



U.S. FEDERAL LABOR RELATIONS AUTHORITY

*Government Working for You  
Through Stable Labor Relations*



# PERFORMANCE AND ACCOUNTABILITY REPORT



2025



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## MESSAGE FROM THE CHAIRMAN

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The Federal Labor Relations Authority (FLRA or Agency) is pleased to submit its Fiscal Year 2025 (FY25) Performance and Accountability Report. Congress, in passing the Federal Service Labor-Management Relations Statute (the [Statute](#)), 5 U.S.C. §§ 7101-7135, found that the experience in both private and public employment indicated that collective bargaining was in the public interest. The Statute created the FLRA to provide leadership in establishing policies and guidance to allow for collective bargaining through procedures designed to meet the special requirements and needs of the Federal government and for the Statute to be interpreted in a manner consistent with the requirement of an effective and efficient government.

Consistent with the President's directives, the FLRA continues to reshape its structure, processes, and resources in order to streamline the way it accomplishes its mission. These efforts are designed to enhance the Agency's ability to efficiently address matters that come before the FLRA and provide up-to-date guidance on current case law to our stakeholders.

Several Presidential initiatives, in particular, directed our priorities, caseload, and organizational structure this year. Executive Order No. 14210, [Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative](#) (February 11, 2025) (*Workforce Optimization EO*) and related guidance, challenged the Agency to develop "a positive vision for more efficient, productive agency operations going forward." Executive Order No. 14251, [Exclusions from Federal Labor-Management Relations Programs](#) (March 27, 2025) (*Exclusions EO*), Executive Order 14343, [Further Exclusions From the Federal Labor-Management Relations Program](#) (August 28, 2025) (*Further Exclusions EO*), and related guidance, excluded numerous agencies and subcomponents from Statutory coverage due to national security concerns (under Section 7103(b)(1)). The *Exclusions EO* and *Further Exclusions EO* do not alter the FLRA's statutory duties or its required components, but the reduction in jurisdiction prompted the FLRA to evaluate its caseload projections in order to make data-driven resource-allocation and staffing decisions. The FLRA also reimaged its organization and developed a strategy to eliminate duplicative processes and place greater emphasis on in-person customer interaction—both of which will result in a more nimble, efficient Agency.

This report reflects the FLRA's adaptability as it strategizes to meet changes in the evolving landscape of federal labor-management relations, while continuing to maintain a high standard of service and accountability.

A handwritten signature in blue ink, appearing to read 'Colleen'.

Colleen Duffy Kiko  
Chairman and Chief Executive and  
Administrative Officer  
Federal Labor Relations Authority

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## BACKGROUND AND MISSION

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The FLRA is a small agency (fewer than 100 full-time equivalent employees (FTEs)) that was established by Congress in 1979 to administer and enforce the Federal Service Labor-Management Relations Statute. During FY25, the FLRA continued implementing organizational changes necessary to align with the administration's vision for the Federal government.

The mission of the FLRA is:

*To provide leadership in establishing policies and guidance relating to matters under the Statute, and to be responsible for carrying out the Statute's purpose, which finds that labor organizations and collective bargaining in the civil service are in the public interest.*

The FLRA consists of three components: the Authority, the Office of General Counsel (OGC), and the Federal Service Impasses Panel (the Panel or FSIP). The FLRA also provides full staff support to two other entities, the Foreign Service Impasse Disputes Panel, and the Foreign Service Labor Relations Board.

The FLRA applies its Federal-sector expertise to carry out its statutory responsibilities. Matters before the FLRA originate with filings from unions, agencies, and Federal employees. Consistent with the Statute's directives, the Authority:

- (A) determines the appropriateness of units for labor organization representation under section 7112;
- (B) supervises or conducts elections to determine whether a labor organization has been selected as an exclusive representative by a majority of the employees in an appropriate unit and otherwise administer the provision of section 7111 relating to the according of exclusive recognition to labor organizations;
- (C) prescribes criteria and resolves issues relating to the granting of national consultation rights under section 7113;
- (D) prescribes criteria and resolves issues relating to determining the existence of a compelling need for agency rules or regulations under section 7117(b);
- (E) resolves issues relating to the duty to bargain in good faith under section 7117(c);
- (F) prescribes criteria relating to the granting of consultation rights with respect to conditions of employment under section 7117(d);
- (G) conducts hearings and resolves complaints of unfair labor practices (ULPs) under section 7118;
- (H) resolves exceptions to arbitrators' awards under section 7122; and
- (I) takes such other actions as are necessary and appropriate to effectively administer the provisions of the Statute. 5 U.S.C. § 7105(a)(2).

The General Counsel may:

- (A) investigate alleged ULPs under the Statute,
- (B) file and prosecute complaints under the Statute, and
- (C) exercise such other powers of the Authority as the Authority may prescribe. 5 U.S.C. § 7104(f)(2).

