



**U.S. Merit Systems Protection Board**

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**Agency  
Financial  
Report  
Fiscal Year 2023**

**November 2023**

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# Message from the Acting Chairman

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## U.S. MERIT SYSTEMS PROTECTION BOARD Washington, DC 20419

### Office of the Acting Chairman

As the Acting Chairman of the U.S. Merit Systems Protection Board (MSPB), I have the privilege to present the fiscal year (FY) 2023 Agency Financial Report (AFR) for the agency. The AFR presents MSPB's priorities, highlights our accomplishments, and identifies the challenges we navigated through the fiscal year. We are committed to promoting accountability, good stewardship, and financial integrity of taxpayers' dollars.

MSPB's FY 2023 financial statements were reviewed by independent auditors, and I am pleased to report that MSPB has attained an unmodified (clean) opinion on its consolidated financial statements. I certify, with reasonable assurance of the completeness and reliability of the performance and financial data in this report, that no material weaknesses were found in MSPB's internal controls during the audit of our financial statements.

The agency's accomplishments provided in this report are the results of our collective commitment to maintaining the highest standards of performance and integrity. It is an honor to work with the talented men and women of MSPB who devote their careers to upholding the merit system principles that govern our federal workforce.

The AFR is available on our website at [www.mspb.gov](http://www.mspb.gov).

Respectfully,

A handwritten signature in black ink, appearing to read 'Cathy Harris', with a long horizontal flourish extending to the right.

Cathy A. Harris

Vice Chairman & Acting Chairman

**November 15, 2023**

# How to Use This Report

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The Agency Financial Report (AFR) presents financial information, as well as relevant performance information, on the U.S. Merit Systems Protection Board's operations. The report was prepared in accordance with Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, and covers activities from October 1, 2022, through September 30, 2023.

MSPB has chosen to produce an AFR and an Annual Performance Report (APR). MSPB will submit its FY 2023 APR with its Congressional Budget Justification and post it on the agency's website at <http://www.mspb.gov> when the President's FY 2025 Budget is submitted to Congress in 2024.

This report is organized into the following major components:

## **Management Discussion and Analysis (MD&A)**

This section provides an overview of MSPB. It discusses the agency's mission, Board organization, program offices and their functions, and organization chart. Additionally, this section contains an overview of the performance information contained in the Interim FY 2023 Performance Results. It also includes relevant performance information related to the MSPB's strategic and management objectives.

### *Analysis of Financial Statements*

This section provides a summary of MSPB's financial position and factors affecting financial performance.

### *Analysis of Systems, Controls, and Legal Compliances*

This section provides an overview of MSPB's management commitment to excellence and the importance of strong financial systems and internal controls to ensure accountability, integrity, and reliability. Management, administrative, and financial system controls have been developed to ensure the following:

- Obligations and costs are in compliance with applicable laws.
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- Expenditures applicable to operations are properly recorded and accounted for to permit the preparation of reliable accounting, financial, and statistical reports.
- Accountability over assets is maintained.

### *Forward-Looking Information*

This section addresses future conditions that could significantly affect MSPB's future financial position and operating performance.

## **Financial Section**

This section contains details of MSPB's financial position in FY 2023 including a message from the Chief Financial Officer (CFO) followed by the notes on the financial statements, independent auditor's report on the financial statements, financial statements, and notes to the financial statements.

## **Other Information Section**

This section contains details of MSPB's financial statement audit and management assurances including material weaknesses, compliances, and civil monetary penalties adjustments.

# Management Discussion and Analysis (MD&A)

## About MSPB

MSPB has its origin in the Pendleton Civil Service Reform Act of 1883 (Pendleton Act), which established the Civil Service Commission (CSC) and a merit-based employment system for the Federal Government. The Pendleton Act was passed after the assassination of President Garfield by a disgruntled Federal job seeker and grew out of the 19<sup>th</sup> century reform movement to curtail the excesses of political patronage in government and ensure a stable highly qualified workforce to serve the public. Over time, it became clear that the CSC could not properly, adequately, and simultaneously set managerial policy, protect the merit systems, and adjudicate appeals. Concern over the inherent conflict of interest in the CSC's role as both rule-maker and judge was a principal motivating factor behind the passage of the Civil Service Reform Act of 1978 (CSRA). The CSRA replaced the CSC with three new agencies: MSPB as the successor to the Commission;<sup>1</sup> the Office of Personnel Management (OPM) to serve as the President's agent for Federal workforce management policy and procedure; and the Federal Labor Relations Authority (FLRA) to oversee Federal labor-management relations. The CSRA also codified for the first time the values of the merit systems as the Merit System Principles (MSPs) and defined the Prohibited Personnel Practices (PPPs).<sup>2</sup>

## The MSPB Mission

The mission of the MSPB is to *protect the Federal merit systems and the rights of individuals within those systems*. MSPB carries out its statutory responsibilities and authorities primarily by adjudicating individual employee appeals, enforcing its decisions, conducting objective merit systems studies, and reviewing the rules, regulations, and significant actions of OPM to assess the degree to which those actions support adherence to the merit principles and do not lead to the commission of PPP's.

## Board Organization

The agency has three appointed Board members and was authorized 235 Full-time Equivalents (FTE) with offices in Washington, D.C., (headquarters) and six regional and two field offices that are located throughout the United States.

## MSPB Program Offices and Their Functions

The three **Board Members** adjudicate the cases brought to MSPB. The bipartisan Board consists of the Chairman, Vice Chairman, and Member, with no more than two of its three members from the same political party. Board members are nominated by the President, confirmed by the Senate, and serve overlapping, non-renewable 7-year terms. The **Chairman**, by statute, is the chief executive and administrative officer of MSPB. The Office Directors report to the Chairman through the **Executive Director**.

The **Office of the Administrative Law Judge** (ALJ) adjudicates and issues initial decisions in corrective and disciplinary action complaints (including Hatch Act complaints) brought by the Special Counsel, proposed agency actions against ALJs, MSPB employee appeals, and other cases assigned by MSPB. The functions of

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<sup>1</sup> Bogdanow, M., and Lanphear, T., History of the Merit Systems Protection Board, Journal of the Federal Circuit Historical Society, Volume 4, 2010.

<sup>2</sup> Title 5 U.S.C. § 2301 and Title 5 U.S.C. § 2302, respectively.

this office are currently performed by ALJs at the U. S. Coast Guard and Federal Trade Commission under reimbursable interagency agreements.

