



U.S. TRADE AND DEVELOPMENT AGENCY

**PERFORMANCE AND
ACCOUNTABILITY
REPORT**
Fiscal Year 2020

U.S. TRADE AND DEVELOPMENT AGENCY
FY 2020 Performance and Accountability Report
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Message from the Chief Operating Officer and Head of Agency

On behalf of the U.S. Trade and Development Agency, I am proud to present our Performance and Accountability Report for Fiscal Year 2020 (FY 2020). This report provides the results of the Agency's robust program performance and sound fiscal management.

USTDA employs a rigorous and carefully constructed program evaluation process to establish project outcomes and inform future funding decisions. The Agency measures project-specific data on a continuous and ongoing basis over the course of many years, providing a consistent understanding of the overall effectiveness of USTDA's full range of programming.

In FY 2020, USTDA recorded an unprecedented success for U.S. taxpayers: for every \$1 programmed, USTDA generated \$112 in exports of U.S.-manufactured goods and services. This achievement is a direct result of the Agency's sustained commitment to relationship-building around the world and its commitment to effective stewardship of U.S. taxpayers' funds. Our results clearly demonstrate that USTDA remains one of the U.S. government's signature successes in the realm of international trade and development.

In the course of implementing our global program, USTDA has continued to rely upon the expertise, innovation and agility of American small businesses. In FY 2020, approximately 72 percent of the total value of all FAR contracts awarded by USTDA went to U.S. small businesses. Our remarkable success has roots in the capabilities of our small business partners.

Throughout FY 2020, USTDA planned, prepared and prevailed in its core mission and fundamental responsibilities, achieving unprecedented advancements in all its global regions by adopting targeted and specialized strategies. Drawing on nearly three decades of experience and success, USTDA linked American companies to export opportunities in the world's most competitive emerging markets, supported the infrastructure development goals of its overseas partners and showcased the best of American ingenuity to every corner of the globe.

Indo-Pacific

USTDA has responded to China's Belt and Road Initiative by committing new resources to counter its push into developing markets. As a result, the Indo-Pacific region has become a primary focus of USTDA's global programmatic rebalancing through support for three whole-of-government initiatives that form the Administration's Indo-Pacific Strategy: The Digital Connectivity and Cybersecurity Partnership; Infrastructure Transaction and Assistance Network; and Asia Enhancing Development and Growth through Energy. USTDA's implementation of these initiatives will be facilitated by an expansion of the Agency's presence into Indonesia, Malaysia and the Philippines.

Sub-Saharan Africa

USTDA has advanced American competitiveness and economic development across Africa through its support for three key initiatives including Prosper Africa, the Administration's whole-of-government initiative to substantially increase two-way trade and investment between the United States and Africa; Power Africa, a U.S. government-led initiative that addresses the critical development objective of greater access to electrical power; and Access Africa, USTDA's innovative forum with U.S. industry to advance quality information and communications technology infrastructure and services across the continent.

Moving forward, USTDA will continue to employ a data and results-driven approach to our programming, while continuing to focus on the protection of taxpayer funds through a strong, transparent and sound fiscal management program. Our knowledgeable and dedicated staff will remain a key factor that will help USTDA continue generating exceptional results for our overseas partners, U.S. businesses and American workers for decades to come.

A handwritten signature in black ink that reads "Todd J. Abrajano". The signature is written in a cursive style with a large initial "T" and "A".

Todd J. Abrajano
Chief Operating Officer and Head of Agency
U.S. Trade and Development Agency

SECTION 1: MANAGEMENT’S DISCUSSION AND ANALYSIS

USTDA at a Glance

USTDA is an independent U.S. government agency established under the Jobs Through Exports Act of 1992, Section 661 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. § 2421).¹ The Agency’s mission is to help companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries.

USTDA achieves its mission by funding feasibility studies, technical assistance and pilot projects that capitalize on the innovation and expertise of American companies. USTDA provides grants to overseas project sponsors who, in turn, select U.S. companies to perform these activities. The Agency also connects overseas project sponsors with U.S. partners through our reverse trade missions (RTMs), industry conferences and expert workshops. RTMs bring decision-makers from emerging markets to the United States to introduce them to the design, manufacture and operation of U.S. goods, services and technologies that can advance the infrastructure development goals of the participants. The Agency primarily focuses on the agribusiness, energy, healthcare, information and communications technology, and transportation sectors.

USTDA funds projects that have a high probability of implementation, generating U.S. exports and achieving positive infrastructure development benefits. USTDA also considers a project’s potential adverse environmental impacts by ensuring that, where applicable, provision is made for a preliminary environmental impact analysis.

Essential to USTDA’s success is outreach to the U.S. business community, with a particular focus on helping small businesses take advantage of trade and investment opportunities in emerging markets.

Organizational Structure

The Agency’s Executive Team consists of the Chief Operating Officer and Head of Agency, Director for Program Management, General Counsel, and the Director of Management Operations. Program staff, organized by geographic region, prioritize their investments in markets and sectors with strong U.S. export potential and positive development impacts for the host country.

In order to develop actionable recommendations for effective programming, USTDA’s Office of Program Monitoring and Evaluation (M&E Office) continuously monitors performance. Additionally, the Agency’s size and structure allow the M&E Office to review every dollar of

¹ The Trade and Development Program, USTDA’s predecessor organization, was established by 1981 within the U.S. Agency for International Development. In 1992, USTDA was established as an independent federal agency.

program funding before it is obligated – thus ensuring empirical, evidence-based decisions across all funding commitments.

Programmatic, operational and administrative support is provided by the Offices of General Counsel, Congressional and Public Affairs, Finance, Acquisition Management, Information Technology, Administration, and the M&E Office. Additionally, to maximize efficiency, USTDA utilizes shared service providers for support functions, wherever possible. This structure allows USTDA to maximize its resources in support of its statutory mission.

Performance Goals, Objectives and Results

Consistent with the Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010, USTDA developed a Strategic Plan for fiscal years 2019 – 2022, which was amended in FY 2019. The Agency’s strategic plan contains the following performance targets:

- Support U.S. exports for priority development projects in emerging economies by generating an average of \$95 in U.S. exports for every dollar appropriated to, and programmed by, the Agency.
- Foster opportunities for U.S. small businesses by exceeding the applicable U.S. Small Business Administration (SBA) benchmark for percentage of applicable contracts under the Federal Acquisition Regulations (FAR) awarded to U.S. small businesses.

As referenced in greater detail below, USTDA exceeded its performance targets in FY 2020.

For more than a decade, USTDA has conducted annual strategic planning to examine the effectiveness and responsiveness of the Agency’s program to U.S. industry, U.S. foreign policy priorities and emerging market needs. USTDA reviews its past performance by country and sector and examines its export successes and the developmental impacts of its program. Using this information, the Agency adjusts its priorities annually to respond to the U.S. business community and its partners overseas in achieving its trade and development missions.

For FY 2020, USTDA demonstrated its ability to pursue a strategic agenda that balanced infrastructure development priorities with the need to support U.S. exports and jobs. In FY 2020, the Agency targeted 23 priority countries across five geographic regions, along with five priority sectors. The results of pursuing a focused strategy once again exceeded the Agency’s expectations. Apart from the developmental benefits resulting from USTDA projects, the Agency’s success is quantitatively measured by the “export multiplier,” a ratio of exports generated per appropriated USTDA dollar programmed, measured as a ten-year rolling average. At the close of FY 2020, the Agency’s export multiplier was 112 to 1. The Agency also identified more than \$1 billion in new U.S. exports.



In FY 2020, USTDA remained closely aligned with the evolving needs of the U.S. business community, supporting their response to challenges faced in emerging economies. USTDA also further aligned its programmatic resources to advance the Administration’s foreign policy priorities, described below.

Global Infrastructure Resilience Initiative

In FY 2020 USTDA launched the Global Infrastructure Resilience Initiative to help emerging markets that face the twin threats of uncertainty and instability complete the process of planning, financing, procuring and sustaining infrastructure to withstand a full range of external risks. The initiative draws directly from USTDA’s decades-long experience working with U.S. industry to deliver solutions that help emerging economies better manage financial downturns and lessen adverse impacts on economic growth.

Indo-Pacific Strategy

China’s Belt and Road Initiative continues to pose serious economic and geopolitical challenges for the United States and numerous emerging economies across the globe. To better respond to China’s expansionism, USTDA has redeployed resources to counter China’s aggressive mercantilism and push into developing markets. Specifically, the Indo-Pacific region has become a principal recipient of USTDA’s programmatic rebalancing.

