



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

**Performance and
Accountability Report**

Fiscal Year 2024

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MESSAGE FROM THE CHAIRPERSON

As an independent, nonregulatory agency, the U.S. Chemical Safety and Hazard Investigation Board's (CSB) mission is to drive chemical safety excellence through independent investigations to protect communities, workers, and the environment. To that end, the CSB is charged with investigating, determining, and reporting to the public in writing the facts, conditions, and circumstances and the cause or probable cause of any accidental chemical release resulting in a fatality, serious injury, or substantial property damage. The CSB issues safety recommendations and advocates for changes to prevent, or minimize the consequences of, accidental chemical releases. CSB investigations have identified gaps in regulatory safeguards, industry standards and guidance, workforce training and operations, emergency response, and community planning that exacerbated the consequences of incidents and contributed to serious injury and/or loss of life and property.

The information provided in this Performance and Accountability Report (PAR) offers fiscal and programmatic accountability to the American people regarding our stewardship of the funds that have been entrusted to us for fulfillment of our mission in Fiscal Year (FY) 2024. The results also summarize our success in achieving CSB performance goals for FY 2024. The PAR is organized in three sections:

- 1. Management Discussion and Analysis.** Provides an overview of the agency's performance and financial results. It summarizes the CSB's mission, organization, goals, accomplishments, financial condition, and legal compliance.
- 2. Performance Report.** Presents the CSB's strategic goals and objectives. In addition, it provides the FY 2024 performance targets and results.
- 3. Financial Report.** Presents the CSB's financial statements and notes for the years ended September 30, 2024, and 2023. It includes the independent auditor's report.

The Federal Manager's Financial Integrity Act (FMFIA) requires the CSB to annually evaluate its management controls and identify any material weaknesses. This requirement covers all the CSB's programs and administrative functions. As the CSB works to serve the American people and protect communities, workers and the environment from chemical disasters, we must administer our programs efficiently, economically, and responsibly. The CSB relies on a system of management controls to provide reasonable assurance that our financial activities comply with all applicable laws, and safeguards resources as well as properly account for expenditures.

In FY 2024, the CSB reported a violation of the Antideficiency Act (ADA) because the agency did not record the total amount of payments expected to arise under the full 10-year term of the CSB's lease for office space, which the agency had entered in 2014, but instead recorded the annual amount of lease payments yearly. Because OMB Circular A-136, II.3.8.30 Note 30: "Restatements" requires agencies to notate and explain any material misstatements identified in the prior period financial statements, the CSB has notated the misstatement in the footnote of the financial statements and update Note 10 to match the unobligated balance in the Statement of Budgetary Resources (SBR) and reduced the restated amount of \$2,004,790 in the SBR unobligated balance from the prior year on the FY 2024 comparative statements. Likewise, the agency recorded a top side adjustment to reflect the lease expense in the FY 2024 column on the Financial Statements. Except for this matter, based on both internal and external evaluations, knowledge gained from daily operations and information provided by CSB staff with responsibility for implementation of the CSB's programs and administrative functions, I can certify with reasonable assurance that the CSB follows the provisions of the FMFIA.

Steve Owens



Chairperson

November 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

The U.S. Chemical Safety and Hazard Investigation Board (CSB) is an independent Federal agency charged with investigating industrial chemical incidents and hazards. CSB investigations examine all aspects of chemical incidents, including the probable cause or causes such as equipment failures, inadequacies in safety management systems, and safety culture. The Board issues safety recommendations to prevent incident reoccurrence or to prevent or mitigate incident consequences. Recipients of the safety recommendations include but are not limited to government agencies, facility management, industry organizations, and labor groups. The following is a concise overview of the CSB. For detailed information visit our website at www.csb.gov.

Mission and Organizational Structure

This report addresses CSB's accomplishments in the third year of the agency's *2022-2026 Strategic Plan*. The mission of the CSB is to drive chemical safety excellence through independent investigations to protect communities, workers, and the environment. Our vision is a nation free from chemical disasters.

The CSB began operations in fiscal year (FY) 1998. The CSB is headquartered in Washington, DC, and has employees working remotely throughout the United States. The CSB is governed by its Board, which consists of one presidentially appointed Chairperson (who also serves as a Board Member) and four presidentially appointed Board Members. All nominations to the Board are subject to Senate confirmation; each member serves a fixed five-year term. As of September 2024, the CSB has one presidentially appointed Chairperson, two Board Members, and 44 professional staff. Currently the CSB has two Board Member vacancies.

Performance Goals, Objectives, and Results

The strategic goals outlined in the agency's strategic plan are as follows:

- **Goal 1:** Prevent recurrence of significant chemical incidents through independent investigations.
- **Goal 2:** Advocate safety and achieve change through recommendations, outreach, and education.
- **Goal 3:** Recruit and maintain an engaged, high-performing workforce.

Overview of CSB Accomplishments

Goal 1: Prevent recurrence of significant chemical incidents through independent investigations.

Goal 1 focuses on the core mission of the agency by ensuring that we deploy and complete incident investigations, and that we issue recommendations with broad preventive impact. The CSB has had an extremely productive and successful two years under the agency's new leadership. From July 2022 through the end of calendar year 2023, the CSB issued reports for 17 investigations, eliminating the long-standing backlog. The 17 reports finalized and issued are the most that the CSB has issued in such a short period and the CSB's highest level of productivity in its history.

Additionally, on June 24, 2024, the CSB completed and issued the final report for the agency's investigation for the fatal fire at the BP-Husky refinery in Ohio that occurred on September 20, 2022, and resulted in the death of two BP employees.

Further, on July 25, 2024, the CSB released a new Safety Study, entitled "Remote Isolation of Process Equipment", that calls for greater use of remote isolation equipment at chemical facilities in the United States and issues recommendations to key regulators.

Investigative Reports Issued in FY 2024

The incident investigation reports approved and released by the CSB Board in FY 2024 are:

- Yenkin-Majestic Paint and OPC Polymers Fatal Explosion and Fire (released in November 2023)
- Didion Milling Combustible Dust Fatal Explosion (released in December 2023)
- Foundation Food Group Fatal Liquid Nitrogen Release (released in December 2023)
- KMCO Fatal Fire and Explosion (released in December 2023)
- Wendland 1-H Well Fatal Gas Well Explosion (released in December 2023)
- BP Husky Refinery Explosion and Fire (released in June 2024)

Overall, the CSB is focused on completing more timely investigation reports to ensure that critical safety recommendations can be issued on a prompt basis to help prevent catastrophic incidents, while ensuring that a backlog in investigation reports does not occur in the future.