The **Office of Appeals Counsel** conducts legal research and prepares proposed decisions for the Board in cases where a party petitions for review (PFR) of an administrative judge's (AJ) initial decision and in most other cases decided by the Board. The office prepares proposed decisions on interlocutory appeals of rulings made by judges, makes recommendations on reopening cases on the Board's own motion, and provides research, policy memoranda, and advice to the Board on legal issues.

The **Office of the Clerk of the Board** receives, and processes cases filed at MSPB headquarters (HQ), rules on certain procedural matters, and issues MSPB decisions and orders. The office serves as MSPB's public information center, coordinates media relations, produces public information publications, operates MSPB's library and on-line information services, and administers the Freedom of Information Act and Privacy Act programs. The office also certifies official records to the courts and Federal administrative agencies and manages MSPB's records systems, legal research systems, and the Government in the Sunshine Act program.

The **Office of Equal Employment Opportunity** plans, implements, and evaluates MSPB's equal employment opportunity programs. It processes complaints of alleged discrimination brought by agency employees and provides advice and assistance on affirmative employment initiatives to MSPB's managers and supervisors.

The **Office of Financial and Administrative Management** administers the budget, accounting, travel, time and attendance, human resources, procurement, property management, physical security, and general services functions of MSPB. It develops and coordinates internal management programs, including review of agency internal controls. It also administers the agency's cross-servicing agreements with the U.S. Department of Agriculture, National Finance Center (NFC) for payroll services, U.S. Department of the Treasury, Bureau of Fiscal Service (BFS) for accounting services, and U.S. Department of Agriculture, Animal and Plant Health Inspection Service (APHIS) for human resources management services.

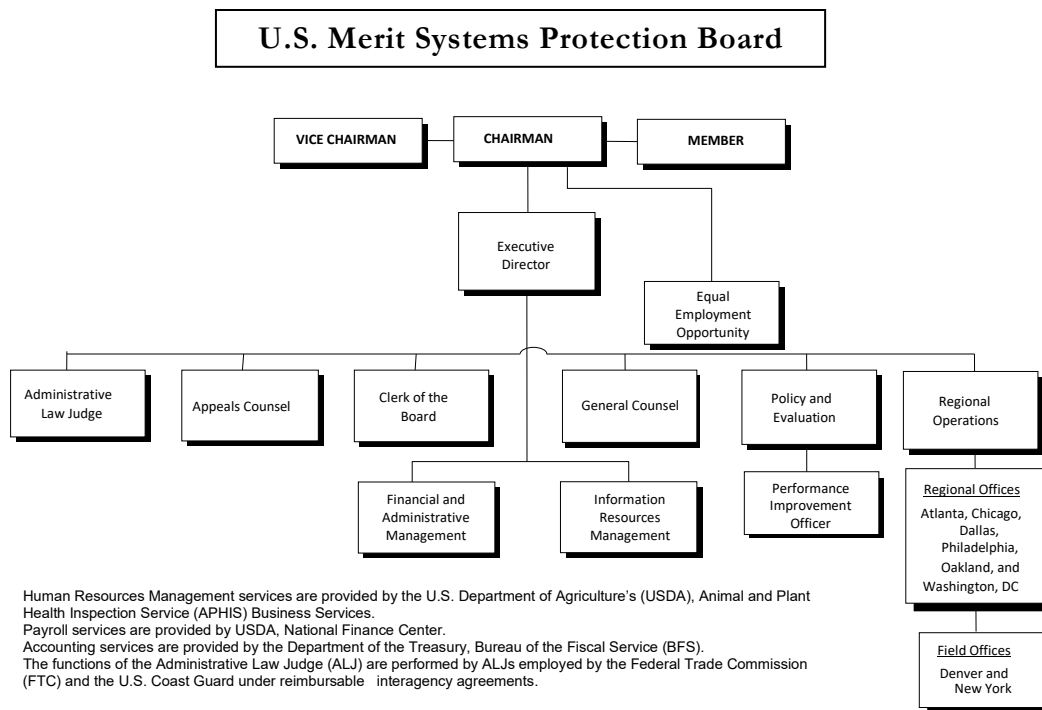
The **Office of the General Counsel**, as legal counsel to MSPB, advises the Board and MSPB offices on a wide range of legal matters arising from day-to-day operations. The office represents MSPB in litigation; prepares proposed decisions for the Board to enforce a final MSPB decision or order, in response to requests to review OPM regulations, and for other assigned cases; conducts the agency's PFR settlement program; and coordinates the agency's legislative policy and congressional relations functions. The office drafts regulations, conducts MSPB's ethics program, and plans and directs audits and investigations.

The **Office of Information Resources Management** develops, implements, and maintains MSPB's automated information systems to help the agency manage its caseload efficiently and carry out its administrative and research responsibilities.

The **Office of Policy and Evaluation** carries out MSPB's statutory responsibility to conduct special studies of the civil service and other Federal merit systems. Reports of these studies are sent to the President and the Congress and are distributed to a national audience. The office provides information and advice to Federal agencies on issues that have been the subject of MSPB studies. The office reviews and reports on the significant actions of OPM. The office also conducts program evaluations for the agency and has responsibility for preparing MSPB's strategic and performance plans and performance reports required by the Government Performance and Results Act Modernization Act of 2010.

The **Office of Regional Operations** oversees the agency’s six regional and two field offices, which receive and process appeals and related cases. It also manages MSPB’s Mediation Appeals Program (MAP). AJs in the regional and field offices are responsible for adjudicating assigned cases and for issuing fair, well-reasoned, and timely initial decisions.

## Organization Chart



## Interim Summary of MSPB's FY 2023 Program Performance

This performance summary contains interim FY 2023 performance results and initial judgements related to the achievement of our strategic and management objectives. This information is organized to align with the Annual Performance Plan for FY 2023. The Merit Systems Protection Board (MSPB) is continuing to verify and validate FY 2023 performance and finalizing the definitions of new Performance Goal (PG) statements and measures to be effective in FY 2023. Once final results and new measures are reviewed and approved by the Board members, they will be published in the FY 2023 Annual Performance Report (APR) scheduled for release in February 2024.

