U.S. Occupational Safety and Health Review Commission

OSHRC

Performance and Accountability Report

FY 2015

U.S. OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION
PERFORMANCE AND ACCOUNTABILITY REPORT,

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 AND 2014

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United States of America
Occupational Safety and Health Review Commission
One Lafayette Centre
1120 20th Street, N.W. - Ninth Floor
Washington, DC 20036-3457

Office of the Chairman

November 13, 2015

The President
The White House
Washington, DC 20500

Dear Mr. President:

I am pleased to transmit the Occupational Safety and Health Review Commission's (OSHRC's) Fiscal Year 2015 Performance and Accountability Report (PAR). The PAR includes performance information, as required by the Government Performance and Results Act (GPRA) and the GPRA Modernization Act, and audited financial statements and related documentation, as required by the Accountability of Tax Dollars Act of 2002.

The mission of the Occupational Safety and Health Review Commission is to provide fair and timely adjudication of workplace safety and health disputes between the Department of Labor, employers, and employees and/or their representatives under the Occupational Safety and Health Act of 1970. OSHRC continues to set high standards of performance and, during this past fiscal year, we demonstrated measurable success in meeting our stated goals.

At the Commission level, 16 cases were resolved and all performance goals were met. Our Administrative Law Judge (ALJ) function disposed of 1,953 cases and met one of its three targeted outcome performance goals, including resolving more than 95 percent of simplified cases within one year. However, it was unable to achieve two of the other performance goals, including resolving the targeted percentage of settlement part cases within 19 months and the percentage of complex cases within 20 months. Finally, the Executive Director function met eight of its nine targeted outcome performance goals.

It is important to note the challenges that affected the performance of the ALJ function during fiscal year 2015. First, the Office of the Chief Administrative Law Judge (OCALJ) was significantly understaffed due to inadequate legal support. Existing legal staff, which included four attorneys and nine legal assistants, proved inadequate to meet the administrative and legal writing needs of the full complement of ALJs. The shortage of administrative and legal support resulted in significant delays in issuing decisions and resolving cases. Therefore, our pending fiscal year 2016 budget request includes funding for three additional administrative and legal support positions in OCALJ. Next, the complexity of the cases increased the time required to resolve cases at the ALJ level. Factors leading to the increased complexity of cases include the Occupational Safety and Health Administration's focus on encouraging more resource and time-intensive inspections, as well as the Department of Labor, Office of the Solicitor's decision to leverage litigation resources and focus away from high volume and in favor of high-impact strategic cases. The increase in complexity of cases is a challenge for the Review Commission because processing such cases requires the judges to invest a greater amount of time in handling the matters, and places an increased demand on the limited full-time equivalent positions assigned to handle the volume of cases. Therefore, the outcome goal of resolving the targeted percentage of complex cases within 20 months could not be met. Nevertheless, our ALJs have continued to perform outstanding work with shrinking resources and achieved significant progress in reducing the case inventory on hand.

As Acting Chairman, I remain committed to providing the best performance possible, consistent with our resources, during the current fiscal year. We will continue to explore new ways of increasing our efficiency and effectiveness, and to provide high quality adjudication of safety and health cases that come before the Review Commission.

I am also pleased to report that the Review Commission received an unmodified opinion from an independent audit of its financial statements. The audit report identified no material weaknesses or other significant deficiencies. In addition, the Review Commission can provide reasonable assurance that the agency is in substantial compliance with the Federal Managers Financial Integrity Act of 1982 and the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control. Further, the Review Commission is confident that the internal controls, designed to monitor financial reporting, are operating effectively to produce reliable financial reports.

If you have any questions regarding this report, please contact me.

Sincerely,

Cynthia L Attwood

Cynthia L. Attwood
Acting Chair

Enclosure

U.S. Occupational Safety and Health Review Commission
Fiscal Year (FY) 2015 Performance and Accountability Report

Management Discussion and Analysis

Overview and Mission

The U.S. Occupational Safety and Health Review Commission (OSHRC or Review Commission) is an independent adjudicatory agency created by the Occupational Safety and Health Act of 1970 (the Act). Our sole statutory mandate is to serve as an administrative court providing fair and expeditious resolution of disputes involving the Occupational Safety and Health Administration (OSHA), employers charged with violations of Federal safety and health standards, and employees and/or their representatives. The Review Commission was created by Congress as an agency completely independent of the Department of Labor to ensure that OSHA's enforcement actions are carried out in accordance with the law and that parties are accorded due process.

Our Function and Procedures

The Act and our Rules of Procedure (which are similar to the Federal Rules of Civil Procedure) provide two levels of adjudication when an employer contests an OSHA citation for alleged violations of the Act. The first is a trial level, which affords an opportunity for a hearing before a Review Commission Administrative Law Judge (ALJ or judge). The judge's decision becomes final unless it is directed for review by the Commission. When such review is granted, Commission Members (Commissioners)–who are appointed by the President and subject to Senate confirmation–address the issues presented by the case and issue a decision. Final Commission decisions may be appealed to the Federal courts of appeals. At both levels of decision the Review Commission is charged with providing fair and impartial adjudication of cases concerning the safety and health of employees' working conditions in the United States.

Our principal (National) office is located in Washington, DC. OSHRC also has two regional offices: one in Atlanta, GA, and one in Denver, CO. All three offices are staffed with ALJs who travel, as necessary, to adjudicate cases in locales near where the alleged workplace violations took place.

Vision Statement

The Review Commission strives to be:

- A judicial body that is – and is recognized for being – objective, fair, prompt, professional, and respected.
- An agency that creates a body of law through its decisions that defines and explains the rights and responsibilities of employers and employees under the Act.

- A model Federal agency with highly effective processes; a highly motivated, qualified and diverse workforce; and modern information management, communications, and administrative systems.

- An agency that values teamwork; develops its employees; and seeks to improve its performance, service, and value to the American people.

Challenges and Opportunities

The Review Commission's ability to meet its case disposition goals depends on a variety of factors. These include: (1) continued presence of a quorum at the Commission level; (2) the magnitude and nature of the cases received; (3) the success of the parties' settlement negotiations and the Agency's Simplified Proceedings and Mandatory Settlement programs in reducing the number of hearings needed; and (4) the number, location, length and complexity of hearings held. Although these factors are largely outside the Review Commission's control, the Review Commission is committed to working within such constraints to improve its service to the public.

The Commission consists of three members appointed by the President with the advice and consent of the Senate. The Occupational Safety and Health Act prescribes that a quorum consists of a minimum of two Commissioners. By statute, decisions can only be decided on the affirmative vote of a quorum. During periods when the Commission lacks a quorum, no cases can be decided. In addition, with only two Commissioners, it may be more difficult to reach agreement sufficient to dispose of some cases. In cases where such agreement cannot be reached, deadlocks result. Consequently, action on important issues may be postponed and issuance of some pending cases will be delayed. Over the past 20 years the Commission has operated with fewer than three Commissioners over 60 percent of the time.

