



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 2022 and 2021 Financial Statement Audit

Report No. 23-F-0001

November 15, 2022

Abbreviations:

CSB
EPA
OIG

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

Are you aware of fraud, waste, or abuse in a CSB program?

EPA Inspector General Hotline

1200 Pennsylvania Avenue, NW (2431T)
Washington, D.C. 20460
(888) 546-8740
(202) 566-2599 (fax)

OIG_Hotline@epa.gov

Learn more about our [OIG Hotline](#).

EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)
Washington, D.C. 20460
(202) 566-2391

www.epa.gov/oig

Subscribe to our [Email Updates](#).

Follow us on Twitter [@EPAoig](#).

Send us your [Project Suggestions](#).



Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

23-F-0001
November 15, 2022

The audit was performed in

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

Protection Agency OIG, which

Company LLC to perform the audit of the CSB's fiscal years

This audit supports a CSB goal:

engaged, high-performing workforce.

Address inquiries to our public affairs office at (202) 566-2391 or [OIG WEBCOMMENTS@epa.gov](mailto:OIG_WEBCOMMENTS@epa.gov).

[List of OIG reports.](#)

Contractor-Produced Report: U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2022 and 2021 Financial Statement Audit

What Allmond & Company Found

Allmond & Company rendered an unmodified opinion on the CSB's financial statements for fiscal years 2022 and 2021, 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 misstatement.

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 2022 and 2021 audit disclosed one instance of noncompliance or other matters that are required to be reported. During fiscal year 2022, the CSB reported a violation of the Antideficiency Act that occurred during fiscal year 2020 related to the purchase of office furniture.

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 the 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.

Recommendations and Planned Agency Corrective Actions

Allmond & Company recommended that the CSB update its policies and guidance to include limits on expenditures for office furniture and related improvements for political appointees and provide training to CSB staff and board members on those limits. The CSB certified that it created internal policies to provide guidance to its political appointees and staff and will conduct relevant training on the limits on expenditures for office furniture and related improvements for political appointees. Allmond & Company will conduct follow-up procedures during fiscal year 2023 to determine whether the corrective actions have been implemented.



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

OFFICE OF
INSPECTOR GENERAL

November 15, 2022

Steve Owens
Board Member and Interim Executive Authority
U.S. Chemical Safety and Hazard Investigation Board
1750 Pennsylvania Avenue NW, Suite 910
Washington, D.C. 20006

Dear Mr. Owens:

This letter transmits the audit report on the U.S. Chemical Safety and Hazard Investigation Board's fiscal years 2022 and 2021 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, 2022 and 2021. The audit was conducted in accordance with the comptroller general of the United States' *Government Auditing Standards* and Office of Management and Budget Bulletin 22-01, *Audit Requirements for Federal Financial Statements*.

Allmond & Company is responsible for the enclosed auditor's report, dated November 11, 2022, 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.

You provided corrective actions in response to the recommendations. Allmond & Company will conduct follow-up procedures in fiscal year 2023 to determine whether corrective actions have been implemented. 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,

Damon M. Jackson

Damon Jackson, Director
Financial Directorate
Office of Audit

Enclosure

CSB – 2022 Financial Statement Audit
Contract: GS23F0111L/68HERH21F0086

Chemical Safety and Hazard Investigation Board (CSB)
Fiscal Year 2022 Financial Statement Audit

Final Independent Auditors' Report

Submitted for review and acceptance to:
Safiya Chambers
Contracting Officer's Representative (COR)
Environmental Protection Agency
Office of the Inspector General
1301 Constitution Avenue, NW
Washington, DC 20004

Submitted by:
Jason L. Allmond CPA, CGFM, CISA, CISM
Managing Member
Allmond & Company, LLC
7501 Forbes Blvd., Suite 200
Lanham, MD 20706
301-918-8200
jallmond@allmondcpa.com

Final Independent Auditors' Report

Prepared under contract to the Environmental Protection Agency (EPA) Office of Inspector General (OIG) to provide financial auditing services

