

**UNITED STATES  
COMMISSION ON CIVIL RIGHTS**



**PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)  
FOR FISCAL YEAR 2024**

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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 2024. This report reflects the agency's program and financial performance.

In FY 2024, the Commission held three briefings: Racial Disparities in Violent Crime Victimization in the United States, Civil Rights Implications of the Federal Use of Facial Recognition Technology and the Federal Role in Enforcing Religious Freedoms in Prison. Commissioners heard from subject matter experts such as government officials, academics, policy experts, law enforcement professionals, advocates, and impacted persons.

The Commission published two reports. In our statutory report, *The Civil Rights Implications of the Federal Use of Facial Recognition Technology*, the Commission examined the federal government's increasing use of facial recognition technology. In our report, *Federal Efforts in Examining Racial and Ethnic Disparities among Victims of Violent Crime*, the Commission examined racial and ethnic disparities in violent crime victimization in the United States.

We continue to enhance our engagement with and rely on the work of our Advisory Committees. In FY 2024, our Advisory Committees issued 11 reports and memoranda, conducted 50 fact-finding events, and held 184 planning meetings. Through their fact-finding events and reports, the Advisory Committees covered a broad range of civil rights issues.

In addition to the solid programmatic output during FY 2024, the Commission received an unmodified opinion on the Commission's Financial Statements. Accordingly, I look forward to continuing effective financial and other management controls at the Commission.



Furthermore, I look forward to building on the Commission's FY 2024 performance to continue to advance civil rights through effective and comprehensive investigation, research, and analysis on issues of fundamental concern to the federal government and the public.

A handwritten signature in black ink, appearing to read "Rochelle M. Garza", with a long horizontal flourish extending to the right.

Rochelle M. Garza  
Chair  
United States Commission on Civil Rights  
November 13, 2024

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **Mission**

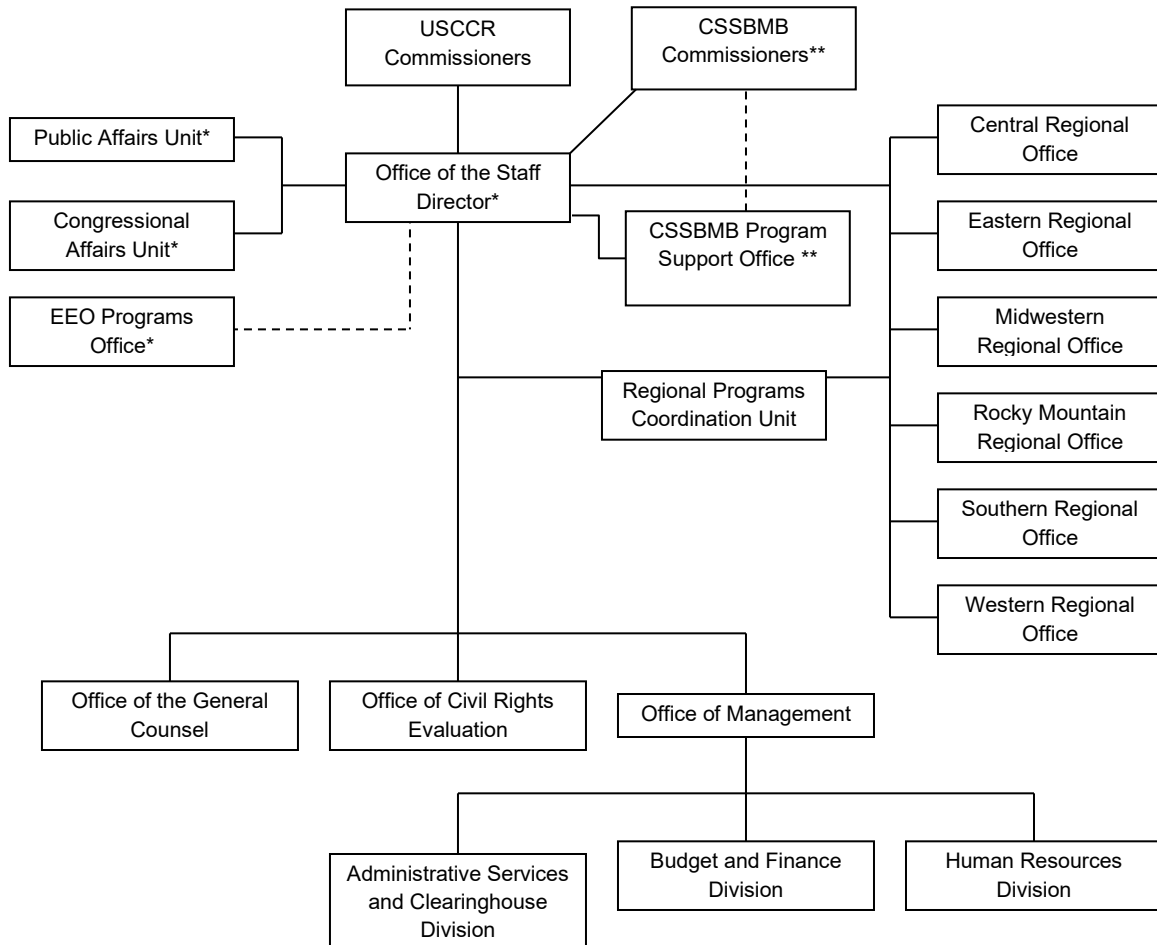
The mission of the United States Commission on Civil Rights is to inform the development of national civil rights policy and enhance enforcement of Federal civil rights laws. The Commission pursues this mission by investigating alleged deprivations of voting rights or allegations of discrimination based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

### **Organization**

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

## Organizational Structure

### U.S. Commission on Civil Rights



\* While these are still on our official organization chart, the Office of the Staff Director performs these functions.

\*\* The Commission on the Social Status of Black Men and Boys Act (Public Law 116-156) directed the Office of Staff Director to provide administrative support for the CSSBMB.

## Headquarters Organization

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

### Commissioners

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

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

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

### Office of the Staff Director

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

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

### Office of the General Counsel

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

### Office of Civil Rights Evaluation

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

### Office of Management

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

### Congressional Affairs Unit

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

### Public Affairs Unit

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

### Equal Employment Opportunity Programs

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

## Regional Programs

### Regional Programs Coordination Unit

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

### Regional Activities

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

## Performance Highlights

The Commission, staff, and advisory committee members have worked hard this year to achieve the goals, objectives, and performance measures set forth in our FY 2022 – FY 2026 Strategic Plan. The Commission achieved most, though not all, of its performance targets established for FY 2024.

The Commission held three briefings in FY 2024 to assess the national state of important civil rights laws:

- Racial Disparities in Violent Crime Victimization in the United States
- Civil Rights Implications of the Federal Use of Facial Recognition Technology
- The Federal Role in Enforcing Religious Freedoms in Prison

The Commission published two reports in FY 2024:

- *The Civil Rights Implications of the Federal Use of Facial Recognition Technology*
- *Federal Efforts in Examining Racial and Ethnic Disparities among Victims of Violent Crime.*

The Commission's Advisory Committees:

- Held 50 fact-finding events
- Conducted 184 planning meetings
- Published 11 reports, memoranda, and statements

A detailed discussion of each strategic goal, our FY 2024 target performance, and our actual performance are in the section titled “Performance Report.”

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

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

In FY 2024, all office and division heads completed a self-assessment. Based on this evaluation, the Commission is able to provide a statement of assurance that the internal controls are compliant.

## **Financial Highlights**

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

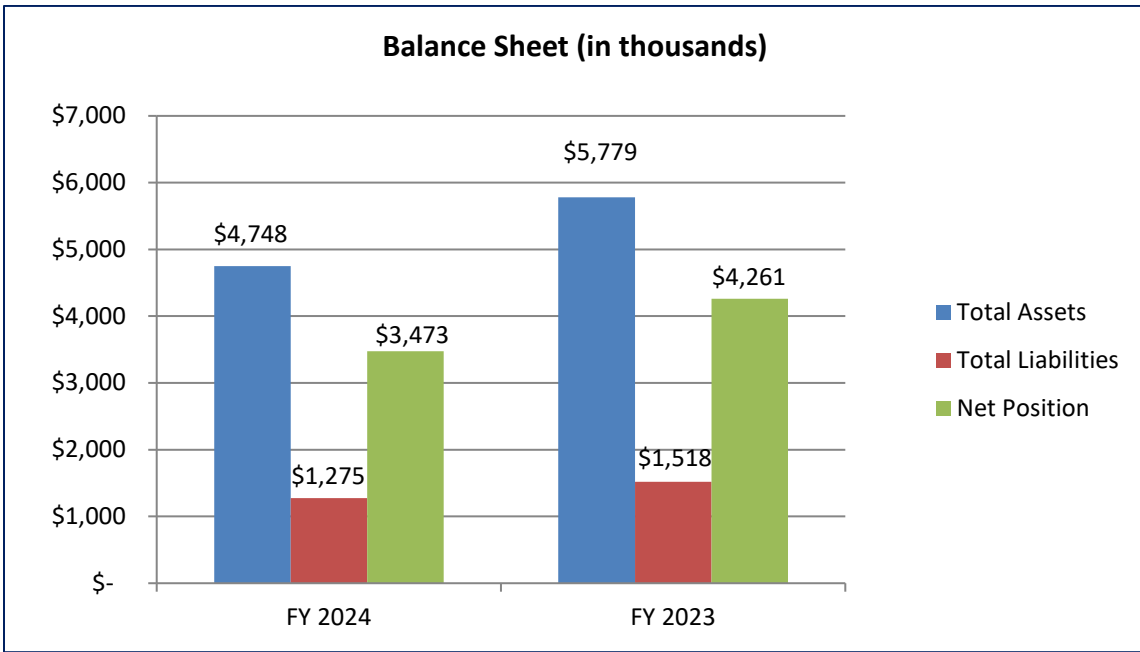
- Maintaining the agency’s standard general ledger;
- Using a system (Pegasys) that is compliant with federal government standards;
- Generating required financial reports for the Commission; and
- Requiring appropriate documentation of financial transactions prior to payment.

