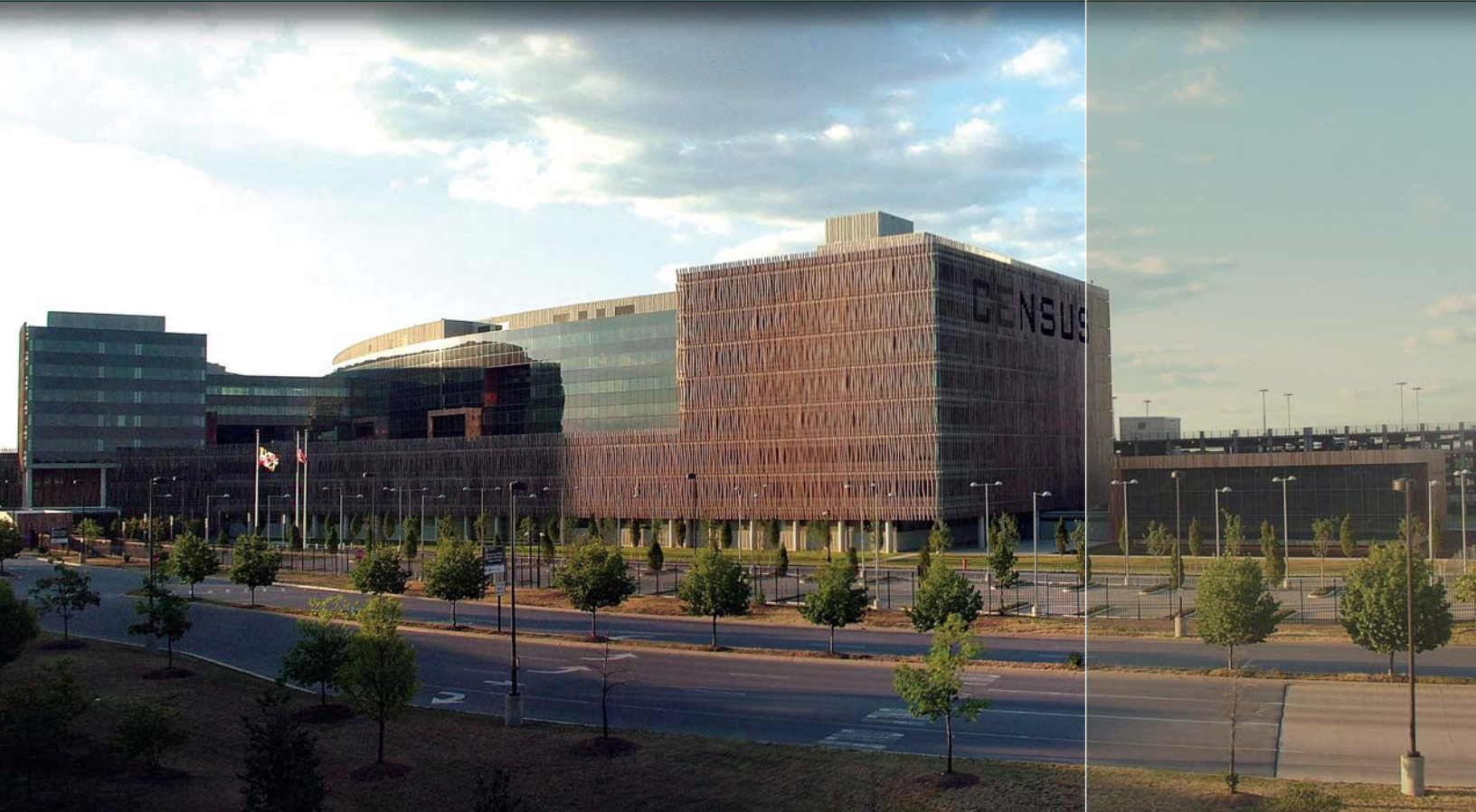


U.S. Census Bureau FY 2009 Performance and Accountability Report

Issued November 2009



U S C E N S U S B U R E A U

Helping You Make Informed Decisions

U.S. Census Bureau FY 2009 Performance and Accountability Report

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U.S. Department of Commerce
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Secretary

Dennis F. Hightower,
Deputy Secretary

Economics and Statistics Administration
Rebecca M. Blank,
Under Secretary for Economic Affairs

U.S. CENSUS BUREAU
Robert M. Groves,
Director



ECONOMICS
AND STATISTICS
ADMINISTRATION

**Economics and Statistics
Administration**

Rebecca M. Blank,
Under Secretary for Economic Affairs



U.S. CENSUS BUREAU

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Director

Thomas L. Mesenbourg,
Deputy Director and Chief Operating Officer

Ted A. Johnson,
Associate Director for Administration and
Chief Financial Officer

Andrew H. Moxam,
Comptroller

James E. Tyler Jr.,
Chief, Budget Division

Joan P. Simms,
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STATEMENT FROM THE DIRECTOR

I am pleased to submit the *U.S. Census Bureau's FY 2009 Performance and Accountability Report (PAR)*. The report describes the Census Bureau's programmatic and financial performance and includes its financial statements for FY 2009. This is the Census Bureau's first stand-alone PAR and its first stand-alone financial report since FY 2001. The data and details in this report provide an account of the Census Bureau's accomplishments in providing benchmark and current measures of the U.S. population, economy, and governments. Through performance toward these goals, the Census Bureau, which falls under the Economics and Statistics Administration, also supports the goal of our parent agency, the Department of Commerce, to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

Benchmark Measures of the Population, Economy, and Governments

Major 2010 Census Operations Are Underway

Major operations of the 2010 Census have begun. In FY 2009, we conducted the Address Canvassing operation. In that operation, more than 150 thousand temporary field workers fanned out across the country and verified the addresses and locations of over 140 million housing units in less than 4 months. This accomplishment provides the foundation for the constitutionally mandated population count that will be conducted next spring, with Census Day on April 1, 2010. We also began the Group Quarters Validation operation, which verifies the type and location of group quarters housing units, such as college dormitories and residential care facilities. In successfully carrying out this operation, we have completed the opening and staffing of 150 early local census offices and have begun the process of opening the 344 additional local census offices that we will need to manage operations in FY 2010.

The Census Bureau also completed the first major advertising buy for the 2010 Census in June. The 2010 Census Integrated Communications Campaign contract totals over \$300 million, including over \$110 million in American Recovery and Reinvestment Act funding. The advertising campaign is multitargeted, multimedia, multilingual, and research-based. It features advertising that will be seen nationwide, as well as local advertising targeted at traditionally hard-to-count populations. It also includes a road tour aimed at increasing awareness of the census and a Census in Schools program.

These efforts are coupled with a partnership program heavily focused on regional efforts to spread the word that participation in the census is crucial to the functioning of our democracy and the fair and equitable allocation of federal funds. More than 2,000 locally based partnership staff are on the ground across the nation working to support census outreach and promotion efforts with partners such as Complete Count Committees, religious organizations, schools, local and tribal governments, and various community-based organizations.

The Economic Census and Census of Governments Release Benchmark Economic Data

Every 5 years, the economic census profiles the U.S. economy from the national to the local level. The economic census covers 84 percent of the gross domestic product (GDP). Data from the economic census help build the foundation for the GDP and other indicators of economic performance. In FY 2009, several major data sets from the 2007 Economic Census were released, including the advance report, which provides a first glance of the economy at broad sector levels. The 2007 Economic Census includes new data on employer costs associated with pension funds and health coverage and other new data sets targeting specific needs of the Bureau of Economic Analysis (BEA), including data on franchising, computer systems integration, patient care, and research and development acquisitions.

Also every 5 years, the census of governments provides comprehensive and uniformly classified data on the organization and economic activities of state and local governments. This complex and ever-changing state- and local-government universe is a major economic force, totaling about 12 percent of GDP and nearly 16 percent of the U.S. workforce. In FY 2009, we released data from the government organization and employment phases of the census of governments.

Current Data on the Economy and Population

New Data on the Services Industry Are Collected for the First Time

The services sector constitutes 55 percent of GDP but has not been well measured in the past. In FY 2009, we instituted an expansion of our services sector statistics programs that will close that gap in 3 short years. The Improved Measurement of Services initiative will expand the Quarterly Services Survey and the Service Annual Survey so that they fully cover this vital sector of our economy by the end of FY 2011. Already, in FY 2009, we nearly doubled the coverage of the Quarterly Services Survey—from 17 to 30 percent—so that it matches the current level of annual coverage. These efforts will provide the BEA with timely new source data needed to improve the national economic accounts.

Survey of Income and Program Participation Is Restored and Improvement Work Continued

The Census Bureau continued the Survey of Income and Program Participation (SIPP), which was restored in September 2008, at its full sample size of 45,000 households. In addition, a multiyear effort to improve the survey was launched. By the end of 2012, these efforts will yield updated computer programming, improved content, development and implementation of an event history calendar to facilitate enhanced accuracy in responses, and security enhancements to laptops used in the field.

Program Data, Management, and Financial Performance

The financial data and program performance results described in this report enable us to administer our programs, gauge their success, and make adjustments necessary to improve program quality and service to policymakers, businesses, and the American public. In short, they help us remain the leading source of quality data about the nation's people and economy.

In response to the Reports Consolidation Act of 2000, we are reporting that the financial and performance data presented are substantially complete and reliable, in accordance with U.S. Office of Management and Budget (OMB) Circulars No. A-136, *Financial Reporting Requirements*, and A-11, *Preparation, Submission and Execution of the Budget*. Details, including any specific data limitations, are discussed in the body of the report. Our financial systems are in substantial compliance with the requirements of the Federal Financial Management Improvement Act of 1996. Our balance sheet and related notes for FY 2009 were audited by independent auditors and an unqualified (“clean”) opinion was received.

The Census Bureau reviews its performance validation and verification processes to ensure that the performance data are accurate. The Census Bureau maintains a quarterly monitoring process that reviews performance measurement data, as well as the measures themselves. This process includes reviewing the data used to determine the results, reviewing the measures for validity, and then developing recommendations for improving them.

We must also comply with the management control standards established by the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circulars No. A-123, *Management's Responsibility for Internal Control*, and A-127, *Financial Management Systems*. Continual evaluation of our operations through a variety of internal and external studies enables us to determine whether our systems and management controls comply with the FMFIA. Based on these reviews for the programs, organizations, and functions covered by the FMFIA, the Census Bureau's systems of management controls, taken as a whole, provide reasonable assurance that the objectives of the FMFIA have been achieved.

In Conclusion

I am very proud of the organization's accomplishments during this fiscal year, and again, it is my pleasure to submit the *FY 2009 Performance and Accountability Report*.



Robert M. Groves
Director
U.S. Census Bureau
November 12, 2009

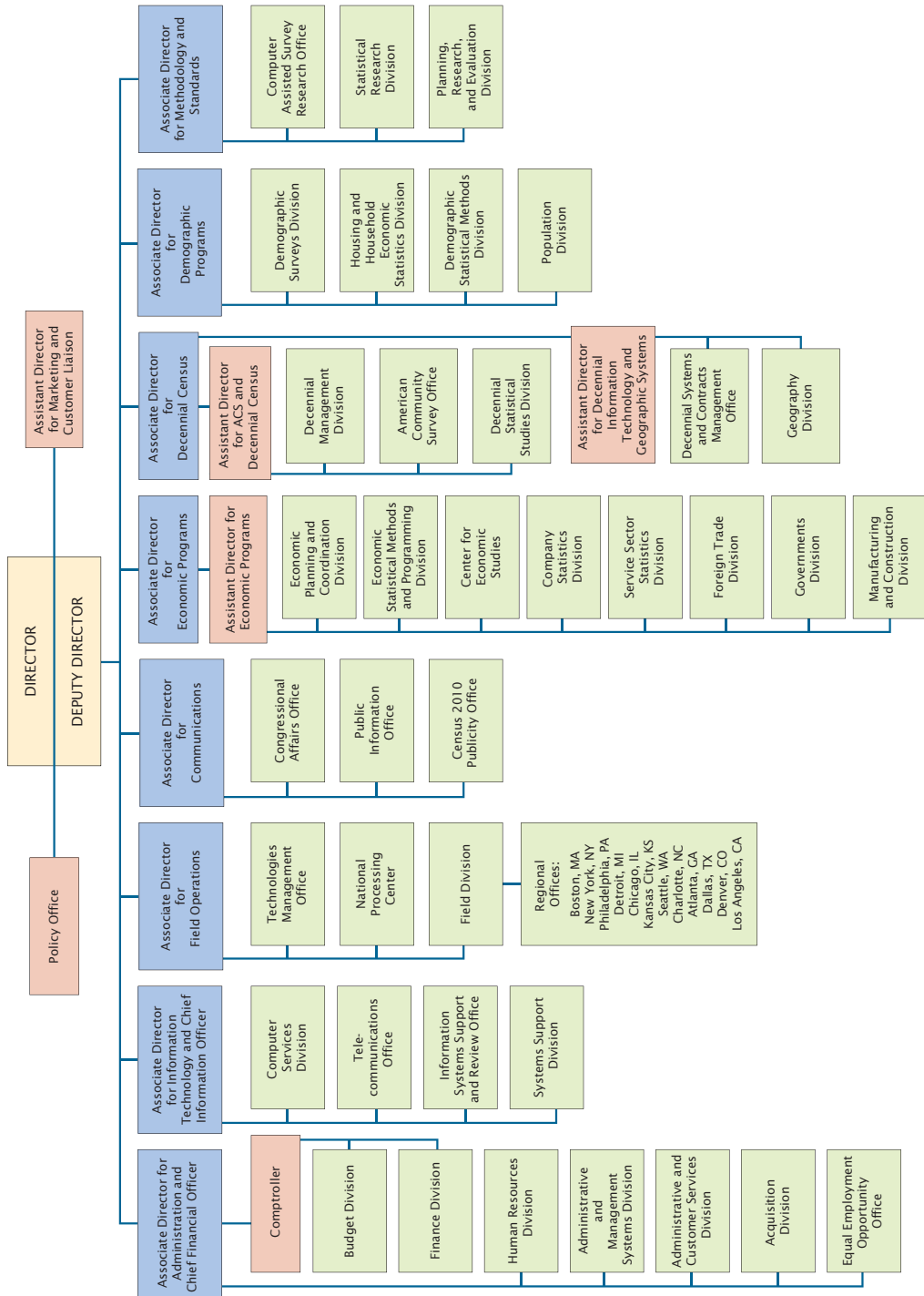
Management's Discussion and Analysis



U.S. CENSUS BUREAU MISSION AND ORGANIZATION

The Census Bureau serves as the leading source of quality data about the nation's people and economy. We honor privacy, protect confidentiality, share our expertise globally, and conduct our work openly. We are guided on this mission by our strong and capable workforce, our readiness to innovate, and our abiding commitment to our customers.

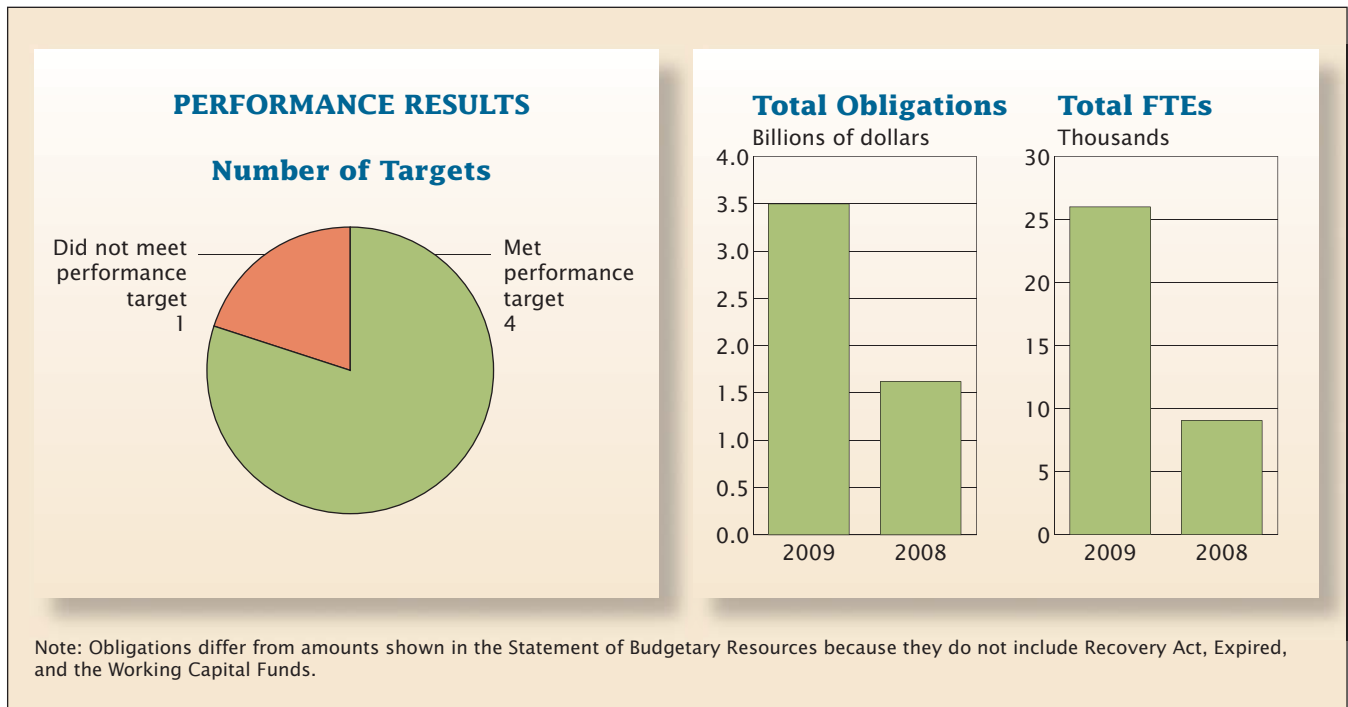
U.S. Department of Commerce Bureau of the Census



FY 2009 PERFORMANCE HIGHLIGHTS

Overall performance results for the Census Bureau show that four of the five performance targets were met. (See Appendix A for a listing of the targets.) Below are obligations and full-time equivalents by strategic goal. Achieving results in each of the strategic goals furthers the Census Bureau mission. This summary provides a snapshot of the targeted achievements. Discussions and highlights of the results can be found in the "Performance Section."

(Dollars in Millions)	Percentage Change	FY 2009	FY 2008
<i>For the Years Ended September 30, 2009 and 2008</i>			
Obligations by Strategic Goal:			
Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments	202.1%	2,773.4	917.9
Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments	1.8%	715.9	703.1
Total Obligations	115.3%	\$3,489.3	\$1,621.0
Full-Time Equivalents (FTEs) by Strategic Goal:			
Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments	551.3%	20,007	3,072
Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments	4.2%	6,231	5,979
Total FTEs	189.9%	26,238	9,051



THE CENSUS BUREAU'S PROCESS FOR STRATEGIC PLANNING AND PERFORMANCE REPORTING

The Census Bureau's Strategic Plan provides a comprehensive vision to meet constitutional and legislative mandates by:

- Implementing a reengineered 2010 Census program that is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk.
- Supporting the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of federal, state, and local programs.
- Supporting innovation, promoting data use, minimizing respondent burden, respecting individual privacy, and protecting the confidentiality of respondents' information.
- Meeting the needs of policymakers, businesses and nonprofit organizations, and the public for current measures of the U.S. population, economy, and governments.

The plan puts forth broad objectives, targets specific outcomes, and identifies key challenges. The Census Bureau issued its strategic plan for FY 2007 through FY 2012 in June 2007. It can be found at <www.census.gov/main/www/strategicplan/strategicplan.pdf>.

The Census Bureau's goal structure has three levels. Strategic goals describe outcomes that emerge from the Census Bureau's mission. Each of these goals in turn has outcome goals or objectives that define the results that the Census Bureau aims to achieve. These are long-term objectives that often involve more than one program. Each has associated indicators and targets to measure the Census Bureau's impact on a continuous basis.

The Strategic Plan and Annual Performance Plan (APP) provide the specific performance goals and measures that align with the Census Bureau's strategic goals and objectives. These performance goals are linked with the resource requirements for the past, current, and upcoming fiscal years. These plans are integrated with the President's budget submission to Congress, at the bureau level. Census Bureau FY 2010 APPs can be found at <www.census.gov/aboutus/FY_2010_Congressional_Submission.pdf>.

Performance Management Process

An overall performance management process ensures that performance feedback, accountability, results, corrective action, and planning occur. This *FY 2009 Performance and Accountability Report (PAR)* provides a public accounting of the Census Bureau's FY 2009 performance results and completes the performance management process. Appendix A of this *PAR* provides details of the Census Bureau's performance and explanatory materials supporting the program results.

