



# Summary of Performance and Financial Information

Fiscal Year 2012



U.S. Customs and  
Border Protection



# About This Report

## America’s Frontline

We guard the boundaries of freedom and stand between the good citizens of our Nation and those that want to do us harm.

## About This Report

The U.S. Customs and Border Protection’s (CBP) Fiscal Year 2012 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 at: [www.cbp.gov](http://www.cbp.gov)

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# Message from the CFO



U.S. Customs and Border Protection (CBP) has been working diligently to provide citizens with timely, reliable, and useful financial management information that facilitates intelligent decision-making and effective stewardship of the resources entrusted to our orga-

nization. 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.

The purpose of this report is to provide a comprehensive assessment of our Agency's financial performance, and to provide an accounting for our stewardship of resources entrusted to CBP to support our mission of securing the borders of the United States. These stewardship-related responsibilities continue to evolve in response to the changing fiscal environment and new strategic priorities, as well as the ever-present drive to improve our processes. To address these changes and more closely link budgeting with performance, CBP has begun transitioning to the Planning, Programming, Budgeting, and Accountability (PPBA) process, and has re-conceptualized its mission programs in terms of Lines of Business.

CBP has continued our efforts to achieve a balanced workforce, realize cost savings, and close critical workforce gaps. These programs promote efficiencies and savings across CBP that save taxpayer dollars and allow maximal use of CBP's funds in support of our mission.

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. CBP still has room for improvement. We are correcting issues identified by

internal management evaluations in support of CBP's Management Assurance, as well as auditor-identified weakness in internal controls. CBP is committed to addressing all of our financial management challenges by continuing to implement corrective measures that improve our oversight and accountability.

CBP continues to correct issues identified by the Financial Statement Audit as well as other weaknesses identified through Governments Accountability Office (GAO), Department of Homeland Security Office of Inspector General (OIG) or internal management evaluations. CBP's most challenging control deficiencies relate to issues involving custodial revenue and drawback. These issues cannot be resolved without legislative changes and/or system enhancements. However, CBP continues to develop and implement compensating controls in the areas where these limitations exist.

None of this could be accomplished without the diligent work of employees across CBP whose attention to detail and devotion to duty allow us to maintain our high standards of financial stewardship. Our goal remains to provide timely, reliable, and useful financial management information to Congress and the American public, and to enable the managers across CBP to make informed 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

We are the guardians of our Nation's borders. We are America's frontline. We safeguard the American homeland at and beyond our borders. We protect the American public against terrorists and the instrument of terror. We steadfastly enforce the laws of the United States while fostering our Nation's economic security through lawful international trade and travel. We serve the American public with vigilance, integrity, and professionalism.

CBP's 60,668 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.

## 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 and our Agency.

## Fiscal Year 2012 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: 30.4 million
- Total revenue: \$39.4 billion (includes custodial and entity revenue)
- Illegal narcotics seized: 2.8 million pounds (represents narcotics held by CBP until disposal or destruction)
- Illegal alien apprehensions between the ports of entry: 364,768
- Inadmissible aliens interdicted at the ports of entry: 195,865
- Pedestrians and passengers processed: 351 million
- Conveyances processed: over 107 million
- Aircraft passengers processed: over 98 million
- Prohibited plant and animal materials seized at the ports of entry: 1,576,343
- Agricultural plant and pest intercepted at the ports of entry: 170,967