The Commission’s FY 2024 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).

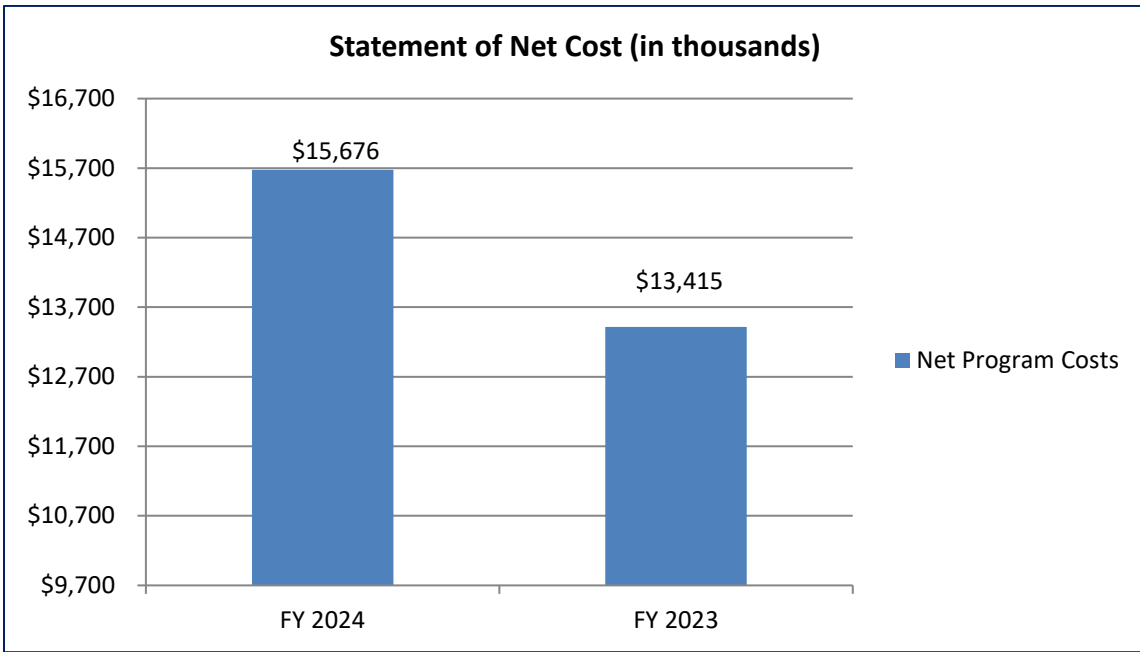




The Commission’s total assets decreased from \$5,779,014 in FY 2023 to \$4,748,282 in FY 2024. The Commission’s assets consist of Fund Balance with Treasury (FBWT) with minimal amounts in General Property, Plant, and Equipment. Total liabilities decreased from \$1,517,804 in FY 2023 to \$1,274,851 in FY 2024. Net Position decreased from \$4,261,210 in FY 2023 to \$3,473,431 in FY 2024.

Statement of Net Costs

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

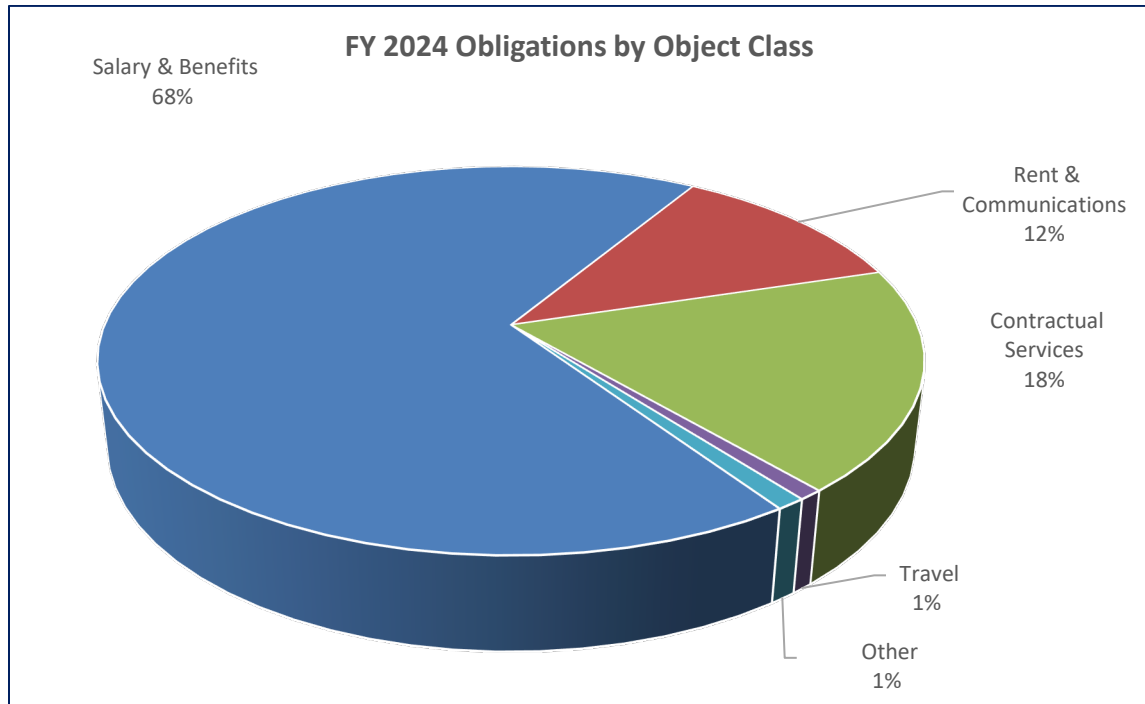


The Commission’s net cost of operation increased from \$13,414,706 in FY 2023 to \$15,676,128 in FY 2024.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the sources of budgetary resources and their status at the end of the period. The Commission received \$14,350,000 in new budgetary authority in FY 2024. The Total Budgetary Resources and Status of Budget Resources increased from \$15,673,201 in FY 2023 to \$16,427,321 in FY 2024.

## Resources by Major Object Class



During FY 2024, the Commission obligated \$13,892,029 of its FY 2024 appropriation of \$14,350,000. Salary and Benefits, Other Contractual Services, and Rent and Communications consume 98 percent of the Commission's obligations. The remaining 2 percent consists of travel, printing, supplies, equipment, and other miscellaneous items.

### **Limitations on Financial Statements**

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

### **Management Statement of Assurance**

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

2024, were operating effectively in the design or operation of internal control over financial reporting.

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

The management of the U.S. Commission on Civil Rights is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The Commission conducted its assessment of the effectiveness of internal control and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, the Commission can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations as of September 30, 2024, were operating effectively and no material weaknesses were found in the design or operation of the internal controls.

In addition, the Commission conducted its assessment of the effectiveness of internal control over financial reporting. This includes safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this evaluation, the Commission can provide reasonable assurance that its internal controls over financial reporting as of September 30, 2024.

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



Mauro Morales  
Staff Director  
United States Commission on Civil Rights  
November 13, 2024

# U.S COMMISSION ON CIVIL RIGHTS - PERFORMANCE REPORT

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

Our FY 2024 annual performance plan includes performance goals and targets that support the accomplishment of our strategic objectives. Below, we describe our FY 2024 annual performance targets. We evaluate and report our performance using these categories: Met and Not Met.

## Reliability of Performance Data

To ensure that the Commission's FY 2024 Performance Report is complete and reliable, the Commission identifies, verifies, and validates the sources of data used to assess performance measures. The Commission's staff verifies and validates that data to ensure that the information is accurate and complete. Agency senior leadership reviews the report for completeness and accuracy.

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

This fiscal year we met 70 percent of Strategic Goal A performance targets. To achieve this goal, the Commission established objectives, developed strategies, and set performance targets.

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

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

<b>Strategy A.1.1 - The Commission will determine civil rights issues of national significance on which to conduct informative briefings and/or hearings.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
A.1.1.1 - The Commission will develop proposals and investigative plans to conduct investigations into civil rights issues of national significance.	Two new projects	Met
A.1.1.2 - The Commission will hold at least two briefings and/or hearings each year.	Two briefings and/or hearings	Met

**Performance Measure A.1.1.1**

The Commission develops proposals and investigative plans to investigate civil rights issues of national significance. In FY 2024, the Commissioners approved two projects: FY 2025 Statutory Enforcement Report on Teacher Shortages and FY 2025 Briefing Report Topic on Language Access.

**Performance Measure A.1.1.2**

In FY 2024, we held three public briefings.

***Racial Disparities in Violent Crime Victimization in the United States***

On November 17, 2024, the Commission held an in-person public briefing on the on racial and ethnic disparities in violent crime victimization in the United States. The Commission’s investigation seeks to examine the federal government’s role in collecting data and addressing racial disparities in violent victimization as an important dimension of the fair administration of justice. At this public briefing, Commissioners heard from subject matter experts such as government officials, academics, community advocates, and impacted persons.

