



OFFICE OF INSPECTOR GENERAL

U.S. ENVIRONMENTAL PROTECTION AGENCY

CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

U.S. Chemical Safety Board

Contractor-Produced Report: U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2021 and 2020 Financial Statement Audit

Report No. 22-F-0005

November 15, 2021

Abbreviations:

CSB
EPA
OIG

U.S. Chemical Safety and Hazard Investigation Board
U.S. Environmental Protection Agency
Office of Inspector General

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Office of Inspector General U.S. Environmental Protection Agency

At a Glance

22-F-0005
November 15, 2021

Why This Audit Was Done

The audit was performed in accordance with the Accountability of Tax Dollars Act of 2002, which requires the U.S. Chemical Safety and Hazard Investigation Board to prepare, and the Office of Inspector General to audit, the Board's financial statements each year.

The U.S. Environmental Protection Agency's OIG, which also serves as the OIG for the CSB, contracted with Allmond & Company to perform the audit of the CSB's fiscal years 2021 and 2020 financial statements.

This audit supports a CSB goal:

- *Create and maintain an engaged, high-performing workforce.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG_WEBCOMMENTS@epa.gov.

[List of OIG reports.](#)

Contractor-Produced Report: U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2021 and 2020 Financial Statement Audit

What Allmond & Company Found

Allmond & Company rendered an unmodified opinion on the CSB's financial statements for fiscal years 2021 and 2020, meaning that the statements were fairly presented and free of material misstatements.

Allmond & Company found the CSB's financial statements to be fairly presented and free of material misstatements.

As part of obtaining reasonable assurance about whether the CSB's financial statements are free of material misstatement, Allmond & Company performed tests of the CSB's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, with which noncompliance could have a direct and material effect on the financial statements. Allmond & Company's fiscal years 2021 and 2020 audit disclosed no instances of noncompliance or other matters that are required to be reported.

In planning and performing its audit, Allmond & Company considered the CSB's internal control over financial reporting. During the audit, Allmond & Company did not identify any deficiencies in internal control over financial reporting that would be considered a material weakness.

Allmond & Company is responsible for the enclosed auditor's report and the conclusions expressed in that report. We do not express any opinion or conclusions on the CSB's financial statements; internal control; or compliance with laws, regulations, contracts, and grant agreements.

Allmond & Company made no recommendations to the CSB.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

November 15, 2021

Katherine A. Lemos, PhD
Chairperson and Chief Executive Officer
U.S. Chemical Safety and Hazard Investigation Board
1750 Pennsylvania Avenue NW, Suite 910
Washington, D.C. 20006

Dear Dr. Lemos:

RE: Report No. 22-F-0005, *Contractor-Produced Report: U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2021 and 2020 Financial Statement Audit*

This letter transmits the audit report on the U.S. Chemical Safety and Hazard Investigation Board's fiscal years 2021 and 2020 financial statements. The audit is required by the Accountability of Tax Dollars Act of 2002, Pub. L. 107-289. The independent public accounting firm of Allmond & Company, LLC, performed the audit of the CSB financial statements as of and for the fiscal years ended September 30, 2021 and 2020. The audit was conducted in accordance with the comptroller general of the United States' *Government Auditing Standards* and Office of Management and Budget Bulletin 21-04, *Audit Requirements for Federal Financial Statements*.

Allmond & Company is responsible for the enclosed auditor's report, which is dated November 12, 2021, and the opinions and conclusions expressed in that report. We do not express any opinion or conclusions on the CSB's financial statements; internal control; or compliance with laws, regulations, contracts, and grant agreements.

Because this report contains no recommendations, you are not required to respond to this report. However, if you submit a response, it will be posted on the Office of Inspector General's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public. If your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul C. Antkowiak".

Director
Financial Directorate
Office of Audit

Enclosure

**U.S. CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FISCAL
YEARS 2021 and 2020 FINANCIAL STATEMENT AUDIT**



**ALLMOND & COMPANY, LLC
Certified Public Accountants
7501 Forbes Blvd., Suite 200
Lanham, Maryland 20706
(301) 918-8200**



Independent Auditors' Report

Chairman and CEO, U.S. Chemical Safety and Hazard Investigation Board
Inspector General, Environmental Protection Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the U.S. Chemical Safety and Hazard Investigation Board (CSB), which comprise the balance sheets as of September 30, 2021 and 2020; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

Management's Responsibility for the Financial Statements

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; this responsibility includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the fiscal year 2021 and 2020 financial statements of CSB based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Chemical Safety and Hazard Investigation Board as of September 30, 2021 and 2020, and its net costs, 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.

