements on the website, including alt

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> Expand and clarify the USCCR complaint process for all individuals including LEP persons and persons with disabilities. 	<p>accessible to persons with disabilities.</p> <ul style="list-style-type: none"> Analyze complaint line data and written requests for assistance to identify language access needs. Improve web-based complaint screening process and online guidance to complainants. 	<p>tags, long descriptions, and captions, as needed.⁴</p> <ul style="list-style-type: none"> By FY 2016, all documents on the website shall be made available in HTML or a text-based format.⁵ Maintain log (library and complaint line) to identify which language, other than English, is most often used by callers/writers when they contact the Commission. By FY 2016, update the USCCR website to include direct links to federal agencies' civil rights complaint page.

⁴ These elements are necessary in order to make web pages accessible for persons with disabilities.

⁵ This format is necessary so that a person using a screen reader can access online documents or documents provided library on disc.

STRATEGIC GOAL E:

Continue to strengthen the Commission’s financial and operational controls and advance the Commission’s mission through management excellence, efficiency, and accountability.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> • Continue to strengthen the Commission’s financial, budget, and performance policy, procedures, and reports • Improve the strategic management of the Commission’s human capital 	<ul style="list-style-type: none"> • Align the Commission's budget submissions with the Agency's strategic plan and annual performance plan. • Ensure that the Commission's budget submission complies with OMB Circular A-11. • Enhance financial policy and procedures to ensure reliability of financial reporting. • Monitor and report on the Commission's progress in achieving its annual performance plan goals and objectives. • Update and Implement the Commission's Human Capital Plan to ensure the agency has a highly skilled and flexible workforce to carry out its mission. 	<ul style="list-style-type: none"> • Compliance with OMB Circular A-11 • Compliance with OMB Circular A-11 • Receive a “clean” or unqualified financial statement audit. • Submit a Performance and Accountability Report that adheres to all relevant guidance. • Implementation of commission’s and the Office of Personnel Management (OPM) Human capital Plan program, strategies and initiatives. • Results of the Employee Satisfaction surveys compared to previous surveys. • Annual training sessions, i.e., formal training,

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> • Improve administrative and clearinghouse services including information technology, acquisition, and library functions. 	<ul style="list-style-type: none"> • Conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues. • Conduct training to increase awareness of acquisition processes and procedures. • Comply with Federal information security requirements. • Leverage information technology to enhance the productivity and efficiency of the workforce. 	<p>issuance of memoranda and/or internal instructions.</p> <ul style="list-style-type: none"> • Annual FISMA audit • Comply with OMB Cloud Computing Initiatives.

STRATEGIC GOAL F:

Increase the participation of our State Advisory Committees (SACs) in the Commission’s work.

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> • Include SAC input in the Commission’s program planning process. • Enhance collaboration between and among SACs, regional offices and the Commission. 	<ul style="list-style-type: none"> • Solicit SAC involvement in briefings and hearings. • Expand communication and information sharing 	<ul style="list-style-type: none"> • By FY 2016, SACs will be encouraged to participate in at least two briefings/ hearings/fact-finding and/or public forums annually. • Issue monthly updates via listserv (from DC office to Regions).

Objective	Strategies	Performance Measures
<ul style="list-style-type: none"> • Strengthen the SAC re-chartering process 	<p>through the use of a listserv and webinar capabilities.</p> <ul style="list-style-type: none"> • Achieve and maintain chartered status for all 51 SACs. 	<ul style="list-style-type: none"> • By FY 2016, Regional offices will have the capability to offer webinars. • Extend SAC appointee terms to 4 years. • Eliminate SAC backlog by FY 2016. • Re-charter SACs set to expire after 10/1/2016 within 60 days.

Appendix B: FY 2017 Annual Performance Plan, Targets, and Results

Strategic Goal A: The Commission will function as an effective civil rights watchdog and conduct studies and issue publications on important issues of civil rights.			
		FY 2017 Performance Target	FY 2017 Actual Performance
Performance Measures	Performance Goals		
The Commission will hold at least three briefings and/or hearings each year.	3 briefings or hearings	3 briefings or hearings	Substantially met 2 briefings

Strategic Goal B: The Commission will regularly provide new, objective information and analysis on civil rights issues.			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
During its regular project planning process, the Commission will select one investigative project involving original fact-finding and/or statistical data reviews, either as a stand-alone project or in conjunction with a briefing or enforcement report.	1 investigative project	1 investigative project	Met
Upon approval of an investigative project by the Commission, SACs may be solicited to aid the Commission in state and local fact gathering.	Obtain assistance from at least 3 SACs during an investigative project	3 SACs assisting in an investigation	Substantially Met
The Commission will train and/or cross-train designated employees on field interview techniques and statistical analysis.	Train at least 2 employees in field interview techniques and statistical analysis	2 Trained employees	Substantially Met
The Commission will amend its Human Capital Plan to prioritize developing employee capacities in the areas of statistical analysis and complaint interviews.	Update Human Capital Plan to emphasis statistical analysis and complaint interviews	N/A	N/A
By 2016, the Commission will conduct a review of existing information quality standards, administrative instructions, and other quality control and quality assurance guidelines to ensure its reporting maximizes objectivity.	Complete review	N/A	N/A