In support of the Administration’s Indo-Pacific Strategy, USTDA has channeled its efforts across the region through three government-wide initiatives including The Digital Connectivity and Cybersecurity Partnership (DCCP); Infrastructure Transaction and Assistance Network (ITAN); and Asia Enhancing Development and Growth through Energy (Asia EDGE).

- DCCP improves partner countries’ digital connectivity and expands opportunities for U.S. technology exports through technical assistance.
- ITAN helps shape and respond to the region’s demands for quality infrastructure solutions through improved project planning.
- Asia EDGE strengthens energy security, promotes energy access, grows foreign energy markets and boosts U.S. energy exports to the Indo-Pacific.

Prosper Africa

USTDA is a key supporter of Prosper Africa, the Administration’s whole-of-government initiative to substantially increase two-way trade and investment between the United States and Africa. Prosper Africa coordinates the full range of U.S. government resources to connect U.S.

and African businesses with new buyers, suppliers and investment opportunities. Under Prosper Africa USTDA has aligned resources to facilitate transactions that build sub-Saharan Africa's infrastructure using American-made goods and services.

Power Africa

Power Africa is a U.S. government-led initiative that addresses one of the most pressing challenges to sustainable economic growth and development in sub-Saharan Africa: access to electrical power. In support of Power Africa, USTDA has provided critical early-stage planning to spur new power generation, and transmission and distribution infrastructure. These activities have supported a range of energy development and deployment from power generation to grid modernization, which increase efficiency and improve access.

Access Africa

Access Africa is a forum for discussion between USTDA and U.S. industry leaders to support the development of quality ICT infrastructure and services across Africa. USTDA launched Access Africa in June 2019 and has since designed targeted programming to advance inclusive, secure and sustainable connectivity across the continent.

U.S. Gas Infrastructure Exports Initiative

Capitalizing on the tremendous growth of the U.S. liquefied natural gas market, in 2017, along with industry and U.S. government partners, USTDA launched the U.S. Gas Infrastructure Exports Initiative. This initiative focuses public and private sector resources on supporting gas sector projects and deals across the entire value chain – from extraction to processing, liquefaction to regasification, and pipelines to power. USTDA's support for global LNG development has already successfully supported the export of U.S.-sourced LNG, a cleaner, more efficient power source to complement intermittent renewable power generation.

Global Procurement Initiative (GPI): Understanding Best Value

In FY 2020, the Agency fortified its existing country partnerships under the Global Procurement Initiative: Understanding Best Value, which has helped emerging markets establish procurement practices and policies that integrate life-cycle cost analysis and best-value determination in a fair, transparent manner. The GPI helps partner countries acquire high-quality, long-lasting technologies, while building smart, sustainable infrastructure with overall savings to their government. These procurement methods also open markets to greater international competition.

Advancing Greater Stability in the Middle East and North Africa

China has been substantially increasing its footprint throughout the Middle East and North Africa, seeking the region's oil and gas resources to feed its growing economy. As part of the Administration's broader Middle East strategy, USTDA has targeted investments in key markets to marry the strengths of U.S. energy companies with local priorities. USTDA has prioritized activities across the region to maintain U.S. leadership in multiple economic sectors while opening markets for the export of U.S.-manufactured goods and services.

Maintaining U.S. Leadership in Latin America and the Caribbean (LAC)

China wields significant influence throughout the LAC region, as a trading partner, a lender, and as a supporter of infrastructure development. To counterbalance China’s high-level commercial diplomacy across the region, USTDA has supported the Administration’s América Crece Initiative, which is designed to enhance energy and infrastructure security as a means to increase U.S. exports and investment throughout LAC. USTDA’s investments have also advanced the DCCP in several key Pacific markets in Latin America.

Strategic Investments

One of USTDA’s core strengths is its ability to use data to inform its funding decisions. Using this data, the Agency targeted 23 priority countries, along with five priority sectors, and the results of pursuing a more focused strategy have built a model for success and generated the highest rate of return on USTDA’s investments in the Agency’s history.

<u>FY 2020 Strategic Investments</u>		
<i>Core Program Obligations</i>		
Total Obligations:	\$ 58.4 M	
Priority Countries:	\$ 38.8 M (65%)	
Priority Sectors:	\$ 41.2 M (69%)	
Agribusiness:	\$ 138 K	(<1%)
Energy:	\$ 23 M	(56%)
Healthcare:	\$ 0 M	(0%)
ICT:	\$ 13.7 M	(33%)
Transportation:	\$ 4.3 M	(10%)

In FY 2020, USTDA added agribusiness and healthcare as priority sectors, based on U.S. global competitiveness, U.S. industry interest and overseas demand. The Agency anticipates growing its investments in these sectors in FY 2021.

The Agency’s export multiplier increased from a ratio of 111 to 1 in FY 2019 to 112 to 1 for FY 2020, which means that for every dollar USTDA invests, it generates on average 112 dollars in U.S. exports. USTDA also identified approximately \$1 billion in new exports in FY 2020 and in total has helped generate more than \$74 billion in U.S. exports since it was established in 1992.

By focusing its resources, USTDA has been able to strengthen ties with stakeholders including U.S. companies, overseas project sponsors and host country governments. USTDA is also committed to creating opportunities for U.S. small businesses and relies on small businesses for technical expertise. In FY 2020, approximately 72 percent of the total value of all prime contracts awarded by USTDA went to U.S. small businesses, well above the SBA target of 23 percent.

SECTION 2: PERFORMANCE

Performance Objectives and Results

USTDA helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries. USTDA divides its work into four geographic regions that represent the majority of USTDA's program funding commitments: Latin America and the Caribbean; sub-Saharan Africa; Middle East, North Africa, Europe and Eurasia; and the Indo-Pacific. In addition, the Global Programs Office manages program funding commitments across these regions, as well as cross-cutting programs including the GPI.

USTDA's Monitoring Process and Evaluation Measurements and Targets

USTDA maintains a robust M&E Office that is integrated into all individual project, management and policy decisions. Monitoring is a key pillar in the stewardship of federally funded programs. At USTDA, monitoring ensures the efficacy of program delivery, compliance with federal requirements, and continual collection of data to strengthen in-depth evaluation efforts, while simultaneously helping to increase the commercial impact of USTDA's programs. USTDA employs a rigorous, systematic process to ensure compliance through standardized tools such as multi-phase reviews of all final work product for all grant activities. USTDA also undertakes programmatic and/or financial audits of selected activities. In cases where non-compliance is identified, the Agency works to bring those activities into compliance or takes appropriate action when funding recipients cannot meet compliance requirements.

The M&E Office participates in each stage of USTDA's project life-cycle by providing data and feedback regarding past results, anticipated outcomes, and proposed evaluation strategies when projects are being designed; conducting internal evaluation of prior projects to inform USTDA's evaluation strategies and policies; and overseeing the work of outside evaluation contractors that gather data and document the outcomes of USTDA's program.

Along with monitoring practices, the M&E Office systematically collects and analyzes evaluation information and evidence to improve strategic planning, project design and resource decisions, and they are part of a greater body of knowledge and learning. USTDA has extensive experience measuring the effectiveness of its programming in achieving its U.S. export promotion goals. There is no indication from either the Agency's internal evaluations staff or its outside evaluation teams that there are any material inadequacies that would significantly impede the use of performance data by the Agency's management and government decision makers.

