

FISCAL YEAR 2024

AGENCY FINANCIAL REPORT



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

HOW THIS REPORT IS ORGANIZED

The *Fiscal Year 2024 Agency Financial Report* (AFR) will describe the financial management of the U.S. Equal Employment Opportunity Commission (the EEOC or agency) and provide high-level performance information, including management challenges. Pursuant to guidance from the Office of Management and Budget (OMB), the AFR is organized into the following major sections:

- **Management Discussion and Analysis (MD&A):** The MD&A provides an overview of the EEOC's performance and financial information. The MD&A highlights our strategic objectives and our accomplishments in achieving our mission. This section also highlights the agency's financial results and provides management's assurances on the agency's internal controls.
- **Financial Section:** This section outlines our efforts to be good stewards over the funds the agency receives to carry out its mission, including an independent auditor's opinion on the agency's financial statements.
- **Other Information:** This section includes the Inspector General's Statement on Management Challenges, the agency's progress and plans to address them, and summary tables related to our Financial Statement Audit and Management Assurances.
- **Appendices:** Contain information on the EEOC's organization, jurisdiction, leadership, and revolving fund, as well as a glossary of the acronyms used in the report.

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MESSAGE FROM THE CHAIR



I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Agency Financial Report (AFR) for fiscal year 2024. It is an honor to lead the agency's dedicated employees, who strive to advance equal opportunity for all in the workplace.

The EEOC was created in direct response to calls for racial justice at the historic 1963 March on Washington for Jobs and Freedom and first opened its doors in 1965 with a clear mission — to prevent and remedy discrimination in our nation's workplaces. This fiscal year, we celebrated the 60th anniversary of the Civil Rights Act of 1964, the landmark legislation that created the EEOC. These milestones not only remind us how far we have come as an agency and as a nation, but they also allow us to recognize how far we still have to go to fulfill the promise of equality for America's workers. Today, 60 years later, promoting equal employment opportunity and enforcing the nation's federal workplace anti-discrimination laws remain as important as ever.

As the lead federal agency that enforces laws against employment discrimination, the EEOC continued to play a critical role in fiscal year 2024 in advancing equal opportunity in the workplace. The agency's key areas of focus included: combatting systemic discrimination; preventing and remedying workplace harassment; protecting vulnerable workers; and addressing discrimination caused by the use of technology, including artificial intelligence, in employment decisions. Additionally, with continued increased demand for our services, the EEOC focused on providing timely service to the public.

As detailed in this report as a key performance indicator, fiscal year 2024 was the first full year in which the EEOC enforced its newest statute, the Pregnant Workers Fairness Act (PWFA). The PWFA, which was signed into law by President Biden on December 29, 2022, and went into effect June 27, 2023, gives workers with limitations related to pregnancy, childbirth, or related medical conditions the right to reasonable accommodations absent undue hardship to the employer. The EEOC worked to integrate these vitally important protections across all of our prevention and enforcement tools to ensure that pregnant and postpartum workers are able to fully participate in the American workplace.

I also am pleased to report that the EEOC has once again received an unmodified opinion from an independent audit of our financial statements. As required by the Federal Managers Financial Integrity Act (FMFIA), the AFR provides reasonable assurances about the agency's internal controls. Moreover, the financial data and performance results provided in the AFR are reliable and complete.

The EEOC was created 60 years ago in response to the strong national commitment to civil rights. We continue to move forward with the knowledge that our legacy, our mission, and our work are critically important to the American people and to the Biden administration. The EEOC remains committed to advancing equal employment opportunity and fostering fair and inclusive workplaces for all of America's workers.

A handwritten signature in black ink that reads "Charlotte A. Burrows". The signature is fluid and cursive, written in a professional style.

Charlotte A. Burrows

Chair

U.S. Equal Employment Opportunity Commission

November 15, 2024

MANAGEMENT DISCUSSION AND ANALYSIS



The U.S. Equal Employment Opportunity Commission’s (EEOC or agency) Agency Financial Report (AFR) provides financial information and an overview of programs, accomplishments, and challenges that enable the President, Congress, and the American people to assess the EEOC’s performance and accountability for the resources entrusted to it for the fiscal year (October 1 through September 30). The report is prepared in accordance with the requirements of OMB Circular No. A–136, *Financial Reporting Requirements*.

The EEOC publishes an AFR with a primary focus on financial results and a high-level discussion of performance results, along with an Annual Performance Report (APR), which details strategic goals and performance results. The APR will be available in 2025 on our website at <https://www.eeoc.gov/budget-and-performance>.

MISSION, MAJOR PROGRAMS, AND ORGANIZATIONAL STRUCTURE

MISSION

Prevent and remedy unlawful employment discrimination and advance equal employment opportunity for all.

VISION

Fair and inclusive workplaces with equal opportunity for all.

AGENCY OVERVIEW

Title VII of the Civil Rights Act of 1964 (Title VII) created the EEOC to enforce protections against employment discrimination on the bases of race, color, religion, sex, and national origin. Congress subsequently vested the EEOC with responsibility to enforce the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Sections 501 and 505 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), the Government Employee Rights Act of 1991 (GERA), Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), and the Pregnant Workers Fairness Act of 2022 (PWFA). In addition, in 1972, Congress further expanded the agency’s responsibilities by providing federal government employees the protections of Title VII and providing the EEOC with independent litigation authority against private employers.

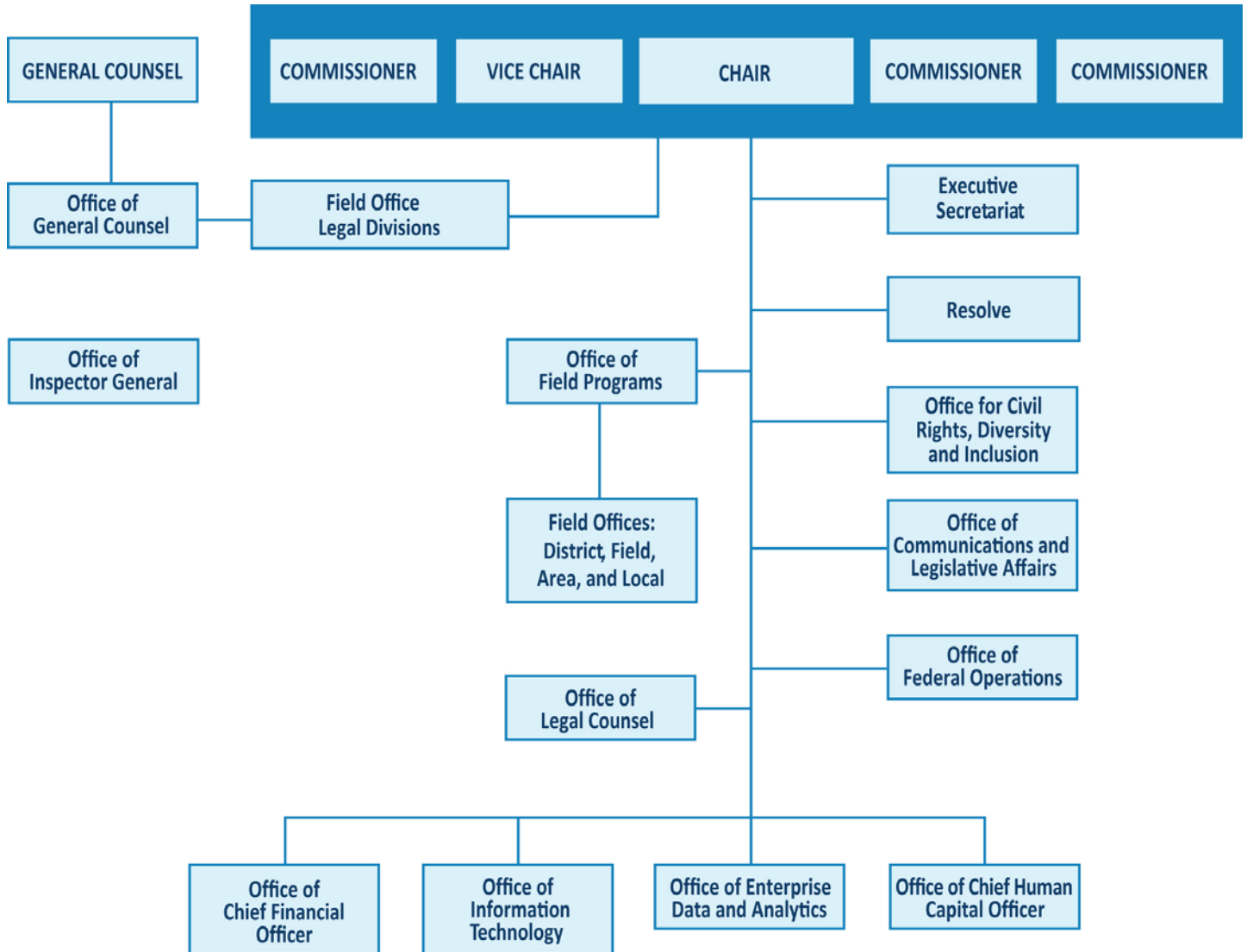
STATUTORY STRUCTURE

The EEOC is led by six Senate-confirmed presidential appointees — five Commissioners (including the Chair and Vice Chair) who serve staggered five-year terms and the General Counsel. No more than three Commissioners (including the Chair and Vice Chair) may be from the same political party. The Chair is responsible for the administration and implementation of policy, the enforcement program, financial management, and day-to-day operations of the Commission. The five Commissioners participate in the development and approval of Commission policies, issue charges of discrimination where appropriate, and authorize the filing of lawsuits. The General Counsel supports the Commission and provides direction, coordination, and supervision to the EEOC’s litigation program.

THE COMMISSIONERS AND GENERAL COUNSEL	Term Expires
CHAIR CHARLOTTE A. BURROWS	2028
VICE CHAIR JOCELYN SAMUELS	2026
COMMISSIONER ANDREA R. LUCAS	2025
COMMISSIONER KALPANA KOTAGAL	2027
COMMISSIONER KEITH SONDERLING*	2024
GENERAL COUNSEL KARLA GILBRIDE	2027

* Commissioner Sonderling's term expired on July 1, 2024. He remained in hold-over status until August 30, 2024.

ORGANIZATION



The EEOC accomplishes its mission through component offices that administer various programs. For more information about specific EEOC offices, please see Appendix A.

These programs are carried out through a network of 53 district, field, area, and local offices. For more information about the EEOC Field Offices across the nation, please see Appendix B.

PERFORMANCE GOALS, OBJECTIVES, AND RESULTS

THE EEOC'S PERFORMANCE MEASUREMENT PROCESS

The Government Performance and Results Modernization Act of 2010 (5 U.S.C. 306, as amended) requires executive departments, government corporations, and independent agencies to develop and post a Strategic Plan on their public websites every four fiscal years. The implementing guidance in Circular No. A-11 from OMB instructs agencies on the necessary elements required in an agency's strategic plan and the requirements to publish a new strategic plan with the beginning of each new term of an administration. The *U.S. Equal Employment Opportunity Commission Strategic Plan for Fiscal Years 2022-2026* (Strategic Plan or Plan) established three overarching strategic goals and fifteen performance measures to gauge the agency's progress in meeting these goals. The EEOC conducts periodic performance measure reviews to evaluate the agency's progress.

The EEOC reports on performance measures each year. In the agency's Annual Performance Plan (APP), typically issued as part of OMB's budget request, the EEOC identifies the level of planned performance to achieve in the fiscal year, along with performance goals and key milestones that align with the EEOC's Strategic Plan and agency priorities. In the agency's APR, the EEOC reports on progress achieving the goals and objectives in the agency's Strategic Plan and APP, along with performance and program results achieved for the previous fiscal year.

OVERVIEW OF THE STRATEGIC PLAN GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

In accordance with the Government Performance and Results Modernization Act of 2010, the Commission approved the EEOC's *Strategic Plan* on August 16, 2023. To do so, the agency engaged in a comprehensive assessment of its programs and priorities. As stated above, under this Strategic Plan, the EEOC focuses on three strategic goals to achieve its critical mission to prevent and remedy unlawful employment discrimination and advance equal employment opportunity and to pursue its vision of fair and inclusive workplaces with equal opportunity for all. In fiscal year 2024, the EEOC also commemorated several key civil rights milestones, including the 60th anniversary of the passage of the Civil Rights Act of 1964.

Strategic Goal I, to combat and prevent employment discrimination through the strategic application of the EEOC's law enforcement authorities, reflects the EEOC's primary mission of preventing and remedying unlawful employment discrimination and advancing equal employment opportunity for all through: 1) the administrative (investigation and conciliation) and litigation enforcement mechanisms applicable to private employers, labor organizations, employment agencies, and state and local government employers, that Congress entrusted to the EEOC; and 2) the adjudicatory and oversight mechanisms for federal employers that Congress entrusted to the EEOC.

There are two related strategic objectives and seven performance measures for Strategic Goal I.

Strategic Goal I: Combat and Prevent Employment Discrimination through the Strategic Application of the EEOC's Law Enforcement Authorities.

Strategic Objective I.A.: The agency has a broad impact on preventing and remedying employment discrimination while providing meaningful relief for victims of discrimination.

Strategic Objective I.B.: The agency exercises its enforcement authority fairly, efficiently, and based on the circumstances of each charge or complaint.

Performance Measure 1: By FY 2025, 90% of EEOC conciliations and litigation resolutions contain targeted, equitable relief and that level is maintained through FY 2026.

Performance Measure 2: In each year through FY 2026, the EEOC continues to favorably resolve at least 90% of enforcement lawsuits.

Performance Measure 3: In each year through FY 2026, the EEOC increases its capacity to conduct investigations of systemic discrimination through training and other resources.

- **Sub-Measure 3a:** In each year through FY 2026, the EEOC will provide training to all field staff on identifying and investigating systemic discrimination, and at least 90% of investigators and trial attorneys will participate in systemic training each year.

- **Sub-Measure 3b:** By FY 2026, 90% of systemic cause investigations reviewed meet or exceed criteria established in the Quality Enforcement Practices Plan.

- **Sub-Measure 3c:** By FY 2026, every District will have at least two dedicated Enforcement Unit systemic staff members.

Performance Measure 4: By FY 2026, the EEOC will make significant progress toward enhanced monitoring of conciliation agreements, leading to a more robust compliance program.

- **Sub-Measure 4a:** Each year, the EEOC will report on enhancements to its compliance monitoring program for conciliation agreements.

Performance Measure 5: By FY 2026, 74% of federal agencies subject to oversight activities or compliance reviews change their employment practices based on EEOC recommendations.

Performance Measure 6: For each year through FY 2026, a significant proportion of completed investigations, conciliations, hearings, and federal appeals meet or exceed established quality criteria.

- **Sub-Measure 6a:** By FY 2026, at least 90% of the EEOC's charge investigations and conciliations meet or exceed criteria established in the Quality Enforcement Practices Plan.

- **Sub-Measure 6b:** Each year through FY 2026, at least 90% of the EEOC's federal sector hearings and appeals meet criteria established in the Federal Sector Quality Practices Plan.

Performance Measure 7: By FY 2026, EEOC will enhance its intake services to potential Charging Parties, Respondents, and Representatives.

- **Sub-Measure 7a:** By FY 2023, the EEOC will evaluate its intake services, determine baseline levels of service, and identify technological solutions and other resources to improve and expand accessibility to those services.

- **Sub-Measure 7b:** From FY 2024–2026, the EEOC will make yearly progress in improving availability of intake interview appointments.

Strategic Goal II, to prevent employment discrimination and advance equal employment opportunities through education and outreach, reflects the EEOC’s obligation to deter employment discrimination before it occurs. Educational and outreach programs, projects, and events are also cost-effective law enforcement tools because they promote understanding of the law and voluntary compliance. All parties benefit when the workplace is free of discrimination, and everyone has access to equal employment opportunity.