Other Matters*Required Supplementary Information*

U.S. generally accepted accounting principles require that the information in the *Message from the Chairman and Management and Discussion Analysis* sections of this report is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board. We have applied certain limited procedures, which consisted principally 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 CSB's financial statements. However, we did not audit this information and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards*Internal Control over Financial Reporting*

In planning and performing our audit of CSB's financial statements as of and for the year ended September 30, 2021, in accordance with generally accepted government auditing standards, we considered CSB's internal control over financial reporting 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 CSB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CSB's internal control over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 21-04. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

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 misstatement on a timely basis. A material weakness is a deficiency, or combination of deficiencies, 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 the attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose as described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our fiscal year 2021 audit we did not identify any deficiencies in internal control over financial reporting that we considered to be a material weakness, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSB's fiscal year 2021 financial statements are free of material misstatements, we performed tests of CSB's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, which noncompliance could have a direct and material effect on the determination of material amounts and disclosures in CSB's financial statements, and certain provisions of other laws specified in OMB Bulletin No. 21-04. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance as described in the preceding paragraph, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 21-04.

CSB's Response to Auditors' Report

The CSB's response to the auditors' report is included immediately following this report. The CSB's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 section is solely to describe the scope of our testing of internal control and compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of CSB's internal control or on compliance. This communication is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal controls and compliance with laws, regulations, contracts, and grant agreements which could have a material effect on CSB's financial statements. Accordingly, this communication is not suitable for any other purpose.

Allmond & Company, LLC

Lanham, MD
November 12, 2021



U.S. Chemical Safety and Hazard Investigation Board

Memorandum

To: Paul C. Curtis, Director – Financial Directorate, Office of Audit, Office of Inspector General

From: Katherine A. Lemos, Chairman and CEO

Cc: David LaCerte – Acting Managing Director
Bruce Walker – Senior Advisor and Audit Liaison
Michele Lawson – Finance Director
Chuong Dai Nguyen – Acting Chief Financial Officer

Subject: Management Response to the Office of Inspector General (OIG) Fiscal Year 2021's Draft Audit Report

Date: November 12, 2021

A handwritten signature in black ink, appearing to read "Bruce Walker".

The U.S. Chemical Safety and Hazard Investigation Board (CSB or “Agency”) has performed significant work to ensure the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

We are pleased to receive the independent auditor's report with an Unmodified Opinion, the highest level of assurance that the CSB's financial statements are presented, in all material respects, in accordance with applicable financial reporting requirements.

The Federal Manager's Financial Integrity Act (FMFIA) requires the CSB to annually evaluate its management controls and identify any material weaknesses. This requirement covers all the CSB's programs and administrative functions. As the CSB works to serve the American people, we must administer our programs as efficiently, economically, and responsibly. The CSB relies on a system of management controls to provide reasonable assurance that our financial activities comply with all applicable laws, and safeguards resources, as well as properly accounts for expenditures. This tremendous effort has resulted in CSB's notable fiscal year 2021 financial statements are free of material statements, as testified in the independent auditor's report.

Based on both internal and external evaluations, and knowledge gained from daily operations, I can certify with reasonable assurance that the CSB is in compliance with the provisions of the FMFIA.

We appreciate the opportunity to respond to the OIG draft report. Please contact Chuong Dai Nguyen in the Office of Financial Operations at (202) 302-9090 with any questions.

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**





**U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
BALANCE SHEET
AS OF SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Assets:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 8,891,840	\$ 7,263,197
Advances and Prepayments	-	2,856
Total Intragovernmental	8,891,840	7,266,053
Accounts Receivable, Net (Note 3)	33,294	-
General Property, Plant, and Equipment, Net (Note 4)	168,190	255,283
Total With the Public	201,484	255,283
Total Assets	\$ 9,093,324	\$ 7,521,336
Liabilities (Note 5):		
Intragovernmental:		
Accounts Payable	24,649	27,098
Other Liabilities (Note 6)	78,329	79,635
Total Intragovernmental	102,978	106,733
Accounts Payable	413,472	501,750
Federal Employee [and Veteran] Benefits Payable	419,865	555,037
Other Liabilities (Note 6)	396,058	244,900
Total With the Public	1,229,395	1,301,687
Total Liabilities	\$ 1,332,373	\$ 1,408,420
Net Position:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	7,970,381	6,408,029
Total Unexpended Appropriations	7,970,381	6,408,029
Cumulative Results of Operations - Funds from Other than Dedicated Collections	(209,430)	(295,113)
Total Net Position	7,760,951	6,112,916
Total Liabilities and Net Position	\$ 9,093,324	\$ 7,521,336

