



Summary of Performance and Financial Information

Fiscal Year 2011



U.S. Customs and Border Protection

About This Report

The U.S. Customs and Border Protection’s (CBP) Fiscal Year 2011 Summary of Performance and Financial Information Report is a comprehensive synopsis of our more detailed Performance and Accountability Report (PAR) and provides the highlights of CBP’s performance and financial information. As an organizational component of the Department of Homeland Security (DHS), CBP is not required to prepare a separate PAR or Summary of Performance and Financial Information Report. However, CBP is committed to provide transparency in its stewardship responsibilities as the second largest revenue collector in the Federal government.

When published, the aforementioned reports will be located at our public website, www.cbp.gov.

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Message from the CFO



Few missions in the United States Federal Government are more important than U.S. Customs and Border Protection's (CBP), as the men and women of CBP work continuously to protect our nation from dangerous people and

dangerous goods that would cause harm to our way of life. The Office of Administration stands with other offices in CBP to help accomplish the agency's mission by providing the resources and facilities necessary to ensure mission success. CBP is charged with the dual mission of protecting our nation's borders, while facilitating legitimate trade and travel. We balance this responsibility with an effective management infrastructure that fosters the highest standards of integrity, while also maximizing our partnerships at home and abroad.

The purpose of this report is to update you on the financial performance of our Agency, and on our stewardship of CBP's resources through the integration of mission accomplishments.

I can provide reasonable assurance that the objectives of Section 2 (Management Controls) and Section 4 (Financial Management Systems) of the Federal Managers' Financial Integrity Act have been achieved. We also have room for improvement. We are correcting issues identified by internal management evaluations in support of CBP's Management Assurances, as well as auditor-identified weaknesses in internal controls. Recurring issues in custodial revenue management need to be resolved and emerging challenges, such as managing and accounting for more complex property, plant, and equipment, must be addressed in the upcoming year. CBP is committed to addressing all of our financial management challenges by continuing to implement corrective measures that improve our oversight and accountability.

We are accountable to Congress and the American taxpayer to explain how we use the money appropriated to us. As part of our responsibilities, we have collected \$37.2 billion in revenue, and we must be sound custodians of this revenue. Our responsibilities are substantial, and our budget is finite. Consequently, we must have sound financial management to provide informed decision making in order to make the best use of our resources.

A benchmark of financial management success is to obtain an audit opinion from a third party that concludes that our financial statements are fairly presented and conform to generally accepted accounting principles. Once again, CBP has received such an opinion for Fiscal Year 2011—an unqualified opinion—on its full set of financial statements. The unqualified opinion on our financial statements is another positive reflection that CBP continues to demonstrate discipline and accountability in the execution of our fiscal stewardship responsibilities.

Solid financial management relies on several critical elements, most notably a capable workforce guided by tested practices and processes and supported by sound financial management systems. We have a solid foundation in each of these areas and continue to build upon them each year.

While processes and systems are important, CBP and the Office of Administration rely on our employees first and foremost to get the job done. I would like to thank the men and women of this organization for the hard work they do every day. Due to these efforts, we continue to grow, improve, and remain successful in the face of our collective challenge. Our goals remain to provide timely, reliable, and useful financial management information to Congress and the American public and to enable the managers across CBP to make smart business decisions.

A handwritten signature in black ink that reads "Deborah J. Schilling".

Deborah J. Schilling, Chief Financial Officer
U.S. Customs and Border Protection

Overview of CBP

Mission

CBP is the frontline border security agency within DHS charged with the priority mission of preventing terrorists and terrorist weapons from entering the United States, while also facilitating the flow of legitimate trade and travel. CBP prevents narcotics, agricultural pests, and smuggled goods from entering the country and also identifies and arrests individuals with outstanding criminal warrants. CBP leverages its enforcement and intelligence-gathering capabilities to execute the mission of border and airspace security. As of the end of Fiscal Year 2011, 59,820 CBP employees manage, control, and protect the Nation's borders at, and between, the official ports of entry. CBP is responsible for protecting more than 5,000 miles of border with Canada, 1,900 miles of border with Mexico, and 95,000 miles of shoreline. CBP's mission is vitally important to the protection of the American people and the national economy.

Core Values

Vigilance is how we ensure the safety of all Americans. We are continuously watchful and alert to deter, detect, and prevent threats to our Nation. We demonstrate courage and valor in the protection of our Nation.