How the Census Bureau Selects Its Performance Outcomes and Measures

Performance outcomes articulated in the introductory material for each goal in the Strategic Plan and APP are aimed at achieving one or more strategic outcomes and convey a sense of how the Census Bureau creates value for the U.S. public. Performance measures depict tangible progress by Census Bureau program activities toward these goals. When considered along with external factors and information provided in program evaluations, these measurements give valuable insight into the performance of an agency's programs and are meant to broadly illustrate how the agency adds value to the U.S. economy. More in-depth performance results for FY 2009 and prior years are available in Appendix A.

Performance Validation and Verification

The Census Bureau uses a broad range of performance outcomes and measures to make reporting useful and reliable. It is imperative that performance measures be backed by accurate and reliable data; valid data are important to support management decisions on a day-to-day basis. The data and the means to validate and verify the measures are also diverse. Validation and verification tables appear in the APP in the FY 2010 budget submission. These tables identify each measure and the following information: (1) data source, (2) frequency, (3) data storage, (4) internal control procedures, (5) data limitations, and (6) any actions to be taken. This information is available at <www.census.gov/aboutus/FY_2010_Congressional_Submission.pdf>. Each quarter the Census Bureau reviews its performance validation and verification processes to ensure that the reported performance data are accurate.

Performance Controls and Procedures

Performance Data: The Census Bureau's performance measurement data are collected from the program areas, each with systems to manage their data validation and verification processes. Some of these are automated systems and others are manual processes.

Financial Data: The Census Bureau has a high degree of confidence in its financial data. Normal audit and other financial management controls maintain the integrity of these data elements. During the FY 2009 Financial Statement audit, tests and review of the core accounting system and internal controls were conducted by independent auditors in compliance with the Chief Financial Officers Act. Further, the Census Bureau conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of Office of Management and Budget Circular No. A-123. Based on the results of this evaluation, the Census Bureau provided reasonable assurance that its internal control over financial reporting was operating effectively.

Performance Reviews: The Census Bureau also conducts quarterly performance reviews. During these reviews, the Census Bureau Director reports to the Commerce Department's Deputy Secretary on the current status of Census Bureau performance and its progress toward Government Performance and Results Act measures that will appear in this report.

MOST IMPORTANT RESULTS

In FY 2009, the Census Bureau continued to increase and improve the quality and availability of economic and demographic information used as a basis for important decisions by business leaders, policymakers, and the U.S. public. In FY 2009, the Census Bureau, in support of the 2010 Decennial Census, opened all 150 early local census offices and the Puerto Rico area office, signed leases for the 344 local census offices, and began deploying equipment to these offices. In addition, field operations for the decennial census began, including completion of the Address Canvassing operation that utilized more than 150,000 temporary workers who used handheld computers to verify the Census Bureau's list of addresses and their locations; the beginning of the Census Coverage Measurement Independent Listing operation, which will compile a list of housing units and potential housing units in a sample of blocks used to evaluate coverage of the 2010 Census; and the beginning of the Group Quarters Validation operation, which verifies address geography, validates addresses, determines the status of the Other Living Quarter addresses, and classifies validated Group Quarters. These activities represent the earliest field operations for the 2010 Decennial Census, the largest nonmilitary activity undertaken by the U.S. government.

In addition, the Census Bureau completed data collection for the 2007 Economic Census and started delivery of some 1,600 data releases through the Web-based American FactFinder dissemination system. The *2007 Economic Census Advance Report* was released, and over 91 percent of the industries covered in the Industry Series report were released in FY 2009. The flow of 2007 Economic Census data products will continue through FY 2011.

In response to needs of the national accounts, the annual County Business Patterns (CBP) program is developing a new product that will summarize data for North American Industry Classification System (NAICS) industries by legal form of organization. The Census Bureau will release data for the calendar year 2007 reference period to the Bureau of Economic Analysis as a special tabulation; for 2008 and later reference periods, the product will become a regular part of the CBP product line, which is distributed through the American FactFinder.

In FY 2009, the Census Bureau completed the first full year of data collection for a new panel of the Survey of Income and Program Participation (SIPP), which began in September 2008. Progress continued on all four components of the SIPP reengineering project, with the anticipated release of a new reengineered SIPP Panel in 2013. The four components include:

- Improving the collection instrument and processing system—which involves rewriting the survey questionnaire as well as the post-data collection data processing programs.
- Developing an event history calendar (EHC)—EHC is a method within a survey instrument intended to help respondents accurately recall survey responses by tying them to significant life events. This is especially important with the reengineered instrument since the reference period will increase from 4 to 12 months.

- Using administrative records data—which will be used to measure the quality of survey responses, particularly with respect to government programs.
- Including stakeholder interaction—this effort involves continuous communication with major data users, such as congressional representatives, academia, and policymakers, on the plans for the data to be provided from the reengineered survey.

ANALYSIS OF FINANCIAL RESULTS

Composition of Assets

The Census Bureau's assets have increased significantly due to additional funding for the 2010 Decennial Census.

Total assets amounted to \$2.5 billion and \$849 million at September 30, 2009 and 2008, respectively. Fund Balance With Treasury in the amount of \$2.3 billion and \$705 million in 2009 and 2008, respectively, is the aggregate amount of funds available to make authorized expenditures and pay liabilities. General Property, Plant and Equipment, Net of Accumulated Depreciation (General PP&E) totaled \$141.7 million and \$115.8 million in 2009 and 2008, respectively. General PP&E includes \$14.3 million and \$8.8 million of Construction in Progress in 2009 and 2008, respectively; \$88 million and \$73.3 million of Internal Use Software in 2009 and 2008, respectively (including \$48.4 million and \$41.1 million of Internal Use Software in Development in 2009 and 2008, respectively); and \$4.2 million and \$3.9 million of Leasehold Improvements, Net in 2009 and 2008, respectively. Other General PP&E totaled \$35.2 million and \$29.9 million in 2009 and 2008, respectively, and other Assets totaled \$75.1 million and \$29 million in 2009 and 2008, respectively. Other Assets primarily include Advances and Prepayments of \$14.8 million and \$15.7 million in 2009 and 2008, respectively; Accounts Receivable, Net of \$15.1 million and \$13 million in 2009 and 2008, respectively; and Inventory, Materials and Supplies, Net of \$45.2 million and \$335 thousand in 2009 and 2008, respectively.

Composition of Liabilities

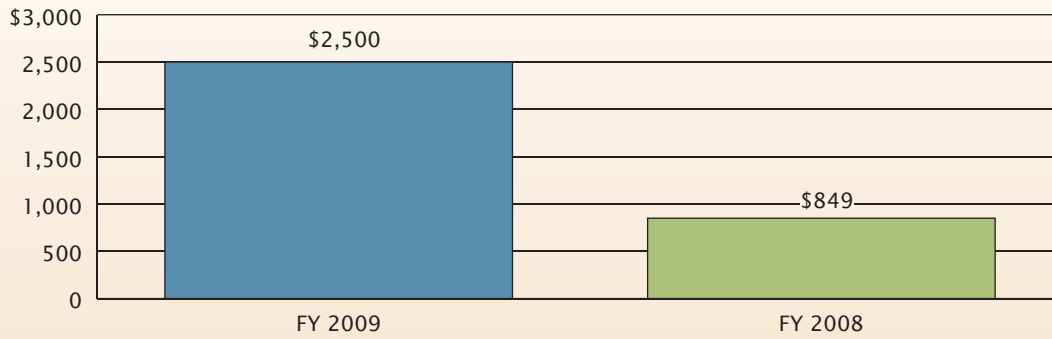
The Census Bureau's total liabilities amounted to \$425.4 million and \$318 million at September 30, 2009 and 2008, respectively. Unearned Revenue in the amount of \$85.5 million and \$93.1 million in 2009 and 2008, respectively, represents the portion of monies received from customers for which goods and services have not been provided or rendered by the Census Bureau. The Actuarial Federal Employees' Compensation Act (FECA) Liability in the amount of \$65 million and \$61.4 million in 2009 and 2008, respectively, represents the actuarial liability for future workers' compensation benefits. Accounts Payable in the amount of \$126.9 million and \$61.4 million in 2009 and 2008, respectively, consists primarily of amounts owed for goods and services in 2009 and 2008, respectively. Accrued Payroll and Annual Leave in the amount of \$118.6 million and \$65.8 million in 2009 and 2008, respectively, includes salaries and wages earned by employees, but not disbursed as of September 30, 2009 and 2008, respectively, and \$0 and \$16.6 million represent Capital Lease Equipment, Net in 2009 and 2008, respectively. Other Liabilities totals \$29.4 million and \$19.7 million in 2009 and 2008, respectively. Other Liabilities primarily includes Accrued FECA Liability of \$13 million and \$11.3 million in 2009 and 2008, respectively; Accrued Benefits of \$12.4 million and \$7 million in 2009 and 2008, respectively; and \$4 million and \$1.4 million of Contingent Liabilities in 2009 and 2008, respectively.

Net Cost of Operations by Strategic Goal

Net Cost of Operations amounted to \$2.7 billion and \$1.2 billion in FY 2009 and FY 2008, respectively. Gross Costs of \$2.9 billion less Earned Revenue of \$238 million and of \$1.5 billion less Earned Revenue of \$244 million were recorded in FY 2009 and FY 2008, respectively. Strategic Goal 1 ("Provide benchmark measures of the U.S. population, economy, and governments.") includes Net Program Costs of \$2.5 billion and \$976 million for FY 2009 and FY 2008, respectively, at the Census Bureau. Strategic Goal 2 ("Provide current measures of the U.S. population, economy, and governments.") includes Net Program Costs of \$140 million (Gross Costs of \$378 million less Earned Revenue of \$238 million) and Net Program Costs of \$254 million (Gross Costs of \$498 million less Earned Revenue of \$244 million) for FY 2009 and FY 2008, respectively. The Census Bureau carries out the decennial census, periodic censuses, and demographic and other surveys, and prepares and releases targeted data products for economic and other programs.

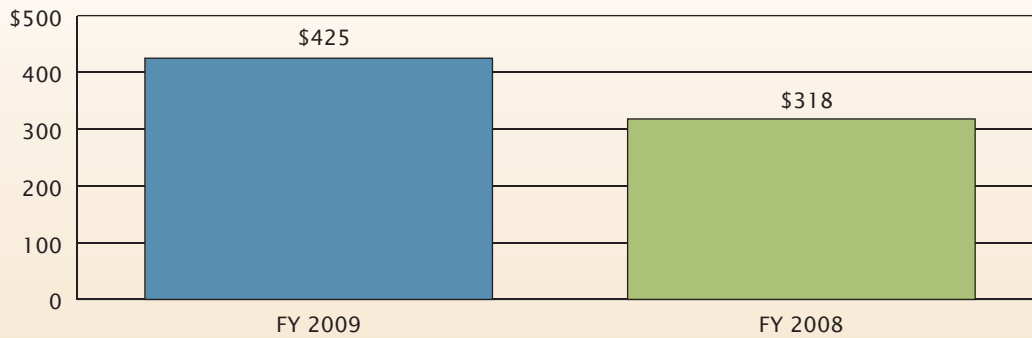
Total Assets

Dollars in millions



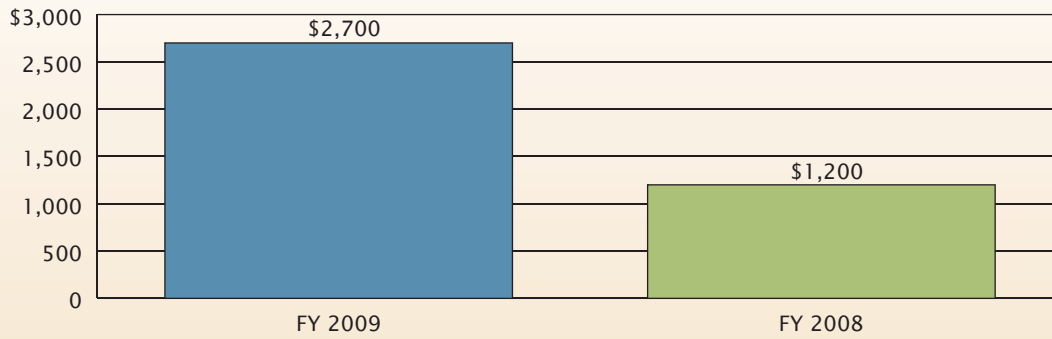
Total Liabilities

Dollars in millions



Total Net Cost of Operations

Dollars in millions



MANAGEMENT CONTROLS

The Census Bureau's management team is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act. The Census Bureau conducted its assessment of internal controls over operations and compliance with applicable laws and regulations in accordance with the Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control* and the Department of Commerce's (DOC) FY 2009 guidance. Based on the results of this evaluation, the Census Bureau can provide reasonable assurance its internal controls, as of September 30, 2009, were operating effectively, and no material weaknesses were found in their design or operation.

The Census Bureau conducted its assessment of the effectiveness of its internal controls over financial reporting, which includes a review of controls for safeguarding assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Census Bureau can provide reasonable assurance its internal controls over financial reporting as of June 30, 2009, were operating effectively, and no material weaknesses were found in their design or operation. No material weaknesses related to internal control over financial reporting were identified between July 1 and September 30, 2009.

In FY 2009, the Census Bureau took a number of actions to assess and strengthen internal controls in the area of information technology security and operations in support of the DOC's overall improvement efforts. For instance, the Census Bureau (1) improved its incidence reporting, (2) performed technology vulnerability assessments, (3) continued its certification and accreditation of systems, and (4) updated its IT Security Program Policy.

In accordance with OMB Circular A-127, *Financial Management Systems*, the Census Bureau can provide reasonable assurance the financial management system on which it relies to carry out its responsibilities conforms to government-wide requirements. The reasonable assurance is based on compliance with the Financial Systems Integration Office, U.S. Government Accountability Office (GAO), and U.S. Standard General Ledger requirements.

In response to the presence of the 2010 Decennial Census on the Inspector General's (IG's) *Semiannual Report to Congress* (March 2009) as one of the Department of Commerce's major challenges, the IC's recommendations from *2010 Census: First Quarterly Report to Congress* (August 2009), and placement on the Government Accountability Office's "high-risk list" in 2008, the Census Bureau has taken a number of actions to act upon the recommendations and issues raised in these reports. Most notably, the Census Bureau developed a High Risk Improvement Plan, and complementary lines of action, to include (1) developing an integrated and comprehensive plan to control costs and manage operations; (2) strengthening risk-management activities; (3) strengthening systems testing; and (4) improving management of the FDCA contract effort.

Finally, as a recipient of American Recovery and Reinvestment Act (ARRA) of 2009 funds, the Census Bureau has taken a number of actions to make ARRA funds use transparent and accountable to the public and oversight agencies. For instance, the Census Bureau established the following: (1) a public Web site to report its use and tracking of ARRA fund activities; (2) a unique fund structure to track obligations and spending of ARRA funds; and (3) a separate Treasury Account to distinguish ARRA from non-ARRA funds.



Robert M. Groves
Director
U.S. Census Bureau
November 6, 2009

Federal Managers' Financial Integrity Act (FMFIA) of 1982

During FY 2009, the Census Bureau reviewed its management control system in accordance with the requirements of FMFIA and OMB and DOC guidelines. The objective of the Census Bureau's management control system is to provide reasonable assurance that:

- Obligations and costs are in compliance with applicable laws.
- Assets are safeguarded against waste, loss, and unauthorized use of appropriations.
- Revenues and expenditures applicable to Census Bureau operations are properly recorded and accounted for, permitting accurate accounts, reliable financial reports, and full accountability for assets.
- Programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

Section 2 of the FMFIA—Internal Management Controls

The Census Bureau can report, on the basis of its annual assessments, that no material weaknesses were identified in FY 2009 in connection with its internal and administrative controls. The efficiency of the Census Bureau's operations is continually evaluated using its internal assessment functions and information obtained from reviews conducted by the GAO and the Office of Inspector General (OIG).

2010 Census

In response to the 2010 Census being placed on the GAO's "high-risk list" in FY 2008, the Census Bureau developed a High Risk Improvement Plan. This plan set forth the Census Bureau's approach for addressing specific GAO recommendations. The plan categorized pertinent elements from the overall recovery plan into four broad areas of action: (1) developing an integrated and comprehensive plan to control costs and manage operations; (2) strengthening risk-management activities; (3) strengthening systems testing; and (4) improving management of the Field Data Collection Automation (FDCA) contract effort.

Following the rescope of the 2010 Census from August to October of 2008, the Census Bureau has worked closely with the DOC, OMB, and oversight bodies to ensure the success of the decennial program, focusing on a range of challenges, including program management, risk management, integration, and testing. Specifically, the Census Bureau worked with a number of OIG and GAO review teams in FY 2009 to identify and correct weakness in 2010 Census operations and management, and has been responsive to the presence of the 2010 Census on the OIG's *Semiannual Report to Congress* (March 2009) as one of the DOC's major challenges.

In FY 2009, the Address Canvassing operation, involving over 150,000 temporary staff, was successfully completed, but at a higher cost than planned. The Census Bureau is conducting a detailed assessment of the factors that increased costs to determine possible impacts on future field operations. This is part of a broad effort to control and manage field costs, which includes a daily Cost & Progress system and more detailed performance targets.

The Census Bureau also launched reviews of Decennial and Field administrative areas to ascertain compliance with statutory financial and budgetary regulations as well as property regulations and with DOC headquarters' administrative policies and procedures.

In addition, in FY 2009 the Census Bureau commenced planning for the 2020 Census. This robust effort included strategic planning, formal governance and communication plans, and program management and operational design options. This robust, early planning will ensure effective control over costs, operations, and risks.

American Recovery and Reinvestment Act (ARRA) of 2009

The Census Bureau was a recipient of ARRA funds in FY 2009 and has taken action to comply with agency reporting requirements issued by OMB on June 22, 2009 (M-09-21, Updated Recovery Act Guidance). The Census Bureau has worked with the DOC in making public information on spending (available obligations and expenditures), announcing significant activities on a weekly basis, configuring data input controls within systems of records to prevent erroneous or missing data, putting in place controls to validate receipt of transmitted data, and implementing an ARRA entity-level risk assessment.

Information Technology (IT) Security Controls

The Census Bureau places a high level of importance on providing the most secure IT environment possible to protect the sensitive information collected and processed under Title 13, U.S. Code, as well as the information resources critical to the day-to-day operation of the Census Bureau.

Improved Incident Reporting

The Census Bureau continued to improve its incident-reporting response of lost or stolen personally identifiable information (PII). It developed a strategy to prepare for the expected increase in reported decennial-related incidents. For example, a Decennial Computer Incident Response Team was created to handle the increased reporting of PII in the Decennial areas.

Performed Technology Vulnerability Assessments

The Information Technology Security Office continued its use of the anytime self-scanning capability for system administrators using Security Console 3 from Tenable to conduct quarterly vulnerability assessments. The results of these assessments are tracked to ensure vulnerabilities are addressed with Plans of Actions and Milestones. The Census Bureau has added the capability to scan for compliance with the Federal Desktop Core Configuration PC settings.

Certification and Accreditations Improvement Process

The IT Directorate continued to improve the certification and accreditation methodology of all IT systems with the addition of a new annual continuous monitoring process in July of 2009.

Information Technology Security Office (ITSO) Outreach Program

The Outreach Program initiative, which ensures that system owners and senior management are provided with the information they need to implement secure systems, has continued. Security briefings were prepared and conducted for five out of the six authorizing officials and their system owners regarding their respective systems.

The following were reviewed:

- a. The security role-based training program, which continues to be managed and tracked; 90 percent of the eligible staff received training.
- b. The Division Security Officer program, which has been redesigned and new security roles introduced.
- c. The Information Security Management Policy, which was approved, with assistance from the data manager. This policy establishes a new role, information security manager, that reports to the authorizing official to represent security matters for all systems under the authorizing official.
- d. The ITSO Web site on the Census Bureau's intranet, which has been improved regarding content and organization of important IT security policy and information.

IT Security Compliance

In FY 2009, a total of four systems were certified and accredited to include one of the Census Bureau's largest general support systems.

A major revision to the IT Security Program Policy was developed, vetted, and finalized in FY 2009 in accordance with the DOC IT Security Program Policy and National Institute of Standards and Technology (NIST) Special Publication 800-53r2.

A new Continuous Monitoring Compliance Policy was developed and implemented in FY 2009.

The ITSO conducted IT Security reviews for eight of the twelve regional offices (ROs) as part of an administrative review process. The review process was started in 2007 and is ongoing. The IT security portion of the reviews is focused on RO compliance with a subset of NIST 800-53 security controls and the Census Bureau's IT Security Program. The ROs were generally in compliance with the subset of 800-53 controls reviewed. Any identified

deficiencies were discussed with the RO director or staff and addressed. The ROs continue to monitor their compliance with federal and departmental IT policies and requirements as a result of the reviews.