There are two related strategic objectives and four performance measures for Strategic Goal II:

Strategic Goal II: Prevent Employment Discrimination and Advance Equal Employment Opportunities through Education and Outreach.	
<p>Strategic Objective II.A.: Members of the public are aware of employment discrimination laws and know their rights and responsibilities under these laws.</p>	<p>Strategic Objective II.B.: Employers, federal agencies, unions, and staffing agencies have the information and guidance necessary to advance equal employment opportunity, prevent discrimination, and effectively resolve EEO issues.</p>
<p>Performance Measure 8 for Strategic Objectives II.A. and II.B.: By FY 2026, the EEOC leverages technology, analytics, and innovative outreach strategies to provide members of the public greater access to information about their rights and responsibilities.</p>	
<p>Performance Measure 9 for Strategic Objectives II.A. and II.B.: By FY 2026, participants in outreach, training, and technical assistance programs indicate either an improvement in an employment policy, practice, or procedure (employer representatives), or an increased knowledge of the laws the EEOC enforces (individuals) as a result of their participation.</p>	
<p>Performance Measure 10 for Strategic Objectives II.A. and II.B.: By FY 2026, the EEOC updates existing guidance and training materials, and creates new, user-friendly resource tools to address and prevent workplace discrimination.</p>	
<p>Performance Measure 11 for Strategic Objective II.A.: Develop a federal government-wide network and repository to share EEO resources and leading practices that are occurring across the federal government.</p>	

Strategic Goal III, achieving organizational excellence, seeks to improve management functions with a focus on people, service to the public, information technology, infrastructure enhancement, and accountable financial stewardship. These areas are cross-cutting and require integration and coordination to promote organizational excellence from internal and external perspectives.

There are two strategic objectives and four performance measures for Strategic Goal III.

Strategic Goal III: Strive for Organizational Excellence Through Our People, Practices, and Technology	
Strategic Objective III.A.: The EEOC achieves a culture of accountability, inclusivity, and accessibility.	Strategic Objective III.B.: Resources align with priorities to strengthen intake, outreach, education, enforcement, and service to the public to protect and advance civil rights in the workplace.
Performance Measure 12 for Strategic Objective III.A.: Effectively allocate people and resources to accomplish agency mission goals, within budgetary limitations.	
Performance Measure 13 for Strategic Objectives III.A. and III.B.: Feedback surveys and other mechanisms provide measures of satisfaction for EEOC stakeholder experiences.	
Performance Measure 14 for Strategic Objective III.B.: Build and deploy charge/case management systems for litigation and federal sector program offices. Complete deployment, monitor and improve effectiveness of digital charge/case management system for program offices.	
Performance Measure 15 for Strategic Objective III.B.: The budget process prioritizes funding for the EEOC’s strategic goals.	

The agency's progress on the strategic goals, objectives, and related performance measures is discussed below.

VERIFICATION AND VALIDATION OF DATA

The agency's private sector, federal sector, and litigation programs require accurate enforcement data, as well as reliable financial and human resources information, to assess the EEOC's operations and performance results and make sound management decisions. The EEOC will continue efforts to ensure the accuracy of program information and analysis.

The EEOC systematically reviews the information collected in its databases for accuracy by using statistical software (e.g., SAS, PowerBI, etc.) and program reviews of a sample of records during field office technical assistance visits. Additionally, headquarters offices regularly conduct analyses to review the information collected to identify erroneous entries requiring correction to collection procedures.

The transition from the agency's legacy Integrated Mission System (IMS) application to the modernized Agency Records Center (ARC) system continues to improve the collection and validation of the EEOC's program data related to charge intake, investigation, mediation, conciliation, and Fair Employment Practices Agencies (FEPA) functions — migrating away from manual activity-based data entry to automated event-driven recordation. During these modernization efforts, the EEOC has identified many areas where the agency will be able to further automate and improve current processes and related data integrity. Because several performance measures require data to assess agency achievements, it is significant that the EEOC can now obtain reliable data more quickly.

The EEOC's Office of Inspector General (OIG) regularly reviews the agency's data validity and verification procedures, information systems, and databases and offers recommendations for corrective action or improvement. The agency uses the OIG's information and recommendations to continually ensure the reliability and validity of EEOC's systems and data.

PROGRAM EVALUATIONS

Program evaluation is an important component of the EEOC's efforts to ensure that its programs are operating as intended and achieving results. Program evaluation is a thorough examination of program design and operational effectiveness that uses rigorous methodologies and statistical and analytical tools. Evaluations also use expertise internal and external to the agency for the program under review.

Independent program evaluations have played an important role in formulating the strategic and performance goals for the EEOC's Strategic Plan. They have helped shape some of the program issues and key focus areas for improvement, thereby increasing the Strategic Plan's value as a management tool to guide the agency's strategic efforts in attaining overall productivity and program efficiency, effectiveness, and accountability. To that end, the EEOC has used findings and recommendations issued in OIG program evaluation reports to advance the EEOC's performance-based management initiatives under the Government Performance and Results Management Act, and to improve the effectiveness of key agency programs. Information found in OIG program evaluations reports was useful to inform development of the EEOC's strategic direction and goals for the next several years.

- *Fair Employment Practices Agencies*, Clarus Research for the EEOC Office of the Inspector General, August 2024.
- *Customer Service Portals*, KAI Partners for the EEOC Office of Inspector General, September 2023.
- *Digital Process Transformation and Automation Program*, KAI Partners for the EEOC Office of Inspector General, January 2023.

- *EEOC's Management of Private Sector Customer Service*, October 2022.
- *EEOC's Social Media Program*, Hager Sharp for the EEOC Office of Inspector General, July 2021.
- *EEOC's Contracts Administration Activities*, Office of Inspector General, March 2020.
- *EEOC Federal Hearings and Appeals Processes*, The Center for Organizational Excellence, Inc., and Cohn Reznick LLP, Office of Inspector General, March 2020.
- *EEOC's Data Analytics Activities*, Elder Research, Office of Inspector General, September 2018.

Consistent with the EEOC's focus on improving the effectiveness of government through rigorous evaluation and evidence-based policy initiatives, the EEOC will continue to use the information noted in OIG's program evaluations reports during the reporting period of the agency's *Strategic Plan*. This ongoing evaluation will ensure that the EEOC's efforts align with the agency's budget and other programmatic priorities. The EEOC will assess its progress on an ongoing basis to reaffirm its commitment to fulfilling the agency's mission.

In fiscal year 2024, the agency continued its work to address the following evaluation projects:

- **National Academies of Sciences, Engineering, and Medicine's Evaluation of Compensation Data Collected Through the EEO-1 Form.** In fiscal year 2020, the EEOC contracted with the National Academies of Sciences, Engineering, and Medicine (National Academies) to evaluate the EEOC's historic, first-time collection of pay data from certain private employers and federal contractors between July 2019 and February 2020. On July 28, 2022, the National Academies issued a Consensus Study Report, which concluded that the collection of pay and related data would significantly enhance the EEOC's efficiency in investigating charges alleging not just pay discrimination, but also other forms of discrimination that can generate pay disparities, such as discrimination in promotions, other terms and conditions of employment, job/work assignments, and occupational segregation. The report also offers recommendations for improving the collection of pay data in the future. Many of the recommendations complement and were incorporated into the agency's ongoing modernization of its EEO data collections and data analytics that began in fiscal year 2022 and continued in fiscal year 2024. The report's conclusions and recommendations will help inform the EEOC's approach to any future pay data collection.
- **Mediation Survey Modernization Project.** EEOC mediation participants continue to share their feedback by completing a survey electronically, in English, Spanish, Chinese (Simplified), and Haitian Creole. The project's benefits include fewer steps in the process of distributing the survey to participants, faster receipt of survey responses, reduced data entry, and elimination of postage. In fiscal year 2024, technological enhancements were made to the universal link that collects email contacts for the participants. Subject to the availability of funds in fiscal years 2025 and 2026, the EEOC's Office of Information Technology (OIT) will create an interface between the data collected in ARC and the survey results reported by the EEOC's Office of Enterprise Data and Analytics (OEDA). The continued cross-office collaboration and experience acquired in executing these targeted survey instruments, protocols, and oversight among EEOC program offices provides a model and framework for other strategic applications involving customer canvassing, training/outreach assessments, and targeted programmatic evaluations, should additional funds be available for the continued development of this project.
- **The EEOC's Data and Analytics Modernization Program.** The goals of the modernization program are to: 1) enhance transparency of agency functions and operations; 2) reduce burden on stakeholders; 3) augment agency use of modern data analytics to drive data-driven decision making; and 4) promote greater public access to data.

In fiscal year 2024, OEDA led and participated in several modernization efforts specific to the evaluation of its data collection and reporting. With the transition of the enforcement data collection from the EEOC’s IMS to ARC, OEDA worked closely with OIT and the EEOC’s Office of Field Programs (OFP) to identify and resolve reporting errors. During the fiscal year, OEDA continued to rebuild its regular reporting for enforcement using the new ARC data structure and performed regular quality assurance testing on the reports.

STRATEGIC GOALS AND PERFORMANCE RESULTS SUMMARY

As discussed above, the EEOC’s *Strategic Plan* established a national framework to achieve the agency’s mission by pursuing three strategic goals and their underlying objectives. The Strategic Plan also identified strategies for achieving each strategic objective and identified 15 performance measures for gauging the EEOC’s progress for fiscal year 2024.

The Strategic Plan was approved by the Commission on August 16, 2023. The agency began implementation of the plan immediately and made significant progress during the remainder of the fiscal year. The chart below summarizes the agency’s progress in meeting the performance measures for fiscal year 2024.

EEOC FY 2024 Performance			
Measures	Targets Met or Exceeded	Targets Partially Met	Targets Not Met
15	12	3	0

In fiscal year 2024, the agency’s ability to make progress on the goals and objectives adopted in the Strategic Plan depended on effective management of increased demand for the agency’s services. During the fiscal year, the EEOC successfully responded to increased contacts from members of the public seeking the agency’s assistance. The agency also undertook substantive and meaningful work to implement the Pregnant Workers Fairness Act (PWFA) — its newest statute that provides workers with limitations related to pregnancy, childbirth, or related medical conditions the right to reasonable accommodations absent undue hardship to the employer. Through the strategic use of the agency’s resources, the EEOC was able to effectively combat employment discrimination during fiscal year 2024.

PERFORMANCE RESULTS — IMPLEMENTATION OF THE PWFA

The EEOC's mission to prevent and remedy unlawful employment discrimination and advance equal employment opportunity for all guides the agency's work to promote fair and inclusive workplaces and enforce the nation's federal workplace anti-discrimination laws. Fiscal year 2024 was the first full year in which the EEOC enforced the PWFA. The EEOC's implementation, outreach, and enforcement activities related to the PWFA are presented as an example of how the EEOC meets its strategic goals and objectives as well as the important impact of its civil rights law enforcement activities on the nation.

Implementation

The PWFA requires employers to reasonably accommodate a qualified employee's or applicant's known limitations related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, absent undue hardship. Congress directed the EEOC to administer and enforce the new law, pursuant to 42 U.S.C. § 2000gg-3(a), including by issuing regulations that included examples.

In August 2023, the EEOC issued its notice of proposed rulemaking (NPRM) and invited the public to submit comments. During the 60-day comment period which ended in October 2023, the EEOC received over 100,000 comments. The EEOC carefully reviewed and considered the comments, and based on the comments, implemented changes to the NPRM. The EEOC prepared the final rule, which included: a preamble that described and responded to the comments received; the final regulation; and an interpretive guidance that included 78 examples to assist employers, employees, and advocates in understanding how to implement the new law. On April 3, 2024, the Commission voted to approve the *final rule and interpretive guidance*, and it was published in the Federal Register on April 19, 2024, with an effective date of June 18, 2024.

Internally, the EEOC worked to ensure staff were immediately prepared to enforce the new law through training and resource development. In addition, the EEOC provided training and technical assistance on the PWFA to other federal agencies in their capacity as employers.

The EEOC issued numerous resources to assist employers, employees, and advocates in understanding the law and the new final regulation, including:

- An updated [*What You Should Know About the Pregnant Workers Fairness Act*](#);
- A [*Summary of Key Provisions of EEOC's Final Rule to Implement the Pregnant Workers Fairness Act*](#);
- A web page with information specifically to help small businesses comply with the PWFA: [*Pregnancy, Childbirth, or Related Medical Conditions Accommodations*](#);
- [*Infographics*](#) and [*videos*](#) that explain the law and provide tips for asking for reasonable accommodations; and
- A fact sheet in partnership with the U.S. Department of Labor (DOL), entitled [*Time and Place to Pump at Work: Your Rights*](#).

The EEOC created a new webpage to house all of its PWFA resources: [*More Resources About the PWFA | U.S. Equal Employment Opportunity Commission \(eoc.gov\)*](#).

The EEOC is committed to expanding awareness of the PWFA and is taking steps to fully enforce the important protections for pregnant and postpartum workers while ensuring that employers have the information and guidance necessary to advance equal employment opportunity (EEO), prevent discrimination, and effectively resolve EEO issues. The EEOC has engaged in significant external outreach and education and enforcement efforts.

Outreach, Education, and Partnerships

The EEOC's robust outreach, engagement, and partnership efforts ensured members of the public were aware of employment discrimination laws and knew their rights and responsibilities under the PWFA and other laws enforced by the agency and promoted promising practices to encourage voluntary employer compliance with the law in fiscal year 2024. The EEOC partnered with federal agencies, industry associations, not-for-profit organizations, and nationally syndicated radio stations to inform workers, employers, and health care providers about the PWFA. Outreach, education, training, and technical assistance are cost-effective tools, particularly when leveraging technology, that promote understanding of and voluntary compliance with EEO laws, which help prevent employment discrimination before it occurs.

The EEOC hosted 283 free in-person and virtual outreach events with 31,105 participants, including a May 2024 live webinar, *Pregnant Workers Fairness Act - An Overview for Workers*, which remains available on the EEOC's external website and is posted on the agency's YouTube channel. As of September 30, 2024, the webinar had been viewed by about 5,800 people either live or through the recording. In addition, between June 2024 and August 2024, EEOC offices in Nashville, New York, Memphis, Phoenix, and St. Louis hosted presentations.

English and Spanish Radio Media tours were also used to amplify knowledge of the PWFA in rural communities, communities with limited English proficiency or low literacy skills, and with individuals who may be unable to attend in-person outreach events due to limited resources or time to travel during work hours. Significantly, in a single month of airtime, the EEOC reached over 41 million English listeners and over 4.8 million Spanish listeners through this effort. Additionally, the EEOC posted short PWFA videos on EEOC social media platforms in both English and Spanish, which in total were viewed over 2,000 times on YouTube and received over 5,600 impressions on social media. The agency also translated PWFA education materials into Arabic, Chinese (simplified and traditional), Haitian Creole, Korean, Portuguese, Russian, Spanish, Tagalog, Thai, and Vietnamese for the EEOC website.

The EEOC's Training Institute, which provides fee-based training and technical assistance programs, also provided PWFA-related training during the fiscal year. In fiscal year 2024, the Training Institute conducted 33 national workshops with 5,172 attendees. Of those, 36% provided training, education, and information to employees and employers about their rights and obligations under the PWFA.

The EEOC Training Institute's Customer Specific Training (CST) programs provide training and education for employees, managers, supervisors, and human resource professionals from private sector employers and state, local, and federal government agencies on their EEO responsibilities and how to prevent and remedy workplace discrimination. In fiscal year 2024, 29 of 252 virtual and in-person CST events the Training Institute conducted focused on the PWFA, reaching 1,484 attendees.

The agency held the 2024 Examining Conflicts in Employment Laws (EXCEL) Training Conference in August 2024, in New Orleans, LA, with 924 registrants. The conference gathered EEO, human resources (HR), and alternative dispute resolution (ADR) practitioners from private, state, local, and federal organizations for four days of education, training, and professional development. The agency held four sessions, including one plenary session, focused on the PWFA.