### **Strategic Objective 1A-RO: Provide understandable, high-quality resolution of initial appeals in the regional and field offices (RO/FOs), supported by fair and efficient adjudication and alternative dispute resolution (ADR) processes.**

Interim results indicate this objective was **Exceeded**. MSPB exceeded the target for timeliness of initial appeals processing with an average of 103 days, more than 10% fewer days than the target. In addition, 86% of reviewed initial decisions met the Quality Review Team (QRT) standards. The QRT includes rotating members who review a sample of initial decisions (IDs) to determine, among other things, whether the IDs were well organized and readable, and considered and analyzed material legal and factual issues, controlling case law, and statutory and regulatory authorities. This measure focuses on all IDs, not just those for which a PFR is filed. The PG statement for ADR is to ensure use of ADR processes, and the measure is the percentage of appeals referred to the Mediation Appeals Program (MAP). For FY 2023, 10% of IDs were referred to mediation, exceeding the objective.

### **Strategic Objective 1A-HQ: Provide understandable, high-quality resolution of appeals at headquarters (HQ), supported by fair and efficient adjudication and alternative dispute resolution (ADR) processes.**

Interim results indicate this objective was **Exceeded**. The PG for quality of Board decisions involves actions taken by the Court of Appeals for the Federal Circuit (CAFC) on all MSPB decisions filed with the Court. MSPB decisions filed with the Court may include decisions issued by HQ or initial appeals decisions issued in the RO/FOs. Because this measure includes HQ decisions, it is considered an HQ case processing PG. A new measure for quality of Board decisions, implemented in FY 2023, is defined as the percentage of cases *affirmed* of the cases decided by CAFC on the merits of the Board's decision. This is a change from the prior measure (cases left unchanged by the CAFC) and is intended to focus on a more precise affirmance rate. (Note that the prior year results are for the previous measure of cases left unchanged by the CAFC.) The FY 2023 target for this measure was 82% or higher of Board cases affirmed by the CAFC. The FY 2023 result was 87% of Board cases affirmed by the CAFC.

Given the unique circumstances of the 5-year loss of a quorum, average processing time will not be meaningful in the short term and will not be a useful indicator for managing the process of reducing the unprecedented inventory of pending cases the new Board inherited. In its place, MSPB adopted new PGs and measures to track reduction of the inventory of cases at HQ. These two new measures are the total number of HQ cases decided during the year and the percentage of oldest cases (as identified at the beginning of the FY) decided by the end of the FY. These two PGs, in combination, reflect the Board's desire to reduce the overall inventory with a focus on closing older cases. MSPB exceeded the numeric target of 1,000 or more for cases decided at HQ with a total of 1,499 cases closed and exceeded the goal of issuing decisions in 75% of



the oldest 1,000 cases (as identified at the beginning of the FY), by closing 907 of the oldest 1,000 cases (121%).

**Strategic Objective 1B: Enforce timely compliance with MSPB decisions.**

Interim results indicate this objective was **Exceeded**. MSPB surpassed the goal related to average processing time for compliance case addenda in the RO/FOs, with an average processing time of 93 days, more than 10% less than the target of 120 days. MSPB also assessed the HQ compliance case processing measure and determined that this measure should be deleted because the timing of many aspects of the process are outside the control of MSPB. Therefore, it was not rated in FY 2023.

**Strategic Objective 1C: Conduct objective, timely studies of the Federal merit systems and Federal human capital management issues.**

Interim results indicate this measure was **Met**. MSPB achieved the newsletter target by publishing 3 *Issues of Merit (IoM)* editions covering 7 MSPs and all 14 PPPs. Newsletter topics included preventing PPPs, patterns in perceptions of PPPs, sexual harassment in Federal workplaces, the effects of pressure to act unethically on employee engagement, supporting the human resources (HR) workforce, applicant assessments, using shared certificates, reference checking, hiring and managing students and recent graduates, hiring tech workers, developing job announcements, and performance appraisals. MSPB met the publication goal by publishing two reports [\*Sexual Harassment in Federal Workplaces: Understanding and Addressing the Problem and Perceptions of Prohibited Personnel Practices: An Update\*](#), and one research brief [\*Sexual Harassment in Federal Workplaces: 2021 Update\*](#). MSPB achieved the survey target by administering the Federal HR Workforce Survey from March through May 2023.

**Strategic Objective 1D: Review and act upon the rules, regulations, and significant actions of the Office of Personnel Management (OPM), as appropriate.**

Interim results indicate that this objective was **Met**. Information regarding requests to review OPM regulations and a review of OPM significant actions were included in the [\*Annual Report for FY 2022\*](#).

**Strategic Objective 2A: Support and improve the practice of merit, adherence to MSPs, and prevention of PPPs in the workplace through successful, targeted outreach and engagement.**

Interim results indicate that this objective was **Exceeded**. MSPB conducted 129 outreach events or over 40% more than the targeted value of 90 events or more. Outreach events were conducted on topics such as merit systems and merit-based management; Federal disciplinary policies; MSPB regulations, procedures, results, and legal precedent; and results of merit systems studies. Events were conducted with Federal executive branch departments or agencies, Federal court organizations, affinity groups, a variety of legal groups (e.g., bar and other attorney associations, national institutes, law schools), and major legal and research conferences.

**Strategic Objective 2B: Advance the understanding of merit, MSPs, and PPPs for stakeholders and the public by developing and sharing information and educational materials and guidance.**

Interim results indicate this objective was **Met**. MSPB achieved the FY 2023 target for publishing 6 or more informational or educational documents. Documents included 2 study reports, 1 research brief, and 3 *Issues of Merit* newsletters. Notable citations included a Government Accountability Office report, [\*VA Equal Employment Opportunity: Increased Attention Needed to Improve Program Effectiveness\*](#) that referenced MSPB's 2023 report, [\*Prohibited Personnel Practices: An Update\*](#).

**Management Objective M1: Lead, manage, and develop employees to ensure a highly qualified, diverse, inclusive, and engaged workforce with the competencies to perform MSPB’s mission and support functions successfully.**

Interim results indicate this objective was **Not Yet Rated**. Engagement level (based on the Federal Employee Viewpoint Survey results) is 71%, which is slightly above the target of 70% or higher. Due to resource, workload, and IT considerations, MSPB conducted an abbreviated internal survey early in FY 2024 to obtain the diversity and inclusion measures. Therefore, M1 will be more fully assessed once the survey results have been analyzed and summarized. These results will be included in the FY 2023 APR.