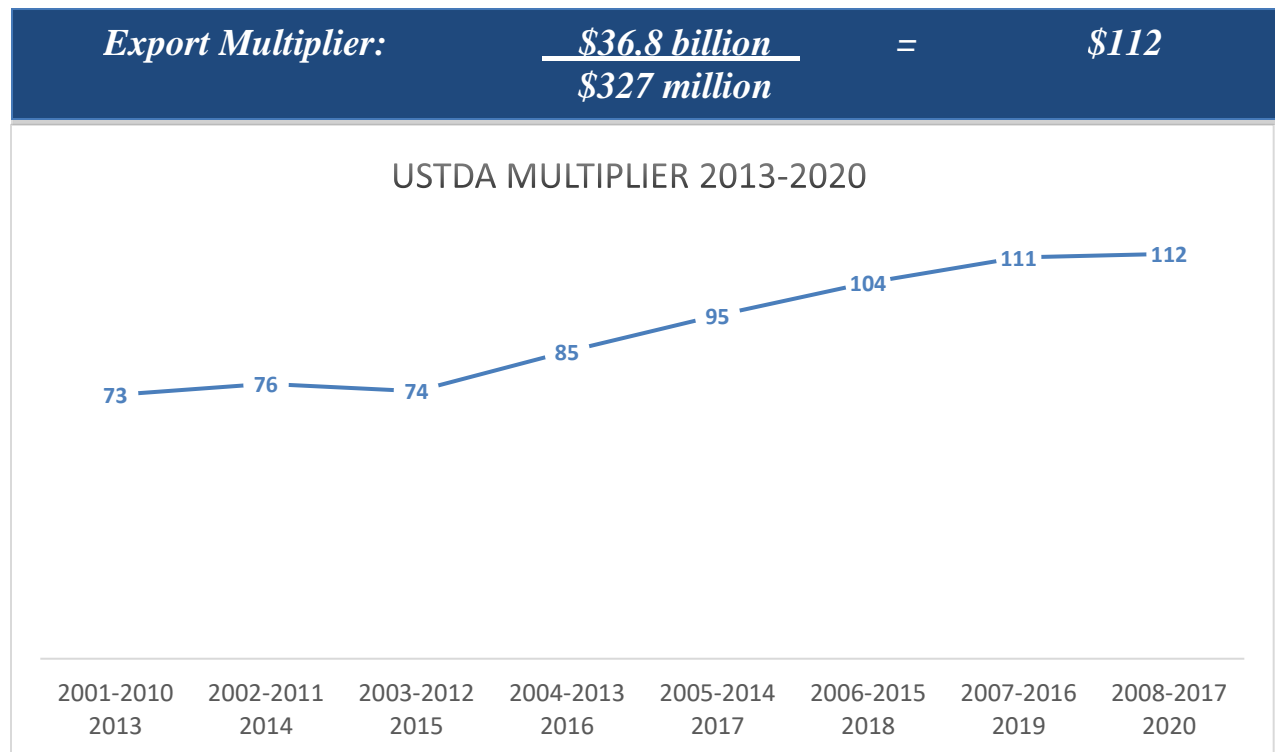
The measurements used by the Agency to determine whether its commercial objectives are being achieved include:

- Total Cumulative Exports: the amount of exports associated with USTDA-funded activities in any given time period.

- **Export Multiplier:** quantifies the amount of exports generated for every appropriated USTDA dollar programmed and thus is the export return on USTDA investments. At the close of FY 2020, USTDA had generated, on average, \$112 in U.S. exports for every \$1 in program funding. The multiplier is calculated using the Ten-Year Rolling Average (TYRA). For FY 2020, the TYRA is comprised of projects completed from January 1, 2008 through December 31, 2017. The TYRA is explained in greater detail in the *Procedures to Ensure Performance Measurement Reporting* section, below.

Total Cumulative Exports

This figure is generated by calculating the sum of total exports documented in the USTDA database. Since 1992, USTDA’s programs have helped generate \$74 billion in U.S. exports. In FY 2020, USTDA identified an additional \$1 billion of U.S. exports attributed to USTDA-supported projects.



Export Multiplier Calculation

The export multiplier quantifies the amount of exports generated for every appropriated USTDA dollar programmed. It is calculated by dividing the dollar value of U.S. exports USTDA identifies by the dollar value of USTDA’s program funding commitments from core funding. For the current TYRA period, which contains projects completed from January 1, 2008 through December 31, 2017, USTDA has obligated \$327 million of program funding, which has helped to generate \$36.8 billion in U.S. exports. Thus, for every \$1 dollar of USTDA program funding, \$112 in U.S. exports are generated on average. This return on investment demonstrates the

Agency's ability to open markets for quality U.S. infrastructure solutions that meet the needs of developing and middle-income countries.

Other Measurements

Small Business Impact

The SBA set a benchmark for Federal agencies to meet the statutory goal of awarding 23 percent of federal prime contracting dollars to small businesses.² USTDA far surpassed that mark – in FY 2020, approximately 72 percent of the total value of all prime contracts awarded by USTDA went to small businesses. USTDA remains committed to exceeding the SBA benchmark and will do so by maintaining its ambitious outreach efforts to U.S. small businesses.

Procedures to Ensure Performance Measurement Reporting

Multiple factors lead to USTDA's results. USTDA's M&E Office strives to obtain information that validates whether and how USTDA's funding affected the outcomes identified. The M&E Office utilizes proven evaluation methods, in line with industry best practice, to measure outputs, outcomes and impacts against original project goals. These methods are grounded in broader evaluation practice to objectively, systematically and consistently assess the impact of USTDA's programming.

The information collected by the M&E Office supports organizational learning within USTDA and assists the Agency in documenting the relationship between its activities and project outcomes. Performance and results data are shared consistently with internal and external audiences to provide transparency on the Agency's impact and support continual performance improvement. Evidence gathered by the M&E Office forms the basis of annual strategic planning efforts and is used throughout the year to inform program funding and program management decisions. The following parameters are used when compiling and generating export measures:

U.S. Exports and U.S. Content

U.S. exports attributed to USTDA's funding must have a credible and significant linkage to the USTDA-funded activity. USTDA defines U.S. exports as (i) the U.S. content associated with goods manufactured in the United States or (ii) the services provided by U.S. companies.³ This definition enables USTDA to make the best estimation of its impact on jobs based on the U.S. exports attributed to its funding. This data supports the direct benefit that USTDA-funded activities bring to U.S. companies and their employees.

² U.S. Small Business Administration, Strategic Plan Fiscal Years 2018–2022
https://www.sba.gov/sites/default/files/2018-06/SBA_FY_2018-2022_Strategic_Plan.pdf (page 7).

³ USTDA obtains U.S. content data most commonly from U.S. contractors, suppliers, host country project sponsors, financiers and U.S. agencies involved in implementing projects.

Ten-Year Rolling Average

The TYRA is a ten-year interval of time used to report the outcomes resulting from USTDA's program. The TYRA currently consists of all USTDA activities completed in the ten-year period from January 1, 2008 through December 31, 2017. Because USTDA finances early-stage project preparation activities, it typically takes years for the Agency's activities to produce U.S. exports. As such, this interval of time is used to capture a meaningful and relevant representation of the results of USTDA's program funds. The last year of the TYRA (2017) is recent enough to influence Agency planning and long enough to ensure that USTDA-funded activities have been evaluated at least once by USTDA's external evaluation contractors.

Type of Funding

USTDA funds activities by using its core funds (those funds that Congress appropriates directly to USTDA) and, in some instances, transfer funds provided by other government agencies such as the U.S. Agency for International Development (USAID) and the U.S. Department of State (DOS). Transfer funds often carry restrictions with respect to the use of the funding (e.g., country limitations, industry or country/regional priorities, or specific activities). In addition, transfer funds may also include requests for USTDA to support activities in jurisdictions or sectors that would not normally be Agency priorities. Accordingly, the evaluation process considers the type of funding used to support each activity in order to appropriately reflect the specific goals, objectives and restrictions of each activity. Transfer-funded activities receive thorough evaluations throughout the life-cycle of the activity; however, due to the differing goals, requests, objectives, and restrictions associated with transfer-funded activities, they are treated separately from core-funded activities and are omitted from multiplier calculations.

External Evaluation and Validation

USTDA uses external contractors – outside evaluation teams (OETs) – to evaluate approximately 350 USTDA activities annually. OETs provide an assessment of project outcomes, in terms of both exports and developmental impact. OETs provide these assessments in individual project reports that present details about such matters as:

- the specific U.S. companies that exported to the project;
- the specific U.S. goods and services supplied to the project;
- how the USTDA-funded work contributed to implementation of the project;
- the source of financing that was used for the project; and
- if the project did not move forward, an assessment of why it did not.

Each report contains information about the entities that were contacted during the evaluation. In addition to these reports on individual projects, the OETs provide a comprehensive final report that summarizes the findings associated with the cohort of approximately 350 activities. After several annual assessments by the OETs, any remaining questions are handled directly by USTDA's M&E Office.

Analysis of Financial Statements

USTDA prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The financial statements and notes are presented on a comparative basis in the format required by U.S. GAAP and OMB Circular A-136, *Financial Reporting Requirements*.