Current Investigations

In FY 2024 the CSB initiated seven new investigations:

- **Marathon Renewables Facility Fire (Martinez, CA):** On November 19, 2023, an accidental release of renewable diesel fuel and hydrogen resulted in a fire that seriously injured one worker and resulted in property damage at the Marathon facility in Martinez, California. **The CSB released a factual update on February 21, 2024. The CSB anticipates completion of its final report during calendar year 2024.**
- **Honeywell Performance Materials and Technologies (Geismar, LA):** On January 23, 2023, a heat exchanger ruptured at the Honeywell facility, resulting in an explosion and the release of approximately 870 pounds of highly toxic hydrogen fluoride and 1,700 pounds of chlorine. Local officials closed nearby highways, and workers at the facility sheltered in place. Property damage at the facility is estimated to be \$4 million. No one was seriously injured or

killed in this event, but the release could have put workers at the facility and nearby residents at serious risk under different circumstances. The CSB's investigation is currently underway. **The CSB released a factual update on the investigation on July 17, 2024.**

- **Dow Louisiana Operations (Plaquemine, LA):** On July 14, 2023, multiple explosions occurred in the Dow Louisiana Operations Glycol II Ethylene Oxide Finishing unit that resulted in the release of over 31,000 pounds of ethylene oxide (EtO), a known carcinogen. Multiple subsequent explosions and fires damaged nearby piping and equipment, including a reflux drum. In addition to the release of EtO, the incident resulted in substantial property damage at the facility, and local officials issued shelter in place order for hundreds of nearby residents. **The CSB released a factual update on the investigation on June 18, 2024.**
- **TS USA (Chattanooga, TN):** On May 30, 2024, a worker at the TS USA liquid nitriding facility in Chattanooga was fatally injured following a large eruption and release of chemicals from a process vessel.
- **Honeywell Performance Materials and Technologies (Geismar, LA):** On June 7, 2024, a worker was seriously injured by a release of highly toxic hydrofluoric acid at the Honeywell facility in Geismar, Louisiana, the same facility where the January 2023 release occurred.
- **Cuisine Solution Inc. (Sterling, VA):** On July 31, 2024, a hazardous ammonia leak occurred at the Cuisine Solutions, Inc. food processing facility. The release led to the hospitalization of 33 workers, with some in serious condition.
- **Bio-Lab (Conyers, GA):** On September 29, 2024, a major chemical fire occurred at the Bio-Lab facility in Conyers, GA. Approximately 17,000 people in the area evacuated due to the fire and 90,000 others east of Atlanta were advised to shelter in place due to the massive toxic plume of dark smoke from the fire containing chlorine and other substances.

Goal 2: Advocate safety and achieve change through recommendations, outreach, and education.

Goal 2 concentrates on pursuing safety change through safety recommendations, outreach, and education via disseminating updates on the status of recommendations, product releases, new initiatives, and public events. Since its creation, the CSB has issued one thousand recommendations to industry, trade associations, standards-setting bodies, and state, local, and Federal agencies to advance chemical safety practices. The recommendations issued by the CSB provide guidance for industrial companies to prevent future chemical incidents. CSB's recommendations promote safety changes, providing instruction on how to properly handle chemical incidents.

In FY 2024, the agency's Office of Recommendations made significant progress by closing 46 open recommendations, issuing 46 recommendations, and advancing the status of 28 recommendations. As of September 30, 2024, of the 1,000 recommendations issued, 851 (85%) have been closed, leaving a total of 149 (15%) open.

To guarantee full transparency, the CSB holds quarterly public business meetings at which the agency's Board Members and staff discuss current agency activities as well as review the most recent investigations released. The meetings provide the public with insight into the staff's investigative processes, which include a clear examination of the facts and analysis, conclusions, and recommendations included in the investigations. The meetings also provide the opportunity for public comment.

During FY 2024 the CSB’s Board members and Investigative staff had the opportunity to participate in several events across the country related to ongoing investigations as well as process safety management seminars, and symposium. The Board Members and Investigation staff also presented at several events, which allowed the CSB’s safety information to reach a wide and diverse audience, including the following:

- American Society of Safety Professionals Region VIII Professional Development Conference
- EHS Leadership in Higher Education (part of CSHEMA)
- American Fuels and Petrochemical Manufacturers (AFPM)
- Campus Safety Health and Environmental Management Association (CSHEMA)
- 2024 Design Institute of Emergency Relief System Spring Meeting
- Louisiana Chemical Association Workshop on Extreme Weather Preparedness
- 2024 National Board of Boiler and Pressure Vessel Inspectors (NBBI) General Meeting
- CAER Safety Summit
- 2024 Global Dust Safety Conference
- Hispanics In Energy 2024 Summit
- National Association of SARA Title III Program Officials (NASTTPO)
- 2024 National Fire Protection Association Conference and Expo
- American Society of Safety Professionals Safety 2024 (National Conference & Expo)
- United Steel Workers Health, Safety and Environment Conference
- American Petroleum Institute
- Global Center for Process Safety
- International Code Council
- U.S. Department of Energy
- U.S. Department of State
- American Institute of Chemical Engineers
- America Chemistry Council
- Ohio Chemistry Technology Council
- National Conference for Occupational Safety and Health
- Center for Process Safety
- CRU Nitrogen+Syngas Conference
- RefComm 2024 Refinery Summit
- Oklahoma State University School of Engineering
- Virginia Tech School of Engineering

In addition, the CSB submitted comments on three proposed regulatory actions by other federal agencies:

- United States. Environmental Protection Agency (EPA) RCRA Open Burning/Open Detonation NPRM – Comment/Letter, May 2024.
- United States. Occupational Safety and Health Administration (OSHA) Emergency Response NPRM – Comment/Letter, July 2024.
- United States. OSHA’s VPP Modernization – Comment/Letter, September 2024.

Safety Education

Since FY 2022, the CSB has been posting data on the agency’s website under its Accidental Release Reporting Rule (ARRR). As of July 23, 2024, the data covers 423 chemical incidents reports involving fatalities at 57 facilities, serious injuries at 227 facilities, and substantial property damage at 197 facilities nationwide.

In July 2024, the CSB issued its first Safety Study since 2011. This study, titled “Remote Isolation of Process Equipment”, calls for greater use of remote isolation equipment at chemical facilities in the United States and makes recommendations to EPA, OSHA, and the American Petroleum Institute to establish regulations and standards for the use of remote isolation equipment where appropriate. Based on the CSB’s investigations of several catastrophic chemical incidents in recent years, the Safety Study concludes that the chemical industry has not fully recognized that the effective remote isolation of process equipment is critical to quickly stopping releases of hazardous materials, which can help prevent fatalities and serious injuries to workers at chemical facilities, reduce damage to the facilities, and better protect communities and the environment.

On July 3, 2024, as Hurricane Beryl became the Atlantic Ocean’s earliest Category 5 storm on record, the CSB once again urged the chemical industry to act expeditiously to prepare for a season of potentially more frequent and more powerful hurricanes and other extreme weather events. The CSB highlighted investigations directly related to extreme weather and provided additional resources including guidance from the Center for Chemical Process Safety (CCPS).

Safety Videos

Consistent with the CSB’s mandate for outreach and education, many of the CSB’s investigations are featured in videos on the agency’s YouTube Channel. With nearly 350,000 subscribers and more than 62 million views overall, the safety video program is the CSB’s most visible program.

The CSB’s safety video program continues to be the most dynamic and successful way for the agency to share its safety information. Recently, on July 11, 2024, the CSB released a new safety video about its investigation into the fatal release of acetic acid at the LyondellBasell La Porte Complex in La Porte, Texas, on July 27, 2021, which killed two contract workers. Approximately 164,000 pounds of a highly corrosive acetic acid mixture erupted from equipment when three contract workers inadvertently removed critical components of a plug valve. All three workers were sprayed with the acetic acid mixture. Two of the workers died from their injuries. The video, called “Designed to Fail: Chemical Release at LyondellBasell,” has been viewed over nearly 400,000 times to date.