**Management Objective M2: Modernize information technology (IT) to support agency mission and administrative functions.**

Interim results indicate this objective was **Not Yet Rated**. While MSPB substantially completed the new e-Appeal system by the end of FY 2023, the actual go-live date was October 16, 2023. However, the other IT modernization goals were met as MSPB has replaced 100% of legacy infrastructure and technology with cloud-based solutions and scanned 100% of assets to meet cybersecurity goals. As noted previously, MSPB conducted an abbreviated internal survey early in FY 2024 to obtain the IRM customer service measures. Therefore, measures of IT systems’ reliability and internal customer service will be available once the survey results have been analyzed and summarized. These results will be included in the FY 2023 APR.

## **Analysis of Financial Statements**

### *Summary of Financial Position*

There were no significant financial changes from FY 2022 to FY 2023. MSPB receives an annual appropriation to support its statutory mission to fairly adjudicate Federal employee appeals, prepare and issue studies concerning the civil service, as well as review significant actions of OPM. No supplemental appropriations were provided, and no unusual financial issues arose during the reporting period.

The financial statements are prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

## **Analysis of Systems, Controls, and Legal Compliances**

### *Federal Managers’ Financial Integrity Act (FMFLA) of 1982*

In accordance with the FMFLA, MSPB has established an internal management control system to ensure that: (1) obligations and costs comply with applicable law; (2) assets are safeguarded against waste, loss, unauthorized use, or misappropriation; (3) revenues and expenditures are properly recorded and accounted; and (4) expenditures are made in accordance with the mission and are achieving their intended results.

### *Federal Financial Management Improvement Act (FFMLA) of 1996*

The purpose of the FFMIA is to advance Federal financial management by ensuring that Federal financial management systems provide accurate, reliable, and timely financial management information to the government's managers. The intent and the requirements of this Act go well beyond the directives of the CFO Act and the Government Management Reform Act of 1994 (GMRA) to publish audited financial reports.

MSPB's management review of the system of internal accounting and administrative control was evaluated in accordance with the applicable Federal guidance.

The objectives of the system are to provide reasonable assurance that:

- Obligations and costs are in compliance with applicable laws.
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- Revenues and expenditures applicable to operations are properly recorded and accounted for to permit the preparation of reliable accounting, financial, and statistical reports.
- Accountability over assets is maintained.

The evaluation of management controls extends to responsibility and activity and is applicable to financial, administrative, and operational controls. Furthermore, the concept of reasonable assurance recognizes that: (1) the cost of management controls should not exceed the projected derived benefits; and (2) the benefits consist of reductions in the risks of failing to achieve the stated objectives. The expected benefits and related costs of control procedures should be addressed using estimates and managerial judgment. Moreover, errors and irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, restrictions, and other factors. Finally, projection of any evaluation of the system to future periods are subject to risk that the procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

#### *Improper Payments Act*

Improved financial performance through the reduction of improper payments continues to be a key financial management focus of the Federal government. Accurate payments lower program costs. MSPB did not have any improper payments during this reporting period.

OMB originally provided Section 31 of Circular A-11 as guidance for Federal agencies to identify and reduce improper payments for selected programs. The Improper Payments Information Act of 2002 (IPIA) broadened the original erroneous payment reporting requirements to programs and activities beyond those originally listed in Circular A-11. In August 2006, OMB issued Circular A-123, Appendix C - Requirements for Effective Measurement and Remediation of Improper Payments.

The IPIA defines improper payments as those payments made to the wrong recipient, in the wrong amount, or used in an improper manner by the recipient. The IPIA requires a Federal agency to identify its programs that are of high risk for improper payments. It also requires the agency to implement a corrective action plan that includes improper payment reduction and recovery targets and to report annually on the extent of its improper payments for high-risk programs and the actions taken to increase the accuracy of payments.

To coordinate and facilitate MSPB's efforts under the IPIA, the CFO works with office directors to perform reviews for all programs and activities susceptible to improper payments. This cooperative effort includes developing actions to reduce improper payments, identifying and conducting ongoing monitoring techniques and establishing appropriate corrective action initiatives. MSPB has determined that there is no significant risk of improper payments based on the review of its programs in FY 2023.

## **Forward-Looking Information**

Fiscal year 2023 was a very productive year for MSPB. Approximately 50% of the inherited inventory was adjudicated. However, this success comes with significant tradeoffs which are further exacerbated by anticipated budget reductions. For example, adjudication personnel have been detailed between offices specifically to focus on the inherited inventory. In order for MSPB to accomplish our statutory mission, budgetary resources to support 236 full-time equivalent employees are required. Currently, MSPB is holding staffing levels at 190 FTEs (or a shortfall of 19%) based upon projected funding levels in FY 2024. Reduced funding significantly limits our ability to meet our mission since we cannot backfill existing critical vacancies across the agency. Overall, the anticipated budgetary constraints and limited staffing will impose negative consequences on the Federal workforce that we serve. Not only in adjudication and research studies, but also the constraints are impeding MSPB's ability to inform and educate the Federal workforce on merit principles and prohibited personnel practices.

# Financial Section

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## Message from the Chief Financial Officer

It is my honor to join Cathy Harris, Acting Chairman, in presenting the U.S. Merit Systems Protection Board's (MSPB) financial statements for Fiscal Year (FY) 2023, which is an integral part of our Agency Financial Report (AFR). The AFR represents MSPB's statement of accountability to the President of the United States, Congress, and to the American people.

MSPB has attained an unmodified (clean) opinion on its FY 2023 consolidated financial statements. As in previous fiscal years, no material weaknesses were identified in the auditor's report on internal controls; nor were there any material instances of noncompliance with laws and regulations. MSPB's dedicated workforce, and effective financial systems and processes are paramount to this accomplishment.

Since 1992, MSPB has partnered with the Department of the Treasury, Bureau of the Fiscal Service (BFS) in Parkersburg, West Virginia to facilitate the Agency's compliance with all external reporting requirements. BFS continues to provide MSPB with timely and complete reports allowing us to identify and resolve potential concerns quickly.

This achievement is a culmination of the dedicated and meticulous efforts of our MSPB employees and BFS partners who collaborate to support the mission of MSPB – to protect the Federal merit systems and the rights of individuals within those systems. I sincerely thank MSPB and BFS personnel for their dedication to excellence.