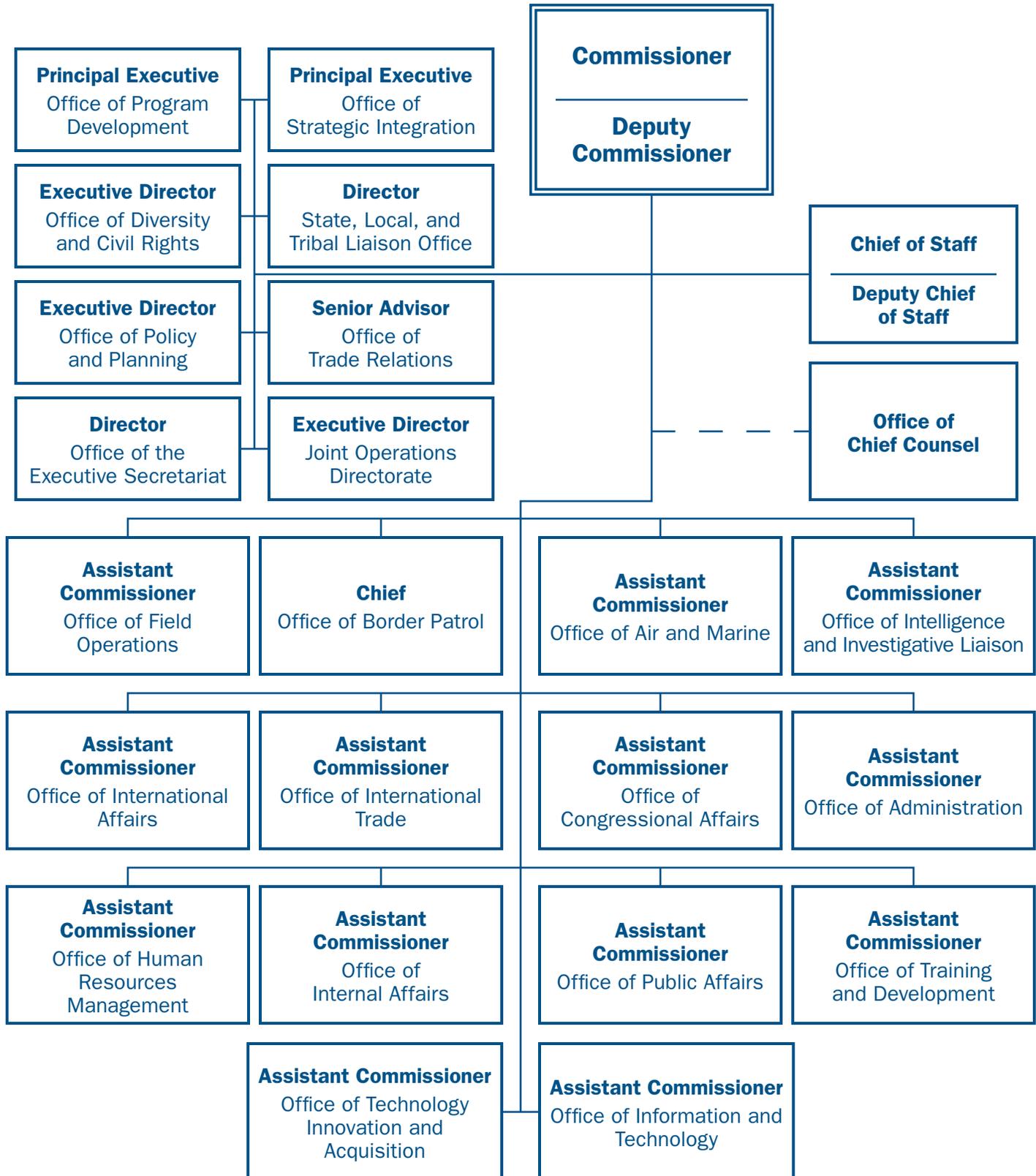
## Drug Seizure Statistics

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

- Number of pounds of cocaine seized: 206,246
- Number of pounds of heroin seized: 4,398
- Number of pounds of marijuana seized: 3,859,381
- Number of pounds of methamphetamine seized: 15,810

# Overview of CBP

## CBP Organization





# Overview of CBP

## Lines of Business

Securing the Nation's borders from illegal entry of aliens and contraband, including terrorist and weapons of mass destruction, while welcoming all legitimate travelers and trade continues to be a major challenge. As America's frontline border security agency, CBP has established programs and strategies designed to enhance border security and other mission critical functions by operating as a fully integrated information-driven agency. CBP strives to maximize partnerships on the home front and abroad by promoting an effective management infrastructure that fosters the highest standards of integrity. CBP has built a layered strategy using risk-based approaches and performance management techniques that maximize CBP's strengths.

Beginning in FY 2012, CBP moved forward with the process of implementing a Planning, Programming, Budgeting, and Accountability (PPBA) strategic framework to manage its financial and personnel resources. The PPBA process is a disciplined approach that ensures the Agency Head's vision, goals, and objectives are clearly articulated; programs and activities are aligned to the goals and objectives; and resources are appropriately allocated to achieve the desired goals and objectives.

The planning aspect of CBP's PPBA process provides the opportunity to assess our strategic direction, accommodate new trends, adapt to challenges inside and outside CBP, and adjust our corporate priorities to ensure sustained progress toward our strategic goals. CBP's vision and mission are global in scope and, therefore, require both domestic and international engagement to achieve the established priorities. CBP assesses its external trends and drivers, mission requirements, program capabilities and strategic imperatives facing each CBP Line of Business (LOB).

CBP's LOBs reflect on alignment of programs and activities with designated capabilities that support a common mission area. CBP LOBs are described below.