Goal 3: Create and maintain an engaged, high-performing workforce.

Goal 3 emphasizes organizational excellence. Under prior agency leadership, the CSB suffered serious attrition and fell to its lowest staff level since the early days of the agency’s existence.

Recruitment/Hiring Achievements:

In FY 2024, CSB continued its recruiting efforts to fill vacancies in critical positions. The CSB hired three more Chemical Incident Investigators and five Pathways Chemical Engineers (who are being trained to become Chemical Incident Investigators), as well as key staff in information technology, records management, human resources, financial management, and the Office of General Counsel, each vital to the agency’s mission. The new hires have enhanced CSB’s capacity to investigate chemical incidents, improved the CSB’s operations, and strengthened the agency’s infrastructure. The CSB’s current Board has been proactively addressing long-standing staffing challenges as part of the Board’s effort to rebuild and revitalize the agency.

Technological Innovation:

During FY 2024, the CSB continued to improve the agency's information technology (IT) infrastructure and cybersecurity protections. To maintain the integrity of the CSB's IT systems, multiple approvals are required for the development, testing, and implementation of the agency's systems, with the Chief Information Officer (CIO) being the final approving official. Additionally, the IT department segregates the data from different departments within the agency, ensuring that only authorized personnel can access data files. For example, the only individuals who have access to HR files are authorized personnel in the HR department (in addition to the CSB's CIO, General Counsel, and records management official). No personnel from other departments can access the HR department's files. Moreover, all CSB personnel are required to complete cybersecurity training both quarterly and annually. User departments within the CSB are required to go through the formal IT support process, and end users do not have rights to make changes to systems. All critical IT functionalities are performed within the IT department to mitigate risk for fraud and system sabotage. The CSB also continues to make investments in its IT infrastructure to meet the agency's mission while rapidly improving its compliance with FISMA and CISA operational directives, while working toward the Zero Trust cybersecurity principles outlined in OMB memorandum M-22-09.

Analysis of Financial Statements

The CSB’s financial statements have been prepared to report on the agency’s financial position and operational results pursuant to the requirements of the Accountability of Tax Dollars Act of 2002. The principal financial statements include the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The following chart summarizes the CSB’s budget and net outlays since FY 2020.

**CSB’s Budget and Net Outlays
(Dollars in Thousands)**

Fiscal Year	Budget¹	Net Outlays²
2024	\$14,400	14,759
2023	14,400	12,127
2022	13,400	11,656
2021	12,000	9,972
2020	12,000	10,571

Allmond & Company, LLC, an Independent Public Accounting firm, audited the CSB’s FY 2024 consolidated financial statements included in this report.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the 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 CSB in accordance with generally accepted accounting principles (GAAP) for Federal entities and the format. Office of Management and Budget (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.

¹Budget is the annual budget authority to enter obligations for salaries and expenses. The amount shown excludes a no-year Emergency Fund, which was provided to be a funding mechanism for investigation cost fluctuations. As of September 30,2024, the Emergency Fund had not been used and had a balance of \$844,145

² Net outlays are gross outlays (total disbursements made during the year) that are reduced by offsetting collections and increased by distributed offsetting receipts. Net outlays may be for payment of obligations incurred the same year or in prior years. As a result, the net outlay amounts may exceed the budget authority for a fiscal year.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

Systems, Controls, and Legal Compliance

The CSB recognizes the importance of establishing and maintaining adequate controls for the programs and administrative functions for which it is responsible. The CSB is developing, implementing, evaluating, and modifying controls to provide reasonable assurance that the CSB has adequate accountability of resources. In addition, given the small size of the agency, the CSB utilizes accounting, travel support, and personnel services from other Federal agencies that provide additional levels of control. Based on internal and external evaluations, and knowledge gained from daily operations, the CSB's controls provide reasonable assurance that the agency's resources are safeguarded and properly managed. Board Members and managers continue to emphasize the importance of internal controls and evaluate and enhance them as necessary.

Management Assurances

Federal Managers' Financial Integrity Act

In accordance with the Federal Managers' Financial Integrity Act (FMFIA), the CSB has an internal management control system, which helps provide assurance that obligations and costs comply with applicable law, assets are safeguarded against waste, loss, unauthorized use or misappropriation, and revenues and expenditures are properly accounted for and recorded. This includes appropriate policies and controls to mitigate the risk of fraud and inappropriate charge card practices. The FMFIA also requires assurance that funds are being used in accordance with the agency's mission; that they are achieving their intended results; that resources are protected from waste, fraud and mismanagement; and that appropriate laws and regulations are followed. The FMFIA encompasses program, operational and administrative areas, as well as accounting and financial management.

Management Challenges Identified by the Office of Inspector General (OIG)

In FY 2024, the OIG identified four management challenges:

- Operating effectively without a full board
- Minimizing mission-critical staff vacancies and attrition rates
- Improving Cyber Security
- Promoting ethical conduct

The first management challenge addresses that the agency is currently operating with three board members rather than five. While the CSB currently has three Board members (instead of five), this has not prevented the Board from effectively executing the core mission of the agency. The current Board members have worked collaboratively to implement best practices and move the CSB forward. Formerly, there was only one member, which limited the agency's ability to perform its mission effectively. In contrast, under the leadership of the current three Board members, the CSB not only eliminated the agency's enormous, longstanding backlog in investigation reports that accumulated under prior agency leadership, the agency now has eight current investigations underway (seven of which were initiated during FY 2024), the most in many years. Having three Board members has not limited the CSB from carrying out the vital mission of the agency.

The second management challenge identified by the OIG addressed CSB staff vacancies and attrition. The agency leadership continues to address attrition through a combination of strategies that focus on employee engagement and satisfaction, providing competitive compensation and benefits, enabling alternative work schedules, improving the onboarding process, and regular employee engagement through virtual and in-person agency-wide All Hands Meetings. Although uncertainties about the CSB's FY 2024 funding and the lengthy delay in the final congressional approval of the agency's appropriation

hindered the CSB's hiring efforts, the CSB nevertheless has continued to hire aggressively. Under the leadership of the current Board, the CSB now has the largest number of staff in over a decade. During FY 2024, the CSB hired three Chemical Incident Investigators and five Pathways Chemical Engineers (who are being trained to become Chemical Incident Investigators). Two of the three investigators onboarded during FY 2024 (with third onboarding just a week after the end of the fiscal year), and all five Pathways engineers onboarded during FY 2024. Additionally, the CSB added key staff in information technology, records management, human resources, financial management, and the Office of General Counsel. During FY 2024, due in part to the CSB's aggressive hiring, the agency was able to issue six final investigations reports, as well as initiate seven new chemical incident investigations, which are currently ongoing.