Respectfully,



Kevin J. Nash  
Chief Financial Officer  
November 15, 2023

## Notes on the Financial Statements

Financial management is a high priority for MSPB. It is an essential element in demonstrating accountability and enhancing services provided to the public. Financial improvements initiated by MSPB have been driven by recent legislation and external initiatives; as well as by a strict organizational belief that adherence to sound financial policies and procedures will directly enhance the efficiency and effectiveness of the agency. This is of particular importance in an era of financial uncertainty and tightening budgets. Pivotal to driving better performance results through enhanced financial management practices has been MSPB's ongoing efforts to provide day-to-day decision-makers with reliable budgetary and cost information.

### *Limitations of the Principal Financial Statements*

The principal financial statements have been prepared to report the financial position and results of operations of this entity, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the entity in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that MSPB is a component of the U.S. Government, a sovereign entity.

The principal financial statements summarize MSPB's financial position, net cost of operations, and changes in net position, provide information on budgetary resources and financing, and present the sources and disposition of custodial revenues for FY 2022 and FY 2023.

The Balance Sheet summarizes the assets, liabilities, and net position by category as of the reporting date. Intragovernmental assets and liabilities resulting from transactions between Federal agencies are presented separately from assets and liabilities from transactions with the public.

The Statement of Net Cost shows, by programs, the net cost of operations for the reporting period. Net cost of operations consists of full program costs incurred by the agency less exchange revenues earned by those programs.

The Statement of Changes in Net Position presents the agency's beginning and ending net position by two components—Cumulative Results of Operations and Unexpended Appropriations. It summarizes the change in net position by major transaction category. The ending balances of both components of the net position are also reported on the Consolidated Balance Sheet.

The Statement of Budgetary Resources presents the budgetary resources available to the agency, the status of these resources, and the outlays of budgetary resources.

The Notes to the Financial Statements provides information to explain the basis of the accounting and presentation used to prepare the statements and to explain specific items in the statements. They also provide information to support how particular accounts have been valued and computed.

# Other Information

## Summary of Financial Statement Audit and Management Assurances

Presented below is a summary of financial statement audit and management assurances for FY 2023. Table 1 relates to the agency’s FY 2023 financial statement audit, which resulted in an unmodified opinion with no material weakness. Table 2 presents the number of material weaknesses reported by the Agency under Section 2 of the FMFIA—either with regard to internal controls over operations or financial reporting—and Section 4, which relates to internal controls over financial management systems, as well as the Agency’s compliance with the FFMIA.

**Table 1. Summary of Financial Statement Audit**

• Audit Opinion	• Unmodified				
• Restatement	• No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

**Table 2. Summary of Management Assurances**

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance:	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance:	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0
Compliance with Federal Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance:	Systems conform with financial management system requirements					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0
Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
1. System Requirements	No lack of compliance noted			No lack of compliance noted		
2. Accounting Standards	No lack of compliance noted			No lack of compliance noted		
3. USSGL at Transaction Level	No lack of compliance noted			No lack of compliance noted		

## Civil Monetary Penalties Adjustments for Inflation

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, required agencies to adjust their civil monetary penalties (CMP) for inflation at least every four years to maintain their deterrent effect. A CMP is defined as “any penalty, fine, or other sanction” that: (1) “is for a specific amount” or “has a maximum amount” under Federal law; and (2) that a Federal agency assesses or enforces “pursuant to an administrative proceeding or a civil action in the Federal courts.”

On November 2, 2015, the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 to improve the effectiveness of CMPs and to maintain their deterrent effect. This amendment required agencies to adjust the CMP levels in effect as of November 2, 2015, with initial catch-up adjustments for inflation through an interim final rulemaking published by July 1, 2016, and to take effect no later than August 1, 2016. The maximum amount for an initial catch-up adjustment for inflation could not exceed 150 percent of the amount of that CMP on the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (November 2, 2015).

The 2015 Amendments also provide for agencies to adjust inflation to their CMP amounts by January 15, 2017, and not later than January 15 of each year thereafter. Accordingly, MSPB had adjusted for inflation to CMP. MSPB published its latest adjustments for inflation to CMPs (88 FR 4079-4080, Civil Monetary Penalty Inflation Adjustment) in the Federal Register on January 24, 2023, pages 4079-4080, and which is also available on the agency website at [www.mspb.gov](http://www.mspb.gov).

The following table provides detailed information on each of the agency’s CMPs as of January 24, 2023.

Statutory Authority	Penalty (Name or Description)	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty Level	Location for Penalty Update Details
5 U.S.C § 1215(a)(3), Civil Service Reform Act of 1978 (CSRA)	Disciplinary Action	1989	2023	\$1,288	Federal Register 88 (Jan. 2023): 4079- 4080 <a href="http://www.mspb.gov">www.mspb.gov</a>
5 U.S.C § 7326, Hatch Act Modernization Act of 2012	Penalties	2012	2023	\$1,288	Federal Register 87 (Jan. 2023): 4079- 4080 <a href="http://www.mspb.gov">www.mspb.gov</a>



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**U.S. MERIT SYSTEMS PROTECTION BOARD**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2023 AND 2022**



**Prepared By  
Brown & Company CPAs and Management Consultants, PLLC  
November 13, 2023**



**U.S. MERIT SYSTEMS PROTECTION BOARD**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
SEPTEMBER 30, 2023 AND 2022**

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**INDEPENDENT AUDITOR’S REPORT**

U.S. Merit Systems Protection Board  
Washington, D.C.

In our audits of the fiscal years 2023 and 2022 financial statements of the U.S. Merit Systems Protection Board (MSPB), we found:

- MSPB’s financial statements as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2023.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)<sup>1</sup> and other information included with the financial statements<sup>2</sup>; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements.

**Report on the Financial Statements**

Opinion

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited MSPB’s financial statements. MSPB’s financial statements comprise the balance sheets as of September 30, 2023, and 2022; 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. In our opinion, MSPB’s financial statements present fairly, in all material respects, MSPB’s financial position as of September 30, 2023, and 2022, and its net costs 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 U.S. generally accepted government auditing standards. Our responsibilities under those standards 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 MSPB and to meet

<sup>1</sup> The RSI consists of “Management’s Discussion and Analysis” and the “Statement of Budgetary Resources”, which are included with the financial statements.

<sup>2</sup> Other information consists of information included with the financial statements, other than the RSI, Financial section, and the auditor’s report.