The following table summarizes the significant changes in USTDA’s financial position, net costs of operations, and budgetary resources as of and for the years ended September 30, 2019 and 2020:

Financial Indicator	FY 2019	FY 2020	Increase/ (Decrease)	Percentage Change
Total Assets	\$189,526,291	\$209,304,222	\$19,777,931	10%
Total Liabilities	\$15,504,228	\$15,574,753	\$70,525	0%
Net Position	\$174,022,063	\$193,729,469	\$19,707,406	11%
Net Cost of Operations	\$59,854,700	\$56,776,802	(\$3,077,898)	-5%
Budgetary Resources	\$118,753,617	\$161,024,878	\$42,271,261	36%

Below is a brief description of the nature of each required financial statement and its relevance. Certain significant balances or conditions are explained, to elaborate on the impact on USTDA’s operations. Readers are encouraged to gain a deeper understanding by reviewing USTDA’s financial statements and related notes presented in the Financial Section of this report.

Balance Sheet

The accompanying balance sheet as of September 30, 2020 reports a net position of approximately \$193.7 million. USTDA’s total assets are approximately \$209.3 million, primarily comprised of fund balance with Treasury of approximately \$202.9. The total assets increased by approximately \$19.8 million from September 30, 2019 to September 30, 2020. The increase was primarily due to an increase in fund balance with Treasury of \$17.3 million, due to increased unexpended appropriations.

Total liabilities reported are approximately \$15.6 million and are comprised of approximately \$13.6 million of accounts payable, of which approximately \$12.6 million relates to grant payments owed, but unpaid, as of September 30, 2020.

Statement of Net Cost

USTDA’s net cost of operations for the year ended September 30, 2020 amounted to approximately \$56.8 million. Net cost of operations decreased by approximately \$3 million in FY 2020, due to an increase in earned revenues and decreases in operating expenses primarily due to reduced travel associated with the global Corona Virus pandemic.

Statement of Budgetary Resources

The budgetary resources for FY 2020 increased by \$42 million from FY 2019, due primarily to increase in unobligated balances carried over from FY 2019 and increases in spending authority from offsetting collections resulting from new reimbursable agreements in FY 2020.

Analysis of USTDA's Systems, Control and Compliance with Statutes and Directives Data and Financial System Assessment

USTDA develops and promulgates accounting policies and procedures for use by its staff to maximize accountability; promote standardization and cost effectiveness; monitor Agency compliance with these policies and procedures; implement corrective actions to address control deficiencies raised by independent auditors; monitor the activities of the Agency's programs; and perform analysis of required changes in procedures that affects the financial reporting of the Agency.

In addition, the Agency conducts program audits throughout the year and provides oversight of decentralized accounts payable processing and payroll activities. The Agency also performs internal control reviews on financial, management, and information systems, and conducts fact-finding activities to support decisions impacting revisions to the Agency's accounting and financial reporting systems.

The Interior Business Center (IBC) of the U.S. Department of the Interior provides payroll, personnel, and accounting systems and services to the Agency pursuant to service level agreements. The Agency's financial management system strategy is to continue to use a shared service provider. The operating effectiveness of the IBC's Oracle Federal Financials (OFF) and IBC's Federal Personnel and Payroll System (FPPS), General Information Technology and Accounting Operations Controls were examined under Statements on Standards for Attestation Engagements (SSAE) No. 18, *Attestation Standards: Clarification and Recodification*, issued by the American Institute of Certified Public Accountants (AICPA). IBC's independent auditor issued unmodified opinions on the SSAE 18 reports for OFF and FPPS for the period July 1, 2019 through June 30, 2020. Accordingly, IBC was able to provide USTDA with assurance that IBC controls were in place as of June 30, 2020, as they relate to key controls relied upon by USTDA and are operating effectively. The results of this report in conjunction with user controls USTDA has put in place provide reasonable assurance that USTDA's financial management systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Analysis of Entity's Systems, Controls and Legal Compliance Federal Managers' Financial Integrity Act (FMFIA)

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) is implemented by OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The objectives of the FMFIA are to ensure that USTDA's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;

- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

USTDA management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the FMFIA. Accordingly, USTDA conducts risk assessments and internal control reviews to ensure the objectives mentioned above are achieved.

Section 2 of the FMFIA requires Federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. The reviews that took place during FY 2020 provide reasonable assurance that USTDA's systems and management controls comply with the requirements of the FMFIA.

Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial reporting. USTDA evaluated its financial management systems in accordance with the FMFIA. The results of management reviews provide reasonable assurance under Section 4 of the FMFIA that USTDA's financial systems controls generally conform to the principles and standards required.

Finally, in accordance with the Accountability of Tax Dollars Act of 2002 (ATDA), the Agency's financial information is audited annually. The results of the audit are considered by USTDA in its assessment of whether or not the objectives of the FMFIA are being met.



Annual Assurance Statement on Internal Control

USTDA’s management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers’ Financial Integrity Act (FMFIA). USTDA conducted its assessment of the effectiveness of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016 (“OMB Circular A-123”).

Based on the results of this evaluation, USTDA can provide reasonable assurance that its internal control over operations, reporting, and compliance with applicable laws and regulations were operating effectively as of September 30, 2020, except for material weaknesses due to ineffective controls over management’s review of financial statements and accounts payable. Remediation is in process, as further described in USTDA’s Response to Finding.

In addition, USTDA 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 OMB Circular A-123. Based on the results of this evaluation, USTDA can provide reasonable assurance that its internal control over financial reporting as of June 30, 2020 was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting. However, as mentioned above, material weaknesses over accounts payable and financial statements related to internal controls were identified during review of materials from July 1 to September 30, 2020, and remediation is in process.

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Todd Abrajano
Chief Operating Office, Head of Agency
November 16, 2020

Accountability of Tax Dollars Act

The Accountability of Tax Dollars Act of 2002 (ATDA) requires the preparation of financial statements by the Federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular A-136, *Financial Reporting Requirements*, enables agencies to consolidate their audited financial statements and other financial and performance reports into one report, the PAR. This report meets the requirements of the ATDA.

Government Performance and Results Act (GPRA) and GPRA Modernization Act

The Government Performance and Results Act of 1993 (GPRA) as amended, including as amended by the GPRA Modernization Act of 2010, requires the Agency to make available, on the Agency's public website, a 5-Year Strategic Plan, an Annual Performance Plan, and an Annual Performance Report. USTDA's Strategic Plan for FY 2020 – 2023, as amended, includes the annual performance plans, and the annual performance report is included as the Performance section in this Performance and Accountability Report. USTDA also publishes an Annual Report. These documents are available on the Agency's website, ustda.gov.

Federal Information Security Modernization Act

The Federal Information Security Modernization Act of 2014 (FISMA) requires each federal agency to establish and maintain an information security program for all non-national security information and information systems. The Agency's information security program includes a process for planning, implementing, evaluating, and documenting existing information security policies, procedures, and practices, as well as remedial action to address deficiencies in such policies, procedures, and practices.

During FY 2020, USTDA maintained its information security program by (1) providing annual information security and insider threat awareness training to its user community, including contractors; (2) incorporating the testing of management, operational, and technical information security controls for our General Support System (GSS); (3) maintaining the process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in the information security policies, procedures, and practices; (4) developing and updating our IT policies; and (5) maintaining procedures for detecting, reporting, and responding to security incidents. USTDA implemented upgrades in features and security to our analytics and database system. Further we migrated to a Department of Homeland Security (DHS) and General Services Administration (GSA) approved Trusted Internet Connection (TIC) for our facility Internet communications. These efforts are accomplished consistent with standards and guidelines issued by the National Institute of Standards and Technology (NIST), including utilizing the NIST Framework for cybersecurity categories of identify, detect, protect, respond, and recover.

USTDA utilizes Federal Risk and Authorization Management Program (FedRAMP) authorized cloud-based solutions for email, personal network drives, and audio/video teleconferencing. USTDA also has our website, ustda.gov, hosted by a federal agency cloud shared service provider, which is also FedRAMP authorized. By using FedRAMP authorized providers we

benefit from a government-wide standardized approach for information security and FISMA compliance.

Improper Payments Elimination and Recovery Act

The Improper Payments Information Act of 2002 (IPIA) requires Federal agencies to identify and report on significant payment programs that are susceptible to improper payments. The Improper Payments Elimination and Recovery Act of 2010 (IPERA) requires the development of policies and procedures for the prevention and detection of improper payments in the Federal government. IPERA expands on IPIA by, among other things, requiring an initial assessment to identify those programs that are susceptible to significant risk of improper payments. The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) requires OMB on an annual basis to identify high-priority programs, establish performance targets and accelerates the “Do Not Pay” program. The IPERIA was amended in 2015, by the Federal Improper Payment Coordination Act (P.L. 114-109) which expanded access to federal agency data that could be used to verify payment eligibility of recipients and payment amounts. And in 2016, Congress passed the Fraud Reduction and Data Analytics Act (P.L. 114-186) which requires agencies to implement financial and administrative controls related to fraud, including improper payments.