The Panel investigates any impasse presented to it under the Statute or the Federal Employees Flexible and Compressed Work Schedules Act, considers the impasse, and either:

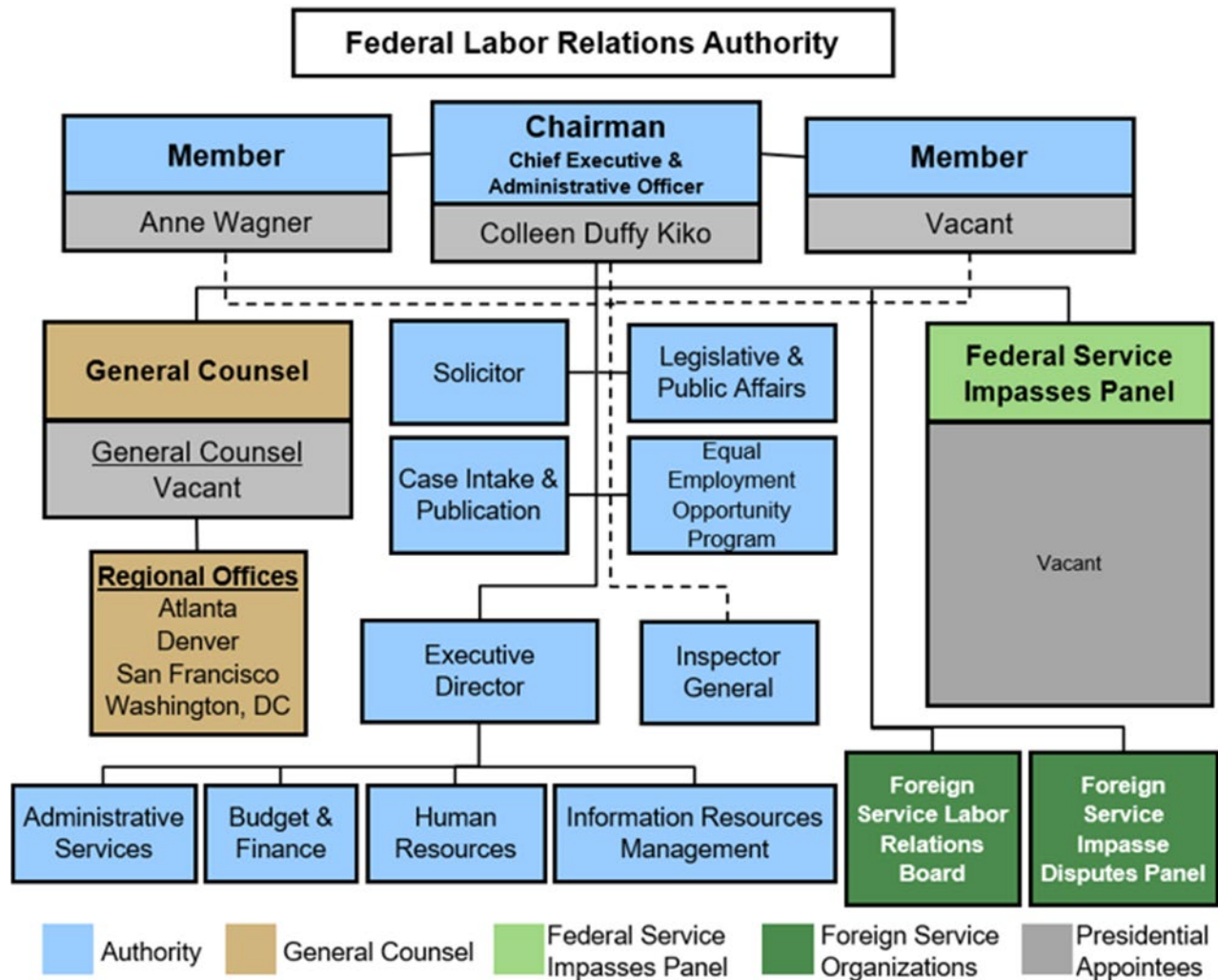
- (A) recommends to the parties procedures for the resolution of the impasse; or
- (B) assists the parties in resolving the impasse through whatever methods and procedures, including factfinding and recommendations, it may consider appropriate. 5 U.S.C. § 7119(c)(5)(A); 5 U.S.C. § 6131(c).

If the parties do not arrive at a settlement, the Panel may hold hearings, administer oaths, take the testimony or deposition of any person under oath, issue subpoenas as provided in section 7132, and take whatever action is necessary (and not inconsistent with the Statute) to resolve the impasse. 5 U.S.C. § 7119 (c)(5)(B) and (C).