**U.S. CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
AUDIT REPORT
SEPTEMBER 30, 2022**



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



Independent Auditors' Report

Interim Executive Authority and Board member, U.S. Chemical Safety and Hazard Investigation Board
Inspector General, Environmental Protection Agency:

Report on the Financial Statements

Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, 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, 2022 and 2021; 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).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the U.S. Chemical Safety and Hazard Investigation Board as of September 30, 2022 and 2021, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

CSB management is responsible for (1) the preparation and fair presentation of these financial statements accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in CSB's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 22-01 will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 22-01, our responsibilities are to exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit 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 CSB'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 evaluating the overall presentation of the financial statements, and performing other procedures we consider necessary in the circumstances. We are required to communicate with those charged with governance regarding, among other matters, the planned scope of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management

about the methods of preparing the RSI and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the CSB's financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CSB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CSB's Performance Accountability Report. The other information comprises the *Management Discussion and Analysis (MD&A)* and *Performance* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of CSB's financial statements as of and for the year ended September 30, 2022, we considered CSB's internal control over financial reporting, consistent with the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express 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. Given these limitations, during our audit, we did not

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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 over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CSB's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Internal Control over Financial Reporting

CSB management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CSB's financial statements as of and for the fiscal year ended September 30, 2022, in accordance with U.S. generally accepted government auditing standards, we considered CSB's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSB's internal control over financial reporting. Accordingly, we do not express an opinion on CSB's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CSB's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CSB's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards

in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

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

In connection with our audits of CSB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed one instance of noncompliance for fiscal year 2022 that would be reportable under U.S. generally accepted government auditing standards. This matter is further discussed in *Exhibit I, Findings and Recommendations* of this report. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CSB. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CSB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CSB.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CSB that have a direct effect on the determination of material amounts and disclosures in CSB's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CSB. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

The CSB's Responses to Findings

The CSB's responses to the findings identified during our audit are described immediately following Exhibit I. 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.

Allmond & Company, LLC

Lanham, MD
November 11, 2022

CONDITION

During fiscal year (FY) 2022 the Chemical Safety and Hazard Investigation Board (CSB) reported a violation of the Anti-Deficiency Act (ADA) that occurred during the fiscal year FY 2020, as follows:

A task order was issued on September 17, 2020 to provide office furniture for the office of the Chairman. The total cost for the furniture was \$9,690.38, 4,690.38 above the \$5,000 allowable limit established by the Appropriations Act of 1992.

CRITERIA

Title 31 U.S. Code (U.S.C.) Section 1517 *Prohibited Obligations and Expenditures* states:

- (a) An officer or employee of the United States Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding –
 - (1) An apportionment; or
 - (2) The amount permitted by regulations prescribed under section 1514(a) of this title.

The Treasury, Postal Service, and General Government Appropriations Act, 1992 P.L. 102-141 Section 618, states “During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of \$5,000 to furnish or redecorate the office of such department head, agency head, officer or employee or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate”.

CAUSE

CSB staff, including legal, contracting and finance staff were unaware of the limits of expenditures on office furniture and related improvements for political appointees. Also, there were no CSB policies or guidance that documented the limits, available for review.

EFFECT

CSB’s failure to comply with the limitations prescribed in the Appropriations Act caused a violation to the Anti Deficiency Act.

RECOMMENDATION

We recommend that CSB management:

- Update CSB policies and guidance to include the limits on expenditures for office furniture related improvements for political appointees.
- Provide training to CSB staff and Board members on the limits of expenditures on office furniture and related improvements for political appointees.

MANAGEMENT RESPONSE

The CSB's management responses to the finding identified during our audit are described immediately following this report.

AUDITORS' RESPONSE

We will conduct follow-up procedures in FY 2023 to determine whether corrective actions have been developed and implemented.

**U.S. Chemical Safety and
Hazard Investigation Board**


1750 Pennsylvania Avenue NW, Suite 910 | Washington, DC 20006
Phone: (202) 261-7600 | Fax: (202) 261-7650
www.csb.gov

Steve Owens
Interim Executive Authority

Sylvia E. Johnson, Ph.D.
Board Member



To: Damon Jackson, Director – Financial Directorate, Office of Audit, Office of
Inspector General

From: Steve Owens, Interim Executive Authority 

Cc: Sylvia E. Johnson, Ph. D. – Board Member
Michele Lawson – Director of Financial Operations

Subject: Management Response to the Office of Inspector General (OIG) Fiscal Year 2022's
Draft Audit Report

Date: November 11, 2022

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.