### **Securing America's Borders (Between the Ports)**

CBP has a multifaceted and complex mission of protecting the Nation against a multitude of cross-border violations. CBP's first priority is to prevent terrorist and terrorist weapons from entering the country. U.S. border security is challenged daily by criminals who engage in illegal activity ranging from the import or export of counterfeit goods and outgoing bulk cash movements to the smuggling of narcotics and people into the interior of the United States.

Following the realignment of the U.S. Border Patrol (USBP or Border Patrol) under its new parent organization in 2003, it developed the Border Patrol 2004 National Strategy to carry out its new post-9/11 mission. Building on the capabilities realized under the 2004 Strategy, and faced with a changed border and converging threats to national security, USBP was positioned in FY 2012 to introduce and transition to the 2012-2016 Border Patrol Strategic Plan. The Border Patrol Strategic Plan uses a risk-based approach to securing the border, focusing enhanced capabilities against the highest threats and rapidly responding along the border. It involves a set of objectives, strategies, and programs that use Information, Integration, and Rapid Response to develop and deploy new and better tactics, techniques, and procedures to achieve the USBP strategic objectives.

The 2012-2016 Strategic Plan places risk management at the core of USBP's strategic planning, an evolution from the 2004 National Strategy and from earlier risk-based strategic deployments. Through enhanced situational awareness and intelligence (Information); coordinated operations with our Federal, state, local, tribal, and international partners (Integration); and the ability to

# Overview of CBP

respond quickly to changing threats (Rapid Response); USBP will put the greatest capabilities in place to combat the greatest risks. Following is a snapshot of some important elements that fall under each of the three pillars of the Strategic Plan.

Border Patrol traffic checkpoint operations play a significant, strategic, and tactical role in the support of the National Border Patrol Strategy. USBP currently operates a combination of permanent and tactical traffic checkpoints nationwide as part of a three-tiered, defense-in-depth strategy to secure our Nation's border between POEs. This strategy involves the use of line-watch operations on the border, roving patrol operations near the border, and traffic checkpoints on highways leading away from the border.

Immigration violators are the primary target of an effective Border Patrol traffic checkpoint operation. USBP places specific operational emphasis on terrorists and their weapons, criminals, and smugglers of both humans and narcotics who have successfully evaded detection at or between the POEs. Traffic checkpoints deter criminal elements from using major traffic arteries as egress routes from the border. Smugglers use highway infrastructure to further the illegal entry of their smuggling operations into the United States. Highways provide a rapid and inexpensive means for transporting illicit cargo away from the majority of enforcement assets and to the intended destination. Border Patrol traffic checkpoints deny the criminal elements routes of egress and force them to take alternate avenues thereby leaving them more susceptible to detection.

Border Patrol agents at the checkpoint are highly trained to identify suspect vehicles and subjects through a combination of visual, auditory, olfactory, tactile, and logic cues during vehicle and interview inspection. USBP also employs specialized resources—such as canines trained to detect concealed humans and narcotics, radiation detection equipment, and Vehicle and Cargo Inspection

Systems (VACIS)—that enhance agents' ability to prevent illegal aliens and contraband from proceeding into the interior of the United States.

During FY 2012, the following border enforcement successes were attributed to Border Patrol traffic checkpoint operations nationwide:

- Individuals arrested: 7,593 (2 percent of total Border Patrol apprehensions)
- Cases referred for prosecution: 1,809
- Narcotic seizure events and incidents: 4,905 (33 percent of the total Border Patrol narcotic seizures)

Canine teams are assigned to POEs and Border Patrol sectors, and special operations groups throughout the United States. USBP has organized a canine horse patrol unit that allows the canine to work alongside the handler riding on horseback. To meet both new and growing threats, the CBP Canine Program has trained and deployed canine teams in an array of specialized capabilities, known as disciplines. CBP has two canine training facilities, located in Front Royal, Virginia, and El Paso, Texas. In FY 2012, CBP is projected to train approximately 371 canine teams at these training academies. Of the 371 dogs trained, 84 canine teams were trained for the GOM.

CBP's Office of Air and Marine (OAM) secures the borders against terrorists, acts of terrorism, drug smuggling, and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communication equipment provide powerful interdiction and mobile capabilities directly in support of detecting, identifying, and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers. OAM maximizes the capabilities of air and marine assets through a cohesive joint air operations model for centralized command and control and a responsive and integrated control system for decentralized execution.