The EEOC's Federal Sector Programs (FSP) conducted 13 outreach events focused on the PWFA with individual federal agencies in fiscal year 2024. Additionally, FSP presented or highlighted the PWFA final rule and interpretative guidance at critical stakeholder conferences, including Federally Employed Women (FEW), Society for Human Resource Management (SHRM), Blacks in Government (BIG), Federal Dispute Resolution (FDR) Training, Society of American Indian Government Employees (SAIGE), and EXCEL. The EEOC Education Consortium provided two interactive webinar presentations focused on the PWFA: one in October 2023 (attendance: 634) and one in June 2024 (attendance: 450). Both featured EEOC experts on the PWFA and opportunities for discussion among federal stakeholders.

FSP updated and included information and guidance on the PWFA in 54 national training courses, which offer open enrollment for federal stakeholders. FSP also provided 455 customized training sessions for federal agencies during the fiscal year 2024 training season. The PWFA was incorporated into these curriculums to raise awareness and provide guidance on the law's impact on the related topic.

Additionally, EEOC federal sector staff conducted PWFA-specific training and provided guidance on the key provisions of the PWFA at conferences and other special initiative events within the federal community. Events included the Department of Housing and Urban Development's Fireside Chat; at quarterly meetings with federal sector EEO Directors; and at the federal sector Annual Meeting with Agency Counsels. The EEOC developed industry-specific training for the federal law enforcement community regarding the PWFA. In fiscal year 2024, the agency fielded questions and inquiries from approximately 20 federal agencies regarding the interpretation and/or implementation of the PWFA.

The EEOC Contact Center was instrumental in providing information to the public about the PWFA through EEOC's toll free 1-800 number, its 1-844 ASL Video Phone Line, and its general information email inbox. Preliminary data indicate a significant increase in calls and emails to the EEOC Contact Center involving pregnancy and reasonable accommodation compared with the prior fiscal year.

Enforcement

The EEOC's enforcement of the PWFA, in its first full fiscal year, has prevented and remedied employment discrimination through the strategic application of the EEOC's law enforcement authorities. In fiscal year 2024, preliminary data show that the EEOC received thousands of charges of discrimination that included claims under the PWFA.

Notable examples of PWFA investigations that were successfully resolved in fiscal year 2024 include:

- An investigation that found evidence that an employer failed to provide a reasonable accommodation and forced the charging party to take unpaid leave under the Family and Medical Leave Act (FMLA) due to her pregnancy in violation of the PWFA. This charge resolved for over \$130,000 for the charging party, including restoration of her leave and injunctive relief, which included revisions to the employer's policy regarding reasonable accommodations for pregnancy and disability and annual training.
- An investigation that indicated that the employer failed to accommodate the charging party's pregnancy-related medical conditions and terminated her employment. The evidence also showed that the employer failed to post notices describing the applicable provisions of the PWFA. This charge resolved for over \$180,000 in monetary relief to the charging party, as well as training for supervisory and non-supervisory employees on the federal laws that prohibit employment discrimination based on pregnancy.

In fiscal year 2024, the EEOC filed five PWFA lawsuits.

- *EEOC v. Wabash National Corporation*, No. 5:24-cv-148 (W.D. Ky. filed Sept. 10, 2024). The EEOC filed this PWFA, ADA, and Title VII lawsuit alleging that a producer of semi-trailers and other commercial trucking equipment discriminated against an assembler by failing to accommodate her pregnancy-related limitations, placing her on leave, subjecting her to an impermissible medical inquiry, and treating her less favorably than nonpregnant workers similarly situated in their ability to work.
- *EEOC v. Urologic Specialists of Oklahoma*, No. 4:24-cv-00452 (N.D. Okla. filed Sept. 25, 2025). The EEOC filed this PWFA and ADA lawsuit alleging that a medical practice discriminated against a medical assistant when it refused to accommodate her pregnancy-related limitations by allowing her to sit and take lunch breaks when needed, or work part-time as her physician said was needed during her final trimester, and instead forced her to take unpaid leave, refused to ensure lactation breaks following the birth of her child, and terminated her.
- *EEOC v. Polaris Industries*, No. 5:24-cv-01305 (N.D. Ala. filed Sept. 25, 2024). The EEOC filed this PWFA lawsuit alleging that a manufacturer of watercraft, snowmobiles, cars, and motorcycles denied an operator the reasonable accommodations of no overtime work during her pregnancy and time off for pregnancy-related medical conditions and medical appointments without accruing attendance points, resulting in her constructive discharge.
- *EEOC v. Kurt Bluemel, Inc.*, No. 1:24-cv-2816 (D. Md. filed Sept. 30, 2024). The EEOC filed this PWFA and Title VII lawsuit alleging that a nursery that produces ornamental plants for residential and commercial customers discriminated against a laborer when it failed to accommodate her need for leave to recuperate from childbirth and when it terminated her employment.
- *EEOC v. Lago Mar Properties*, No. 24-cv-61812 (S. D. Fla. filed Sept. 30, 2024). The EEOC filed this PWFA and ADA lawsuit alleging that a resort hotel discriminated against a line cook when it failed to accommodate her need for leave after a stillbirth, resulting in her termination. It was resolved in early fiscal year 2025.

By engaging in strategic communication, training, outreach, and enforcement regarding the PWFA, the EEOC informed stakeholders of their rights and responsibilities under the statute, enforced the law through charge resolutions and litigation, provided remedies to pregnant and postpartum workers, and promoted more inclusive workplaces. The EEOC's enforcement of the PWFA is highlighted as an example of how the EEOC enforces all of the statutes under its jurisdiction.

LOOKING FORWARD

The EEOC will continue to embrace and leverage technology to improve our services and upgrade the agency's ability to deliver greater access to data, enhance transparency, and augment the use of modern analytics to drive decision making. The EEOC also will continue to focus on efforts to modernize our digital systems to build upon our ability to prevent and remedy unlawful employment discrimination, and to undertake other technological enhancements necessary to improve the quality of services to the public.

This work includes a multi-year initiative to modernize the EEOC's decade-old public-facing portals. In December 2023, the EEOC deployed a new E-File for Attorneys (E-File) tool, allowing licensed attorneys to submit charges of discrimination electronically to the EEOC, replacing prior manual processes. The EEOC estimates that in recent years

about a third of the charges it receives come from attorneys filing on behalf of their clients. Previously, attorneys submitted these charges by email, mail, fax, and hand delivery, and the EEOC processed them manually, resulting in duplication of work for the agency and the public. With this digital solution, the EEOC freed up resources to better serve individuals who are unrepresented. E-File reduces staff work by at least 15 minutes per charge filed by an attorney, and the EEOC estimates that E-File has saved over 3,250 hours of staff time in the approximately nine-month period after implementation. This new tool established the baseline infrastructure for modernization of our legacy public portals, which will increase security, enhance 508-accessibility compliance, provide multi-language capabilities, expand access and ease of use, and enhance the stakeholder experience.

In fiscal year 2025, the EEOC will continue to strengthen its ability to provide accurate, up-to-date, and timely information to the high volume of stakeholders seeking agency assistance through the EEOC's toll-free 1-800 number, its ASL video phone line, and its general information email inbox. In fiscal year 2024, the EEOC received over 640,000 inquiries from its stakeholders via these lines of communication. The number of inquiries has increased by double-digit percentages over the last three fiscal years. The EEOC will continue to leverage technological advances, including an SMS text back function, and implement staff training programs to continue to provide quality responses to the increasing number of stakeholders seeking the EEOC's assistance.

During fiscal year 2025, the EEOC will continue its focus on enhancing its intake process for stakeholders, aimed at increasing efficiencies related to the agency's private sector intake and charge receipt process. The EEOC continues to explore innovative ways to increase access to limited English proficient communities and communities with low literacy skills. In fiscal year 2024, the EEOC expanded non-English language resources by translating commonly used forms into 10 languages and adding Spanish to system-generated email messages.

The EEOC will also continue to strengthen, strategically target, and develop outreach programs to engage with our many different audiences, including underserved communities, Tribes, advocacy groups, and small businesses. The EEOC will continue to use a variety of methods, depending on the specific audience, to conduct outreach, education, and training.

FINANCIAL HIGHLIGHTS

The EEOC used OMB Circular Number A–136 Revised, dated May 30, 2024, as guidance for the preparation of the accompanying financial statements. The EEOC prepares four financial statements: Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources.

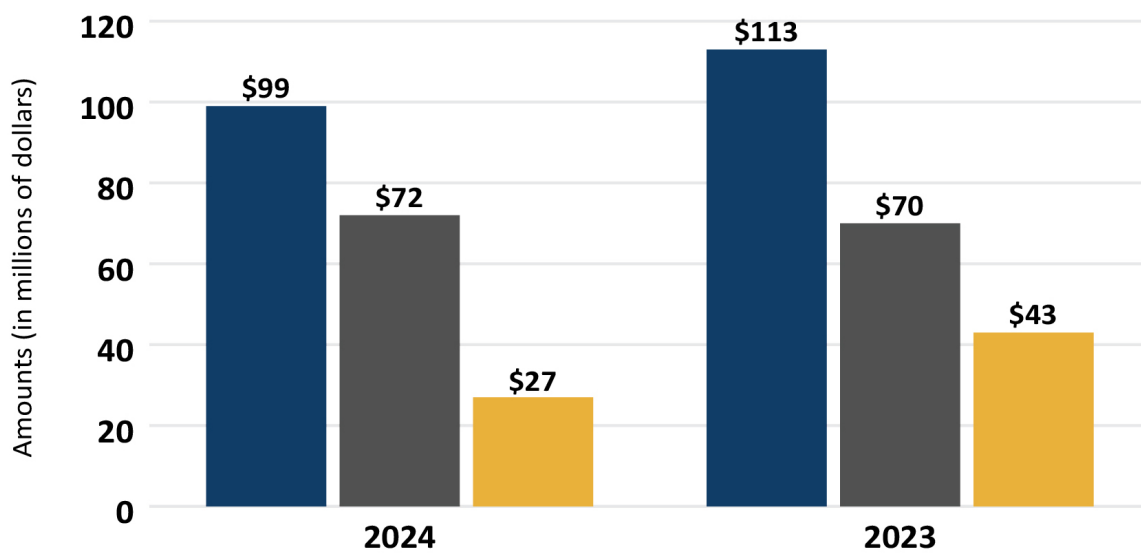
CONSOLIDATED BALANCE SHEETS

The Consolidated Balance Sheets present amounts that are owned or managed by the EEOC (assets), amounts owed (liabilities), and the net position of the agency divided between the cumulative results of operations and unexpended appropriations.

The EEOC's balance sheets show total assets of \$99 million at the end of fiscal year 2024 and \$113 million at the end of fiscal year 2023.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. The EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position show \$27 million at the end of fiscal year 2024 and \$43 million at the end of fiscal year 2023.

Equal Employment Opportunity Commission Balance Sheet

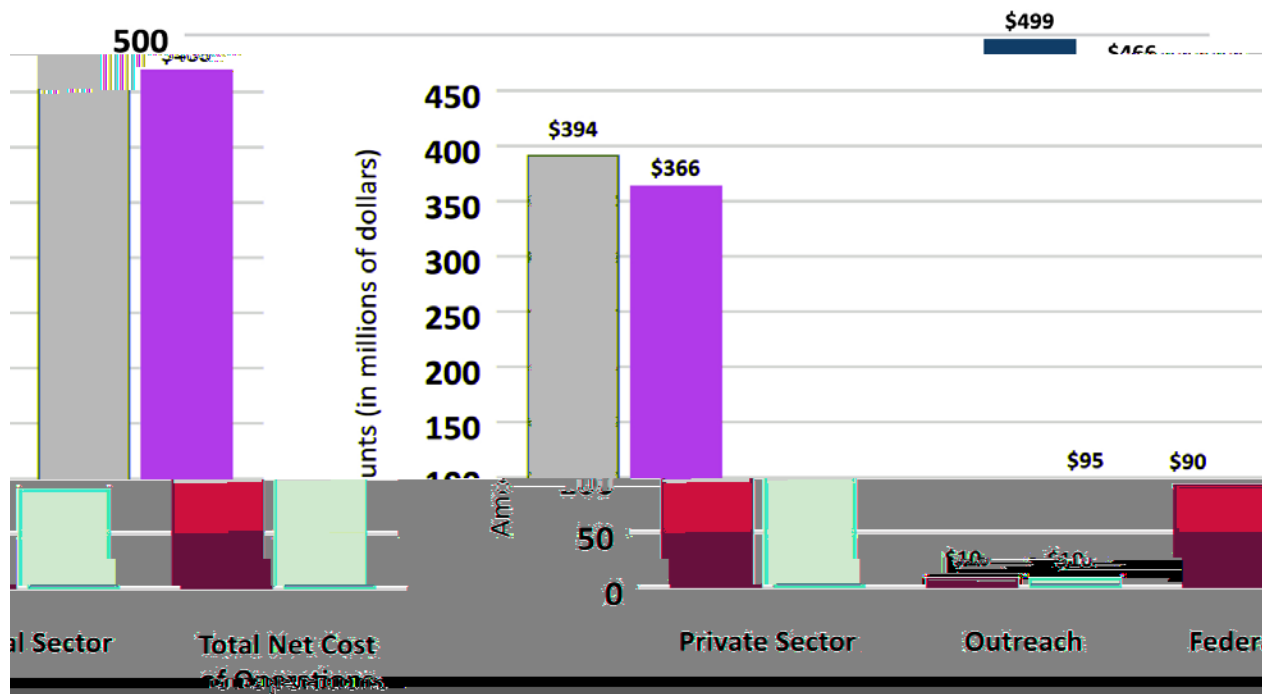


	Total Assets	Total Liabilities	Net Position
2024	\$99	\$72	\$27
2023	\$113	\$70	\$43

CONSOLIDATED STATEMENTS OF NET COST

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in fiscal year 2024, the EEOC's Consolidated Statements of Net Cost of Operations increased by \$33 million.

Consolidated Statements of Net Cost of Operations by Major Programs



		Private Sector	Outreach	Federal Sector	Total Net Cost of Operations
	2024	\$394	\$10	\$95	\$499
	2023	\$366	\$10	\$90	\$466

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

The Consolidated Statement of Changes in Net Position represent the change in the net position for fiscal year 2024 and fiscal year 2023 from the cost of operations, appropriations received and used, and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position decreased by \$16 million for fiscal year 2024 when compared to fiscal year 2023.