During this audit, the current CSB leadership discovered and disclosed to the auditor an Anti-Deficiency Action (ADA) violation pertaining to political appointee office furnishings limitations that occurred under the former CSB Chairperson during FY 2020, and the CSB has received a Notice of Findings and Recommendations (NFR) resulting from this violation. Since the violation occurred, the CSB has created internal policies to provide guidance to CSB political appointees and staff to ensure that this occurrence does not happen again, and the agency will conduct

relevant training on the limits of expenditures on office furniture and related improvements for political appointees. Nonetheless, the CSB's fiscal year 2022 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 follows the provisions of the FMFIA.

We appreciate the opportunity to respond to the OIG draft report. Please contact Michele Lawson in the Office of Financial Operations at (202) 713-6849 if you have further questions.

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021**





**U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

TABLE OF CONTENTS

| | |
|---|------|
| BALANCE SHEET..... | 1 |
| STATEMENT OF NET COST..... | 2 |
| STATEMENT OF CHANGES IN NET POSITION..... | 3 |
| STATEMENT OF BUDGETARY RESOURCES..... | 4 |
| NOTES TO THE FINANCIAL STATEMENTS..... | 5-15 |

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
BALANCE SHEET
AS OF SEPTEMBER 30, 2022 AND 2021
(In Dollars)

| | 2022 | 2021 |
|--|----------------------|---------------------|
| Assets: | | |
| Intragovernmental: | | |
| Fund Balance with Treasury (Note 2) | \$ 10,411,024 | \$ 8,891,840 |
| Total Intragovernmental | 10,411,024 | 8,891,840 |
| Other than Intragovernmental: | | |
| Accounts Receivable, Net (Notes 3) | 33,381 | 33,294 |
| General Property, Plant, and Equipment, Net (Note 4) | 45,379 | 168,190 |
| Total Other than Intragovernmental | 78,760 | 201,484 |
| Total Assets | \$ 10,489,784 | \$ 9,093,324 |
| Liabilities: (Note 6) | | |
| Intragovernmental: | | |
| Accounts Payable | 27,983 | 24,649 |
| Other Liabilities (Note 6) | 33,123 | 78,329 |
| Total Intragovernmental | 61,106 | 102,978 |
| Other than Intragovernmental: | | |
| Accounts Payable | 320,238 | 413,472 |
| Federal Employee [and Veteran] Benefits Payable | 517,421 | 419,865 |
| Other Liabilities (Notes 6) | 124,520 | 396,058 |
| Total Other than Intragovernmental | 962,179 | 1,229,395 |
| Total Liabilities | \$ 1,023,285 | \$ 1,332,373 |
| Net Position: | | |
| Unexpended Appropriations - Funds from Other than Dedicated Collections | 9,901,480 | 7,970,381 |
| Total Unexpended Appropriations (Consolidated) | 9,901,480 | 7,970,381 |
| Cumulative Results of Operations - Funds from Other than Dedicated Collections | (434,981) | (209,430) |
| Total Net Position | 9,466,499 | 7,760,951 |
| Total Liabilities and Net Position | \$ 10,489,784 | \$ 9,093,324 |

The accompanying notes are an integral part of these financial statements.

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

| | 2022 | 2021 |
|-------------------------------|----------------------|----------------------|
| Gross Program Costs: | | |
| Gross Costs | \$ 11,717,720 | \$ 10,225,911 |
| Less: Earned Revenue | - | (150) |
| Net Cost of Operations | \$ 11,717,720 | \$ 10,225,761 |

The accompanying notes are an integral part of these financial statements.