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.

#### Responsibility of Management for the Financial Statements

MSPB management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in MSPB's Agency Financial Report (AFR), 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 Responsibility 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 of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness 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 U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures 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.
- Obtain an understanding of internal control relevant to our 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 MSPB's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform 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 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

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that 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 the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the 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

MSPB'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 MSPB's AFR. The other information comprises a detailed statement of management assurances and other information as applicable 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 exists 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 MSPB's financial statements, we considered MSPB's internal control over financial reporting, consistent with our 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 deficiencies<sup>3</sup>; or to express an opinion on the effectiveness of MSPB's internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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<sup>3</sup> 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 attention by those charged with governance.

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

We performed our procedures related to MSPB's internal control over financial reporting in accordance with government auditing standards and OMB guidance.

### Responsibilities of Management for Internal Control over Financial Reporting

MSPB 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 MSPB's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered MSPB'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 MSPB's internal control over financial reporting. Accordingly, we do not express an opinion on MSPB'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 MSPB's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of MSPB'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 MSPB'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 no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to MSPB. 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

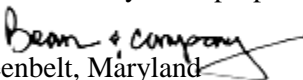
MSPB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to MSPB.

### 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 MSPB that have a direct effect on the determination of material amounts and disclosures in MSPB'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 MSPB. 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.

  
Greenbelt, Maryland  
November 13, 2023



**MERIT SYSTEMS PROTECTION BOARD**  
**BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Assets:</b>		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 16,211,168	\$ 15,684,815
Advances and Prepayments	33,969	28,285
<b>Total Intragovernmental Assets</b>	<b>16,245,137</b>	<b>15,713,100</b>
Other than Intragovernmental Assets:		
Accounts Receivable, Net (Note 3)	2,082	2,477
Property, Plant, and Equipment, Net (Note 4)	1,745,152	1,988,574
<b>Total Other than Intragovernmental Assets</b>	<b>1,747,234</b>	<b>1,991,051</b>
<b>Total Assets</b>	<b>\$ 17,992,371</b>	<b>\$ 17,704,151</b>
<b>Liabilities: (Note 5)</b>		
Intragovernmental Liabilities:		
Accounts Payable	\$ 81,579	\$ 106,104
Other Liabilities (Note 7)	634,741	517,189
<b>Total Intragovernmental Liabilities</b>	<b>716,320</b>	<b>623,293</b>
Other than Intragovernmental Liabilities:		
Accounts Payable	342,914	243,900
Federal Employee [and Veteran] Benefits Payable	3,278,374	3,704,153
Other Liabilities (Note 7)	1,654,198	1,660,708
<b>Total Other than Intragovernmental Liabilities</b>	<b>5,275,486</b>	<b>5,608,761</b>
<b>Total Liabilities</b>	<b>\$ 5,991,806</b>	<b>\$ 6,232,054</b>
<b>Net Position:</b>		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 4,185,800	\$ 6,080,925
<b>Total Unexpended Appropriations (Consolidated)</b>	<b>4,185,800</b>	<b>6,080,925</b>
Cumulative Results of Operations - Funds from Other than Dedicated Collections	7,814,765	5,391,172
<b>Total Cumulative Results of Operations (Consolidated)</b>	<b>7,814,765</b>	<b>5,391,172</b>
<b>Total Net Position</b>	<b>12,000,565</b>	<b>11,472,097</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 17,992,371</b>	<b>\$ 17,704,151</b>

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

**MERIT SYSTEMS PROTECTION BOARD**  
**STATEMENT OF NET COST**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Gross Program Costs:</b>		
Adjudication		
Gross Costs	\$ 45,960,181	\$ 42,136,530
Less: Earned Revenue	(318,724)	(194,647)
Net Program Costs	\$ 45,641,457	\$ 41,941,883
Management Support		
Gross Costs	\$ 5,882,145	\$ 5,491,996
Net Program Costs	\$ 5,882,145	\$ 5,491,996
Merit Systems Studies		
Gross Costs	\$ 2,122,400	\$ 1,933,733
Net Program Costs	\$ 2,122,400	\$ 1,933,733
<b>Net Cost of Operations</b>	<b>\$ 53,646,002</b>	<b>\$ 49,367,612</b>

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

**MERIT SYSTEMS PROTECTION BOARD**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 6,080,925	\$ 8,512,317
Appropriations Received	49,655,000	45,825,000
Other Adjustments	(570,119)	(866,253)
Appropriations Used	(50,980,006)	(47,390,139)
Net Change in Unexpended Appropriations	(1,895,125)	(2,431,392)
<b>Total Unexpended Appropriations</b>	<b>\$ 4,185,800</b>	<b>\$ 6,080,925</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balance	\$ 5,391,172	\$ 3,011,775
Appropriations Used	50,980,006	47,390,139
Transfers In/Out Without Reimbursement	2,345,000	2,345,000
Imputed Financing (Note 10)	2,744,589	2,011,870
Net Cost of Operations	(53,646,002)	(49,367,612)
Net Change in Cumulative Results of Operations	2,423,593	2,379,397
<b>Total Cumulative Results of Operations</b>	<b>\$ 7,814,765</b>	<b>\$ 5,391,172</b>
<b>Net Position</b>	<b>\$ 12,000,565</b>	<b>\$ 11,472,097</b>

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

**MERIT SYSTEMS PROTECTION BOARD**  
**STATEMENT OF BUDGETARY RESOURCES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Budgetary Resources:</b>		
Unobligated Balance from Prior Year Budget Authority, Net (Note 11)	\$ 6,177,355	\$ 7,541,668
Appropriations	49,655,000	45,825,000
Spending Authority from Offsetting Collections	2,663,794	2,539,647
<b>Total Budgetary Resources</b>	<b>\$ 58,496,149</b>	<b>\$ 55,906,315</b>
<b>Status of Budgetary Resources:</b>		
New Obligations and Upward Adjustments (total)	\$ 52,206,227	\$ 50,230,933
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	4,886,217	4,347,944
Unapportioned, Unexpired Accounts	97,873	-
Unexpired Unobligated Balance, End of Year	4,984,090	4,347,944
Expired Unobligated Balance, End of Year	1,305,832	1,327,438
Unobligated Balance, End of Year (total)	6,289,922	5,675,382
<b>Total Budgetary Resources</b>	<b>\$ 58,496,149</b>	<b>\$ 55,906,315</b>
<b>Outlays, Net and Disbursements, Net:</b>		
Outlays, Net (total)	\$ 48,558,527	\$ 45,434,635
Distributed Offsetting Receipts	(45)	-
<b>Agency Outlays, Net</b>	<b>\$ 48,558,482</b>	<b>\$ 45,434,635</b>