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

<https://www.usccr.gov/meetings/2023/11-17-racial-disparities-violent-crime-victimization-united-states>

***Civil Rights Implications of the Federal Use of Facial Recognition Technology***

On March 8, 2024, the Commission held an in-person public briefing on the civil rights implications of Facial Recognition Technology (FRT). The Commission’s investigation seeks to examine how FRT is developed, how it is being utilized by federal agencies, emerging civil rights concerns, and safeguards the federal government is implementing to

mitigate potential civil rights issues. Specifically, the Commission is reviewing the utilization of FRT technology by three cabinet agencies: U.S. Department of Justice (DOJ), U.S. Department of Homeland Security (DHS), and U.S. Department of Housing and Urban Development (HUD). Commissioners heard from subject matter experts such as government officials, academics, researchers, software developers, and legal experts.

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

<https://www.usccr.gov/meetings/2024/03-08-civil-rights-implications-federal-use-facial-recognition-technology>

### ***The Federal Role in Enforcing Religious Freedoms in Prison***

On May 17, 2024, the Commission held an in-person public briefing on whether prisoners' religious freedom rights are being protected and enforced in accordance with constitutional and statutory provisions. This is an update to the Commission's 2008 statutory enforcement report, *Enforcing Religious Freedom in Prison*. Specifically, the Commission is reviewing the constitutional and federal statutory provisions of the First Amendment, the Civil Rights of Institutionalized Persons Act of 1980 (CRIPA), the Religious Freedom Restoration Act of 1990 (RFRA), the Religious Land Use and Institutionalized Persons Act of 2000 (RLUIPA), and the Prison Litigation Reform Act (PLRA). Commissioners heard from subject matter experts such as government officials, religious leaders, academics, prisoners' rights advocates, religious liberty organizations, and legal experts.

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

<https://www.usccr.gov/meetings/2024/05-17-federal-role-enforcing-religious-freedoms-prison>

<b>Strategy A.1.2 - The Commission will keep the Advisory Committees engaged with the Commission’s investigative projects.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
A.1.2.1 - The Commission will keep Advisory Committees apprised of investigative priorities so that Advisory Committees can determine whether there is any beneficial overlap or alignment in their agenda setting.	Include relevant Advisory Committee reports in Commission Reports	Met
A.1.2.2 - The Staff Director or Commissioners will attend (telephonically or in-person) Advisory Committee briefings or meetings in order to maintain the connection between headquarters and the Committees.	Two Meetings	Not Met

**Performance Measure A.1.2.1**

- The Commission keeps Advisory Committees apprised of the Commission’s investigative priorities allowing Advisory Committees to decide whether to align their work with the Commission’s. The Commission used testimony, findings, and recommendations for the Connecticut Advisory Committees in our report, *The Civil Rights Implications of the Federal Use of Facial Recognition Technology*.

**Performance Measure A.1.2.2**

Commissioners attended one DC Advisory Committee meeting.

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

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

<b>Strategy A.2.1 - The Commission will continuously monitor the state of civil rights and issues of national significance and use its expertise to report its policy recommendations.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
A.2.1.1 - The Commission will issue reports, including its annual statutory enforcement report, to inform its stakeholders of policy recommendations.	Two reports	Met
A.2.1.2 - The Commission will issue statements and letters on current civil rights events and issues of concern.	Five statements and/or letters	Not Met



### **Performance Measure A.2.1.1**

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

#### ***The Civil Rights Implications of the Federal Use of Facial Recognition Technology***

In response to the federal government’s increasing use of facial recognition technology (FRT), the Commission examined three federal departments’ use of the technology: the Department of Justice (DOJ), Department of Homeland Security (DHS), and the Department of Housing and Urban Development (HUD). The Commission’s investigation included testimony from subject matter experts, including government officials, academics, researchers, software developers, and legal experts. The Commission also received several public comments, as well as interrogatory responses from the DOJ, DHS, and HUD. Finally, the Commission made a first-of-its-kind site visit to DHS’ Maryland Test Facility (MdTF) to learn about industry-leading developments in the testing of FRT and other biometric artificial intelligence (AI).

The Commission majority approved key findings including the following: FRT is used by DOJ, DHS, and HUD, as well as their funding recipients, in several programs across the FBI, TSA, CBP, and public housing agencies (PHAs). There are currently no federal laws or regulations that expressly authorize or limit FRT use by the federal government, and as of July 2024, there is no official, standardized policy published for federal FRT use.

While DOJ and DHS recently adopted interim FRT policies, HUD does not track FRT use. For the DOJ, there is no comprehensive data available regarding the accuracy of the FRT that is used by law enforcement in its real-world application. Within DHS, CBP has implemented facial biometrics into the entry processes at all international airports and into the exit processes at 53 airports, as well as expanded facial biometrics at 40 seaports and all pedestrian lanes at the southwest and northern Border ports of entry. HUD is proliferating FRT use largely through its grant programs for PHAs, putting FRT in the hands of grantees with no regulation or oversight. If HUD is providing funds for FRT—which is known to have higher misidentification rates for minorities—in housing where tenants are disproportionately female and people of color, issues relating to access, eviction, and other punishments could lead to Title VI violations.

With respect to FRT accuracy and bias, the National Institute of Standards and Technology (NIST) testing is voluntary and represents laboratory—not real-world—results. Thus, NIST cannot say that its evaluated programs are accurately representative of the performance of all FRT deployed throughout the country. Algorithmic accuracy rates can vary widely among developers, but even with the highest-performing algorithms, tests have shown there are likely to be false positives for certain demographic groups, specifically

Black people (particularly Black women), people of East Asian descent, women, and older adults. A promising FRT testing model does exist: DHS, through its Science and Technology Directorate, funds FRT research, testing, and evaluation at MdTF, which specializes in “scenario testing” of the entire FRT system as it is intended to be deployed. DHS is the only agency known to be testing FRT in this way.

The Commission majority voted for key recommendations including the following:

Congress should direct and empower NIST to develop an operational testing protocol that agencies can use to assess how effective, equitable, and accurate their FRT systems are when actually deployed. They should also condition the receipt of federal funds by grantees on the adoption of national training standards for individuals who review and analyze the results returned by FRT. Furthermore, Congress should provide a statutory mechanism for legal redress by individuals harmed by misuse or abuse of FRT.

As Chief AI Officers (CAIOs) become established across agencies, they should develop and incentivize the adoption of national training standards for individuals who review and analyze the results returned by FRT algorithms. For FRT that is rights-impacting, CAIOs should enable 1) the assessment of FRT in a real-world context 2) mitigate disparities that lead to, or perpetuate, unlawful discrimination or harmful bias, and 3) consult affected communities for feedback to inform agency decision-making regarding FRT. CAIOs should also consult DHS’ MdTF as a template for real-world FRT testing to ensure it will work in its intended contexts.

Any agency using FRT should have a publicly available use policy. If agencies do use FRT, they should audit their use to ensure it complies with government policy. FRT vendors providing the federal government with solutions should provide users with ongoing training, technical support, and software updates to ensure their systems can maintain high accuracy across demographic groups in real-world deployment contexts. Furthermore, agencies should ensure their CAIOs work in close coordination with existing responsible officials and organizations within their organizations, including Civil Rights and General Counsel offices, to advise and update agency FRT guidance, implementation, and oversight.

Federal grantees using FRT should provide verified results with respect to accuracy and performance across demographics from NIST’s FRT Evaluation or similar government-validated third-party test.

The report is available at the following website: [https://www.usccr.gov/files/2024-09/civil-rights-implications-of-frt\\_0.pdf](https://www.usccr.gov/files/2024-09/civil-rights-implications-of-frt_0.pdf)

## ***Federal Efforts in Examining Racial and Ethnic Disparities among Victims of Violent Crime***

This report emerges from the Commission’s commitment to addressing the deep-seated inequities that persist within our criminal legal system, particularly as they impact underserved communities. The COVID-19 pandemic not only brought new challenges but magnified existing ones, making the need for this report all the more urgent.

Our investigation reveals that the disparities in crime victimization are not merely statistical anomalies but are driven by systemic issues that have been exacerbated by the pandemic. For instance, young, Black men continue to face a disproportionately high risk of homicide, a disparity that underscores the need for targeted interventions.

The report will show that crime tends to concentrate in “hot spots,” or areas where disadvantaged populations are overrepresented. The pandemic saw a surge in gun violence, including homicides, which disproportionately impacted persons of color residing in racially segregated neighborhoods. Although overall crime rates have begun to recede, the impact of these violent incidents continues to resonate within these communities.

Our report also highlights significant disparities in access to victim services. Some victims, particularly Black victims, may receive less compensation due to pervasive racial, ethnic, or gender stereotypes. These disparities are especially concerning in the administration of programs like the federal Victims of Crime Act (VOCA) Fund, where biases can influence the allocation of resources.

To address these challenges, our report emphasizes the necessity of a holistic approach to our criminal legal system—one that not only enforces laws but also addresses the underlying factors contributing to crime. This includes early intervention and support for young people to prevent them from entering the criminal system later in life. It is also essential to challenge the narrative that victims must be deemed “innocent” to receive financial relief from social services and victim compensation programs.