# Overview of CBP

OAM works in partnership with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders; source, transit, and arrival zone operations; interior law enforcement support; and, support to other agencies. Truly cross-cutting within DHS and the Federal Government as a whole, the unique capabilities of OAM serve as both a stand-alone entity and as a force multiplier. To fulfill the CBP mission of border protection, the focus has expanded from a concentration on the southern border to a broader initiative expanding to all of our Nation's borders.

## Securing and Expediting Trade

CBP employs a coordinated approach to balance security, risk, and efficiency in resolving compliance and security issues while facilitating legitimate trade. CBP utilizes three principles to prioritize its efforts:

- CBP identifies trade issues that cause significant revenue loss, pose economic risk to U.S. industry, or represent health and safety concerns to citizens.
- CBP investigates trade issues that are susceptible to non-compliance, have a history of problems, or are characterized by a lack of automation or complexity.
- CBP provides guidance to the trade community in the form of regulations, rulings, and directives that enable traders to meet their obligations.

CBP uses these three principles to analyze information and identify high-risk trade areas.

The CBP Trade Strategy is a framework for management of the agency's trade mission. CBP implements its Trade Strategy by focusing on the management and enforcement of designated Priority Trade Issues (PTI), such as AD/CVD, IPR, and Textiles.

CBP plays an integral role in the implementation and enforcement of trade agreements, which provide duty-free or reduced duty access to the U.S. market for

qualifying merchandise. The United States currently has 13 free trade agreements in force with 19 countries, as well as several preferential trade legislation programs. CBP is also strengthening trade agreement expertise in the field by providing training courses to its import specialists, auditors, and account managers. During FY 2012, the trade agreements verification pilot resulted in 566 negative determinations (invalid trade preference claims) with an associated revenue recovery of \$1.2 million.

CBP continues to re-enforce its commitment to Import Safety by working in collaboration with the OGAs in order to prevent unsafe products from entering the U.S. commerce. CBP plays an essential role in the interagency import safety arena by promoting risk management strategies, such as partnership programs, increased information sharing, and coordinated enforcement efforts. CBP works in conjunction with the OGAs to develop uniform enforcement strategies, such as detention, seizure, and destruction policies, to control any potential import safety concerns.

Intellectual Property Rights (IPR) are a prominent enforcement priority for CBP, consistent with the mission to protect the economy, national security, and the health and safety of American citizens. CBP continued implementation of its ambitious and ground-breaking Five-Year IPR enforcement strategy that focuses on facilitation, enforcement, and deterrence. Integrated field training covering legal authorities, targeting, and policy were implemented at high-risk ports.

## Securing and Expediting Travel

Another component of CBP's mission is to prevent the illegal flow of people, weapons, drugs, contraband, and dangerous goods. In addition, CBP helps protect against cross-border threats to health, food, environment, and agriculture, while expediting the safe flow of lawful travel and commerce. CBP utilizes its capabilities to:

# Overview of CBP

- Screen travelers against law enforcement databases and no-fly lists;
- Target for high-risk travelers;
- Monitor departing travelers; and
- Expedite the processing of legitimate travelers.

CBP uses a combination of technology, advance knowledge, intelligence, situational awareness, and personnel to screen and inspect travelers arriving at a Port of Entry (POE) according to assessed levels of risk and determination of potential threats.

CBP's Trusted Traveler Program include: NEXUS (a bilateral program operated jointly by Canada Border Services Agency [CBSA] and CBP); the Secure Electronic Network for Travelers Rapid Inspection (SENTRI); the Free and Secure Trade program (FAST); and Global Entry (GE).

The NEXUS and SENTRI programs provide expedited CBP processing for pre-approved, low-risk travelers at the land borders. NEXUS provides expedited processing into the United States and Canada and offers expedited processing in Canadian airports and at the pre-clearance locations.

The FAST commercial driver program is the result of the United States, Canada and Mexico Border Partnership Action Plan (PAP). The FAST program provides expedited processing of participants' qualifying merchandise in designated traffic lanes at select border sites. These designated FAST lanes allow FAST qualified shipments a nearly unencumbered approach up to and through the commercial facility.

GE was announced as a pilot program in June 2008, and the program is now available at 30 U.S. airports and 10 pre-clearance locations. GE also expanded to airports based on passenger volume. GE was established as a permanent program with the February 6, 2012 publication of the Global Entry Final Rule.

Currently, there are more than 1.54 million members enrolled in the SENTRI, NEXUS, FAST, and GE programs. NEXUS, SENTRI, and GE are being integrated, and as part of this integration, United States Citizen and Lawful Permanent Resident SENTRI members and all NEXUS members have been extended GE benefits. This allows NEXUS, SENTRI, and FAST program members to utilize the GE kiosks and participate in the GE program.