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Gross Program Costs:		
Gross Costs	\$ 10,225,911	\$ 10,850,698
Less: Earned Revenue	(150)	-
Net Cost of Operations	\$ 10,225,761	\$ 10,850,698

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
	Consolidated Total	Consolidated Total
Unexpended Appropriations:		
Beginning Balances	\$ 6,408,029	\$ 5,106,068
Appropriations Received	12,000,000	12,000,000
Other Adjustments	(399,640)	(350,023)
Appropriations Used	(10,038,008)	(10,348,016)
Net Change in Unexpended Appropriations	1,562,352	1,301,961
Total Unexpended Appropriations - Ending	\$ 7,970,381	\$ 6,408,029
Cumulative Results of Operations:		
Beginning Balances	\$ (295,113)	\$ (81,137)
Appropriations Used	10,038,008	10,348,016
Imputed Financing (Note 9)	273,586	288,706
Other	(150)	-
Net Cost of Operations	(10,225,761)	(10,850,698)
Net Change in Cumulative Results of Operations	85,683	(213,976)
Cumulative Results of Operations - Ending	\$ (209,430)	\$ (295,113)
Net Position	\$ 7,760,951	\$ 6,112,916

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Budgetary Resources:		
Unobligated balance from prior year budget authority, net (Note 10)	\$ 4,930,873	\$ 3,245,177
Appropriations	12,000,000	12,000,000
Total Budgetary Resources	\$ 16,930,873	\$ 15,245,177
Status of Budgetary Resources:		
New obligations and upward adjustments (total)	\$ 11,375,092	\$ 10,263,757
Apportioned, unexpired accounts	1,494,381	2,713,510
Unexpired unobligated balance, end of year	1,494,381	2,713,510
Expired unobligated balance, end of year	4,061,400	2,267,910
Unobligated balance, end of year (total)	5,555,781	4,981,420
Total Budgetary Resources	\$ 16,930,873	\$ 15,245,177
Outlays, Net and Disbursements, Net:		
Outlays, net (total)	9,971,716	10,516,614
Agency outlays, net	9,971,716	10,516,614



CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The United States Chemical Safety and Hazard Investigation Board (CSB) is an independent Federal agency with the mission of ensuring the safety of workers and the public by promoting chemical safety and accident prevention. The CSB was established by the Clean Air Act Amendments of 1990 and is responsible for advising the President and Congress on key issues related to chemical safety and evaluating the effectiveness of other Government agencies on safety requirements. The CSB receives all of its funding through appropriations. The CSB reporting entity is comprised of General Funds and General Miscellaneous Receipts.

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. The CSB manages Operations and Facilities, Engineering and Development General Fund accounts.

General Fund Miscellaneous Receipts are accounts established for receipts of non-recurring activity, such as fines, penalties, fees and other miscellaneous receipts for services and benefits.

The CSB has rights and ownership of all assets reported in these financial statements. The CSB does not possess any non-entity assets.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the CSB. The Balance Sheet presents the financial position of the agency. The Statement of Net Cost presents the agency's operating results; the Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.

The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of the CSB in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as amended, and the CSB accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control CSB's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements on the use of federal funds.

D. Fund Balance with Treasury

FBWT is an asset of a reporting entity and a liability of the General Fund. It is the aggregate amount of the CSB's funds with Treasury in expenditure, receipt, and deposit fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

The CSB does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Funds are disbursed for the agency on demand. Foreign currency payments are made either by Treasury or the Department of State and are reported by the CSB in the U.S. dollar equivalents.

E. Accounts Receivable

Accounts receivable consists of amounts owed to the CSB by other federal agencies and the general public. Amounts due from federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay.

F. Property, Equipment, and Software

Property, equipment and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. The CSB's capitalization threshold is \$10,000 for individual purchases and \$50,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

<u>Description</u>	<u>Useful Life (years)</u>
Leasehold Improvements	Lease Term
Office Furniture	7
Office Equipment	5
Computer Equipment	3
Software	3

G. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

H. Liabilities

Liabilities represent the amount of funds likely to be paid by the CSB as a result of transactions or events that have already occurred.