USTDA reviewed its operations, identifying three categories of activities which the Agency undertakes:

- (1) Project Development Program;
- (2) International Business Partnership Program; and
- (3) Agency Support Contracts (exclusive of payments to Federal agencies).

In FY 2020, USTDA assessed each of these categories of activities to determine which, if any, were susceptible to significant improper payments. USTDA’s Office of Finance has also reviewed every transaction processed during FY 2019. Based on the review of 2019 transactions, the nature of USTDA’s program and activities, and in view of USTDA’s current recovery audit procedures, as well as USTDA’s compliance with FMFIA as described above, the Agency has determined in accordance with IPERA that an expanded program of payment recapture audits would not be cost-effective within the meaning of IPERA.

Following the review and analysis of USTDA’s transactions for FY 2019, the most recent year for which a review has been completed, the Agency did not find any significant improper payments that reached the level required for reporting by IPERA. In addition, in order to enhance its policies and procedures for the prevention and detection of improper payments, the Agency has entered into an agreement with IBC, its shared service provider; to utilize the Do Not Pay Business Center to check all invoices prior to payment in an effort to further reduce improper payments. The Do Not Pay Business Center provides data on whether or not an individual or company is eligible to receive Federal payments.

Limitations of the Financial Statements

These financial statements have been prepared to report the financial position and results of operations of USTDA pursuant to the requirements of 31 U.S.C. § 3515(b). While the financial statements have been prepared from the books and records of the Agency in accordance with generally accepted accounting principles for Federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statements are in addition to the financial reports used by USTDA management to monitor and control budgetary resources that are prepared from the same books and records.

These statements should be read with the realization that they are for a component of the government, a sovereign entity.



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Chief Operating Officer, Head of Agency
U.S. Trade and Development Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the U.S. Trade and Development Agency (USTDA) which comprise the balance sheets as of September 30, 2020 and 2019, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the USTDA as of September 30, 2020 and 2019, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the *Performance and Accountability Report* to provide additional information for the users of its financial statements. Such information is not a required part of the basic financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. Message from the Chief Operating Officer and Head of Agency, Performance section, Annual Assurance Statement on Internal Control, and Other Information section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2020, we considered the USTDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the USTDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the USTDA's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in Appendix A, we did identify certain deficiencies in internal control that we consider to be 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 material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether USTDA's financial statements as of and for the year ended September 30, 2020 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-03.

USTDA's Response to Findings

The USTDA's response to the findings identified in our audit are in Appendix B. USTDA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the USTDA's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
November 16, 2020

Material Weakness

A. Ineffective Controls over Management's Review of Accounts Payable

In our review of U.S. Trade and Development Agency's (USTDA) accounts payable estimation process, we found that internal controls were not operating effectively as required by Government Accountability Office's *Standards for Internal Controls in the Federal Government*, principle 10. Specifically, controls over the review of calculations used in the September 30, 2020 estimate and evaluation of the outcome of prior year estimates were not operating effectively nor in accordance with existing USTDA control policies and procedures. These deficiencies resulted in approximately \$2.24 million in misstatements to the accounts payable balance that were corrected by USTDA management.

These deficiencies were caused by a lack of resources due to turnover in USTDA finance staff during the year.

Recommendation

We recommend that USTDA management continue to fill vacant finance staff positions to ensure controls operate in accordance with existing USTDA control policies and procedures. USTDA should also ensure that it effectively performs the review to determine that the accounts payable estimate is properly prepared and recorded.

B. Ineffective Controls over Management's Review of Financial Statements

In our review of USTDA's financial reporting process, we found that internal controls were not operating effectively as required by Government Accountability Office's *Standards for Internal Controls in the Federal Government*, principle 10. Specifically, controls over the review of the financial statements and notes to the financial statements to determine that they were complete, accurate, and properly presented as of year-end were not operating effectively. These deficiencies could result in material misstatements to the financial statements.

These deficiencies were caused by a lack of resources due to turnover in USTDA finance staff during the year.

Recommendation

We recommend that USTDA management continue to fill vacant finance staff positions to ensure controls operate in accordance with existing USTDA control policies and procedures over the review of the financial statements and notes to the financial statements.

USTDA's Response to Finding

A. Ineffective Controls over Management's Review of Accounts Payable

USTDA management takes the concerns raised by the auditors very seriously and will ensure that effective controls over management's review of accounts payable are in place. Early in FY2020, USTDA experienced an unexpected, and significant, staffing shortage within the Financial Department. USTDA management worked diligently throughout the fiscal year to fill those vacant positions, and as of October 2020 has achieved 100% staffing across the Finance Department. As the new employees complete their onboarding and integration into Agency financial operations, the Director of Finance will facilitate proper operation of the accounts payable controls and provide more thorough quarterly reconciliations, look back analysis, and second level reviews.

B. Ineffective Controls over Management's Review of Financial Statements

USTDA management will ensure that effective controls over management's review of the financial statements are in place. USTDA management worked diligently throughout the fiscal year to fill vacant positions within the Finance Department, and as of October 2020 has achieved 100% staffing. As the new employees complete their onboarding and integration into Agency financial operations, the Director of Finance will facilitate more thorough reconciliations and second level reviews.

U.S. TRADE AND DEVELOPMENT AGENCY
Balance Sheets
As of September 30, 2020, and 2019

	2020	2019
Assets		
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 202,944,627	\$ 185,677,122
Accounts receivable (Note 3)	4,199,095	1,470,130
Total intragovernmental	207,143,722	187,147,252
Accounts receivable (Note 3)	835	-
General property and equipment, net (Note 4)	2,159,665	2,379,039
Total assets	\$ 209,304,222	\$ 189,526,291
 Liabilities and Net Position		
Liabilities:		
Intragovernmental:		
Accounts payable (Note 5)	\$ 279,643	\$ 290,260
Deferred rent	862,552	886,774
Other liabilities (Note 5)	-	-
Total intragovernmental	1,142,195	1,177,034
Accounts payable (Note 5)	13,283,441	13,501,575
Other liabilities (Note 5)	1,149,117	825,619
Total liabilities	15,574,753	15,504,228
Net position:		
Unexpended appropriations	192,259,865	172,255,794
Cumulative results of operations	1,469,604	1,766,269
Total net position	193,729,469	174,022,063
Total liabilities and net position	\$ 209,304,222	\$ 189,526,291

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY
Statements of Net Cost
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cost of Operations:		
Grants program costs	\$ 59,973,546	\$ 63,201,839
Less earned revenue	<u>(3,196,744)</u>	<u>(3,347,139)</u>
Net cost of operations (Note 10)	<u>\$ 56,776,802</u>	<u>\$ 59,854,700</u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY
Statements of Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	2020	2019
Unexpended Appropriations:		
Beginning balance	\$ <u>172,255,794</u>	\$ <u>154,033,529</u>
Budgetary Financing Sources:		
Appropriations received	79,500,000	79,500,000
Appropriations transferred in/out	(46,667)	-
Other adjustments (cancellation of expired funds)	(4,862,807)	(2,336,125)
Appropriations used	<u>(54,586,455)</u>	<u>(58,941,610)</u>
Total budgetary financing sources	<u>20,004,071</u>	<u>18,222,265</u>
Total unexpended appropriations	<u>192,259,865</u>	<u>172,255,794</u>
Cumulative Results of Operations:		
Beginning balance	<u>3,286,468</u>	<u>2,241,069</u>
Budgetary Financing Sources:		
Appropriations used	54,586,456	58,941,610
Other Financing Sources (Nonexchange):		
Imputed financing (Note 10)	<u>373,482</u>	<u>438,290</u>
Total Financing Sources	54,959,938	59,379,900
Net cost of operations	<u>(56,776,802)</u>	<u>(59,854,700)</u>
Net change	<u>(1,816,864)</u>	<u>(474,800)</u>
Total cumulative results of operations	<u>1,469,604</u>	<u>1,766,269</u>
Net position	\$ <u><u>193,729,469</u></u>	\$ <u><u>174,022,063</u></u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY
Statements of Budgetary Resources
For the Years Ended September 30, 2020 and 2019

