



UNITED STATES CAPITOL POLICE OFFICE OF INSPECTOR GENERAL

Independent Auditor's Report Financial Statements For Fiscal Years 2022 and 2021

Report Number OIG-2023-02

December 2022

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OFFICE OF INSPECTOR GENERAL

PREFACE

The Office of Inspector General (OIG) prepared this report pursuant to the Inspector General Act of 1978, as amended. It is one of a series of audits, reviews, and investigative and special reports OIG prepares periodically as part of its oversight responsibility with respect to the United States Capitol Police (USCP) to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and review of applicable documents.

We developed our recommendations based on the best knowledge available to OIG and discussed the draft with those responsible for implementation. It is my hope that the recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to those contributing to the preparation of this report.

Ronald Gregory
Acting Inspector General

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Abbreviations and Acronyms

Federal Accounting Standards Advisory Board	FASAB
Fiscal Year	FY
Government Accountability Office	GAO
Office of Inspector General	OIG
Required Supplementary Information	RSI
United States Capitol Police	USCP or the Department

EXECUTIVE SUMMARY

In accordance with our annual plan, the United States Capitol Police (USCP or the Department) Office of Inspector General (OIG) conducted an audit of the Department's financial statements for the years ended September 30, 2022 and 2021. Our objective was to express an opinion on the fairness of the financial statements in all material respects and report on controls over financial reporting as well as on compliance with laws, regulations, and contracts. Our audit was conducted in accordance with *Government Auditing Standards*.

Report on the Financial Statements - OIG rendered an unmodified opinion that the Department's financial statements present fairly, in all material respects, the financial position of the Department as of September 30, 2022, and 2021, and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States.

Report on Internal Control over Financial Reporting - OIG identified no material weaknesses or significant deficiencies in USCP's internal control over financial reporting based on the limited procedures we performed.

Report on Compliance with Laws, Regulations, and Contracts - OIG identified no instances of noncompliance with selected provisions of laws, regulations, and contracts tested.

On December 2, 2022, OIG provided a draft report to Department officials for comment.



Independent Auditor's Report



WASHINGTON, DC 20003

OFFICE OF INSPECTOR GENERAL

Independent Auditor's Report

To: The United States Capitol Police Board

In our audits of the fiscal years (FY) 2022 and 2021 financial statements of the United States Capitol Police (USCP or Department), we found

- USCP's financial statements as of and for the FYs ended September 30, 2022, and 2021, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed;¹ and
- no reportable noncompliance for FY 2022 with provisions of applicable laws, regulations, and contracts we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI);² (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, and contracts; and (4) agency comments.

Report on the Financial Statements

Opinion

In accordance with 2 U.S.C. 1903, we have audited USCP's financial statements. USCP's financial statements comprise the balance sheets as of September 30, 2022 and 2021; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, USCP's financial statements present fairly, in all material respects, USCP's financial position as of September 30,

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A 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.

² The RSI consists of "Management's Discussion and Analysis" which is included with the financial statements.

2022, and 2021 and its net cost of operations, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

USCP management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; and (3) designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of USCP's internal control over financial reporting. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

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

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Report on Internal Control over Financial Reporting

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

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies³ or to express an opinion on the effectiveness of USCP's internal control over financial reporting. Given these limitations, during our audit, we did not identify any

³ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our 2022 audit, we identified deficiencies in USCP's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant USCP management's attention. We have communicated these matters to USCP management and, where appropriate, will report on them separately.

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

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

Responsibilities of Management for Internal Control over Financial Reporting

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

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of USCP's financial statements as of and for the fiscal year ended September 30, 2022, in accordance with U.S. generally accepted government auditing standards, we considered USCP's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USCP's internal control over financial reporting. Accordingly, we do not express an opinion on USCP's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws,

including those governing the use of budget authority, regulations, and contracts, noncompliance with which could have a material effect on the financial statements.

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

Intended Purpose of Report on Internal Control over Financial Reporting

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

Report on Compliance with Laws, Regulations, and Contracts

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for FY 2022 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, and contracts applicable to USCP. Accordingly, we do not express such an opinion.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, and Contracts

USCP management is responsible for complying with laws, regulations, and contracts applicable to USCP.

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

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

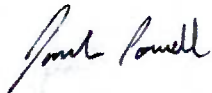
Intended Purpose of Report on Compliance with Laws, Regulations, and Contracts

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

Agency Comments

USCP management was provided a copy of the draft Independent Auditor's Report for comment; however, because of the unmodified audit opinion communicated in the Report on the Financial Statements and the absence of any material weaknesses or significant deficiencies in the Report on Internal Control over Financial Reporting, the USCP Office of Inspector General communicated to USCP that providing comments on the draft Independent Auditor's Report was optional. As such, management did not provide comments on the Independent Auditor's Report.

UNITED STATES CAPITOL POLICE OFFICE OF INSPECTOR GENERAL



Jacob T. Powell, CPA, CFE, CISA
Assistant Inspector General for Audits
December 9, 2022
Washington, DC



UNITED STATES CAPITOL POLICE

Financial Statements and Notes



UNITED STATES CAPITOL POLICE
Financial Statements
For the Fiscal Years Ended
September 30, 2022 and 2021

UNITED STATES CAPITOL POLICE
Balance Sheets

As of September 30, 2022 and 2021

	2022	2021
ASSETS		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$250,029,445	\$232,122,616
Accounts Receivable (Note 3)	238,652	950,203
Advances and Prepayments (Note 4)	122,696	106,948
Total Intragovernmental	<u>250,390,793</u>	<u>233,179,767</u>
With the public:		
Cash and Other Monetary Assets	4,000	4,000
Accounts Receivable - Public, Net (Note 3)	59,767	44,081
General Property, Plant and Equipment, Net (Note 5)	58,496,618	67,107,135
Total with the public	<u>58,560,385</u>	<u>67,155,216</u>
TOTAL ASSETS	<u><u>\$308,951,178</u></u>	<u><u>\$300,334,983</u></u>
LIABILITIES		
Intragovernmental:		
Accounts Payable	\$1,820,928	\$1,060,740
Advances from Others and Deferred Revenue	397,248	961,037
Other Liabilities (Note 7 & 8)	12,277,327	4,360,263
Total Intragovernmental Liabilities	<u>14,495,503</u>	<u>6,382,040</u>
With the public:		
Accounts Payable	25,071,354	15,940,894
Federal Employee Benefits Payable		
Accrued Unfunded Annual and Compensatory Leave (Note 6)	25,065,464	25,277,433
Actuarial FECA Liabilities (Note 6 & 7)	51,390,650	51,967,155
Accrued Payroll Benefits (Note 7)	3,090,167	21,286,568
Other Liabilities (Note 8, 9, 10 & 14)	22,016,528	18,315,510
Total with the public	<u>126,634,163</u>	<u>132,787,560</u>
TOTAL LIABILITIES	<u><u>141,129,666</u></u>	<u><u>139,169,600</u></u>
NET POSITION		
Unexpended Appropriations	145,939,298	138,574,557
Cumulative Results of Operations	21,882,214	22,590,826
TOTAL NET POSITION	<u><u>167,821,512</u></u>	<u><u>161,165,383</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$308,951,178</u></u>	<u><u>\$300,334,983</u></u>

The accompanying notes are an integral part of these financial statements.