The CSB reports its liabilities under two categories, Intragovernmental and With the Public. Intragovernmental liabilities represent funds owed to another government agency. Liabilities with the Public represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave, deferred rent, actuarial FECA, and the amounts due to Treasury for collection and accounts receivable of civil penalties and FOIA request fees.

I. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

J. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the CSB employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the CSB terminates

without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

K. Retirement Plans

The CSB employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of CSB's matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency contribution equal to one percent of pay and the CSB matches any employee contribution up to an additional four percent of pay. For FERS participants, the CSB also contributes the employer's matching share of Social Security.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, the CSB remits the employer's share of the required contribution.

The CSB recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to the CSB for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The CSB recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The CSB does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM, as the administrator.

L. Other Post-Employment Benefits

The CSB employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGLIP) may continue to participate in these programs after their retirement. The OPM has provided the CSB with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The CSB recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the CSB through the recognition of an imputed financing source.

M. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

N. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

O. Reclassification

Certain fiscal year 2020 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2021 and 2020, were as follows:

	2021	2020
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 1,494,380	\$ 2,713,511
Unavailable	4,061,400	2,267,910
Obligated Balance Not Yet Disbursed	3,336,060	2,281,776
Total	\$ 8,891,840	\$ 7,263,197

No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, this amount will become part of the unavailable balance as described in the following paragraph.

The unavailable unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have not yet decreased the fund balance on hand (see also Note 13).

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2021 and 2020, were as follows:

	2021	2020
With the Public		
Accounts Receivable	\$ 33,294	\$ -
Total Accounts Receivable	\$ 33,294	\$ -

The accounts receivable is primarily made up of reimbursements due from employees.

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2021 and 2020.

NOTE 4. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of General Property, Plant and Equipment, Net as of September 30, 2021:

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 271,851	\$ 271,851	\$ -
Furniture & Equipment	1,405,249	1,285,872	119,377
Software	226,797	177,984	48,813
Total	\$ 1,903,897	\$ 1,735,707	\$ 168,190

Schedule of General Property, Plant and Equipment, Net as of September 30, 2020:

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 271,851	\$ 271,851	\$ -
Furniture & Equipment	1,343,781	1,162,778	181,003
Software	226,797	152,517	74,280
Total	\$ 1,842,429	\$ 1,587,146	\$ 255,283

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the CSB as of September 30, 2021 and 2020 include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2021	2020
Intragovernmental – FECA	\$ 1,020	\$ 1,020
Intragovernmental – Unemployment Insurance	-	10,944
Unfunded Leave	407,694	538,433
Total Liabilities Not Covered by Budgetary Resources	\$ 408,714	\$ 550,397
Total Liabilities Covered by Budgetary Resources	921,459	858,023
Total Liabilities Not Requiring Budgetary Resources	2,200	-
Total Liabilities	\$ 1,332,373	\$ 1,408,420

FECA and the Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on the CSB’s behalf and payable to the DOL.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to

accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2021 were as follows:

Current Year:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 24,018	\$ -	\$ 24,018
Custodial Liability (to the General Fund)	2,050	-	2,050
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (to the General Fund)	150	-	150
Employer Contributions and Payroll Taxes Payable	\$ 51,091	\$ -	\$ 51,091
Unfunded FECA Liability	1,020	-	1,020
Total Intragovernmental Other Liabilities	\$ 78,329	\$ -	\$ 78,329

Other liabilities account balances as of September 30, 2020 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 18,008	\$ -	\$ 18,008
Employer Contributions and Payroll Taxes Payable	\$ 49,663	\$ -	\$ 49,663
Unfunded FECA Liability	1,020	-	1,020
Other Unfunded Employment Related Liability	10,944	-	10,944
Other Liabilities	-	-	-
Total Intragovernmental Other Liabilities	\$ 79,635	\$ -	\$ 79,635

With the Public

Accrued Funded Payroll and Leave	\$ 244,900	\$ -	\$ 244,900
Total Public Other Liabilities	\$ 244,900	\$ -	\$ 244,900
Total Other Liabilities	\$ 324,535	\$ -	\$ 324,535

NOTE 7. LEASES

Operating Leases

The CSB occupies office space in Washington, DC. The Washington, DC office currently has a lease agreement which is accounted for as an operating lease.