The Commission operated with three Commissioners during only 7 months of FY 2015. This was the result of one Commissioner's term expiring in April of 2015. Notwithstanding the lack of a full complement of Commissioners for almost half of the fiscal year, the Commission resolved 16 cases during fiscal year 2015 and met its GPRA goal targets for FY 2015 at the Commission level.

The factors which most influence the agency's workload, and hence its strategies, are: the number of safety and health inspections carried out by OSHA each year, the nature of those inspections, and the number and characterization of violations and total penalties proposed by OSHA in each citation.
OSHA conducted 35,817 inspections in FY 2015. The number of OSHA inspections and their likely focus on the highest hazard workplaces affects the Review Commission's ALJ caseload. These inspections have tended to result in more complex and contentious cases, which consume extensive judicial time. For such cases, the discovery process is lengthy and time consuming, motion practice is expanded, legal research and decision-writing time is protracted and, of necessity, the trial process is elongated and complicated.

The Review Commission utilizes two alternative procedures to facilitate case adjudication before the ALJs in appropriate circumstances – Settlement Part, for certain relatively complex cases, and Simplified Proceedings, for certain relatively simple cases.

Under Commission Rule 2200.120, with the consent of the parties, the Chief Administrative Law Judge may assign a Settlement Judge to a pending proceeding to aid the parties in resolving a case. In addition, if the aggregate amount of the penalty sought by the Secretary of Labor is $100,000 or greater, the Mandatory Settlement procedure goes into effect. A Settlement Judge appointed by the Chief Administrative Law Judge has control of the settlement process and may require that the parties' representatives be accompanied by officials having full settlement authority. This procedure has aided the Review Commission in disposing of some extremely complex cases, with the approval of all parties.

The Simplified Proceedings process applies to cases in which proposed penalties are not more than $20,000; when found eligible by the Chief Administrative Law Judge, the process may be used in cases with proposed penalties up to $30,000. The Simplified Proceedings process allows parties with relatively simple cases to have their "day in court" unencumbered by the formal Rules of Procedure and evidence, while ensuring that due process requirements will be maintained. Under this process, a business, with or without counsel, can present its case before an ALJ and receive a prompt decision. Most paperwork, including legal filings, has been eliminated so that justice can be rendered swiftly and inexpensively. The process is intended to reduce the time and legal expenses otherwise required of employers contesting relatively small penalty cases.

Performance Goals and Results

In accordance with Public Law 111-352, the Government Performance and Results Modernization Act of 2010 (GPRA Modernization Act of 2010) and Public Law 103-62, the Government Performance and Results Act (GPRA) of 1993, the Review Commission revised its strategic plan for the period FY 2014 through FY 2018. The plan focuses on three overarching strategic goals:

1) Engendering respect for the rule of law by assuring fair, just, and expeditious adjudication of disputes brought before the Commission and its judges.

2) Expanding transparency and openness by providing for stakeholder engagement and ensuring that the Review Commission keeps interested parties and the public it serves informed of the agency's work at all levels, consistent with due process requirements.

3) Providing responsible stewardship of resources to enhance agency operations and efficiencies in information management, financial management, human resources, and real property to accomplish the agency's statutory and regulatory mandates

Commission Function

The function of the Commissioners is to review and decide cases contested under the Act, following an initial decision by an ALJ. This higher level of review must be prompt, fair, and protective of the parties' rights, consistent with our overall strategic goals.

In FY 2015, the Commission had 35 cases pending on its docket at the beginning of the year. It received 14 new cases and resolved 16 cases by year-end.

The following table provides the performance goals and results for this function for fiscal years 2011 through 2015.

Outcome Goals	Performance Measures	FY 2011 Actual (Target)	FY 2012 Actual (Target)	FY 2013 Actual (Target)	FY 2014 Actual (Target)	FY 2015 Actual (Target)
Resolve the oldest cases on the Review Commission's docket.	All cases docketed at the Commission level prior to 2008 resolved.	Remaining 80% **Target met** (Remaining 70% of oldest cases)	Completed by end of FY 2011	Completed by end of FY 2011	Completed by end of FY 2011	Completed by end of FY 2011
Reduce the average age of open cases at the Commission-level.*	Average age of open cases.	15 months **Target met** (36 months or less)	18 months **Target met** (33 months or less)	21 months **Target met** (30 months or less)	26 months **Target met** (27 months or less)	Replacement Goal developed for FY 2015
Resolve all priority cases in a timely manner.	Percent of priority cases disposed of within 6 months.	100% **Target met** (100%)	100% **Target met** (100%)	100% **Target met** (100%)	100% **Target met** (100%)	100% **Target met** (100%)
Develop and implement case management practices that will minimize the average age of all pending Commission-level cases.	Average age of all pending Commission-level cases.	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Case management practices developed. The average age of all pending Commission-level cases is 26 months. ***Target met** Develop case management	Implemented case management practices. The estimated average age of all pending Commission-level cases is 21 months. **Target met** (24 months or less)

					practices. (27 months or less)	
Further reduce the average age of the oldest pending Commission-level cases.	Using experience gained from the recent disposition of the legacy cases, as well as recommendations derived from Commission's public meeting on legacy cases, to develop and implement case management practices that minimize the average age of the oldest fifteen (15%) percent of pending cases	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Case management practices developed. **Target met** (Develop case management practices)	Case management practices were fully implemented. **Target met** (Implement case management practices).

* As of September 30, 2009, and September 30, 2010, the average (mean) period of time for a case on the Review Commission's docket was 46 months, and 32 months, respectively. The Review Commission's Strategic Plan (FY 2010- 2015) anticipated reducing this average to 24 months by the end of FY 2015. The revised Strategic Plan (FY 2014 – 2018) anticipates further reducing this average to 20 months by the end of FY 2018.

The Commission met all of its Commission-level case resolution targets in FY 2015. In particular, pursuant to OSHRC's Strategic Plan, the agency developed case management practices to help focus on reducing the average age of the oldest pending Commission-level cases and of all pending Commission-level cases. These practices include:

- Periodic docket review
    - Conduct quarterly and semiannual case management docket reviews to identify opportunities to speed case processing
        - Quarterly Counsels' meeting
        - Semiannual Commission docket review

- Strategic Plan implementation monitoring
    - Incorporate data in quarterly docket reports on the age of each pending case, the average age of all pending cases, and the average age of the oldest 15% of cases
    - Review case management aspects of cases that exceed the target average in the periodic docket review meetings

- Efficient briefing practices
    - To the degree practicable, strive to narrowly tailor the issues in the Briefing Notice

The following table summarizes actual Commission case activity for fiscal years 2011 through 2015.