UNITED STATES CAPITOL POLICE
Statements of Net Cost
For the Fiscal Years Ended September 30, 2022 and 2021

	2022	2021
MISSION STANCES:		
Gross Program Costs		
<u>Assess the Threat</u>		
Gross Costs	\$113,461,794	\$103,645,518
<u>Prevent</u>		
Gross Costs	126,684,159	112,057,821
<u>Respond</u>		
Gross Costs	147,154,254	142,808,803
<u>Support the Mission</u>		
Gross Costs	249,959,528	228,671,073
Less: Earned Revenues	(6,442,502)	(4,973,874)
Net Cost	<u>243,517,026</u>	<u>223,697,199</u>
NET COST OF OPERATIONS	<u><u>\$630,817,233</u></u>	<u><u>\$582,209,341</u></u>

The accompanying notes are an integral part of these financial statements

UNITED STATES CAPITOL POLICE
Statements of Changes in Net Position
For the Fiscal Years Ended September 30, 2022 and 2021

	2022	2021
UNEXPENDED APPROPRIATIONS		
Beginning Balance	\$138,574,557	\$52,765,972
Appropriations Received	602,509,000	622,401,000
Other Adjustments	(6,923,507)	(3,902,650)
Appropriations Used	(588,220,752)	(532,689,765)
Net Change in Unexpended Appropriations	<u>7,364,741</u>	<u>85,808,585</u>
TOTAL UNEXPENDED APPROPRIATIONS - ENDING	<u>\$145,939,298</u>	<u>\$138,574,557</u>
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balance	\$22,590,826	\$28,096,034
Other Adjustments	(20,350)	(273,198)
Appropriations Used	588,220,752	532,689,765
Imputed Financing (Note 11)	41,908,219	44,287,566
Net Cost of Operations	<u>(630,817,233)</u>	<u>(582,209,341)</u>
Net Change in Cumulative Results of Operations	<u>(708,612)</u>	<u>(5,505,208)</u>
CUMULATIVE RESULTS OF OPERATIONS - ENDING	<u>21,882,214</u>	<u>22,590,826</u>
NET POSITION	<u>\$167,821,512</u>	<u>\$161,165,383</u>

The accompanying notes are an integral part of these financial statements

UNITED STATES CAPITOL POLICE
Statements of Budgetary Resources
For the Fiscal Year: Ended September 30, 2022 and 2021

	2022	2021
BUDGETARY RESOURCES		
Unobligated Balance from Prior Year Budget Authority, Net (Note 12)	\$144,813,917	\$47,733,384
Appropriations	602,509,000	622,401,000
Spending Authority from Offsetting Collections	5,878,712	5,266,049
TOTAL BUDGETARY RESOURCES	<u>\$753,201,629</u>	<u>\$675,400,433</u>
STATUS OF BUDGETARY RESOURCES		
New obligations and upward adjustments	\$662,707,599	\$556,020,187
Unobligated Balance, End of Year:		
Exempt From Apportionment, Unexpired Accounts	68,851,687	106,154,005
Unexpired Unobligated Balance, End of Year (Note 2)	<u>68,851,687</u>	<u>106,154,005</u>
Expired Unobligated Balance, End of Year (Note 2)	21,642,343	13,226,241
Unobligated Balance, End of Year	<u>90,494,030</u>	<u>119,380,246</u>
TOTAL BUDGETARY RESOURCES	<u>753,201,629</u>	<u>675,400,433</u>
NET OUTLAYS	<u>\$578,036,730</u>	<u>\$508,536,517</u>

The accompanying notes are an integral part of these financial statements

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the financial position and budgetary resources of the United States Capitol Police (USCP). The mission of the USCP, an agency in the legislative branch of the federal government, is "To protect the Congress – its Members, employees, visitors, and facilities – so it can fulfill its constitutional and legislative responsibilities in a safe, secure and open environment." The USCP carries out its mission primarily by providing security for the Capitol and congressional office buildings, providing protective services for Members and dignitaries, installing and operating advanced security systems, and maintaining staff and equipment to respond to emergencies within its geographical jurisdiction. The agency's resources are organized into operational units and administrative units as follows:

OPERATIONAL

- Protective and Intelligence Operations
 - Protective Services Bureau
 - Security Services Bureau
- Uniformed Operations
 - Command and Coordination Bureau
 - Operational Services Bureau
 - Uniformed Services Bureau

ADMINISTRATIVE

- Office of Acquisition Management
- Office of Background Investigations and Credentialing
- Office of Facilities and Logistics
- Office of Financial Management
- Office of Human Resources
- Office of Equity and Inclusion
- Office of Information Systems
- Office of Policy and Management Systems
- Training Services Bureau

B. Basis of Accounting and Presentation

In accordance with 2 U.S.C. 1903, the financial statements were prepared from the USCP's books and records in conformity with generally accepted accounting principles for federal entities, as promulgated by the Federal Accounting Standards Advisory Board (FASAB). Accordingly, revenue is recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. These principles differ from budgetary reporting principles, whereby funds availability is recorded based on legal considerations and constraints. As a result, certain line items on the proprietary financial statements may not equal similar line items on the budgetary financial statements.

The USCP follows the federal standards for financial reporting and internal controls in a manner consistent with a legislative branch agency. The USCP has not adopted the Federal Financial Management Improvement Act of 1996, the Federal Managers Financial Integrity Act and the Government Performance and Results Act, as these standards are not applicable to the USCP. However the USCP uses these sources as guidance and reference in its operations.

The statements were also prepared based on guidance published in the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. The USCP is not

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

required to adopt this circular, and accordingly has elected to use the disclosures management deems necessary for the fair presentation of financial statement information.

Throughout these financial statements certain assets, liabilities, earned revenue and costs are classified according to the type of entity with whom transactions were made. Intragovernmental assets and liabilities are those received from or due to other federal entities. Intragovernmental earned revenue represents collections or accruals of revenue from other federal entities, and intragovernmental costs result from payments to or accruals of amounts due to other federal entities. These financial statements should be read with the understanding that USCP is a component of the U.S. Government.

C. Budgetary Resources and Status

The USCP is funded through congressionally approved appropriations. The USCP is responsible for administering its salaries and expenses through the execution of these appropriations. Congress enacts annual appropriations that provide the USCP with authority to obligate funds within the respective fiscal year for necessary expenses to carry out its mission and related activities. In addition, Congress enacts multi-year and permanent indefinite appropriations for long term capital projects and initiatives that are available for obligation over a period of years or until expended.

The USCP's budgetary resources consist of:

- Unobligated balances or resources brought forward from the prior year.
- Recoveries of obligations in prior years, and
- New resources in the form of appropriations and spending authority from offsetting collections.

Generally, unobligated balances associated with resources expiring at the end of the fiscal year remain available for five years after expiration only for adjustments of prior year obligations and deposits to the credit of the Employees' Compensation Fund in accordance with 2 U.S.C. 1907b, after which they are cancelled and may not be used. Remaining funds in cancelled appropriations are returned to the United States Department of the Treasury (U.S. Treasury).

D. Fund Balance with Treasury

Funds with the U.S. Treasury comprise the majority of intragovernmental assets on USCP's balance sheet and primarily represent appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. The U.S. Treasury processes cash receipts and disbursements on behalf of USCP and the Agency's accounting records are reconciled with the U.S. Treasury on a monthly basis.

E. General Property, Plant and Equipment

General Property, Plant and Equipment (PP&E) consists of equipment, structures, facilities, building improvements, internal use software, capital leases, systems and construction-in-progress. The basis for recording purchased PP&E is full cost, which includes all costs incurred to bring the PP&E to a form and location suitable for its intended use. The USCP capitalization threshold is \$25,000, except for internal use software and building improvements which are recorded at cost if the initial acquisition cost is \$250,000 or more.