The third management challenge identified by the OIG addressed the agency's cyber security protection. In FY 2024, all of the cybersecurity and information technology (IT) infrastructure problems that challenged the CSB for the last several years were resolved. Additionally, the CSB eliminated all of the agency's legacy IT systems, while improving the current IT systems, by including a multifactor authentication requirement to access any of the agency's systems. Moreover, during the CSB's last Federal Information Security Modernization Act (FISMA) auditors conveyed that the CSB has demonstrated tremendous improvement across all FISMA domains, transitioning from an AD HOC system to a defined system across the board. Likewise, the CSB now leverages Microsoft Azure cloud services for daily backups of servers and data. Furthermore, the CSB is collaborating closely with the Cybersecurity and Infrastructure Security Agency (CISA), and the CSB was one of the first agencies to sign up for CISA's Single Sign On initiative. The CSB continues to increase investments in the agency's IT infrastructure to meet the agency's mission while rapidly improving compliance with FISMA and CISA operational directives, to remain compliant with the Office of Management and Budget (OMB), M-22-09 Zero Trust Cybersecurity Principles memorandum.

The fourth management challenge identified by the OIG relates to the CSB's ethics program. During FY 2024, the CSB took significant action to enhance the agency's ethics compliance efforts. Importantly, in October 2023, the CSB appointed a new Designated Agency Ethics Official (DAEO). The DAEO ensures that CSB personnel receive ethics training annually, as well as administering ethics training within the first 90 days after arrival for all new hires. The DAEO also is responsible for determining which employees must file financial disclosure reports, while guaranteeing that all financial disclosure reports are submitted by the required deadline. The Office of Government Ethics (OGE) found that the CSB provided an up-to-date designation letter, remediating the former deficiency. Further, during FY 2024 the CSB hired an additional attorney who previously worked in the federal Office of Government Ethics with experience in ethics issues and who now is serving as the CSB's Deputy Ethics Officer. The CSB also has appointed a new Alternate Designated Agency Ethics Official (ADAEO).

Improper Payments Information Act

On February 5, 2020, the House passed S.375, the Payment Integrity Information Act of 2019 (PIIA). The Senate previously passed the bill on July 16, 2019. This bill would change government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA). The PIIA requires agencies to demonstrate improvements and develop a plan to meet their reduction targets in improper payments, take new factors into consideration during their risk assessment reviews, and report annually on the risk assessments they perform on their programs. The PIIA also requires agencies to include in their reports on actions to reduce improper payments, a description of how the level of planned or completed actions to address the causes of

improper payments match the level of improper payments, including a breakdown by category of improper payment and specific timelines for completion of those actions.

The CSB has not identified any significant risk regarding improper payments. To maintain adequate internal controls to ensure proper payments, the CSB renewed its agreement with the Bureau of the Fiscal Service (BFS) to process financial transactions, process administrative payments, and prepare various financial reports. The CSB works diligently with the BFS Charge Card Program to ensure that all transactions are legitimate, as well as confirming that all purchase cardholders' transactions follow federal regulatory laws and regulations. Likewise, the Interior Business Center (IBC) processes the CSB's human resource actions, which include payroll and hiring. To guarantee quality control over the CSB's human resource (HR) processes, the CSB HR staff meets with the IBC's staff bi-weekly to discuss any payroll-related and other matters that must be addressed to ensure that the agency is operating in full compliance with federal regulations and that the agency is reporting accurate data.

Similarly, CSB has an efficient charge card management plan and risk profile, as well as a proficient purchase card program that requires all purchase cardholders to complete annual purchase card training provided by CSB's Office of Financial Operations. Likewise, all purchase cardholders must take training provided by Government Services Administration (GSA) every three years to ensure that the CSB complies with Appendix B to OMB Circular A-123.

Lastly, the CSB has established and implemented written procedures on the PIIA and improper payments reporting, including an internal review for errors and a process for making corrections, as well as providing training to applicable staff about the PIIA, improper payments, and the associated procedures.

PERFORMANCE REPORT

The CSB's *2022-2026 Strategic Plan* serves as a guide in setting priorities, allocating resources, and making decisions. CSB's mission is to drive chemical safety changes through independent investigations to protect communities, workers, and the environment. The CSB's plan has the following three strategic goals:

- **Goal 1:** Prevent recurrence of significant chemical incidents through independent investigations. Centers on incorporating the impact of the Accidental Release Reporting Rule and updating metrics to include this shift. This includes expanding 1.1 to include investigation of all incidents enabled by the ARRR investigation program.
- **Goal 2:** Advocate safety and achieve change through recommendations, outreach, and education. Concentrates on matching measurements to goals, incorporating transparency, and a focus on quality over quantity for recommendations, as well as the creation of highly engaging and effective CSB videos.
- **Goal 3:** Create and maintain an engaged, high-performing workforce. Centers on implementing actions to support the current objectives and continuing to improve the hiring process, recognizing that the specialized skills needed for CSB positions go beyond standard recruiting practices.

GOAL 1: Prevent recurrence of significant chemical incidents through independent investigations

OBJECTIVES	FY 2024 TARGET	RESULTS
<p>1.1. Investigate or review incidents and hazards to generate recommendation or findings with broad preventive impact.</p>	<p>Deployed to five Chemical Incidents</p>	<p>During FY 2024, the CSB initiated seven new investigations: Marathon Martinez Renewable Fuels facility in Martinez, CA – fire resulting 1 serious injury; Honeywell Performance Materials and Technologies facility in Geismar, LA – multiple incidents resulting in 1 fatality, 1 serious injury, facility evacuation; Dow Louisiana Operations facility in Plaquemine, LA – fire resulting in significant damage to the facility; TS USA facility in Chattanooga, TN – sodium hydroxide eruption resulting in 1 fatality and 1 minor injury; Cuisine Solutions in Sterling, VA – ammonia release resulting in the hospitalization of 33 workers, some in serious condition; Bio-Lab in Conyers, GA -- a major chemical fire resulting in 17,000 people in the area being evacuated due to the fire and 90,000 others near Atlanta advised to shelter in place due to a toxic plume of smoke from the fire</p>
<p>1.2. Complete timely, high-quality investigations that determine the causes of incidents.</p>	<p>To complete six investigations</p>	<p>Completed and approved final reports for six investigations: Yenkin-Majestic Resin Plant Vapor Cloud Explosion and Fire, Columbus, OH; Didion Milling Company Explosion and Fire, Cambria, WI; Foundation Food Group Fatal Chemical Release, Gainesville, GA; KMCO LLC Fatal Fire and Explosion, Crosby, TX; Wendland 1H Well Fatal Explosion, Burleson County, TX; BP-Husky Oregon Chemical Release and Fire, Oregon, OH</p>

1.3. Develop and issue recommendations with broad preventive impact.	No specific target set	Issued 46 new safety recommendations
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GOAL 2: Advocate safety and achieve change through recommendations, outreach, and education

OBJECTIVES	FY 2024 TARGET	RESULTS
2.1. Pursue the implementation of recommendations	No specific target set	46 recommendations closed: 28 advanced 85% of all recommendations closed
2.2. Identify and strategically promote key chemical safety issues	Safety Digests/ Safety Alert	Issued a safety alert, titled “Hazards Posed by Discharges from Emergency Pressure Relief Systems”, on March 6, 2024
	Safety Spotlight	CSB submitted comments on the following Rulemakings/RFIs/Standards: EPA RMP Rule; OSHA PSM Standard; OSHA Voluntary Protection Program; FEMA National Risk Index; NFPA Combustible Dust Standard
2.3. Create and disseminate chemical safety information using a variety of engaging high-visibility tools and products.	Safety Video	Released safety video called <i>Designed to Fail: Chemical Release at LyondellBasell</i> in July 2024