	2020	2019
Budgetary Resources:		
Unobligated balance brought forward, October 1 (Note 7)	\$ 52,441,407	\$ 34,634,753
Appropriations (discretionary and mandatory)	79,500,000	79,500,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>28,990,137</u>	<u>4,618,864</u>
Total budgetary resources	\$ <u>160,931,543</u>	\$ <u>118,753,617</u>
Status of Budgetary Resources:		
New obligations and upward adjustments (total) (Note 7)	\$ 86,949,170	\$ 74,362,835
Unobligated balance, end of year:		
Apportioned (Notes 2)	47,878,157	28,929,819
Unapportioned (Note 2)	-	7,426
Unexpired unobligated balance, end of year (Note 2)	47,878,157	28,937,245
Expired unobligated balance, end of year (Note 2)	<u>26,104,216</u>	<u>15,453,537</u>
Total unobligated balance, end of year	<u>73,982,373</u>	<u>44,390,782</u>
Total budgetary resources	\$ <u>160,931,543</u>	\$ <u>118,753,617</u>
Budget Authority and Outlays, Net		
Outlays, net (total) (discretionary and mandatory) (Note 10)	\$ 58,843,221	\$ 57,537,130
Distributed offsetting receipts (-)	<u>-</u>	<u>-</u>
Agency outlays, net (discretionary and mandatory)	\$ <u>58,843,221</u>	\$ <u>57,537,130</u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements

September 30, 2020 and 2019

(1) Summary of Significant Accounting Policies

(a) *Description of Reporting Entity*

The U.S. Trade and Development Agency (USTDA) is an independent U.S. government agency administered under the authority of Section 661 of the *Foreign Assistance Act of 1961*, as amended (22 U.S.C. § 2421). The Agency is not subject to Federal, state or local income tax; therefore, no provision for income taxes has been recorded in the accompanying financial statements.

USTDA helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries.

The organization was established on July 1, 1981 as the Trade and Development Program (TDP) by delegation of authority as a component of the International Development Cooperation Agency (IDCA). In 1988, under the *Omnibus Trade and Competitiveness Act*, the organization was designated a separate component agency of IDCA. On October 28, 1992, Congress enacted the *Jobs through Exports Act of 1992*, which renamed TDP as the Trade and Development Agency and established USTDA as an independent executive branch agency under the foreign policy guidance of the Secretary of State.

(b) *Basis of Presentation*

These financial statements have been prepared to report the financial position, net costs, changes in net position, and budgetary resources of USTDA. These financial statements include all activity related to USTDA's appropriation and interagency agreements, whereby USTDA receives transfers from other Federal agencies for use in specific regions or sectors.

(c) *Budgets and Budgetary Accounting*

Congress annually adopts a budget appropriation that provides USTDA with authority to use funds from the U.S. Department of the Treasury to meet operating and program expense requirements. All revenue received from other sources, except for appropriations transferred from other Federal agencies, must be returned to the U.S. Department of the Treasury. There are no differences between the budgetary resources, new obligations, and net outlay amounts, as shown in the 2019 Statement of Budgetary Resources, and the Budget of the U.S. Government. The President's FY 2022 Budget with actual numbers for FY 2020 has not been published.

(d) *Basis of Accounting*

USTDA's Balance Sheets, Statements of Net Cost, and Statements of Changes in Net Position are prepared using the accrual basis of accounting. This basis requires recognition of the financial effects of transactions, events, and circumstances in the periods when those transactions, events, and circumstances occur, regardless of when cash is received or paid. USTDA also uses budgetary accounting to facilitate compliance with legal constraints and to track its budget authority at the various stages of execution, including commitments, obligation, and eventual outlay. Under budgetary accounting, obligations are recorded when orders for goods or services are placed or awards are authorized, and outlays are recorded when disbursements are made. The Statements of Budgetary Resources are prepared using budgetary accounting methods.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2020 and 2019

The standards used in the preparation of the accompanying financial statements are issued by the Federal Accounting Standards Advisory Board, which represent accounting principles generally accepted in the United States of America for U.S. government entities.

(e) *Appropriations and Other Financing Sources*

Appropriations are recognized as a financing source at the time they are authorized and apportioned. Appropriations used to fund grant activities and administrative expenses are recognized as expenses and revenue as the resultant related expenses are incurred.

During FY 2019 and FY 2020, USTDA received appropriations to be used for program and administrative expenses, which are available for obligation through September 30, 2020 and 2021, respectively. These funds were appropriated in accordance with Division K, Title VI of the *Consolidated Appropriations Act, 2019* and Division F, Title VI of the *Consolidated Appropriations Act, 2020*. USTDA's appropriation acts allow de-obligated funds that were initially obligated prior to their expiration to remain available for re-obligation for an additional four years from the date on which the availability of such funds would otherwise have expired. In FY 2019, USTDA re-apportioned approximately \$3.8 million of FY 2015 de-obligations. In FY 2020, USTDA did not re-apportion any of its de-obligations.

Under Section 632(b) of the *Foreign Assistance Act of 1961*, as amended, (22 U.S.C. § 2392(b)) (the "FAA"), the Department of State ("DOS") entered into a series of interagency agreements with USTDA, in support of "Aligning Public Finance to Leverage Private Capital Investment: U.S.-Africa Clean Energy Finance Initiative (US-ACEF)," to increase access to clean energy for African countries by stimulating increased investments in clean energy generating capacity and related infrastructure. The interagency agreement signed in 2015 provided \$2.5 million from DOS to USTDA in FY 2016, which had been fully obligated by September 30, 2017. In FY 2018, \$0.6 million was disbursed by USTDA and invoiced to DOS relating to the FY 2016 interagency agreement. In FY 2019, no funds were disbursed by USTDA and invoiced to DOS relating to the FY 2016 interagency agreement. A second interagency agreement signed in FY 2017, provides for \$7.5 million from DOS to USTDA. During FY 2018 and FY 2019, \$2.6 million and \$3.0 million, respectively had been obligated, and \$0.2 million and \$0.3 million, respectively, was disbursed by USTDA and invoiced to DOS under that agreement. During FY 2020, \$2.3 million had been disbursed and \$1.3 million invoiced to DOS under this agreement.

Under Section 632(a) of the *FAA and the Consolidated Appropriations Act, 2017* (P.L. 115-31, Division J), the U.S. Agency for International Development (USAID) and USTDA entered into an agreement in FY 2018, under which USAID transferred \$3.2 million to USTDA to continue its program in project preparation assistance that will advance cleaner energy projects in Africa. As of September 30, 2018, these funds were fully obligated. USTDA has not received any additional 632(a) transfer funds in FY 2019 and 2020.

In FY 2016 under Section 632(b) of the FAA, USAID and USTDA entered into a "Participating Agency Program Agreement" that provides \$2.8 million to USTDA to establish a four-year program for personnel to support the Power Africa Roadmap. In FY 2019, this agreement was modified by an additional \$1 million, for a total combined amount of \$3.8 million. As of September 30, 2018, \$0.5 million had been obligated and disbursed by USTDA and invoiced to USAID under this agreement. As of September 30, 2019, an additional \$0.6 million had been obligated disbursed by USTDA and invoiced to USAID under this agreement. As of September 30, 2020, an additional \$.4 million had been obligated and \$.1 million disbursed by USTDA and invoiced to USAID under this agreement.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2020 and 2019

On September 30, 2019, under Section 604 of the FAA, as amended, (22 U.S.C. § 2354) and Section 636 of the FAA, as amended, (22 U.S.C. § 2339(i)), DOS and USTDA concluded a transfer agreement in the amount of \$28 million on September 30, 2019 to advance the Administration's Indo-Pacific Strategy. The funding, which was received in FY 2020, provides USTDA resources to expand its program across the entire region for project preparation investments designed to spur financing of quality infrastructure projects in USTDA's partner countries while also opening those markets for the export of U.S.-manufactured goods, technologies and services. As of September 30, 2020, \$9.2 million had been obligated and \$.1 million disbursed by USTDA and invoiced to DOS under this agreement.

(f) *Fund Balance with Treasury*

USTDA does not maintain cash in commercial bank accounts. The U.S. Department of the Treasury processes cash receipts and disbursements. The balance of funds with Treasury primarily represents appropriated funds that are available to pay current liabilities and to finance future authorized purchases.

(g) *Accounts Receivable*

USTDA regards amounts due from other Federal agencies as 100 percent collectible.

Federal accounts receivable consists of amounts due from DOS and USAID for the reimbursable programs. Consistent with accounting standards, USTDA records an accounts receivable from DOS and USAID in the same amount as the accounts payable to contractors for services provided under the interagency agreements.