On July 15, 2019, the CSB entered into a Novation Agreement which recognized the transfer in ownership of its headquarters building and established a new lease term with the new building owner. The new agreement began on July 15, 2019 and is scheduled to terminate on July 14, 2024. The CSB has the option to extend the lease for one (1) additional term, from July 15, 2024, through September 30, 2025. The novation lease includes caps for annual adjustments to real estate taxes, operating expenses, and a 24-hour HVAC requirement. Finally, the amendment changed agreed upon rent abatements in the original lease. Below is a schedule of future payments for the lease through September 30, 2025, including agreed upon annual caps and rent abatements.

Washington, DC

	Fiscal Year	Office Space
2022		614,321
2023		725,135
2024		815,143
2025		654,147
Total Future Payments		\$ 2,808,746

The lease agreement for office space in Denver, CO is accounted for as an operating lease. However, the Denver Federal Center was closed on December 31, 2020. Therefore, per the agreement with GSA, the CSB is responsible for covering the full rent for the Denver Federal Center for the first three (3) months of Fiscal Year 2021, totaling the amount of \$24, 645.

NOTE 8. INTER-ENTITY COSTS

The CSB recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. The CSB recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2021 and 2020, respectively, inter-entity costs were as follows:

	2021	2020
Office of Personnel Management	\$ 273,586	\$ 288,706
Total Imputed Financing Sources	\$ 273,586	\$ 288,706

NOTE 9. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2021, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Unpaid Undelivered Orders	\$ 39,156	\$ 2,375,444	\$ 2,414,600
Total Undelivered Orders	\$ 39,156	\$ 2,375,444	\$ 2,414,600

As of September 30, 2020, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 2,856	\$ -	\$ 2,856
Unpaid Undelivered Orders	58,291	1,365,461	1,423,752
Total Undelivered Orders	\$ 61,147	\$ 1,365,461	\$ 1,426,608

NOTE 10. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2021 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2022 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2022 Budget of the United States Government, with the "Actual" column completed for 2020, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 15	\$ 10	\$ -	\$ 11
Unobligated Balance Not Available	(2)	-	-	-
Budget of the U.S. Government	\$ 13	\$ 10	\$ -	\$ 11

NOTE 11. CUSTODIAL ACTIVITY

The CSB's custodial collection primarily consists of Freedom of Information Act requests. While these collections are considered custodial, they are neither primary to the mission of the CSB nor material to the overall financial statements. The CSB's total custodial collections are \$0,000 and \$0,000 for the years ended September 30, 2021, and 2020, respectively.

NOTE 12. RECONCILIATION OF NET COST TO NET OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

**RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2021
(In Dollars)**

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 2,531,351	\$ 7,694,410	\$ 10,225,761
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(153,197)	(153,197)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	-	33,294	33,294
Other Assets	(2,856)	-	(2,856)
(Increase)/Decrease in Liabilities:			
Accounts Payable	2,449	88,278	90,727
Federal Employee and Veteran Benefits Payable	-	135,172	135,172
Other Liabilities	1,306	(151,158)	(149,852)
Financing Sources:			
Imputed Cost	(273,586)	-	(273,586)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (272,687)	\$ (47,611)	\$ (320,298)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	66,103	66,103
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 66,103	\$ 66,103
Misc Items			
Custodial/Non-Exchange Revenue	2,050	(2,050)	-
Non-Entity Activity	150	-	150
Total Other Reconciling Items	\$ 2,200	\$ (2,050)	\$ 150
Total Net Outlays (Calculated Total)	\$ 2,260,864	\$ 7,710,852	\$ 9,971,716
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			\$ 9,971,716

Reconciliation of Net Cost to Net Outlays as of September 30, 2020:

**RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2020
⊕ (In Dollars)**

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 2,619,099	\$ 8,231,599	\$ 10,850,698
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(172,547)	(172,547)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	-	(536)	(536)
Other Assets	2,856	-	2,856
(Increase)/Decrease in Liabilities:			
Accounts Payable	7,670	240,353	248,023
Federal Employee and Veteran Benefits Payable	-	(106,507)	(106,507)
Other Liabilities	(31,360)	(61,709)	(93,069)
Financing Sources:			
Imputed Cost	(288,706)	-	(288,706)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (309,540)	\$ (100,946)	\$ (410,486)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	76,402	76,402
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 76,402	\$ 76,402
Total Net Outlays (Calculated Total)	\$ 2,309,559	\$ 8,207,055	\$ 10,516,614
Budgetary Agency Outlays, Net (SBR 4210)			\$ 10,516,614
Budgetary Agency Outlays, Net			\$ 10,516,614