Information Systems Security Line of Business

In FY 2009, the Census Bureau implemented a new DOC-mandated tool, Cyber Security Assessment Methodology (CSAM), to manage and track certification and accreditation artifacts. All system security weaknesses and remedial actions are tracked and managed using CSAM; quarterly and annual Federal Information Security Management Act reports to DOC come through CSAM. The Census Bureau developed a pilot of CSAM to evaluate the full capabilities of CSAM and continues to participate on interagency project teams to consider enhancements and uses of CSAM.

Other Internal Control Activities

The Census Bureau participated in the DOC's comprehensive effort to enhance management of internal controls under OMB Circular No. A-123 in FY 2009, continuing to participate in the DOC's Senior Management Council and Senior Assessment Team annual agenda of internal control reviews.

Fiscal Year 2009 Testing

Process	Issues Found to Date
Financial Reporting	None
Acquisition	None
Leases	None
Software	None
Depreciation	None
Disposal	None
Invoice Processing for Decennial Response Integration System (DRIS)	None
Invoice Processing for Field Data Collection and Automation (FDCA)	None
Invoice Processing for Communication Contract	None
Decennial Applicant Personnel and Payroll System (DAPPS)	None
Personal Property Audit	None

Section 4 of the FMFIA—Internal Controls Over Financial Management Systems

In accordance with OMB Circular No. A-127, *Financial Management Systems*, the Census Bureau can provide reasonable assurance the financial management system on which it relies to carry out its responsibilities conforms to GAO principles and standards, the requirements of the Chief Financial Officers Act, and OMB requirements. The Census Bureau had no material weaknesses under Section 4 of the FMFIA.

Finally, the Census Bureau received an unqualified ("clean") audit opinion on its September 30, 2009, Consolidated Balance Sheet. The audit was performed by KPMG LLP and conducted in accordance with OMB guidance and government auditing standards. The audit is required to be performed annually, and it tests whether the Census Bureau is in compliance with certain laws and regulations, including the Federal Financial Management Improvement Act.

Federal Financial Management Improvement Act (FFMIA) OF 1996

The FFMIA requires federal agencies to substantially comply with federal financial management system requirements, federal accounting standards, and the U.S. Standard General Ledger at the transaction level. The Census Bureau complied substantially with the FFMIA for FY 2009.

DEBT MANAGEMENT

The Census Bureau has debt which includes health benefits and other indebtedness for current and former employees. The Debt Collection Improvement Act of 1996 established the Treasury Department as the collection agency for eligible federal agency debts that are more than 180 days delinquent.

At September 30, of the \$2.6 million in gross receivables from the public, \$6 thousand was over 180-days delinquent. Debt delinquent for 180 days or more in the amount of \$1.5 thousand has been referred to Treasury.

The Census Bureau consistently met the Office of Management and Budget Performance Metric for delinquent debt referral in FY 2009. Delinquent debt (180 days or older) on average accounted for 2.63 percent of the Census Bureau's total receivables due from the public during FY 2009. Agencies maintaining their debt at less than 10 percent of their total receivables are considered fully successful by OMB standards.

PAYMENT PRACTICES

Central Contractor Registration (CCR) Policy

Pursuant to the Federal Accounting Regulation (FAR) 4.11, prospective vendors must be registered in CCR prior to the award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement. According to FAR 52.204-7, to register in CCR, a firm must have a Data Universal Numbering System (DUNS) number. The DUNS number is assigned by Dun & Bradstreet, Inc. (D&B) to identify unique business entities. Electronic funds transfer (EFT) and assignment of claims are stated in FAR 52.232-33 Paragraph G: "EFT and assignment of claims. If the Contractor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Contractor shall require as a condition of any such assignment, that the assignee shall register in the CCR database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause."

Electronic Funds Transfer (EFT)

The Debt Collection Improvement Act of 1996 requires the use of EFT for most federal payments, with the exception of tax refunds. The Census Bureau closely monitors its monthly EFT performance and submits consolidated monthly EFT activity reports to the Office of Management and Budget (OMB) as part of the Department of Commerce's Performance Metrics data.

The Census Bureau's vendor EFT percentage increased from 97.5 percent for FY 2008 to 98 percent for FY 2009. The Census Bureau accomplished this, in large part, by working closely with its program offices and departments to identify opportunities for new or improved business processes. This improved performance allowed the Census Bureau in FY 2009, on average, to meet OMB's vendor EFT performance goal of 96 percent. The Census Bureau has maintained its overall EFT percentage at 97 percent from FY 2008 to FY 2009. The Census Bureau believes its continued efforts to implement new or improved business processes will lead to further increases in vendor and overall EFT percentages.

Bankcards

The number of bankcards has fluctuated in proportion to the Census Bureau acquisition cycle. Reversing a long-term trend, the number of active bankcards decreased from 385, on September 30, 2008, to 190 on September 30, 2009. The Census Bureau continues to monitor the internal controls surrounding bankcard purchases to ensure that all such purchases are legal and proper.

Prompt Payment

The Prompt Payment Act of 1982 requires agencies to pay their bills to vendors on a timely basis and to pay interest penalties when payments are made late. The Census Bureau closely monitors its prompt payment performance and submits monthly consolidated prompt payment activity reports to OMB as part of the Census Bureau's Performance Metrics data.

The Census Bureau has maintained its prompt payment performance at 99.7 percent from FY 2008 to FY 2009. Prompt payment performance percentages are maintained at a high level by working closely with program offices and departments.

LIMITATIONS OF THE FINANCIAL STATEMENTS

The Census Bureau has prepared its FY 2009 financial statements in accordance with the requirements of Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements*, as amended, and guidance provided by the Department of Commerce. OMB Circular No. A-136 incorporates the concepts and standards contained in the Statements of Federal Financial Accounting Concepts and the Statements of Federal Financial Accounting Standards recommended by the Federal Accounting Standards Advisory Board and approved by the Secretary of the Treasury, the Director of the OMB, and the Comptroller General.

The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and status and availability of budgetary resources.

These financial statements have been prepared to report the overall financial position and results of operation of the Census Bureau, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared in accordance with the form and content prescribed by OMB Circular No. A-136, the statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records. Additionally, they have been prepared from the books and records of the Census Bureau in accordance with Generally Accepted Accounting Principles for federal entities.

These financial statements should be read with the realization that the Census Bureau is a component of the U.S. government, a sovereign entity. One implication of this is that the liabilities cannot be liquidated without legislation that provides the resources to do so.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO) HIGH RISK ISSUES/2010 CENSUS

The High-Risk Series is a biennial report to Congress on major problems costing the federal government billions of dollars annually. GAO has placed the U.S. Census Bureau's 2010 Census program on this high risk list. Below is the issue raised by GAO, and the actions the Census Bureau has taken and continues to take to address these issues.

Issues

Automation problems and uncertain costs and plans may jeopardize the success of the 2010 Census. These issues warrant immediate attention. The decennial census is a constitutionally mandated activity that produces critical data used to apportion congressional seats and to allocate over \$400 billion in federal assistance each year.

Goal

Strengthen management and oversight and reduce risks for the 2010 Census.

Challenges/Actions

- **Develop an integrated and comprehensive plan to control costs and manage operations**
 - Continue to improve management practices and communications (both internal and external).
 - Continue to manage the schedule with weekly analysis of the activities and milestones contained in the integrated project schedule.
- **Strengthen risk management activities and systems testing**
 - Continue to develop mitigation and contingency plans to accompany the risk management plan.
 - Continue to review and update the risk register and ensure ongoing involvement of senior management in risk review.
 - Continue development of detailed testing plans, including gap analysis.
 - Conduct and monitor system testing across the 2010 Census program.

▪ **Improve management of the Field Data Collection Automation (FDCA) effort**

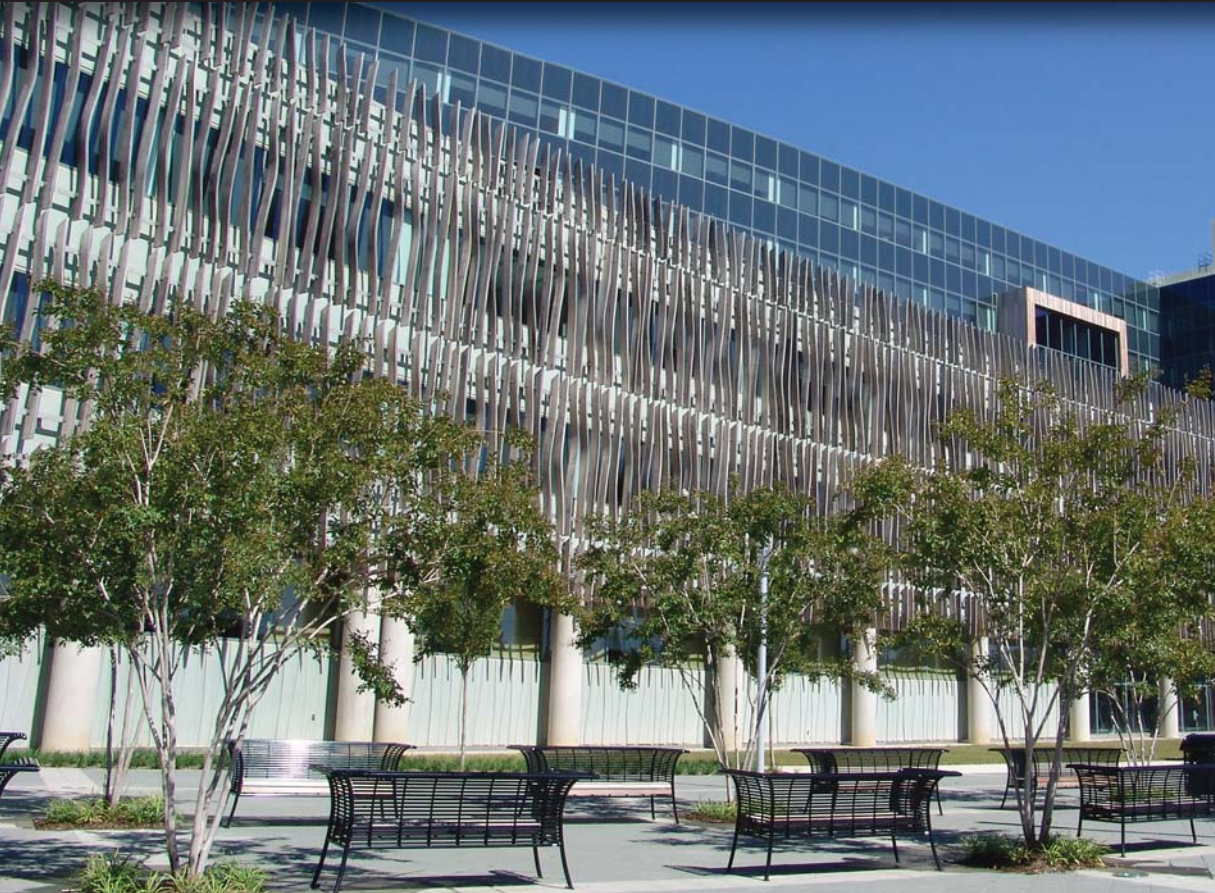
- Conduct and monitor extensive testing, including coding and unit testing, field testing, production integration testing, and operational readiness testing (by the Census Bureau and contractors).
- Successfully completed Address Canvassing ahead of schedule, using automated handheld computers supplied by the FDCA contractor.
- Continue to oversee deployment, by the FDCA contractor, of equipment and systems to the local census offices.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (RECOVERY ACT)

The Recovery Act was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jumpstart the U.S. economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so the country can thrive in the twenty-first century. The Recovery Act is an extraordinary response to promote economic recovery and growth, and includes measures to modernize the nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

Program	Periodic Censuses and Programs
Amount	\$1 billion
Description	To ensure a successful 2010 Decennial Census, the Census Bureau received \$1 billion to hire new personnel for partnership and outreach efforts to minority communities and hard-to-reach populations, increase targeted media purchases, and ensure proper management of other operational and programmatic risks.
Current/Planned Performance Measures	Of the \$1 billion received, \$102.1 million was planned for FY 2009, with the remaining amount planned for FY 2010. The FY 2009 activities include hiring 2,027 partnership staff to aid in outreach efforts, especially in hard-to-count areas. Other planned actions include the start of targeted media purchases and the distribution of promotional items via partnership staff. For FY 2010, the Census Bureau Recovery Act plans include the enumeration operations, such as group quarters (college dormitories, military quarters, nursing homes, etc.), Update/Enumerate (an enumerator updates residential addresses and conducts an interview of the resident(s) using a paper questionnaire), and coverage follow-up (1,250 additional temporary telephone interviewers will be hired to re-contact households to verify the information on the census form, make corrections as warranted, and obtain any missing demographic information based on specific criteria)—to name a few. Some of the other Recovery Act funded activities for the 2010 Decennial Census include expanded outreach via the Census in Schools program, the 2010 Census road-tour, and the opening of Be Counted and Questionnaire Assistance Centers. For more detailed information about the Census Bureau's Recovery Act program plans, visit < www.census.gov/recovery > or < www.recovery.gov >.
Comments	As of July 2009, the Census Bureau exceeded the Partnership Program's goal by hiring more than 2,200 partnership staff for outreach activities. The decennial census is used to provide the official population counts for determining the allocation to states of seats in the U.S. House of Representatives and for determining how the boundaries of districts are defined for those seats. Data collected from the 2010 Census provide comprehensive and useful demographic information about all people living in the United States, Puerto Rico, and the associated Island Areas. More than \$400 billion a year is distributed to state and local governments using formulas that are based on data such as state population and personal income. The Census Bureau's utilization of Recovery Act funding provides immediate and long-term benefits to the American Public by ensuring that everyone is counted and that communities receive services to meet their needs.

Performance Section



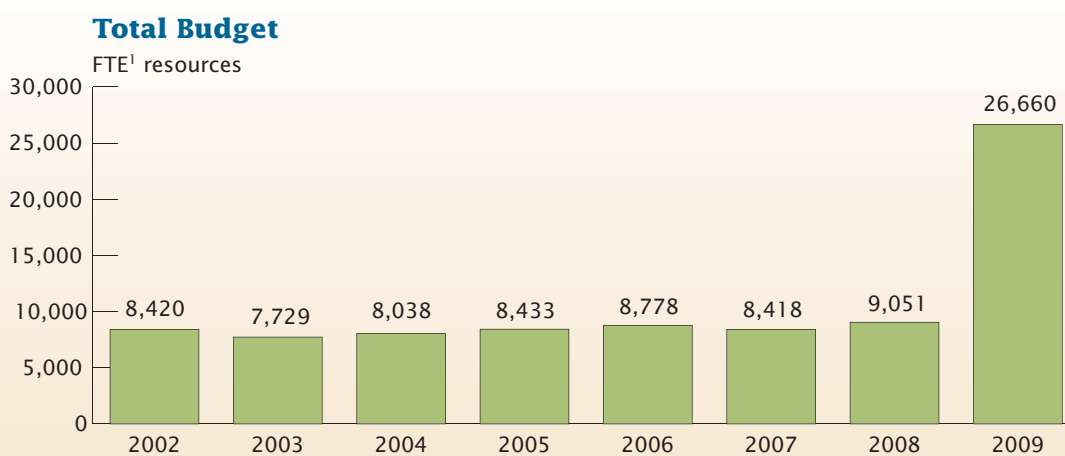
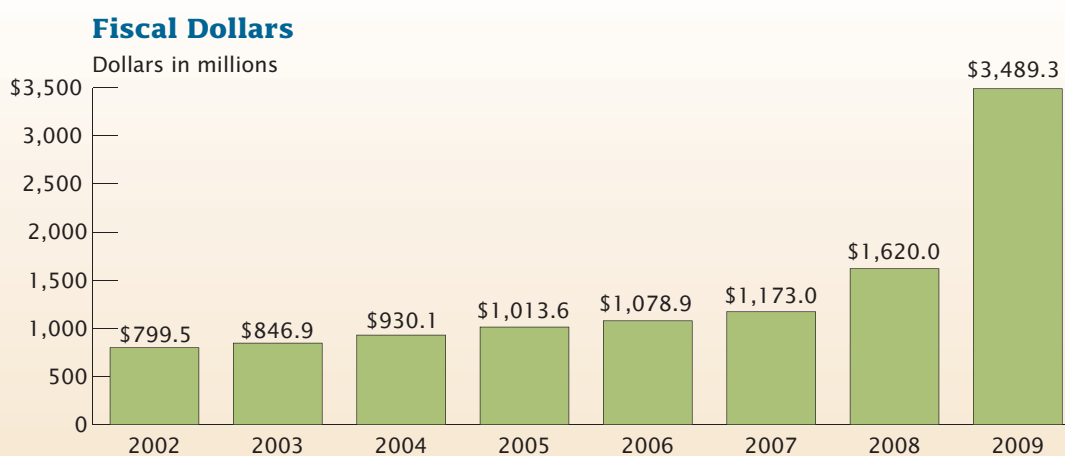
INTRODUCTION TO THE PERFORMANCE SECTION

In FY 2009, the Census Bureau accomplished its mission through two strategic outcome goals that encompass shorter-term outcomes and priorities. These outcomes have specific performance targets within a given fiscal year.

The summary chart below provides the historical trend data for Census Bureau financial obligations and full-time equivalent (FTE) resources. A table summarizing the performance outcomes follows in the next subsection. Other tables in following subsections show the status of the performance measures associated with an outcome.

Historical details on each performance result are located in Appendix A, which provides individual measurement results and descriptions of actions to be taken if the measure does not achieve positive results. It includes explanations and strategies to address performance deficiencies. Appendix B presents definitions of the measures.

TOTAL BUDGETARY RESOURCES: 2002–2009



¹ FTE—Full-time equivalent

Note: Obligations differ from amounts shown in the Statement of Budgetary Resources because they do not include Recovery Act, Expired, and the Working Capital Funds.

Public Benefits and Summary of Performance

Strategic Goal	Targets Met or Exceeded
Provide benchmark measures of the U.S. population, economy, and governments	2 of 3
Provide current measures of the U.S. population, economy and governments	2 of 2

Current and benchmark measures of the U.S. population, economy, and governments play a vital role in the nation's economic well-being. These measures focus on meeting the needs of policymakers, businesses and nonprofit organizations, and the public for this information while respecting individual privacy, ensuring confidentiality, and reducing respondent burden. The result of achieving these measures promotes a better understanding of the U.S. economy in that the activities involved provide timely, relevant, and accurate economic data in an objective and cost-effective manner.

The Census Bureau's statistical programs and services are widely used by policymakers, business leaders, and the U.S. public. As a primary source for measures of macroeconomic activity, the Census Bureau provides the nation with the picture of its economic health.

Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments

The Census Bureau provides benchmark measures of the nation's economy and population to help decisionmakers and the public make informed decisions. The Census Bureau's cyclical programs provide the foundation for critical national, state, and local data. These include the economic census and census of governments, which are conducted every 5 years, the 2010 Census program, the Demographic Surveys Sample Redesign Program, and the Intercensal Demographic Estimates Program.

The decennial census is used to provide the official population counts for determining the allocation to states of seats in the U.S. House of Representatives and for determining how the boundary of districts are defined for those seats. The Census Bureau provides to each state the data to be used to determine congressional, state, and local legislative boundaries. The decennial census provides comprehensive and useful demographic information about all people living in the United States, Puerto Rico, and the associated Island Areas. The program also provides data for small geographic areas and population groups that federal agencies need to implement legally mandated programs. More than \$400 billion a year is distributed to state and local governments using formulas that are based on data such as state population and personal income.

The economic census provides comprehensive, detailed, and authoritative facts about the structure of the U.S. economy ranging from the national to the local level. The 2007 Economic Census covered nearly 29 million business locations and 84 percent of the nation's economic activity. The data help build the foundation for the gross domestic product (GDP) and other indicators of economic performance.

The census of governments is the only source of comprehensive and uniformly classified data on the economic activities of state and local governments. The 2007 Census of Governments covered about 90,000 local governments, including thousands of subordinate agencies. This complex and ever-changing government universe is a major economic factor totaling 12 percent of GDP and includes 16 percent of the U.S. workforce.

The Demographic Surveys Sample Redesign Program designs and selects samples for most major recurring national household surveys conducted by the Census Bureau to account for changes in the population and demographics, survey requirements and objectives, and survey methods and technology. The Intercensal Demographic Estimates Program provides updated estimates of the U.S. population for the nation, states, counties, cities, and townships.