Service to Country is embodied in the work we do. We are dedicated to defending and upholding the Constitution and the laws of the United States. The American people have entrusted us to protect the homeland and defend liberty.

Integrity is our cornerstone. We are guided by the highest ethical and moral principles. Our actions bring honor to ourselves, our agency, and our country.

Fiscal Year 2011 Statistical Highlights

- Ports of entry: 329
- Pre-clearance locations: 15
- Border Patrol sectors: 20
- Air units: 46 (1 Training location and 3 Radar/Communications locations)
- Marine units: 71 (2 Training locations and 1 Maintenance location)
- Trade entries processed: 29.5 million
- Total revenue collected: \$37.2 billion (includes custodial and entity revenue)
- Illegal narcotics seized: 3.1 million pounds (represents narcotics held by CBP until disposal or destruction)
- Illegal alien apprehensions between the ports of entry: 340,252
- Inadmissible aliens interdicted at the ports of entry: 211,483
- Pedestrians and passengers processed: 340 million
- Conveyances processed: over 104 million
- Aircraft passengers processed: over 94 million
- Prohibited plant and animal materials seized at the ports of entry: 1,682,881
- Agricultural plant and pest intercepted at the ports of entry: 177,299

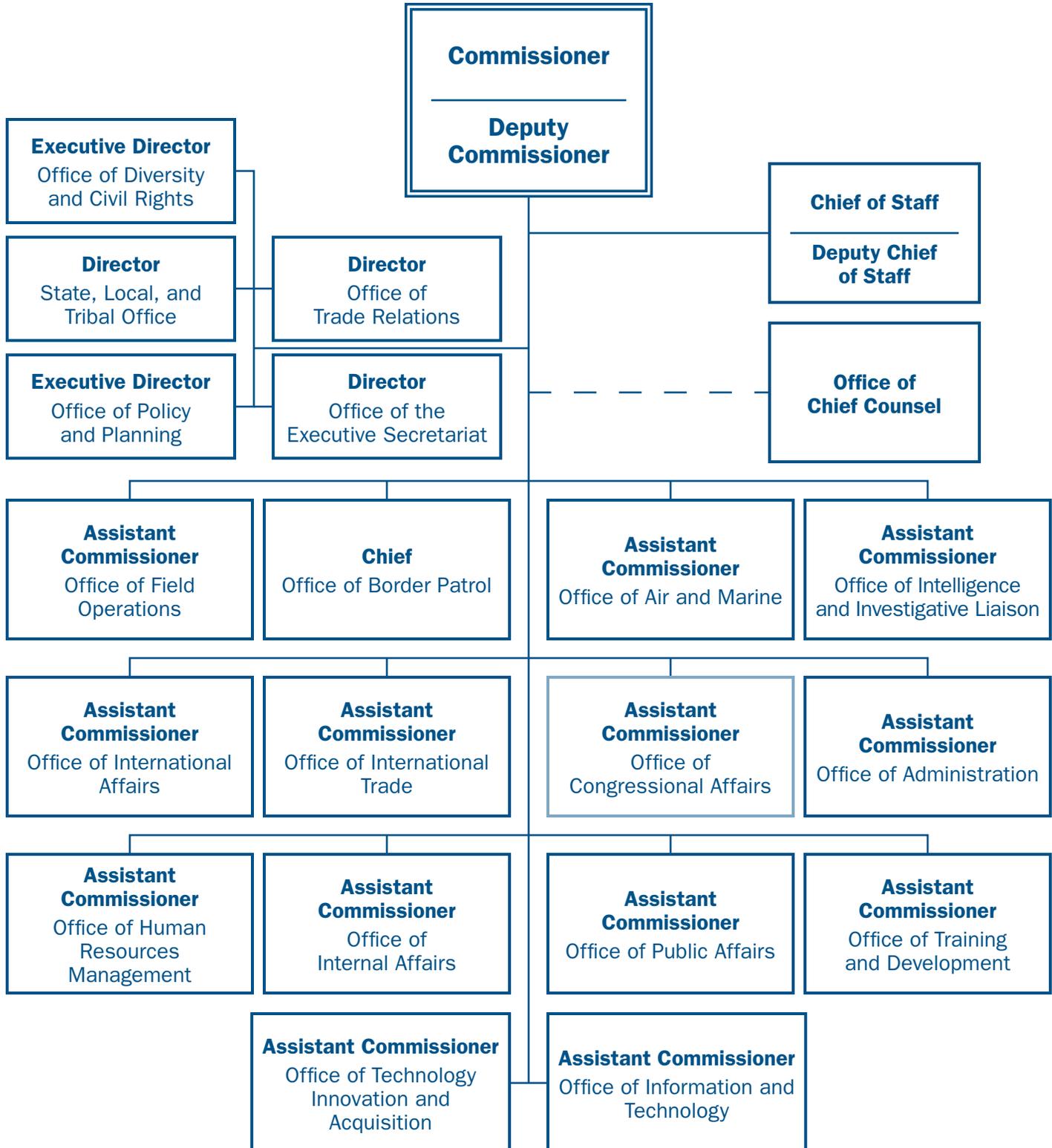
Drug Seizure Statistics

Note: The following amounts represent total CBP seizures, including amounts transferred to Other Government Agencies (OGA) for disposition.

- Number of pounds of cocaine seized: 224,727
- Number of pounds of heroin seized: 4,176
- Number of pounds of marijuana seized: 4,567,812
- Number of pounds of methamphetamine seized: 11,064

Overview of CBP

CBP Organization



Financial Section

Overview of the Financial Statements

FINANCIAL STATEMENT SNAPSHOT

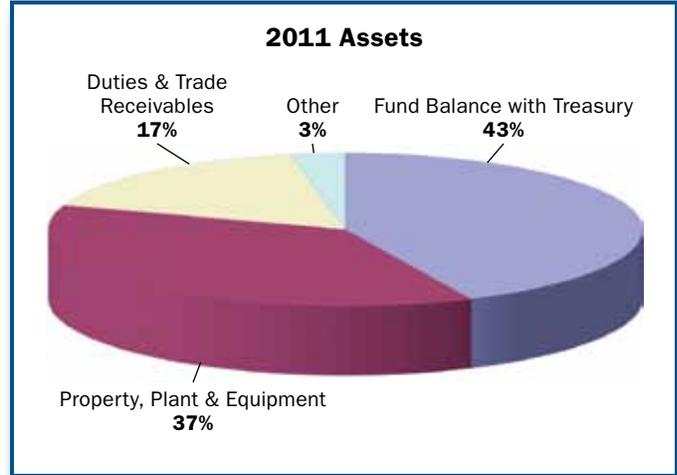
Clean Opinion on Financial Statements	Yes
Material Weaknesses	1
Significant Deficiencies	3
Total Assets	\$16.2 Billion
Total Liabilities	\$6.5 Billion
Net Cost of Operations	\$12 Billion

The financial statements and footnotes appear in the “Financial Section” of the CBP PAR.

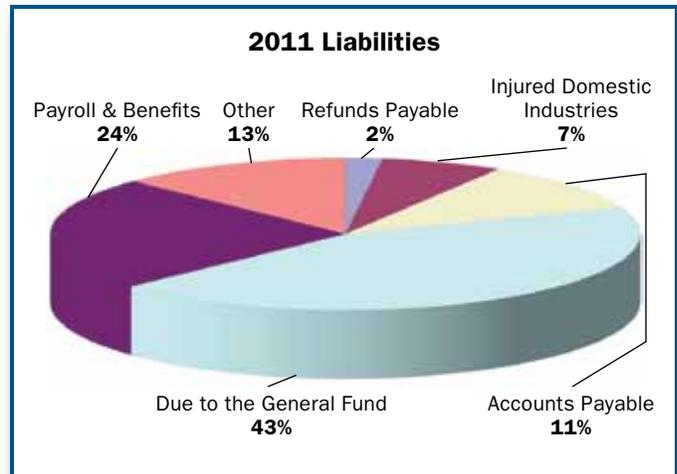
The financial statements have been audited by our independent auditor, KPMG LLP, and have been found to present fairly, in all material respects, CBP’s financial position.

Consolidated Balance Sheet

The Consolidated Balance Sheet presents the resources available to CBP (assets), amounts owed by CBP (liabilities), and the amount of the difference (net position). As of September 30, 2011, total assets were \$16.2 billion, a 1 percent decrease from FY 2010.