GOAL 3: Create and maintain an engaged, high-performing workforce

OBJECTIVES	FY 2024 TARGET	RESULTS
<p>3.1. Implement effective recruiting, and skills- based training and mentorship.</p>	<p>Filled Investigator Position Vacancies</p>	<p>Hired five Chemical Engineer (Pathways), Three Chemical Investigators</p>
	<p>Filled Non-Investigator Positions</p>	<p>Hired Information Technology Specialist, Human Resource Specialist, Deputy Chief Information Officer. Financial Management Specialist. Records Management Specialist. Board Affairs Specialist, Director of Administration, and two Attorney Advisors</p>
	<p>Conducted Board Seminar Series</p>	<p>There were no Board Seminars in FY 2024.</p>
<p>3.2. Encourage management development and leadership at all levels.</p>	<p>Board & Staff Training</p>	<p>Conducted the following during FY 2024: FOIA Training Records Management Training Ethics Training Purchase Card Training IT Training</p>

<p>3.3. Increase retention across the agency to ensure continuity.</p>	<p>No specific target set</p>	<p>The CSB is working to improve employee engagement, as well as implementation of the agency’s Diversity, Equity, Inclusion, and Accessibility (DEIA) plan. In addition to identifying management training courses that will be beneficial for current and new managers, managers are provided with training to connect more effectively with employees and act meaningfully on their feedback. In addition, the CSB maintains an employee award program, a retention incentive program, and a student loan repayment program to bolster employees’ performance, retain top talent, and maintain a skilled workforce.</p>
--	-------------------------------	--

<p>3.4. Strengthen operational performance and project management efforts.</p>	<p>Annual Action Plan Quarterly Tracking</p>	<p>Action Plan is tracked and updated quarterly throughout the FY in December, April, July, and September.</p>
	<p>Administration Control Panel Restoration</p>	<p>Reestablished critical functionality needed for customer support.</p>

Completeness and Reliability of Performance Data

Reported performance data are free from any material inadequacies in the completeness and reliability of the data. As a small agency, the CSB can readily monitor and report on its actual performance in achieving its goals.

Agency Plans and Schedules for Improving Performance

The *2022–2026 Strategic Plan* is a blueprint for CSB priorities. This plan allows the agency to judiciously allocate our resources to achieve our strategic goals and to promote accountability for the CSB’s safety mission. The *2022-2026 Strategic Plan* is a living document that provides flexibility in executing the mission as circumstances change. The strategic plan guides the CSB to complete timely investigations of chemical incidents and improve chemical safety.

FINANCIAL REPORT

A Message from the Chief Financial Officer

The CSB recognizes the significance of accountability and public disclosure. This report is a demonstration of our obligation to fulfill our fiduciary responsibilities to the American taxpayers.

I am pleased to present our financial statements for the fiscal years 2024 and 2023.

These financial statements fairly present our financial position and were prepared in accordance with GAAP in the United States of America and formats prescribed by the OMB.

Michele Lawson

michele lawson

Chief Financial Officer
November 26, 2024

U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2024 and 2023 Financial Statement Audit

November 15, 2024, | Report No. 25-F-0011



Abbreviations

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

Cover Image

U.S. Chemical Safety and Hazard Investigation Board logo. (CSB image)

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

EPA Inspector General Hotline

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

OIG.Hotline@epa.gov

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

EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)

Washington, D.C. 20460

(202) 566-2391

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At a Glance

U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2024 and 2023 Financial Statement Audit

Why This Audit Was Done

To accomplish this objective:

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

The U.S. Environmental Protection Agency OIG, which also serves as the OIG for the CSB, contracted with Allmond & Company LLC to perform the audit of the CSB's fiscal years 2024 and 2023 financial statements.

Allmond & Company is responsible for the enclosed auditor's report and the conclusions expressed in that report.

What Allmond & Company Found

Allmond & Company rendered an unmodified opinion on the CSB's fiscal years 2024 and 2023 financial statements, meaning that the statements were fairly presented and free of material misstatements.

In planning and performing the audit, Allmond & Company considered the CSB's internal control over financial reporting. Allmond & Company identified one instance of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards.

As part of obtaining reasonable assurance about whether the CSB's financial statements are free of material misstatement, Allmond & Company performed tests of the CSB's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, with which noncompliance could have a direct and material effect on the financial statements. During the audit, Allmond & Company noted that an Antideficiency Act violation was identified fiscal year 2024.

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

Recommendation and Planned Agency Corrective Actions

We do not express any opinion or conclusions on the CSB's financial statements; internal control; or compliance with laws, regulations, contracts, and grant agreements.

To support this CSB mission-related effort:

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

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

[List of OIG reports.](#)

Allmond & Company recommends that CSB management report the Antideficiency Act violation involving the office lease agreement to the president, Congress, and the comptroller general.

The CSB submitted a letter reporting the Antideficiency Act violation to the U.S. Government Accountability Office and the Office of Management and Budget on September 19, 2024, via email. Copies of the letter was mailed to the president of the Senate, Speaker of the House of Representatives, and comptroller general on September 20, 2024. The CSB provided Allmond & Company with the copies of the Antideficiency Act violation letter submitted to all listed parties, along with email confirmation that the letters have been received by the Government Accountability Office and Office of Management and Budget.

The CSB's Antideficiency Act violation letter to the president was cleared on November 14, 2024, by Office of Management and Budget's general counsel. As of this audit, the transmittal letter of the Antideficiency Act letter to the president is in the submission process.



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

November 15, 2024

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

Dear Mr. Owens:

This letter transmits the audit report on the U.S. Chemical Safety and Hazard Investigation Board's fiscal years 2024 and 2023 (restated) financial statements. This audit is required by the Accountability of Tax Dollars Act of 2002, Pub. L. 107-289. The independent public accounting firm of Allmond & Company LLC performed this audit in accordance with the comptroller general of the United States' *Government Auditing Standards* and Office of Management and Budget Bulletin 24-02, *Audit Requirements for Federal Financial Statements*.

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

You provided a response to Allmond & Company's recommendations. Allmond & Company will conduct follow-up procedures in fiscal year 2025 to determine the status of the recommendations. You are not required to respond to this report. However, if you submit a response, it will be posted on our public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public. If your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epaoig.gov.

Sincerely,

Damon Jackson

Damon Jackson, Director
Financial Directorate
Office of Audit

Enclosure

To report potential fraud, waste, abuse, misconduct, or mismanagement, contact the OIG Hotline at (888) 546-8740 or OIG.Hotline@epa.gov.