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

| | 2022 | 2021 |
|--|---------------------|---------------------|
| | Consolidated Total | Consolidated Total |
| Unexpended Appropriations: | | |
| Beginning Balance | \$ 7,970,381 | \$ 6,408,029 |
| Appropriations Received | 13,400,000 | 12,000,000 |
| Other Adjustments | (223,882) | (399,640) |
| Appropriations Used | (11,245,019) | (10,038,008) |
| Net Change in Unexpended Appropriations | 1,931,099 | 1,562,352 |
| Total Unexpended Appropriations | \$ 9,901,480 | \$ 7,970,381 |
| Cumulative Results of Operations: | | |
| Beginning Balance | \$ (209,430) | \$ (295,113) |
| Appropriations Used | 11,245,019 | 10,038,008 |
| Imputed Financing (Note 9) | 247,150 | 273,586 |
| Other | - | (150) |
| Net Cost of Operations | (11,717,720) | (10,225,761) |
| Net Change in Cumulative Results of Operations | (225,551) | 85,683 |
| Total Cumulative Results of Operations | \$ (434,981) | \$ (209,430) |
| Net Position | \$ 9,466,499 | \$ 7,760,951 |

The accompanying notes are an integral part of these financial statements.

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

| | 2022 | 2021 |
|---|----------------------|----------------------|
| Budgetary Resources: | | |
| Unobligated Balance from Prior Year Budget Authority, Net (Note 10) | \$ 6,032,525 | \$ 4,930,873 |
| Appropriations | 13,400,000 | 12,000,000 |
| Total Budgetary Resources | \$ 19,432,525 | \$ 16,930,873 |
| Status of Budgetary Resources: | | |
| New Obligations and Upward Adjustments (total) (Note 11) | \$ 13,398,974 | \$ 11,375,092 |
| Unobligated Balance, End of Year: | | |
| Apportioned, Unexpired Accounts | 92,984 | 1,494,381 |
| Unapportioned, Unexpired Accounts | 844,145 | - |
| Unexpired Unobligated Balance, End of Year | 937,129 | 1,494,381 |
| Expired Unobligated Balance, End of Year | 5,096,422 | 4,061,400 |
| Unobligated Balance, End of Year (total) | 6,033,551 | 5,555,781 |
| Total Budgetary Resources | \$ 19,432,525 | \$ 16,930,873 |
| Outlays, Net and Disbursements, Net: | | |
| Outlays, Net (total) | 11,656,935 | 9,971,716 |
| Agency Outlays, Net | \$ 11,656,935 | \$ 9,971,716 |

The accompanying notes are an integral part of these financial statements.



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'S accounting policies which are summarized in this note. These statements, except for 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 the 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 the control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

D. Fund Balance with Treasury

Fund Balance with Treasury 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, revolving, 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. When the reporting entity seeks to use FBWT or investments in Government securities to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). 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 |
| Computer Equipment | 5 |
| Office 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 due to transactions or events that have already occurred.

The CSB reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental 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. Deferred rent is the difference at year-end between the sum of monthly cash disbursements paid to date for rent and the sum of the average monthly rent calculated based on the term of the lease.

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's 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 (1) the net present value of estimated future payments calculated by the DOL and (2) the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

K. Retirement Plans

The CSB's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the 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 statement's 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's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) may continue to

participate in these programs after their retirement. OPM has provided 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. Reclassification

Certain fiscal year 2021 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

O. 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.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2022, and 2021, were as follows:

| | 2022 | 2021 |
|--|----------------------|---------------------|
| Status of Fund Balance with Treasury: | | |
| Unobligated Balance | | |
| Available | \$ 92,984 | \$ 1,494,380 |
| Unavailable | 5,940,567 | 4,061,400 |
| Obligated Balance Not Yet Disbursed | 4,377,473 | 3,336,060 |
| Total | \$ 10,411,024 | \$ 8,891,840 |

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 represents the remaining 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 reduced unexpended appropriations but have not yet decreased the fund balance on hand (see also Note 12).

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2022, and 2021, were as follows:

| | 2022 | 2021 |
|----------------------------------|------------------|------------------|
| Other than Intergovernmental | | |
| Accounts Receivable | \$ 33,381 | \$ 33,294 |
| Total Accounts Receivable | \$ 33,381 | \$ 33,294 |

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

Historical experience has indicated that most of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2022, and 2021.