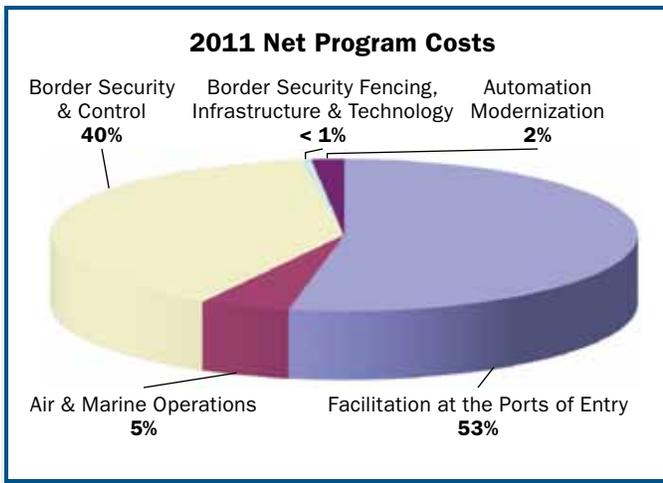
As of September 30, 2011, total liabilities were \$6.5 billion, an increase of 5 percent over FY 2010, which related to amounts due to the Treasury General Fund. The assets and liabilities charts present a comparison of the major categories as a percentage of the totals for FY 2011.



Financial Section

Consolidated Statement of Net Cost

The Consolidated Statement of Net Cost presents the net cost of the major CBP programs as they relate to the goals of the 2009–2014 Strategic Plan. The gross cost less any offsetting revenue for each program equals net cost of operations. Net cost of operations was \$12.0 billion.



Consolidated Statement of Changes in Net Position

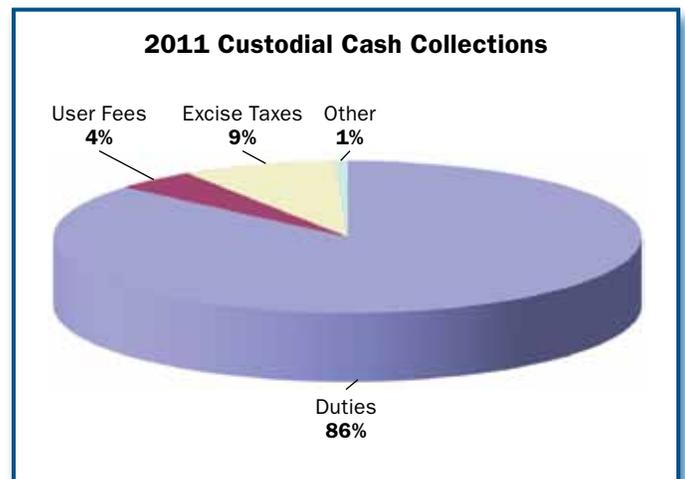
The Consolidated Statement of Changes in Net Position represents those accounting transactions that caused the net position of the balance sheet to change from the beginning to the end of the reporting period. CBP's net cost of operations serves to reduce the net position. Appropriations used totaled \$8.8 billion, representing 71 percent of CBP's total financing sources. CBP collected and retained \$2.6 billion of non-exchange revenue, amounting to 21 percent of total financing sources, which was used to fund CBP operations.

Combined Statement of Budgetary Resources

The Combined Statement of Budgetary Resources illustrates how budgetary resources were made available, as well as their status at the end of FY 2011. CBP had \$17.0 billion in budgetary resources, of which \$2.3 billion were unobligated. CBP incurred obligations of \$14.7 billion and recorded \$14.5 billion in gross outlays by the end of the fiscal year.

Consolidated Statement of Custodial Activity

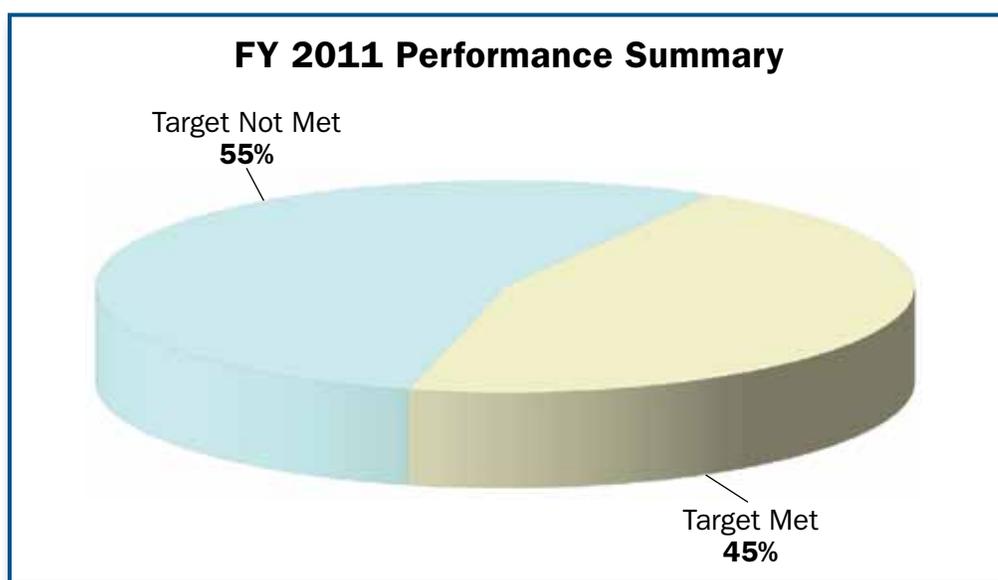
The Consolidated Statement of Custodial Activity presents non-entity (financial activity conducted by CBP on behalf of others) revenue and refunds using a modified cash basis. This method reports revenue from cash collections separately from receivable accruals, and cash disbursements are reported separately from payable accruals. The custodial revenue, using the modified cash basis, for FY 2011 was \$34.2 billion.