Performance Measure	Target	Actual	Status
Correct street features in the TIGER® (geographic) database (number of counties completed) to more effectively support: Census Bureau censuses and surveys, facilitate the geographic partnerships between federal, state, local, and tribal governments, and support the E-Government initiative in the President's Management Agenda	Complete updates to eligible counties in the United States, Puerto Rico, and the Island Areas	Completed updates to eligible counties in the United States, Puerto Rico, and the Island Areas	Met
Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates	At least 90 percent of key activities completed on schedule	92 percent of key activities completed on schedule	Met
Meet or exceed the overall federal score of customer satisfaction on the E-government American Customer Satisfaction Index (ACSI)	Meet or exceed the overall federal score of 75.2 percent	Census scored 68 percent	Not met

FY 2009 Status

In FY 2009, the Census Bureau completed updates to street features in the Topologically Integrated Geographic Encoding and Referencing System (TIGER®) database for eligible counties in the United States, Puerto Rico, and the Island Areas.

The 2010 Census program completed opening early local census offices, successfully completed Address Canvassing operations ahead of schedule, and began Group Quarters Validation operations.

Key accomplishments of the economic census during FY 2009 included:

- Beginning tabulation and macrodata analysis, which met the performance target for this milestone.
- Achieving an 86.7 percent overall unit response rate of over 4.4 million mailed operating establishments, which exceeded the performance target for this measure. To achieve this result, the Economic Directorate developed an account program that assigned analysts to assist targeted large companies and completed early mailing to large companies, three follow-up mailings to multiunits, calls to classification form delinquents, and reminder calls to delinquent multiunits. Efforts to mitigate risk included sending a letter from the Department of Commerce's Chief Counsel for Economic Affairs, reminder calls to largest delinquent single units, and certified follow-up mailing to remaining delinquent single units.
- Issuing the *2007 Economic Census Advance Report*.
- Receiving 28.6 percent of all economic census reports and 54.4 percent of reports for multiestablishment enterprises via electronic reporting, which exceeded corresponding rates from the previous census by 60 percent or more.
- Completing Industry Series releases for 588 of 646 covered industries (91.0 percent of the total), which exceed the 70 percent performance target.

During FY 2009, principal activities of the census of governments program included the release of the Individual State Descriptions, completing the Organization Phase of the census of governments; release of data from the Employment Phase of the census of governments; and release of the State Government Finances and data on State and Local Government Public Employee Retirement Systems, and the completion of data collecting and processing activities for the Local Government Finance Phase.

The Demographic Surveys Sample Redesign Program released documentation on the results of the final evaluation of the full National Evaluation Sample. Additionally, documentation on the final recommendation and decision on the acceptability of the Master Address File as the sampling frame was completed by the end of the fiscal year. This

is one of the most crucial decisions for sample redesign as it will move the Census Bureau to a new universe and away from the four-part universe used since the 1960s.

The Intercensal Demographic Estimates Program met the schedule for the release of the official set of July 2008 population estimates for the nation, states, counties, cities, and townships. Additionally, the program has been working on several research projects designed to improve the population estimates. In FY 2009, this included research on estimating net international migration to the United States and improvements to the Census Bureau's procedures for assigning race and Hispanic origin to births. The Census Bureau is also preparing plans for an evaluation of the postcensal estimates and estimates developed using alternative methods relative to the Census 2010 results.

The Census Bureau's target to meet or exceed the overall federal score of customer satisfaction on the E-government ACSI was not met. The Census Bureau believes this is because visitors who enter Web sites containing a wealth of information and who are not necessarily familiar with the data available tend to experience more challenges finding the information they seek. In October 2009, the Census Bureau launched its newly designed Web site and continues to expand its corporate look and feel across the site. It anticipates that these new designs will make it easier for visitors to find the information they seek.

Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments (ESA/CENSUS)

The Census Bureau collects and disseminates a wide range of current demographic and economic information to help decisionmakers and the public make informed decisions. The Census Bureau's current economic statistics program provides public and private data users with monthly, quarterly, and annual national statistical profiles of the U.S. economy. Agencies like the Federal Reserve Board and the Bureau of Economic Analysis are major users of these data. These data are used to develop the GDP, production indexes, and congressional economic projections. Also, these data allow users to gauge competition, calculate operating ratios, analyze changes in the nation's economic structure, calculate market share, locate business markets, and design sales territories.

The Census Bureau's current demographic statistics program provides elected officials and government and business managers with reliable social and economic data to make informed and cost-effective decisions. Data from these programs are used to create official U.S. measures of employment, unemployment, and poverty and widely used measures of income and health insurance coverage. These programs include:

- The Current Population Survey (CPS), which provides the official source of monthly labor force estimates, quarterly housing vacancy estimates, and annual estimates of work experience, income, poverty, migration, and school enrollment. In FY 2009, the CPS also collected information on the "unbanked" population as part of the January supplement. CPS also enhanced its survey collection operations with the addition of the Contact History Instrument to help the Census Bureau's Field Division staff better target the best time to visit or call.
- The Survey of Income and Program Participation (SIPP) is the major source of information on the economic well being of Americans over time. The data are used to estimate future costs and coverage for government programs and to provide detailed statistics on the distribution and source of income in the United States. In FY 2009, the Census Bureau completed the first full year of data collection for a new panel of the SIPP, which began in September 2008.
- Additionally, efforts continued to improve data collection and processing systems to better meet the policy and operational needs of the country. In FY 2009, these efforts included:
 - Evaluation of the 2008 Event History Calendar (EHC) Paper Test, which continued by comparing the actual 2004 SIPP responses, the EHC responses, and administrative records data.
 - Development of the 2010 Field Test using the reengineered BLAISE EHC automated instrument, along with revising the SIPP processing system.
 - Involvement of stakeholders in all aspects of the reengineering, with the Committee on National Statistics report released in July, in meetings of the American Statistical Association SIPP research group, and in presentations at conferences.

Performance Measure	Target	Actual	Status
Achieve predetermined collection rates for Census Bureau censuses and surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public	At least 90 percent of key censuses and surveys meet/exceed collection rates/levels of reliability	100 percent of key censuses and surveys met collection rates	Met
Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public	(1) 100 percent of economic indicators released on schedule (2) At least 90 percent of other data products from key censuses and surveys released on schedule	(1) 100 percent of economic indicators released on schedule (2) 100 percent of other data products from key censuses and surveys released on schedule	Met

FY 2009 Status

In FY 2009, the Census Bureau released nearly 400 economic reports, including 118 principal economic indicators. Responses to censuses and surveys provide information on retail and wholesale trade and selected service industries, construction activity, quantity and value of industrial output, capital expenditure, e-commerce sales, foreign trade, and state and local government activities. All targeted current surveys programs achieved their response rate targets for FY 2009.

During FY 2009, the Census Bureau began the process of expanding the annual and quarterly surveys of service industries. Prior to the 2009 services expansion, the Service Annual Survey (SAS) coverage accounted for 30 percent of GDP and the Quarterly Services Survey (QSS) coverage comprised 17 percent of GDP. The SAS and the QSS, as fully expanded, will each achieve matching coverage with the services portion of the economic census (55 percent of GDP) by early 2011. In FY 2009, the first wave of the QSS expansion reduced the gap in quarterly data coverage by 50 percent while, at the same time, the Census Bureau completed preparatory steps for completely eliminating the annual data coverage gap with next year's collection of the 2009 SAS.

Also, during FY 2009, the Census Bureau completed the first full year of a new SIPP Panel. The Census Bureau achieved an 87.5 percent response rate for SIPP, which met the target level. The CPS also met its target level response rate in FY 2009. CPS achieved a 92.2 percent response rate. CPS also met all of its data release targets, disseminating 12 data products and 5 supplement data products during the fiscal year.

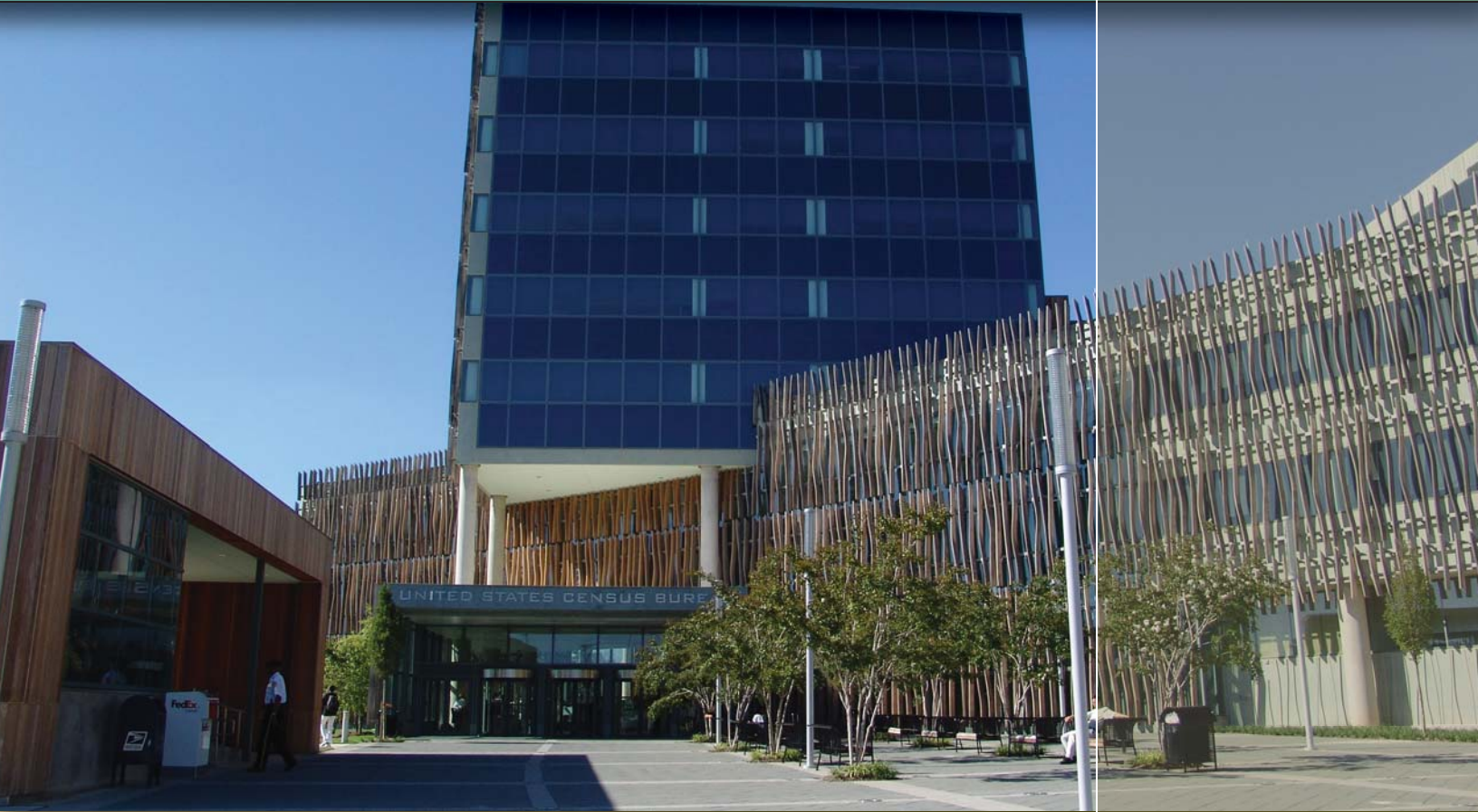
The other Current Demographic Statistics programs also met their target response rates in FY 2009. Maintaining high response rates is especially important because it is a key measure of quality for Census Bureau customers.

The Census Bureau met its targets to achieve at least 90 percent of the planned response rates and dissemination targets for Census Bureau surveys. Response rates are a measure of the quality of survey data. Dissemination targets are a measure of timeliness of the data. By meeting these targets, the Census Bureau is providing its users with the high quality and timely data they need to make important policy decisions that help improve the nation's social and economic conditions.

The American Community Survey (ACS), which collects and tabulates long-form data every year throughout the decade, achieved a 98.1 percent weighted response rate, using three modes of data collection (mail-out, telephone, and personal interview). The ACS also released social and demographic data for all places with a population of 20,000 and larger for the second time.

The Boundary and Annexation Survey (BAS) program achieved an 86.9 percent response rate. The BAS is used to update information about the legal boundaries and names of all governmental units in the United States.

Financial Section





MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Census Bureau is proud to be the largest statistical agency of the federal government. Our conduct of the 2010 Census will directly affect how more than \$400 billion in federal funds is allocated to local, state, and tribal governments each year.

To prepare for the 2010 Census, we have performed extensive planning, development, testing, revising, and retesting of literally thousands of procedures to assess the accuracy and effectiveness of the decennial census operations and to identify improvements that will enhance the efficiency and quality of the 2010 Census. The data collection effort for 2010 will provide new methods and technology that will improve data timeliness and relevance as well as improvements to increase accuracy.

Included in this report are highlights of the Census Bureau's performance and detailed financial information. It fulfills the requirements of the Reports Consolidation Act of 2000, the Chief Financial Officers Act, the Government Performance and Results Act, the Federal Managers' Financial Integrity Act, and the Government Management Reform Act.

We continue to improve our financial controls and have restructured financial operations to include new positions, which have been filled with qualified staff to conduct and support financial reporting and financial system enhancements. We are developing strategies to retain and share the knowledge of our employees. Supporting a highly skilled workforce also means ensuring that they have the tools needed to do their jobs well, including accurate and timely financial and management information, and secure and continuous computer systems.

Our financial system of record, the Commerce Business System (CBS), assists the Census Bureau in providing internal quality assurance. Initially, the system consisted of certain financial management modules as mandated by the Department of Commerce. Over time, additional Census Bureau-specific modules have been added to create a cradle-to-grave financial system for use by the entire agency, spanning applications from budget to accounting with the individual applications that obligate funds (e.g., travel, procurement, training) in between. The result is a complete Census Bureau administrative management system.

Responsibility for the financial information presented rests with the Census Bureau's management. We strive for excellence and are strongly committed to efficiently collecting, recording, and processing financial transactions to provide timely, accurate financial information in support of our customers. We are proud to report that in FY 2009 the Census Bureau received our first unqualified audit opinion on the Balance Sheet as a stand-alone entity since FY 2001. Our financial statements are prepared in conformity with generally accepted accounting principles for the federal government.

We are looking forward to continued success and improvements in 2010.

A handwritten signature in black ink that reads "Ted A. Johnson". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Ted A. Johnson,
Associate Director for Administration and
Chief Financial Officer
November 9, 2009

PRINCIPAL FINANCIAL STATEMENTS

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

Consolidated Balance Sheet As of September 30, 2009 and 2008

(In thousands)

	2009 Audited	2008 Unaudited
ASSETS		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$2,279,483	\$705,041
Accounts Receivable, Net (Note 3)	12,474	9,428
Advances and Prepayments	13,548	8,635
Total Intragovernmental	2,305,505	723,104
Accounts Receivable, Net (Note 3)	2,579	3,616
Inventory, Materials and Supplies, Net (Note 4)	45,242	335
General Property, Plant and Equipment, Net (Note 5)	141,710	115,807
Advances and Prepayments	1,239	7,019
TOTAL ASSETS	\$2,496,275	\$849,881
Stewardship PP&E (Note 12)		
LIABILITIES		
Intragovernmental:		
Accounts Payable	\$24,694	\$6,374
Unearned Revenue	82,944	88,904
Accrued FECA Liability (Note 6)	12,952	11,360
Other (Note 7)	4,456	5,100
Total Intragovernmental	125,046	111,738
Accounts Payable	102,188	55,007
Actuarial FECA Liability (Note 6)	65,052	61,406
Accrued Payroll and Annual Leave (Note 6)	118,553	65,765
Capital Leases	0	16,669
Unearned Revenue	2,630	4,160
Contingent Liabilities (Notes 6 and 9)	4,000	1,400
Other (Note 7)	7,947	1,881
TOTAL LIABILITIES	\$425,416	\$318,026
Commitment and Contingencies (Note 9)		
NET POSITION		
Unexpended Appropriations	\$1,730,348	\$348,004
Cumulative Results of Operations	340,511	183,851
TOTAL NET POSITION	\$2,070,859	\$531,855
TOTAL LIABILITIES AND NET POSITION	\$2,496,275	\$849,881

The accompanying notes are an integral part of these statements.

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

**Consolidated Statement of Net Cost (Unaudited)
For the Years Ended September 30, 2009 and 2008 (Notes 10 and 11)**

(In thousands)

	<u>2009</u>	<u>2008</u>
Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments		
Program Cost	\$2,548,395	\$975,873
Less: Earned Revenue	0	0
Total Net Program Cost	\$2,548,395	\$975,873
Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments		
Program Cost	\$377,743	\$497,963
Less: Earned Revenue	(238,281)	(243,930)
Total Net Program Cost	\$139,462	\$254,033
Total Entity		
Program Cost	\$2,926,138	\$1,473,836
Less: Earned Revenue	(238,281)	(243,930)
Net Cost of Operations	\$2,687,857	\$1,229,906

The accompanying notes are an integral part of these statements.

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

Consolidated Statement of Changes in Net Position (Unaudited) For the Years Ended September 30, 2009 and 2008 (Note 13)

(In thousands)

	<u>2009</u>	<u>2008</u>
Cumulative Results of Operations		
Beginning Balances	\$183,851	\$131,333
Budgetary Financing Sources:		
Appropriations Used	2,785,995	1,234,265
Other Financing Sources (Nonexchange)		
Transfers In/(Out) Without Reimbursement, Net	(151)	0
Imputed Financing Sources From Costs Absorbed by Others	58,673	48,159
Total Financing Sources	2,844,517	1,282,424
Net Cost of Operations	(2,687,857)	(1,229,906)
Net Change	156,660	52,518
Total Cumulative Results of Operations	<u>\$340,511</u>	<u>\$183,851</u>
Unexpended Appropriations:		
Beginning Balance	\$348,004	\$117,069
Budgetary Financing Sources:		
Appropriations Received	4,169,850	1,470,244
Appropriations Transferred In/(Out), Net	0	(3,000)
Other Adjustments	(1,511)	(2,044)
Appropriations Used	(2,785,995)	(1,234,265)
Total Budgetary Financing Sources	<u>1,382,344</u>	<u>230,935</u>
Total Unexpended Appropriations	<u>1,730,348</u>	<u>348,004</u>
Net Position	<u><u>\$2,070,859</u></u>	<u><u>\$531,855</u></u>

The accompanying notes are an integral part of these statements.

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

Combined Statement of Budgetary Resources (Unaudited) For the Years Ended September 30, 2009 and 2008

(In thousands)

	2009	2008
BUDGETARY RESOURCES:		
Unobligated Balance, Brought Forward, October 1	\$280,643	\$160,906
Recoveries of Prior Year Unpaid Obligations	36,915	13,744
Budget Authority		
Appropriations	4,169,850	1,470,244
Spending Authority From Offsetting Collections		
Earned		
Collected	765,402	676,034
Change in Receivables From Federal Sources	1,792	1,529
Changes in Unfilled Customers Orders		
Advance Received	(7,480)	(12,426)
Without Advance	(11,968)	6,958
Subtotal Budget Authority	4,917,596	2,142,339
Nonexpenditure Transfers, Net	0	(3,000)
Permanently Not Available	(1,511)	(2,044)
TOTAL BUDGETARY RESOURCES	\$5,233,643	\$2,311,945
STATUS OF BUDGETARY RESOURCES:		
Obligations Incurred		
Direct	\$3,351,242	\$1,378,033
Reimbursable	718,404	653,269
Total Obligations Incurred	4,069,646	2,031,302
Unobligated Balance		
Apportioned	924,897	93,630
Exempt From Apportionment	230,120	180,110
Total Unobligated Balance	1,155,017	273,740
Unobligated Balance Not Available	8,980	6,903
TOTAL STATUS OF BUDGETARY RESOURCES	\$5,233,643	\$2,311,945
CHANGE IN UNPAID OBLIGATED BALANCE, NET:		
Unpaid Obligated Balance, Net, Brought Forward, October 1		
Unpaid Obligations, Brought Forward	\$448,869	\$275,924
Less: Uncollected Customer Payments, Brought Forward	(24,550)	(16,062)
Total Unpaid Obligated Balance, Net, Brought Forward	424,319	259,862
Obligations Incurred	4,069,646	2,031,302
Less: Gross Outlays	(3,351,809)	(1,844,613)
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(36,915)	(13,744)
Change in Uncollected Customer Payments	10,176	(8,488)
Total Unpaid Obligated Balance, Net, End of Period	\$1,115,417	\$424,319
Unpaid Obligated Balance, Net, End of Period		
Unpaid Obligations	1,129,791	448,869
Less: Uncollected Customer Payments	(14,374)	(24,550)
TOTAL UNPAID OBLIGATED BALANCE, NET, END OF PERIOD	\$1,115,417	\$424,319
NET OUTLAYS:		
Gross Outlays	\$3,351,809	\$1,844,613
Less: Offsetting Collections	(757,922)	(663,608)
NET OUTLAYS	\$2,593,887	\$1,181,005

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

(All tables are presented in thousands)

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Census Bureau is a component entity of the Economics and Statistics Administration, under the Department of Commerce (DOC). All Census Bureau funding is under the Commerce and Housing Credit budget functional classification. The Census Bureau collects and provides high-quality statistics about the American people and economy. To deliver high value, the Census Bureau must target measurements on those trends and segments of the population and economy most critical to continued American success and prosperity. The Congressional Act of March 6, 1902, established a Census Bureau and provides for various surveys and censuses. Title 13 of the U.S. Code regulates laws pertaining to the Census Bureau's statistical programs and ensures confidentiality of data. Section 401 of Executive Order 12656 directs the Secretary of Commerce to provide for the collection and reporting of census information on human and economic resources and to maintain a capability to conduct emergency surveys to provide information on the status of these resources as required for national security emergencies.