Commission Case Activity

	FY 2011 Actual	**FY 2012 Actual**	**FY 2013 Actual**	**FY 2014 Actual**	**FY 2015 Actual**
New Cases:					
Cases Directed for Review:	24	14	24	11	13
Other New Cases:					
Interlocutory Appeals	6	2	0	0	0
Remands	0	3	1	0	1
Other	0	0	0	0	0
Total Other New Cases:	6	5	1	0	1
Total New Cases:	**30**	**19**	**25**	**11**	**14**
Case Inventory from Prior Year:	31	35	31	36	35
Total Caseload:	**61**	**54**	**56**	**47**	**49**
Dispositions:	26	23	20	12	16
Case Inventory, **End of Year:**	**35**	**31**	**36**	**35**	**33**

Administrative Law Judge Function

The function of the Review Commission's Administrative Law Judges is to conduct formal hearings and related proceedings in a fair, just, and expeditious manner, consistent with OSHRC's overall strategic goals.

The Administrative Law Judge function began FY 2015 with 888 cases in its inventory and 2,164 new cases were received during the year, for a total of 3,052 cases. A total of 1,953 cases were disposed of, leaving 1,099 cases in the inventory at the end of the fiscal year.

The following table provides the performance goals and results for this function for fiscal years 2011 through 2015.

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Ensure that a significant proportion of non-complex cases at the ALJ level are resolved in less than one year.	Percent within one year.	98% **Target met** (98%)	96% **Target not met** (98%)	95.3% **Target not met** (98%)	97% **Target met** (95%)	New Goal developed for FY 2015
Ensure that a significant proportion of complex cases at the ALJ level are resolved in less than one year.	Percent within one year.	84% **Target not met** (95%)	87% **Target not met** (95%)	85.6% **Target not met** (95%)	80% **Target not met** (89%)	New Goal developed for FY 2015
Ensure that a significant proportion of both complex and non-complex cases at the ALJ level are resolved within one year to 20 months from docketing.	-Percent of simplified cases - disposed of within one year at ALJ level. -Percent of conventional cases disposed of within 17 months. -Percent of settlement part cases disposed of within 19 months. -Percent of	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	-Dispose of 95% of simplified cases within one year. 97% **Target met** -Dispose of 90% of conventional cases within 17 months. **92%** **Target met** -Dispose of 98% of

Outcome Goals	Performance Measures	FY 2011 Actual (Target)	FY 2012 Actual (Target)	FY 2013 Actual (Target)	FY 2014 Actual (Target)	FY 2015 Actual (Target)
	complex cases disposed of within 20 months at ALJ level.					settlement part cases within 19 months. 95% **Target not met** -Dispose of 95% of complex cases within 20 months. (FY 2015 will be the baseline year for this measure) 80% **Target not met**
Improve training opportunities for Administrative Law Judges.	Time and resources dedicated to judicial training with special emphasis on mediation and dispute resolution.	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Pro rata share of the Agency's training resources was devoted. **Target met** (Pro rata share of the Agency's training resources)	Pro rata share of the Agency's training resources was devoted. **Target met** (Pro rata share of the Agency's training resources)
Publish significant procedural decisions and non-dispositive orders separately from other decisions.	Key decisions and orders published within 4 months of the order.	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	11 key decisions and orders published **Target not met** (15 key decisions and orders published)	13 key decisions and orders published **Target not met** (20 key decisions and orders published)

In FY 2015, two factors adversely impacted the Office of the Chief Administrative Law Judge's (OCALJ) ability to meet the targeted outcome goal. First, the office, which includes Denver and Atlanta, was significantly understaffed due to inadequate legal support. Existing legal staff, which included four attorneys and nine legal assistants, proved inadequate to meet the administrative and legal writing needs of the full complement of ALJs. The shortage of administrative and legal support resulted in significant delays in issuing decisions and resolving cases. Absent additional support (e.g., legal research and writing), the downturn in performance at the ALJ level with respect to the disposition of complex cases may continue. Our pending budget request includes funding for three additional positions to provide legal support to OCALJ.

Next, the complexity of the cases increased the time required to resolve cases at the ALJ level. Factors leading to the increased complexity of cases include OSHA's focus on encouraging more resource and time-intensive inspections, as well as the Department of Labor, Office of the Solicitor's decision to leverage litigation resources and focus away from high volume and in favor of high-impact strategic cases. The increase in complexity of cases is a challenge for the Review Commission because processing such cases requires the judges to invest a greater amount of time in handling the matters, and places an increased demand on the limited full-time equivalent (FTE) positions assigned to handle the volume of cases.

The following table provides actual Administrative Law Judge workloads for fiscal years 2011 through 2015.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual
OSHA Inspections*:	40,648	40,961	39,228	36,163	35,817
Administrative Law Judge Workload:					
a. Case Inventory, Start of Year	983	1,345	1,154	909	888
b. New Cases	3,175	2,696	2,215	2,017	2,164
c. Total Caseload	**4,158**	**4,041**	**3,369**	**2,926**	**3,052**
d. Disposals**					
(1) With Hearing	111	95	68	50	61
(2) Mandatory Settlement Conferences			81	66	56
(3) Without Hearing	2,702	2,792	2,311	1,922	1,836
e. Total Dispositions	**2,813**	**2,887**	**2,460**	**2,038**	**1,953**
Total Case Inventory, End of Year	**1,345**	**1,154**	**909**	**888**	**1,099**

*Provided by OSHA.

**In prior Performance and Accountability Report presentations, the category "With Hearing" included both adjudicatory hearings and mandatory settlement conference hearings. To improve transparency and accuracy, adjudicatory hearings and mandatory settlement conference hearings are now reported separately starting with FY 2013.

Executive Director Function

The Office of the Executive Director provides administrative services to support the Review Commission in fulfilling its mission.

The Executive Director function provides operational management for the agency, including procurement, information technology management, human resources management, budget and financial management, and administrative services. The day-to-day tasks of this office are led by the Executive Director and include:

- Supporting the development and implementation of the agency's strategic goals;
- Maintaining and enhancing a website to provide the public with greater access to Review Commission information;
- Providing agency-wide support in the areas of finance, budget, procurement and contracting, human resources, equal opportunity and general administrative services;
- Providing personnel, payroll, benefits, reproduction, mail services, and travel assistance to agency employees;
- Procuring goods and services, maintenance and needed repairs of equipment, training, reference materials, supplies and office space;
- Implementing case management and administrative systems through IT hardware and software;
- Developing and maintaining computer systems and information security enhancements; and
- Enhancing telecommunications and improving technology efficiency and effectiveness.

The following table provides the performance goals and results for this function for fiscal years 2011 through 2015.