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



## **MERIT SYSTEMS PROTECTION BOARD NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The U.S. Merit Systems Protection Board (MSPB) is an independent quasi-judicial agency in the Executive branch that serves as the guardian of federal merit systems. The Board was established by the Civil Service Reform Act of 1978 (CSRA) with a mission of ensuring that employees are protected against abuses by agency management, that Executive branch agencies make employment decisions in accordance with the merit systems principles, and that federal merit systems are kept free of prohibited personnel practices. The MSPB 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. MSPB 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 MSPB has rights and ownership of all assets reported in these financial statements. The reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. The MSPB does not possess any nonentity assets.

#### **B. Basis of Presentation**

The financial statements have been prepared to report the financial position and results of operations of the MSPB. 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 MSPB 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 MSPB's 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 the MSPB'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 MSPB's funds with Treasury in expenditure, and receipt fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

The MSPB 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.

### **E. Accounts Receivable**

Accounts receivable consists of amounts owed to the MSPB 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 MSPB's capitalization threshold is \$50,000 for individual purchases and \$500,000 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	10
Office Equipment	10
Software	5

## **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 MSPB as a result of transactions or events that have already occurred.

The MSPB 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, and actuarial FECA. Liabilities not covered by budgetary resources on the Balance Sheet are equivalent to amounts reported as components requiring or generating resources on the Reconciliation of Net Cost to Budget.

## **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 MSPB'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 MSPB 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 MSPB's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the MSPB'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 MSPB matches any employee contribution up to an additional four percent of pay. For FERS participants, the MSPB 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 MSPB remits the employer's share of the required contribution.

The MSPB 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 MSPB for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The MSPB recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The MSPB 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 MSPB'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. The OPM has provided the MSPB with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The MSPB 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 MSPB 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 2022 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, 2023 and 2022, were as follows:

	2023	2022
<b>Status of Fund Balance with Treasury:</b>		
Unobligated Balance		
Available	\$ 4,886,217	\$ 4,347,944
Unavailable	1,403,705	1,327,438
Obligated Balance Not Yet Disbursed	9,921,246	10,009,433
<b>Total</b>	<b>\$ 16,211,168</b>	<b>\$ 15,684,815</b>

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 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, 2023 and 2022, were as follows:

	2023	2022
Other than Intergovernmental		
Accounts Receivable	\$ 2,082	\$ 2,477
<b>Total Accounts Receivable</b>	<b>\$ 2,082</b>	<b>\$ 2,477</b>

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2023 and 2022.

#### NOTE 4. PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of Property, Plant and Equipment, Net as of September 30, 2023:

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 2,083,761	\$ 2,041,835	\$ 41,926
Furniture & Equipment	1,712,094	1,063,420	648,674
Software	9,749,616	9,612,256	137,360
Software-in-Development	917,192	-	917,192
<b>Total</b>	<b>\$ 14,462,663</b>	<b>\$ 12,717,511</b>	<b>\$ 1,745,152</b>

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

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 2,083,762	\$ 2,028,625	\$ 55,137
Furniture & Equipment	1,712,093	900,016	812,077
Software	9,749,616	9,545,448	204,168
Software-in-Development	917,192	-	917,192
<b>Total</b>	<b>\$ 14,462,663</b>	<b>\$ 12,474,089</b>	<b>\$ 1,988,574</b>

#### NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the MSPB as of September 30, 2023 and 2022, 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.

	2023	2022
Intragovernmental – FECA	\$ 105,072	\$ 5,018
Intragovernmental – Unemployment Insurance	6,051	-
Unfunded Leave	3,090,643	3,250,643
Actuarial FECA	110,704	379,437
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>\$ 3,312,470</b>	<b>\$ 3,635,098</b>
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>2,679,336</b>	<b>2,596,956</b>
<b>Total Liabilities</b>	<b>\$ 5,991,806</b>	<b>\$ 6,232,054</b>

FECA and the Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on the MSPB's behalf and payable to the DOL. The MSPB 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. ACTUARIAL FECA LIABILITY

FECA provides income and medical cost protection to covered federal civilian employees harmed on the job or who have contracted an occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits under FECA for the MSPB's employees are administered by the DOL and ultimately paid by the MSPB when funding becomes available.

The MSPB bases its estimate for FECA actuarial liability on the DOL's FECA model. The DOL method of determining the liability uses historical benefits payment patterns for a specific incurred period to predict the ultimate payments for the period. Based on the information provided by the DOL, the MSPB's liability as of September 30, 2023 and 2022, was \$110,704 and \$379,437, respectively.

## NOTE 7. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2023 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 118,113	\$ -	\$ 118,113
Employer Contributions and Payroll Taxes Payable	405,505	-	405,505
Unfunded FECA Liability	23,716	81,356	105,072
Other Unfunded Employment Related Liability	6,051	-	6,051
<b>Total Intragovernmental</b>	<b>\$ 553,385</b>	<b>\$ 81,356</b>	<b>\$ 634,741</b>
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 1,645,348	\$ -	\$ 1,645,348
Other Liabilities w/Related Budgetary Obligations	8,850	-	8,850
<b>Total Other than Intragovernmental</b>	<b>\$ 1,654,198</b>	<b>\$ -</b>	<b>\$ 1,654,198</b>
<b>Total Other Liabilities</b>	<b>\$ 2,207,583</b>	<b>\$ 81,356</b>	<b>\$ 2,288,939</b>

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)	\$ 115,047	\$ -	\$ 115,047
Employer Contributions and Payroll Taxes Payable	397,124	-	397,124
Unfunded FECA Liability	5,018	-	5,018
<b>Total Intragovernmental</b>	<b>\$ 517,189</b>	<b>\$ -</b>	<b>\$ 517,189</b>
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 1,654,754	\$ -	\$ 1,654,754
Other Liabilities w/Related Budgetary Obligations	5,954	-	5,954
<b>Total Other than Intragovernmental</b>	<b>\$ 1,660,708</b>	<b>\$ -</b>	<b>\$ 1,660,708</b>
<b>Total Other Liabilities</b>	<b>\$ 2,177,897</b>	<b>\$ -</b>	<b>\$ 2,177,897</b>

## NOTE 8. LEASES

### Operating Leases

The MSPB occupies office space at various locations nationwide. (Atlanta, Chicago, Dallas, Denver, New York, Philadelphia, Oakland, Arlington, VA and in Washington DC.) The lease agreement is with the General Service Administration (GSA) and is accounted for as an operating lease. The lease term began on January 1, 2012 and expires on August 31, 2036. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. The total operating lease expense for fiscal years 2023 and 2022 were \$3,733,986 and \$3,102,112, respectively. Below is a schedule of future payments for the term of the lease.