Finally, the FLRA “provide[s] leadership in establishing policies and guidance” related to matters under the Statute. *Id.* § 7105(a)(1). The FLRA satisfies this directive primarily through its written determinations, but also by offering training, guidance, and other services.



## ORGANIZATIONAL CHART



### Chief Executive and Administrative Officer

The President designates one Member as Chairman who serves as the FLRA's chief executive and administrative officer. 5 U.S.C. § 7104(b).

### The Authority

The Authority is composed of three full-time Presidentially-appointed, Senate-confirmed Members. The Members are appointed for fixed, five-year, staggered terms.

In addition, the Office of Case Intake and Publication (CIP) receives and processes all documents parties file with the Authority. Mission support offices – Solicitor, Executive Director, Legislative and Public Affairs, and the Equal Employment Opportunity Program – fall under the direction of the FLRA's Chairman in her role as chief executive and administrative officer of the FLRA. These offices provide legal advice and representation, legislative and public

affairs support, human resources support, budget and finance support, information technology services, and administrative services. Mission support is also responsible for the FLRA's ethics, Freedom of Information Act, privacy, and records management programs.

### **Office of the General Counsel (OGC)**

The OGC, headed by a Presidentially appointed, Senate-confirmed General Counsel, has separate and independent responsibilities from the Authority. The General Counsel has direct authority over, and responsibility for, all OGC employees.

Under the Statute, the OGC has sole responsibility for the investigation and prosecution of ULP charges and complaints. The General Counsel's determinations as to whether to issue ULP complaints are final and unreviewable.

The General Counsel has a small staff at FLRA headquarters. OGC Headquarters staff oversee administration of the OGC as a whole and develop policies, guidance, procedures, and manuals that provide programmatic direction for the Regional Offices. OGC headquarters staff also provide training and education for the parties and process appeals from the Regional Offices' dismissals of ULP charges.

The Regional Offices, on behalf of the General Counsel, investigate and resolve ULP charges; file and prosecute ULP complaints at administrative hearings; effectuate compliance with settlement agreements and Authority orders; and provide statutory training and alternative dispute resolution services. To the extent that the Authority has delegated it the power to do so, the OGC also processes representation (REP) cases and conducts elections. All ULP charges and REP petitions are filed in the Regional Offices, each of which is headed by a Regional Director who provides leadership and management expertise for their respective Regions. There are four Regional Offices located in Atlanta, Georgia; Denver, Colorado; San Francisco, California; and Washington, D.C.

### **Federal Service Impasses Panel (FSIP)**

The Panel resolves negotiation impasses between Federal agencies and labor organizations representing Federal employees that arise from collective bargaining under the Statute and the Federal Employees Flexible and Compressed Work Schedules Act, 5 U.S.C. §§ 6120-6133 (2024). The Panel uses a wide variety of tools to promptly resolve Federal sector bargaining impasses. The Panel is composed of at least seven part-time Presidential appointees who are appointed to five-year terms.

### **The Office of Inspector General (OIG)**

The OIG is an independent entity within the Authority.

## **STRATEGIC AND PERFORMANCE-PLANNING FRAMEWORK**

The FLRA has a distinct framework informed by its Statutory role and mission with two strategic goals driving mission fulfillment.

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When reviewing the FLRA’s accomplishments and performance in light of the requirements outlined in the Government Performance and Results Act, it must be noted it is difficult for the FLRA to measure “outcomes”. Take representation cases for example, the Agency does not control or seek to influence election results but strives instead to ensure Federal employees’ rights to freely decide whether they wish to be represented by a labor organization. With unfair labor practice allegations, the FLRA’s goal is to timely adjudicate and resolve cases efficiently. In petitions to address the negotiability of certain matters in collective bargaining, in responding to exceptions to arbitration awards in the grievance process, in resolving impasse disputes during collective bargaining, or in rendering decisions on policy questions, the best indicator of success is timeliness and quality of case processing. We will continue to seek feedback from our stakeholders to improve on their experience when practicing before the FLRA.

### Strategic Goals

Strategic Goal #1	Strategic Goal #2
1. Resolve matters arising under the Federal Service Labor-Management Relations Statute in a timely, high-quality, and impartial manner.	2. Align resources to enable the Agency to efficiently fulfill its statutory mission.
Strategic Objectives	
1.1 Achieve or exceed case-resolution timeliness measures, as established by component.	2.1 Use technology to streamline and enhance organizational operations.
1.2 Provide appropriate statutory guidance and training.	2.2 Prioritize and manage available resources to best achieve the Agency’s statutory mission.

### PERFORMANCE SUMMARY

The FLRA plays a pivotal role across the federal government. Fulfilling its mission – particularly the timely resolution of labor-management disputes – is vital to effective program performance throughout the executive branch. This performance summary highlights the FLRA’s key accomplishments and challenges in FY25.