**Chemical Safety and Hazard Investigation Board (CSB) Fiscal Year
2024 Financial Statement Audit**

Final Independent Auditors' Report

Submitted for review and acceptance to:

Sheree James
Contracting Officer's Representative (COR) Environmental
Protection Agency
Office of the Inspector General 1301
Constitution Avenue, NW Washington,
DC 20004

Submitted by:

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

Final Independent Auditors' Report

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



Independent Auditors' Report

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

Report on the Financial Statements

Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the U.S. Chemical Safety and Hazard Investigation Board (CSB) financial statements. CSB's financial statements comprise the balance sheets as of September 30, 2024, and 2023; 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, CSB's financial statements present fairly, in all material respects, CSB's financial position as of September 30, 2024 and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 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 the CSB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

In FY 2024 CSB initiated the process of reporting an Anti-Deficiency Act violation, due to improper treatment of its Washington D.C. lease obligation at the inception and subsequent years thereafter. As disclosed in Note 15, CSB restated the FY 2023 Statement of Budgetary Resources (SBR), FY 2023 Note 2 Fund Balance with Treasury, FY 2023 Note 10 Net Adjustments to Unobligated Balance, Brought Forward, October 1, FY 2023 Note 11 Apportionment Categories of New Obligations and Upward Adjustments, and FY 2023 Note 12 Undelivered Orders at the End of the Period. The restatement was made to appropriately record the remaining lease obligation. The previously issued auditor's report dated February 26, 2024 is withdrawn and replaced by an unmodified opinion on the restated financial statements. This matter is further discussed in Note 15 of the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance U.S. generally accepted accounting principles;

- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in CSB's Performance and Accountability Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) 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 GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or 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 GAAS, GAGAS, and OMB Bulletin No. 24-02, 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 that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSB's internal control 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 of and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

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

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of CSB's financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Report on Internal Control over Financial Reporting

In connection with our audits of CSB's financial statements, we considered CSB's internal control over financial reporting, consistent with the auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express an opinion on the effectiveness of CSB's internal control over financial reporting. Given these limitations, during our FY 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

Responsibilities of Management for Internal Control over Financial Reporting

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

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CSB's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered CSB's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSB's internal control over financial reporting. Accordingly, we do not express an opinion on CSB's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- 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

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

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

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

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed one instance of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. This matter is further discussed in *Exhibit I, Findings and Recommendations* of this report. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CSB. Accordingly, we do not express such an opinion.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

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

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

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

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CSB that have a direct effect on the determination of material amounts and disclosures in CSB's financial statements, and to perform certain other limited procedures.

Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CSB. We caution that noncompliance may occur and not be detected by these tests.

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

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

Agency Comments

We provided CSB with a Draft of our report on November 14, 2024, and received CSB's response on November 14, 2024. CSB's response to our report was not subjected to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Allmond & Company, LLC
Lanham, MD
November 15, 2024

Anti Deficiency Act Violation (2024-01)

CONDITION

In fiscal year (FY) 2024 the Chemical Safety and Hazard Investigation Board (CSB) confirmed that a violation of the Anti-Deficiency Act (ADA) occurred when CSB entered into a 10-year lease agreement for their Washington, DC office in FY 2014 without sufficient available appropriations at the time of lease execution to cover the full amount of the lease obligation expected to arise under the entire lease term. To date, the violation has not been formally reported to the President and Congress.

CRITERIA

Title 31 U.S. Code (U.S.C.) 1501(a) (1), requires an agency to record the full amount of its contractual liability against funds available at the time the contract was executed.

Title 31 U.S.C. Section 1341 *Limitations on expending and obligating amounts* states:

(a)(1) Except as specified in this subchapter or any other provisions of law, an officer or employee of the United States Government or of the District of Columbia government may not

- make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation

Title 31 U.S.C. Section 1351 *Reports on Violations* states If an officer or employee of an executive agency or of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall also be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.

CAUSE

CSB did not record its Washington, DC office lease agreement in accordance with applicable laws and regulations.

EFFECT

CSB was not in compliance with the ADA related to the instance noted.

RECOMMENDATION

We recommend that CSB management report the ADA violation noted to the appropriate parties.

MANAGEMENT RESPONSE

The CSB would like to note that since receiving **NFR 2023-02 (Improvements Needed over Lease Activities)**, the agency submitted the ADA letter to both the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) on Thursday, September 19, 2024, via email; and copies of the ADA letter was mailed to the President of the Senate, Speaker of the House and the Comptroller General on Friday, September 20, 2024. Furthermore, the CSB provided the auditors with the copies of the ADA letter submitted to all listed parties, along with email confirmations that the letters have been received by both the GAO and OMB offices for their review.

The CSB's ADA violation letter to the President was cleared on Thursday November 14, 2024, by OMB's general counsel. The transmittal of the ADA letter to the President is currently in the submission process.

AUDITORS' RESPONSE

We will perform follow up procedures during FY 2025 to determine if corrective action has been fully implemented.

Status of Prior Year Findings and Recommendations

The following table provides the fiscal year (FY) 2024 status of all recommendations included in the Audit Report on the U.S. Chemical Safety Hazard Investigation Board FY 2023 Financial Statements (February 26, 2024).

FY 2023 Finding	Prior Year Recommendation	FY 2024 Status
<p>Potential Anti-Deficiency Act Violation (2023-01)</p>	<p>Recommendation:</p> <p>We recommend that CSB management:</p> <ul style="list-style-type: none"> • Complete the investigation into the potential ADA violation noted and report to the appropriate parties, as necessary. 	<p>Open</p>
<p>Improvements Needed over Leasing Activities (2023-02)</p>	<p>Recommendation:</p> <p>We recommend that CSB management:</p> <ul style="list-style-type: none"> • Record the remaining obligation for the Washington, DC lease and properly state the FY2023 Statement of Budgetary Resources and related note disclosure. • Restate the FY 2022 Statement of Budgetary Resources and related note disclosure. • Develop and implement adequate internal controls to ensure lease obligations are recorded in compliance with OMB A-11, Appendix B requirements. • Update its accounting policies on the accounting for lease obligations to be consistent with the guidance in OMB Circular A-11, Appendix B. • Investigate the potential violation of the Antideficiency Act and report it, as applicable. 	<p>Closed</p> <p>Closed</p> <p>Open</p> <p>Open</p> <p>Open</p>

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023





**U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024, AND 2023**

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U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
BALANCE SHEETS
AS OF SEPTEMBER 30, 2024, AND 2023
(In Dollars)

	2024	2023
Assets		
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	\$ 10,434,020	\$ 12,443,593
Advances and Prepayments	32,731	7,883
Total Intragovernmental Assets	10,466,751	12,451,476
Other than Intragovernmental Assets		
Accounts Receivable, Net (Note 3)	21,062	29,688
Property, Plant, and Equipment, Net (Note 4)	541,810	47,934
Total Other than Intragovernmental Assets	562,872	77,622
Total Assets	\$ 11,029,623	\$ 12,529,098
Liabilities (Note 5)		
Intragovernmental Liabilities		
Accounts Payable	\$ 106,591	\$ 36,940
Other Liabilities (Note 6)	58,079	37,841
Other Liabilities (Without Reciprocals)	11,735	9,154
Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets	13,121	2,517
Other Current Liabilities - Benefit Contributions Payable	33,223	26,170
Total Intragovernmental Liabilities	164,670	74,781
Other than Intragovernmental Liabilities		
Accounts Payable	528,567	439,750
Federal Employee Salary, Leave, and Benefits Payable	803,059	591,331
Other Liabilities (Note 6)	511,852	123,546
Total Other than Intragovernmental Liabilities	1,843,478	1,154,627
Total Liabilities	\$ 2,008,148	\$ 1,229,408
Net Position		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	\$ 9,596,984	\$ 11,804,243
Total Unexpended Appropriations (Consolidated)	9,596,984	11,804,243
Cumulative Results of Operations		
Funds from Other than Dedicated Collections	(575,509)	(504,553)
Total Cumulative Results of Operations (Consolidated)	(575,509)	(504,553)
Total Net Position	\$ 9,021,475	\$ 11,299,690
Total Liabilities and Net Position	\$ 11,029,623	\$ 12,529,098