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

Capital assets are depreciated on a straight-line basis over their estimated useful lives, which range from three to fifteen years. Building improvements and system assets while under construction or development are recorded as construction-in-progress. Costs capitalized as construction-in-progress include contractor services for design and engineering, materials, parts and freight.

F. Liabilities

Liabilities represent amounts to be paid by the USCP as a result of transactions or events that have already occurred. Accounts payable consists of amounts owed to other federal agencies and commercial vendors for goods and services received and accepted prior to the end of the reporting period. Accrued payroll liabilities relate to services rendered by USCP employees, for which USCP accrues the amount of salaries and benefits earned, but not yet paid at year end. No liability can be paid by USCP absent authority established by law (e.g. enacted appropriations). Liabilities for which an appropriation has not been enacted are unfunded, the liquidation of which is dependent on future appropriations or other funding.

G. Advances from Others

The USCP receives funds in advance from other federal agencies to provide support for long-term capital projects. The advances are liquidated and recorded as revenue when USCP performs services on the projects.

H. Federal Employee Benefits

The USCP recognizes its share of the cost of providing future pension benefits to eligible employees over the period of time that they render services to USCP. The pension expense recognized in the financial statements equals the current service costs for USCP employees less the amount contributed by the employees. The Office of Personnel Management (OPM) supplies USCP with the factors to apply in the calculation of the current service cost. These factors are derived through actuarial cost methods and assumptions. The excess of the recognized pension expense over the amount contributed by USCP and employees represents the amount being financed directly through the Civil Service Retirement System (CSRS) or Federal Employee Retirement System (FERS) administered by OPM. This amount is considered imputed financing to USCP.

The USCP recognizes a current period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are still working. The agency accounts for and reports this expense in its financial statements in a manner similar to that used for pensions, with the exception that employees and USCP do not make current contributions to fund these future benefits.

The USCP recognizes the cost of claims incurred under the Federal Employee Compensation Act (FECA), a program administered by Department of Labor (DOL), which provides income and medical cost protection to covered federal employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease.

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

I. Annual Leave, Compensatory Overtime, Sick and Other Leave

Annual leave and compensatory overtime leave are accrued as they are earned and reduced as they are taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates and balances. No portion of this liability has been obligated. To the extent current year appropriations are not available to fund accrued annual leave and compensatory overtime, funding will be obtained from future financing sources. Sick and other types of non-vested leave are expensed when taken.

J. Capital Leases

Leases are accounted for as capital leases if they meet one or more of the following criteria: 1) the lease transfers ownership of the property to the USCP at the end of the lease term; 2) the lease contains an option to purchase the property at a bargain price; 3) the lease term is equal to or greater than 75% of the estimated useful life of the property; or 4) at the inception of the lease the present value of the minimum lease payment excluding that portion of the payments representing executor cost equals or exceeds 90% of the fair value of the leased property. Assets that meet the criteria are initially recorded at the present value of the future minimum lease payments or fair market value, whichever is less. In general, the lease liability acquired under capital leases is amortized over the term of the lease. If the agreement contains a bargain purchase option or otherwise provides for transferring title of the asset to USCP, the asset is depreciated over a useful life of up to five years.

K. Judgment Fund

Certain tort claims over \$25,000 to which the USCP is a named party may be administrated and litigated by the Department of Justice in accordance with the Federal Tort Claims Act. Settlements and awards are paid from a special Judgment Fund maintained by the U.S. Treasury under 31 U.S.C. 1304. Payments by the Judgment Fund on behalf of USCP do not require reimbursement and are recognized as imputed financing sources.

L. Office of Congressional Workplace Rights

Certain workplace rights claims to which the USCP is a named party may be administered and litigated in accordance with the Congressional Accountability Act (CAA), Public Law 104-1. Per section 415 of the CAA, settlements and awards are paid from a special Office of Congressional Workplace Rights (OCWR) fund maintained by the U.S. Treasury. Payments by the OCWR fund on behalf of USCP do not require reimbursement and are recognized as imputed financing sources.

M. Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Actual results could differ from these estimates.

N. Earned Revenue

USCP has reimbursable agreements with other Federal agencies to provide various security services. Consistent with Statement of Federal Financial Accounting Standard (SFFAS) No. 7, *Accounting for Revenue and Other Financing Sources*, USCP recognizes revenue earned from these arrangements when the services are provided. USCP's pricing policy is to recover full cost for goods and services provided.

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury is the aggregate of accounts with the U.S. Treasury for which the USCP is authorized to make expenditures and pay liabilities. Use of amounts donated to the USCP Memorial Fund is restricted to the fund's intended purpose. The status of funds with the U.S. Treasury as of September 30 consists of the following balances:

	2022	2021
Status of Fund Balance with Treasury:		
Unobligated		
Available	\$68,851,687	\$106,154,005
Unavailable	21,642,343	13,226,241
Obligated, Not Yet Disbursed	158,767,505	112,352,875
Non-Budgetary	767,910	389,495
Total	<u><u>\$250,029,445</u></u>	<u><u>\$232,122,616</u></u>

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable from federal agencies arise from the provision of law enforcement services in accordance with interagency agreements. USCP classifies the receivables from these agencies as fully collectible consistent with SFFAS No. 7.

Accounts receivable from the public are recorded for amounts due from vendor overpayments and from current and former USCP employees for salary overpayments, missed deductions for benefits, and other indebtedness related to time and attendance corrections, advancement of leave, or unreturned property. An allowance for doubtful accounts for amounts due from employees is calculated using risk of non-collection factors as applied to an aging of the payroll receivables provided by the U.S. Department of Agriculture National Finance Center (NFC). The accounts receivable from the public as of September 30 are:

	2022	2021
Accounts Receivable from the Public:		
Current and Former USCP Employees		
0-30 Days Outstanding	\$38,641	\$13,098
31-90 Days Outstanding	3,017	13,278
91-180 Days Outstanding	2,019	8,363
181-360 Days Outstanding	10,067	4,324
Over 360 Days Outstanding	28,972	17,876
Total Due from Current and Former USCP Employees	82,716	56,939
Allowance for Doubtful Accounts	(32,233)	(21,324)
Receivables Due from USCP Employees, Net	50,483	35,615
Other	9,284	8,466
Total Accounts Receivable - Public, Net	<u><u>\$59,767</u></u>	<u><u>\$44,081</u></u>

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 4. ADVANCES AND PREPAYMENTS

The USCP enters into agreements with other federal agencies to design, develop, test and implement security and communication systems and building infrastructure. These agencies estimate funding necessary for payments to their contractors for labor and materials for certain periods of time and request advances of funds from USCP. The advances are periodically liquidated using information from expense reports provided by the other federal agencies. Any unliquidated advance remaining at the end of the project will be refunded to USCP by the agencies holding the contracts. Advances also includes funds provided to the U.S. Department of Transportation for transit subsidy benefits. The composition of advances to others as of September 30 is as follows:

	2022	2021
Advances to Others:		
Security Projects	\$86,145	\$86,145
Transit Benefits	36,551	20,803
Total Advances to Others	\$122,696	\$106,948

NOTE 5. GENERAL PROPERTY, PLANT AND EQUIPMENT

The composition of general property, plant and equipment as of September 30 is as follows:

Classification	2022		
	Cost	Accumulated Depreciation	Book Value
Building Improvements	\$19,524,553	(\$18,845,131)	\$679,422
Other Structures and Facilities	875,238	(454,516)	420,722
Equipment	262,109,931	(213,413,591)	48,696,340
Internal Use Software	11,918,049	(11,478,718)	439,331
Construction-in-Progress	6,291,146	0	6,291,146
Assets Under Capital Lease	5,487,920	(3,518,263)	1,969,657
Total	\$306,206,837	(\$247,710,219)	\$58,496,618

Classification	2021		
	Cost	Accumulated Depreciation	Book Value
Building Improvements	\$19,524,553	(\$17,922,772)	\$1,601,781
Other Structures and Facilities	443,267	(443,267)	0
Equipment	259,994,897	(204,894,824)	55,100,073
Internal Use Software	11,919,286	(10,924,094)	995,192
Construction-in-Progress	6,197,145	0	6,197,145
Assets Under Capital Lease	5,713,601	(2,500,657)	3,212,944
Total	\$303,792,749	(\$236,685,614)	\$67,107,135

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Certain liabilities are not currently covered by appropriated funds or other budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely, it is not certain such appropriations will be enacted. The USCP liabilities not covered by budgetary resources as of September 30 are summarized below:

	2022	2021
Non-Federal		
Accrued Unfunded Annual Leave	\$18,545,061	\$20,197,895
Accrued Unfunded Comp Overtime	6,520,403	5,079,538
Worker's Compensation Benefits (Actuarial FECA Liability)	51,390,650	51,967,155
Total Liabilities Not Covered by Budgetary Resources	<u>\$76,456,114</u>	<u>\$77,244,588</u>

NOTE 7. FEDERAL EMPLOYEE BENEFITS

The USCP recognizes the costs of its employees' pension benefits. The liabilities associated with these costs are reported by the OPM, who administers the plans. Eligibility of employees to participate in FERS or CSRS is based on their hire date with the Federal Government. The USCP contributes a percentage of an employee's basic pay toward the employee's retirement plan. Employee pension benefit contribution rates for fiscal year 2022 and 2021 are as follows:

Retirement Plan	Category	2022 USCP Contribution	2021 USCP Contribution
CSRS Rates	Civilian Sworn	7.50%	7.50%
FERS Rates	Civilian	25.80%	24.30%
Hired Prior to January 1, 2013	Sworn	37.60%	35.80%
FERS - Revised Annuity Rate	Civilian	16.60%	15.50%
Hired After December 31, 2012	Sworn	35.80%	34.00%
FERS - Further Revised Annuity Rate	Civilian	16.60%	15.50%
Hired After December 31, 2013	Sworn	35.80%	34.00%

The Thrift Savings Plan (TSP), is a defined contribution plan for retirement savings and investment for employees covered by FERS or CSRS. For fiscal year 2022, USCP contributed 1% of basic pay and matched participants' TSP contributions up to an additional 4% for FERS employees eligible for TSP. No agency matching contributions are made for employees participating in the CSRS.

Employees under FERS are also covered under the Federal Insurance Contributions Act (FICA), which imposes a tax on both employees and employers to fund Social Security and Medicare programs. The USCP pays the employer's matching share of FICA contributions made for FERS and CSRS offset employees. An additional 1.45% of total pay is contributed toward Medicare on behalf of CSRS employees during fiscal year 2022.

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

Permanent employees are eligible to participate in the contributory Federal Employees Health Benefits Program (FEHBP) and Federal Employees Group Life Insurance Program (FEGIP) and may continue to participate after retirement. The USCP makes contributions through OPM to FEHBP and FEGIP for active employees to pay for their current benefits. USCP's contributions for active employees are recognized as operating expenses.

The USCP also provides other employee benefits, such as Student Loan Repayments, which are repaid through USCP's Student Loan Repayment Program established in accordance with 2 U.S.C. 1926. Under this program, eligible employees may have up to \$10,000 of student loans repaid annually, subject to a lifetime maximum of \$80,000.

In accordance with SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts* and SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, USCP records, as a financing source and imputed cost, an estimate of the unfunded portion of pension and other post-retirement benefits to be paid by OPM in the future.

The actuarial FECA liability represents an estimate of future worker's compensation (FWC) benefits to be paid for death, disability, medical, and miscellaneous cases. The liability is computed using a formula provided by DOL annually based on a method that utilizes historical benefits payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefits are discounted to present value using OMB's economic assumptions for ten-year U.S. Treasury notes and bonds. To provide a more accurate estimate specifically for effects of inflation on liability for FWC benefits, wage inflation factors (Consumer Price Index-Medical) are applied to the calculation of projected future benefits. These factors are also used to adjust historical payments so benefits are stated in current-year constant dollars.

NOTE 8. OTHER LIABILITIES

USCP accrues funded personnel compensation and benefits for services rendered in the current reporting period for which paychecks will be issued and benefits paid in the following reporting period. Accrued salaries include amounts such as full time pay, Sunday and night differential pay, and hazardous duty pay. Accrued Federal benefits include amounts incurred but not yet paid under FECA owed to DOL, and in fiscal year 2022, amounts owed to OPM for employees' health, life, and retirement benefits and amounts owed to Social Security Administration (SSA) for Old Age Survivors and Disability Insurance (OASDI).

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

Other liabilities incurred as of September 30 are:

	2022	2021
Federal		
Accrued Funded Benefits	\$12,277,327	\$4,360,263
Total Federal	<u>\$12,277,327</u>	<u>\$4,360,263</u>
Non-Federal		
Accrued Salaries	\$20,028,371	\$16,030,174
Capital Lease Liability (Note 9)	1,206,963	1,883,375
Custodial Receipts for Memorial Fund (Note 14)	771,911	393,495
Miscellaneous Receipts Due to U.S. Treasury General Fund	9,283	8,466
Total Non-Federal	<u>\$22,016,528</u>	<u>\$18,315,510</u>
Total Other Liabilities	<u>\$34,293,855</u>	<u>\$22,675,773</u>

NOTE 9. CAPITAL LEASES

The USCP has leases for property that meet the criteria as a capital lease in accordance with SFFAS No 6, *Accounting for Property, Plant and Equipment*. The following is a summary of Non-Federal net assets under capital leases and future minimum lease payments as of September 30:

	2022	2021
Assets Under Capital Lease:		
Armored Cars	\$5,487,920	\$5,713,601
Accumulated Amortization	(3,518,263)	(2,500,657)
Net Assets under Capital Lease	<u>\$1,969,657</u>	<u>\$3,212,944</u>

Future Minimum Lease Payments:

2022	
Fiscal Year	Lease Payments
2023	\$671,693
2024	627,000
2025	110,000
Total Minimum Lease Payments	1,408,693
Less: Amount Representing Interest	(201,730)
Obligation under Capital Lease	<u>\$1,206,963</u>

2021	
Fiscal Year	Lease Payments
2022	\$838,770
2023	704,692
2024	660,000
2025	118,250
Total Minimum Lease Payments	2,321,712
Less: Amount Representing Interest	(438,337)
Obligation under Capital Lease	<u>\$1,883,375</u>

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 10. COMMITMENTS AND CONTINGENCIES

The USCP is involved in various lawsuits incidental to its operations. When a condition, situation or set of circumstances gives rise to a possible or probable loss to the agency due to the likelihood of one or more future events occurring or failing to occur, the USCP recognizes and/or discloses a contingent liability in accordance with SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, as amended by SFFAS No. 12, *Recognition of Contingent Liabilities from Litigation*. As of September 30, USCP has the following legal contingencies as illustrated below:

	2022	
	Accrued Liabilities	Estimated Loss
Legal Contingencies		
Probable	\$0	\$0
Reasonably Possible		33,275,225
Total	<u>\$0</u>	<u>\$33,275,225</u>

	2021	
	Accrued Liabilities	Estimated Loss
Legal Contingencies		
Probable	\$0	\$0
Reasonably Possible		27,775,225
Total	<u>\$0</u>	<u>\$27,775,225</u>

NOTE 11. IMPUTED FINANCING FROM COSTS ABSORBED BY OTHERS

The USCP occupies space within various buildings and on the grounds of the Capitol Hill campus that is leased or owned by the Architect of the Capitol (AOC), including the Fairchild Building. The USCP is not required to reimburse AOC for the costs they incur to provide such space.