(h) *Property and Equipment*

Property and equipment is stated at cost, less accumulated depreciation. USTDA capitalizes property and equipment with an acquisition cost greater than \$5,000 and useful life exceeding one year. Depreciation is calculated using the straight-line method and is based on an estimated useful life of 10 years for all assets, except computer equipment and software, which is depreciated over 5 years. Leasehold improvements are amortized over the estimated period of occupancy or the life of the improvement, whichever is less. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

(i) *Liabilities*

Liabilities represent amounts owed by USTDA as the result of transactions or events that have occurred as of fiscal year end. Liabilities covered by budgetary or other resources are those liabilities for which Congress has appropriated funds or funding is otherwise available to pay amounts owed. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available, congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding. There is no certainty that Congress will appropriate funds to satisfy such liabilities.

(j) *Undelivered Orders*

Undelivered orders represent the amount of orders for goods and services outstanding for which funds have been obligated, but the liabilities have not been incurred.

(k) *Accrued Leave*

Annual leave is accrued as a liability as it is earned. The liability is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates. To the extent that the current or prior year appropriations are not available to fund annual leave earned,

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements

September 30, 2020 and 2019

but not taken, funding will be obtained from future appropriations. USTDA’s accounting for annual leave earned, but not taken is compliant with established regulations. Sick leave and other types of non-vested leave are charged to expense as the leave is used.

(l) Cumulative Results of Operations

Cumulative results of operations represent the difference between net property and equipment and unfunded annual leave, plus the net difference between expenses and financing sources since the inception of an activity.

(m) Retirement Plan

USTDA’s employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Employees participating in CSRS contribute 7.0 percent of their gross pay to the plan, and USTDA contributes 8.51 percent. The Office of Personnel Management (OPM) has calculated that the cost of providing a CSRS benefit is 38.5 percent of an employee’s basic pay. This exceeds the amounts contributed to the plan by USTDA and its employees. In accordance with Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, USTDA reports the full cost of providing pension benefits to employees in the CSRS.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983 are automatically covered by FERS and the Social Security Act. Employees hired prior to January 1, 1984 could elect either to join FERS and the Social Security Act or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which USTDA automatically contributes 1 percent of employees’ pay and matches any employee contribution up to an additional 4 percent of basic pay. For most employees hired since December 31, 1983, USTDA also contributes the employer’s matching share under the Social Security Act. Public Law 112-96, Section 5001, the Middle-Class Tax Relief and Job Creation Act of 2012, divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Section 401 of the Bipartisan Budget Act of 2013, made another change to FERS: beginning January 1, 2014, new employees (as designated in the statute) pay higher employee contributions, an increase of 1.3 percent of salary above the percentage set for FERS-Revised Annuity Employees. Section 8401 of Title 5, United States Codes, was amended to add a new definition of a FERS-FRAE employee.

The following chart highlights contribution rates for FERS employees:

FERS Retirement System	Agency Contribution Rate	Employee Contribution Rate
FERS – Regular	16%	0.8%
FERS – RAE	14.2%	3.1%
FERS – FRAE	14.2%	4.4%

The total amount of imputed financing for retirement and other post-retirement benefits paid by OPM for FY20 amounted to \$373,482, which includes a reduction of overall expense of \$10,725 for pension costs for CSRS and FERS; \$383,890 for the Federal Employees Health Benefits (FEHB) program; and \$317 for Federal Employees Group Life Insurance (FEGLI). In FY 2019, OPM funded \$438,290 for pension, health, and life insurance benefits on behalf of USTDA’s employees. These amounts are included in USTDA’s FY 2020 and FY 2019 financial statements, respectively.

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The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by USTDA. The reporting of these amounts is the responsibility of OPM.

USTDA paid approximately \$1,011,954 and \$765,761 for retirement system coverage for its employees during FY 2020 and FY 2019, respectively.

(n) Classified Activities

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

(o) Use of Estimates

Management has made certain estimates and assumptions when reporting in these financial statements on assets and liabilities. Management's estimates and assumptions are also used in expenses and note disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include depreciable lives of property and equipment with no residual value, and the grants payable accrual. USTDA used a ratio of the average of accounts payable to unpaid obligations over a three-year period and applied the resulting percentage to calculate the current year's estimate of accounts payable.

(2) Fund Balance with Treasury

Fund Balance with Treasury represents USTDA's undisbursed budgetary authority and funds to be returned to Treasury at September 30, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Fund Balance:		
Appropriated funds	\$ 202,944,627	\$ 185,677,122
Total	\$ <u>202,944,627</u>	\$ <u>185,677,122</u>
 Status of Fund Balance with Treasury:		
Unobligated balance:		
Available	\$ 47,878,157	\$ 28,929,819
Unavailable	26,104,216	15,460,963
Obligated balance not yet disbursed	<u>128,962,254</u>	<u>141,286,340</u>
Total	\$ <u>202,944,627</u>	\$ <u>185,677,122</u>

Unobligated fund balances are either available or not available. Amounts are reported as not available when they are no longer legally available to USTDA for obligation. However, balances that are currently reported as not available can change over time, because they may be used to increase the amount of the initial obligation to cover additional expenditures that relate to these obligations.

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**Notes to Financial Statements
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(3) Accounts Receivable

Accounts receivable as of September 30, 2020 and 2019 consist of the following components:

	2020	2019
Accounts receivable – Intragovernmental:		
U.S. Department of State	\$ 4,199,095	\$ 1,456,578
U.S. Agency for International Development	-	13,552
Accounts receivable – From Public	835	-
Total	\$ 4,199,930	\$ 1,470,130

The accounts receivable from the Department of State and the USAID related to services provided by the Agency under the US-ACEF and Power Africa Roadmap program agreements, respectively.

(4) General Property and Equipment, Net

General property and equipment and related accumulated depreciation balances at September 30, 2020 and 2019, are as follows:

September 30, 2020				
Class of Asset	Service life	Acquisition value	Accumulated depreciation/ amortization	Net book value
Computer Equipment	5 years	\$ 933,210	\$ 800,190	\$ 133,020
Furniture and Fixtures	10 years	377,709	271,939	105,770
Computer Software	5 years	107,856	90,570	17,286
Other Equipment	10 years	688,922	244,268	444,654
Leasehold Improvements	10 years	1,932,719	473,784	1,458,935
		\$ 4,040,416	\$ 1,880,751	\$ 2,159,665

September 30, 2019				
Class of Asset	Service life	Acquisition value	Accumulated depreciation/ amortization	Net book value
Computer Equipment	5 years	\$ 975,230	\$ 601,103	\$ 374,127
Furniture and Fixtures	10 years	429,917	246,411	183,506
Computer Software	5 years	107,857	73,982	33,875
Other Equipment	10 years	373,776	238,452	135,324
Leasehold Improvements	10 years	1,932,719	280,512	1,652,207
		\$ 3,819,499	\$ 1,440,460	\$ 2,379,039

Depreciation expense for fiscal years ended September 30, 2020 and 2019 was \$440,292 and \$419,923, respectively.

During FY 2020 and 2019, USTDA purchased property and equipment in the amount of \$220,918 and \$136,780, respectively. The FY 2020 additions primarily relate to computer equipment and furniture and

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Notes to Financial Statements

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fixtures. In addition, during FY 2019, USTDA retired \$38,188 in property and equipment with related accumulated depreciation amounting to \$29,137, representing a loss on disposals of \$8,052. No loss on asset disposals were recorded during FY 2020.

(5) Liabilities

Total liabilities represent the sum of liabilities not covered by budgetary resources and those covered by budgetary resources. As of September 30, 2020, and 2019, total liabilities were as follows:

	2020	2019
Intragovernmental:		
Accounts payable	\$ 279,643	\$ 290,260
Deferred rent	862,552	886,774
Other liabilities	-	-
Total intragovernmental	1,142,195	1,177,034
Liabilities with the public:		
Accounts payable	13,283,441	13,501,575
Accrued annual leave	690,897	477,222
Accrued payroll	458,220	348,397
Total liabilities with the public	14,432,558	14,327,194
Total liabilities	\$ 15,574,753	\$ 15,504,228
Total liabilities not covered by budgetary resources	\$ 1,553,449	\$ 1,363,996
Total liabilities covered by budgetary resources	14,021,304	14,140,232
Total liabilities	\$ 15,574,753	\$ 15,504,228

All liabilities other than the unfunded accrued leave are considered to be current liabilities. Approximately \$12.6 million of the accounts payable balance as of September 30, 2020 relates to grant payments owed but unpaid. This balance was \$12.2 million as of September 30, 2019.