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

**U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENTS OF NET COST
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024, AND 2023
(In Dollars)**

	2024	2023
Gross Program Costs		
Gross Costs	\$ 15,634,218	\$ 12,714,842
Net Program Costs	\$ 15,634,218	\$ 12,714,842
Net Cost of Operations	\$ 15,634,218	\$ 12,714,842

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

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENTS OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024, AND 2023
(In Dollars)

	2024	2023
Unexpended Appropriations		
Beginning Balance	\$ 11,804,243	\$ 9,901,480
Appropriations Received	14,400,000	14,400,000
Other Adjustments	(1,650,249)	(239,790)
Appropriations Used	(14,957,010)	(12,257,447)
Net Change in Unexpended Appropriations	(2,207,259)	1,902,763
Total Unexpended Appropriations	\$ 9,596,984	\$ 11,804,243
Cumulative Results of Operations		
Beginning Balance	\$ (504,553)	\$ (434,981)
Appropriations Used	14,957,010	12,257,447
Imputed Financing (Note 9)	606,252	387,823
Net Cost of Operations	(15,634,218)	(12,714,842)
Net Change in Cumulative Results of Operations	(70,956)	(69,572)
Total Cumulative Results of Operations	\$ (575,509)	\$ (504,553)
Net Position	\$ 9,021,475	\$ 11,299,690

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

U.S. CHEMICAL SAFETY & HAZARD INVESTIGATION BOARD
STATEMENTS OF BUDGETARY RESOURCES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024, AND 2023
(In Dollars)

	2024	RESTATED 2023
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (Note 10 & 15)	\$ 4,968,019	\$ 4,554,737
Appropriations	14,400,000	14,400,000
Total Budgetary Resources	\$ 19,368,019	\$ 18,954,737
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total) (Note 11)	\$ 13,726,774	\$ 13,780,462
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	844,195	847,343
Unapportioned, Unexpired Accounts	(511,852)	(1,333,214)
Unexpired Unobligated Balance, End of Year	332,343	(485,871)
Expired Unobligated Balance, End of Year	5,308,902	5,660,146
Unobligated Balance, End of Year (Total)	5,641,245	5,174,275
Total Budgetary Resources	\$ 19,368,019	\$ 18,954,737
Outlays, Net and Disbursements, Net		
Outlays, Net (Total)	\$ 14,759,324	\$ 12,127,641
Agency Outlays, Net	\$ 14,759,324	\$ 12,127,641

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. Basis of Presentation

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

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

Starting in fiscal year 2024, Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement.

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 compliance with legal requirements on the use of those funds.

D. Fund Balance with Treasury

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

The CSB does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. When the reporting entity seeks to use Fund Balance with Treasury 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 consist of amounts owed to the CSB by other federal agencies and the general public. Amounts due from federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor’s ability to pay.

F. Property, Equipment, and Software

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

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

G. Advances and Prepaid Charges

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

H. Liabilities

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

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

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

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave, deferred rent, actuarial FECA, and the amounts due to Treasury for collection and accounts receivable of civil penalties and FOIA request fees. Deferred rent is the difference at year-end between the sum of monthly cash disbursements paid to date for rent and the sum of the average monthly rent calculated based on the term of the lease. 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 CSB's employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding

through the budget process. Similarly, employees that the CSB terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL, and (2) the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

K. Retirement Plans

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

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

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

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

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

L. Other Post-Employment Benefits

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

M. Use of Estimates

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

estimates.

N. Reclassification

Certain fiscal year 2023 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, 2024, and 2023, were as follows:

	2024	RESTATED 2023
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$ 844,195	\$ 847,343
Unavailable	4,797,050	4,326,932
Obligated Balance Not Yet Disbursed	4,792,775	7,269,318
Total	\$ 10,434,020	\$ 12,443,593

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.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2024, and 2023, were as follows:

	2024	2023
Other than Intragovernmental Accounts Receivable	\$ 21,062	\$ 29,688
Total Other than Intragovernmental Accounts Receivable	\$ 21,062	\$ 29,688
Total Accounts Receivable	\$ 21,062	\$ 29,688

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

NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2024, and 2023:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
2024			
Major Class:			
Furniture and Equipment	\$ 1,232,854	\$ 1,202,896	\$ 29,958
Software	76,402	76,402	-
Lessee Right-To-Use Lease Asset (Note 7 & 14)	1,201,886	690,034	511,852
Total	\$ 2,511,142	\$ 1,969,332	\$ 541,810
2023			
Major Class:			
Furniture and Equipment	\$ 1,112,920	\$ 1,064,986	\$ 47,934
Software	76,402	76,402	-
Total	\$ 1,189,322	\$ 1,141,388	\$ 47,934

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the CSB as of September 30, 2024, and 2023, 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.

	2024	2023
Unfunded Leave	\$ 613,408	\$ 579,658
Total Liabilities Not Covered by Budgetary Resources	\$ 613,408	\$ 579,658
Total Liabilities Covered by Budgetary Resources	1,381,619	647,233
Liabilities Not Requiring Budgetary Resources	13,121	2,517
Total Liabilities	\$ 2,008,148	\$ 1,229,408

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, 2024, and 2023, were as follows:

	Current	Non- Current	Total
2024			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 11,735	\$ -	\$ 11,735
Custodial Liability (to the general fund)	13,046	-	13,046
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (to the general fund)	75	-	75
Employer Contributions and Payroll Taxes Payable	33,223	-	33,223
Total Intragovernmental	\$ 58,079	\$ -	\$ 58,079
Other than Intragovernmental:			
Lessee Lease Liability (Note 7 & 14)	\$ 511,852	-	\$ 511,852
Total Other than Intragovernmental	\$ 511,852	\$ -	\$ 511,852
Total Other Liabilities	\$ 569,931	\$ -	\$ 569,931
2023			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 9,155	-	\$ 9,155
Custodial Liability (to the general fund)	2,442	-	2,442
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (to the general fund)	75	-	75
Employer Contributions and Payroll Taxes Payable	26,169	-	26,169
Total Intragovernmental	\$ 37,841	\$ -	\$ 37,841
Other than Intragovernmental:			
Unfunded Accrued Interest Payable	\$ -	\$ -	\$ -
Other Liabilities w/Related Budgetary Obligations	123,546	-	123,546
Total Other than Intragovernmental	\$ 123,546	\$ -	\$ 123,546
Total Other Liabilities	\$ 161,387	\$ -	\$ 161,387

NOTE 7. LEASES

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

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

The CSB currently holds a non-intragovernmental lease. Beginning in fiscal year 2024, the implementation of SFFAS 54 resulted in revisions to the accounting treatment for lease recognition.