Additionally, the USCP calculates the value of estimated future employee benefits to be paid by OPM and also recognizes payments made by the Office of Congressional Workplace Rights (OCWR) and the Treasury Judgment Fund for legal case claims settled against USCP. In accordance with SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, USCP recognizes the following identified costs paid on its behalf by other agencies as expenses to USCP as of September 30:

Imputed Cost	Agency	2022	2021
USCP Occupied Buildings and Grounds	Architect of the Capitol	\$21,716,053	\$19,986,662
FLETC	Department of Homeland Security	8,704,757	3,758,143
Future Benefits Payments	Office of Personnel Management	11,427,409	20,189,612
OCWR Settled Legal Claims	Office of Congressional Workplace Rights	0	234,774
Judgment Fund	U.S. Department of the Treasury	60,000	118,375
		<u>\$41,908,219</u>	<u>\$44,287,566</u>

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

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

The USCP has prior period recoveries, including adjustments to unpaid orders and refunds of paid orders (both delivered and undelivered). The USCP has recorded the following amounts in net adjustments to unobligated balance, brought forward, October 1, as of September 30:

	2022	2021
Unobligated Balance, Brought Forward	\$119,380,245	\$42,737,268
Net Adjustments	25,433,672	4,996,116
Unobligated Balance From Prior Year Budget Authority, Net	<u>\$144,813,917</u>	<u>\$47,733,384</u>

NOTE 13. UNDELIVERED ORDERS

Undelivered orders represent appropriations obligated for goods or services ordered but not yet received. These include unpaid and advanced amounts recorded in the fiscal period just ended, upward adjustments of unpaid and prepaid undelivered orders originally recorded in a prior fiscal year, and recoveries resulting from downward adjustments of undelivered orders originally recorded in a prior fiscal year. The USCP has identified the following amount of budgetary resources obligated for undelivered orders as of September 30:

	2022	2021
Federal	\$9,264,572	\$2,598,304
Non Federal	87,576,134	52,133,083
Total Undelivered Orders	<u>\$96,840,706</u>	<u>\$54,731,387</u>

NOTE 14. INCIDENTAL CUSTODIAL ACTIVITY

The USCP Board is responsible for administering and managing receipts and disbursements for the USCP Memorial Fund established under Public Law 105-223, as amended by Public Law 115-45. These activities are incidental to the primary mission of the USCP. A summary of the custodial activities as of September 30 is provided below:

	2022	2021
USCP Memorial Fund (Treasury Symbol 02X5083):		
Beginning Balance	\$393,495	\$661,421
Donations Collected and Deposited to the U.S. Treasury	401,529	132,074
Disbursements to Recipients	(23,113)	(400,000)
Ending Balance	<u>\$771,911</u>	<u>\$393,495</u>

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

NOTE 15. RECONCILIATION OF NET COST TO NET OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays. The section entitled Components of Net Operating Cost Not Part of the Net Outlays reflects the allocation of assets to expenses over more than one reporting period and the temporary timing differences between outlays and receipts and operating expenses and revenue during the period. The section entitled Components of Net Outlays Not Part of Net Cost reflects amounts provided in the current reporting period that fund costs incurred in prior years and amounts incurred for goods or services that have been capitalized on the Balance Sheet. Net Cost of Operations and Net Outlays are also reported on the Statement of Net Cost and the Statement of Budgetary Resources, respectively.

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

RECONCILIATION OF NET COST TO NET OUTLAYS
As of September 30, 2022

	Intragovernmental	With the Public	Total 2022
Net Operating Cost (SNC)	<u>\$49,858,752</u>	<u>\$580,958,481</u>	<u>\$630,817,233</u>
Components of Net Operating Cost Not Part of the Net Outlays:			
Property, Plant, and Equipment Depreciation		(12,082,449)	(12,082,449)
Property, Plant, and Equipment Disposal & Revaluation		(134,712)	(134,712)
Increase/Decrease in Assets:			
Accounts Receivable	(711,551)	15,686	(695,865)
Accrued Capital Assets	-	217,155	217,155
Other Assets	15,747		15,747
(Increase) Decrease in Liabilities Not Affecting Net Outlays:			
Accounts Payable and Liability from Advances	(196,398)	(9,130,459)	(9,326,857)
Salaries and Benefits	(7,917,064)	14,198,204	6,281,140
Other Liabilities	-	1,464,068	1,464,068
Other Financing Source:			
Imputed Costs	(41,908,219)		(41,908,219)
Total Components of Net Operating Cost Not Part of the Net Outlays	<u>(50,717,485)</u>	<u>(5,472,507)</u>	<u>(56,189,992)</u>
Components of the Net Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets		3,409,489	3,409,489
Total Components of the Net Outlays That Are Not Part of Net Operating Cost		<u>3,409,489</u>	<u>3,409,489</u>
Net Outlays	<u>(8858,733)</u>	<u>\$578,995,463</u>	<u>\$578,036,730</u>
Related Amounts on the Statement of Budgetary Resources:			
Outlays, Net (SBR)			<u>\$578,036,730</u>

UNITED STATES CAPITOL POLICE
Notes to the Financial Statements
For the Fiscal Years Ended September 30, 2022 and 2021

RECONCILIATION OF NET COST TO NET OUTLAYS
As of September 30, 2021

	Intragovernmental	With the Public	Total 2021
Net Operating Cost (SNC)	<u>\$49,971,745</u>	<u>\$532,137,596</u>	<u>\$582,109,341</u>
Components of Net Operating Cost Not Part of the Net Outlays:			
Property, Plant, and Equipment Depreciation		(12,258,341)	(12,258,341)
Property, Plant, and Equipment Disposal & Revaluation		(218,832)	(218,832)
Increase/(Decrease) in Assets:			
Accounts Receivable	773,075	782	773,857
Accrued Capital Assets	-	(269,019)	(269,019)
Other Assets	(9,036)		(9,036)
(Increase)/Decrease in Liabilities Not Affecting Net Outlays:			
Accounts Payable and Liability from Advances	(460,030)	(1,285,491)	(1,745,521)
Salaries and Benefits	43,793	(18,241,684)	(18,197,891)
Other Liabilities	-	1,329,545	1,329,545
Other Financing Sources			
Imputed Costs	(44,287,566)		(44,287,566)
Total Components of Net Operating Cost Not Part of the Net Outlays:	<u>(43,939,764)</u>	<u>(30,943,040)</u>	<u>(74,882,804)</u>
Components of the Net Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets		1,209,980	1,209,980
Total Components of the Net Outlays That Are Not Part of Net Operating Cost		<u>1,209,980</u>	<u>1,209,980</u>
Net Outlays	<u>\$6,031,981</u>	<u>\$502,504,536</u>	<u>\$508,536,517</u>
Related Amounts on the Statement of Budgetary Resources:			
Outlays, Net (SBR)			<u>\$508,536,517</u>



UNITED STATES CAPITOL POLICE

Management's Discussion and Analysis



UNITED STATES CAPITOL POLICE

Management Discussion and Analysis
Fiscal Year 2022



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THE UNITED STATES CAPITOL POLICE MISSION, VISION, AND VALUES

The United States Capitol Police (USCP) was established by Congress in 1828 with the sole mission of protecting the U.S. Capitol Building. This area of responsibility has grown to include protecting Members of Congress, staff, visitors, and the entire Capitol Complex, which includes the U.S. House of Representatives and U.S. Senate Office Buildings, the Capitol Visitor Center, the U.S. Botanic Garden, the Library of Congress, the Capitol Power Plant, and various other support facilities. The USCP is led by the Chief of Police with oversight by the Capitol Police Board, comprised of the House and Senate Sergeants at Arms and the Architect of the Capitol, as well as Congressional oversight from appropriation and authorization committees in both the U.S. House of Representatives and the U.S. Senate.