CBP is capitalizing on the success of the Western Hemisphere Travel Initiative (WHTI) investment by expanding innovative technologies and processes to provide further efficiencies in both security and facilitation at the land border. The key to integration of the land border lies in the Triangle Strategy that aims to authenticate travelers entering the United States, those leaving the United States, and those who are being inspected at checkpoints away from the land POE. As such, CBP is focusing investments in outbound enforcement operations, inbound processing (vehicle and pedestrian), and border patrol checkpoint processing. Strategies include: automated/advanced information, active lane management, mobile technologies, traveler communication, and traffic flow optimizations.

## Intelligence and Targeting

Intelligence and Targeting programs augment the physical inspection and patrol operation at the field level. CBP's focus is to become an integrated, intelligence-driven organization. CBP's objectives in this area include:

- Coordination of intelligence across agencies (to include foreign partners).
- Expand existing collection, analysis, and exploitation capabilities to support intelligence products and targeting capabilities.
- Addressing the need to leverage and link intelligence across all threat streams, activities, and environment.

CBP introduced the Predator B Unmanned Aircraft System (UAS) in 2005 as a long duration, remotely-piloted asset

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for border security. However, the advantages of the UAS over conventional aircraft, including surveillance and detection capabilities from 18 to 20 hours and access to environments that may be hazardous to traditional aircraft crews, persuaded CBP to increase the types of missions being performed by the UAS.

The UAS is now entering an entirely new phase of operations and employment. With the introduction of broad area sensors for use over land and water, and the potential for specialized sensors for unique national missions, the UAS is no longer just another tool for land border interdiction support.

CBP will continue its efforts to expand and maintain effective control of all air, land, and maritime borders at and between POEs through a layered, in-depth defense approach. Providing security along the northern, southern, and coastal borders requires effective coordination and integration of all of CBP's operational components, along with the guidance and assistance of essential CBP mission support personnel.

CBP created the National Targeting Center - Passenger (NTC-P) to be the single point of reference for CBP anti-terrorism efforts. NTC-P plays a vital role in the identification of individuals who pose a national security concern at POEs and Border Patrol checkpoints. While the vast majority of travelers and goods are legitimate, NTC-P is designed to carefully identify and examine the small minority of those persons who may be involved in terrorism or its attendant concerns (e.g. money laundering, facilitation of travel, etc). NTC-P is staffed with permanent and Temporary Duty (TDY) analysts, as well as several inter-agency liaisons to provide 24 hours, 7 days a week (24/7) tactical targeting and analytical research support for CBP anti-terrorism efforts. NTC-P uses numerous automated enforcement data processing systems that are focused on detecting and preventing terrorist access to the United States including the Automated Targeting System - Passenger (ATS-P) and

the Targeting Framework. These systems allow NTC-P to screen passenger manifests and related information prior to arrival in the United States.

The National Targeting Center - Cargo (NTC-C) supports CBP cargo-related activities by proactively targeting and coordinating examinations of high-risk cargo in all modes of transportation; provides high-quality research to the CSI, Secure Freight Initiative (SFI), domestic analytical units, and OGA; and implements new proactive targeting methodologies. NTC-C provides advance cargo targeting, research, and coordination in support of the CBP anti-terrorism mission on a 24/7 basis.

## Integrated Operation

Integrated Operations describe mission-direct, cross-cutting enabling functions and the coordination with Other Government Agencies designed to protect key assets and special events of national interests. This also encompasses the provisions of:

- International/partner technical and training assistance to improve global border security and the socio-economic vitality of border towns;
- Responding to natural or man-made occurrences; and
- Managing end-to-end logistical needs within CBP.

CBP's Joint Operations Directorate (JOD) Incident Management Division ensures CBP's emergency preparedness, establishes incident management protocols and oversees CBP response efforts to events beyond the scope of steady state operations. CBP's emergency preparedness and response efforts are in collaboration with inter/intra-agency partners to ensure and support an integrated, whole of government approach to recover from any natural or manmade disaster.

CBP has established a COOP program to ensure that appropriate planning policies and procedures are in place to make certain that Mission Essential Functions

# Overview of CBP

(MEF) can be continued regardless of the availability or accessibility of any one specific facility or even our main national Headquarter buildings within the National Capital Region.