#### **Mission Accomplishment–Achieve or exceed case-resolution timeliness measures, as established by component [Strategic Goal 1 → Strategic Objective 1.1]**

##### **The Authority**

The Authority continues to strive to provide its customers with prompt, thoughtful adjudication and guidance.

Changes and vacancies in key PAS positions, as well as an evolving federal sector labor-management landscape, affected the Authority’s priorities and performance metrics. During this transition period, the Authority was able to meet – or nearly meet – many of its performance goals, through the prudent management of resources and incredible efforts of its small, but dedicated workforce. For example, the Authority resolved 90% of negotiability cases (28/31) within 365 days of filing, exceeding its 75% target. The Authority resolved 100% of



representation cases (5/5) within 210 days of the date of assignment to a Member office, exceeding its target of 75%. And the Authority reduced by 26% the age of arbitration cases pending at the end of FY25, far exceeding its 5% goal. Further, CIP met or exceeded all of its goals for the timely assignment of cases to the Member offices.

In FY25, the Authority also created a cross-component Representation Case-Processing Task Force to explore ways to streamline the FLRA's processing of representation cases.

During FY26, the Authority will focus on closing all of the cases already pending in its inventory while resolving newly filed cases quickly and efficiently.

### *The Office of Administrative Law Judges*

The FLRA took seriously its obligation to comply with the *Workforce Optimization EO* and associated guidance that agencies, "seek reductions in components and positions that are non-critical" and reorganize accordingly. The FLRA's attempts to minimize or eliminate duplicate layers of review, and to address questions about the cost-effectiveness of maintaining three full-time Administrative Law Judges when they had no cases for years at a time, resulted in the FLRA's decision to eliminate its Office of Administrative Law Judges. Operating under the assumption that the FLRA will have a PAS General Counsel in FY26, the FLRA has begun exploring the possibilities of using hearing officers, OPM's Administrative Law Judges Loan Program, Senior Administrative Law Judges programs, or ALJ detailees to assist in future ULP case processing.

### **The Office of the General Counsel**

OGC investigates, mediates, resolves, and prosecutes ULP charges brought by individuals, agencies, and unions. OGC also, under delegated authority, processes petitions concerning appropriate bargaining units and conduct elections for those units (i.e., REP cases).

The efficiency of OGC in processing cases is critically important. By resolving matters promptly, OGC staff ensure that meritless claims are quickly dismissed—preventing unnecessary diversion of agency resources—while limiting backpay and interest obligations in cases with merit. This approach yields substantial cost savings for the federal government, given that the OGC handles thousands of claims annually, many involving large groups of employees

Ultimately, the FY25 performance of OGC staff was outstanding and several initiatives to increase efficiency and field presence are being implemented to make FY26 even more successful.

### **The Federal Service Impasses Panel**

In the first quarter of FY25, FSIP, which was fully staffed with four staff-members who supported 10 part-time Presidentially-appointed Panel Members, exceeded all of its timeliness measures for assisting parties in resolving their negotiation impasses. Specifically, it issued decisions to decline jurisdiction on cases not appropriately before the Panel within 140 days of the date that the parties filed their request for assistance in 100% (14/14) of cases. It assisted the parties in achieving

voluntary settlement within 160 days of the date that the parties filed their requests for assistance in 100% (14/14) of cases. FSIP issued final orders within 200 days of the date that the parties filed their request for assistance in 100% (4/4) of cases. The Presidentially-appointed Panel members were dismissed in February 2025.

### **Mission Accomplishment—Providing Appropriate Statutory Guidance and Training** **[Strategic Goal 1 → Strategic Objective 1.2]**

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Consistent with its strategic goals, in FY25 the FLRA continued to provide leadership and guidance to the Federal labor-management relations community through education and reference resources, including in-person, virtual, and web-based trainings, and substantive guides and manuals.

#### **Guidance, Education and Training Tools**

The FLRA provides valuable education and training tools to the labor-management-relations community in all aspects of its decisions and processes. Providing clear guidance on statutory rights and responsibilities furthers timely and efficient case processing and is one of FLRA's Statutory functions. The FLRA delivers its educational materials through a variety of means, primarily through its decisions, but also through in-person training sessions; web-based training modules, and YouTube videos; as well as through case outlines, manuals, and subject-matter guides accessible on FLRA.gov.

#### **In Person, Virtual and YouTube Video Training**

The FLRA continues to fulfill specific requests from parties for targeted training on key Statutory areas, including unfair labor practices, representation issues, negotiability disputes, impasse procedures, and arbitration exceptions. Delivering this external training to Federal agencies and labor organizations on their Statutory rights and obligations satisfies a critical part of FLRA's mission.