Mission

To protect the Congress—its Members, employees, visitors, and facilities—so it can fulfill its constitutional and legislative responsibilities in a safe, secure, and open environment.

Vision

To be nationally recognized as a results-oriented law enforcement agency that demonstrates the highest standards for professionalism, security, safety, and management.

Values

USCP employees are committed to providing quality services to the community we serve. We believe that each one of us contributes to the difference between a good and an excellent organization.

Our organizational values are as follows:

Professionalism describes the way USCP employees conduct themselves. As a prominent presence within the Legislative Branch, USCP employees always demonstrate actions that are unflinching, sincere, courteous, and principled. Both civilian and sworn employees perform the vital duties of their roles in ways that reflect well on the reputation of the Department and its stakeholders.

Pride describes the feeling that every employee has for the service they give, the weight of the mission, and the community they serve. This is demonstrated in respect for the institutions of the USCP and the legislative process, as well as the way in which employees conduct themselves and present themselves as employees of the USCP.

Effectiveness describes every employee's commitment to performing to the highest standards possible, utilizing the best approaches. This is demonstrated by each employee's commitment to achieving the highest personal standards, as well as contributing to the success of the Department. This is accomplished through a commitment to self-evaluation, continuous improvement, and an approach among leadership, supervisors, and colleagues to constructively motivate, coach, and support each other to be the best that we can be.

HOW WE ARE ORGANIZED

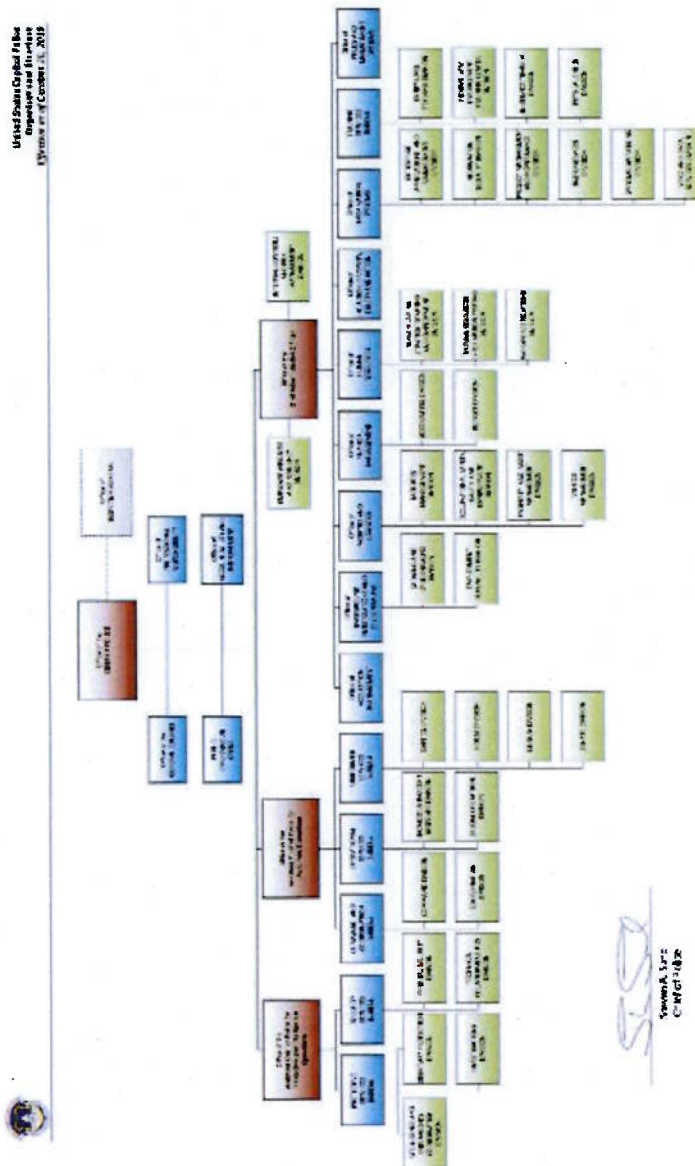
The USCP aligns its management functions into operations and administrative structures. The operations structure carries out the law enforcement/security activities of the Department, and the administrative structure provides business processes and administrative support to the Department.

The Chief of Police is assisted in the management of the Department by the Assistant Chief of Police for Protective and Intelligence Operations, the Assistant Chief of Police for Uniformed Operations, and the Chief Administrative Officer. The USCP is organized into Bureaus and Offices that report to their respective Executive Team member.

The Assistant Chiefs of Police provide operational support to the Department and are responsible for managing the Department's Command and Coordination, Uniformed, Operational, Protective, and Security Services Bureaus; and developing and implementing operational response plans and strategies.

The Chief Administrative Officer is responsible for the development, delivery and oversight of the budget, financial management, information technology, human resources, assets, and policy in support of the Department's mission.

United States Capital Police
Operations and Support
Division as of October 11, 2019



Note: The OIG is independent and reports to the Capitol Police Board.

HOW THE USCP WORKS TO ACHIEVE ITS STRATEGIC OBJECTIVES AND PERFORMANCE GOALS

The USCP has a critical mission to ensure that the Nation's legislative and democratic process of government is conducted without disruption. That mission is achieved through a variety of operational activities, supporting administrative processes, and the work and dedication of over 2,300 employees. The USCP Department Strategic Plan and associated Human Capital Strategic Plan serve as a roadmap for the Department's continuous transformation, which, in combination with the response to the events of January 6, 2021, have shifted the Department's focus toward planning and protection.

In fiscal year (FY) 2022, the Department invested in technology, equipment, and training to enhance intelligence gathering and dissemination to better position the Department to identify threats to the Capitol Complex and Members of Congress at the earliest point in the threat process, and the furthest possible point away from the intended target. In FY 2022, employees, congressional staff, and visitors continued to transition back to our nation's capital as the impacts of the COVID-19 pandemic have lessened. As a result, there was a notable increase in the number of persons screened at Capitol Hill buildings, increasing from approximately 2.7M in FY 2021 to a little over 14M for FY 2022. With this increase in activity, Member protection and public safety continued to be a top priority. As such, we dedicated resources to conduct more assessments, increasing the number of assessments for major Congressional events, demonstrations, and marches by over 200 from the previous year. In addition, the USCP worked to improve partnerships with local, state, and government law enforcement agencies and increased Dignitary Protection activities to support Member protection outside of the Capitol Complex.