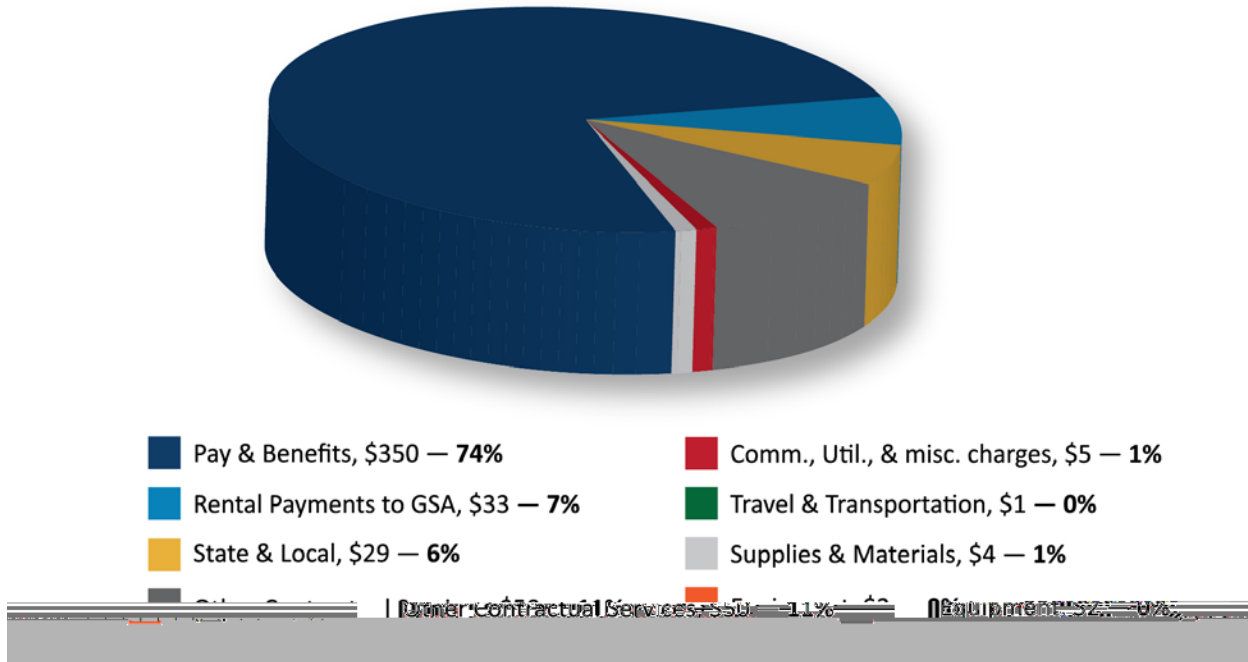
COMBINED STATEMENTS OF BUDGETARY RESOURCES

The Combined Statements of Budgetary Resources show how budgetary resources were made available and the status of those resources at the end of the fiscal year. In fiscal year 2024, the EEOC received \$455 million in budget authority. The EEOC ended fiscal year 2024 with an increase of \$9 million in total budgetary resources. Resources not available for new obligations at the end of the year totaled \$17 million and \$11 million in fiscal year 2024 and fiscal year 2023, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

USE OF RESOURCES

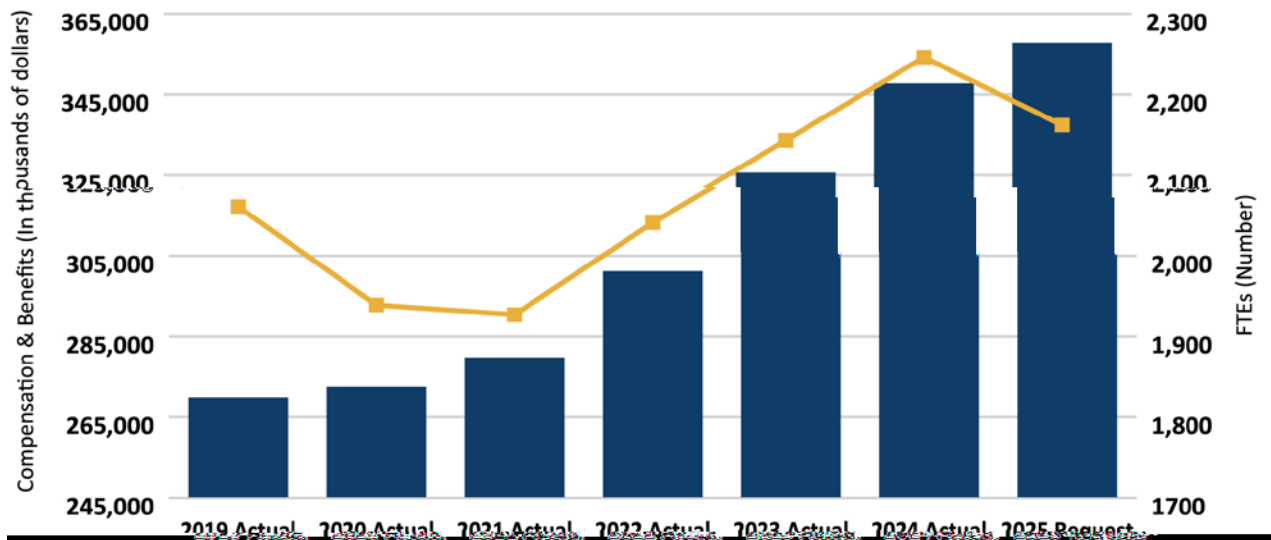
The pie chart displays the EEOC's fiscal year 2024 use of resources by major object class. The chart below shows costs actually incurred by the EEOC. It does not include costs incurred by others on behalf of the EEOC. The chart shows that Pay and Benefits, State & Local, Rent to GSA, and Other Contractual Services consumed 98% of the EEOC's resources, and other expenses (e.g., communication, utilities & miscellaneous charges, travel & transportation, supplies & materials, etc.) consumed 2% of the EEOC's resources for fiscal year 2024.

FY 2024 by Major Object Class (in millions)



The dual axis chart below depicts the EEOC’s compensation and benefits versus full-time equivalents (FTE) over the past six years. The EEOC ended fiscal year 2024 with 2,246 FTEs, a net increase of 103, or 5%, above fiscal year 2023.

Compensation & Benefits (C&B) and FTEs for FY 2019 through FY 2025



	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Request
C&B	\$269,907	\$272,513	\$279,759	\$301,172	\$325,621	\$347,747	\$357,750
FTEs	2,061	1,939	1,927	2,041	2,143	2,246	2,162

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

MANAGEMENT ASSURANCES

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA)

The U.S. Equal Employment Opportunity Commission's (EEOC) internal controls and financial management systems were sound during fiscal year 2024. Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during fiscal year 2024, its financial and internal controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). The controls systems were effective; agency resources were used consistent with the EEOC's mission and in compliance with applicable laws and regulations; and there was minimal potential for waste, fraud, and mismanagement of the resources.

Out of 13 total financial non-conformances reported, 11 were not fully corrected during fiscal year 2024. These financial non-conformances were identified in several audit reports prepared by the OIG: EEOC Office of Inspector General: FY 2023 Annual Report on EEOC's Compliance with the Payment Integrity Information Act of 2019 (PIIA), (OIG Report No. 2024-001-EOIG), May 29, 2024; Harper, Rains, Knight & Company (HRK) for OIG: Audit of the EEOC FY 2023, and 2022 Financial Statement (OIG Report No. 2023-001-AOIG) November 15, 2023; EEOC Office of Inspector General: FY 2021 Annual Report on EEOC's Compliance with the Payment Integrity Information Act of 2019 (PIIA), (OIG Report No. 2022-001-IOIG), July 11, 2022; Harper, Rains, Knight & Company (HRK) for OIG: Performance Audit Report on the EEOC Charge Card Program FYRs 2019 and 2020 (OIG Report No. 2020-004-AOIG), March 24, 2021; Harper, Rains, Knight & Company (HRK) for OIG: Transmittal of Management Letter Report for FY 2020 Financial Statement Audit (OIG Report No. 2020-002-AOIG), December 16, 2020, and Harper, Rains, Knight & Company (HRK) for OIG: Performance Audit Report on the EEOC Charge Card Program FYRs 2018 and 2017 (OIG Report No. 2018-007-AOIG), May 31, 2019. The agency will continue its work to resolve these matters during FY 2025.

The EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes the safeguarding of assets and compliance with applicable laws and regulations. The EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, the EEOC can provide reasonable assurance that internal control over financial reporting, as of September 30, 2024, was operating effectively, and no material weaknesses were found in the design or operation of the agency's internal controls over financial reporting.



Charlotte A. Burrows

Chair

November 15, 2024

LEGAL COMPLIANCE

The EEOC maintained controls for and compliance with the Anti-Deficiency Act, the Debt Collection Act of 1996, as amended, the Prompt Payment Act, Federal Information Security Modernization Act of 2014, Pay and Allowance System for Civilian Employees, the Government Charge Card Abuse Prevention Act of 2012, Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, the Digital Accountability and Transparency Act of 2014 (DATA Act), and the Fraud Reduction and Data Analytics Act of 2015.

FINANCIAL SECTION



LETTER FROM THE INSPECTOR GENERAL TRANSMITTING AUDIT



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of Inspector General

November 15, 2024

MEMORANDUM

N

TO: Charlotte A. Burrows
Chair

FROM: Joyce T. Willoughby
Inspector General

A handwritten signature in black ink that reads "JT Willoughby".


SUBJECT: Audit of the U.S. Equal Employment Opportunity Commission's Fiscal Year 2024 Financial Statements (OIG Report No. 2024-001-AOIG)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal years ended September 30, 2024, and 2023, and to report on EEOC's internal controls over financial reporting, and compliance with laws, regulations, contracts, and other matters. The contract required that HRK conduct the audit in accordance with U.S. generally accepted government auditing standards (GAGAS) contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) audit guidance, and U.S. Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual*.

In its audit of EEOC, HRK reported:

- EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2024, and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America;
- they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified; and
- their tests for compliance with selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under GAGAS or OMB Bulletin 24-02, *Audit Requirements for Federal Financial Statements*.

HRK is responsible for the opinion on the attached auditor's report dated November 14, 2024, and the conclusions expressed in the report. We do not express an opinion on EEOC's financial statements or conclusions on internal control over financial reporting or on compliance and other



matters. EEOC management was given the opportunity to review the draft report and to provide comments.

OMB issued Circular Number A-50, *Audit Follow-up*, to ensure that corrective action on audit findings and recommendations proceed as rapidly as possible. EEOC Order 192.002, *Audit Follow-Up Program*, implements Circular Number A-50 and requires that for resolved recommendations, a corrective action work plan should be submitted within 30 days of the final audit report date describing specific tasks and completion dates necessary to implement audit recommendations. Circular Number A-50 requires prompt resolution and corrective action on audit recommendations. Resolutions should be made within six months of final report issuance.

Attachment

cc:

Cynthia Pierre
Chief Operating Officer, Office of the Chair and Commission

Brett Brenner
Deputy Chief Operating Officer, Office of the Chair and Commission

Elizabeth Fox Solomon
Chief of Staff

Elisa Krobot
Chief Financial Officer, Office of the Chief Financial Officer

Selma Cowan
Deputy Chief Financial Officer, Office of the Chief Financial Officer

Karla Gilbride
General Counsel, Office of General Counsel

Kevin Richardson
Chief Human Capital Officer, Office of the Chief Human Capital Officer

Carlton Hadden
Director, Office of Federal Operations

Jiashen You
Chief Data Officer, Office of Enterprise and Data Analytics

Pierrette McIntire
Chief Information Officer, Office of Information Technology

Thomas Colclough
National Director, Office of Field Programs



Jacinta Ma
Director, Office of Communication and Legislative Affairs

Delphine Best
Audit Follow-Up Coordinator, Office of the Chief Financial Officer

INDEPENDENT AUDITORS' REPORT



Harper, Rains, Knight & Company

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

Financial Statements

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for the fiscal years ended September 30, 2024, and 2023, and the related consolidated balance sheets as of September 30, 2024, and 2023, and the related consolidated statements of net position and changes in net position, and combined statements of budgetary resources for the fiscal years ended, and the related notes to the financial statements.

In our opinion, EEOC's financial statements present fairly, in all material respects, EEOC's financial statements for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements

EEOC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring consistency of that information with the audited financial statements and the RSI; and for 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.

Certified Public Accountants - Consultants - hr:kepa.com

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Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' 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 conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the 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 EEOC's internal control. 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 audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis 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 who 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 GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on EEOC's financial statements. The information in A Message from the Chair and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of EEOC's financial statements as of and for the year ended September 30, 2024, in accordance with GAGAS, we considered EEOC's internal control relevant to the financial statement audit 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 EEOC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of EEOC'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.

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.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of EEOC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

During our audit, we identified a deficiency in EEOC's internal control over financial reporting that we do not consider to be a material weakness or a significant deficiency. Nonetheless, this deficiency warrants EEOC management's attention. We have communicated this matter to management and, where appropriate, will report on it separately.



Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Report on Internal Control over Financial Reporting (continued)

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 accounting principles generally accepted in the United States of America, 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, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

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

As part of obtaining reasonable assurance about whether EEOC's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, that have a direct effect on the determination of material amounts and disclosures in EEOC's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on EEOC's compliance with applicable laws, regulations, contracts, and grant agreements. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EEOC. EEOC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, and grant agreements disclosed no instances of noncompliance for the year ended September 30, 2024, that would be reportable under GAGAS or OMB Bulletin No. 24-02. We caution that noncompliance may occur and not be detected by these tests.

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* is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of EEOC's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAGAS and OMB Bulletin No. 24-02 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

Harper, Raino, Knight & Company, P.A.

November 14, 2024
Washington, DC

Status of Prior Year Findings
Exhibit I

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Status of Prior Year Findings

September 30, 2024

Title of Finding from FY23 Audit Report	Prior Year Status	Current Year Status
Technology Modernization Fund Transactions	Significant Deficiency	Resolved
State and Local Expenditure Accruals	Significant Deficiency	Resolved

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED BALANCE SHEETS

As of September 30, 2024 and 2023
(in dollars)

	2024	2023
ASSETS:		
<i>Intragovernmental:</i>		
Fund Balance With Treasury (Note 2)	\$ 92,660,873	\$ 105,131,067
Advances and Prepayments	33,280	98,059
Total Intragovernmental	\$ 92,694,153	\$ 105,229,126
<i>With the Public:</i>		
Accounts Receivable, Net (Note 3)	77,883	43,519
General Property, Plant, and Equipment, Net (Note 4)	5,881,818	7,385,170
Total with the Public	\$ 5,959,701	\$ 7,428,689
 TOTAL ASSETS	 \$ 98,653,854	 \$ 112,657,815
 LIABILITIES (Note 6):		
<i>Intragovernmental</i>		
Accounts Payable (Note 6)	141,827	955,866
Employer Payroll Taxes (Note 6)	1,871,236	1,522,370
Workers' Compensation Liability (Note 6)	1,695,577	1,612,058
Other Liability (Note 6)	1,600,000	2,400,000
Total Intragovernmental	\$ 5,308,640	\$ 6,490,294
<i>With the Public:</i>		
Accounts Payable (Note 6)	27,869,063	25,722,678
Future Workers' Compensation Liability (Note 6)	8,075,249	8,120,379
Accrued Payroll (Note 6)	6,722,758	6,055,988
Employer Payroll Taxes (Note 6)	259,521	208,723
Accrued Annual Leave (Note 6)	23,243,864	23,192,284
Deferred Revenue (Note 6)	433,350	28,400
Amounts Collected for Restitution (Note 6)	48,339	46,774
Total with the Public	\$ 66,652,144	\$ 63,375,226
 TOTAL LIABILITIES	 \$ 71,960,784	 \$ 69,865,520

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS, CONTINUED

	2024	2023
NET POSITION:		
<i>Unexpended Appropriation</i>		
<i>Funds from Other than Dedicated Collections</i>	46,760,204	63,400,445
Total Unexpended Appropriation (Consolidated)	\$ 46,760,204	\$ 63,400,445
 <i>Cumulative Results of Operations</i>		
Funds from Dedicated Collections (Note 11)	4,592,904	3,292,696
Funds from other than Dedicated Collections	(24,660,038)	(23,900,846)
Total Cumulative Results of Operations (Consolidated)	\$ (20,067,134)	\$ (20,608,150)
 TOTAL NET POSITION	 \$ 26,693,070	 \$ 42,792,295
 TOTAL LIABILITIES AND NET POSITION	 \$ 98,653,854	 \$ 112,657,815

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2024 and 2023

(in dollars)

	2024		2023
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT			
Private Sector:			
Enforcement	\$ 213,899,207	\$	202,749,486
Mediation	34,711,713		33,056,982
Litigation	99,444,368		90,355,749
Intake information	8,912,467		8,374,435
State and Local	36,984,114		31,481,482
Total Program Costs — Private Sector	\$ 393,951,869	\$	366,018,134
Revenue	-		-
Net Cost — Private Sector	\$ 393,951,869	\$	366,018,134
Federal Sector:			
Hearings	52,067,570		50,687,371
Appeals	26,268,323		23,801,027
Mediation	938,154		440,760
Oversight	15,479,548		14,985,832
Total Program Cost — Federal Sector	\$ 94,753,595	\$	89,914,990
Revenue	(163,369)		(100,967)
Net Cost — Federal Sector	\$ 94,590,226	\$	89,814,023
Total Private, Federal Sector			
Program Costs	488,705,464		455,933,124
Revenue	(163,369)		(100,967)
Net Cost, Private, Federal Sector	\$ 488,542,095	\$	455,832,157
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH			
Outreach			
Fee Based	5,757,250		3,919,977
Non-Fee Based	11,257,853		11,018,994
Total Program Cost — Outreach	\$ 17,015,103	\$	14,938,971
Revenue	(7,057,457)		(4,630,869)
Net Cost Outreach	\$ 9,957,646	\$	10,308,102