Building trust between law enforcement and the communities they serve is crucial, particularly in over-policed neighborhoods. Our report shows that efforts to reduce crime in these areas must be coupled with initiatives to rebuild community trust. Additionally, enhancing victim services to be more trauma-informed, culturally, and linguistically specific could ensure that all victims receive the support they need.

Improving data collection on crime victimization is also critical. By capturing more granular data on race, ethnicity, sexuality, and gender, law enforcement agencies can gain a clearer understanding of the challenges faced by these communities and devise more effective strategies to address them.

While these observations and suggestions were not formally adopted by the majority of the Commission, they reflect important insights gained through our investigation into the disparities in crime victimization. The contents of this report provide a roadmap to create a more equitable and just society, where safety, equity, and dignity are not just aspirations but realities for everyone.

As we work to heal our communities, it is clear that this process requires more than just policy changes; it demands a commitment to understanding, empathy, and action. Behind each statistic is a human life, a family affected, and a community in pain. By addressing these challenges with compassion and determination, we can pave the way for a better post-pandemic society for all our communities.

The report is available at the following website: <https://www.usccr.gov/files/2024-09/federal-efforts-in-examining-racial-and-ethnic-disparities-among-victims-of-violent-crime.pdf>

**Performance Measure A.2.1.2**

During FY 2024, the Commission did not issue statements and letters on current civil rights events and issues of concern.

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

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

<b>Strategy A.3.1 - The Commission will maintain all 56 Advisory Committees.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
A.3.1.1 - The Commission will ensure that each Advisory Committee is promptly appointed after expiration.	90% currently appointed Advisory Committees	Not Met

**Performance Measure A.3.1.1**

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

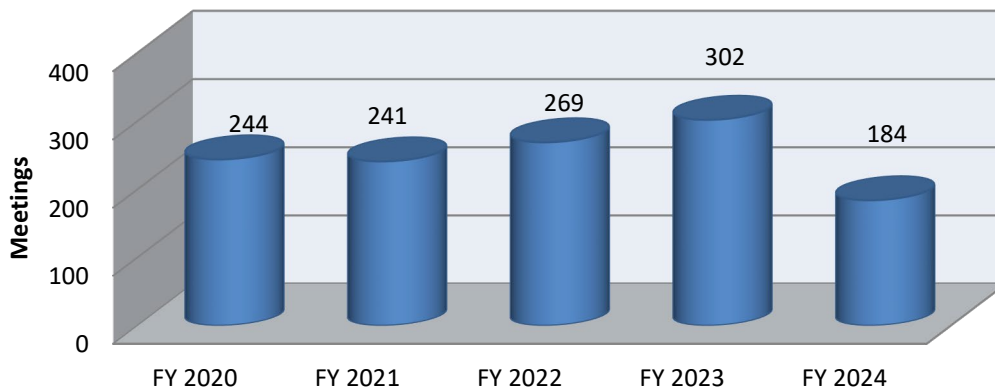
charters every two years. The charter for all advisory committees is current. Commissioners appoint members to advisory committees based on the Staff Director’s recommendations. Currently, 26 of 56 or 46 percent of the Commission’s Advisory Committees have appointed members. The Commission is working diligently to appoint members to all committees.

<b>Strategy A.3.2 - The Commission’s Advisory Committees will assess the state of civil rights, or a particular civil rights issue, in their jurisdiction.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
A.3.2.1 - Advisory Committees will develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction.	Ten meetings	Met
A.3.2.2 - Advisory Committees will hold briefings, public forums, or another mechanism.	Five briefings or hearings	Met
A.3.2.3 - Advisory Committees will publish reports, statements, memoranda, or other publications to provide policy recommendations to the Commission.	Five publications	Met

**Performance Measure A.3.2.1**

Advisory Committees develop proposals and investigative plans to conduct investigations into civil rights issues of significance in their jurisdiction. During FY 2024, the Advisory Committees held 184 planning meetings.

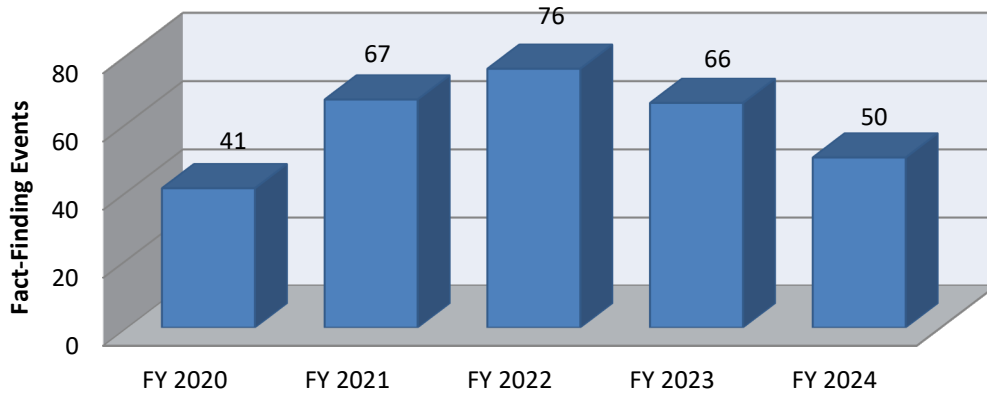
**Regional Office Planning Meetings**



### Performance Measure A.3.2.2

Advisory Committees hold briefings and meetings to conduct investigations into civil rights issues. During FY 2024, Advisory Committees held 50 fact-finding events.

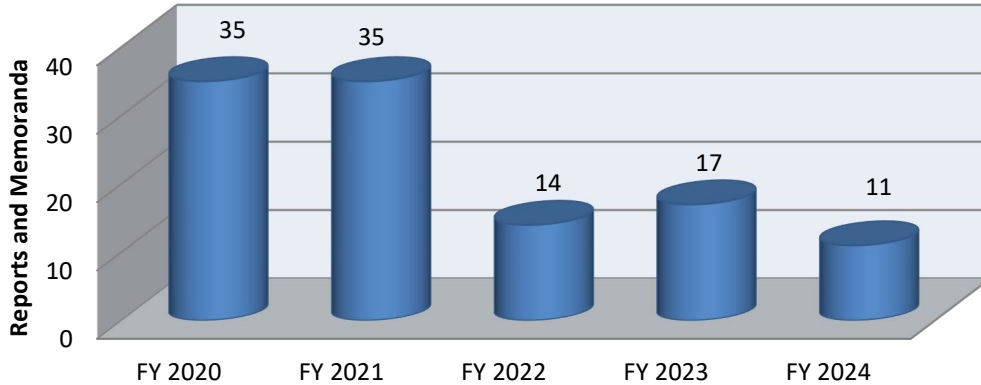
**Regional Office Fact-Finding Events**



### Performance Measure A.3.2.3

Advisory Committees, with the support of regional staff, publish reports, statements, and memoranda. In FY 2024, Advisory Committees published 11 reports, statements, and memoranda.

## Advisory Committee Reports and Memoranda



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

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

### **The Right to Criminal Legal Defense in Maine**

The Maine Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding indigent legal services in Maine. The contents of the report are primarily based on testimony the Committee heard during public meetings held via videoconference on October 20, 2022; November 15, 2022; and December 15, 2022. The Committee also includes related testimony submitted in writing during the relevant period of public comment. The report begins with a brief background of the issues to be considered by the Committee. It then presents primary findings as they emerged from this testimony, as well as recommendations for addressing areas of civil rights concerns. The report is intended to focus on civil rights concerns regarding the right to legal defense for indigent persons.

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

[https://www.usccr.gov/files/2023-11/maine-advisory-committee-report\\_indigent-legal-services.pdf](https://www.usccr.gov/files/2023-11/maine-advisory-committee-report_indigent-legal-services.pdf)

### **Seize the Day: Eliminate Civil Forfeiture in Massachusetts**

The Massachusetts Advisory Committee to the U.S. Commission on Civil Rights issued a report regarding Civil Forfeiture in Massachusetts. The contents of the report are primarily based on testimony the Committee heard during four briefings and a systematic analysis of a geographically weighted sample of cases of civil asset forfeiture filed across all eleven

counties in Massachusetts between January 2019 and June 2022. The Committee reports that civil asset forfeiture does not further the goal of disrupting criminal enterprises and instead contributes to systematic violations of the civil rights of citizens of the Commonwealth.

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

<https://www.usccr.gov/files/2024-01/ma-sac-civil-asset-forfeiture-report-2024.pdf>

### **Teacher and Professional Staff Shortages and Equity in Education in Nevada**

The Nevada Advisory Committee to the U.S. Commission on Civil Rights issued a report on the shortages of teachers and other education professionals in Nevada schools and equity in education. The Committee heard testimony via videoconference on April 6, 2023; and April 13, 2023; and May 26, 2023. The report results from a review of testimony at these meetings, combined with recorded testimony presented before the 2022-23 Nevada legislative session submitted during this timeframe. The focus of the Committee's inquiry was to examine whether shortages of teachers and other education professionals create inequities in the areas of access, quality of teaching, student learning, and student discipline. In addition, the Committee examined whether long-term substitute teachers and education professionals have access to sufficient training.