In FY25, the Authority provided many community trainings on emerging labor-management issues and published a YouTube video on the new test the Authority applies in reviewing management-rights challenges to arbitration awards that find violations of collective-bargaining agreements.

In FY25, the FLRA components collectively provided 65 in-person and virtual training sessions, and published 2 training videos to [FLRA's YouTube channel](#) complementing the FLRA's existing library which, among other topics, includes videos on the following:

- Management Rights
- Official Time
- Collective Bargaining (5 videos)
- Representation Elections (3 videos)
- Unfair Labor Practice Investigations
- Timeliness under Section 7118(a)(4)
- Investigatory Examinations (7 videos)
- eFiling

In FY25, [FLRA's video library](#) of instructional training received 21,597 views. The YouTube channel's subscriber base grew 290 subscribers to 1,622 total. Total views since the FLRA began publishing videos is approaching 100,000.

The channel and its videos are another tool the FLRA uses to educate Federal employees, unions, and managers on how the Statute works and is another example of the FLRA's effort to provide the Federal labor-management community with innovative resources to promote cooperative labor-management relations that comply with the Statute.

### **Mission Accomplishment – Use technology to streamline and enhance organizational operations [Strategic Goal 2 → Strategic Objective 2.1]**

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#### **eFiling**

The FLRA's eFiling efforts serve to improve the parties' experience by allowing both filers and the Agency to more efficiently handle filings electronically. The eFiling process is the first step in realizing the Agency's goal of achieving a fully-electronic, end-to-end case file.

A key aspect of the FLRA's Strategic Plan is to continue to improve eFiling capabilities to support the FLRA's transition to electronic case files. The FLRA's eFiling capabilities improved greatly in FY25. The overall rate of eFiling was 84%. Rates for each component are now at: 83% for OGC, 87% for the Authority, 97% for FSIP and 100% for OALJ.

#### **IT Modernization**

The FLRA and its Information Resources Management Division (IRMD) made substantial progress in the creation of the OGC Component Case Management System (CMS). Anticipated changes to the Agency's regulations with respect to representation case processing necessitated major modifications to the development of the application. In response to leadership's new priorities, IRMD promptly pivoted to provide cross-component developmental support and keep the CMS on track for successful completion.

FLRA completed a significant overhaul of our flagship web resource, FLRA.gov in FY25. This effort included moving to a FedRAMP Government Community Cloud platform, a complete modernization of cybersecurity monitoring and controls, and major improvements to accessibility and usability.

#### **Defending Against Sophisticated Cyber Adversaries**

In FY25, the FLRA strengthened the maturity of its cybersecurity program, earning a Level 4 overall maturity rating in the Office of the Inspector General's annual FISMA audit. This progress reflected the Agency's effective use of government-wide shared cybersecurity services, including no-cost and cost-effective solutions. The evolving threat environment continued to require ongoing adaptation.

During FY25, the FLRA advanced its Zero Trust architecture in alignment with OMB Memoranda M-22-09 and M-21-31, as well as Executive Order 14023. Investments focused on

phishing-resistant multi-factor authentication (MFA), identity management (IdAM), cybersecurity supply chain risk management (C-SCRM), and AI-enabled enhancements to Continuous Diagnostics and Mitigation (CDM) capabilities.

### **Mission Accomplishment – Prioritize and manage available resources to best achieve the Agency’s statutory mission [Strategic Goal 2 → Strategic Objective 2.2]**

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#### **Rightsizing the Federal Real Estate Footprint**

The FLRA continues to proactively assess, analyze, and routinely modify its real property lease portfolio to maximize space efficiency. This effort continued in FY25, when the FLRA permanently reduced its headquarters space requirements to 17,050 square feet. The FLRA also formally closed its Chicago Regional Office in FY25 and is set to relinquish that office space when the lease expires in December 2025. The return of this space—4,651 RSF—will result in a 13 percent space reduction.

#### **Establishing a Merit-Based Federal Workforce**

In FY25, the FLRA strengthened its merit-based hiring and performance systems in alignment with the President’s Merit Hiring Plan and the President’s Management Agenda (PMA) by implementing an integrated set of initiatives to ensure recruitment, hiring, development, and retention practices were fair, transparent, and mission-aligned. The Agency streamlined hiring and reduced time-to-hire by leveraging shared services, a centralized hiring approach, and targeted process improvements for mission-critical positions, supported through collaboration with the Small Agency Human Resources Council. In partnership with the OPM USA Performance team, the FLRA fully deployed SES, SP, and GS performance appraisal systems, aligned individual performance expectations with organizational priorities, and conducted evidence-based Performance Review Board assessments grounded in Individual Success Roadmaps. The Agency also expanded supervisory and leadership training through enhanced onboarding and refresher programs and promoted continuous employee development by encouraging the use of Individual Development Plans to support training, mentoring, succession planning, and the identification of competency gaps. Senior leadership monitored key performance metrics throughout FY25, including hiring timelines, training completion rates, and performance distribution data.

