

December 22, 2025

Chairman Colleen Duffy Kiko
Federal Labor Relations Authority
1400 K Street, NW
Washington, DC 20424

Dear Chairman Kiko,

We have audited the financial statements of the Federal Labor Relations Authority (FLRA) for the year ended September 30, 2025, and issued our report thereon dated December 22, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by FLRA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2025. We noted no transactions entered into by FLRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of accrued expenses that is based on estimated amount of services or goods provided by vendors as of September 30, 2025, for which vendors had not yet billed. We evaluated the methods, assumptions, and data used to develop the estimate for accrued expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. One material misstatement was detected as a result of audit procedures and corrected by management. This adjustment of \$635,746 is described in detail within our audit report and relates to an incorrect accrued expense

amount that impacted several trial balance accounts including accrued expenses, unexpended appropriations, undelivered orders, delivered orders and operating expenses. For misstatements that were not material, management has determined that the effects of unadjusted amounts are immaterial, both individually and in aggregate, to the financial statements taken as a whole. The uncorrected misstatements of approximately \$31,000 relate to payroll liabilities, the details of which were included in the management letter. Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgement, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the FLRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as FLRA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. These items have been detailed in a letter dated December 22, 2025, a copy of this letter has been attached to this correspondence.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of FLRA's Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Rocha & Company, PC". The signature is written in a cursive, flowing style.

Rocha & Company, PC