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

<https://www.usccr.gov/files/2024-01/teacher-and-professional-staff-shortages-and-equity-in-education-report.pdf>

### **The Insular Cases and the Doctrine of the Unincorporated Territory and its Effects on the Civil Rights of the Residents of Puerto Rico**

The Puerto Rico Advisory Committee to the U.S. Commission on Civil Rights issued a memorandum as part of its study on the effects of the Insular Cases and the Non-Incorporation Doctrine on the civil rights of the residents of Puerto Rico. This memorandum is the first in a series that the Committee will develop over the course of its project, culminating in a final report. With a focus on a general overview of the topic, the Committee highlights a series of findings and recommendations identified in testimony received from subject matter experts and community representatives who spoke from historical, academic, and legal perspectives, as well as lived experiences. The testimony captured a wide breadth of information, from the historical context of the Insular Cases and the relationship between Puerto Rico and the federal government, to the effect on the quality of life of people impacted by the lack of full access to federal public programs, such as older adults, veterans, and individuals with disabilities.

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



English: [https://www.usccr.gov/files/2024-02/english\\_pr-ac\\_memo-1.pdf](https://www.usccr.gov/files/2024-02/english_pr-ac_memo-1.pdf)

Spanish: [https://www.usccr.gov/files/2024-02/spanish\\_pr-ac\\_memo-1.pdf](https://www.usccr.gov/files/2024-02/spanish_pr-ac_memo-1.pdf)

### **Mental Healthcare in the Texas Juvenile Justice System**

The Texas Advisory Committee to the U.S. Commission on Civil Rights issued a report on Mental Health Care in the Texas Juvenile Justice Department (TJJD). The report was issued after a series of public hearings where the Committee heard from individuals, organizations, and professionals with specific knowledge of and experience with the conditions and challenges within TJJD. Most youth in the Texas Juvenile Justice System have clear mental health needs. Not only are these needs not being adequately addressed, but being in state-run facilities may further traumatize the youth and exacerbate mental health needs. Facility understaffing and under-resourcing has long been a challenge and was exacerbated by the pandemic. And while understaffing is improving, in part due to pay increases, it is still too low.

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

<https://www.usccr.gov/files/2024-02/report-on-mental-healthcare-in-the-tjtd.pdf>

### **The Status of Civil Rights in the U.S. Virgin Islands**

The U.S. Virgin Islands Advisory Committee to the U.S. Commission on Civil Rights issued a report on the current political and legal status of the U.S. Virgin Islands and the inequality suffered by the U.S. Citizens who reside there. It also contains an examination of the break in the long tradition of granting statehood to territories, and the reality of 21st century colonialism in the territories. The report was issued after a series of public meetings and a collection of testimony provided by expert panelists. Primary concerns identified in the report include the lack of civil rights protections based on the selective application of the Constitution by a Congress that does not have to answer to the U.S. Citizens living in the Territories, who have no voting representation in the House of Representatives and no representation in the Senate. These U.S. Citizens lack the right to vote in the Presidential election, are denied access to critical government assistance programs, and even military veterans living in the Islands suffer from a lack of adequate healthcare by an under-funded Veterans Administration system.

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

<https://www.usccr.gov/files/2024-02/usvi-information-brief.pdf>

### **Physical Barriers to Accessibility for Individuals with Disabilities in Washington**

The Washington Advisory Committee to the U.S. Commission on Civil Rights issued a report on accessibility for individuals with disabilities. The report was issued after a series

of public hearings where the Committee heard from individuals, organizations, and professionals with specific knowledge of and experience with accessibility in Washington. The Committee found that even though the Rehabilitation Act and Americans with Disabilities Act (ADA) has been in existence for decades, localities are not fully complying with accessibility standards in public spaces. Washington has laws that protect against discrimination in public spaces and accommodations and the “full enjoyment” of these facilities. But lack of accessibility and compliance remains a critical civil rights issue that affects over 1.2 million disabled Washington citizens with a mobility-type disability.

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

<https://www.usccr.gov/files/2024-03/wa-report-on-physical-accessibility.pdf>

### **Examining the New York Child Welfare System and Its Impact on Black Children and Families**

The New York Advisory Committee to the U.S. Commission on Civil Rights issued a report on accessibility for individuals with disabilities. the New York Child Welfare System and Its Impact on Black Children and Families. The report was issued after a series of web briefings, a public forum, and periods of public comment. The Committee heard testimony and received written statements from individuals impacted by the child welfare system, researchers, academics, advocates, legal scholars, and government officials. In the report, the Committee details twenty-nine findings that highlight disparate involvement of Black families in mandatory reporting, investigative, and removal practices that result in substantial immediate and long-term harms for Black families and their communities.

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

[https://www.usccr.gov/files/2024-05/ny-child-welfare-system-sac-report\\_0.pdf](https://www.usccr.gov/files/2024-05/ny-child-welfare-system-sac-report_0.pdf)

### **Examining Fair Housing and Equal Access to Housing Opportunities in Minnesota**

The Minnesota Advisory Committee to the U.S. Commission on Civil Rights issued a report on Fair Housing and Equal Access to Housing Opportunities in Minnesota. The report was issued after a series of web held in the fall of 2023 to the winter of 2024. The Committee heard testimony and received written statements from individuals responding to the Committee’s inquiry concerning housing affordability and equitable access to housing. The report puts forward eighteen recommendations directed to the Commission and asks for corrective actions from stakeholders including the U.S. Congress, the Federal Trade Commission, The Consumer Financial Protection Bureau, Minnesota Governor, Minnesota Housing Finance Agency, Minnesota Legislature, and Minnesota Attorney General’s Office.

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

[https://www.usccr.gov/files/2024-07/mn-sac-access-to-affordable-housing-report\\_0.pdf](https://www.usccr.gov/files/2024-07/mn-sac-access-to-affordable-housing-report_0.pdf)

### **Civil and Voting Rights in Tennessee**

The Tennessee Advisory Committee to the U.S. Commission on Civil Rights issued a report on voting rights in Tennessee. The report was issued after a series of public hearings where the Committee heard from individuals, organizations, and professionals with specific knowledge of, and experience with, the conditions surrounding voting rights, and the unique challenges faced in 2020. The Committee explored the topic of voting rights through two main themes: the civil rights effects on voting after the passage of Senate Bill 8005 and access to voting during the Covid-19 pandemic. The two inquiries are linked by their real and perceived impact on the legitimacy of the political process within the state of Tennessee. The report includes findings and actionable recommendations directed to both the Commission and key stakeholders in Tennessee.

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

[https://www.usccr.gov/files/2024-07/tn-report\\_voting-rights\\_2024.pdf](https://www.usccr.gov/files/2024-07/tn-report_voting-rights_2024.pdf)

### **Educational Adequacy & Disparities for Native American Students in New Mexico**

The New Mexico Advisory Committee to the U.S. Commission on Civil Rights issued a report on educational adequacy for Native American students in New Mexico. The report was issued after a series of public hearings where the Committee heard from individuals, organizations, and professionals with specific knowledge of and experience with education in New Mexico. The Committee provides several recommendations for the New Mexico Legislature, the Governor of New Mexico, the New Mexico Public Education Department, and the respective school districts that the Committee believes would address many of these problems and vastly improve the outcomes for the Native American youth in New Mexico.

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

<https://www.usccr.gov/files/2024-08/educational-adequacy-for-native-american-students.pdf>

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

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

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

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

<b>Strategy B.1.1 - The Commission will routinely post to social media to keep the public informed on civil rights historical events.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
B.1.1.1 – Increase engagement with the Commission’s social media accounts as seen through analytic tracking	Increase social media activity	Met

**Performance Measure B.1.1.1**

Overall metrics for the Commission’s social media platforms increased and were at their highest levels since tracking began in 2020. Combined impressions for Twitter, Facebook, LinkedIn, and Instagram (added in February 2024) were 314,500. Commission social media platforms also grew an audience base of 9,957 individuals. These factors led to an overall increase in social media activity across all platforms for the Commission.

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

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

<b>Strategy B.2.1 - Use press outreach, social media, and newsletters to reach more individuals, improve participation at events, and increase awareness of Commission and Advisory Committees activities</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
B.2.1.1 – The Commission will regularly publicize Commission and Advisory Committee investigations, fact-finding activities, reports, and other publications.	Newsletters, press releases, and social media posts	Met

**Performance Measure B.2.1.1**

The Commission significantly increased their email traffic by continuing to build upon the Advisory Committee communications added to our Constant Contact platform in 2022. Of which, 90 emails were sent over the course of FY2024. Of those 90 – 67 were related to Advisory Committee activities. Additionally, the Commission saw an increase in activity due to monthly newsletters being sent to Commission followers with all Commission activities, including that of the Commission on the Social Status of Black Men and Boys. Overall, emails were sent to 117,210 individuals over the 12-month time span. The open rate for emails overall was 41 percent, which is well over the industry standard of 10 percent.

<b>Strategy B.2.2 - Increase access to Commission briefings, hearings, and business meetings</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
B.2.2.1 - The Commission will use technology, including live streaming, phone lines, and social media, to provide immediate public access to its meetings, briefings, publications, and other activities.	Two live streamed events	Met

**Performance Measure B.2.2.1**

The Commission uses technology to provide the public with access to its meetings, briefings, publications, and other activities. During FY 2024, the Commission conducted three briefings. The public can view the video for these events following website: <https://www.youtube.com/user/USCCR> The Commission also provides a call-in line for individuals to listen to the Commission’s telephonic business meetings. In FY 2024, the Commission held six telephonic and one in-person live-streamed business meetings. The Commission advises the public of its meetings and briefings through its web page, press releases, Twitter, and Facebook.