Budgets and Budgetary Accounting

To support the mission, the Census Bureau uses financial resources from the following:

Salaries and Expenses (S&E) Appropriation

Annual 1-year appropriations are provided by Congress and are available for obligation in the fiscal year for which they are provided to fund many of the current surveys and other statistical services of the Census Bureau that are conducted each year.

Periodic Censuses and Programs (PCP) Appropriation

Congress provides 2-year appropriations to fund the decennial census conducted every 10 years; the economic censuses and the census of governments, which are conducted every 5 years; and other programs.

American Recovery and Reinvestment Act (ARRA)

The ARRA is an economic stimulus package estimated at \$787 billion that was implemented by proposals from President Barack Obama and enacted by Congress in February 2009. The ARRA includes programs consisting of an expansion of unemployment benefits, domestic spending in education, health care, and infrastructure including the energy sector, to name a few. The ARRA provided \$1 billion to help the Census Bureau conduct a successful 2010 Census.

Working Capital Fund (WCF)

This is a nonappropriated account used to finance services within the Census Bureau. These services are more efficiently performed on a centralized basis and include reimbursable statistical work the Census Bureau performs for other federal agencies, state and local governments, foreign governments, and the private sector.

Census Programs

The Census Bureau is the largest statistical agency of the federal government. While best known for the decennial census, the Census Bureau conducts other surveys and censuses that measure changing individual and household demographics and economic conditions of the United States. Major program functions and activities include:

Decennial Census

The decennial census is authorized by Article 1, Section 2, of the U.S. Constitution. The decennial census is the nation's oldest and most comprehensive source of population and housing information. The decennial program consists of the:

- 2010 Census—which provides the official population counts for the United States.
- American Community Survey—which collects long-form data (detailed characteristics) every year throughout the decade using a large household survey.

- MAF/TIGER® (Master Address File/Topologically Integrated Geographic Encoding and Referencing) Enhancement Program—which works with private and public sectors to modernize and enhance the accuracy of the nation's road map.

Decennial census data provide the basis for apportioning among the states the seats in the U.S. House of Representatives and for developing the districts for those members of Congress and state legislatures. Census 2010 will be the largest in America's history.

Economic Programs

Economic programs produce information critical to the economic functioning of the United States and its citizens. Current data, such as housing starts, retail sales, wholesale trade, merchandise imports and exports, mining, and manufacturing, are collected each month. Data from the economic census and census of governments, which are conducted once every 5 years, provides comprehensive, detailed, and authoritative facts about the structure and function of the U.S. economy and its public sector.

Demographic Programs

Important demographic efforts include the preparation of official population estimates and projections, plus the collection of survey data for official statistics on income and poverty, families, race and ethnic groups, and the nation's housing characteristics.

Reimbursable Programs

Reimbursable programs receive funds from private-sector businesses and from public-sector entities, such as the Departments of Labor, Health and Human Services, Housing and Urban Development, and Justice, in exchange for the Census Bureau's survey and data collection services.

Other Programs

Other programs include Geographic Support, Data Processing Systems, Demographic Surveys Sample Redesign, and Intercensal Demographic Estimates.

Basis of Accounting and Presentation

The Census Bureau's fiscal year ends September 30. The Census Bureau records accounting transactions on both the accrual and budgetary basis of accounting. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting is exclusive to the federal government. Its purpose is to record the status of appropriations and appropriation receipts, allocate budget authority, record valid obligations, and control the use of budgetary resources. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds.

The financial statements are prepared from the accounting records of the Census Bureau in accordance with the U.S. Generally Accepted Accounting Principles (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements*, as well as the accounting policies of the Census Bureau. In addition, the Census Bureau continues to adhere to its current business practices as well as the current accounting policies. Therefore, Census Bureau policies and procedures may differ from other financial reporting requirements submitted pursuant to OMB Circular No. A-136 or the purpose of monitoring and controlling the use of the Census Bureau's budgetary resources. GAAP for federal entities are the principles prescribed by the Federal Accounting Standards Advisory Board, which is the official standard-setting body of the federal government.

Elimination of Intra-Census Transactions and Balances

All significant intra-Census transactions and balances among Census Bureau funds have been eliminated from the Census Bureau financial statements.

Revenues and Other Financing Sources

The Census Bureau receives the funding needed to support its programs through appropriations. Both annual and multiyear appropriations are received and used, within statutory limits, for operating and capital expenditures. Additional resources are obtained through the collection of amounts from reimbursable programs performed for other governmental and nongovernmental entities.

Appropriations are recognized as revenue at the time the related program or administrative expenses are incurred. The consumption of appropriations used to purchase property and equipment is recognized when the purchases are made.

The Census Bureau also receives some financial gifts and gifts-in-kind. All such transactions are included in the consolidated Gifts and Bequests Fund financial statements of the DOC. These gifts are not of significant value and are not reflected in the Census Bureau's financial statements. Most gifts-in-kind are used for official travel to further attain the Census Bureau's mission and objectives.

Appropriations. Through congressional appropriations, the Census Bureau is provided financing sources for its programs. The funds are warranted by the U.S. Department of Treasury and apportioned by the OMB.

Recoveries. Funds are authorized by the OMB's Letter of Apportionment to expend recoveries from prior-years' obligations.

Reimbursements. Reimbursements are authorized in various appropriations based on the Letter of Apportionment.

Imputed Financing Sources. In accordance with federal GAAP, certain expenses should be reported by agencies whether or not these expenses would be paid by the agency that incurs the expense. The Census Bureau's imputed expenses are for health care, life insurance, and pension plans for employees, which will be paid by the Department of Labor. Expenses are recorded at year-end for losses in litigation proceedings against the Census Bureau. The Census Bureau recognizes losses paid by the Treasury Judgment Fund as an imputed financing source.

Assets

Assets defined as Entity Assets, such as Fund Balance With Treasury, Property and Equipment, and Accounts Receivable, are available for use in Census Bureau operations. Most of the Census Bureau's assets are Entity Assets and are available to carry out the mission of the Census Bureau, as appropriated by Congress.

Nonentity Assets are assets for which an agency has fiduciary responsibility and are not available for use in the agency's operations. Nonentity Assets consist of suspense deposit funds and miscellaneous receipts that are not available to finance the Census Bureau activities. These activities were included in Nonentity Assets for FY 2008, but starting in FY 2009, per OMB Circular No. A-136, Section II.4.9.1, these activities are no longer recognized on the proprietary financial statements. Fiduciary Cash and other assets are not assets of the federal government and accordingly are not recognized on the balance sheet. The Census Bureau fiduciary activity is not of a significant amount.

Fund Balance With U.S. Treasury

Funds with the U.S. Treasury consist of appropriated and deposited funds that are available to pay current liabilities and finance authorized purchase commitments. The Treasury processes cash receipts and disbursements. The Census Bureau does not maintain cash in commercial bank accounts.

Accounts Receivable, Net of Allowance

Accounts Receivable are recognized primarily when the Census Bureau performs reimbursable services or sells goods. Accounts Receivable are reduced to net realizable value by an Allowance for Uncollectible Accounts. This allowance is calculated quarterly using methods such as the identification of specific delinquent receivables and the analysis of aging schedules and historical trends adjusted for current market conditions.

The amounts due for public receivables are stated net of an allowance for uncollectible amounts. This allowance is based on an analysis of the outstanding balances. No allowance for uncollectible accounts is recognized for intragovernmental accounts receivable because these accounts are due from other federal agencies and are deemed to be fully collectible.

The Census Bureau also records as accounts receivable amounts due from the public for employees' indebtedness, such as salary overpayments and health benefits. Accounts receivable due from the public also include amounts owed by state and local governments and nonprofit organizations that are not allowed to pay for services in advance.

Advances and Prepayments

Advances are payments the Census Bureau has made to cover a part or all of the cost of goods and services to be acquired. Although payment has been made, the expense is not recorded until goods have been received or services have been performed. The Census Bureau has prepayments and advances with public, as well as intragovernmental, vendors.

Inventory

Inventory is comprised of employment forms, payroll forms, various other administrative forms, and training and production materials. The inventory is stated at historical cost and is adjusted for changes related to consumption and acquisition. Inventory is consumed on a first-in, first-out basis and is used entirely at the discretion of the Census Bureau without restriction.

General Property, Plant and Equipment

The General Services Administration provides the land and buildings that the Census Bureau operates in and charges the Census Bureau a standard level users charge that approximates the commercial rental rates for similar properties.

Capitalization Thresholds. An asset purchased for \$25 thousand or more with a useful life of at least 2 years is recorded as a capital asset and depreciated/amortized over its estimated economic useful life. An asset purchased for less than the capitalization threshold will be expensed when purchased. Similar items purchased in bulk that are individually below \$25 thousand are capitalized when the total purchase is \$250 thousand or more.

Internal Use Software. The Census Bureau records Internal Use Software (IUS) according to the SFFAS No.10, *Accounting for Internal Use Software*. IUS includes software that is commercial off-the-shelf (COTS) purchased, contractor developed, or developed in-house by federal employees. The Census Bureau records COTS costs as PP&E. The Census Bureau also records COTS costs as IUS in development where costs are accumulated as work in progress until final acceptance testing has been successfully completed. Once completed, the costs are transferred to PP&E, with amortization expense recognized on a monthly basis.

Leasehold Improvements. Leasehold improvements are expenditures relating to the alteration or modernization of a leased asset that appreciably broadens the asset's period of usefulness or improves its functionality. The improvement is depreciated over the life of the lease.

Construction in Progress (CIP). CIP refers to the temporary classification of assets that are being built/assembled before being placed in service. The Census Bureau accumulates the costs associated with improvements to leased property in the CIP account until the improvement is completed and is placed in service.

Liabilities

Liabilities represent the amount of money or other resources that are scheduled to be paid by the Census Bureau as the result of transactions or events that have occurred. Liabilities for which an appropriation has not been enacted are classified as unfunded liabilities.

All expenses and related accrued liabilities are recorded and reported whether or not amounts are funded. Appropriation law, however, prohibits federal agencies from obligating or spending funds for which appropriations have not been authorized. In order to comply with the above requirements and to provide accountability for unfunded expenses anticipated to be funded by future appropriations, the amounts for current unfunded expenses are reported in the Statement of Net Cost, and related liabilities are included in the Balance Sheet.

Unearned Revenue

Intragovernmental Unearned Revenue includes advances from federal agencies for goods and/or services that have not yet been provided. Unearned Revenue with the public is comprised mostly of unfinished work for state and local governments, nonprofit organizations, and universities.

Accrued Payroll and Annual Leave

Accrued Payroll and Benefits represent salaries, wages, and benefits earned by the employees, but not disbursed as of September 30. The intragovernmental employees' benefits accrued are future retirement and social security benefits payable to other federal agencies, not to the employees.

Annual leave is accrued as earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual and compensatory leave account is adjusted to reflect current leave balances and pay rates. To the extent current or prior-year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of nonvested leave are expensed as taken.

Federal Employees' Compensation Act (FECA) Liability

FECA provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for Census Bureau employees under FECA are administered by the Department of Labor (DOL) and are ultimately paid by the Census Bureau.

FECA liability represents the accrued liability, which represents money owed for claims paid, and the actuarial liability, which represents the expected future liability for approved compensation claim cases.

Future workers' compensation estimates were generated from an application of actuarial procedures developed to estimate the liability for FECA benefits. The liability for future workers' compensation benefits includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. The liability is determined utilizing historical benefit payment patterns related to a specific period to estimate the ultimate payments related to that period.

Employee Retirement Plans

Most employees of the Census Bureau participate in either the Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS) defined-benefit pension plans. FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and social security automatically cover most employees hired after December 31, 1983. Employees who had 5 years of federal civilian service prior to 1984 and who are rehired after a break in service of more than 1 year may elect to join the FERS and social security system or be placed in the CSRS offset retirement system.

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for employees covered by either FERS or CSRS. The Census Bureau makes a mandatory contribution of 1 percent of basic pay for FERS-covered employees. In addition, the Census Bureau makes matching contributions of up to 5 percent of basic pay for employees who contribute to the TSP. The maximum amount that either FERS or CSRS employees may contribute to the plan in calendar year 2009 is \$22 thousand. This amount consists of the maximum amount of \$16.5 thousand that all employees may contribute and an additional "catch-up" amount of \$5.5 thousand that employees who are 50 years or older may contribute. The sum of employee and Census Bureau contributions is transferred to the Federal Retirement Thrift Investment Board to administer.

The Census Bureau financial statements do not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to Census Bureau's employees and funded by Census Bureau. Such reporting is the responsibility of the U.S. Office of Personnel Management.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, and OMB Circular No. A-136, *Financial Reporting Requirements*, require federal entities to recognize an expense for pension and other retirement benefits at the time employees' services are rendered.

Net Position

The Census Bureau's net position at September 30, 2009 and 2008, consisted of the following:

Unexpended Appropriations. Unexpended appropriations include appropriations not yet obligated or expended, represented by the unobligated balances, and undelivered orders of the Census Bureau's appropriated funds. Multiyear appropriations remain available to the Census Bureau for obligation in future periods. Unobligated balances associated with an appropriation that expires at the end of the fiscal year remain available for obligation adjustments, but not new obligations, until that account is closed; five years after the appropriation expires.

Cumulative Results of Operations. Cumulative results of operations at September 30, 2009 and 2008, include the accumulated difference between expenses consuming budgetary resources and financing sources providing budgetary resources during the current and prior fiscal years; the Census Bureau's investment in capitalized assets, which increases as capital assets are acquired and decreases as capital assets are depreciated or disposed of; and

the excess of certain liabilities not consuming budgetary resources, net of certain assets not providing budgetary resources, whose liquidation will require obligation of funds and may require funding from future congressional appropriations or other budgetary resources.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

Note 2. Fund Balance With Treasury

The U.S. Treasury processes the Census Bureau's cash receipts and disbursements. Nonfederal receipts are deposited daily in commercial banks and the Federal Reserve Bank, which transfer the receipts to the U.S. Treasury. Funds with the U.S. Treasury represent appropriated and reimbursable funds available to finance expenditures. Included in the Fund Balance With Treasury are entity deposit funds for unfinished reimbursable work with other federal agencies and the public. Other funds include nonentity deposit funds, which are funds that are not available to finance the Census Bureau activities.

	2009 Audited	2008 Unaudited
Fund Balance:		
General Funds	\$1,902,897	\$420,511
Revolving Funds	376,518	284,452
Other Fund Types	68	78
Total	\$2,279,483	\$705,041

Status of Fund Balance With Treasury

Unobligated Balance		
Available	\$1,155,017	\$273,740
Unavailable	8,980	6,903
Obligated Balance Not Yet Disbursed	1,115,418	424,320
Non-Budgetary	68	78
Total	\$2,279,483	\$705,041

Note 3. Accounts Receivable, Net

The Census Bureau maintains an accounts receivable subsidiary ledger for amounts due for goods and services provided to other federal agencies, the public, and foreign entities. In addition, the Department of Agriculture, National Finance Center (NFC), maintains an accounts receivable subsidiary ledger on behalf of the Census Bureau for salary overpayments, health benefits, and other indebtedness of most current and noncurrent employees. The NFC receivables include current receivables billed to employees and in the process of repayment as well as unbilled receivables that will not be billed until the employee returns to active status and a salary offset is initiated.

	Gross Accounts Receivable	Allowance	Net Accounts Receivable	
			2009 Audited Total	2008 Unaudited Total
Intragovernmental	\$12,474	\$0	\$12,474	\$9,428
Subtotal	12,474	0	12,474	9,428
With the Public	2,585	(6)	2,579	3,616
Total	\$15,059	(\$6)	\$15,053	\$13,044

The Census Bureau estimates the allowance for uncollectible accounts receivable with the public through systematic methodology in accordance with SFFAS No. 1, Paragraph 46, *Accounting for Selected Assets and Liabilities*, based on historical collection information.

Note 4. Inventory

The Census Bureau handles all functions related to the tracking and management of inventory, materials and supplies. This would include the monitoring of material moved into and out of stockroom locations and the reconciling of the inventory balances. Inventory at the Census Bureau represents goods and materials held available in stock and not intended for sale.

Inventory	Cost Flow Assumption	2009 Audited	2008 Unaudited
Materials for Use	First-in, first-out	\$50,183	\$186
Postal Meter	First-in, first-out	85	149
Allowance		(5,026)	0
Total Inventory		\$45,242	\$335

Note 5. General Property, Plant and Equipment, Net

The Census Bureau owns property and equipment that are essential to its operations. Property and equipment are capitalized and depreciated/amortized over the useful life of the asset and are applied on a straight-line basis. In establishing useful lives for assets, due consideration is given to the Census Bureau's actual prior experiences on the replacement of similar assets. Information regarding the method of depreciation and the useful life is provided in the schedule below:

	Useful Life (Years)	Acquisition Value	Accumulated Depreciation/ Amortization	Net Book Value 2009 Audited
Other Personal Property	3-5	\$119,258	(\$84,021)	\$35,237
Leasehold improvements	5-20	5,434	(1,241)	4,193
Construction in Progress	NA	14,245	0	14,245
Internal Use Software	3-5	110,594	(70,990)	39,604
Internal Use Software in Progress	NA	48,431	0	48,431
Assets Under Capital Lease	3	0	0	0
Total		\$297,962	(\$156,252)	\$141,710

	Useful Life (Years)	Acquisition Value	Accumulated Depreciation/ Amortization	Net Book Value 2008 Audited
Other Personal Property	3-5	\$101,453	(\$86,830)	\$14,623
Leasehold improvements	5-20	4,590	(711)	3,879
Construction in Progress	NA	8,765		8,765
Internal Use Software	3-5	93,455	(61,279)	32,176
Internal Use Software in Progress	NA	41,111		41,111
Assets Under Capital Lease	3	18,864	(3,611)	15,253
Total		\$268,238	(\$152,431)	\$115,807

Note 6. Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources result from the receipt of goods and services, or the occurrence of events, for which budgetary resources are not available.

Accrued FECA liability represents Census Bureau claims paid by the Department of Labor from the Employees' Compensation Fund for the period of July 1, 2007, through September 30, 2009.

Accrued payroll, benefits accrued payroll, and benefit costs are earned by and owed to employees but unpaid as of year-end. Accrued payroll and benefit costs represent current liabilities. Census employees that are paid by the NFC are paid on a biweekly basis with a 2-week delay. The Census Bureau accrued payroll costs for the period of September 13, 2009, through September 26, 2009, and the last 4 days of September 2009. Decennial Applicant Personnel and Payroll System (DAPPS) payroll is expended on a weekly basis. NFC payroll accrued at September 30, 2009, includes benefits that the Census Bureau pays to U.S. Office of Personnel Management for the Thrift Savings Plan and to the Social Security Administration, in addition to the amounts paid to employees. Census Bureau temporary employees working for the field decennial are paid by the DAPPS payroll system.

Actuarial FECA liability represents the estimated liability for future workers' compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous cost for approved compensation cases.

Accrued annual leave represents annual leave that is accumulated as it is earned. The accrued annual leave balance is only reduced as leave is taken.

Contingent liabilities represent the estimated liability for suits against the Census Bureau where an adverse outcome is probable and measurable.