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST, CONTINUED

	<u>2024</u>		<u>2023</u>
Total, All Programs			
Program Cost	\$ 505,720,567	\$	470,872,095
Revenue (Note 8)	\$ (7,220,826)	\$	(4,731,836)
Net Cost of Operations	\$ 498,499,741	\$	466,140,259

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2024 and 2023
(in dollars)

	2024		Consolidated Totals
	Funds from Dedicated Collections Consolidated (Note 11)	Funds from Other than Dedicated Collections Consolidated	
Unexpended Appropriations:			
Beginning Balances	\$ -	\$ 63,400,445	\$ 63,400,445
Adjustments	\$ -	\$ -	\$ -
Beginning Balances, as Adjusted	-	63,400,445	63,400,445
Appropriations Received (Note 9)	-	455,000,000	455,000,000
Other Adjustments	-	(4,178,634)	(4,178,634)
Appropriations Used	-	(467,461,607)	(467,461,607)
Net Change in Unexpended Appropriations	-	(16,640,241)	(16,640,241)
Total Unexpended Appropriations	\$ -	\$ 46,760,204	\$ 46,760,204
Cumulative Results of Operations:			
Beginning Balances	3,292,696	(23,900,846)	(20,608,150)
Adjustments	-	-	-
Beginning Balances, as Adjusted	\$ 3,292,696	\$ (23,900,846)	\$ (20,608,150)
Appropriations Used	-	467,461,607	467,461,607
Imputed Financing (Note 12)	-	31,579,150	31,579,150
Net Cost of Operations	1,300,208	(499,799,949)	(498,499,741)
Net Change in Cumulative Results of Operations	1,300,208	(759,192)	541,016
Total Cumulative Results of Operations	\$ 4,592,904	\$ (24,660,038)	\$ (20,067,134)
Net Position	\$ 4,592,904	\$ 22,100,166	\$ 26,693,070

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2024 and 2023
(in dollars)

	2023		
	Funds from Dedicated Collections Consolidated (Note 11)	Funds from Other than Dedicated Collections Consolidated	Consolidated Totals
Unexpended Appropriations:			
Beginning Balances	\$ -	\$ 56,110,073	\$ 56,110,073
Adjustments	\$ -	\$ 1,639	\$ 1,639
Beginning Balances, as Adjusted	-	56,111,712	56,111,712
Appropriations Received (Note 9)	-	455,000,000	455,000,000
Other Adjustments	-	(4,186,785)	(4,186,785)
Appropriations Used	-	(443,524,482)	(443,524,482)
Net Change in Unexpended Appropriations	-	7,288,733	7,288,733
Total Unexpended Appropriations	\$ -	\$ 63,400,445	\$ 63,400,445
Beginning Balances	2,581,804	(26,465,855)	(23,884,051)
Adjustments	-	798,361	798,361
Beginning Balances, as Adjusted	\$ 2,581,804	\$ (25,667,494)	\$ (23,085,690)
Appropriations Used	-	443,524,482	443,524,482
Imputed Financing (Note 12)	-	25,093,317	25,093,317
Net Cost of Operations	710,892	(466,851,151)	(466,140,259)
Net Change in Cumulative Results of Operations	710,892	1,766,648	2,477,540
Total Cumulative Results of Operations	\$ 3,292,696	\$ (23,900,846)	\$ (20,608,150)
Net Position	\$ 3,292,696	\$ 39,499,599	\$ 42,792,295

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
COMBINED STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	\$ 19,825,962	\$ 13,519,838
Appropriations (Discretionary and Mandatory)	455,000,000	455,000,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	7,625,776	4,722,236
Total Budgetary Resources	<u>\$ 482,451,738</u>	<u>\$ 473,242,074</u>
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total) (Note 10)	\$ 461,214,152	\$ 459,113,664
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	4,150,483	3,391,541
Unexpired Unobligated Balance, End of Year (Note 2)	\$ 4,150,483	\$ 3,391,541
Expired Unobligated Balance, End of Year	\$ 17,087,103	\$ 10,736,869
Unobligated Balance, End of Year (Total)	<u>\$ 21,237,586</u>	<u>\$ 14,128,410</u>
Total Budgetary Resources	<u>\$ 482,451,738</u>	<u>\$ 473,242,074</u>
Outlays, Net:		
Outlays, Net (Total) (Discretionary and Mandatory)	\$ 463,293,124	\$ 445,959,796
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 463,293,124</u>	<u>\$ 445,959,796</u>

The accompanying notes are an integral part of these statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2024, and 2023
(in dollars)

1) Summary of Significant Accounting Policies

a) *Reporting Entity*

The U.S. Equal Employment Opportunity Commission (EEOC or agency) was created by Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e, *et seq.*) as amended by the Equal Employment Opportunity Act of 1972 (Public Law 92261) and became operational on July 2, 1965. Title VII requires that the Commission be composed of five members, not more than three of whom shall be of the same political party. The members are appointed by the President, by and with the consent of the Senate, for a term of 5 years. The President designates one member to serve as Chair and one member to serve as Vice Chair. The General Counsel is also appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.

In addition, based on the EEOC Education Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411), the EEOC is authorized to charge and receive fees to offset the costs of education, technical assistance, and training.

The EEOC enforces federal laws that prohibit employment discrimination based on race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability, age (40 or older), and genetic information. These laws cover federal agencies, most private employers, state and local governments (excluding elected or appointed officials), employment agencies, and most labor organizations. The EEOC carries out its mission through enforcement, outreach, education, and the provision of technical assistance.

b) *Basis of Presentation*

These financial statements have been prepared to report the consolidated financial position, net cost of operations, changes in net position, and budgetary resources of the EEOC, consistent with the Chief Financial Officers' Act of 1990 (CFO Act) and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of the EEOC in accordance with generally accepted accounting principles (GAAP) and the form and content requirements of the Office of Management and Budget (OMB) Circular No. A-136, and the EEOC's accounting policies, which are summarized in this note. All intra-agency transactions and balances have been eliminated, except in the Statement of Budgetary Resources, which is presented on a combined basis, as required by OMB Circular No. A-136. These consolidated financial statements present proprietary information while other financial reports also prepared by the EEOC pursuant to OMB directives are used to monitor and control the EEOC's use of federal budgetary resources.



c) ***Basis of Accounting***

The EEOC's integrated Oracle Federal Financials (OFF) uses Oracle, which has funds control, management accounting, and a financial reporting system designed specifically for federal agencies.

Financial transactions are recorded in the financial system, using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability occurs without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the accrual basis of accounting in that obligations are recognized when new orders are placed, contracts are awarded, or services are received that will require payments during the same or future periods.

d) ***Revenues, User Fees, and Financing Sources***

The EEOC receives the majority of the funding needed to support its programs through congressional appropriations. Financing sources are received in annual and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Appropriations used are recognized as an accrual-based financing source when expenses are incurred, or assets are purchased.

The EEOC also has a permanent, indefinite appropriation. These additional funds are obtained through fees charged to offset costs for education, training and technical assistance provided through the revolving fund. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance, and training by the EEOC. Revenue is recognized as earned when the services have been rendered.

An imputed financing source is recognized to offset costs incurred by the EEOC and funded by another federal source, in the period in which the cost was incurred. The types of costs offset by imputed financing are: (1) employees' pension benefits; (2) health insurance, life insurance and other post-retirement benefits for employees; and (3) losses in litigation proceedings.

e) ***Assets and Liabilities***

Assets and liabilities presented on the EEOC's balance sheets include both entity and non-entity balances. Entity assets are assets that the EEOC has authority to use in its operations. Non-entity assets are held and managed by the EEOC but are not available for use in operations. The EEOC's non-entity assets represent receivables that, when collected will be transferred to the U.S. Treasury.

Intragovernmental assets and liabilities arise from transactions between the EEOC and other federal entities. All other assets and liabilities result from activity with non-federal entities.

Liabilities covered by budgetary or other resources are those liabilities of the EEOC for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. 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.



f) *Fund Balance with the U.S. Treasury*

Fund Balances with the U.S. Treasury are fund balances remaining as of the fiscal year-end from which the EEOC is authorized to make expenditures and pay liabilities resulting from operational activity, except as restricted by law. The balance consists primarily of appropriated undelivered orders, accounts payables, unavailable balances, and deposit funds that will be disbursed to third parties. The EEOC records and tracks appropriated funds in its general funds. Also included in Fund Balance with the U.S. Treasury are fees collected for services which are recorded and accounted for in the EEOC's revolving fund.

g) *Accounts Receivable*

Accounts receivable consists of amounts owed to the EEOC by other federal agencies and from the public. Intragovernmental accounts receivable represents amounts due from other federal agencies. Amounts due from federal agencies are considered fully collectible.

Accounts receivable from non-federal agencies are stated net of an allowance for estimated uncollectible amounts. All public receivables, collectible in their entirety, become due upon the receipt of a due process notice. Although the allowance is determined by the age of the receivable for financial statement reporting, the actual allowance is determined by considering the debtor's current ability to pay, their payment record and willingness to pay and an analysis of aged receivable activity. The estimated allowance for accounts receivable is computed as follows: Accounts receivable between 365 days and 720 days old are computed at 50% and those older than 720 days are calculated at 100%.

h) *Property, Plant, and Equipment*

Property, plant, and equipment consist of equipment, leasehold improvements, and capitalized software. There are no restrictions on the use or convertibility of property, plant, and equipment.

For property, plant, and equipment, the EEOC capitalizes equipment (including capital leases), with a useful life of more than 2 years and an acquisition cost of \$100,000 or more. Leasehold improvements and capitalized software are capitalized when the useful life is 2 years or more and the acquisition cost is at least \$200,000.

Expenditures for normal repairs and maintenance for capitalized equipment and capitalized leases are charged to expense as incurred unless the expenditure is equal to or greater than \$100,000 and the improvement increases the asset's useful life by more than 2 years. For leasehold improvements and capitalized software, the amount must be greater than \$200,000 and the improvements increase the asset life by more than 2 years.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful life ranging from 5 to 15 years. Copiers are depreciated using a 5-year life. Computer hardware is depreciated over 10 to 12 years. Capitalized software is amortized over a useful life of 2 years. Amortization of capitalized software begins on the date it is put in service, is purchased, or when the module or component has been successfully tested if developed internally. Leasehold improvements are amortized over the remaining life of the lease.

The EEOC leases the majority of its office space from the General Services Administration. The lease costs approximate commercial lease rates for similar properties.



i) *Advances and Prepaid Expenses*

Amounts advanced to EEOC employees for travel are recorded as an advance until the travel is completed and the employee accounts for travel expenses.

Expenses paid in advance of receiving services are recorded as a prepaid expense until the services are received.

j) *Accrued Annual, Sick and Other Leave, and Compensatory Time*

Annual leave, compensatory time and other leave time, along with related payroll costs, are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. Sick leave is not accrued when earned, but rather expensed when taken.

k) *Retirement Benefits*

EEOC employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after September 30, 1983 are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security or remain in CSRS.


For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 5% of pay. FERS and CSRS employees can contribute \$23,000 of their gross earnings to the plan, for the calendar year 2024 and \$22,500 in calendar year 2023. However, CSRS employees receive no matching agency contribution. There is also an additional \$7,500 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2024 and \$7,500 for the calendar years 2023.

The EEOC recognizes the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by SFFAS No. 5, Accounting for Liabilities of the Federal Government. Full costs include pension and ORB contributions paid out of EEOC appropriations and costs financed by the U.S. Office of Personnel Management (OPM). The amount financed by OPM is computed based on OPM guidance and recognized as an imputed financing source and benefit program expense. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program (FEHB) and the Federal Employees Group Life Insurance Program (FEGLI) are reported by OPM rather than the EEOC.

l) *Workers' Compensation*

A liability is recorded for estimated future payments to be made for workers' compensation pursuant to the Federal Employees' Compensation Act (FECA). The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from federal agencies employing the claimants. Reimbursements to the DOL on payments made occur approximately 2 years subsequent to the actual disbursement. Budgetary resources for this intra-governmental liability are made available to the EEOC as part of its annual appropriation from Congress in the year that reimbursement to the DOL takes place. A liability is recorded for actual un-reimbursed costs paid by DOL to recipients under FECA.



Additionally, an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases is recorded, as well as a component for claims that have been incurred but have not yet been reported. The EEOC computes this estimate using a DOL-provided model for non-CFO Act agencies that uses actual benefit payments for the EEOC from the past 9 to 12 quarters to project these future payments. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a noncurrent liability.

m) *Contingent Liabilities*

Contingencies are recorded when losses are probable, and the cost is measurable. When an estimate of contingent losses includes a range of possible costs, the most likely cost is reported, but where no cost is more likely than any other, the lowest possible cost in the range is reported.

n) *Amounts Collected for Restitution*

The courts directed an individual to pay amounts to the EEOC as restitution to several claimants named in a court case. These monies will be paid to claimants as directed by the courts.

o) *Cost Allocations to Programs*

Costs associated with the EEOC's various programs consist of direct costs consumed by the program, including personnel costs, and a reasonable allocation of indirect costs. The indirect cost allocations are based on actual payroll amount devoted to each program from information provided by EEOC employees.

p) *Unexpended Appropriations*

Unexpended appropriations include the unobligated balances and undelivered orders of the EEOC's appropriated spending authority as of the fiscal year-end that has not lapsed or been rescinded or withdrawn.

q) *Income Taxes*

As an agency of the federal government, the EEOC is exempt from all income taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government.

r) *Use of Estimates*

Management has made certain estimates and assumptions in reporting assets and liabilities and in the footnote disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include the allowance for doubtful accounts receivable, contingent liabilities, and future workers' compensation costs.

s) *New Accounting Standard*

In April 2018, the Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which among other things, requires lessees to (1) recognize operating leases as lease assets and lease liabilities on the balance sheet and (2) disclose key information about significant leasing arrangements. Management has determined that the EEOC's current leases are intragovernmental and, therefore, not subject to this new accounting standard.

2) Fund Balance with Treasury

The Department of the Treasury (Treasury) performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities.

The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be re-apportioned, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For the period ended September 30, 2024, and September 30, 2023, funds in the cancelling appropriation of \$4,178,634 and \$4,186,786 have been returned to Treasury. As of September 30, 2024, and September 30, 2023, miscellaneous receipts of \$36,421 and \$61,249 will be returned to Treasury.

The Status of Fund Balance with Treasury as of September 30, 2024, and September 30, 2023, consists of the following:

	<u>FY 2024</u>	<u>FY 2023</u>
Status of Funds		
Unobligated balance:		
Available	\$ 4,150,483	\$ 3,391,541
Unavailable	*17,087,103	*10,736,869
Obligated balance not yet disbursed	70,736,948	90,317,883
Non-budgetary Fund Balance with Treasury	48,339	46,774
Totals	<u>\$ 92,022,873</u>	<u>\$ 104,493,067</u>

*Note: Total Fund with Treasury will not equal Total Status of Fund Balance with Treasury. This is due to sequestration of \$638,000 and \$638,000 for fiscal year 2024 and fiscal year 2023, respectively.

3) Accounts Receivable, Net

Intragovernmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services.

Accounts receivable due to the EEOC from the public arise from payroll debts and revolving fund education, training and technical assistance provided to public and private entities or to state and local agencies. An analysis of accounts receivable is performed to determine collectability and an appropriate allowance for uncollectible receivables is recorded. Accounts receivable as of September 30, 2024, and September 30, 2023, are as follows:

	<u>FY 2024</u>	<u>FY 2023</u>
Intragovernmental:		
Accounts receivable (see detail below)	\$ -	\$ -
Totals	\$ -	\$ -
With the public:		
Accounts receivable	\$ 110,026	\$ 86,759
Allowance for uncollectible receivables	(32,143)	(43,240)
Totals	\$ 77,883	\$ 43,519

4) Property, Plant and Equipment, Net

Property, plant, and equipment consist of that property which is used in operations and consumed over time. The following tables summarize cost and accumulated depreciation of property, plant, and equipment. Depreciation expense for the periods ended September 30, 2024 and 2023 was \$1,495,892 and \$0, respectively.