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

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

<b>Strategy B.3.1 - Expand the opportunities for the Chair or other designated spokesperson to speak directly to the public on civil rights issues</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
B.3.1.1 - Ensure that the Chair or other designated spokesperson speaks directly to the public about civil rights	Two speaking engagements with national reach in the fiscal year	Met

**Performance Measure B.3.1.1**

Chair Rochele Garza attended a Department of Justice Listening Session in El Paso Texas. While the Staff Director Mauro Morales was the featured speaker at the 2024 International Association of Official Human Rights Agencies Conference.

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

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

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

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

<b>Strategy C.1.1 - Align the Commission’s budget submissions with the Agency’s strategic plan and annual performance plan.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.1.1.1 - Compliance with OMB Circular A-11.	Budget is compliant with OMB Circular A-11	Met

**Performance Measure C.1.1.1**

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

<b>Strategy C.1.2 - Monitor and report on the Commission’s progress in achieving its annual performance plan goals and objectives.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.1.2.1 - Submit a Performance and Accountability Report that adheres to all relevant guidance.	PAR adheres to relevant guidance.	Met

**Performance Measure C.1.2.1**

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

<b>Strategy C.1.3 – Ensure the agency has a highly skilled and flexible workforce to carry out its mission.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.1.3.1 - Implementation of Commission’s Recruitment and Hiring Plan and Office of Personnel Management’s program, strategies, and initiatives.	Implement the Commission’s and OPM’s hiring initiatives	Met

**Performance Measure C.1.3.1**

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

<b>Strategy C.1.4 - Conduct and analyze Employee Satisfaction surveys and develop specific strategies to address issues.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.1.4.1 - Results of the Employee Satisfaction surveys	Increase response rate in one or more categories	Met

**Performance Measure C.1.4.1**

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. It allows the Commission's employees to share their opinions about what matters most to them and enables them to let their leadership know how they feel about their job, their supervisor, and their agency. In the FY 2024 Employee Viewpoint, the Commission saw significant increases in the following performance dimensions: Agile: Innovations and Foundations: Customer Responsiveness performance dimensions. Employees are looking for new ways to improve their work, approaching change as an opportunity, and considering customer needs as a priority.

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

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

<b>Strategy C.2.1 - Comply with federal information security requirements</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.2.1.1 - Conduct an annual FISMA Audit	FISMA Audit	Met

**Performance Measure C.1.2.1**

The Commission conducted its annual FISMA Audit.



<b>Strategy C.2.2 - Leverage information technology to enhance the productivity and efficiency of the workforce.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.2.2.1 - Compliance with OMB Cloud Computing initiatives.	Compliant with Cloud Computer Initiatives	Met

**Performance Measure C.2.2.1**

The Commission is compliant with OMB Cloud Computing initiatives.

<b>Strategy C.2.3 – Establish a modern and scalable network infrastructure.</b>	<b>FY 2024 Target</b>	<b>FY 2024 Results</b>
C.2.3.1 - Compliance with OMB memo M-21-07, “Completing the Transition to Internet Protocol Version 6 (IPv6) Cloud Computing initiatives.	All new networked Federal information systems will be IPv6-enabled at the time of deployment, and USCCR will begin phasing out the use of IPv4.	Met

**Performance Measure C.2.2.1**

The Commission is working towards compliance with OMB M-21-07 Completing the Transition to Internet Protocol Version 6. As of August 2024, all new equipment purchases are IPv6-ready, ensuring that our infrastructure is future-proof and compliant with the memorandum's requirements. However, IT has determined that it is not feasible for our agency to fully retire IPv4 currently. Unfortunately, some of the systems we do business with still rely on IPv4, and we have invested in ensuring that both protocols can coexist on our network. This approach allows us to maintain business continuity and avoid disruptions to our critical operations and provide a backup solution for COOP.

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

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

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

# COMMISSION ON THE SOCIAL STATUS OF BLACK MEN AND BOYS - PERFORMANCE REPORT

## Chair Wilson's Caucus on CSSBMB

Under the leadership of Chair Wilson's caucus, a series of significant events and expert panels were held to advance the well-being and representation of Black men and boys. In February, the Chair recognized their contributions during a White House celebration, while Congress held a Special-Order Hour dedicated to amplifying their voices. In April, Chair Wilson addressed the critical issue of health disparities in the United States through expert-led discussions. In May, a series of panels brought attention to the urgent topics of mental health and suicide among Black men and boys. June featured key conversations on fatherhood, with Chair Wilson leading efforts to celebrate Black fathers across the nation. In July, a pivotal hearing at the National Action Network delved further into mental health, while September's event emphasized prevention over detention, with a focus on policing in Black communities and the need for transformative justice.

## 2024 Annual Report

CSSBMB issued its 2024 Annual report on October 31, 2024. This report begins with an overview of CSSBMB's research focus for 2024: undoing the School-to-Prison Pipeline (STPP). Chapter 1 explains the STPP—a national trend in which students are increasingly pushed out of schools and into the criminal justice system. It then explains that CSSBMB has focused its research efforts to date on school suspensions. Suspensions are a key indicator to understand how unequally applied school discipline can disproportionately and negatively impact Black male students. Finally, it discusses specific policy recommendations that can undo the STPP and make education more equal and effective for all students, then previews future research from CSSBMB on these topics.

Chapter 2 provides a snapshot of the status of CSSBMB's research on the STPP. The focus is on suspensions, one of the most frequently used forms of school discipline that disproportionately and negatively affect Black male students. Suspension is a form of exclusionary discipline: school disciplinary practices that unfairly target and impact certain groups more than others. The CSSBMB's research breaks down the impact of suspensions in terms of race and gender, highlighting the uniquely harsh effect of school discipline on Black male students and the ways that they are driven out of school and into the criminal justice system.

Here, CSSBMB's original data analysis provides a compelling picture of the racial disparities in exclusionary disciplines and their geographic makeup. The data analysis enables the executive branch and congressional lawmakers and policymakers, as well as

the public, to identify that Black male students are facing significant disparities in school discipline, which adversely affects their lives. It also provides a map of the states and localities where these disparities are the greatest so lawmakers and policymakers can focus their efforts on achieving the best results.

Building on this analysis, Chapter 3 outlines an important selection of policy recommendations from CSSBMB aimed at combating and undoing the destructive influence of the STPP on not only Black males but all students. Chapter 4 highlights CSSBMB's overall research accomplishments for the year, providing concrete details about its research projects and activities. Chapter 5 overviews CSSBMB's wide-ranging efforts at civic engagement, public education, and interagency collaboration. It also lists major CSSBMB activities, meetings, and events for fiscal year (FY) 2024.

The report is available at the following website: [https://cssbmb.gov/wp-content/uploads/2024/10/CSSBMB-2024-Annual-Report.v8\\_2024-10-22-MC\\_508-compliance-1.pdf](https://cssbmb.gov/wp-content/uploads/2024/10/CSSBMB-2024-Annual-Report.v8_2024-10-22-MC_508-compliance-1.pdf)

### **2023 Annual Report: Spotlights**

The CSSBMB released a public-facing handout spotlighting the major findings from its 2023 Annual Report.

The spotlights are available at the following website: <https://cssbmb.gov/publication/2023-annual-report-spotlights-one-pagers/>

### **2024 Education Roadmap**

The CSSBMB worked with key stakeholders to develop the 2024 Education Roadmap, a collaborative research guide on critical educational issues and inequalities facing Black men and boys across the nation.

### **CSSBMB Digital Launch**

The CSSBMB developed and launched its website: <https://cssbmb.gov/>

This revised digital presence provides CSSBMB with a compelling platform to promote its research and activities. In concert with the website, CSSBMB also debuted a new logo and brand color scheme.

### **Education: Researching Problems, Advocating Solutions**

Throughout 2024-2025, CSSBMB will be releasing the results of its research on the disparities that Black male students face in their educational journeys due exclusionary discipline in schools. A snapshot of the research completed thus far is included in this report.

## **EmpowerED Initiative**

Beginning in late 2024, CSSBMB will launch its EmpowerED Initiative, which brings CSSBMB together with historically black colleges and universities (HBCUs) across the country to hold events that explore the importance of Black male teachers, ways to bring more Black males into the teaching profession, benefits to students of color and schools, and the challenges that remain.

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

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

# Auditor's Report, Financial Statements & Notes

CCR – 2024 Financial Statement Audit  
Contract: 47QRAA21D0026/CR0-24-0025

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**Commission on Civil Rights (CCR)  
Fiscal Year 2024 Financial Statement Audit**

**Final Independent Auditor's Report**

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

*Submitted by:*  
Jason L. Allmond CPA, CGFM, CISA, CISM  
Managing Member  
Allmond & Company, LLC  
7501 Forbes Blvd, Suite 200  
Lanham, MD 20706  
301-918-8200  
jallmond@allmondcpa.com

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**Final Independent Auditor's 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, 2024**



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





## Independent Auditor's Report

Chairperson  
United States Commission on Civil Rights:

### Report on the Financial Statements

#### Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the U.S Commission on Civil Rights (CCR) financial statements. CCR financial statements comprise the balance sheets as of September 30, 2024 and 2023; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

In our opinion, CCR's financial statements present fairly, in all material respects, CCR's financial position as of September 30, 2024 and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CCR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in CCR's Performance and Accountability Report (PAR), and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or material weakness when it exists.