Performance Section

Performance Summary

The charts below highlight CBP's success in achieving FY 2011 performance goals. The performance measures are established as an integral part of CBP's Missions, Goals, and Priorities, FY 2011–2013 document, the Quadrennial Homeland Security Review (QHSR), and the DHS Future Years Homeland Security Program (FYHSP). The measurement data is collected through various systems and methods and then entered into the FYHSP System for tracking and compiling for management decision-making and year-end reporting.



Security, threat, and risk analyses often necessitate changes in the agency's focus. CBP performance measures continue to evolve to better reflect operational functions and alignment with critical missions.

For FY 2011, CBP has 11 GPRA performance measures that support CBP's Missions, Goals, and Priorities. Of the 11 performance measures, 5 were met and 6 were not met. The performance data presented in this report is in accordance with the guidance provided by Office of Management and Budget (OMB). CBP is committed to providing quality and timely performance information to increase its value to CBP management and interested parties. CBP managers routinely use this data to improve the quality of program management and demonstrate accountability of program results.

Performance Section

CBP Performance Recap

Mission Set	Performance Measure	FY 2010 Recap		FY 2011 Recap			
		Target	Result	Target	Result	Target Achieved?	Improved From FY 2010?
Securing America's Borders	Number of apprehensions on the Southwest border between the ports of entry.	N/A	N/A	< = 390,000	327,577		
	Completion rate of projected deployments of Border Patrol agents to the Southwest border.	N/A	N/A	100%	100%		
	Number of joint operations conducted along the Southwest border by CBP and Mexican law enforcement partners.	N/A	N/A	9	12		
	Number of weapons seized on exit from the United States.	N/A	N/A	2,200	1,987		
	Amount of currency seized on exit from the United States.	N/A	N/A	40M	47M		
	Percent of detected conventional aircraft incursions resolved along all U.S. borders.	N/A	N/A	100%	95.30%		
Securing and Expediting the Movement of People and the Flow of Goods	Compliance rate for C-TPAT ¹ members with the established C-TPAT ¹ security Guidelines.	95%	97.80%	100%	95.10%		No
	Percent of cargo by value imported to the United States by participants in trade partnership programs.	N/A	N/A	45%	55.07%		
	Percent of requested cargo examinations conducted at foreign ports of origin in cooperation with host nations under CSI ² .	95%	94%	100%	96%		Yes
	Percent of revenue directed by trade laws, regulations, and agreements successfully collected.	N/A	N/A	100%	99.12%		
	Percent of imports compliant with applicable U.S. trade laws.	N/A	N/A	98%	97.67%		
Sustaining Investment in People and Capabilities	GPRA or Strategic measures do not exist within this Mission Set. Operational measures exist within this Mission Set and are used in internal decision-making processes.	(1) Customs-Trade Partnership Against Terrorism (2) Container Security Initiative				 = Target Achieved  = Target Missed	

Summary

CBP will continue to integrate state-of-the-art technologies and traditional security infrastructures at U.S. POEs and along our Nation's borders and to work in collaboration and partnership with the trade community and foreign governments to secure the United States from terrorists and terrorist weapons while facilitating world commerce.



U.S. Customs and Border Protection

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Please visit the U.S. Customs and Border Protection web site at
www.cbp.gov

To report suspicious activity, call
1-800-BE ALERT

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