<b>Fiscal Year</b>	<b>Asset Category Building</b>	<b>Totals Federal</b>
2024	\$ 3,883,225	\$ 3,883,225
2025	3,967,944	3,967,944
2026	4,007,623	4,007,623
2027	3,539,022	3,539,022
2028	3,191,280	3,191,280
Thereafter	23,422,000	23,422,000
<b>Total Future Lease Payments</b>	<b>\$ 42,011,094</b>	<b>\$ 42,011,094</b>

The operating lease amount does not include estimated payments for leases with annual renewal options.

## NOTE 9. COMMITMENTS AND CONTINGENCIES

The MSPB did not have any material contingent liabilities that met disclosure requirements as of September 30, 2023 and 2022.

## NOTE 10. INTER-ENTITY COSTS

The MSPB 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. The MSPB 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, 2023 and 2022, respectively, inter-entity costs were as follows:

	<b>2023</b>	<b>2022</b>
Office of Personnel Management	\$ 2,744,589	\$ 2,011,870
<b>Total Imputed Financing Sources</b>	<b>\$ 2,744,589</b>	<b>\$ 2,011,870</b>

**NOTE 11. 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, 2023, and 2022 consisted of the following:

	2023	2022
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 5,675,382	\$ 7,442,648
Recoveries of Prior Year Obligations	1,072,092	965,273
Other Changes in Unobligated Balances	(570,119)	(866,253)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$ 6,177,355</b>	<b>\$ 7,541,668</b>

**NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD**

As of September 30, 2023, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 33,969	\$ -	\$ 33,969
Unpaid Undelivered Orders	3,563,658	3,678,250	7,241,908
<b>Total Undelivered Orders</b>	<b>\$ 3,597,627</b>	<b>\$ 3,678,250</b>	<b>\$ 7,275,877</b>

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

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 28,285	\$ -	\$ 28,285
Unpaid Undelivered Orders	3,498,009	3,914,468	7,412,477
<b>Total Undelivered Orders</b>	<b>\$ 3,526,294</b>	<b>\$ 3,914,468</b>	<b>\$ 7,440,762</b>

**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 2023 actual budgetary execution information has not yet been published. The President’s Budget is scheduled for publication in February 2024 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2024 Budget of the United States Government, with the “Actual” column completed for 2022, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	\$ 56	\$ 50	\$ 45
Difference - Due to Rounding	(1)	-	-
<b>Budget of the U.S. Government</b>	<b>\$ 55</b>	<b>\$ 50</b>	<b>\$ 45</b>

## NOTE 14. CUSTODIAL ACTIVITY

The MSPB'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 MSPB nor material to the overall financial statements. The MSPB's total custodial collections are \$45 and \$0 for the years ended September 30, 2023, and 2022, respectively.

## NOTE 15. 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, 2023:

**RECONCILIATION OF NET COST TO NET OUTLAYS  
BUDGET AND ACCRUAL RECONCILIATION  
FOR THE YEARS ENDED SEPTEMBER 30, 2023  
(In Dollars)**

	Intragovernmental	Other than Intragovernmental	Total
<b>Net Operating Cost (SNC)</b>	\$ 17,381,689	\$ 36,264,313	\$ 53,646,002
<b>Components of Net Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(243,423)	(243,423)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	(395)	(395)
Other Assets	5,684	-	5,684
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	24,525	(99,014)	(74,489)
Federal Employee [and Veteran] Benefits Payable	-	425,779	425,779
Other Liabilities	(117,552)	6,510	(111,042)
<b>Financing Sources:</b>			
Imputed Cost	(2,744,589)	-	(2,744,589)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (2,831,932)</b>	<b>\$ 89,457</b>	<b>\$ (2,742,475)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
<b>Financing Sources:</b>			
Transfers Out (In) Without Reimbursements	\$ (2,345,000)	\$ -	\$ (2,345,000)
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ (2,345,000)</b>	<b>\$ -</b>	<b>\$ (2,345,000)</b>
<b>Misc Items</b>			
Distributed Offsetting Receipts (SBR 4200)	\$ -	\$ (45)	\$ (45)
Custodial/Non-Exchange Revenue	\$ 45	\$ (45)	\$ -
<b>Total Other Reconciling Items</b>	<b>\$ 45</b>	<b>\$ (90)</b>	<b>\$ (45)</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 12,204,802</b>	<b>\$ 36,353,680</b>	<b>\$ 48,558,482</b>
<b>Budgetary Agency Outlays, Net (SBR 4210)</b>			
Budgetary Agency Outlays, Net			\$ 48,558,482

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)	\$ 15,423,987	\$ 33,943,625	\$ 49,367,612
<b>Components of Net Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(252,054)	(252,054)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	1,061	1,061
Other Assets	16,513	-	16,513
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	180,030	335,456	515,486
Federal Employee [and Veteran] Benefits Payable	-	316,631	316,631
Other Liabilities	(13,410)	(160,334)	(173,744)
<b>Financing Sources:</b>			
Imputed Cost	(2,011,870)	-	(2,011,870)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (1,828,737)</b>	<b>\$ 240,760</b>	<b>\$ (1,587,977)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
<b>Financing Sources:</b>			
Transfers Out (In) Without Reimbursements	\$ (2,345,000)	\$ -	\$ (2,345,000)
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ (2,345,000)</b>	<b>\$ -</b>	<b>\$ (2,345,000)</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 11,250,250</b>	<b>\$ 34,184,385</b>	<b>\$ 45,434,635</b>
<b>Budgetary Agency Outlays, Net (SBR 4210)</b>			
<b>Budgetary Agency Outlays, Net</b>			<b>\$ 45,434,635</b>