<u>As of September 30, 2024</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 120,284	\$ (120,284)	\$ -
Capital leases	72,340	(72,340)	-
Internal use software	8,811,041	(3,532,400)	5,278,641
Leasehold improvements	11,240,209	(11,240,209)	-
Internal use software in development	603,177	-	603,177
Totals	\$ 20,847,051	\$ (14,965,233)	\$ 5,881,818

<u>As of September 30, 2023</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 120,284	\$ (120,284)	\$ -
Capital leases	72,340	(72,340)	-
Internal use software	2,036,508	(2,036,508)	-
Leasehold improvements	11,240,209	(11,240,209)	-
Internal use software in development	7,385,170	-	7,385,170
Totals	\$ 20,854,511	\$ (13,469,341)	\$ 7,385,170

5) Non-Entity Assets

The EEOC has \$0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2024, and 2023.

6) Total Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts.

Liabilities not covered by budgetary resources as of September 30, 2024, and September 30, 2023, are shown in the following table:

	<u>FY 2024</u>	<u>FY 2023</u>
Intragovernmental:		
Workers' Compensation Liability	\$ 1,695,577	\$ 1,612,058
Total Intragovernmental	1,695,577	1,612,058
Unfunded Leave	23,243,864	23,192,284
Other Deferred Revenue	433,350	28,400
Future Workers' Compensation Liability	8,075,249	8,120,379
Total liabilities not covered by budgetary resources	33,448,040	32,953,121
Total liabilities covered by budgetary resources	38,464,405	36,865,625
Total liabilities not requiring budgetary resources	48,339	46,774
Total liabilities	\$ 71,960,784	\$ 69,865,520

Liabilities Analysis

Current and non-current liabilities as of September 30, 2024, are shown in the following table:

	<u>Current</u>	<u>Non-Current</u>	<u>Totals</u>
<i>Intragovernmental</i>			
Accounts payable	\$ 141,827	\$ -	\$ 141,827
Employer contributions and payroll taxes payable	1,871,236	-	1,871,236
Other Liability	800,000	800,000	1,600,000
<i>Total Intragovernmental</i>	2,813,063	800,000	3,613,063
<i>Other than intragovernmental liabilities</i>			
Accounts payable	27,869,063	-	27,869,063
Accrued funded payroll and leave	6,722,758	-	6,722,758
Employer contributions and payroll taxes payable	259,521	-	259,521
Liabilities covered by budgetary resources	\$ 37,664,405	\$ 800,000	\$ 38,464,405
<i>Intragovernmental:</i>			
Workers' Compensation Liability	1,695,577	-	1,695,577
<i>Total Intragovernmental</i>	1,695,577	-	1,695,577
Unfunded leave	23,243,864	-	23,243,864
Deferred revenue	433,350	-	433,350
Future Workers' Compensation Liability	-	8,075,249	8,075,249

Current and non-current liabilities as of September 30, 2022, are shown in the following table (continued):

	Current	Non-Current	Totals
Liabilities not covered by budgetary resources	25,372,791	8,075,249	33,448,040
Amounts collected for restitution	48,339	-	48,339
Liabilities not requiring budgetary resources	48,339	-	48,339
Total liabilities	\$ 63,085,535	\$ 8,875,249	\$ 71,960,784

Current and non-current liabilities as of September 30, 2023, are shown in the following table:

	Current	Non-Current	Totals
<i>Intragovernmental:</i>			
Accounts payable	\$ 955,866	\$ -	\$ 955,866
Employer payroll taxes	1,522,370	-	1,522,370
Other Liability	800,000	1,600,000	2,400,000
Total Intragovernmental	3,278,236	1,600,000	4,878,236
<i>With the Public:</i>			
Accounts payable	25,722,678	-	25,722,678
Accrued payroll	6,055,988	-	6,055,988
Employer payroll taxes	208,723	-	208,723
Liabilities covered by budgetary resources	\$ 35,265,625	\$ 1,600,000	\$ 36,865,625
<i>Intragovernmental:</i>			
Workers' Compensation Liability	1,612,058	-	1,612,058
Total Intragovernmental	1,612,058	-	1,612,058
Accrued annual leave	23,192,284	-	23,192,284
Deferred revenue	28,400	-	28,400
Future Workers' Compensation Liability	-	8,120,379	8,120,379
Liabilities not covered by budgetary resources	24,832,742	8,120,379	32,953,121
Amounts collected for restitution	46,774	-	46,774
Liabilities not requiring budgetary resources	46,774	-	46,774
Total liabilities	\$ 60,145,141	\$ 9,720,379	\$ 69,865,520

7) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases as of September 30, 2024, and 2023 are \$33,404,668 and \$33,564,175 respectively. The EEOC does not have any noncancelable operating leases with terms longer than one year.

8) Earned Revenue

The EEOC charges fees to offset costs for education, training, and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The EEOC also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the EEOC as of September 30, 2024, and September 30, 2023, is as follows:

	<u>FY 2024</u>	<u>FY 2023</u>
Reimbursable revenue	\$ 163,369	\$ 100,967
Fees from services	<u>7,057,457</u>	<u>4,630,869</u>
Total Revenue	<u>\$ 7,220,826</u>	<u>\$ 4,731,836</u>

9) Appropriations Received

Warrants received by the EEOC as of September 30, 2024, and September 30, 2023, are:

	<u>FY 2024</u>	<u>FY 2023</u>
Warrants/Continuing Resolution received	<u>\$ 455,000,000</u>	<u>\$ 455,000,000</u>

The EEOC received no warrant reductions for fiscal years 2024 and 2023.

10) New Obligations and Upward Adjustments

Direct and Reimbursable new obligations, by apportionment category, incurred as of September 30, 2024, and September 30, 2023, are:

	<u>FY 2024</u>	<u>FY 2023</u>
Obligations		
Direct A	\$ 427,409,975	\$ 423,075,445
Direct B	<u>28,435,154</u>	<u>30,871,961</u>
Subtotal Direct Obligations	455,845,129	453,947,406
Reimbursable — Direct A	<u>5,369,023</u>	<u>5,166,258</u>
Total New Obligations and Upward Adjustments	<u>\$ 461,214,152</u>	<u>\$ 459,113,664</u>

11) Funds from Dedicated Collections (Permanent Indefinite Appropriations)

The EEOC has permanent, indefinite appropriations from fees earned from services provided to the public and to other federal agencies. These fees are charged to offset costs for education, training, and technical assistance provided through the revolving fund. This fund is a fund from dedicated collections and is accounted for separately from the other funds of the agency. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance, and training by the EEOC. Revenue is recognized as earned when the services have been rendered by the EEOC.

	<u>FY 2024</u>	<u>FY 2023</u>
ASSETS		
Fund balance with Treasury	\$ 5,403,922	\$ 3,390,126
TOTAL ASSETS	\$ 5,403,922	\$ 3,390,126
LIABILITIES		
Accounts payable	377,668	69,030
Deferred Credits	433,350	28,400
TOTAL LIABILITIES	\$ 811,018	\$ 97,430
NET POSITION		
Cumulative results of operations	4,592,904	3,292,696
TOTAL LIABILITIES AND NET POSITION	\$ 5,403,922	\$ 3,390,126

Statements of Net Cost

Program Costs	5,757,250	3,919,977
Revenue	(7,057,457)	(4,630,869)
Net Cost (Revenue)	\$ (1,300,207)	\$ (710,892)

12) Imputed Financing

The Judgment Fund was established by the Congress and codified at 31 U.S.C. §1304. The Judgment Fund is a permanent, indefinite appropriation available to pay final money judgments and awards against the United States. The Judgment Fund is also available to pay compromise settlements entered by the U.S. Department of Justice related to actual or imminent litigation, but only if a judgment on the merits in that litigation would be payable from the Judgment Fund. This report reflects certain payments made by the Judgment Fund for both enforcement litigation conducted by the EEOC itself, and also defensive litigation where the EEOC was a party and represented by the Department of Justice.

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2024 and September 30, 2023 consisted of:

	<u>FY 2024</u>	<u>FY 2023</u>
Judgment Fund	\$ 690,026	\$ -
Office of Personnel Management:		
Pension expenses	13,947,124	8,039,784
Federal employees health benefits (FEHB)	16,897,105	17,012,190
Federal employees group life insurance (FEGLI)	44,895	41,343
Total Imputed Financing	\$ 31,579,150	\$ 25,093,317

13) Undelivered Orders at the End of the Period

The undelivered orders at the end of the period consists of the following:

	<u>FY 2024</u>	<u>FY 2023</u>
Unpaid:		
Federal	\$ 11,130,930	\$ 16,348,531
Non-Federal	22,741,612	39,503,727
Paid:		
Federal	33,280	98,059
Totals	<u>\$ 33,905,822</u>	<u>\$ 55,950,317</u>


14) Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

Information from the President’s Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2023, is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2024, since the President’s Budget for this period has not been issued by Congress.

The differences between the President’s 2023 budget and the Combined Statement of Budgetary Resources for 2023 are shown below:

FY 2023 (Dollars in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 473	\$ 459	-	\$ 446
Revolving Fund Collections and Obligations	\$ (5)	\$ (5)	-	\$ 1
Carry-forwards and Recoveries	\$ (14)	\$ (2)	-	-
Rounding Differences	\$ 1	-	-	-
Budget of U.S. Government	\$ 455	\$ 452	-	\$ 447

- a) The EEOC’s revolving fund provides training and charges fees to offset the cost. The collections are reported on the Combined Statement of Budgetary Resources as a part of total budgetary resources but are not reported in the President’s Budget.
- b) The obligations incurred by the revolving fund and no-year fund are not a part of the President’s Budget but are included in total obligations incurred in the Combined Statement of Budgetary Resources.
- c) Revolving funds and no-year funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Combined Statement of Budgetary Resources but are not included in the President’s Budget.
- d) Expired funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Combined Statement of Budgetary Resources until they are canceled but are not included in the President’s Budget.

- 
- e) New obligations in expired funds are shown as a part of obligations incurred on the Combined Statement of Budgetary Resources but are not included in the President's Budget.
 - f) Canceled appropriations are not shown in the President's Budget but are reported as a reduction to resources in the Combined Statement of Budgetary Resources.
 - g) Difference due to rounding by millions.

15) Reconciliation of Net Cost to Net Outlays

The new reconciliation, referred to as the Budget and Accrual Reconciliation (BAR), requires a reconciliation of the net outlays on a budgetary basis and the net cost of operations during the period.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

BUDGET AND ACCRUAL RECONCILIATION

For the Years Ended September 30, 2024 and 2023
(in dollars)

	FY 2024		
	Intragovernmental	With the public	Total FY 2024
NET COST	\$ 158,298,579	\$ 340,201,162	\$ 498,499,741
Components of Net Cost That Are Not Part of Net Outlays			
PP&E depreciation		(1,495,892)	(1,495,892)
Other	-	(59,039)	(59,039)
Increase/(decrease) in assets:			
Accounts receivable	-	34,364	34,364
Other assets	-	(64,779)	(64,779)
Increase/(decrease) in liabilities:			
Accounts payable	814,039	(2,146,385)	(1,332,346)
Salaries and benefits	(348,867)	(717,569)	(1,066,436)
Other liabilities (Unfunded leave, Workers' Compensation, Future Workers' Compensation)	-	356,661	356,661
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(31,579,150)	-	(31,579,150)
Transfers out (in) without reimbursement	-	-	-
Total Components of Net Cost That Are Not Part of Net Outlays	\$ (31,113,978)	\$ (4,092,639)	\$ (35,206,617)
Total Components of Net Outlays That Are Not Part of Net Cost	-	-	-
Other Temporary Timing Differences	-	-	-
NET OUTLAYS	\$ 127,184,601	\$ 336,108,523	\$ 463,293,124

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

BUDGET AND ACCRUAL RECONCILIATION

For the Years Ended September 30, 2024 and 2023
(in dollars)

	FY 2023		
	Intragovernmental	With the public	Total FY 2023
NET COST	\$ 153,969,692	\$ 312,170,567	\$ 466,140,259
Components of Net Cost That Are Not Part of Net Outlays			
Other	-	822,418	822,418
Increase/(decrease) in assets:			
Accounts receivable	-	(14,701)	(14,701)
Other assets	-	88,059	88,059
Increase/(decrease) in liabilities:			
Accounts payable	52,620	3,558,792	3,611,412
Salaries and benefits	(154,436)	(413,244)	(567,680)
Other liabilities (Unfunded leave, Workers' Compensation, Future Workers' Compensation)	-	1,773,346	1,773,346
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(25,093,317)	-	(25,093,317)
Transfers out (in) without reimbursement	-	-	-
Total Components of Net Cost That Are Not Part of Net Outlays	\$ (25,195,133)	\$ 5,814,670	\$ (19,380,463)
Total Components of Net Outlays That Are Not Part of Net Cost	-	-	-
Other Temporary Timing Differences	(800,000)	-	(800,000)
NET OUTLAYS	\$ 127,974,559	\$ 317,985,237	\$ 445,959,796

OTHER INFORMATION



SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Lack of Sufficient Control over Financial Management	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)

Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Financial Reporting	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)

Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Operations	0	0	0	0	0	0

Conformance with Federal Financial Management System Requirements (FMFIA § 4)

Statement of Assurance	Federal Systems conform, except for instances of non-conformance					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)

	Agency	Auditor
1. Federal Financial Management System Requirements	N/A	N/A
2. Applicable Federal Accounting Standards	N/A	N/A
3. USSGL at Transaction Level	N/A	N/A

INSPECTOR GENERAL'S STATEMENT



Office of
Inspector General

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Washington, D.C. 20507

FY 2025 Management Challenges

BACKGROUND

In accordance with the Reports Consolidation Act of 2000, the U.S. Equal Employment Opportunity Commission (EEOC or Agency), Office of Inspector General (OIG) is required to report in the EEOC's Agency Financial Report what it has determined to be the most serious management and performance challenges facing the Agency. This statement provides our views on the Agency's challenges for fiscal year (FY) 2025.

MANAGEMENT CHALLENGES

In the OIG's FY 2024 management challenges statement, the OIG identified three significant challenges that faced the Agency: 1) Customer Service, 2) Data Modernization and Transformation, and 3) Digital Records Management. The first two challenges remain management challenges for the Agency. The third challenge, digital records management, in our opinion, has been sufficiently addressed and remediated by the Office of Legal Counsel and is no longer considered as a challenge for the Agency. In FY 2025, the Agency should continue to perform its due diligence to ensure that the digital records management program is allocated the necessary resources to maintain its current level of effectiveness and efficiency.

Customer Service

The Agency has made progress regarding improving the customer service experience for its stakeholders; however, much work remains.

The December 2021 Executive Order issued by President Biden highlights the importance of using technology to improve customer experience and service delivery.¹ The Executive Order underscored that every interaction between the Government and the public is an opportunity "to deliver the level of service that the public expects and deserves."

The OIG has issued several reports that centered around the Agency's private sector customer service practices and use of technology to improve the customer service experience that EEOC provides its stakeholders. In FY 2024 the Agency began to implement two key recommendations: 1) the creation of a customer service plan, and 2) making customer service standards available to the public. Completion of these tasks should greatly enhance the Agency's private sector customer service.

¹ President Joseph Biden, Executive Order 14058, Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government, December 13, 2021.

Additionally, in response to our recommendations in the customer services portal evaluation, the Agency implemented several recommendations in FY 2024 to improve portal performance and provide a more seamless digital experience; however, four recommendations remain outstanding, including one that addresses accessibility issues on the existing portal. Finally, during our interview with EEOC's senior management, a concern was raised regarding the Agency's ability to maintain its progress in upgrading technology that could directly affect its ability to enhance EEOC's portal experience due to potential FY 2025 staffing and funding shortages.

While progress has been made regarding private sector customer service and improved technology that should enhance stakeholder experience, it is important for the Agency to continue supporting its senior managers with the necessary resources to continue its customer service efforts.