CBP's network infrastructure and associated data center capabilities are the Information and Technology (IT) backbone that supports all CBP systems. All CBP systems depend on the CBP infrastructure to ensure delivery of critical information; any disruption in service can result in an inability for CBP to effectively perform its mission. The systems supported by CBP infrastructure allow for a unified border presence and provide for more efficient and effective information sharing among trade and law enforcement agencies. CBP infrastructure serves a variety of Federal, state, local, and international government agencies. These agencies have varying missions and strategic goals but collectively their purpose is to minimize threats to the American people.

CBP's international capacity building efforts are focused on the following areas: international narcotics and crime control; non-proliferation; export control and related border security; commercial enforcement operations; and private sector partnership programs. Each program begins with a border security assessment designed to determine the type of training and/or equipment needed to improve operations within the host foreign country. Additionally, the assessments provide the host government with a better understanding of its border control vulnerabilities.

## Enterprise Business Services

Enterprise Business Services focus on the efficient and effective management of infrastructure that supports all CBP mission areas. Support areas include:

- Assets and logistics;
- Real property;
- Finances;

- Security and clearances;
- Human resources;
- Information technology;
- Executive office support;
- Workforce development; and
- Policy, planning, and governance.

CBP's Office of Administration (OA) is the sole provider of asset management for CBP. In this role OA acquires, implements, and controls all asset related programs, including personal property, fleet, uniforms, seized and forfeited property, mail, and the CBP printing program. OA provides CBP's essential financial management services including budgeting, accounting, processing of vendor payments, procurement of products and services, investment analysis, and collection of over \$39.4 billion in revenue annually.

CBP's Office of Human Resource Management (HRM) provides centralized human resources support to more than 60,000 CBP employees, both nationwide and overseas. HRM recognizes that its first priority is to support the CBP mission, and HRM is committed to being a strategic and tactical partner in achieving the Agency's mission. HRM provides human resources and personnel management services that support CBP leadership, as well as law enforcement officers, revenue collectors, agricultural specialists, and support personnel.

One of HRM's mission priorities is recruiting, hiring, and retaining a mission-ready workforce. The timely and efficient hiring of highly qualified people is one of the most important factors in maintaining a successful organization.

In FY 2012, HRM, in coordination with several program offices, began a review of CBP processes used to attract, evaluate, and hire candidates for frontline entry-level law enforcement positions. The objectives of this review were to identify opportunities to reduce hiring costs

# Overview of CBP

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and achieve operational efficiencies while continuing to ensure the quality of applicants hired. The HRM-led collaborative effort resulted in the successful implementation of hiring process improvements that allowed CBP to realize substantial cost avoidance and savings during FY 2012. CBP also met the requirements of the Anti-Border Corruption Act (ABCA) of 2010 three months in advance of the January 1, 2013 start-date required by the legislation.

The Office of Training and Development (OTD) is responsible for the centralized leadership and direction of all training programs for the CBP workforce. OTD manages CBP's National Training Plan (NTP), which prepares employees to carry out the core missions of CBP by providing basic and advanced training based on identified agency and organizational requirements.

OTD establishes and upholds standards for designing, developing, delivering, and evaluating training to ensure the agency's training programs are transparent, accountable, and legally defensible. OTD has also developed and maintains a robust distance learning program (the Virtual Learning Center) that enables CBP to deliver hundreds of training courses to CBP personnel in an efficient and cost effective manner.