#### **Efficient Government Systems**

The FLRA furthered the use of efficient and cost-effective government systems through shared services with larger agencies. These partnerships provided support for key agency administrative functions including, human resources, financial management, procurement, and travel. Access to these systems is managed by our shared service providers.

## FINANCIAL ANALYSIS

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### Principal Financial Statements

The FLRA's principal financial statements have been prepared to report the financial position and results of operations of the Agency, pursuant to the requirements of 31 U.S.C. § 3515(b). While the statements have been prepared from the books and records of the FLRA in accordance with U.S. Generally Accepted Accounting Principles for Federal entities and the formats prescribed by the OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

### Balance Sheet

The Balance Sheet presents the FLRA's financial position through the identification of Agency assets, liabilities, and net position. The FLRA's fund balance with the Department of the Treasury (the Treasury) is approximately 94% of the total assets in FY 2025. The FLRA does not maintain any cash in commercial bank accounts or foreign currency balances, nor does it have any revolving or trust funds. The Agency's second largest asset is its furniture, equipment, and IT hardware and software, which is recorded at original acquisition cost, and then depreciated using the straight-line method over the estimated useful life of the asset.

Assets as of September 30	2025
Fund Balance with Treasury	\$ 3,780,541
General Property and Equipment	195,346
Accounts Receivable	3,275
Prepaid Expenses	23,326
<b>Total</b>	<b>\$ 4,002,488</b>

Totals may not add due to rounding

Funds held with the Treasury are available to pay Agency liabilities, which represent the amount of monies or other resources likely to be paid by the FLRA as a result of transactions or events that have already occurred. Accrued employee leave, payroll, and benefits costs, along with accrued workers' compensation under the Federal Employees Compensation Act (FECA), accounted for nearly 81 percent of total liabilities at the end of FY 2025. The remaining 19 percent reflects the amount owed by the FLRA to vendors and other Federal agencies for purchased goods and services. Agency liabilities totaled \$4.5 million in FY 2025.

Liabilities as of September 30	2025
Federal Employee [and Veteran] Benefits Payable	\$ 3,618,421
Accounts Payable	448,868
Other Liabilities	409,146
<b>Total</b>	<b>\$ 4,476,435</b>

The FLRA's total net position at the end of FY 2025 was negative \$474,000.

## Statement of Net Cost

The Statement of Net Cost presents the gross cost of operating the FLRA's three major programs, less any reimbursable revenue earned from those activities. The net cost of operations in FY 2025 was \$32.1 million. In FY 2025, 59.5 percent of the Agency's direct resources were dedicated to the Authority, which includes central administrative services provided to the entire Agency; 37.3 percent were dedicated to the OGC; and the remaining 3.2 percent were devoted to the FSIP.

## FY 2025 Financial Obligations by Budget Object Class



## Statement of Changes in Net Position

The Statement of Changes in Net Position reflects the changes that occurred within the cumulative results of operations and any unexpended appropriations. The cumulative results of operations represent the net results of operations since inception, the cumulative amount of prior period adjustments, the remaining book value of capitalized assets, and future funding requirements. Cumulative results of operations for FY 2025 total negative \$3.2 million.

Unexpended appropriations include undelivered orders and unobligated balances. Undelivered orders reflect the amount of goods and services ordered that have yet to be received. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The FLRA had a decrease of \$693,000 in total, unexpended Agency appropriations in FY 2025.

## Statement of Budgetary Resources

The Statement on Budgetary Resources reports the budgetary resources available to the FLRA during FY 2025 to carry out the activities of the Agency, as well as the status of those resources at the end of each year. The primary source of FLRA funding is its annual Salaries and Expenses appropriation from the Congress. The Agency also receives reimbursements, pursuant to the Economy Act, for travel expenses associated with training provided by Agency employees on the Statute and FLRA mission.

The FLRA had \$29.8 million in total budgetary resources available to it in FY 2025. The Agency incurred obligations of \$29.5 million in FY 2025, with recording outlays of \$30.4 million.



## MANAGEMENT ASSURANCES

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### **Annual FFMIA Statement of Assurance**

Pursuant to the Federal Financial Management Improvement Act (FFMIA), FLRA management has assessed that the agency's financial management systems, including both financial and financially related (or mixed) systems, comply substantially with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards promulgated by FASAB, and (3) the U.S. Standard General Ledger (USSGL) at the transaction level.