NOTE 4. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of General Property, Plant and Equipment, Net as of September 30, 2022:

| Major Class | Acquisition Cost | Accumulated Amortization/ Depreciation | Net Book Value |
|-----------------------|---------------------|--|-------------------|
| Furniture & Equipment | \$ 1,405,249 | \$ 1,383,215 | \$ 22,034 |
| Software | 76,402 | 53,057 | 23,345 |
| Total | \$ 1,481,651 | \$ 1,436,272 | \$ 45,379 |

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 |

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for CSB as of September 30, 2022, and 2021, 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.

| | 2022 | | 2021 | |
|---|-----------|------------------|-----------|------------------|
| Intragovernmental – FECA | \$ | 1,020 | \$ | 1,020 |
| Unfunded Leave | | 509,560 | | 407,694 |
| Total Liabilities Not Covered by Budgetary Resources | \$ | 510,580 | \$ | 408,714 |
| Total Liabilities Covered by Budgetary Resources | | 509,544 | | 921,459 |
| Total Liabilities Not Requiring Budgetary Resources | | 3,161 | | 2,200 |
| Total Liabilities | \$ | 1,023,285 | \$ | 1,332,373 |

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. The CSB also records an actuarial liability for future workers compensation claims based on the liability to benefits paid (LBP) ratio provided by DOL and multiplied by the average of benefits paid over three years.

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, 2022, were as follows:

| | Current | | Non Current | | Total |
|---|-----------|----------------|-------------|----------|-------------------|
| Intragovernmental | | | | | |
| Employer Contributions and Payroll Taxes Payable (without reciprocals) | \$ | 9,467 | \$ | - | \$ 9,467 |
| Custodial Liability (to the General Fund) | | 3,011 | | - | 3,011 |
| 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 | \$ | 19,475 | \$ | - | \$ 19,475 |
| Unfunded FECA Liability | | 1,020 | | - | 1,020 |
| Total Intragovernmental Other Liabilities | \$ | 33,123 | \$ | - | \$ 33,123 |
| Other than Intragovernmental | | | | | |
| Accrued Funded Payroll and Leave | \$ | 124,520 | \$ | - | \$ 124,520 |
| Total Other than Intragovernmental Other Liabilities | \$ | 124,520 | \$ | - | \$ 124,520 |
| Total Other Liabilities | \$ | 157,643 | \$ | - | \$ 157,643 |

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

| Prior Year: | Current | Non Current | Total |
|---|-------------------|-------------|-------------------|
| Intragovernmental | | | |
| Employer Contributions and Payroll Taxes Payable (without reciprocals) | \$ 24,018 | \$ - | \$ 24,018 |
| 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 | \$ 76,279 | \$ - | \$ 76,279 |
| Other than Intragovernmental | | | |
| Accrued Funded Payroll and Leave | \$ 396,058 | \$ - | \$ 396,058 |
| Custodial Liability | 2,050 | - | 2,050 |
| Total Other than Intragovernmental Other Liabilities | \$ 398,108 | \$ - | \$ 398,108 |
| Total Other Liabilities | \$ 474,387 | \$ - | \$ 474,387 |

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 for real estate taxes, operating expenses, and a 24-hour HVAC requirement. Finally, the amendment changed agreed upon rent abatements delineated 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.

| Fiscal Year | Asset Category |
|------------------------------------|---------------------|
| | Building |
| 2023 | \$ 700,631 |
| 2024 | 785,485 |
| 2025 | 620,849 |
| Total Future Lease Payments | \$ 2,106,965 |

NOTE 8. COMMITMENTS AND CONTINGENCIES

As of September 30, 2022, the CSB has pending FOIA litigation with PEER. The chance of an unfavorable outcome of the current FOIA litigation with PEER is less than probable, but more than remote.