As discussed in Note 6, USTDA took occupancy of its current building space in March 2018, from which point it received a rental abatement for six months through August 2018. The impact of straight lining the rent expense was recorded as deferred rent in FY 2018 and is amortized over the remaining lease period through February 2028.

(6) Leases

USTDA has no capital leases. Regarding its building lease, the General Services Administration (GSA) entered into a lease agreement for USTDA's rental of its current building space with the lease term commencing on February 24, 2018. USTDA also entered into an Occupancy Agreement with GSA for a ten-year term, with a five-year renewal option period. USTDA pays GSA a standard-level users' charge for the annual rental which, approximates the commercial rental rates for similar properties.

USTDA took occupancy of its current building space in March 2018, from which point it received a rental abatement for six months, through August 2018. In FY 2018, USTDA paid a total of \$819,775 in rental payments and recorded a total of \$1.7 million in rent expense considering the value of the deferred rent discussed in Note 5. In FY 2019 and 2020, USTDA paid approximately \$1.8 million in rent expense each year. Future lease payments will be made in accordance with the Occupancy Agreement between USTDA and GSA.

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Below is a schedule of estimated future payments for the terms of the lease:

Fiscal Year	Total
FY 2021	\$ 1,848,073
FY 2022	1,865,725
FY 2023	1,883,907
FY 2024	1,902,634
FY 2025 and beyond	6,622,548
Total future lease payments	\$ <u>14,122,887</u>

(7) Disclosures Relating to the Statement of Budgetary Resources

New Direct and Reimbursable obligations and upward adjustments reported on the Statement of Budgetary Resources for the years ended September 30, 2020 and 2019, consisted of the following:

	2020	2019
Category A—Direct obligations for operating expenses	\$ 19,286,918	\$ 17,539,596
Category B—Direct obligations for program expenses	57,666,247	52,533,786
Category B—Reimbursable obligations for program expenses	<u>9,996,005</u>	<u>4,289,453</u>
Total obligations and upward adjustments	\$ <u>86,949,170</u>	\$ <u>74,362,835</u>

The unobligated balance at September 30, 2019 was \$44,390,782. USTDA recorded prior year recoveries of \$12,959,458 offset by cancelled expired authority totaling \$4,908,833, resulting in an unobligated balance brought forward on October 1, 2019 of \$52,441,407.

The unobligated balance at September 30, 2018 was \$24,026,030. USTDA recorded prior year recoveries of \$12,944,848 offset by cancelled expired authority totaling \$2,336,125, resulting in an unobligated balance brought forward on October 1, 2019 of \$34,634,753.

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Notes to Financial Statements

September 30, 2020 and 2019

(8) Undelivered Orders

At September 30, 2020 and 2019, undelivered orders balances consisted of the following:

	2020	2019
Federal	\$ 4,978,292	\$ 12,747,230
Non-Federal	150,755,536	120,468,835
Total undelivered orders	\$ 155,733,828	\$ 133,216,065

(9) Permanent Indefinite Appropriations

No-year funds as of September 30, 2020 and 2019 exist for the following purposes:

	2020	2019
General program activities	\$ 475,959	\$ 475,959
Support for feasibility studies and activities (NIS and SEED)	46,667	46,667
Total permanent indefinite appropriations	\$ 522,626	\$ 522,626

(10) Reconciliation of Net Cost to Net Outlays

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

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September 30, 2020 and 2019

	<u>Intra-</u> <u>governmental</u>	<u>With the</u> <u>public</u>	<u>Total FY 2020</u>
Net Cost of Operations	\$ <u>6,597,585</u>	\$ <u>50,179,217</u>	\$ <u>56,776,802</u>
 Components of Outlays			
Property, plant, and equipment depreciation	-	(440,292)	(440,292)
Property, plant, and equipment disposal and revaluation	-	-	-
Increase/(decrease) in assets:			
Accounts receivable	835	2,728,965	2,729,800
(Increase)/decrease in liabilities:			
Accounts payable	10,617	218,134	228,751
Salaries and benefits payable	-	(109,823)	(109,823)
Other liabilities and deferred rent	24,222	(213,675)	(189,453)
Other financing sources:			
Federal employees retirement benefit costs paid by OPM and imputed to the agency	<u>(373,482)</u>	<u>-</u>	<u>(373,482)</u>
Total components of net cost that are not part of net outlays	<u>(337,808)</u>	<u>2,183,309</u>	<u>1,845,501</u>
 Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	<u>-</u>	<u>220,918</u>	<u>220,918</u>
Total components of net outlays that are not part of net costs	<u>-</u>	<u>220,918</u>	<u>220,918</u>
Net outlays	\$ <u>6,259,777</u>	\$ <u>52,583,444</u>	\$ <u>58,843,221</u>

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Notes to Financial Statements

September 30, 2020 and 2019

	<u>Intra-</u> <u>governmental</u>	<u>With the</u> <u>public</u>	<u>Total FY 2019</u>
Net Cost of Operations	\$ 3,751,298	\$ 56,103,402	\$ 59,854,700
 Components of Outlays			
Property, plant, and equipment depreciation	-	(419,923)	(419,923)
Property, plant, and equipment disposal and revaluation	-	(8,052)	(8,052)
Increase/(decrease) in assets:			
Accounts receivable	805,584	-	805,584
Increase/(decrease) in liabilities:			
Accounts payable	(14,412)	(2,297,552)	(2,311,964)
Salaries and benefits payable	-	(56,194)	(56,194)
Other liabilities and deferred rent	22,493	(48,004)	(25,511)
Other financing sources:			
Federal employees retirement benefit costs paid by OPM and imputed to the agency	(438,290)	-	(438,290)
Total components of net cost that are not part of net outlays	<u>375,375</u>	<u>(2,829,725)</u>	<u>(2,454,350)</u>
 Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	<u>-</u>	<u>136,780</u>	<u>136,780</u>
Total components of net outlays that are not part of net costs	<u>-</u>	<u>136,780</u>	<u>136,780</u>
Net outlays	\$ <u>4,126,673</u>	\$ <u>53,410,457</u>	\$ <u>57,537,130</u>

**U.S. Trade and Development Agency
Other Information
As of and for the year ended September 30, 2020**

Summary of the Financial Statement Audit and Management’s Assurances

Table 1: Summary of Financial Statement Audit:

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Ineffective Controls over Management’s Review of Financial Statements		1			
Ineffective Controls over Management’s Review of Accounts Payable	0	1		0	0
Total Material Weaknesses	0	2		0	0

Table 2: Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Ineffective Controls over Management’s Review of Financial Statements		1				
Ineffective Controls over Management’s Review of Accounts Payable		1				
Total Material Weaknesses	0	2	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management Systems Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system requirements					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Non-Conformances	0	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0	0

ATDA	Accountability of Tax Dollars Act of 2002
AICPA	American Institute of Certified Public Accountants
CSRS	Civil Service Retirement System
DOS	Department of State
FAA	Foreign Assistance Act of 1961
FAR	Federal Acquisition Regulations
FECA	Federal Employees' Compensation Act
FEHB	Federal Employees Health Benefits
FEGLI	Federal Employees Group Life Insurance
FERS	Federal Employees Retirement System
FERS-RAE	FERS-Revised Annuity Employees
FISMA	Federal Information Security Modernization Act of 2014
FMFIA	Federal Managers' Financial Integrity Act of 1982
FPPS	Federal Personnel and Payroll System
FedRAMP	Federal Risk and Authorization Management Program
FY	Fiscal Year
GSA	General Services Administration
GSS	General Support System
GAAP	Generally Accepted Accounting Principles
GPI	Global Procurement Initiative: Understanding Best Value
GPRA	Government Performance and Results Act of 1993
IBC	Interior Business Center
IDCA	International Development Cooperation Agency
IPERA	Improper Payments Elimination and Recovery Act of 2010
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
LCCA	Life-Cycle Cost Analysis
M&E Office	Office of Program Monitoring and Evaluation

NIS	New Independent States
NIST	National Institute of Standards and Technology
OETs	Outside Evaluation Teams
OFF	Oracle Federal Financials
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Performance and Accountability Report
RTM	Reverse Trade Mission
SBA	Small Business Administration
SEED	Support for East European Democracy Act
SFFAS	Statement of Federal Financial Accounting Standard
SSAE	Statements on Standards for Attestation Engagements
TDP	Trade and Development Program
TYRA	Ten Year Rolling Average
US-ACEF	U.S.-Africa Clean Energy Finance Initiative
USAID	U.S. Agency for International Development
USTDA	U.S. Trade and Development Agency