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Invest in human capital by increasing staff development and training opportunities and increasing employees' capabilities and potential.	One percent of basic payroll devoted to staff training and development by FY 2015, and no fewer than 24 hours training per staff member per year.	.45% of basic payroll to training **Target partially met** (.45% of basic payroll to training and 10 hours)	.54% of basic payroll to training/62% of staff had 12 hours of training **Target not met** (.55% of basic payroll to training and 12 hours)	.42% of basic payroll to training/53 % of staff received 12 hours of training **Target not met** (.55 of basic payroll to training and 12 hours)	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan
Examine and identify contracted positions appropriate for insourcing.	Percentage of positions identified appropriate for insourcing that are insourced.	One position identified **Target met** (Positions identified)	One position insourced. No other position eligible **Target met** (Insource position identified and identify additional positions to insource)	No additional positions identified for insourcing **Target met** (Insource any additional positions identified)	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan

<table>
<tr><th><u>Outcome Goals</u></th><th><u>Performance Measures</u></th><th>FY
2011
Actual
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(Target)</th></tr>
<tr><td>Use of 360 degree employee-supervisor feedback mechanisms</td><td>All supervisors subject to 360 degree feedback and feedback is used to ensure that individual and organizational effectiveness goals are being met</td><td>Feedback Instrument developed

Target met
(Appropriate feedback instrument developed)</td><td>Feedback Instrument used to evaluate supervisors

Target met
(Feedback mechanism used to evaluate all supervisors)</td><td>Feedback Instrument used to evaluate supervisors

Target met
(Feedback mechanism used to evaluate all supervisors)</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td></tr>
<tr><td>Ensure that the Review Commission’s website is accessible to people with disabilities and serves as a useful repository for information about the agency and its adjudicatory activities</td><td>Timeliness of postings to agency web site</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>All required material posted to the website in less than 7 days and usually within one day after issuance.

Target met
(All material posted no later than 7 days after issuance)</td><td>All required material posted to the website in less than 7 days and usually within one day after issuance.

Target met
(All material posted no later than 7 days after issuance)</td></tr>
<tr><td>Produce timely and accurate reports on the Review Commission’s activities, including all reports required by law</td><td>Timeliness of submissions of required reports, e.g., financial statements, OMB, OPM, and EEO reports, etc.</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>New goal developed to support FY 2014 – 2018 Strategic Plan</td><td>All material submitted by required deadlines.

Target met
(100% of all material to be submitted by required deadlines)</td><td>All material submitted by required deadlines.

Target met
(100% of all material to be submitted by required deadlines)</td></tr>
</table>

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Broaden the Review Commission's outreach activities with other Federal agencies and the affected public, including targeted education and outreach for individuals with limited English proficiency (LEP)	Participation in professional conferences and meetings and strategic engagement with stakeholders	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Agency focus was to revise the draft language access plan and submit to DOJ for approval. **Target not met** (Agency to sponsor one outreach and educational activity per year)	Draft language access plan was posted on the Agency's website **Target met** (Fully implement a language access plan and post to the Agency's website for public access)
Develop and present an annual budget and performance plan that clearly present how the organization will accomplish government-wide management priorities, agency-wide goals, and organizational goals	System that links resources to specific activities that support measurable programmatic outcomes and objectives	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Resources were identified for various programs that support the methodology to efficiently align the budget with program goals. **Target met** (Identify resources to support the methodology to efficiently align the budget with program goals)	Agency program goals were aligned with the budget to efficiently accomplish the mission. **Target met** (Align budget with Agency program goals to efficiently accomplish mission (e.g., program, human capital, procurement, IT infrastructure, and space and facilities)

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Implement a comprehensive human capital plan designed to recruit, retain and develop staff; support succession planning by strategically aligning present and future human capital needs and workforce planning; and evaluate the performance management system based on individual and organizational effectiveness	Increase personnel capabilities and development by improving training opportunities	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	.55 of basic payroll was devoted to staff training and development. **Target met** (.55 percent of basic payroll devoted to staff training and development)	.44 percent of basic payroll devoted to staff training and development. **1Target not met** (.65 percent of basic payroll devoted to staff training and development)

1 The Review Commission devoted .44 percent of basic payroll to staff training and development. However, our ability to expense .65 percent was severely impacted due to a nearly three-month Continuing Resolution and severe budget constraints that were implemented during FY 2015 to avoid employee furloughs.

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Integrate knowledge management (KM) processes into a plan to capture, share and generate knowledge and establish a unified knowledge network of people, processes and technology to enhance operations and efficiencies in all aspects of essential agency operations	Conduct periodic knowledge audits to identify sources of knowledge and "at risk" knowledge gaps** Tailor IT infrastructure to support the effortless sharing and transfer of knowledge Degree to which best practices and lessons learned are integrated into the performance management system	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Staff trained in learning solution designed to optimize organizational performance and identify KM gaps. **Target partially met** (Design the knowledge management audit to establish benchmarks to evaluate knowledge gaps in the essential agency operations and programs)	Identified knowledge gap vulnerabilities to enhance Agency operations and programs. **Target met** (Use findings from evaluation of knowledge management audit to identify and address knowledge gaps)

** Areas identified as potential "at risk" knowledge gaps include programs and functions where a subject matter expert is eligible to leave the Agency (through retirement or career transition) in one to three years and no backup expert has been identified to assume the duties and responsibilities vacated.

Outcome Goals	Performance Measures	FY 2011 Actual (Target)	FY 2012 Actual (Target)	FY 2013 Actual (Target)	FY 2014 Actual (Target)	FY 2015 Actual (Target)
Improve technology infrastructure through efficiencies and investments (e.g., training, equipment, and services) to support the effective use of broadband, cyber security, and energy efficiency	Streamline operations and infrastructure to eliminate duplication; minimize servers, storage and application sprawl Maintain standardized platforms including hardware and software Improve network/communications to ensure customers can access necessary information without delay	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Evaluated expanding the existing IT infrastructure and began procuring equipment and services necessary to support the e-filing initiative. **Target met** (Evaluate expanding the existing IT infrastructure to support e-filing initiative)	Upgraded data circuits, implemented a new data analysis platform that scans internet traffic, trained staff on usage policies, and procured and installed Host servers. **Target met** (Implement recommended IT infrastructure upgrades identified in evaluation)

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Use existing real property more effectively by implementing energy efficiency practices, space alignment efforts (e.g., sustainability) and expanding telework	Implement measures to reduce operating expenses when negotiating lease and develop a system to evaluate areas of consumption that impact sustainability	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	-Use of virtual machines and all equipment purchases meet EPA energy efficiency standards. **Target met** (Establish goal of acquiring a percentage of supplies and equipment from eco-friendly sources) -Disposed of equipment through certified recyclers. **Target met** (Dispose of equipment in an environ-mentally friendly manner)	Use of virtual machines and all equipment purchases meet EPA Energy Efficiency standards. Moved to a shared printing environment by using installed copiers as default printers moving away from desktop printers. Expanded Citrix to accommodat e additional telework staff. **Target met** (Increase the percentage of supplies and equipment procured from eco-friendly sources)

Outcome Goals	**Performance Measures**	**FY 2011 Actual (Target)**	**FY 2012 Actual (Target)**	**FY 2013 Actual (Target)**	**FY 2014 Actual (Target)**	**FY 2015 Actual (Target)**
Enhance the agency's FOIA processing system by developing internet-based capabilities	Development of an electronic form and/or request tracking capability	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	New goal developed to support FY 2014 – 2018 Strategic Plan	Developed an electronic request form used for processing and expediting FOIA requests. **Target met** (Assessment of tools and resources necessary for processing and expediting FOIA requests electronically)	Successful implementation of FOIA online form and use of dedicated FOIA email address to expedite receipt, tracking, and processing of requests. **Target met** (Develop tools to be used for processing and expediting FOIA requests electronically)

Analysis of Financial Statements

The Review Commission had biennial audits of its financial statements from 1996 through 2002. Consistent with the Accountability of Tax Dollars Act of 2002, OSHRC began annual audits in FY 2003. The Review Commission received an unqualified opinion for each financial audit conducted from FY 1996 through FY 2013, and an unmodified opinion for the FY 2014 and FY 2015 audits. The terms “unqualified” and “unmodified” refer to clean opinions.