Strategic Goal C: The Commission will cooperate, where appropriate, with other federal agencies to apprise individuals of civil rights laws and policies and to raise public awareness of civil rights.			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
Yearly updates to the clearinghouse web page.	Update clearinghouse web page at least once a year.	Update Clearinghouse Webpage	Not Met
Review annually (FY) and update, as needed, the Uncle Sam publication, in both English and Spanish.	Review Uncle Sam yearly and update as necessary.	Review and Update Uncle Sam	Met
By FY 2016, issue quarterly data reports that list and rank clearinghouse information hits tabulated by agency (DOJ, EEOC, DOE and DOL).	Issue quarterly data report by agency	N/A	N/A
List the name, URL and contact information for each Federal Civil Rights division that we refer complaints to on the USCCR website.	Update contact information once a year	Update contact information once a year	Not Met
Contact the Federal civil rights divisions that we refer complaints to, semi-annually, to confirm accuracy of civil rights complaint contact information.	Update Federal civil rights divisions contact information twice a year.	Update contact information	Met
By 2016 update the phone lines to allow callers to use a push button system to obtain complaint referral information (ex: push 1 for Employment; Push 2 for Housing, etc.)	Update phone lines for complaint referral	N/A	N/A

Strategic Goal D: Improve the Commission's profile and effectiveness in communicating with the general public			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
Create and update press list on a regular basis.	Update press list	Update press list	Met
Issue press releases (English & Spanish) and update website prior to every hearing and briefing.	Issue press releases for all hearings and briefings	3 press releases	Met
Participate in speaking engagements and public symposia	Participate in 3 speaking engagements or public symposia	3 public speaking engagements or symposia	Met
Reformat website to increase Google hits.	Reformat webpage	N/A	N/A
By FY 2016, Commission briefings and hearings will be streamed live online and made available on the website for future viewings.	Stream 2 briefings and hearings online and maintain video on the agency's website	2 Online briefing and/or hearing	Substantially Met
By FY 2016, issue monthly reports on downloads and written requests for USCCR publications (top ten for each category).	12 Monthly Reports	Monthly Reports	Not Met

Strategic Goal D: Improve the Commission's profile and effectiveness in communicating with the general public			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
By FY 2016, the agency shall implement accessible elements on the website, including alt tags, long descriptions, and captions, as needed.	Website is Accessible to Persons with Disabilities	25 percent of Website is accessible	Met - New Items are Accessible
By FY 2016, all documents on the website shall be made available in HTML or a text-based format.	All documents on the agency website are available in HTML or text formats	25 percent of documents are in HTML or text based	Met - New Items are Accessible
Maintain log (library and complaint line) to identify which language, other than English, is most often used by callers/writers when they contact the Commission.	Log all library and complaint line calls to determine language of requester	Complaint log identifies language of request	Met
By FY 2016, update the USCCR website to include direct links to federal agencies civil rights complaint page.	Website contains links to federal agencies civil rights complaint page	Update Links to Federal Agencies' civil rights complaint page	Not Met

Strategic Goal E: Continue to strengthen the Commission’s financial and operational controls and advance the Commission’s mission through management excellence, efficiency, and accountability.			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
Compliance with OMB Circular A-11	Budget is aligned with the Agency Strategic Plan	Budget is aligned with the Agency Strategic Plan	Met
Compliance with OMB Circular A-11	Budget is compliant with OMB Circular A-11	Budget is compliant with OMB Circular A-11	Met
Receive a “clean” or unqualified financial statement audit.	Unqualified Opinion on financial statement	Unqualified Opinion	Met
Submit a Performance and Accountability Report that adheres to all relevant guidance.	Performance and Accountability Report adheres to all relevant guidance.	Performance and Accountability Report (PAR) adheres to all relevant guidance.	Met
Implementation of commission’s and the Office of Personnel Management (OPM) Human capital Plan program, strategies and initiatives.	The Commission's Human Capital Plan is updated and implemented	Implement Human Capital Plan	Met
Results of the Employee Satisfaction surveys compared to previous surveys.	Employee Satisfaction survey scores increase each year.	Increase response rate by 10%	Not Met

(Cont'd)

Strategic Goal E: Continue to strengthen the Commission's financial and operational controls and advance the Commission's mission through management excellence, efficiency, and accountability.			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
Annual training sessions, i.e., formal training, issuance of memoranda and/or internal instructions.	Perform acquisition training as required.	Conduct acquisition training	Not Met
Annual FISMA audit	FISMA Audit	FISMA Audit	Met
Comply with OMB Cloud Computing Initiatives.	Agency is in compliance with Cloud Computer Initiatives	Compliant with Cloud Computer Initiatives	Met

Strategic Goal F: Increase the participation of our State Advisory Committees (SACs) in the Commission's work.			
Performance Measures	Performance Goals	FY 2017 Performance Target	FY 2017 Actual Performance
Subject to budget constraints, by FY 2016, SACs will be encouraged to participate in at least two briefings/ hearings/fact-finding and/or public forums annually.	SACs will participate in 2 hearings, briefings, fact-finding, and/or public forums	SACs participation in 2 hearings, briefings, fact-finding, and/or public forums	Met
Issue monthly updates via listserv (from DC office to Regions).	Staff director or RPCU issues monthly updates to Regional Offices	RPCU issues updates to Regional Offices and SACs	Met
By FY 2016, Regional offices will have the capability to offer webinars.	Regionals office have the capacity to offer webinars	All regional office can conduct webinars	Met
Extend SAC appointee terms to 4 years.	SAC appointee terms are 4 years	SAC appointee terms are 4 years	Met
Eliminate SAC backlog by FY 2016	SAC backlog eliminated	N/A	N/A
Re-Charter SACs set to expire after 10/1/2016 within 60 days	80 percent of SACs are chartered within 60 days	80 percent	Met