NOTE 9. 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, 2022, and 2021, respectively, inter-entity costs were as follows:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Office of Personnel Management | \$ 247,150 | \$ 273,586 |
| Total Imputed Financing Sources | \$ 247,150 | \$ 273,586 |

NOTE 10. NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2022, and 2021, consisted of the following:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Unobligated Balance Brought Forward From Prior Year, October 1 | \$ 5,555,781 | \$ 4,981,421 |
| Recoveries of Prior Year Obligations | 700,626 | 349,092 |
| Other Changes in Unobligated Balances | (223,882) | (399,640) |
| Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory) | \$ 6,032,525 | \$ 4,930,873 |

NOTE 11. APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS

New obligations and upward adjustments incurred and reported in the Statement of Budgetary Resources in 2022 and 2021 consisted of the following:

| | 2022 | 2021 |
|---|----------------------|----------------------|
| Direct Obligations, Category B | 13,398,974 | 11,375,092 |
| Total New Obligations and Upward Adjustments | \$ 13,398,974 | \$ 11,375,092 |

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2022, budgetary resources obligated for undelivered orders were as follows:

| | Federal | Non-Federal | Total |
|---------------------------------|------------------|---------------------|---------------------|
| Unpaid Undelivered Orders | \$ 39,051 | \$ 3,828,879 | \$ 3,867,930 |
| Total Undelivered Orders | \$ 39,051 | \$ 3,828,879 | \$ 3,867,930 |

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 |

NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2022 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2023 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2023 Budget of the United States Government, with the "Actual" column completed for 2021, 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 | \$ 17 | \$ 11 | \$ - | \$ 10 |
| Unobligated Balance Not Available | (4) | - | - | - |
| Budget of the U.S. Government | \$ 13 | \$ 11 | \$ - | \$ 10 |

NOTE 14. 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, 2022:

**RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2022
(In Dollars)**

| | Intragovernmental | Other than Intragovernmental | Total |
|---|-------------------|------------------------------|---------------|
| Net Operating Cost (SNC) | \$ 3,315,357 | \$ 8,402,363 | \$ 11,717,720 |
| Components of Net Cost Not Part of the Budgetary Outlays | | | |
| Property, Plant, and Equipment Depreciation Expense | - | (122,810) | (122,810) |
| Accounts Receivable, Net | - | 87 | 87 |
| Accounts Payable | (3,334) | 93,234 | 89,900 |
| Federal Employees [and Veteran] Benefits Payable | - | (97,556) | (97,556) |
| Other Liabilities | 45,206 | 271,538 | 316,744 |
| Financing Sources: | | | |
| Imputed Cost | (247,150) | - | (247,150) |
| Total Components of Net Operating Cost Not Part of the Budgetary Outlays | \$ (205,278) | \$ 144,493 | \$ (60,785) |
| Components of the Budget Outlays That Are Not Part of Net Operating Cost | | | |
| Total Components of the Budget Outlays That Are Not Part of Net Operating Cost | \$ - | \$ - | \$ - |
| Misc Items | | | |
| Custodial/Non-Exchange Revenue | 2,432 | (2,432) | - |
| Total Other Reconciling Items | \$ 2,432 | \$ (2,432) | \$ - |
| Total Net Outlays (Calculated Total) | \$ 3,112,511 | \$ 8,544,424 | \$ 11,656,935 |
| Budgetary Agency Outlays, Net (SBR 4210) | | | |
| Budgetary Agency Outlays, Net | | | \$ 11,656,935 |

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 | Other than Intragovernmental | 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 | - | (153,196) | (153,196) |
| 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 | 1,455 | (151,158) | (149,703) |
| Financing Sources: | | | |
| Imputed Cost | (273,586) | - | (273,586) |
| Total Components of Net Operating Cost Not Part of the Budgetary Outlays | \$ (272,538) | \$ (47,610) | \$ (320,148) |
| 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) | - |
| Total Other Reconciling Items | \$ 2,050 | \$ (2,050) | \$ - |
| Total Net Outlays (Calculated Total) | \$ 2,260,863 | \$ 7,710,853 | \$ 9,971,716 |
| Budgetary Agency Outlays, Net (SBR 4210) | | | |
| Budgetary Agency Outlays, Net | | | \$ 9,971,716 |