Since 2002, the Review Commission has contracted with the Administrative Resources Center, Bureau of the Fiscal Service (formerly Bureau of the Public Debt – BPD), for accounting services. The Administrative Resources Center prepared the Review Commission’s FY 2015 financial statements, which include comparative data for FY 2014. The principal financial statements include the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources.

The changes described in the analyses below generally indicate that the budget execution process remains effective, given higher payroll costs and higher costs for goods and services to maintain operations and fulfill our mission.

Analysis of the Balance Sheet

OSHRC’s assets in FY 2015 totaled $2,764,587 as of September 30, 2015. This represents a decrease of $269,729 from FY 2014. The Fund Balance with Treasury of $2,758,897 represents OSHRC’s largest asset as of September 30, 2015. It decreased 8.44 percent from FY 2014 and represents approximately 99 percent of the agency’s total assets. General Property, Plant, and Equipment account for less than 1 percent of OSHRC’s total assets as of September 30, 2015. The net fixed asset value of $4,250 equals the cost less accumulated depreciation and represents the current book value of those assets.

OSHRC’s liabilities in FY 2015 totaled $836,398 as of September 30, 2015. This is a decrease of $38,136 from FY 2014. The accounts payable balance at September 30, 2015 was $170,221, an increase of $20,680 from September 30, 2014. Unfunded annual leave decreased $42,670 in 2015 from 2014. Unfunded annual leave represents 49.48 percent of total agency liabilities.

Net Position is the difference between total assets and total liabilities. The total net position for FY 2015 decreased by $231,593 from FY 2014.

Analysis of Statement of Net Cost

The Statement of Net Cost shows the net cost of operations for the agency, and it is broken out between OSHRC’s two major programs, Administrative Law Judge and Commission. The Total net cost of operations in 2015 was $12,221,927, an increase of $466,968 or 3.9 percent more than the 2014 net cost of operations of $11,754,959.

Analysis of the Statement of Changes in Net Position

The Statement of Changes in Net Position reports the change in the agency’s net position during the reporting period. The net position consists of two components, the unexpended appropriations and the cumulative results of operations. The Net Position decreased $231,593 in 2015 from 2014, a change of approximately 10.7 percent.

Analysis of the Statement of Budgetary Resources

The Statement of Budgetary Resources presents how the budgetary resources were made available and the status of the budgetary resources at the end of the reporting period. The total budgetary resources must always equal the total status of budgetary resources. For FY 2015, OSHRC had total budgetary resources of $12,469,382, which is $405,217 more than in FY 2014.

Management Assurances

Systems, Controls, and Legal Compliance

The Review Commission is in compliance with the Federal Managers Financial Integrity Act and OMB Circular A-123, Management's Responsibility for Internal Control. The system of internal controls for this agency is functioning well. It provides reasonable assurance as to the efficiency and effectiveness of programs and operations, reliability of financial and performance information, and compliance with laws and regulations. These controls satisfy the requirements of the Federal Managers' Financial Integrity Act. In addition, the appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices.

The Review Commission is a small agency and does not have a separate Inspector General Office. Therefore, the Review Commission's management team assumes the responsibility for assessing the agency's internal operations and determining if there are any weaknesses that need correction. In FY 2015, two program reviews took place: an audit of FY 2015 financial statements, and an audit of computer and information security.

Financial Audit

The Review Commission has had annual audits of its financial statements since FY 2003, including reviews of the adequacy of the Review Commission's internal control systems. The Review Commission received an unqualified opinion for each financial audit conducted from FY 2003 through FY 2013, and an unmodified opinion for the FY 2014 and FY 2015 audits.
With regard to financial management, the National Finance Center (NFC) provided payroll services, and the Bureau of the Fiscal Service (BFS) provided accounting, disbursement, and financial statement preparation services for the agency. Accordingly, certain aspects of the Review Commission's financial management system are largely influenced by the practices and procedures of the NFC and the BFS.

In addition to the practices and procedures of the NFC and BFS, the Review Commission has established certain internal controls and procedures that safeguard assets and ensure that obligations and disbursements are made consistent with management's direction. For example, BFS reports are reviewed and reconciled to assure that the agency's obligation and disbursement actions are properly recorded and that the year-end financial statements are correctly stated. The agency's Budget and Finance Office also prospectively certifies funds availability for all obligations. In addition, the Office of the Executive Director conducts periodic reviews of internal systems including travel, payroll, and procurement.

The FY 2015 financial audit resulted in an “unmodified” opinion with no reported material weaknesses or other significant deficiencies. Generally, the system of internal controls for this agency is functioning well. It provides reasonable assurance as to the efficiency and effectiveness of programs and operations, reliability of financial and performance information, and compliance with laws and regulations. These controls satisfy the requirements of the Federal Managers' Financial Integrity Act. As previously mentioned, the Review Commission has had annual audits of its financial statements since FY 2003, including reviews of the adequacy of the Review Commission’s internal control systems.

The Review Commission contracts with the Treasury Franchise Fund, Administrative Resource Center, Bureau of the Fiscal Service, for accounting, disbursement, and travel services, and with the NFC for payroll and personnel services. In addition to the agency’s internal controls and procedures that safeguard assets and ensure that obligations and disbursements are made consistent with management’s direction, the BFS and the NFC have established practices and procedures that assure appropriate internal controls. The two agencies’ internal control systems are evaluated independently.

Improper Payments

The Review Commission is pleased to report that no improper payments were made in FY 2015. The agency continued the practice of reviewing the General Services Administration (GSA) Excluded Parties List (EPLS) and the System for Awards Management (formerly Central Contractor Registry) prior to awarding contracts and purchase orders. All payments made in FY 2015 were verified using the method above, with the exception of payments to Federal vendors, payroll and credit card payments.