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

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we;

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCR's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

*Required Supplementary Information (RSI)*

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

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

*Other Information*

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

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

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies<sup>1</sup> or to express an opinion on the effectiveness of CCR's internal control over financial reporting. Given these limitations, during our fiscal year 2024 audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

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

*Responsibilities of Management for Internal Control over Financial Reporting*

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

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

In planning and performing our audit of CCR's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered CCR's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCR's internal control over financial reporting. Accordingly, we do not express an opinion on CCR's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

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

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that;

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

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

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

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

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CCR. Accordingly, we do not express such an opinion.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

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

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

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

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

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

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

*Allmond & Company, LLC*  
Lanham, MD  
November 6, 2024

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**Fiscal Year 2024  
Financial Statements**



## UNITED STATES COMMISSION ON CIVIL RIGHTS

### BALANCE SHEETS

As of September 30 2024 and 2023

(Dollars)

		2024	2023
<b>Assets:</b>			
Intragovernmental Assets:			
Fund Balance With Treasury	(Note 2)	\$ 4,723,644	\$ 5,751,084
Total Intragovernmental Assets		<u>4,723,644</u>	<u>5,751,084</u>
Other than Intragovernmental Assets			
Property, Plant and Equipment, net	(Note 3)	24,638	27,930
Total Other than Intragovernmental Assets		<u>\$ 24,638</u>	<u>\$ 27,930</u>
Total Assets		<u>\$ 4,748,282</u>	<u>\$ 5,779,014</u>
<b>Liabilities:</b>			
Intragovernmental Liabilities:			
Accounts Payable	(Note 4)	\$ 11,764	13,871
Other Liabilities (without reciprocals)	(Note 4 & 5)	\$ 17,425	23,073
Other Current Liabilities-Benefit Contributions Payable	(Note 4 & 5)	40,235	88,179
Total Intragovernmental Liabilities		<u>69,423</u>	<u>125,123</u>
Other than Intragovernmental Liabilities:			
Accounts Payable	(Note 4)	\$ 156,723	339,019
Federal Employee Salary, Leave, and Benefits Payable:	(Note 4)		
Accrued Funded Payroll and Leave		308,350	\$ 401,034
Employer Contributions and Payroll Taxes Payable		13,871	22,935
Unfunded Leave		726,484	629,693
Total Other than Intragovernmental Liabilities		<u>\$ 1,205,428</u>	<u>\$ 1,392,682</u>
Total Liabilities		<u>\$ 1,274,851</u>	<u>\$ 1,517,804</u>
<b>Net Position:</b>			
Total Unexpended Appropriations (Consolidated)		\$ 4,175,276	\$ 4,858,059
Total Cumulative Results of Operations (Consolidated)		(701,846)	(596,849)
Total Net Position		<u>3,473,431</u>	<u>4,261,210</u>
Total Liabilities and Net Position		<u>\$ 4,748,282</u>	<u>\$ 5,779,014</u>

The accompanying notes are an integral part of these statements.

**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENTS OF NET COST**  
For the Fiscal Years Ended September 30, 2024 and 2023  
(Dollars)

	2024	2023
<b>Program Costs:</b>		
Gross Cost	\$ 15,676,128	\$ 13,414,706
Net Program Cost	<u>15,676,128</u>	<u>13,414,706</u>
Net Cost of Operations	<u>\$ 15,676,128</u>	<u>\$ 13,414,706</u>

The accompanying notes are an integral part of these statements.



**UNITED STATES COMMISSION ON CIVIL RIGHTS**  
**STATEMENTS OF BUDGETARY RESOURCES**  
**For the Fiscal Years Ended September 30, 2024 and 2023**  
**(Dollars)**

	2024	2023
<b>Budgetary Resources</b>		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory) (Note 12)	\$ 2,077,321	\$ 1,318,287
Appropriations (Discretionary and Mandatory)	14,350,000	14,350,000
Spending authority from offsetting collections (discretionary and mandatory)	-	4,914
Total Budgetary Resources	<u>\$ 16,427,321</u>	<u>\$ 15,673,201</u>
<b>Status of Budgetary Resources</b>		
New Obligations and Upward Adjustments (Total) (Note 7)	\$ 14,154,902	\$ 13,966,442
Unobligated Balance, End of Year:		
Apportioned, Unexpired accounts	246,214	457,971
Expired Unobligated Balance, End of Year	<u>\$ 2,026,206</u>	<u>\$ 1,248,788</u>
Unobligated Balance, End of Year (Total)	<u>2,272,420</u>	<u>1,706,759</u>
Total Budgetary Resources	<u>\$ 16,427,321</u>	<u>\$ 15,673,201</u>
<b>Outlays, Net and Disbursements, Net</b>		
Outlays, Net (Total) (Discretionary and Mandatory)	\$ 15,152,356	\$ 12,688,706

The accompanying notes are an integral part of these statements.

## UNITED STATES COMMISSION ON CIVIL RIGHTS

### STATEMENTS OF CHANGES IN NET POSITION For the Fiscal Year Ended September 30, 2024 and 2023 (Dollars)

	2024	2023
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 4,858,059	\$ 3,557,147
Appropriations Received	\$ 14,350,000	\$ 14,350,000
Other Adjustments	\$ (225,084)	\$ (223,475)
Appropriations Used	\$ (14,807,699)	\$ (12,825,613)
Net Change in Unexpended Appropriations	<u>\$ (682,783)</u>	<u>\$ 1,300,912</u>
<b>Total Unexpended Appropriations</b>	<b><u>\$ 4,175,276</u></b>	<b><u>\$ 4,858,059</u></b>
<b>Cumulative Results of Operations:</b>		
Beginning Balance	\$ (596,849)	\$ (572,367)
Appropriations Used	\$ 14,807,699	\$ 12,825,613
Imputed Financing (Note 9)	\$ 763,433	\$ 564,611
Net Cost of Operations	\$ (15,676,128)	\$ (13,414,706)
Net Change in Cumulative Results of Operations	<u>\$ (104,996)</u>	<u>\$ (24,482)</u>
<b>Total Cumulative Results of Operations</b>	<b><u>\$ (701,846)</u></b>	<b><u>\$ (596,849)</u></b>
<b>Net Position</b>	<b><u>\$ 3,473,431</u></b>	<b><u>\$ 4,261,210</u></b>

The accompanying notes are an integral part of these statements.

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

### GENERAL FUND

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### *Basis of Presentation*

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

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and a statement of budgetary resources. The balance sheets present, as of September 30, 2024, and 2023, amounts of future economic benefits owned or managed by the Commission (assets), amounts owed by the Commission (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Commission. The statement of budgetary resources reports on the Commission's budgetary activity.

##### *Basis of Accounting*

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

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

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

*Use of Estimates*

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

*Fund Balance with Treasury*

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

*General Property and Equipment*

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

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

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

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

*Liabilities*

Liabilities are recognized for amounts of probable and measurable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Commission is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payments of all liabilities other than contracts can be abrogated by the sovereign entity. In accordance with public law and existing federal accounting standards, no liability is recognized for future payments to be made on behalf of current workers contributing to the Medicare Health Insurance Trust Fund, since liabilities are only those items that are the 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 the new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include:

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

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

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

*Accounts Payable*

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

*Accrued Payroll and Benefits*

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

*Revenue and Financing Sources*

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

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

*Federal Employee Benefits*

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

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

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

*Classified Activities*

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

*Budgetary Terms*

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

The following budget terms are commonly used:

Appropriation -- means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose.

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

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

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

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

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

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

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

**NOTE 2 FUND BALANCE WITH TREASURY**

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

	2024	2023
1. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	246,214	457,971
b) Unavailable	2,026,206	1,248,788
2) Obligated Balance not yet Disbursed	<u>2,451,224</u>	<u>4,044,325</u>
<b>Total</b>	<b><u>\$ 4,723,644</u></b>	<b><u>\$ 5,751,084</u></b>

In fiscal year 2024, the Commission cancelled its fiscal year 2019 remaining funds and returned the balance of \$225,084.43 to Treasury.

**NOTE 3 GENERAL PROPERTY, PLANT AND EQUIPMENT**

Property and equipment consisted of the following on September 30:

	2024	2023
Equipment	\$ 279,913	\$ 280,955
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
<b>Total</b>	<b><u>\$ 287,597</u></b>	<b><u>\$ 288,639</u></b>
Less: Accumulated depreciation		
Equipment	\$ 255,274	\$ 253,025
Internal-Use-Software	<u>\$ 7,684</u>	<u>\$ 7,684</u>
<b>Total</b>	<b><u>\$ 262,958</u></b>	<b><u>\$ 260,709</u></b>
<b>Property and Equipment Net</b>	<b>\$ 24,638</b>	<b>\$ 27,930</b>

Depreciation and amortization expense for the fiscal years ended September 30, 2024 and 2023 was \$18,145 and \$18,951, respectively.



**NOTE 4 LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the Commission are classified as liabilities covered or not covered by budgetary resources. Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit). As of September 30, 2024, the Commission had liabilities covered by budgetary resources of \$548,367 liabilities not covered by budgetary resources of \$726,484. As of September 30, 2023, the Commission had liabilities covered by budgetary resources of \$888,111 and liabilities not covered by budgetary resources of \$629,693.