To ensure that we are prepared to respond to future challenges, the Department increased its workforce by recruiting and hiring 265 sworn and 56 civilian personnel. Additionally, we continued to invest in training for the Department, conducting 19 mandatory training courses during FY 2022. Furthermore, the Department enhanced its policies and procedures, publishing 8 new and 53 revised Directives and Standard Operating Procedures combined during FY 2022.

The USCP employs its annual Force Development (FD) Business Process to focus the planning, programing, and budget functions of the USCP on accomplishing the existing mission with a view to the future. The FD Business Process provides a transparent decision-making process that is results-driven and based on meeting operational needs. Through this process, the USCP sets timetables and accountability standards for planning resource requirements and engages in high-level managerial communication with an integrated peer team approach to support and evaluate program goals and viability.

As we transition into FY 2023, the USCP will continue to make progress toward accomplishing the goals and objectives of the Department's Strategic Plan. The

Department will continue to strengthen performance management by increasing program accountability through established processes that help program managers set performance targets, monitor, and track progress, and address gaps to achieve desired outcomes. This work will include developing comprehensive approaches to:

1. Invest in our workforce;
2. Optimize our operational capacity, resiliency, and readiness to meet dynamic mission requirements;
3. Enhance information gathering, analysis, utilization, and dissemination; and
4. Uphold Department-wide accountability.

USCP Planning Concept

Serving the Members of Congress, staff, and the public means that we must excel at our operational work and effectively manage resources to fully support the mission. The USCP's Concept of Operations defines the specific categories of activity under which the USCP will achieve its mission. The categories are broad-based and remain relatively unchanged in future years. The Department uses these categories as a means for determining whether potential programs and activities are consistent with the USCP mission. The categories and their purposes are described below:

Assess the Threat

Provide a comprehensive internal assessment capability to identify and validate threats to Members of Congress; the legislative process; and the buildings, staff, and visitors that make up the Capitol community.

Prevent

Prevent criminal or terrorist activity from disrupting the legislative process and normal business operations.

Respond

Respond promptly with the appropriate resources to threats, disruptions, or other unlawful activities in order to quickly and safely return Congress to normal operations.

Support the Mission

Improve the efficiency and effectiveness of internal business processes and procedures in support of delivering mission requirements at the highest possible level.

PERFORMANCE HIGHLIGHTS

The USCP continues to track the measures found in the following pages. As the Department builds upon progress in improving our programs and developing new strategic priorities, some measures may be removed, and new ones developed.

FY 2022 results indicate that the USCP continues to provide core services that support our primary objective to protect and secure the Congress so it can fulfill its constitutional responsibilities in a safe and open environment. The following tables provide performance results for FY 2022.

Performance Information

Table 1: Assess the Threat – Mission Category Performance

ASSESS THE THREAT		
Department Strategic Plan (DSP) Goal	Strategic Objectives	Performance Outputs
GOAL 3 – ENHANCE INFORMATION GATHERING, ANALYSIS, UTILIZATION, AND DISSEMINATION	3.1 Evaluate USCP capabilities and maximize the use of information gathering across the Department.	Conducted 1,068 assessments for major Congressional events, demonstrations, and marches
	3.2 Establish processes and implement a Department-wide framework for converting information and data into actionable communications for the workforce.	Published 213 daily Intelligence Publications
	3.3 Optimize and leverage the use of technology to enhance data analysis and information dissemination.	Sent 3,175 Joint Emergency Mass Notification System (JEMIS) Messages to the Congressional community
	3.4 Expand and foster effective working relationships with federal, state, and local law enforcement partners.	Prepared notifications for 18 POTUS visits
		Prepared notifications for 63 VPOTUS visits
		Prepared notifications for 166 Heads of State visits
		Prepared 2,113 notifications for VIP/Dignitary visits
		Established 2 regional field offices (Tampa, Florida and San Francisco, California)
		Completed 4 Assessment and Authorization and Authority to Operate (ATO) Actions
		Issued 39 news releases
		Held 2 news conferences
		Posts to social media include: <ul style="list-style-type: none"> • 287 Twitter (75,300 followers) • 147 Instagram (1,426 followers) • 210 Facebook (5,284 followers) • 10 YouTube videos (470 subscribers)

Table 2: Prevent – Mission Category Performance

PREVENT		
DSP Goal	Strategic Objectives	Performance Outputs
GOAL 2 – OPTIMIZE THE USCP'S OPERATIONAL CAPACITY, RESILIENCY, AND READINESS TO MEET DYNAMIC MISSION REQUIREMENTS	2.1 Continuously assess and adapt operational capabilities to maximize mission readiness.	Screened 14,182,976 persons at Capitol Hill building entrances and interior check points
	2.2 Enhance protective services capabilities and communications for Members and the Congressional community.	Screened 234,634 persons at the Capitol Visitor Center
	2.3 Strengthen emergency readiness and the ability to continue operations during potential crisis situations.	Screened 25,251 delivery vehicles off-site
	2.4 Invest in programs targeted to enhance employee resiliency, health, and professionalism.	Received 63,407 calls for service
	2.5 Identify industry-leading equipment and systems requirements and seek appropriate resources to enhance mission success while protecting and securing Department assets.	Initiated 194 Incident Action Plans (IAPs)
		Initiated 201 After Action Reviews (AARs)
		Processed 1,093 arrests
		Coordinated 708 special events
		Completed █ Member Residential Security Surveys
		Completed █ District/state office Security Surveys
		Completed █ Technical Countermeasures Inspections
		Completed █ Security Surveys and Vulnerability Assessments
		Conducted 1,902 Containment and Emergency Response Team (CERT)-related responses
		Conducted 22,638 hazardous material inspections of delivery vehicles
		Conducted 190,820 K-9 sweeps
		Conducted 14,360 bomb sweeps
		Provided emotional intelligence/critical thinking training to 250 recruit officers
		Issued 1,523 items of information technology-related equipment

		<p>Maintained 99.92% Windows server uptime</p> <p>Maintained 95.80% primary fleet readiness</p> <p>Maintained 88.87% motorcycle fleet readiness</p> <p>Maintained 97.04% equipment fleet readiness</p> <p>Maintained 92.90% special operations fleet readiness</p>
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Table 3: Respond – Mission Category Performance

RESPOND		
DSP Goal	Strategic Objectives	Performance Outputs
GOAL 4 – UPHOLD DEPARTMENT-WIDE ACCOUNTABILITY	4.1 Optimize the efficiency of Department resource deployment and utilization (people and assets).	<p>Issued 1,782,709 uniforms and police-related equipment</p> <p>Completed 625 fit test for new respirators</p>
	4.2 Enhance internal controls, transparency, and adherence to best practices to support efficient use of Department fiscal resources.	
	4.3 Modernize Department policies, business processes, and data utilization.	

Table 4: Support – Mission Category Performance

SUPPORT THE MISSION		
DSP Goal	Strategic Objectives	Performance Outputs
GOAL 1 – INVEST IN THE USCP WORKFORCE	1.1 Deliver valuable human capital management services aligned with the USCP's mission and strategic goals.	Hired 265 sworn personnel Hired 56 civilian employees USCP personnel completed 5 courses of mandatory Department-wide online training, with an average of 1,908 individuals trained per course
	1.2 Cultivate a diverse, inclusive culture of transparency, collaboration, and equity that leverages employees' unique talents, skills, and perspectives.	USCP sworn personnel completed 9 courses of mandatory Department-wide online training, with an average of 1,667 individuals trained per course
	1.3 Recruit and retain the workforce needed to meet the USCP's mission now and into the future.	USCP sworn and civilian personnel completed 4 courses of specialty mandatory training, with an average of 1,780 individuals trained per course
	1.4 Train and develop sworn and civilian personnel to ensure a ready, able, and professional USCP workforce.	USCP supervisors completed 1 course of mandatory online training for supervisors, with 333 individuals trained
	1.5 Enhance performance management practices to support and sustain a high-performing USCP workforce.	