	2009 Audited	2008 Unaudited
Intragovernmental:		
Accrued FECA Liability	\$12,952	\$11,360
Total Intragovernmental	\$12,952	\$11,360
With the Public		
Accrued Annual Leave	\$48,331	\$39,999
Actuarial FECA Liability	65,052	61,406
Contingent Liabilities	4,000	1,400
Total Liabilities Not Covered by Budgetary Resources	\$130,335	\$114,165
Total Liabilities Covered by Budgetary Resources	\$295,081	\$203,861
Total Liabilities	\$425,416	\$318,026

Actuarial FECA Liability:

Actuarial FECA liability is calculated annually, as of September 30. For discounting projected annual future benefit payments to present value, the interest rate assumptions used by U.S. Department of Labor (DOL) were as follows:

	FY 2009	FY 2008
Year 1	4.22%	4.37%
Year 2 and Thereafter	4.72%	4.77%

The wage inflation factors (Cost of Living Allowance) and medical inflation factors (Consumer Price Index—Medical) applied to the calculation of projected future benefits, and also used to adjust the methodology's historical payments to current year constant dollars, were as follows:

FY 2009		
	Cost of Living Allowance	Consumer Price Index—Medical
Fiscal Year		
2010	0.47%	3.42%
2011	1.40%	3.29%
2012	1.50%	3.48%
2013	1.80%	3.71%
2014	2.00%	3.71%

FY 2008		
	Cost of Living Allowance	Consumer Price Index—Medical
Fiscal Year		
2009	3.87%	4.00%
2010	2.73%	3.86%
2011	2.20%	3.87%
2012	2.23%	3.93%
2013	2.30%	3.93%

Note 7. Other Liabilities

Other liabilities include measurable and probable expected future outflows of resources resulting from past transactions or events, and the estimated cost of conditions, situations, or circumstances that will be resolved in the future. "Other Liabilities" represent amounts not otherwise classified to specific liability accounts.

Employer Contribution and Payroll Taxes. This is the Census Bureau's portion of payroll taxes and benefit contributions, such as health and life insurance for covered employees and retirement, including the agency's contribution to the Thrift Savings Plan.

Withholdings Payable. This is the amount withheld from employees' salaries for taxes, employee benefit contributions, wage garnishments, and other withholdings.

Liabilities Covered by Budgetary Resources— Current	Total Other Liabilities	
	2009 Audited	2008 Unaudited
Intragovernmental		
Employer Contributions and Payroll Taxes	\$4,456	\$5,100
Total Intragovernmental	4,456	5,100
With the Public		
Employer Contributions and Payroll Taxes	7,947	1,874
Withholdings Payable	0	7
Total	\$12,403	\$6,981

Note 8. Leases

The Census Bureau has commitments under Occupancy Agreements (OAs) with the General Services Administration (GSA) for the majority of its leases. GSA leases are either federally owned or federally leased. The rent for federally owned space and leased commercial space is based upon similar components, but different principles. In federally owned space, rent is appraisal-based, with other applicable charges. In leased commercial space, rent is a direct pass through of the underlying GSA lease contract. The majority of the Census Bureau rental space, such as the regional offices, is housed in GSA leased space. The Census Bureau has unique operating space needs, usually during decennial, for which space is rented directly by the Census Bureau under its delegated authority. The OA confers upon the Census Bureau the right to occupy space for a specific period of time. The GSA fee for the brokerage and other services provided to the Census Bureau is a flat 8 percent of the annual lease contract plus the cost of separately contracted services. Charges for operating expenses, joint use space, parking, and real estate taxes may be adjusted on an annual basis. Space in federal buildings is appraised every 5 years. Census Bureau leases are 10-year leases with 5- to 10-year firm terms. In this case, all tenant improvement costs incurred to build out the space to agency specifications will be amortized during the lease-term. While the OA addresses financial terms that cover multiple years, the Census Bureau may relinquish the space with a 120-day notice.

Future lease payments are generally calculated based on the GSA annual rental rate adjustments for operating costs and real estate taxes.

Operating Lease

	2009 Unaudited	2008 Unaudited
Expenses		
Space Rentals		
GSA	\$74,100	\$22,546
Commercial Rentals	8	8
Total	\$74,108	\$22,554

Future Payments Due

Fiscal Year	GSA	Commercial	Total
2010	\$74,612	\$10	\$74,622
2011	62,847	10	62,857
2012	57,948	10	57,958
2013	46,273	10	46,283
2014	46,273	10	46,283
Thereafter	0	0	0
Total	\$287,953	\$50	\$288,003

Note 9. Commitments and Contingencies

Commitments

In addition to the future lease commitments discussed in Note 8, the Census Bureau is obligated for the purchase of goods and services that have been ordered, but not yet received. Total undelivered orders for all of the Census Bureau activities were \$935.1 million and \$353.7 million as of September 30, 2009 and 2008, respectively.

Contingencies

The Census Bureau is party to various routine administrative proceedings, legal actions, and claims brought by or against it. It is the opinion of the Census Bureau management and legal counsel that the ultimate resolution of these proceedings, actions, and claims will not materially affect the financial position or net costs of the Census Bureau.

The Census Bureau is subject to suits where an adverse outcome is probable. The range of loss for these suits is between \$200 thousand and \$4 million. Accordingly, \$4 million and \$1.4 million was accrued on the Balance Sheet as of September 30, 2009 and 2008, respectively. Certain legal judgments against the Census Bureau are paid for in full from the Judgment Fund maintained by Treasury. Once the claims are settled or court judgments are assessed

against the Census Bureau, the liability will be removed from the financial statements and an “other financing source” (representing the amount to be paid by the Judgment Fund) will be recognized.

The Census Bureau is party to other suits, with claim amounts of approximately \$1 million as of September 30, 2009. In addition, there are other suits with no claim amounts. For all of these suits, it is reasonably possible that an adverse outcome will result. However, it is not possible to estimate a range of loss. Of these claims, all were or had a high probability of being funded by Treasury’s Judgment Fund.

Note 10. Intragovernmental Cost and Exchange Revenue (Unaudited)

Earned revenue in reimbursable programs collected by the Census Bureau represent amounts collected, primarily from other federal agencies, for work completed on a reimbursable basis. The majority of the reimbursable agreements are based on preliminary cost estimates; therefore earned revenue is reflective of cost incurred. Intragovernmental expenses relate to source of goods or services.

Total intragovernmental costs and exchange revenue, by strategic goal, for the years ended September 30, 2009 and 2008, were as follows:

	2009	2008
Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments		
Intragovernmental Cost	\$420,184	\$211,006
Public Cost	2,128,211	764,867
Total Program Cost	2,548,395	975,873
Intragovernmental Earned Revenue	0	0
Public Earned Revenue	0	0
Total Program Revenue	0	0
Net Program Cost	\$2,548,395	\$975,873
Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments		
Intragovernmental Cost	\$90,148	\$128,874
Public Cost	287,595	369,089
Total Program Cost	377,743	497,963
Intragovernmental Earned Revenue	(233,225)	(229,883)
Public Earned Revenue	(5,056)	(14,047)
Total Program Revenue	(238,281)	(243,930)
Net Program Cost	\$139,462	\$254,033
Total Entity		
Program Cost	\$2,926,138	\$1,473,836
Less: Earned Revenue	(238,281)	(243,930)
Net Program Cost	\$2,687,857	\$1,229,906

Note 11. Statement of Net Cost by Major Programs (Unaudited)

The following table further illustrates the Census Bureau's Statement of Net Cost by Major Programs. The "Working Capital Fund" category refers to the smaller programs that make up the total Census Bureau program activity.

	2009	2008
Strategic Goal 1: Provide benchmark measures of the U.S. population, economy, and governments		
<i>Decennial Censuses</i>		
Gross Costs	\$2,520,945	\$975,873
Less: Earned Revenue	0	0
Net Program Costs	2,520,945	975,873
<i>Recovery Act Programs</i>		
Gross Costs	27,450	0
Less: Earned Revenue	0	0
Net Program Costs	27,450	0
Net Program Costs for Strategic Goal 1	\$2,548,395	\$975,873
Strategic Goal 2: Provide current measures of the U.S. population, economy, and governments		
<i>Demographic Programs</i>		
Gross Costs	\$32,323	\$30,274
Less: Earned Revenue	0	0
Net Program Costs	32,323	30,274
<i>Economic Programs</i>		
Gross Costs	\$69,982	\$69,962
Less: Earned Revenue	0	0
Net Program Costs	69,982	69,962
<i>Working Capital Fund</i>		
Gross Costs	275,438	397,727
Less: Earned Revenue	(238,281)	(243,930)
Net Program Costs	37,157	153,797
Net Program Costs for Strategic Goal 2	\$139,462	\$254,033
Total Entity		
Program Cost	\$2,926,138	\$1,473,836
Less: Earned Revenues	(238,281)	(243,930)
Net Cost of Operations	\$2,687,857	\$1,229,906

Note 12. Stewardship PP&E

The Census Bureau's stewardship PP&E consists only of Heritage Assets. Heritage Assets are unique for their historical or natural significance; for their cultural, educational, or artistic importance; or for their significant architectural characteristics. These items consist of equipment, books, artifacts, and plaques that are unique to the Census Bureau or have had a significant impact on accomplishing the mission of the Census Bureau. They reflect the Census Bureau's historic contribution to the nation's growth and well-being and demonstrate milestones achieved throughout history.

The Census Bureau's property management officer ensures all Heritage Assets are catalogued and stored in a safe, secure, environment allowing for appropriate preservation and conservation. The current condition of Heritage Assets at the Census Bureau is deemed "Good." The Census Bureau generally expects that these assets will be preserved indefinitely. Written policies to guide the acquisition, maintenance, use, and disposal of the above heritage assets at the Census Bureau are currently being developed.

Collection-type Heritage Assets					
Category	Description of Assets	Quantity of Items Held		2009 Withdrawals	Quantity of Items Held
		September 30, 2008	2009 Additions		
Collectable Assets	Publications, Books, Manuscripts, Photographs, and Maps	19	0	0	19
Artwork and Gifts	Artifacts, Artwork, Books, Films, Instruments, Records	132	0	0	132
Total		151	0	0	151

Note 13. Apportionment Categories of Obligations Incurred (Unaudited)

The amounts of direct and reimbursable obligations incurred against amounts apportioned under Categories A, B, and Exempt from Apportionment are as follows:

	FY 2009		
	Direct	Reimbursable	Total
Category A	\$3,320,617		\$3,320,617
Category B	30,625		30,625
Exempt from Apportionment		718,404	718,404
Total	\$3,351,242	\$718,404	\$4,069,646

	FY 2008		
	Direct	Reimbursable	Total
Category A	\$1,350,669		\$1,350,669
Category B	27,364		27,364
Exempt from Apportionment		653,269	653,269
Total	\$1,378,033	\$653,269	\$2,031,302

Note 14. Consolidating Reconciliation of Net Cost of Operations (Proprietary) to Budget (Unaudited)

Most entity transactions are recorded in both budgetary and proprietary accounts. However, because different accounting bases are used for budgetary and proprietary accounting, some transactions may appear in only one set of accounts. The following reconciliation provides a means to identify the relationships and differences that exist between the aforementioned budgetary and proprietary accounts. The reconciliation of net cost of operations to budget for the years ended September 30, 2009 and 2008, is as follows:

	2009	2008
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$4,069,646	\$2,031,302
Less: Spending Authority From Offsetting Collections and Recoveries	(784,660)	(685,839)
Obligations Net of Offsetting Collections and Recoveries	3,284,986	1,345,463
Less: Offsetting (Receipts)/Outlays, Net	0	0
Net Obligations	3,284,986	1,345,463
Other Resources		
Transfers In/Out Without Reimbursement, Net	(151)	0
Imputed Financing From Costs Absorbed by Others	58,673	48,159
Net Other Resources Used to Finance Activities	58,522	48,159
Total Resources Used to Finance Activities	\$3,343,508	\$1,393,622
Resources Used to Finance Items Not Part of Net Cost of Operations:		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided		
Resources That Fund Expenses Recognized in Prior Periods	(\$581,345)	(\$146,803)
Other	0	(95)
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations:		
Resources That Finance the Acquisition of Assets	(123,666)	(54,067)
Other Resources or Adjustments to Net Obligated Resources That Do Not Affect Net Cost of Operations:		
Transfers In/Out Without Reimbursements, Net	151	0
Change in Unfilled Customer Orders	(19,448)	(5,468)
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	(\$724,308)	(\$206,433)
Total Resources Used to Finance Net Cost of Operations	\$2,619,200	\$1,187,189
Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:		
Components Requiring or Generating Resources in Future Periods		
Increase in Accrued Annual Leave Liability	\$8,332	\$6,906
Increase (Decrease) in Contingent Liabilities	2,600	0
Various Increases	5,238	112
Total Components of Net Cost of Operations That Will Require or Generate Resources in a Future Period	\$16,170	\$7,018
Components Not Requiring or Generating Resources		
Depreciation, Amortization, and Depletion	\$34,142	\$34,390
Revaluation of Assets or Liabilities	14,796	1,282
Bad Debt Expense	(25)	27
Other	3,574	0
Total Components of Net Cost of Operations That Will Not Require or Generate Resources	\$52,487	\$35,699
Total Components of Net Cost of Operations That Will Require or Generate Resources in the Current Period	\$68,657	\$42,717
NET COST OF OPERATIONS	\$2,687,857	\$1,229,906

REQUIRED SUPPLEMENTARY INFORMATION FOR THE STATEMENT OF BUDGETARY RESOURCES BY MAJOR ACCOUNTS (UNAUDITED)

The amounts in the following table include both appropriated and reimbursable resources. In FY 2009, the Census Bureau had three funding sources: (1) salaries and expenses; (2) periodic censuses and programs; and (3) reimbursable programs. Reimbursable programs are reflected as spending authority from offsetting collections on the Statement of Budgetary Resources.

Salaries and expenses (S&E) is an annual congressional appropriation to fund current programs and ongoing surveys. Annual appropriations expire at the end of the first year of the appropriation and are canceled at the end of the sixth year. Upon expiration of an annual appropriation, the obligated and unobligated balances retain their fiscal year identity and are maintained separately within an expired account. Obligated balances may be used to liquidate obligations properly chargeable to that fiscal year. The unobligated balance remains available to make legitimate obligation adjustments.

Periodic censuses and programs (PCP) is a congressional 2-year appropriation that funds programs that occur on a cyclical basis. A 2-year appropriation is available for obligation without fiscal year limitation.

Reimbursable program funds are received from various entities in exchange for the Census Bureau surveys and data collection activities. Reimbursable agreements may be established with other federal agencies or with public and private entities, such as colleges and universities.

The Census Bureau was provided 2-year funding under the American Recovery and Reinvestment Act to create jobs, strengthen the economy, and conduct a successful 2010 Census. Census Bureau Recovery plans include coverage follow-up enhancement, Partnership Program enhancement, public outreach, group quarters operations, update/leave and update/enumerate operations, and local census office staffing operations.

Undelivered orders, including both appropriated and reimbursable activity, at the end of FY 2009 was \$935,073,897.

The Census Bureau provides centralized services to support the program areas. A working capital fund is maintained to facilitate the processing and allocation of costs for maintaining these centralized administrative, computer, and field support activities.

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

**Required Supplementary Information for the Statement of Budgetary Resources
by Major Account
Fiscal Year Ended September 30, 2009 (Unaudited)**

(In thousands)

	Salaries and Expenses	Periodic Censuses and Programs	Recovery Act	Working Capital Fund	Combined Total
BUDGETARY RESOURCES:					
Unobligated Balance, Brought Forward, October 1	\$5,641	\$94,892	\$0	\$180,110	\$280,643
Recoveries of Prior Year Unpaid Obligations	443	15,724	0	20,748	36,915
Budget Authority					
Appropriations	263,588	2,906,262	1,000,000	0	4,169,850
Spending Authority From Offsetting Collections					
Earned					
Collected	19	61	0	765,322	765,402
Change in Receivables	0	0	0	1,792	1,792
Change in Unfilled Customer Orders					
Advances Received	0	0	0	(7,480)	(7,480)
Without Advances	0	0	0	(11,968)	(11,968)
Subtotal Budget Authority	263,607	2,906,323	1,000,000	747,666	4,917,596
Nonexpenditure Transfers, Net	0	0	0	0	0
Permanently Not Available	(511)	(1,000)	0	0	(1,511)
TOTAL BUDGETARY RESOURCES	\$269,180	\$3,015,939	\$1,000,000	\$948,524	\$5,233,643
STATUS OF BUDGETARY RESOURCES:					
Obligations Incurred					
Direct	\$263,760	\$2,987,044	\$100,438	\$0	\$3,351,242
Reimbursable	0	0	0	718,404	718,404
Total Obligations Incurred	263,760	2,987,044	100,438	718,404	4,069,646
Unobligated Balance					
Apportioned	3,381	21,954	899,562	0	924,897
Exempt From Apportionment	0	0	0	230,120	230,120
Total Unobligated Balance	3,381	21,954	899,562	230,120	1,155,017
Unobligated Balance Not Available	2,039	6,941	0	0	8,980
TOTAL STATUS OF BUDGETARY RESOURCES	\$269,180	\$3,015,939	\$1,000,000	\$948,524	\$5,233,643

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

**Required Supplementary Information for the Statement of Budgetary Resources
by Major Account
Fiscal Year Ended September 30, 2009 (Unaudited)—Con.**

(In thousands)

	Salaries and Expenses	Periodic Censuses and Programs	Recovery Act	Working Capital Fund	Combined Total
CHANGE IN UNPAID OBLIGATED BALANCE, NET:					
Unpaid Obligated Balance, Net, Brought Forward, October 1					
Unpaid Obligations, Brought Forward	\$ 12,955	\$ 307,023	\$ 0	\$ 128,891	\$ 448,869
Less: Uncollected Customer Payments, Brought Forward	0	0	0	(24,550)	(24,550)
Total Unpaid Obligated Balance, Net, Brought Forward	12,955	307,023	0	104,341	424,319
Obligations Incurred	263,761	2,987,043	100,438	718,404	4,069,646
Less: Gross Outlays	(256,483)	(2,406,176)	(23,375)	(665,775)	(3,351,809)
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(443)	(15,724)	0	(20,748)	(36,915)
Change in Uncollected Customer Payments	0	0	0	10,176	10,176
Total Unpaid Obligated Balance, Net, End of Period	\$ 19,790	\$ 872,166	\$ 77,063	\$ 146,398	\$ 1,115,417
Unpaid Obligated Balance, Net, End of Period					
Unpaid Obligations	\$ 19,790	\$ 872,166	\$ 77,063	\$ 160,772	\$ 1,129,791
Less: Uncollected Customer Payments	0	0	0	(14,374)	(14,374)
TOTAL UNPAID OBLIGATED BALANCE, NET, END OF PERIOD	\$ 19,790	\$ 872,166	\$ 77,063	\$ 146,398	\$ 1,115,417
NET OUTLAYS:					
Gross Outlays	\$ 256,483	\$ 2,406,176	\$ 23,375	\$ 665,775	\$ 3,351,809
Less: Offsetting Collections	(19)	(61)	0	(757,842)	(757,922)
NET OUTLAYS	\$ 256,464	\$ 2,406,115	\$ 23,375	(\$ 92,067)	\$ 2,593,887

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

**Required Supplementary Information for the Statement of Budgetary Resources
by Major Account
Fiscal Year Ended September 30, 2008 (Unaudited)**

(In thousands)

	Salaries and Expenses	Periodic Censuses and Programs	Recovery Act	Working Capital Fund	Combined Total
Budgetary Resources					
Unobligated Balance, Brought Forward, October 1	\$2,327	\$6,246	\$0	\$152,333	\$160,906
Recoveries of Prior Year Unpaid Obligations	372	4,097	0	9,275	13,744
Budget Authority					
Appropriations	232,838	1,237,406	0	0	1,470,244
Spending Authority From Offsetting Collections Earned					
Collected	10	315	0	675,709	676,034
Change in Receivables	0	0	0	1,529	1,529
Change in Unfilled Customer Orders					
Advances Received	0	0	0	(12,426)	(12,426)
Without Advances	0	0	0	6,958	6,958
Subtotal Budget Authority	232,848	1,237,721	0	671,770	2,142,339
Nonexpenditure Transfers Net	0	(3,000)	0	0	(3,000)
Permanently Not Available	(679)	(1,365)	0	0	(2,044)
TOTAL BUDGETARY RESOURCES	\$234,868	\$1,243,699	\$0	\$833,378	\$2,311,945

STATUS OF BUDGETARY RESOURCES:

Obligations Incurred					
Direct	\$229,226	\$1,148,807	\$0	\$0	\$1,378,033
Reimbursable	0	0	0	653,269	653,269
Total Obligations Incurred	229,226	1,148,807	0	653,269	2,031,302
Unobligated Balance					
Apportioned	3,680	89,950	0	0	93,630
Exempt From Apportionment	0	0	0	180,110	180,110
Total Unobligated Balance	3,680	89,950	0	180,110	273,740
Unobligated Balance Not Available	1,961	4,942	0	0	6,903
TOTAL STATUS OF BUDGETARY RESOURCES	\$234,867	\$1,243,699	\$0	\$833,379	\$2,311,945

U.S. Department of Commerce
Economics and Statistics Administration
U.S. Census Bureau

**Required Supplementary Information for the Statement of Budgetary Resources
by Major Account
Fiscal Year Ended September 30, 2008 (Unaudited)—Con.**

(In thousands)

	Salaries and Expenses	Periodic Censuses and Programs	Recovery Act	Working Capital Fund	Combined Total
CHANGE IN UNPAID OBLIGATED BALANCE, NET:					
Unpaid Obligated Balance, Net, Brought Forward, October 1					
Unpaid Obligations, Brought Forward	\$9,328	\$142,986	\$0	\$123,610	\$275,924
Less: Uncollected Customer Payments, Brought Forward	0	0	0	(16,062)	(16,062)
Total Unpaid Obligated Balance, Net, Brought Forward	9,328	142,986	0	107,548	259,862
Obligations Incurred	229,227	1,148,807	0	653,268	2,031,302
Less: Gross Outlays	(225,226)	(980,674)	0	(638,713)	(1,844,613)
Less: Recoveries of Prior-Year Unpaid Obligations, Actual	(374)	(4,096)	0	(9,274)	(13,744)
Change in Uncollected Customer Payments	0	0	0	(8,488)	(8,488)
Total Unpaid Obligated Balance, Net, End of Period	\$12,955	\$307,023	\$0	\$104,341	\$424,319
Unpaid Obligated Balance, Net, End of Period					
Unpaid Obligations	\$12,955	\$307,022	\$0	\$128,892	\$448,869
Less: Uncollected Customer Payments	0	0	0	(24,550)	(24,550)
TOTAL UNPAID OBLIGATED BALANCE, NET, END OF PERIOD	\$12,955	\$307,022	\$0	\$104,342	\$424,319
NET OUTLAYS:					
Gross Outlays	\$225,226	\$980,673	\$0	\$638,714	\$1,844,613
Less: Offsetting Collections	(10)	(314)	0	(663,284)	(663,608)
NET OUTLAYS	\$225,216	\$980,359	\$0	(\$24,570)	\$1,181,005

INDEPENDENT AUDITORS' REPORT





November 10, 2009

MEMORANDUM FOR: Dr. Robert M. Groves
Director, U.S. Census Bureau

FROM:


Todd J. Zinser

SUBJECT: FY 2009 Financial Statements
Final Audit Report No. FSD-19651-0-0002

I am pleased to provide you with the attached audit report, which presents an unqualified opinion on the U.S. Census Bureau's consolidated balance sheet as of September 30, 2009. The audit results indicate that the bureau has established an internal control structure that facilitates the preparation of reliable financial and performance information.