### **Annual FMFIA Statement of Assurance**

Pursuant to the Federal Managers' Financial Integrity Act (FMFIA), FLRA management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. The FLRA conducted its assessment of risk and internal control in accordance with OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

Based on the results of this assessment, excluding the material weakness identified in the auditor's report, the internal controls over operations, reporting, and compliance effectiveness and efficiency were operating effectively as of September 30, 2025.

Further, based on our assessment, we determined that the FLRA financial-management system conforms to applicable financial-systems requirements.



Colleen Duffy Kiko  
Chairman and Chief Executive and  
Administrative Officer  
Federal Labor Relations Authority

## FY25 PERFORMANCE GOALS AND RESULTS

**Strategic Goal 1: Resolve matters arising under the Federal Service Labor-Management Relations Statute in a timely, high-quality, and impartial manner**

**Strategic Objective 1.1: Achieve or exceed case-resolution timeliness measures, as established by component**

### Performance Goal 1.1.1: Timely investigate, prosecute, and adjudicate each case type

To satisfy its statutory mission, the FLRA is charged with investigating, prosecuting and adjudicating several types of cases in three separate components. The following represent the five primary case types:

1. Arbitration (ARB) – adjudicates exceptions to arbitrators’ awards.
2. Negotiability (NEG) – adjudicates legal issues relating to the duty to bargain.
3. Unfair Labor Practice (ULP) – resolves complaints of unfair labor practices.
4. Representation (REP) – determines the appropriateness of bargaining units, and supervises/conducts elections for labor-organization representation.
5. Bargaining-Impasse (Impasse) – resolves impasses during negotiations.

### AUTHORITY

Arbitration Cases	2023	2024	2025	2026 Est.	2027 Est.
Cases pending, start of year	76	80	83	124	140
<b>Exceptions filed (Intake)</b>	<b>75</b>	<b>70</b>	<b>87</b>	<b>77*</b>	<b>78*</b>
Total caseload	151	150	170	201	218
Cases closed procedurally	8	15	11	11	12
Cases closed based on merits	63	52	35	50	46
<b>Total cases closed (Output)</b>	<b>71</b>	<b>67</b>	<b>46</b>	<b>61*</b>	<b>58*</b>
Cases pending, end of year	80	83	124	140	160

\* Rates may be affected by EO 14521 depending on the duration/outcome of EO 14521 litigation

<b>Negotiability Cases</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Cases pending, start of year	20	16	21	25	27
<b>Petitions filed (Intake)</b>	<b><u>49</u></b>	<b><u>29</u></b>	<b><u>35</u></b>	<b><u>38*</u></b>	<b><u>34*</u></b>
Total caseload	69	45	56	63	61
Cases closed procedurally	46	23	27	32	27
Cases closed based on merits	<u>7</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>3</u>
<b>Total cases closed (Output)</b>	<b>53</b>	<b>24</b>	<b>31</b>	<b>36*</b>	<b>30*</b>
Cases pending, end of year	16	21	25	27	31

\* Rates may be affected by EO 14521 depending on the duration/outcome of EO 14521 litigation.

<b>ULP Cases</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Cases pending, start of year	2	1	3	7	0
<b>Cases filed (Intake)</b>	<b><u>12</u></b>	<b><u>19</u></b>	<b><u>12</u></b>	<b><u>0*</u></b>	<b><u>14*</u></b>
Total caseload	14	20	15	7	14
Cases closed procedurally	11	16	8	0	12
Cases closed based on merits	<u>2</u>	<u>1</u>	<u>0</u>	<u>7</u>	<u>1</u>
<b>Total cases closed (Output)</b>	<b>13</b>	<b>17</b>	<b>8</b>	<b>7</b>	<b>13</b>
Cases pending, end of year	1	3	7	0	1

\*FY26 rates reduced due to General Counsel (GC) vacancy; FY27 estimate assumes confirmed GC by end of FY26.

<b>Representation Cases</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Cases pending, start of year	2	4	5	6	7
<b>Cases filed (Intake)</b>	<b><u>5</u></b>	<b><u>3</u></b>	<b><u>6</u></b>	<b><u>5*</u></b>	<b><u>5*</u></b>
Total caseload	7	7	11	11	12
Cases closed procedurally	0	0	1	0	0
Cases closed based on merits	<u>5</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>3</u>
<b>Total cases closed (Output)</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>3</b>
Cases pending, end of year	4	5	6	7	9

\* Rates may be reduced due to EO 14521 depending on the duration/outcome of EO 14521 litigation. Intake and closure rates may be affected by representation-case-processing changes contemplated by the FLRA's organizational changes.

**New Measure 1.1.1a:** For all case types filed before FY26, the percentage the Authority will decide or otherwise resolve.