ANALYSIS OF FINANCIAL STATEMENTS

The following information provides highlights of the Department's financial position and results of operations in FY 2022. The complete set of financial statements¹, related notes, and the opinion of the Department's auditors are attached to this document.

Assets: The Department's Consolidated Balance Sheet as of September 30, 2022, shows \$309M in total assets, an increase of \$9M (3 percent) over the previous year's total assets of \$300M. Increases in appropriations in FY 2022, offset by decreases in net General Property Plant and Equipment are the primary reason for the net increase.

Liabilities: Total Department liabilities were \$141M as of September 30, 2022, an increase of \$2M (1 percent) above the previous year's total liabilities of \$139M. Increases in other liabilities, offset by decreases in accrued payroll benefits, are the primary reason for the net increase.

Net Position: The Department's total net position as of September 30, 2022, was \$168M, an increase of \$7M over the previous year's net position of \$161M. This change is primarily related to increases in liabilities and assets.

Budgetary Resources: The Department's FY 2022 Combined Statement of Budgetary Resources shows \$753M in total budgetary resources, an increase of \$78M (11 percent) over the previous year's total budgetary resources of \$675M, which is primarily attributed unobligated balances carried forward.

Net Outlays: The Department's FY 2022 Combined Statement of Budgetary Resources shows \$578M in net outlays, an increase of \$69M (14 percent) over the previous year's total net outlays of \$509M, which is attributed to the aforementioned increase in appropriations.

Net Cost of Operations: The Consolidated Statement of Net Cost presents the Department's gross and net cost by mission category. The net cost of the Department's operations totaled \$631M for the year ended September 30, 2022, an increase of \$49M (8 percent) over the previous year's net cost of operations of \$582M. The increase is primarily due to increased expenses for retention allowances and salaries and benefits expenses.

The USCP budget consists of annual appropriations that fund the salaries and benefits for our staff; general expenses such as motor vehicles, communications, and other equipment; security equipment; uniforms; weapons; supplies; materials; training; medical services; forensic services; professional services; the Employee Assistance

¹ These financial statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States of America, prescribed by the Federal Accounting Standards Advisory Board (FASAB).

Program; the Employee Recognition Program; postage; communication services; travel; and relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center. Our annual appropriation for FY 2022 was \$603M, including \$469M for salaries and \$134M for general expenses.

In FY 2022, our total assets were \$309M, consisting mostly of Fund Balance with the U.S. Treasury, followed by property, plant, and equipment. Total liabilities of \$141M were comprised primarily of actuarial FECA (workers' compensation), accounts payable, accrued employees' salaries and benefits, and annual and compensatory leave.

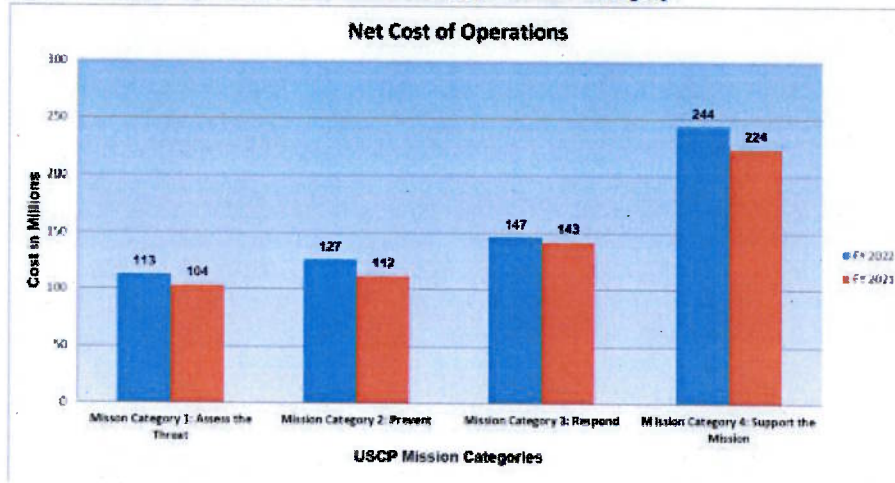
The net cost of operating the USCP during FY 2022 and FY 2021 was approximately \$631M and \$582M, respectively. We report net cost of operations according to our four mission categories, consistent with our Strategic Plan. Table 5 shows how our FY 2022 and FY 2021 costs break down by each mission category. Figure 1 provides net cost of operations by Mission Category without granular details (page 15).

Table 5: USCP's Financial Highlights: Resource Information (in millions)

	FY 2022	FY 2021	% Change
Total Assets	309	300	3%
Total Liabilities	141	139	1%
Appropriations			
Salaries	469	424	11%
General Expenses	134	88	52%
Total Annual Appropriations	603	512	18%
Multi-Year Appropriations			
Salaries	-	38	-
General Expenses	-	31	-
Mutual Aid Reimbursement	-	35	-
Total Multi-Year Appropriations	-	104	-
No-Year Appropriations			
General Expenses	-	6	-
Total No-Year	-	6	-
Total Budgetary Resources	753	675	11%
Total Outlays	578	509	14%
Net Cost of Operations			
Mission Category 1: Assess the Threat	113	104	9%
Mission Category 2: Prevent	127	112	14%
Mission Category 3: Respond	147	143	3%
Mission Category 4: Support the Mission	244	224	9%
Total Net Cost of Operations	631	582	8%

*Note: Numbers in chart may contain rounding

Figure 1: Chart - Net Cost of Operations by USCP Mission Category



LIMITATIONS OF THE FINANCIAL STATEMENTS

The Department's financial statements are the culmination of a systematic accounting process. The statements have been prepared to report the financial position and results of operations of the USCP, pursuant to the hierarchy of accounting principles and standards set forth in footnote 1 to the financial statements. While these statements have been prepared from the books and records of the Department, they are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records. The Department's transactions are executed in accordance with laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the financial statements, and any other laws and regulations identified in audit guidance.

The statements should be read with the understanding that as an agency of a sovereign entity, the United States Government, we cannot liquidate our liabilities (i.e., pay our bills) without legislation that provides resources to do so. Although future appropriations to fund these liabilities are likely and anticipated, they are not certain.

CONTACTING THE OFFICE OF INSPECTOR GENERAL

Success of the OIG mission to prevent fraud, waste, abuse, or mismanagement depends on the cooperation of employees and the public. There are several ways to report questionable activity.

Call us at 202-593-3868 or toll-free at 866-906-2446. A confidential or anonymous message can be left 24 hours a day/7 days a week.



Toll-Free
1-866-906-2446

Write us:

*United States Capitol Police
Attn: Office of Inspector General
499 South Capitol St. SW, Suite 345
Washington, DC 20003*



Or visit us:

*499 South Capitol Street, SW, Suite 345
Washington, DC 20003*



You can also contact us by email at: OIG@USCP.GOV

**When making a report, convey as much information as possible such as:
Who? What? Where? When? Why? Complaints may be made anonymously or you may
request confidentiality.**

Additional Information and Copies:

To obtain additional copies of this report, call OIG at 202-593-4201.