Fiscal Year	Asset Category
	Building
2025	\$ 511,852
Total Future Payments	\$ 511,852

NOTE 8. COMMITMENTS AND CONTINGENCIES

As of September 30, 2024, the CSB has a pending FOIA litigation with PEER. The chance of an unfavorable outcome of the current FOIA litigation with PEER is less than probable, but more than remote.

NOTE 9. INTER-ENTITY COSTS

CSB recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. CSB recognizes as inter- entity costs the amount of accrued pension and post-retirement benefit expenses for current employees.

The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the fiscal years ended September 30, 2024 and 2023, respectively, inter-entity costs were as follows:

	2024		2023	
Office of Personnel Management	\$	606,252	\$	387,823
Total Imputed Financing Sources	\$	606,252	\$	387,823

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

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2024, and 2023, consisted of the following:

	2024	RESTATED 2023
Unobligated Balance Brought Forward from Prior Year, October 1	\$ 5,174,275	\$ 4,028,761
Recoveries of Prior Year Obligations	1,443,993	765,766
Other Changes in Unobligated Balances	(1,650,249)	(239,790)
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 4,968,019	\$ 4,554,737

NOTE 11. APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS

New obligations and upward adjustments incurred and reported in the Statement of Budgetary Resources in 2024 and 2023 consisted of the following:

	2024	RESTATED 2023
Direct Obligations, Category B	\$ 13,726,774	\$ 13,780,462
Total New Obligations and Upward Adjustments	\$ 13,726,774	\$ 13,780,462

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2024, and 2023 were as follows:

	Intragovernmental	Other than Intragovernmental	Total
2024			
Paid Undelivered Orders	\$ 32,731	\$ -	\$ 32,731
Unpaid Undelivered Orders	75,648	3,847,360	3,923,008
Total Undelivered Orders	\$ 108,379	\$ 3,847,360	\$ 3,955,739
RESTATED 2023			
Paid Undelivered Orders	\$ 7,883	\$ -	\$ 7,883
Unpaid Undelivered Orders	432,136	6,189,950	6,622,086
Total Undelivered Orders	\$ 440,019	\$ 6,189,950	\$ 6,629,969

NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The President’s Budget that will include fiscal year 2024 actual budgetary execution information has not yet been published. The President’s Budget is scheduled for publication in February 2025 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2025 Budget of the United States Government, with the "Actual" column completed for 2023, 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	\$ 19	\$ 14	12
Unobligated Balance Not Available	(4)	-	-
Budget of the U.S. Government	\$ 15	\$ 14	12

NOTE 14: RECONCILIATION OF NET OPERATING COST & NET BUDGETARY 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.

The reconciliation of Net Cost to Net Outlays as of September 30, 2024:

	Intragovern- mental	Other than Intragovern- mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	\$ 3,894,665	\$ 11,739,553	\$ 15,634,218
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(17,975)	(17,975)
Lessee Lease Amortization (Note 4)	-	(690,034)	(690,034)
Increase/ (Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	(19,230)	(19,230)
Advances and Prepayments	24,848	-	24,848
Other Assets	-	1,201,886	1,201,886
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	(69,651)	(88,818)	(158,469)
Lessee Lease Liability (Note 6 & 7)	-	(511,852)	(511,852)
Federal Employee Salary, Leave, and Benefits Payable	-	(88,182)	(88,182)
Other Liabilities	(9,634)	-	(9,634)
Financing Sources:			
Imputed Cost	(606,252)	-	(606,252)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (660,689)	\$ (214,205)	\$ (874,894)
Misc Items			
Custodial/Non-Exchange Revenue	10,814	(10,814)	-
Total Other Reconciling Items	\$ 10,814	\$ (10,814)	\$ -
Total Net Outlays (Calculated Total)	\$ 3,244,790	\$ 11,514,534	\$ 14,759,324
Budgetary Agency Outlays, net			\$ 14,759,324

The reconciliation of Net Cost to Net Outlays as of September 30, 2023:

	Intragovern- mental	Other than Intragovern- mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	\$ 2,929,835	\$ 9,785,007	\$ 12,714,842
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(51,371)	(51,371)
Increase/ (Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	(3,123)	(3,123)
Advances and Prepayments	7,883	-	7,883
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	(8,957)	(119,512)	(128,469)
Federal Employee Salary, Leave, and Benefits Payable	-	(72,936)	(72,936)
Other Liabilities	(5,362)	-	(5,362)
Financing Sources:			
Imputed Cost	(387,823)	-	(387,823)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (394,259)	\$ (246,942)	\$ (641,201)
Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	53,925	53,925
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 53,925	\$ 53,925
Misc Items			
Custodial/Non-Exchange Revenue	2,793	(2,793)	-
Non-Entity Activity	75	-	75
Total Other Reconciling Items	\$ 2,868	\$ (2,793)	\$ 75
Total Net Outlays (Calculated Total)	\$ 2,538,444	\$ 9,589,197	\$ 12,127,641
Budgetary Agency Outlays, net			\$ 12,127,641

NOTE 15: RESTATEMENTS

In FY 2024, the CSB received an Anti-Deficiency Act (ADA) violation, since the agency did not record the total amount of all payments expected to arise under the full term of the CSB's lease for office space but instead recorded the annual amount of lease payments yearly. Per OMB Circular A-136, II.3.8.30 Note 30: "Restatements", the CSB must notate and explain any material misstatements that are identified in the prior period financial statements. For that reason, the CSB has notated the misstatement in the footnotes of the financial statements and update Note 10 by reducing \$2,004,790 in the Unobligated Balance Brought Forward from Prior Year to match the unobligated balance in the Statement of Budgetary Resources (SBR). Likewise, the CSB had to reduce the amount of \$2,004,790 in the SBR unobligated balance from the prior year on the FY 2024 comparative statements and other notes, such as reducing \$1,333,214 in Note 2, Fund Balance with Treasury for FY 2023, for the Unobligated Balance, Unavailable and Available and increasing \$1,333,214 for the Obligated Balance Not Yet Disbursed; increasing \$671,576 in Note 11 for FY 2023, for the Direct Obligations, Category B; as well as increasing \$1,333,214 for the Unpaid Undelivered Orders in Note 12, Undelivered Orders.



Whistleblower Protection

U.S. Environmental Protection Agency

The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit the OIG's whistleblower protection [webpage](#).

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ABBREVIATIONS AND ACRONYMS

BFS	Bureau of the Fiscal Service (within the U.S. Department of the Treasury)
CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FMFIA	Federal Manager's Financial Integrity Act
FY	Fiscal Year (October 1 to September 30)
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
IPERA	2010 Improper Payments Elimination and Recovery Act
IPERIA	Improper Payments Elimination & Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
OIG	Office of Inspector General
OMB	Office of Management and Budget
OSHA	Occupational Safety and Health Administration
PAR	Performance and Accountability Report
PIIA	Payment Integrity Information Act
RMP	Risk Management Plan

THE CSB WELCOMES YOUR COMMENTS!

Thank you for your interest in the CSB's FY 2024 Performance and Accountability Report. The CSB welcomes your comments on how we can make this report a more informative document for our readers. The CSB is particularly interested in your comments on the usefulness of this information and the way it is presented. Please send your comments to cfo@csb.gov or write to:

Chemical Safety and Hazard Investigation Board
Chief Financial Officer
1750 Pennsylvania Ave, NW, Suite 910
Washington, DC 20006

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