The agency continues to attribute progress made in eliminating improper payments to the implementation of the program integrity activities outlined in our “Do Not Pay Implementation Plan.” The plan, which was implemented in FY 2013, requires agency staff responsible for processing invoices to focus on prevention, detection, and recovery. Prevention activities, which are executed prior to the payment of an invoice, include pre-payment audits, risk prioritization, and predictive modeling. Transactions that are identified as being “high risk” are subject to a second level of review prior to being forwarded to the Certifying Official for approval for payment. Detection activities, which are performed subsequent to payment, are based largely on reports generated by the entity within the agency that is responsible for analyzing invoice processing activities. For example, the Review Commission analyzes a monthly report detailing the cumulative total and number of invoices processed during the previous 30 day reporting period. Agency staff performed detection activities on a quarterly basis to identify payment patterns or anomalies that need to be isolated and subjected to additional review. Based on the success of the prevention and detection activities, the Review Commission has avoided the need to exercise recovery or collection activities to recapture improperly made payments.

Computer and Information Security Program

Since FY 2003, the Review Commission has contracted for annual independent evaluations of its computer and information security programs, consistent with the Federal Information Security Management Act (FISMA), which was signed into law as part of the E-Government Act (Public Law 107-347). These evaluations are conducted under the requirements of the *Government*

Information Security Reform Act (the predecessor to *FISMA*), as well as the Office of Management and Budget's (OMB) implementing guidelines, and National Institute of Standards and Technology (NIST) guidance.

Our 2015 FISMA audit states that the Occupational Safety and Health Review Commission (OSHRC) continues to keep up with additions and changes to FISMA law. Some specific examples in recent years include the incorporation of National Institute of Standards and Technology (NIST) Special Publication 800-53 Revision 4, NIST Special Publication 800-18, Federal Information Processing Standards (FIPS) 199, FIPS 200, and FIPS 201, each of which place additional requirements on OSHRC. The OSHRC security program continues to be incorporated into its annual performance and security plans in accordance with the law, and provides reasonable assurance and safeguards to maintain integrity and competence. Furthermore, OSHRC practices delegation of authority as a structured organization with defined separation of duties and supervision.

The provisions of the Review Commission's security policy directive apply to all employees and contractors who use our computer and network systems or gain access to our computer generated information.

OSHRC continues to document and test its implemented virus detection program and perform automatic updates and scanning. Virus protection has been implemented at both the server and workstation levels which have reduced the numbers of spam and other unwanted electronic mail messages. Additional controls in place to protect data from accidental or malicious alteration or destruction include the U.S. Department of Homeland Security's (DHS) Trusted Internet Connection (TIC), Einstein3 (U.S. Cert Program), and Intrusion Prevention Security Services utilization. These provide continuous monitoring of the network, intrusion detection and prevention, system and email scans, separation of duties based on access need and clearance, internal intrusion detection and monitoring, and incident reporting and investigation.

In addition to security controls provided by DHS, OSHRC utilizes its deployed firewall and Intrusion Detection System (IDS) to provide network perimeter security. Formal procedures for reviewing logs are in place, and the Information Technology Officer identifies incidents when a security violation occurs.

The Review Commission's information security program will, at a minimum, continue to implement appropriate recommendations made by an independent evaluator; incorporate performance measures to ensure that the security plan is practiced throughout the life cycle of the agency's system; establish additional personnel controls for sensitive information; monitor procedures for program effectiveness and compliance with security requirements; assure that systems and applications operate effectively and provide appropriate confidentiality, integrity and availability; and protect information commensurate with the level of risk and magnitude of harm resulting from loss, misuse, unauthorized access, or modification.

Performance Data Verification

For each strategic goal and its related objectives, the Review Commission formulated performance measures and numerical annual targets, whenever possible. A few measures are necessarily qualitative in nature. Case processing and adjudication measurements are used for several objectives contained in our Public Service Goal. Most of the data related to the Public Service Goal resides in the Review Commission's case management/tracking system. In FY 2015, each of the 2,164 new cases docketed at the ALJ level were entered into the case management system, and progress on all cases was tracked. In order to assure the quality of the data, management periodically reviews the information in the case management/tracking system. The agency conducts test runs of the data to ensure that information is entered and updated on a timely basis. The reports are used to assess workload and make workload adjustments, when necessary. At the end of the year, this data is used by the offices to measure performance related to the goals and to improve management.

Human resource measurements are used for the goals in the Office of the Executive Director function. The data related to these goals is maintained and tracked in the Human Resource system, which includes spreadsheets to track training costs and hours, employee performance files, and personnel files. Management reviews the information for accuracy.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the Review Commission, pursuant to the requirements of 31 U.S.C. 3515(b).

The statements have been prepared from the books and records of the Review Commission in accordance with generally accepted accounting principles (GAAP) for Federal entities and 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. These statements should be read with the realization that they are for a component of the United States Government, a sovereign entity.

U.S. OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

Prepared By
Brown & Company CPAs, PLLC
November 10, 2015

INDEPENDENT AUDITOR'S REPORT

U.S. Occupational Safety and Health Review Commission
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying balance sheets of the U.S. Occupational Safety and Health Review Commission (OSHRC) as of September 30, 2015 and 2014, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted government auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statement*. Those standards and OMB Bulletin No. 15-02, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes test of compliance with provisions of applicable laws, regulations, contracts, and grant agreements that have a direct effect on the determination of material amounts and disclosure in the financial statements. The purpose was not to provide an opinion on compliance with provisions of applicable laws, regulations, contracts and grant agreements and, therefore, we do not express such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OSHRC as of September 30, 2015 and 2014, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the *Management's Discussion and Analysis* (MD&A) and *Required Supplementary Information* (RSI) sections be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. *The Message From Acting Chair* and the Other Information sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered OSHRC's internal control over financial reporting (internal control) to design the financial statements, but not for the purpose of providing an opinion on internal control. Accordingly, we do not express such an opinion.

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, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. During the audit of the financial statements no deficiencies in internal control were identified that were considered to be a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OSHRC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations and contracts applicable to OSHRC. The objective was not to provide an opinion on compliance with provisions of laws, regulations, contracts and grant agreements and therefore, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 15-02.

Management's Responsibility for Internal Control and Compliance

OSHRC's management is responsible for (1) evaluating effectiveness of internal control over financial reporting based on criteria established under the Federal Managers Financial Integrity Act (FMFIA), (2) providing a statement of assurance on the overall effectiveness of internal control over financial reporting, and (3) ensuring compliance with other applicable laws and regulations.

Auditor's Responsibilities

We are responsible for (1) obtaining a sufficient understanding of internal control over financial reporting to plan the audit, (2) testing compliance with certain provisions of laws and regulations that have a direct and material effect on the financial statements and applicable laws for which OMB Bulletin No. 15-02 requires testing, and (3) applying certain limited procedures with respect to the MD&A and other RSI.