KPMG LLP, an independent public accounting firm, performed the audit of the U.S. Census Bureau's consolidated balance sheet as of September 30, 2009. The contract with KPMG required that the audit be performed in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

In its audit, KPMG found that

- the balance sheet was fairly presented, in all material respects and in conformity with U.S. generally accepted accounting principles;
- there were no deficiencies in internal control over financial reporting that were considered to be material weaknesses;
- there were no instances of material noncompliance with laws, regulations, and contracts; and
- there were no instances in which the bureau's financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996.



My office oversaw the audit performance and delivery. We reviewed KPMG's report and related documentation and made inquiries of its representatives. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards. However, our review cannot be construed as an audit in accordance with U.S. generally accepted government auditing standards. It was not intended to enable us to express—and we do not express—any opinion on the U.S. Census Bureau's financial statements, conclusions about the effectiveness of internal controls, or conclusions on compliance with laws, regulations, and contracts. KPMG is solely responsible for the attached audit report dated November 9, 2009, and the conclusions expressed in the report.

If you wish to discuss the contents of this report, please call me at (202) 482-4661, or Dr. Brett M. Baker, assistant inspector general for audit, at (202) 482-2600.

We appreciate the cooperation and courtesies the U.S. Census Bureau extended to both KPMG and my staff during the audit.

Attachment

cc: Ted A. Johnson
Associate Director for Administration and Chief Financial Officer, U.S. Census Bureau

Rebecca M. Blank
Under Secretary for Economic Affairs, Economics and Statistics Administration

John F. Charles
Acting Chief Financial Officer and Acting Assistant Secretary for Administration,
U.S. Department of Commerce



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report

Inspector General, U.S. Department of Commerce and
Director, U.S. Census Bureau:

We have audited the accompanying consolidated balance sheet of the U.S. Census Bureau (Census Bureau), an agency within the U.S. Department of Commerce, as of September 30, 2009. The objective of our audit was to express an opinion on the fair presentation of the consolidated balance sheet. In connection with our fiscal year 2009 audit, we also considered the Census Bureau's internal control over financial reporting and tested the Census Bureau's compliance with certain provisions of applicable laws, regulations, and contracts that could have a direct and material effect on the consolidated balance sheet.

Summary

As stated in our opinion on the consolidated balance sheet, we concluded that the Census Bureau's consolidated balance sheet as of September 30, 2009, is presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

Our consideration of internal control over financial reporting was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined in the Internal Control Over Financial Reporting section of this report.

The results of our tests of compliance with certain provisions of laws, regulations, and contracts disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

The following sections discuss our opinion on the Census Bureau's consolidated balance sheet; our consideration of the Census Bureau's internal control over financial reporting; our tests of the Census Bureau's compliance with certain provisions of applicable laws, regulations, and contracts; and management's and our responsibilities.

Opinion on the Consolidated Balance Sheet

We have audited the accompanying consolidated balance sheet of the Census Bureau as of September 30, 2009.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of the Census Bureau as of September 30, 2009, in conformity with U.S. generally accepted accounting principles.

We were not engaged to audit the accompanying consolidated balance sheet as of September 30, 2008 and the related consolidated statements of net cost and changes in net position, and the combined statements of

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.



U.S. Census Bureau
November 9, 2009
Page 2 of 4

budgetary resources for the years ended September 30, 2009 and 2008, and accordingly, we do not express an opinion on these financial statements.

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

Our audit was conducted for the purpose of forming an opinion on the consolidated balance sheet taken as a whole. The information in the Performance Section, Appendixes and the information on pages 1 and 2 are presented for purposes of additional analysis and are not required as part of the consolidated financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

Internal Control Over Financial Reporting

Our consideration of the internal control over financial reporting was for the limited purpose described in the Responsibilities section of this report and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses.

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

In our fiscal year 2009 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

We noted certain additional matters that we have reported to management of the Census Bureau in two separate documents which address information technology and other matters.

Compliance and Other Matters

The results of our tests of compliance described in the Responsibilities section of this report, exclusive of those referred to in FFMIA, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04.

The results of our tests of FFMIA disclosed no instances in which the Census Bureau's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

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Responsibilities

Management's Responsibilities. Management is responsible for the consolidated financial statements; establishing and maintaining effective internal control; and complying with laws, regulations, and contracts applicable to the Census Bureau.

Auditors' Responsibilities. Our responsibility is to express an opinion on the fiscal year 2009 consolidated balance sheet of the Census Bureau based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 07-04. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated balance sheet is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Census Bureau's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated balance sheet;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall consolidated balance sheet presentation.

We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our fiscal year 2009 audit, we considered the Census Bureau's internal control over financial reporting by obtaining an understanding of the Census Bureau's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated balance sheet. We did not test all controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. The objective of our audit was not to express an opinion on the effectiveness of the Census Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Census Bureau's internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Census Bureau's fiscal year 2009 consolidated balance sheet is free of material misstatement, we performed tests of the Census Bureau's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of the consolidated balance sheet amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, including the provisions referred to in Section 803(a) of FFMIA. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, and contracts applicable to the Census Bureau. However, providing an opinion on compliance with laws, regulations, and contracts was not an objective of our audit and, accordingly, we do not express such an opinion.



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This report is intended solely for the information and use of the U.S. Census Bureau and the U.S. Department of Commerce management, the U.S. Department of Commerce Office of Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 9, 2009

APPENDIXES (UNAUDITED)



APPENDIX A. PERFORMANCE AND RESOURCE TABLES

PERFORMANCE OUTCOME: Provide benchmark measures of the U.S. population, economy, and governments (ESA/CENSUS)

PERFORMANCE OUTCOME RESOURCES								
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
Funding	\$799.5	\$846.9	\$930.1	\$1,013.6	\$1,078.9	\$1,173.0	\$917.9	\$2,773.4
FTE	8,420	7,729	8,038	8,433	8,778	8,418	3,072	20,007

In FY 2008, the Census Bureau split the outcome, "Meet the needs of policymakers, businesses, nonprofit organizations, and the public for current and benchmark measures of the U.S. population, economy, and governments," into this outcome and the performance outcome, "Provide current measures of the U.S. population, economy, and governments." Funds for the years prior to FY 2008 are shown in this outcome and reflect both outcomes. Obligations differ from amounts shown in the Statement of Budgetary Resources because they do not include Recovery Act, Expired, and the Working Capital Funds.

MEASURE: Correct street features in the TIGER® (geographic) database (number of counties completed) to more effectively support Census Bureau censuses and surveys, facilitate the geographic partnerships between federal, state, local, and tribal governments, and support the E-Government initiative in the President's Management Agenda.

Year	Status	Actual	Target
FY 2009	Met	Completed updates to eligible counties in the United States, Puerto Rico, and the Island Areas	Complete updates to eligible counties in the United States, Puerto Rico, and the Island Areas

Performance was not met because:

Strategies for improvement:

Year	Status	Historical Results	Historical Target
FY 2008	Met	320	320
FY 2007	Met	737	690
FY 2006	Met	700	700
FY 2005	Met	623	610
FY 2004	Met	602	600
FY 2003	Met	250	250
FY 2002	Met	Prepared plan and systems to measure housing unit coverage	Prepare plan and systems to measure housing unit coverage

MEASURE: Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates.

Year	Status	Actual	Target
FY 2009	Met	92 percent of key activities completed on time	At least 90 percent of key activities completed on schedule

Performance was not met because:

Strategies for improvement:

Year	Status	Historical Results	Historical Target
FY 2008	Not Met	Some of the planned dress rehearsal activities were cancelled	At least 90 percent of key prep activities completed on time
FY 2007	Met	At least 90 percent of key prep activities completed on time	At least 90 percent of key prep activities completed on time
FY 2006	Met	100 percent of activities completed on time	At least 90 percent of key prep activities completed on time
FY 2005	Met	Activities completed on time	Various activities with different dates

MEASURE: Meet or exceed the overall federal score of customer satisfaction on the E-Government American Customer Satisfaction Index (ACSI).

Year	Status	Actual	Target
FY 2009	Not Met	Scored 68 percent	Meet or exceed the overall federal score of 75.2 percent

Performance was not met because:

Visitors to large Web sites that have a wealth of information and who are not necessarily familiar with the data available tend to experience more challenges finding the information they seek.

Strategies for improvement:

In October 2009 the Census Bureau launched its newly designed Web site and continues to expand its corporate look and feel across the site. It is anticipated that these new designs will make it easier for visitors to find the information they seek.

Year	Status	Historical Results	Historical Target
FY 2008	Not Met	66.0	73.9
FY 2007	Met	74.0	71.0
FY 2006	Met	72.0	71.3
FY 2005	Met	73.0	73.0
FY 2004	Slightly Below	71.0	72.0

This measure applies to the second outcome as well.

**PERFORMANCE OUTCOME:
Provide current measures of the U.S. population, economy, and governments
(ESA/CENSUS)**

PERFORMANCE OUTCOME RESOURCES								
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
Funding	New	New	New	New	New	New	\$703.1	\$715.9
FTE	New	New	New	New	New	New	5,979	6,231

In FY 2008, Census Bureau split the outcome, "Meet the needs of policymakers, businesses, nonprofit organizations, and the public for current and benchmark measures of the U.S. population, economy, and governments," into this outcome and the performance outcome, "Provide current measures of the U.S. population, economy, and governments." Funds for the years prior to FY 2008 are shown in this outcome and reflect both outcomes. Obligations differ from amounts shown in the Statement of Budgetary Resources because they do not include Recovery Act funds, expired funds, and the Working Capital funds.

MEASURE: Achieve predetermined collection rates for Census Bureau censuses and surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public.			
Year	Status	Actual	Target
FY 2009	Met	100 percent of key census and surveys met/exceeded collection rates/levels of reliability	At least 90 percent of key censuses and surveys meet/exceed collection rates/levels of reliability
<i>Performance was not met because:</i>			
<i>Strategies for improvement:</i>			
Year	Status	Historical Results	Historical Target
FY 2008	Met	Met percentages	At least 90 percent of key censuses and surveys meet/exceed collection rates/levels of reliability.
FY 2007	Met	Met percentages	At least 90 percent of key censuses and surveys meet/exceed collection rates/levels of reliability.
FY 2006	Met	Met percentages	At least 90 percent of key censuses and surveys meet/exceed collection rates/levels of reliability.
FY 2005	Met	Met percentages	Various percents—see FY 2006 APP
FY 2004	Met	Met percentages	Various percents—see FY 2005 APP
FY 2003	Met	Met percentages	Various percents—see FY 2004 APP

MEASURE: Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public.			
Year	Status	Actual	Target
FY 2009	Met	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on schedule ▪ 100 percent of other data products from key surveys released on schedule 	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on schedule ▪ At least 90 percent of other data products from key surveys released on schedule
<i>Performance was not met because:</i>			
<i>Strategies for improvement:</i>			
Year	Status	Historical Results	Historical Target
FY 2008	Met	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ >89 percent of key prep activities completed on time 	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ At least 90 percent of key prep activities completed on time
FY 2007	Met	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ >89 percent of other key censuses and surveys data released on time 	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ >89 percent of other key censuses and surveys data released on time
FY 2006	Met	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ 100 percent of other products 	<ul style="list-style-type: none"> ▪ 100 percent of economic indicators released on time ▪ >89 percent of other key censuses and surveys data released on time
FY 2005	Met	22 products	22 products
FY 2004	Exceeded	10 products	7 products
FY 2003	Not Met	2 products	3 products

APPENDIX B. DEFINITION OF PERFORMANCE MEASURES AND VALIDATION AND VERIFICATION INFORMATION

PERFORMANCE OUTCOME:

Provide benchmark measures of the U.S. population, economy, and governments (ESA/CENSUS)

Correct street features in the TIGER® (geographic) database (number of counties completed) to more effectively support Census Bureau censuses and surveys, facilitate the geographic partnerships between federal, state, local, and tribal governments, and support the E-Government initiative in the President's Management Agenda.

It is essential that the Census Bureau correctly locate every street in the MAF/TIGER® system to provide geographic products and services that meet the accuracy expectations of the 2010 Census field data collection staff, the Census Bureau's data product customers, and the needs of the U.S. Geological Survey/The National Map. Many local and tribal governments that participated in the Census 2000 geographic partnership programs and many potential customers for MAF/TIGER® geographic products indicated that they would not consider future geographic partnerships or use without substantial improvements in location accuracy. Investing in the identification and correct location of new housing units and streets or roads in small towns and rural areas will ensure uniform address and street coverage in the MAF/TIGER® database and in the Census Bureau's data products, both for the American Community Survey (ACS) and the 2010 Census.

Data Source	MAF/TIGER® activity schedule
Frequency	As scheduled
Data Storage	Census Bureau MAF/TIGER® database
Internal Controls	The Census Bureau compares actual completion dates with scheduled dates
Data Limitations	None
Actions to Be Taken	Continue quarterly reviews of performance data

Complete key activities for cyclical census programs on time to support effective decision-making by policymakers, businesses, and the public and meet constitutional and legislative mandates.

Due to the cyclical nature of these programs, it is important for the Census Bureau to track annual key activities that support the programs. The Census Bureau tracks the internal activities that are considered to be the most important in meeting the long-term goals of the cyclical census programs.

Data Source	Activity schedules kept by each of the cyclical census programs
Frequency	Ongoing, based on activity schedules
Data Storage	The Census Bureau program offices maintain activity schedules and performance data
Internal Controls	The Census Bureau compares actual completion dates with scheduled dates Performance data is reviewed quarterly
Data Limitations	None
Actions to Be Taken	Continue quarterly reviews of performance data

Meet or exceed the overall federal score of customer satisfaction on the E-Government American Customer Satisfaction Index (ACSI).

The ACSI is a survey conducted since 1994 by the University of Michigan in cooperation with other groups. It tracks trends in customer satisfaction and provides benchmarks that can be compared across industries and between the public and private sectors. FY 2008 begins the benchmarking year for the Census Bureau's

participation in the E-Government ACSI. Based on responses to the former annual ACSI and the Census Bureau's Corporate Annual Survey of Web Site Visitors, the Census Bureau anticipates meeting or exceeding the average federal government customer satisfaction levels and will identify and make iterative adjustments to processes or custom questions asked to focus on improving overall quality and satisfaction.

Data Source	Census Bureau data users at State Data Centers, Business Information Data Centers, Census Information Centers, and Regional Federal Depository Libraries
Frequency	Annually
Data Storage	Primary storage is at the University of Michigan
Internal Controls	Data are collected electronically and cross-tabulated. Interviewers are continuously monitored, with supervisors randomly listening in on interviews
Data Limitations	Sample size determines the limits of statements that can be made based on the data. All Census Bureau-related ACSI reports are careful to report confidence intervals
Actions to Be Taken	Continue quarterly reviews of performance data

PERFORMANCE OUTCOME:

Provide current measures of the U.S. population, economy, and governments (ESA/CENSUS)

Achieve predetermined collection rates for Census Bureau censuses and surveys in order to provide statistically reliable data to support effective decision-making of policymakers, businesses, and the public.

This measure focuses on maintaining a high level of response for both demographic and economic surveys to ensure that information from Census Bureau surveys and censuses are always reliable and widely accepted by customers over the long term. Reliability of Census Bureau statistics is essential to enhance the supply of key economic and demographic data to support effective decision-making of policymakers, businesses, the American public, and others.

Data Source	Census Bureau surveys are the initial collection source. Internal control files and systems are the source of the response-rate data
Frequency	Response rates are tied to data collection. Frequency varies by survey
Data Storage	All data are stored in Census Bureau databases and are published in public press releases
Internal Controls	Quality assurance analyses, Automated Data Processing (ADP) routines, and peer reviews
Data Limitations	Data that are released must adhere to Title 13 requirements to protect respondents' confidentiality
Actions to Be Taken	Continue quarterly reviews of performance data

Release data products for key Census Bureau programs on time to support effective decision-making of policymakers, businesses, and the public.

It is essential that the Census Bureau release data products on schedule to enhance the supply of key economic and demographic data to support effective decision-making of policymakers, businesses, and the American public. This measure focuses on two parts: economic indicators and other key surveys and reports. OMB Statistical Directive No. 3 requires that the Census Bureau release principal economic indicator data within prescribed time periods. Thus, the impact of not meeting release dates for the economic indicators is much more serious.

Data Source	Actual data releases by Census Bureau programs
Frequency	The frequency of data releases varies. Release dates are often published in advance
Data Storage	Data release information is stored in Census Bureau systems and public data releases
Internal Controls	Performance data are verified by comparing actual release dates with scheduled release dates. Methodological standards for surveys are publicly reported
Data Limitations	Data that are released must adhere to Title 13 requirements to protect respondents' confidentiality
Actions to Be Taken	Continue quarterly reviews of performance data

APPENDIX C: IMPROPER PAYMENTS INFORMATION ACT (IPIA) REPORTING DETAILS

IPIA was enacted to provide for estimates and reports of improper payments by federal agencies. The act requires that federal agencies estimate improper payments and report on actions to reduce them. A review of all programs and activities that the Census Bureau administers is required annually to assist in identifying and reporting improper payments. The Census Bureau has not identified any significant problems with improper payments; however, the Census Bureau recognizes the importance of maintaining adequate internal controls to ensure proper payments, and the Census Bureau's commitment to the continuous improvement in the overall disbursement management process remains very strong. Each of the Census Bureau's payment offices has implemented procedures to detect and prevent improper payments.

I. Risk Assessment(s)

Employees such as contracting officer representatives (COR), administrative offices staff, receiving dock staff, or those at other points of receipt who accept delivery of goods and services must document receipt at the time of delivery of the goods or completion of services and, in turn, forward this information to the Census Bureau's Finance Division by the fifth business day after receipt or acceptance of the goods or services.

When goods procured by Type 40 Purchase Orders are received (ones used to order supplies, equipment, and services on a nonrecurring basis), divisions and offices should access the Administrative and Customer Services Division's (ACSD's) Automated Property Management System (APMS) to generate a Form BC-1766, Receiving Report. For goods acquired through the General Services Administration's Federal Standard Requisitioning and Issue Procedure (FEDSTRIP), divisions and offices must prepare Form CD-391, Receiving Report. Access to APMS can be obtained by contacting the Property Records and Transportation Management Branch in ACSD. The procedures for accessing and using this system are documented in the APMS Users Guide.