Data and Technology Transformation and Modernization

The EEOC should continue its work regarding digital transformation to meet the Agency's future data information and technology needs. This is a critical step towards providing Agency senior managers with complete, concise, and accurate information that can assist in making mission-critical decisions. EEOC's current Strategic Plan stated that the Agency strives to improve the use of technology and innovation in mission-critical areas.

One of EEOC's primary data and technology transformation and modernization endeavors is the ongoing work to replace its aging mission-critical information system, the Integrated Mission System (IMS), with the Agency Records Center (ARC). In FY 2024, the Agency made significant strides in replacing IMS. However, there remains additional work to fully implement ARC, such as transitioning the federal sector to ARC.

In January 2023, the OIG issued an evaluation report on EEOC's digital process transformation and automation efforts in which we found that five of the six digital elements assessed (i.e., Strategy, Organization and Culture, Customer, Operations, and Data digital elements) were in early or developing stages and are in need of substantial improvements.² By implementing two of the recommendations in FY 2024, EEOC made progress in its data and technology transformation and modernization efforts. However, additional work remains to remediate the outstanding seven recommendations that will help improve EEOC's digital transformation. These include piloting digital projects; developing a Data Analytics Plan, an Organizational Communication Strategy, and a Target-State Architecture Plan; as well as, coordinating the decommissioning of outdated technologies and online content.

Finally, we noted last year the use of artificial intelligence (AI) as a potential technological enhancement that could aid the Agency in decision-making and improve customer service. The

² EEOC OIG, *Digital Process Transformation and Automation (DPTA) Evaluation*, Evaluation Report 2021-002-EOIG (January 2023), oig.eeoc.gov/node/630.

The OIG contractor found that the sixth digital element, Technology, was in the *maturing* stage.

Agency has since made progress by appointing a new Chief AI Officer, hiring a Presidential Innovation Fellow on AI, and exploring the use of an AI tool to replace an existing service. While the implementation of AI is not formally a management challenge, we encourage the Agency to continue to explore and evaluate how AI could help the Agency attain its mission and improve performance.

Respectfully submitted,

A handwritten signature in black ink, reading "JT Willoughby". The initials "JT" are written in a large, bold, cursive style, followed by the name "Willoughby" in a more fluid, cursive script.

Joyce T. Willoughby
Inspector General

PAYMENT INTEGRITY

Payment Integrity means ensuring payments made to people on behalf of the government are managed correctly to minimize the likelihood of errors.

The Payment Integrity Information Act of 2019 (PIIA), repealed the Improper Payments Information Act (IPIA) of 2002, the Improper Payments Elimination and Recovery Act (IPERA) of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), and the 2015 Fraud Reduction and Data Analytics Act (FRDAA). PIIA requires agencies to review all programs and activities and identify those which may be susceptible to significant erroneous payments. For all programs and activities in 2024 where the risk of improper payments is significant, agencies are required to estimate the annual amount of improper payments in the susceptible programs and activities. OMB requires agencies to report the results of their improper payment activities. PIIA also requires agencies to perform a payment recapture or recovery audit on all programs with annual expenditures of \$1 million or more if conducting the audits would be more cost effective.

OMB Memorandum M-21-19 prescribes guidance for agencies to use in implementing PIIA. OMB guidance defines "significant improper payments," for fiscal year 2024 reporting, as those in any particular program or activity that exceed both 1.5% of program outlays and \$10 million of all program or activity payments made during the fiscal year (\$100 million regardless of the improper payment percentage of total program outlay). In addition, the OMB guidance addresses implementing payment recapture audits, for programs and activities that expend \$1 million or more annually, provided it is cost-effective to do so. In accordance with the OMB guidance, the EEOC reviewed its programs and activities and determined that none of the agency's programs or activities was susceptible to making significant improper payments and that the implementation of a payment recapture audit would not be cost-effective. The EEOC has provided information to fulfill reporting requirements under the Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) (PIIA) to OMB. Comprehensive agency improper payment data and information can be found on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

The EEOC is cross-serviced by the Department of Interior (DOI), Interior Business Center (IBC) for accounting system support and accounts payable processing. As a result, the implementation of the Do Not Pay (DNP) Initiative is a joint responsibility between the EEOC and IBC. Prior to making a new contract award, the EEOC checks the System for Award Management (SAM) and the Excluded Parties List System (EPLS) for a match. If there is no match, the EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies the EEOC's entire new employee and non-federal vendor requests against the Department of Treasury's DNP database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, the EEOC is notified. The EEOC reviews the match, determines if the payment is proper, and reports the result.

During 2023, the EEOC PIIA Pay and Benefits Program was found noncompliant for failure to publish information in the annual financial statement, to conduct a risk assessment, and to conclude whether the program is likely to make Improper or Unknown Payments above or below the statutory threshold. As a result, the agency has taken several measures to ensure compliance with PIIA. An agency-wide PIIA policy was implemented in December 2023. The policy identified an agency-wide office responsible for PIIA compliance and provides guidance on assessing programmatic risks for improper payments and preparing/reviewing reported payment integrity information.

Based on the results of fiscal year 2024 Pay and Benefits risk assessment, and transaction testing applied to a sample of payments, consideration of risk factors, and reliance on the internal controls in place over the payment process, the EEOC determined that none of its programs and activities are susceptible to significant improper or unknown payments at or above the threshold levels set by OMB.

The EEOC will conduct another review in fiscal year 2025 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, the EEOC will assess program risk susceptibility and make a statistically valid estimate of improper payments for any programs determined to be susceptible to significant erroneous payments.

RECAPTURE OF IMPROPER PAYMENTS

The EEOC does not administer grant, benefit, or loan programs. Because the definition of payment in the new PIIA legislation means any payment or transfer of federal funds to any non-federal person or entity or a federal employee, the EEOC is not required to review, and has not reviewed, intragovernmental transactions.

The EEOC has determined that implementing a payment recapture audit program is not cost-effective. That is, the benefits or recaptured amounts associated with implementing and overseeing the program do not exceed the costs, including staff time and resources, or payments to a contractor for implementation, of a payment recapture audit program. In making this determination, the EEOC considered its low improper payment rate based on testing conducted in fiscal year 2024. The EEOC also considered whether sophisticated software and other cost-efficient matching techniques could be used to identify significant overpayments at a low cost per overpayment, or if labor intensive manual reviews of paper documentation would be required. In addition, the EEOC considered the availability of tools to efficiently perform the payment recapture audit and minimize payment recapture audit costs and determined that such tools were not cost effective.

The EEOC will continue to monitor its improper payments across all programs and activities that it administers and assess whether implementing payment recapture audits for each program is cost-effective. If through future risk assessments the agency determines a program is susceptible to significant improper payments and implementing a payment recapture program may be cost-beneficial, the EEOC will implement a pilot payment recapture audit to measure the likelihood of cost-effective payment recapture audits on a larger scale.

Even though the EEOC has determined that implementing a payment recapture audit program for its programs is not cost-effective, the agency strives to recover any overpayments identified through other sources, such as payments identified through statistical samples conducted under the PIIA.

FRAUD REDUCTION REPORT

The agency has complied with the Payment Integrity Information Act of 2019 throughout fiscal year 2024.

In fiscal year 2024, EEOC reviewed internal controls to ensure the integrity of its programs, operations, and business and financial systems. This effort increased focus on risk management. The agency conducted a risk assessment to identify risks and fraud vulnerabilities. The agency followed a risk-based approach in assessing agency risks and developed controls to mitigate those risks. The assessment includes the identification of risk; determining the likelihood and impact of the risk; developing risk mitigation strategies; and communicating the risk information to related offices. Through adequate risk management, the agency concentrated its efforts on key points of vulnerability to reduce or eliminate the potential for disruptive events. The agency also assessed the agency's internal controls environment to ensure reasonable assurance that the objectives of the agency will be achieved.

This risk management process provides a logical and systematic method for establishing the context for risks, as well as identifying, analyzing, evaluating, responding to, monitoring, and communicating them in a way that will allow EEOC to make decisions and respond to risks and opportunities as they arise. This approach promotes comparability and a shared understanding of information and analysis in the decision process and facilitates a better risk management structure and risk-informed decision making.

The EEOC continues its proactive approach to addressing fraud risk. Fraud risk was addressed in the development of the annual assurance statement. The internal control review addressed the 5 Components and 17 Principles of Internal Control. Program reviews are conducted annually.

The financial and administrative controls are listed below:

Functional Area	Supervisory Review	Risk Assessment
Travel	Day to day controls established and maintained by management to ensure travel system integrity and compliance with federal travel regulations.	Non-compliance with federal regulations.
Contracts and Simplified Acquisition (Purchase Card Program)	Purchase orders and competitive contracts authorized by headquarters Contracting Officer. Contracting Officer approves procurement authorization for purchase card holders.	Employees assigned as approving officials are not authorized.
Disbursements, Receivables, General Ledger, Payables and Debt Collections, Payroll Processing.	Financial reports are consistently reviewed and analyzed.	Amounts recorded in the general ledger are not accurate and valid.
Records, Space, Property, Vehicle, Printing and Mail Management	Requests are required to be reviewed and authorized.	Requests are not properly authorized.

Financial and administrative controls were implemented to ensure alignment to meet these goals. EEOC strategies for developing an Enterprise Risk Management (ERM) capability provide a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. ERM provides the EEOC with a means to align strategy, processes, people, technology, and knowledge for the purpose of evaluating and managing uncertainties in executing our unique mission. A consistent approach to risk management across the organization is essential for EEOC leaders to identify and prioritize strategic risks and to prioritize competing requirements in a very restricted funding environment. ERM enables the EEOC to more effectively manage enterprise level risks, and it enables agency leaders to consider the trade-offs between risks, associated costs, and value creation across the organization.

The EEOC’s ERM handbook explains the ERM process, provides actionable steps necessary for a mature and successful ERM program, and provides a path to achieve mature and sustainable ERM activities and processes over time. By consistent use of ERM across the organization, the EEOC will be positioned to identify and assess risks within the current environment through a systematic process which evaluates the impact of risk on the EEOC’s ability to more actively achieve its mission and objectives within the limited resources available.

CIVIL MONETARY PENALTY ADJUSTMENTS FOR INFLATION

On February 16, 2024, the EEOC, in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, published a final rule in the Federal Register to adjust for inflation the civil monetary penalty for violation of the requirement that every employer, employment agency, labor organization, and joint-labor management committee controlling an apprenticeship or other training program post notices describing the pertinent nondiscrimination provisions of Title VII of the Civil Rights Act, the ADA, the ADEA, the PWFA and GINA.

Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment	Current Penalty Level	Sub-Agency/ Bureau/ Unit	Locations for Penalty Update Details
Sections 711(a) & (b) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e–10(a) & (b); 29 C.F.R. §§ 1601.30(a) & (b)	Willful Violation	1964	2024	\$680	N/A	89 Federal Register 12231 (Feb. 16, 2024)

APPENDICES



APPENDIX A: ORGANIZATION AND LAWS ENFORCED

When the EEOC first opened its doors in 1965, it was charged with enforcing the employment provisions in Title VII of the landmark Civil Rights Act of 1964. The EEOC's jurisdiction over employment discrimination now includes the following areas:

- **Title VII of the Civil Rights Act of 1964**, which prohibits employment discrimination on the basis of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), and national origin.
- **Pregnancy Discrimination Act of 1978**, which amended Title VII to clarify that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes sex discrimination and requires employers to treat female employees affected by pregnancy, childbirth, or related medical conditions the same as other employees who are similar in their ability or inability to work, with respect to terms and conditions of employment, including leave and benefits.
- **Equal Pay Act of 1963 (included in the Fair Labor Standards Act)**, which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work in the same establishment.
- **Age Discrimination in Employment Act of 1967**, which protects workers age 40 and older from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment. The ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- **Title I and Title V of the Americans with Disabilities Act of 1990**, as amended by the Americans with Disabilities Act Amendments Act of 2008, which prohibits employment discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- **Section 501 of the Rehabilitation Act of 1973**, which prohibits employment discrimination on the basis of disability in the federal government.
- **Government Employee Rights Act of 1991**, which protects certain state government employees from discrimination on the basis of race, color, religion, sex, national origin, age, or disability. Protected applicants or employees include any individual chosen or appointed by a person elected to public office in any State or political subdivision of any State to be a member of the elected official's personal or policymaking staff or to advise the official on the constitutional or legal powers of the office.
- **Title II of the Genetic Information Nondiscrimination Act of 2008**, which prohibits employment discrimination on the basis of an applicant's or employee's genetic information (including family medical history), generally prohibits acquisition of genetic information from applicants and employees and requires covered entities to keep such information confidential, with limited exceptions.
- **Lilly Ledbetter Fair Pay Act of 2009**, which overturned adverse Supreme Court precedent and restored the EEOC's long-held position on the timeliness of pay discrimination claims.
- **Pregnant Workers Fairness Act of 2022**, which requires that a covered entity provide a reasonable accommodation to a qualified worker's known limitation related to pregnancy, childbirth, or related medical conditions, absent undue hardship.

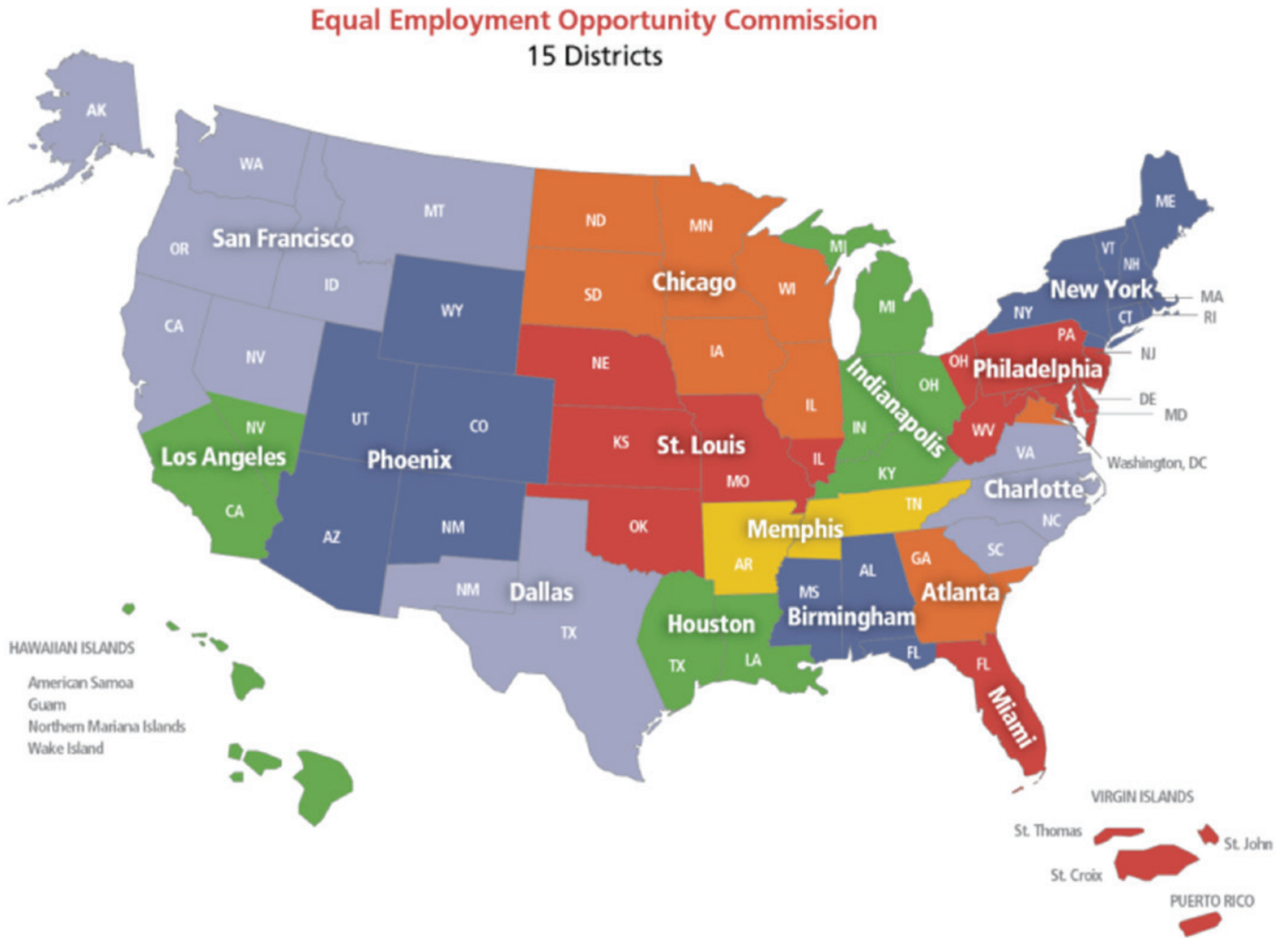
The Office of Field Programs (OFP), the Office of General Counsel (OGC), and 53 field offices, ensure that the EEOC effectively enforces the statutory, regulatory, policy, and program responsibilities of the agency through a variety of resolution methods tailored to each charge. Staff are responsible for achieving a wide range of objectives, which focus on the quality, timeliness, and appropriateness of individual, multiple victim, and systemic charges and for securing relief for workers subjected to discrimination in accordance with agency policies. Staff also counsel individuals about their rights under the laws enforced by the EEOC and conduct outreach and technical assistance programs. OGC conducts litigation in federal district courts and in the federal courts of appeals.