We did not evaluate all internal controls relevant to operating objectives as broadly established by the FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to testing internal control over financial reporting. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our audit results to future periods is subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to OSHRC. We limited our tests of compliance to certain provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin No. 15-02 that we deemed applicable to OSHRC's financial statements for the fiscal year ended September 30, 2015. We caution that noncompliance with laws and regulations may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters

The purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters sections of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of OSHRC's internal control or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OSHRC's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

This report is intended solely for the information and use of the management of OSHRC, OMB, and Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown & Company

Largo, Maryland
November 10, 2015

FINANCIAL STATEMENTS AND NOTES

OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2015 AND 2014
(In Dollars)

		2015		2014
Assets:				
Intragovernmental				
Fund Balance With Treasury (Note 2)	$	2,758,897	$	3,013,067
Total Intragovernmental		2,758,897		3,013,067
Accounts Receivable, Net (Note 3)		1,440		-
Property, Equipment, and Software, Net (Note 4)		4,250		21,249
Total Assets	$	2,764,587	$	3,034,316
Liabilities:				
Intragovernmental				
Accounts Payable	$	-	$	20,000
Other (Note 6)		52,751		53,286
Total Intragovernmental		52,751		73,286
Accounts Payable		170,221		149,541
Other (Note 6)		613,426		651,707
Total Liabilities (Note 5)	$	836,398	$	874,534
Net Position:				
Unexpended Appropriations - Other Funds	$	2,343,852	$	2,598,920
Cumulative Results of Operations - Other Funds		(415,663)		(439,138)
Total Net Position	$	1,928,189	$	2,159,782
Total Liabilities and Net Position	$	2,764,587	$	3,034,316

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

OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(In Dollars)

		2015		2014
Program Costs:				
Administrative Law Judge	$	6,018,077	$	5,642,380
Commission		6,203,850		6,112,579
Net Cost of Operations (Note 8)	$	12,221,927	$	11,754,959

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

OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(In Dollars)

	2015	2014
Cumulative Results of Operations:		
Beginning Balances	$ (439,138)	$ (487,038)
Budgetary Financing Sources:		
Appropriations Used	$ 11,755,122	$ 11,209,876
Other Financing Sources (Non-Exchange):		
Imputed Financing Sources (Note 10)	490,280	592,983
Total Financing Sources	12,245,402	11,802,859
Net Cost of Operations	(12,221,927)	(11,754,959)
Net Change	23,475	47,900
Cumulative Results of Operations	$ (415,663)	$ (439,138)
Unexpended Appropriations:		
Beginning Balances	$ 2,598,920	$ 3,079,491
Budgetary Financing Sources:		
Appropriations Received	$ 11,639,000	$ 11,411,000
Other Adjustments	(138,946)	(681,695)
Appropriations Used	(11,755,122)	(11,209,876)
Total Budgetary Financing Sources	$ (255,068)	$ (480,571)
Total Unexpended Appropriations	$ 2,343,852	$ 2,598,920
Net Position	$ 1,928,189	$ 2,159,782

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

OCCUPATIONAL SAFETY & HEALTH REVIEW COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(In Dollars)

		2015		2014
Budgetary Resources:				
Unobligated Balance Brought Forward, October 1	$	828,647	$	1,189,603
Recoveries of Prior Year Unpaid Obligations		138,693		144,387
Other changes in unobligated balance		(138,946)		(681,695)
Unobligated balance from prior year budget authority, net		828,394		652,295
Appropriations		11,639,000		11,411,000
Spending authority from offsetting collections		1,988		870
Total Budgetary Resources	$	12,469,382	$	12,064,165
Status of Budgetary Resources:				
Obligations Incurred (Note 11)	$	11,620,011	$	11,235,518
Unobligated balance, end of year:				
Apportioned (Note 2)		123,187		230,159
Unapportioned (Note 2)		726,184		598,488
Total unobligated balance, end of year		849,371		828,647
Total Budgetary Resources	$	12,469,382	$	12,064,165
Change in Obligated Balance				
Unpaid Obligations:				
Unpaid Obligations, Brought Forward, October 1	$	2,184,420	$	2,196,787
Obligations Incurred (Note 11)		11,620,011		11,235,518
Outlays (gross)		(11,756,212)		(11,103,498)
Recoveries of Prior Year Unpaid Obligations		(138,693)		(144,387)
Unpaid Obligations, End of Year (Gross)	$	1,909,526	$	2,184,420
Budget Authority and Outlays, Net:				
Budget authority, gross	$	11,640,988	$	11,411,870
Actual offsetting collections		(1,988)		(870)
Budget Authority, net, (total)	$	11,639,000	$	11,411,000
Outlays, gross	$	11,756,212	$	11,103,498
Actual offsetting collections		(1,988)		(870)
Agency outlays, net	$	11,754,224	$	11,102,628

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

U.S. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Occupational Safety and Health Review Commission (The Review Commission) is an independent, adjudicatory agency created by the Occupational Safety and Health Act (OSHA) of 1970. Its sole statutory mandate is to serve as an administrative court providing just and expeditious resolution of disputes involving OSHA, employers charged with violations of Federal safety and health standards, and employees and/or their representatives. The Review Commission was created by Congress as an agency completely independent of the U.S. Department of Labor (DOL) to ensure that OSHA's enforcement actions are carried out in accordance with the law and that all parties are treated consistent with due process should a dispute arise.

The Review Commission 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.

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

The Review Commission receives custodial collections and holds custodial receivables that are non-entity assets and are transferred to Treasury at fiscal year-end.

The Review Commission has rights and ownership of all assets reported in these financial statements. The Review Commission 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 Review Commission. 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 and the Government Management Reform Act of 1994. They have been prepared from, and are fully supported by, the books and records of the Review Commission 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 Review Commission'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 Review Commission's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

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

D. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of the Review Commission'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 Review Commission does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Treasury disburses funds for the agency on demand.

E. Accounts Receivable

Accounts receivable may consist of amounts owed to the Review Commission 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 Review Commission's capitalization threshold is $50,000 for individual purchases and $50,000 for bulk purchases. Property and equipment 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:

Description	Useful Life (years)
Office Furniture	7
Office Equipment	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 Review Commission as a result of transactions or events that have already occurred.

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

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

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave and unemployment insurance.

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. Non-vested 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 effective at 50% for the 1st quarter of FY 2014 and 100% thereafter.

J. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the DOL addresses all claims brought by the Review Commission 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 Review Commission 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 Review Commission employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the Review Commission 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 Review Commission matches any employee contribution up to an additional four percent of pay. For FERS participants, the Review Commission 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 Review Commission remits the employer's share of the required contribution.

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

The Review Commission 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 Review Commission employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGLIP) may continue to participate in these programs after their retirement. The OPM has provided the Review Commission with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The Review Commission 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 Review Commission 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. Imputed Costs/Financing Sources

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. The Review Commission recognized imputed costs and financing sources in fiscal years 2015 and 2014 to the extent directed by accounting standards.