For services acquired by contract, the current process requires the COR to validate receipt by certifying a copy of the invoice submitted by the vendor for the services provided. For services acquired by Type 43 Purchase Orders (ones generally used for recurring payments), divisions and offices must prepare Form BC-1891, Invoice Cost Allocation Receiving Report.

For a certification to be valid, the Census Bureau program offices must include the following information on the receiving report or certified copy of the invoice:

- Contract, delivery order, task, purchase order, or other authorization number.
- Description of the goods or services that reference the line item on the source document (with the line item numbers and dollar amount for each specific line on the receiving report listed).
- Quantities received, if applicable.
- Date(s) the goods or services were received and accepted.
- Signature, or electronic alternative when supported by appropriate internal controls; printed name; title; phone number; and mailing address of the receiving/approving official.
- Name of the vendor.
- Date the invoice was received. (This is the responsibility of the office designated in the purchase agreement that first receives the invoice.)

The results of the Census Bureau assessments revealed no risk-susceptible programs and demonstrated that, overall, the Census Bureau has strong internal controls over the disbursement process, the amounts of improper payments are immaterial, and the risk of improper payments is low.

II. Sampling Process

In FYs 2005 through 2008, there have been no General Accountability Office or Department of Commerce/Office of Inspector General audits of the Census Bureau's disbursements processes. During the same period, the DOC's *Performance and Accountability Report* revealed no risk-susceptible programs and no significant improper payments responsive to OMB Circular No. A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*. In 2005, Horn & Associates, Inc., completed a Recovery Audit of 30 folders and reported no findings. Noting its Improved Financial Performance initiative on the President's Management Agenda scorecard submissions, the Census Bureau reported participation with the DOC on its Audit Recovery Program.

III. Corrective Action Plans

To assist Census Bureau programs and activities, staff responsible for payments can refer questions concerning the validity of a payment to the appropriate offices. They can also obtain guidance concerning management of disbursements from Census Bureau and DOC budget and finance procedures from several sources, such as Federal Acquisition Regulations and OMB Circular No. A-11 section titled "Information on Erroneous Payments," the *Commerce Acquisition Manual (CAM)*, and the *Accounts Payable Procedures Manual*. The Census Bureau maintains policy and procedures manuals (PPMs) concerning disbursements, such as, F-23, *Prompt Payment Guidance* (updated February 2009), which discusses how to handle improper invoices, and F-6, *Gifts and Bequests*, which discusses under- and overpayment. Other PPM chapters delineate signatory authorities for levels of disbursements. Administrative offices and officers work with divisions and their staff on financial procedures and processes for making disbursements. CORs engaged in contract administration receive required training to ensure they understand their responsibilities to safeguard the government's assets and funds. CORs receive appointment letters from the chief acquisition officer, which list their responsibilities, and CORs are encouraged to work closely with acquisition personnel. (See 2008 Procurement/Grants Management Functions Risk Assessment Template.) Purchase card policy and procedures are available in "DOC Purchase Card Procedures" outlined in *CAM* 1313.301. The Travel Management Team interprets the Federal Travel Regulations, DOC and Census Bureau policy/procedures, and other applicable laws governing official travel. The Finance Division's Web page provides links and instructions to staff responsible for making, approving, and recovering payments to help prevent the likelihood and negative impact of improper payments.

IV. Auditing Effort

Risk Factor #	Specific Risk Factors to This Program/Activity	Control Environ.	Internal Controls Evaluation		Monitoring/Evaluation	Probability of Improper Payments	Risk Assessment		Risk Score
			Control Activities	Information and Communication			Impact of Improper Payments	Risk Level (Low, Medium, High)	
1	Payments are made for services or products not received.	Effective	Effective	Effective	Effective	Rare	Insignificant	Low	1
2	Payments are not made for services or products received.	Effective	Effective	Effective	Effective	Rare	Insignificant	Low	1
3	Disbursements made to the vendor for the incorrect amount or, for example, duplicate invoices.	Effective	Effective	Effective	Effective	Rare	Insignificant	Low	1
4	Payment is made on unsupported or inadequately supported claims.	Effective	Effective	Effective	Effective	Rare	Insignificant	Low	1
5	Funds used for other than intended purposes by participating divisions, offices, or external bureaus.	Effective	Effective	Effective	Effective	Rare	Insignificant	Low	1
Total Risk Score for All Specific Risk Factors								N/A	5
Average Risk Score for All Specific Risk Factors (divide above by # of Specific Risk Factors)								N/A	1
Risk Level for All Specific Risk Factors (Low, Medium, High)								Low	N/A

For the table above, Average Risk Score for All Specific Risk Factors converts to Risk Level for All Specific Risk Factors as follows:

Average Risk Score of 1.0–1.7 = Risk Level of Low

Average Risk Score of 1.8–2.2 = Risk Level of Medium

Average Risk Score of 2.3–3.0 = Risk Level of High

V. Action Plan for Accountability

There is low inherent risk that the following would go undetected: unfunded or unauthorized purchases; mis- or understated obligations; unpaid invoices; infractions of the Prompt Payment Act; duplicate invoices; or payments are made for goods and services not received. The work is under control of the government and transactions are not complex. A number of control risk measures are taken to monitor disbursements. At the activity level program managers and offices track progress against budgets to ensure accurate and timely control over budget resources. They use financial management and budget progress and status reporting—for instance, Finance Management, Other Objects, and Undelivered Order Reports generated from the Commerce Business Systems. Program offices are staffed with trained CORs (e.g., task managers) and managers who are responsible for monitoring the accuracy of disbursements. A Finance Division quality control section performs monthly reviews, as does the Travel and Conference Services Office.

VI. Information Systems Corrective Measures

The Commerce Business System produces a number of reports available to staff and offices to track and check disbursements. For example, staff and offices receive monthly Financial Management Reports and Other Objects Reports with which to track disbursements.

The Data Warehouse Budget and Expense Query Application is a tool for the enhanced query and analysis of budget and expense data. This tool is used to investigate questionable amounts or charges at a transaction level.

The Economic Directorate uses a number of reports to track payments under interagency agreements, for example, the Reimbursable Project Management Report and Monthly Cost Analysis Report.

VII. Statutory/Regulatory Guidelines

The Census Bureau has not identified any significant barriers to date, but will notify the Office of Management and Budget and Congress of any barriers that inhibit actions to reduce improper payments if they occur.

VIII. Guidelines to Avoid Improper Payments

- Limited/controlled access to vendor files and basic vendor information (e.g., name, address, taxpayer identification number, business size) is available to financial system users; access to banking information, however, is strictly limited by system to certain finance departments.
- Controlled access to financial system accounts payable screens—authority to create, edit, approve, process, and amend payment records—is limited to certain financial system users. Also, authority to add or revise records in the vendor database is limited to the Census Bureau’s Table Maintenance Team within the Finance Division.
- Daily prepayment audit of invoices for accuracy is done and corrective actions taken prior to disbursement, thereby preventing improper payments from occurring.
- The monthly vendor statement for purchase cards is interfaced into the financial system, thereby reducing data entry error.

APPENDIX D. TOP MANAGEMENT CHALLENGES FACING THE CENSUS BUREAU

Each year, the Department's Office of Inspector General (OIG) reviews the Department's and its component bureaus' program activities to ensure that the management, financial, and operational activities are sound and meet the requirements of the Chief Financial Officers (CFO) Act and the Government Performance and Results Act (GPRA).

The emphasis by the President, the Office of Management and Budget (OMB), and Congress on improved government accountability underscores the Department's resolve to enhance transparency within the Department while promoting improved efficiency and effectiveness. Progress in these endeavors requires strong commitment from the Department's senior leadership and staff at all levels.

The Inspector General (IG) identified the top five management challenges facing the Department along with four other issues requiring significant management attention in a November 2008 report entitled *Top Management Challenges Facing the Department of Commerce*. The following is a summary of the challenge relative to the Census Bureau. The IG's complete text of the challenges and issues may be found on the OIG Web site at <www.oig.doc.gov/oig/reports/2008/OIG-19384.pdf>.

Challenge 1: Control the cost and improve the accuracy of the Decennial Census

Overview

The ability of the U.S. Census Bureau to successfully conduct its decennial count of U.S. residents in 2010 is at serious risk. After spending 8 years developing a completely new approach to census-taking—one that was to automate major field operations—the bureau scrapped plans for using handheld computer technology for the largest and most expensive of these operations—nonresponse follow-up—because of significant performance problems and the bureau's loss of confidence in the Field Data Collection Automation (FDCA) contractor. It will now conduct this operation using paper and pencil, as it has done in previous censuses. The inability to produce a handheld computer, combined with major flaws in the bureau's cost-estimating methods, added an estimated \$2.2 billion to \$3 billion to the original \$11.5 billion life-cycle cost estimate for the 2010 Census. Despite changes made by the Department and the Census Bureau, significant risks remain for the 2010 Census. An inaccurate population count will have unacceptable consequences for the nation: at stake is apportionment of the 435 seats in the House of Representatives and equitable distribution of billions of dollars in federal and state aid. Both GAO and OMB have designated the 2010 census as a high-risk program and it is under intense scrutiny by Congress.

The overarching explanation for the significant problems is the failure of senior Census Bureau managers to anticipate the complex IT requirements involved in automating the census. Census had intended to develop handheld devices in-house and tested prototypes in both 2004 and 2006. The devices had serious problems in both tests. The bureau decided too late in the decade to contract for automation of field operations to meet ambitious fixed deadlines for the dress rehearsal tests starting in 2007 and decennial operations starting in 2009. As late as January 2008—nearly 2 years after contract award—Census finally delivered a first draft of a set of requirements for the handhelds and supporting infrastructure. It had no contingency plan in the event the handhelds proved unusable. Tremendous setbacks occurred for numerous operations in addition to nonresponse follow-up such as plans for testing and enhancing the handhelds for address canvassing—the only operation that will still use the devices—have been severely compressed. Because of the inordinate attention and resources necessary to address field automation problems, Census has not addressed the ability to enumerate traditionally difficult groups and settings, such as the homeless, military bases, and group quarters. Furthermore, the Census Bureau eschews open dialog with outside parties and even its own regional operations. As decennial census planning proceeded, the bureau minimized the significance of its problems, withheld information, and was not forthcoming with the Department, Congress, OIG, and other oversight agencies about the problems it was experiencing, allowing them to persist to the point of crisis. Because bureau staff views the decennial as so unique that there is little to be learned from newcomers or external sources, this vision has left the bureau unreceptive to new ways of doing business. It has not kept pace with private sector advances in business process improvement

and lacks insight into how advances can benefit census operations. Leadership with private sector expertise is vital not only for improving decennial management but also for reappraising the bureau's other programs and administrative operations. Although the bureau made personnel changes after the FDCA crisis became public, it has not yet brought in external management with expertise in successfully running complex programs and system acquisitions or in implementing contemporary private sector management methods.

In the wake of the FDCA problems, the Secretary of Commerce announced that management and oversight of the 2010 census would be strengthened and deepened both at the bureau and the Department. He assigned several members of the Department's senior political leadership to work with the bureau on a recovery plan, which has given the Secretary some measure of influence over the plan and visibility into the bureau's progress. The upcoming transition of key departmental leadership positions necessarily creates the risk of disrupting existing oversight efforts for the most critical program for which the new Secretary will initially be accountable. In addition, since the Census director is a Presidential appointee, there is the prospect that the director position will turn over again after the current Director has been on the job for slightly more than 1 year. The inevitable delay involved in nominating and gaining confirmation of a new director means that the bureau will begin major decennial operations without the benefit of significant leadership continuity and management improvements. Given the major late-stage changes to 2010 operations, having two short-time directors during the final 2 years of the decennial cycle, coupled with the long-term absence of proven high-level management expertise, could create additional challenges the bureau must be poised to address.

With the first major decennial operation (address canvassing) beginning in early 2009, the new Secretary will have little opportunity to impact planning for the 2010 decennial, although he or she will have responsibility for its overall implementation. The new Secretary does have the opportunity to impact planning for the 2020 Census. We believe that applying the lessons learned from the 2010 decennial to the planning and reengineering of the 2020 census should also be a high priority for Secretary Locke.

Actions Taken to Address the Management Challenges

While the OIG recounts in some depth the issues and problems that arose in the winter of 2007, and that led up to the Secretary's decision in April 2008 to significantly reduce the use of automation for 2010 Census field data collection, we [the Census Bureau] were disappointed that there was virtually no mention of the efforts we had made prior to the release of the report.

The Census Bureau began implementing its decennial census "recovery plan" in April 2008, focusing on seven areas:

1. Launching replan operations for paper Non-Response Follow-up
2. Reducing risk in the Field Data Collection Automation (FDCA) contract
3. Improving program management
4. Improving risk management
5. Improving schedule management
6. Developing a program testing plan
7. Improving internal and external communications

To support these areas of the recovery plan, the Census Bureau has taken a number of specific steps, including:

1. Key staffing changes and Program Management Office (PMO) improvements,
2. Closer scrutiny of the FDCA contract and replan efforts,
3. Improved technical assessments including embedding staff with the contractor, Harris Corp.
4. Working more closely with OMB, GAO, and other stakeholders to improve oversight and performance management.

For example, in response to the GAO's designation of the 2010 Census as a High-Risk federal program, the Census Bureau has developed a comprehensive improvement plan. This plan encompasses four key actions: (1) Develop an integrated and comprehensive plan to control costs and manage operations, (2) Strengthen risk management activities, (3) Strengthen systems testing, and (4) Improve management of the field data collection automation effort.

Our efforts to strengthen cost control and operational management have focused on improving communications, on improving schedule management, and on improving budget management. As one example, we point to the "Executive [Schedule] Alert Report" produced weekly since July 23, 2008 that focuses on the 45-50 key activities on the critical path to a successful Census. The report itself is briefed to the Census Bureau Director and the Undersecretary weekly, and to the OMB monthly.

Strengthening risk management activities is well underway. We have identified 24 program-level risks, linked all project-level (operational) risks to these program-level risks, and have completed documenting formal risk mitigation strategies and contingency plans for all 24 risks.

To improve the key decennial census systems and to improve the contractor-supplied systems, we have focused more on the near-term key operations than the later ones. Consequently we devoted major attention to the first two (2009) operations—Address Canvassing and Group Quarters Validation—both of which are needed to update the Master Address File (MAF) and the TIGER spatial database. MAF/TIGER is the foundation of the Census—it creates the universe for all other operations that collect information from the public.

The principle behind the development of the 2010 Census has been to test thoroughly and make only minimal changes after that, culminating in an end-to-end test of all aspects of the Decennial Census in a 2008 Dress Rehearsal (DR). Unfortunately, due to a funding delay and immature systems, we had to curtail DR testing. To fill that gap, we are (1) conducting a piecewise but comprehensive end-to-end systems test, and (2) developing and testing operations de-scoped from the FDCA contractor. By "piecewise end-to-end" testing, we mean testing every system or operation in isolation (or in limited sequences) and also testing all the interfaces upstream and downstream. When we complete these systems and field tests, we will be confident about saying "All operations for the 2010 Census are ready."

Our testing program has begun to prove its value, as we successfully completed the operational phase of Address Canvassing (the operation ending July 17, 2009). Staff have been conducting field operations, successfully using hand held computers to confirm addresses, making address and spatial corrections, and collecting GPS information for nearly every residential address in the United States. Field operations are nearing completion on schedule and we have only observed a few minor issues, with which we have quickly dealt. The successful completion of Address Canvassing demonstrates the validity of the Census Bureau's recovery plan and leaves us confident, that with continuing efforts, we will conduct a successful 2010 Census.

APPENDIX E. STAKEHOLDERS AND CROSSCUTTING PROGRAMS

The Census Bureau has numerous crosscutting programs involving multiple bureaus: other federal, state, and local agencies; foreign governments; and private enterprise. Federal programs dealing with economic and technological development, international trade, and demographic and economic statistics play a major role in advancing the welfare of all Americans. The Census Bureau continues to work with other government agencies in furthering efforts in these areas of importance to the American public. Crosscutting programs include the following federal, state, and local agencies:

OTHER FEDERAL AGENCIES AND ORGANIZATIONS	
Department of Defense	Bureau of Labor Statistics
Department of Energy	Council of Economic Advisors
Department of Justice	Agency for International Development
Department of State	Federal Reserve Board
Department of Treasury	Bureau of Transportation Statistics
Department of Labor	National Institute of Health
Department of Housing and Urban Development	Federal Emergency Management Agency/ Homeland Security
Department of Agriculture	National Science Foundation
Department of Transportation	U.S. Postal Service
Department of Education	Federal Bureau of Investigation
Department of Health and Human Services	Agency for Health Care Research and Quality
Department of Homeland Security	Federal Deposit and Insurance Corporation
Environmental Protection Agency	National Academy of Science
Small Business Administration	State Data Centers
National Imagery and Mapping Agency	Federal Geographic Data Committee
U.S. Geological Survey	Interagency Council on Statistical Policy

Note: This is not an all-inclusive listing.

APPENDIX F. SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCE

Presented below is a summary of financial statement audit and management assurances for FY 2008 for the Census Bureau as a component of the Department of Commerce. Table 1 relates to the Census Bureau's FY 2008 financial statement audit, which resulted in an unqualified opinion with no material weaknesses. Table 2 presents the number of material weaknesses reported by the Census Bureau under Section 2 of the Federal Manager's Financial Integrity Act (FMFIA)—either with regard to internal controls over operations or financial reporting—and Section 4, which relates to internal controls over financial management systems; as well as the Census Bureau's Compliance with the Federal Financial Management Improvement Act (FFMIA).

Table 1. Summary of Financial Statement Audit

▪ Audit Opinion: Unqualified					
▪ Restatement: No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
No Material Weaknesses	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Table 2. Summary of Management Assurances

EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (FMFIA § 2)						
Statement of Assurance: Unqualified						
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No Material Weaknesses	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA § 2)						
Statement of Assurance: Unqualified						
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
IT Certification and Accreditation	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
CONFORMANCE WITH FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS (FMFIA § 4)						
Statement of Assurance: Systems conform with financial management system requirements						
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No Non-Conforming Issues	0	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0	0
COMPLIANCE WITH FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA)						
	AGENCY		AUDITOR			
Overall Substantial Compliance	Yes		Yes			
1. System Requirements			Yes			
2. Accounting Standards			Yes			
3. USSGL at Transaction Level			Yes			

APPENDIX G. LIST OF KEY ACRONYMS

ABBREVIATION	TITLE
ACS	American Community Survey
ACSI	American Customer Satisfaction Index
APMS	Automated Property Management Systems
APP	Annual Performance Plan
ARRA	American Recovery and Reinvestment Act
ASA	American Statistical Association
BAS	Boundary Annexation Survey
BEA	Bureau of Economic Analysis
CBP	County Business Patterns
CBS	Commerce Business Systems
CCR	Central Contractor Regulations
CFO	chief financial officer
CORs	contracting officer's representatives
COTS	commercial off-the-shelf
CPS	Current Population Survey
CSAM	Cyber Security Assessment Methodology
CSRS	Civil Service Retirement System
DAPPS	Decennial Applicant Personnel and Payroll System
DOC	U.S. Department of Commerce
DOL	U.S. Department of Labor
DRIS	Decennial Response Integrated System
DUNS	Data Universal Numbering System
EDA	Economic Development Administration
EFT	electronic funds transfer
EHC	event history calendar
ESA	Economics and Statistics Administration
FAR	Federal Accounting Regulations
FASAB	Federal Accounting Standards Advisory Board
FDCA	Field Data Collection Automation
FECA	Federal Employees' Compensation Act
FERS	Federal Employees' Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FMFIA	Federal Managers' Financial Integrity Act of 1982
FTE	full-time equivalent
FY	fiscal year
GAAP	Generally Accepted Accounting Principles

ABBREVIATION	TITLE
GAO	Government Accountability Office
GDP	gross domestic product
GPRA	Government Performance and Results Act of 1993
GPS	global positioning system
GSA	U.S. General Services Administration
IPIA	Improper Payments Information Act
IA	interagency agreement
IT	information technology
IUS	internal use software
MAF	Master Address File
NFC	National Finance Center
NIST	National Institute of Standards and Technology
OIG	Office of Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. Office of Personnel Management
PAR	<i>Performance and Accountability Report</i>
PC&P	Periodic Censuses and Programs
QSS	Quarterly Service Survey
S&E	Salaries and Expenses
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards
SIPP	Survey of Income and Program Participation
TSP	Thrift Savings Plan
TIGER®	Topologically Integrated Geographic Encoding and Referencing System
Treasury	U.S. Department of Treasury
WCF	Working Capital Fund