# Financial Section

## Overview of the Financial Statements

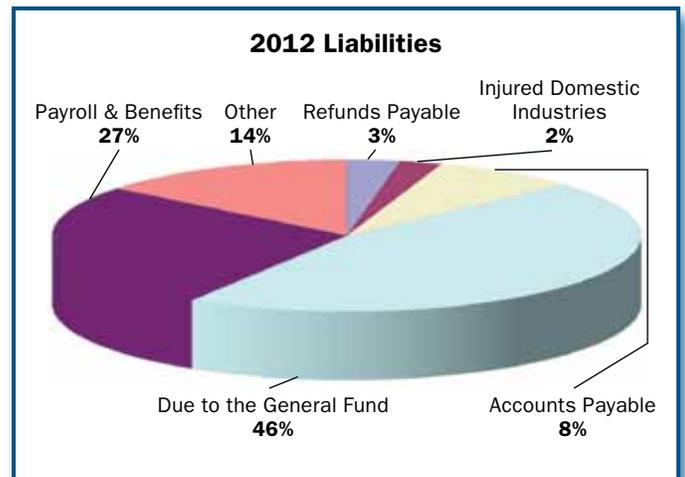
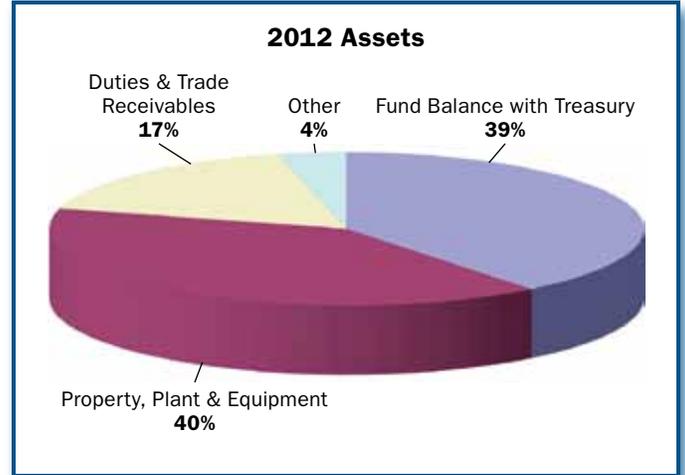
FINANCIAL STATEMENT SNAPSHOT	
Clean Opinion on Financial Statements	Yes
Material Weaknesses	1
Significant Deficiencies	3
Total Assets	\$15.9 Billion
Total Liabilities	\$6.1 Billion
Net Cost of Operations	\$12.3 Billion

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 property owned by CBP (assets), amounts owed by CBP (liabilities), and the amounts of the difference (net position). As of September 30, 2012, total assets were \$15.9 billion, a 2 percent decrease from FY 2011.

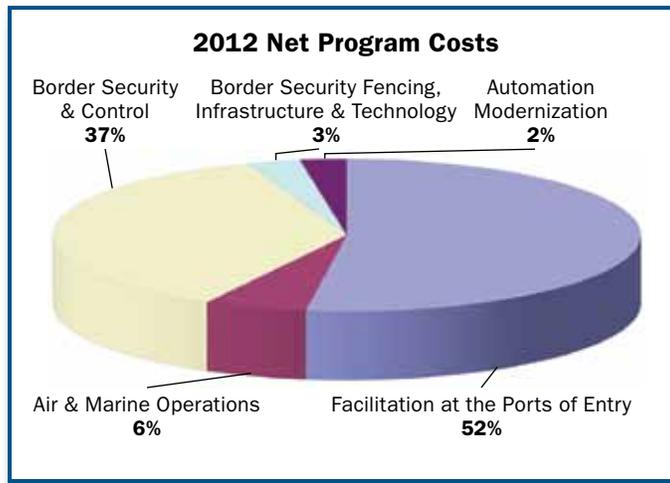


As of September 30, 2012, total liabilities were \$6.1 billion, a decrease of 6 percent over FY 2011. The assets and liabilities charts present a comparison of the major categories as a percentage of the totals for FY 2012 and FY 2011.

# 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 \$12.3 billion.



## Consolidated Statement of Changes in Net Position

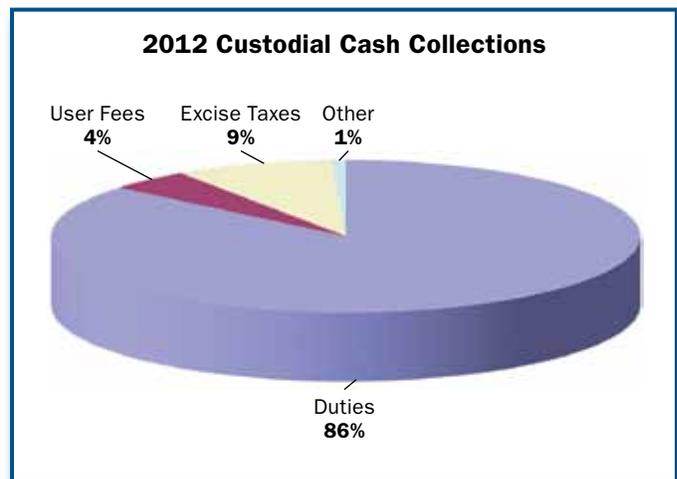
The Consolidated Statement of Changes in Net Position represents those accounting transactions that caused the net position of the balance sheet to change from the beginning to the end of the reporting period. CBP's net cost of operations serves to reduce the net position. Appropriations used totaled \$8.4 billion, representing 66 percent of CBP's total financing sources. CBP collected and retained \$3.5 billion of non-exchange revenue, amounting to 27 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 2012. CBP had \$17.2 billion in budgetary resources, of which \$1.3 billion were unobligated. CBP incurred obligations of \$15.9 billion and recorded \$16.1 billion in gross outlays by the end of the Fiscal Year.