O. Reclassification

Certain fiscal year 2014 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

NOTE 2. FUND BALANCE WITH TREASURY

Fund balance with Treasury account balances as of September 30, 2015 and 2014 were as follows:

	2015	2014
Fund Balances:		
Appropriated Funds	$ 2,758,897	$ 3,013,067
Total	$ 2,758,897	$ 3,013,067
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	$ 123,187	$ 230,159
Unavailable	726,184	598,488
Obligated Balance Not Yet Disbursed	1,909,526	2,184,420
Total	$ 2,758,897	$ 3,013,067

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 Note 11).

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable balances as of September 30, 2015 and 2014 were as follows:

	2015	2014
With the Public		
Accounts Receivable	$ 1,440	$ -
Total Accounts Receivable	$ 1,440	$ -

The accounts receivable is primarily made up of employee receivables.

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2015 or 2014.

NOTE 4. PROPERTY, EQUIPMENT, AND SOFTWARE

Schedule of Property, Equipment, and Software as of September 30, 2015:

Major Class	Acquisition Cost		Accumulated Amortization/Depreciation		Net Book Value	
Furniture & Equipment	$	441,237	$	436,987	$	4,250
Total	$	441,237	$	436,987	$	4,250

Schedule of Property, Equipment, and Software as September 30, 2014:

Major Class	Acquisition Cost		Accumulated Amortization/Depreciation		Net Book Value	
Furniture & Equipment	$	441,237	$	419,988	$	21,249
Total	$	441,237	$	419,988	$	21,249

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the Review Commission as of September 30, 2015 and 2014 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.

	2015		2014	
Intragovernmental – Unemployment Insurance	$	7,476	$	3,841
Unfunded Leave		413,876		456,546
Total Liabilities Not Covered by Budgetary Resources	$	421,352	$	460,387
Total Liabilities Covered by Budgetary Resources		415,045		414,147
Total Liabilities	$	836,397	$	874,534

Unemployment Insurance liabilities represent the unfunded liability for actual unemployment benefits paid on the Review Commission's behalf and payable to the DOL.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2015 were as follows:

		Current		Total
Intragovernmental				
Unemployment Insurance Liability	$	7,476	$	7,476
Payroll Taxes Payable		45,275		45,275
Total Intragovernmental Other Liabilities	$	52,751	$	52,751
With the Public				
Payroll Taxes Payable	$	7,740	$	7,740
Accrued Funded Payroll and Leave		191,810		191,810
Unfunded Leave		413,876		413,876
Total Public Other Liabilities	$	613,426	$	613,426

Other liabilities account balances as of September 30, 2014 were as follows:

		Current		Total
Intragovernmental				
FECA Liability	$	5,385	$	5,385
Unemployment Insurance Liability		3,841		3,841
Payroll Taxes Payable		44,060		44,060
Total Intragovernmental Other Liabilities	$	53,286	$	53,286
With the Public				
Payroll Taxes Payable	$	6,747	$	6,747
Accrued Funded Payroll and Leave		188,414		188,414
Unfunded Leave		456,546		456,546
Total Public Other Liabilities	$	651,707	$	651,707

NOTE 7. LEASES

<u>Operating Leases</u>

The Review Commission occupies office space under lease agreements that are accounted for as operating leases. Annual rent for each location is charged by the General Services Administration (GSA), which acts as the leasing agent for the Review Commission. The lease locations and terms are listed below.

Location	Term	Lease Expiration Date
Atlanta, GA	116 months	09/30/2023
Denver, CO	53 months	09/30/2018
Washington, DC	60 months	04/23/2018

Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. Below is a schedule of future payments for the term of the lease.

Fiscal Year		Building
2016	$	1,511,956
2017		1,528,438
2018		985,863
2019		46,765
2020		30,340
Thereafter		94,965
Total Future Payments	$	4,198,327

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

NOTE 8. INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental costs and revenue represent exchange transactions between the Review Commission and other federal government entities and are in contrast to those with non-federal entities (the public). Such costs and revenue are summarized as follows:

	2015	2014
Administrative Law Judge		
Intragovernmental Costs	$ 1,979,341	$ 1,736,922
Public Costs	4,038,736	3,905,458
Net Program Costs	$ 6,018,077	$ 5,642,380
Commission		
Intragovernmental Costs	$ 2,040,442	$ 1,881,665
Public Costs	4,163,408	4,230,914
Net Program Costs	$ 6,203,850	$ 6,112,579
Total Intragovernmental costs	$ 4,019,784	$ 3,618,587
Total Public costs	8,202,144	8,136,372
Total Net Cost	$ 12,221,927	$ 11,754,959

NOTE 9. BUDGETARY RESOURCE COMPARISONS TO THE BUDGET OF THE UNITED STATES GOVERNMENT

The President's Budget that will include fiscal year 2015 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2016 and can be found at the OMB Web site: *http://www.whitehouse.gov/omb/*. The 2016 Budget of the United States Government, with the "Actual" column completed for 2014, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

NOTE 10. IMPUTED FINANCING SOURCES

The Review Commission recognizes as imputed financing 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 fiscal years ended September 30, 2015 and 2014, respectively, imputed financing was as follows:

	2015	2014
Office of Personnel Management	$ 490,280	$ 592,983
Total Imputed Financing Sources	$ 490,280	$ 592,983

NOTE 11. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Obligations incurred and reported in the Statement of Budgetary Resources in 2015 and 2014 consisted of the following:

	2015	2014
Direct Obligations, Category A	$ 11,620,011	$ 11,235,518
Total Obligations Incurred	$ 11,620,011	$ 11,235,518

Category A apportionments distribute budgetary resources by fiscal quarters.

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2015 and 2014, budgetary resources obligated for undelivered orders amounted to $1,494,481 and $1,770,274, respectively.

NOTE 13. CUSTODIAL ACTIVITY

The Review Commission is an administrative agency collecting for another entity or the General Fund. As a collecting entity, the Review Commission measures and reports cash collections and refunds. The type of cash collected primarily consists of Freedom of Information Act fees. While these collections are considered custodial, they are neither primary to the mission of the Review Commission nor material to the overall financial statements. The Review Commission's total custodial collections are $169 and $0 for the years ended September 30, 2015 and 2014, respectively.

NOTE 14. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

The Review Commission has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

	2015	2014
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	$ 11,620,011	$ 11,235,518
Spending Authority From Offsetting Collections and Recoveries	(140,681)	(145,257)
Net Obligations	11,479,330	11,090,261
Other Resources		
Imputed Financing From Costs Absorbed By Others	490,280	592,983
Total Resources Used to Finance Activities	11,969,610	11,683,244
Resources Used to Finance Items Not Part of the Net Cost of Operations	233,123	50,874
Total Resources Used to Finance the Net Cost of Operations	12,202,733	11,734,118
Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:	19,194	20,841
Net Cost of Operations	$ 12,221,927	$ 11,754,959