	2024	2023
Intragovernmental Liabilities		
Accounts Payable	\$ 11,764	\$ 13,871
Other Liabilities (without reciprocals)	\$ 17,425	\$ 23,073
Other Current Liabilities-Benefits Contributions Payable	<u>40,235</u>	<u>88,179</u>
<b>Total Intragovernmental</b>	<b>\$ 69,423</b>	<b>\$ 125,123</b>
Other than Intragovernmental		
Accounts Payable	\$ 156,723	\$ 339,019
Federal Employee Salary, Leave, and Benefits Payable:		
Accrued Funded Payroll and Leave	\$ 308,350	\$ 401,034
Employer Contributions and Payroll Taxes Payable	13,871	22,935
Unfunded Leave	<u>726,484</u>	<u>629,693</u>
<b>Total Other than Intragovernmental</b>	<b>\$ 1,205,428</b>	<b>\$ 1,392,682</b>
<b>Total Liabilities</b>	<b>\$ 1,274,851</b>	<b>\$ 1,517,804</b>
Total Liabilities covered by budgetary resources	\$ 548,367	\$ 888,111
Total Liabilities not covered by budgetary resources	<u>726,484</u>	<u>629,693</u>
<b>Total Liabilities</b>	<b>\$ 1,274,851</b>	<b>\$ 1,517,804</b>

**NOTE 5 OTHER LIABILITIES -**

Other Liabilities with the public for the years ended September 30, 2024, and 2023 consist of Other Liabilities Benefit Contributions Payable.

	Non-Current	Current	2024 Total
<b>Intragovernmental Liabilities</b>			
Other Liabilities (without reciprocals)		17,425	\$ 17,425
Other Current Liabilities- Benefit Contributions Payable	\$ -	<u>40,235</u>	<u>\$ 40,235</u>
<b>Total Intragovernmental Liabilities</b>	<b>0</b>	<b>57,659</b>	<b>\$ 57,659</b>

	Non-Current	Current	2023 Total
<b>Intragovernmental Liabilities</b>			
Other Liabilities (without reciprocals)		23,073	\$ 23,073
Other Current Liabilities- Benefit Contributions Payable	\$ -	<u>88,179</u>	<u>\$ 88,179</u>
<b>Total Intragovernmental Liabilities</b>	<b>0</b>	<b>111,252</b>	<b>\$ 111,252</b>

**NOTE 6 OPERATING LEASES**

The Commission has two intragovernmental leases for office space. The longest of those obligations extends through FY 2037. Certain leases contain renewal options and escalation clauses. No leases include restrictions on the Commission's activities. An intragovernmental lease (IGT) is a contract or agreement occurring within a consolidation entity (or between two or more consolidation entities) as defined in SFFAS No. 47, Reporting Entity. Intragovernmental leases are recognized as expenses/revenues based on the payment provisions of the IGT Lease agreement and payables/receivables standards. Reporting entities do not recognize lease liabilities or lease assets for IGT leases. The aggregate rent expense totaled \$1,178,004 and \$332,589 as of September 30, 2024 and 2023, respectively. Future minimum rent payments for the fiscal years ended September 30, are as follows:

2025	\$ 1,293,512
2026	1,312,183
2027	1,331,410
2028	1,306,944
2029	1,282,758
Thereafter	<u>10,483,109</u>
<b>Total</b>	<b>\$ 17,009,916</b>

**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.

	2024	2023
Category A	\$ 14,154,902	\$ 13,966,442

**NOTE 8 UNDELIVERED ORDERS AT THE END OF THE PERIOD**

The amount of budgetary resources obligated for undelivered orders was \$1,902,856 and \$3,156,214 as of September 30, 2024 and 2023 respectively.

	Paid	Unpaid	Total 2024
<b>FY 2024 Undelivered Orders</b>			
Federal	\$ -	186,689	\$ 186,689
Non-Federal	-	<u>1,716,168</u>	<u>1,716,168</u>
<b>Total Undelivered Orders</b>	<b>\$ -</b>	<b>\$ 1,902,856</b>	<b>\$ 1,902,856</b>

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

**NOTE 9 INTER-ENTITY COSTS**

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

The Commission recognizes as imputed financing the cost of future benefits, which include health benefits, life insurance, pensions, and post-retirement benefit expense for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2024, and 2023, imputed financing was as follows:

	2024	2023
Office of Personnel Management	\$ 763,433	\$ 564,611

**NOTE 10 EXPLANATIONS OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE UNITED STATES GOVERNMENT**

SSFFAS 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 2024 actual budgetary execution information is scheduled for publication in February 2025, 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 2023 SBR and the related President's Budget reflected the following:

	<b>Budgetary Resources</b>	<b>New Obligations &amp; Upward Adjustments (Total)</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
Combined Statement of Budgetary Resources	\$ 16	\$ 14	\$ -	\$ 13
Expired Unobligated Balances	\$ 2	\$ -	\$ -	\$ -
Budget of the U.S. Government	\$ 14	\$ 14	\$ -	\$ 13

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

**NOTE 11 RECONCILIATIONS OF NET COST TO NET OUTLAYS**

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

**FY 2024**

	<b>Intra- Governmental</b>	<b>Other Than Intra- Governmental</b>	<b>Total FY 2024</b>
<b>Net Operating Cost (SNC)</b>	\$ 4,935,243	\$ 10,740,885	\$ 15,676,128
<b>Components of Net Cost That Are Not Part of Net Outlays</b>			
Property, Plant, and Equipment depreciation, expense		(18,146)	(18,146)
<b>(Increase)/Decrease in Liabilities not affecting Budget Outlays</b>			
Accounts Payable	2,107	182,296	184,403
Federal Employee Salary, Leave, and Benefits Payable		4,957	4,957
Other Liabilities	53,592		53,592
<b>Other financing sources</b>			
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(763,433)</u>	<u>-</u>	<u>(763,433)</u>
<b>Total Components of Net Cost That Are Not Part of Budget Outlays</b>	<b>(707,734)</b>	<b>169,108</b>	<b>(538,626)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of capital assets	<u>-</u>	<u>14,854</u>	<u>14,854</u>
<b>NET OUTLAYS</b>	<b>\$ 4,227,510</b>	<b>\$ 10,924,847</b>	<b>\$ 15,152,356</b>

**FY 2023**

	Intra- Governmental	Other Than Intra- Governmental	Total FY 2023
<b>Net Operating Cost (SNC)</b>	\$ 3,491,422	\$ 9,923,284	\$ 13,414,706
<b>Components of Net Cost That Are Not Part of Net Outlays</b>			
Property, Plant, and Equipment depreciation, expense		(18,951)	(18,951)
<b>Increase/(decrease) in Assets:</b>			
Accounts Receivable	(4,914)		(4,914)
<b>(Increase)/Decrease in Liabilities not affecting Budget Outlays</b>			
Accounts Payable	16,810	(250,463)	(233,654)
Federal Employee and Veteran Benefits Payable (Nonfederal Employer Contributions and Unfunded Leave)		(11,839)	(11,839)
Other liabilities (Accrued Payroll)	10,643	92,413	103,056
<b>Other financing sources</b>			
Federal employee retirement benefit costs paid by OPM and imputed to agency	<u>(564,611)</u>	<u>-</u>	<u>(564,611)</u>
<b>Total Components of Net Cost That Are Not Part of Budget Outlays</b>	<b>(542,073)</b>	<b>(188,841)</b>	<b>(730,914)</b>
<b>Other Reconciling Items</b>			
Collection of Account Receivable	<u>4,914</u>	<u>-</u>	<u>4,914</u>
<b>NET OUTLAYS</b>	<b>\$ 2,954,263</b>	<b>\$ 9,734,443</b>	<b>\$ 12,688,706</b>

**NOTE 12 NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1**

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2024, and 2023, consisted of the following:

	<b>2024</b>	<b>2023</b>
Unobligated Balance Brought Forward, October 1	\$ 1,706,759	\$ 996,484
Recoveries of Prior Year Obligations	\$ 595,647	\$ 545,278
Other Changes in Unobligated Balances	<u>(225,084)</u>	<u>(223,475)</u>
<b>Unobligated Balance from Prior Year Budget Authority, Net</b>	<b>\$ 2,077,321</b>	<b>\$ 1,318,287</b>

**NOTE 13 CONTINGENCIES**

Litigation and Other Claims: The Commission is involved in an administrative employment discrimination matter. There is a reasonable possibility of an unfavorable outcome. The estimated potential loss is \$100,000 or less.

## OTHER ACCOMPANYING INFORMATION

### Summary of Financial Statement Audit and Management Assurances

#### Summary of Financial Statement Audit

Audit Opinion: Unmodified  
 Restatement: No

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

#### Summary of Management Assurances

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

Statement of Assurance: Unmodified

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

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

Statement of Assurance: Unmodified

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

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

Statement of Assurance: Systems Conform

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



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

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

### Risk Assessment

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

### Payment Recapture Audits

Section 2(H) of the Improper Payments Elimination and Recovery Act requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million if conducting such an audit is cost-effective. The Commission's payments as defined in OMB Circular A – 123, Appendix C exceed this threshold. Accordingly, we conducted a cost-benefit analysis on October 26, 2020. Based on our analysis, we have determined that the costs of a payment recapture audit at the Commission would exceed the benefits. According to OMB Circular A – 123, Appendix C, once an agency determines that it would be unable to conduct a cost-effective recovery audit for certain programs, the analysis will need to be repeated only if circumstances change within the program that might make a recovery audit cost-effective. The circumstances have not changed in FY 2024.

### Improper Payment Reporting

The Commission did not have an improper payment in Fiscal Year 2024.