## Consolidated Statement of Custodial Activity

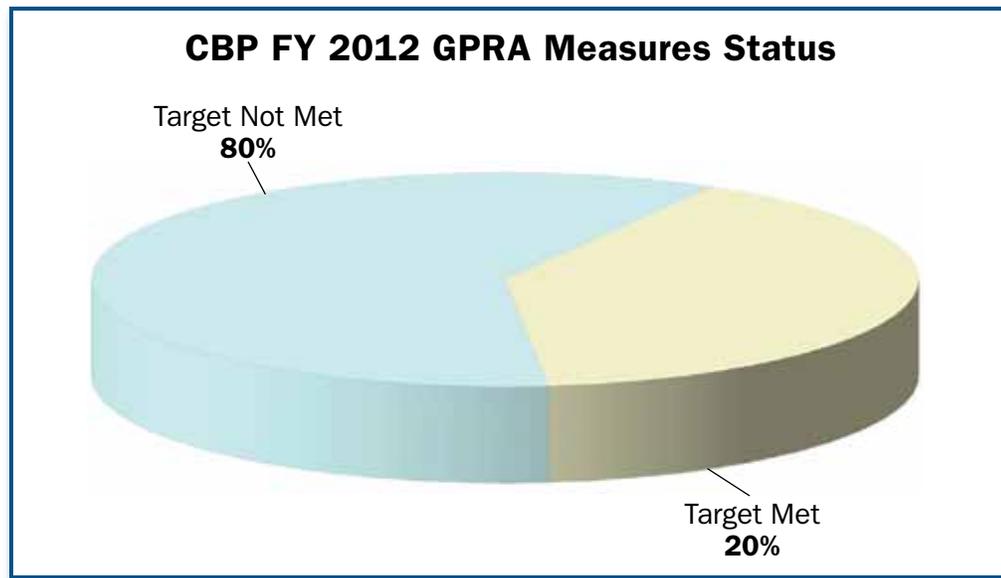
The Consolidated Statement of Custodial Activity presents non-entity (financial activity conducted by CBP on behalf of others) revenue and refunds using a modified cash basis. This method reports revenue from cash collections separately from receivable accruals, and cash disbursements are reported separately from payable accruals. The custodial revenue, using the modified cash basis, for FY 2012 was \$35.6 billion.



# Performance Section

## Performance Summary

The charts below highlight CBP's success in achieving Fiscal Year 2012 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, 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 Fiscal Year 2012, CBP has 10 GPRA performance measures that support CBP's Missions, Goals, and Priorities, FY 2011–2013 document. Of the 10 performance measures, 2 were met and 8 were not met. The performance data presented in this report is in accordance with the guidance provided by 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 / Summary

## CBP Performance Recap

Mission Set	Performance Measure	FY 2011 Recap		FY 2012 Recap		
		Target	Result	Target	Result	Target Status
Securing America's Borders	Number of apprehensions on the Southwest Border between the ports of entry.	< = 390,000	327,577	< = 371,000	356,873	
	Number of weapons seized on exit from the U.S.	2,200	1,987	2,100	649	
	Amount of currency seized on exit from the U.S.	40M	47M	35M	31.9M	
	Percent of detected conventional aircraft incursions resolved along all U.S. borders.	100%	95.30%	100%	96%	
Securing and Expediting the Movement of People and the Flow of Goods	Compliance rate for C-TPAT <sup>1</sup> members with the established C-TPAT <sup>1</sup> security Guidelines.	100%	95.10%	100%	94.50%	
	Percent of inbound high-risk cargo transported by air, land, or sea that has been screened and entry status is resolved prior to or during processing at a U.S. port of entry. (S) [FOUO]	N/A	N/A	100%	FOUO	
	Percent of requested cargo examinations conducted at foreign ports of origin in cooperation with host nations under CSI <sup>2</sup> .	100%	96%	100%	98%	
	Percent of revenue directed by trade laws, regulations, and agreements successfully collected.	100%	99.12%	100%	98.88%	
	Percent of cargo by value imported to the U.S. by participants in CBP trade partnership programs.	45%	55.07%	45%	54.66%	
	Percent of imports compliant with applicable U.S. trade laws.	98%	97.67%	98%	96.46%	
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 United States 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

Office of Administration  
1331 Pennsylvania Avenue  
Room 950, National Place  
Washington, DC 20229

Please visit the U.S. Customs and Border Protection website at  
[www.cbp.gov](http://www.cbp.gov)

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

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