Additionally, through OFP's State, Local, and Tribal Program, the EEOC maintains work sharing agreements and a contract services program with 90 state and local FEPAs for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. The EEOC partners with at least 60 Tribal Employment Rights Offices (TEROs) to promote equal employment opportunity on or near Native American/Alaska Native Tribal lands.

The Office of Legal Counsel (OLC) serves as counsel to the Chair, developing policy guidance, providing technical assistance to employers and employees, and coordinating with other agencies and stakeholders regarding the statutes and regulations enforced by the EEOC. OLC also fulfills in-house counsel functions by conducting or coordinating defensive litigation on behalf of the Chair and the Commission and advising agency officials on administrative issues such as contracts, disclosures, ethics, fiscal law, and recordkeeping matters. OLC houses the agency's FOIA Division and its Records Management Division.

Through its Office of Federal Operations (OFO), the EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. This office ensures federal agency and department compliance with EEOC regulations, provides technical assistance to federal agencies concerning EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, develops and distributes federal sector educational materials and conducts training for stakeholders. It also provides guidance and assistance to EEOC administrative judges who conduct hearings on EEO complaints, but the responsibility for conducting hearings of federal sector complaints is performed in field offices under the oversight of OFP. Moreover, OFO adjudicates appeals from administrative decisions made by federal agencies on EEO complaints. The EEOC receives a congressional appropriation to fund the necessary expenses of enforcing civil rights legislation, as well as prevention, outreach, and coordination of activities within the private and public sectors. In addition, the EEOC maintains a Training Institute for technical assistance programs. These programs provide fee-based education and training relating to the laws administered by the Commission. See Appendix F for a full description of these programs.

APPENDIX B: EEOC FIELD OFFICES



For a full list of EEOC offices and a zip-code based office locator, please see: <https://www.eeoc.gov/field/index.cfm>

APPENDIX C: BIOGRAPHIES OF THE CHAIR, VICE CHAIR, COMMISSIONERS, AND GENERAL COUNSEL



Charlotte A. Burrows, Chair

Charlotte A. Burrows was designated by President Biden as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on January 20, 2021. Chair Burrows was first nominated to serve as a Commissioner of the EEOC in 2014 and unanimously confirmed for a second term in 2019. She was re-nominated by President Biden on June 21, 2023 and confirmed on November 8, 2023 to a third term expiring July 1, 2028.

For more information about Chair Burrows, please see: www.eeoc.gov/charlotte-burrows-chair.



Jocelyn Samuels, Vice Chair

Jocelyn Samuels was designated by President Biden as Vice Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on January 20, 2021. Vice Chair Samuels was initially nominated to serve as a Commissioner of the EEOC in 2020 and then re-nominated in 2021. On July 14, 2021, the U.S. Senate confirmed her to a second term ending July 1, 2026.

For more information about Vice Chair Samuels, please see:

<https://www.eeoc.gov/jocelyn-samuels-vice-chair>.



Keith E. Sonderling, Commissioner*

Keith E. Sonderling was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2019 and was confirmed by the U.S. Senate on September 22, 2020, for a term expiring July 1, 2024.

** Commissioner Sonderling's term expired on July 1, 2024. He remained in hold-over status until August 30, 2024.*



Andrea R. Lucas, Commissioner

Andrea R. Lucas was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2020 and was confirmed by the U.S. Senate on September 22, 2020, for a term expiring July 1, 2025.

For more information about Commissioner Lucas, please see:

<https://www.eeoc.gov/andrea-r-lucas-commissioner>.



Kalpana Kotagal, Commissioner

Kalpana Kotagal was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2022 and was confirmed by the U.S. Senate on July 13, 2023, for a term expiring July 1, 2027.

For more information about Commissioner Kotagal, please see:

<https://www.eeoc.gov/kalpana-kotagal-commissioner>.

APPENDIX C: BIOGRAPHIES OF THE CHAIR, VICE CHAIR, COMMISSIONERS, AND GENERAL COUNSEL (CONTINUED)



Karla Gilbride, General Counsel

Karla Gilbride was nominated to serve as the General Counsel of the U.S. Equal Employment Opportunity Commission (EEOC) in 2023 and was confirmed by the U.S. Senate on October 17, 2023, for a term expiring in 2027.

For more information about General Counsel Gilbride, please see:

<https://www.eeoc.gov/karla-gilbride-general-counsel>.

APPENDIX D: GLOSSARY OF ACRONYMS

ADA Americans with Disabilities Act of 1990	GAAP Generally Accepted Accounting Principles
ADEA Age Discrimination in Employment Act of 1967	GERA Government Employee Rights Act of 1991
ADR Alternative Dispute Resolution	GINA Genetic Information Nondiscrimination Act of 2008
AFR Agency Financial Report	GSA General Services Administration
APP Annual Performance Plan	IBC Interior Business Center
APR Annual Performance Report	IMS Integrated Mission System
ARC Agency Records Center	IPERA Improper Payments Elimination and Recovery Act of 2010
CSRS Civil Service Retirement System	IPERIA Improper Payments Elimination and Recovery Improvement Act of 2012
CST Customer Specific Training	IPIA Improper Payments Information Act of 2022
DNP Do Not Pay	MD&A Management Discussion and Analysis
DOI Department of Interior	NPRM Notice of Proposed Rulemaking
DOL Department of Labor	OCLA Office of Communications and Legislative Affairs
EEO Equal Employment Opportunity	OEDA Office of Enterprise Data and Analytics
EEOC U.S. Equal Employment Opportunity Commission	OFF Oracle Federal Financials
EPA Equal Pay Act of 1963	OFO Office of Federal Operations
EPLS Excluded Parties List System	OFP Office of Field Programs
ERM Enterprise Risk Management	OGC Office of General Counsel
EXCEL Examining Conflicts in Employment Laws	OIG Office of Inspector General
FDR Federal Dispute Resolution	OIT Office of Information Technology
FECA Federal Employees' Compensation Act	OLC Office of Legal Counsel
FEGLI Federal Employees Group Life Insurance Program	OMB U.S. Office of Management and Budget
FEHB Federal Employees Health Benefits Program	OPM Office of Personnel Management
FEPA Fair Employment Practices Agency	ORB Other Retirement Benefits
FERS Federal Employees' Retirement System	PIIA Payment Integrity Information Act of 2019
FMLA Family and Medical Leave Act	PWFA Pregnant Workers Fairness Act of 2022
FMFIA Federal Managers Financial Integrity Act	SAM System for Award Management
FOIA Freedom of Information Act	TERO Tribal Employment Rights Offices
FSP Federal Sector Programs	

APPENDIX E: INTERNET LINKS

EEOC Homepage: <https://www.eeoc.gov/>

EEOC Statistics: <https://www.eeoc.gov/statistics>

EEOC Strategic Plan for FY 2022-2026: <https://www.eeoc.gov/eeoc-strategic-plan-2022-2026>

Strategic Enforcement Plan for FY 2024-2028: <https://www.eeoc.gov/strategic-enforcement-plan-fiscal-years-2024-2028>

Meetings of the Commission: <https://www.eeoc.gov/meetings>

Newsroom/Press Releases: <https://www.eeoc.gov/newsroom/search>

EEOC FY 2025 Congressional Budget: <https://www.eeoc.gov/fiscal-year-2025-congressional-budget-justification>

EEOC Congressional Budgets: <https://www.eeoc.gov/eeoc-budget-archives>

EEOC Performance and Accountability Reports: <https://www.eeoc.gov/eeoc-annual-reports-archives>

Small Business Resource Center: <https://www.eeoc.gov/employers/small-business>

APPENDIX F: REVOLVING FUND

The *EEOC Training Institute* (Training Institute) provides fee-based training and technical assistance to stakeholders from both the private and public sector. The operations of the Training Institute are funded through the EEOC's Revolving Fund, which is an instrument established by Congress in 1992 to enable the EEOC to charge reasonable fees for specialized products and services developed and delivered as part of the EEOC's training and technical assistance efforts. The Revolving Fund serves as the mechanism through which the EEOC can collect payments, thus offsetting some of the costs devoted to training and technical assistance to external entities and allowing the agency to offer more free outreach events to those populations less able to pay for training.

The Training Institute offers a range of fee-based training to help private employers and state, local, and federal government agencies educate their managers and employees on EEOC-enforced laws and how to prevent workplace discrimination. It provides workshops, courses, and conferences on various EEO compliance issues, including updates on EEOC guidance. Recently, the Training Institute piloted *Leading Through Civility* and *The Civil Workplace* training at the 2024 Examining Conflicts in Employment Laws (EXCEL) Conference, which was well received. This training will officially launch in fiscal year 2025, replacing *Respectful Workplaces* for employees and *Leading for Respect* for managers.

In fiscal year 2024, the Training Institute conducted virtual and in-person workshops, courses, conferences, and Customer Specific Trainings (CSTs) for a total of 788 events with approximately 23,734 attendees. Below is a more in-depth explanation of each type of program offered by the Training Institute in fiscal year 2024.

Examining Conflicts in Employment Laws (EXCEL) Conference

The agency held its 27th Annual EXCEL Training Conference for federal sector and private sector EEO practitioners in August 2024, in New Orleans, LA, with 924 attendees. The EXCEL Training Conference gathered EEO, human resources (HR), and alternative dispute resolution (ADR) practitioners from private, state, local, and federal organizations for four days of education, training, and professional development. The agency held 3 plenary sessions, 8 pre-conference sessions, and over 70 open workshops. The 2024 conference theme was "60 Years of the Civil Rights Act: Pursuing Justice / Celebrating Progress." Topics included the EEOC's final regulation on the PWFA; the EEOC's new Enforcement Guidance on Harassment in the Workplace; artificial intelligence; antisemitism, anti-Muslim, and other forms of religious discrimination; and significant employment law and EEO compliance developments. The conference received outstanding feedback, gave participants the needed EEO knowledge and skills to enhance their performance at work and meet the evolving demands of today's workplace, and generated approximately \$1,950,400 in revenue to fund the Training Institute's activities.

Technical Assistance Program Workshops

In fiscal year 2024, the Training Institute provided expanded opportunities for employees and employers to receive training, education, and information about their respective rights and obligations to prevent and eradicate workplace discrimination by offering both virtual and in-person events. The Training Institute offered virtual and in-person 1-hour (breakfast and lunch briefings), 2-hour, 4-hour (half-day), and 8-hour (full-day) workshops. These workshops continue to be successful as they allowed the EEOC district offices to partner together, pool their creative ideas and resources, and maximize revenue potential. These workshops received excellent evaluations from attendees. In fiscal year 2024, the Training Institute conducted 33 national (1, 2, 4, and 8 hour) workshops with approximately 5,172 attendees.

Customer Specific Training

The Customer Specific Training (CST) programs provide training and education for employees, managers, supervisors, and HR professionals from private sector employers and state, local, and federal government agencies on their EEO responsibilities and how to prevent and remedy workplace discrimination. The Training Institute can design customized courses to be delivered at employers' worksites, including virtual delivery. In fiscal year 2024, the Training Institute conducted 252 virtual and in-person CST events that reached approximately 11,156 registrants and included Respectful Workplaces employee training and Leading for Respect manager and supervisor training.

National Federal Courses and Federal Agency Training

The Training Institute offers federal courses that are designed to meet training requirements for EEO practitioners working throughout the federal government. In fiscal year 2024, there were 47 national federal courses with approximately 2,350 attendees and 455 federal agency training sessions with approximately 4,132 attendees. Of the federal agency training sessions, 218 focused on anti-harassment, 137 focused on Respectful Workplace employee training, and 62 focused on Leading for Respect training for managers and supervisors.

Revenue

In fiscal year 2024, the Training Institute generated revenue of approximately \$7.4 million and met the Revolving Fund's annual threshold self-sustained funding. The Revolving Fund total expenditures include indirect costs such as the Revolving Fund reimbursable agreement, registration contract, and other shared Revolving Fund expenses.

Reimbursable Agreement

The reimbursable agreement expenses are broken down as OFP – 33%, OFO – 33%, EXCEL – 34%, and then estimated based on the percentage revenue for each program, which consists of OFP Workshops, OFO National Federal Courses, and the EXCEL Conference.

As set forth in the agreement, the Revolving Fund also reimbursed the agency \$3,429,531 for costs associated with administration and operations. These reimbursement costs included: 1) full reimbursement of Revolving Fund staff salaries and benefits; and 2) a proportion of the labor costs associated with the time spent by other field and headquarters staff working on Revolving Fund training activities. The Revolving Fund's efficient administration and successful programs resulted in solid financial performance with revenue covering annual expenses.

Indirect Costs

Indirect Costs are defined by OMB as "costs that are incurred for common or joint objectives and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity." The indirect cost expenses included in the below chart are comprised of two major areas: 1) salaries and benefits; and 2) general and administrative costs. The salaries are for Revolving Fund staff, OFP staff, and OFO staff that perform activities related to the preparation and support of all Revolving Fund training activities and oversight. The general and administrative costs include items such as financial systems and reports, EEOC rent, and the use of systems and support from OIT. The indirect expenses in the below chart are necessary to support the execution of the full array of Training Institute offerings including Workshops, Customer Specific Training (CSTs), National Federal Courses, Federal Agency Training Sessions, and the EXCEL Conference.

FY 24 Revolving Fund Training	Number of Events	Registrants (approx.)	Revenue	Expenses	Indirect Costs
Registration Contract Costs	0	0	0	\$0	(\$694,499)
OFP Workshops (1, 2, 4, and 8-hour)	33	5,172	\$1,634,235	(\$136,568)	(\$1,131,745)
OFP CSTs (private sector, state, and local government employers)	252	11,156	\$480,816	\$0	\$0
OFO National Federal Courses	47	2,350	\$1,537,085	(\$302,532)	(\$1,131,745)
OFO Federal Agency Training Sessions ¹	455	4,132	\$1,885,871	(\$100,925)	\$0
EXCEL Conference	1	924	\$1,950,400	(\$509,397)	(\$1,166,041)
TOTAL	788	23,734	\$7,488,407	(\$1,049,422)	(\$4,124,030)
FISCAL YEAR 2024 BALANCES			\$8,656,385²	(\$1,049,422)	(\$4,124,030)

¹ Of note, in FY 2024, the Office of Federal Operations Training Program contracted with a single federal agency to design and deliver 169 customized trainings. Large contracts of this type only occur occasionally.

² Prior year revenue funds are included in the revenue figures above (approx. \$1,167,978).

APPENDIX G: ACKNOWLEDGMENTS

The EEOC's Fiscal Year 2024 Agency Financial Report is a collaborative endeavor on the part of many EEOC employees and contractors. The EEOC would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

We Welcome Your Comments

Thank you for your interest in the EEOC's Fiscal Year 2024 Agency Financial Report. We welcome your comments on how we can make this report more informative.

Please send your comments to:

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