<b>Results</b>		<b>Targets</b>	
<b>2026</b>	TBD% (TBD/TBD cases) – TBD	<b>2026</b>	95%
		<b>2027</b>	100%

**New Measure 1.1.1b:** The percentage of Arbitration, ULP, and Representation\* cases decided or otherwise resolved by the Authority within 365 days of receiving the initial filing.

<b>Results</b>		<b>Targets</b>	
<b>2026</b>	TBD% (TBD/TBD cases) – TBD	<b>2026</b>	90%
		<b>2027</b>	90%

\* Measure may be affected by representation case-processing changes contemplated by the FLRA's organizational changes.

**New Measure 1.1.1c:** The percentage of Negotiability cases decided or otherwise resolved by the Authority within 365 days of receiving the petition for review.

Results		Targets	
<b>2026</b>	TBD% (TBD/TBD cases) – <i>TBD</i>	<b>2026</b>	75%
		<b>2027</b>	75%

**Measure 1.1.1d:** The percentage of representation cases in which the Authority issued a decision whether to grant review within 60 days of the filing of an application for review.\*

Results		Targets	
<b>2024</b>	100% – (6/6 cases) - <i>Met</i>	<b>2024</b>	100%
<b>2025</b>	100% – (7/7 cases) - <i>Met</i>	<b>2025</b>	100%
		<b>2026</b>	100%
		<b>2027</b>	100%

\* Measure may be affected by representation case-processing changes contemplated by the FLRA's organizational changes.

### OFFICE OF GENERAL COUNSEL

ULP Cases	2023	2024	2025	2026 Est.	2027 Est.
Cases pending, start of year	1291	1104	1433	1254	1760
Charges filed ( <b>Intake</b> )	<u>2641</u>	<u>2877</u>	<u>1518</u>	<b>2603*</b>	<b>2358*</b>
<b>Total caseload</b>	<b>3932</b>	<b>3981</b>	<b>2951</b>	<b>3857</b>	<b>4118</b>
Charges withdrawn/settled	1951	2075	1343	1719	1417
Charges dismissed	452	470	354	378	315
Complaints issued	<u>425</u>	<u>0<sup>1</sup></u>	<u>0<sup>1</sup></u>	<u>0<sup>1</sup></u>	<u>125<sup>1</sup></u>
<b>Total cases closed (Output)*</b>	<b>2828</b>	<b>2545</b>	<b>1697</b>	<b>2097</b>	<b>1857</b>
<b>Cases pending, end of year</b>	<b>1104</b>	<b>1433</b>	<b>1254</b>	<b>1760</b>	<b>2261</b>

<sup>1</sup> The OGC General Counsel is vacant. Complaints and Appeals estimates assume a General Counsel in place in that FY.

\*Rates may be reduced due to EO 14521 and depends on the duration/outcome of EO 14521 litigation.

**Measure 1.1.1e:** The percentage of ULP charges resolved by the Office of the General Counsel by Complaint, withdrawal, dismissal, or settlement within 120 days of filing of the charge.

Results		Targets	
<b>2023</b>	73% – (2053/2828 cases) - <i>Met</i>	<b>2023</b>	<b>70%</b>
<b>2024</b>	50% – (1278/2545 cases) - <i>Not Met</i>	<b>2024</b>	70%
<b>2025</b>	50% – (841/1697 cases) - <i>Not Met</i>	<b>2025</b>	70%
		<b>2026</b>	70%
		<b>2027</b>	70%

**Measure 1.1.1f (Previously 1.1.2e):** The percentage of ULP charges resolved by the OGC by Complaint, withdrawal, dismissal, or settlement within 240 days of filing of the charge.

Results		Targets	
<b>2023</b>	93% – (2636/2828 cases) - <i>Not Met</i>	<b>2023</b>	95%
<b>2024</b>	91% – (2307/2548 cases) - <i>Not Met</i>	<b>2024</b>	95%
<b>2025</b>	90% – (1519/1697 cases) - <i>Not Met</i>	<b>2025</b>	95%
		<b>2026</b>	95%
		<b>2027</b>	95%

<b>Representation Cases</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>	<b>2027 Est.*</b>
Cases pending, start of year	83	58	55	104	229
<b>Petitions filed (Intake)</b>	<b><u>168</u></b>	<b><u>185</u></b>	<b><u>277</u></b>	<b><u>290*</u></b>	<b><u>290*</u></b>
Total caseload	250	243	332	394	519
Petitions withdrawn	65	85	73	70	70
Cases closed based on merits	<u>128</u>	<u>102</u>	<u>155</u>	<u>95</u>	<u>95</u>
<b>Total cases closed (Output)*</b>	<b>193</b>	<b>187</b>	<b>228</b>	<b>165</b>	<b>165</b>
Cases pending, end of year	58	55	104	229	354

\*Rates may be reduced due to EO 14521 and depends on the duration/outcome of EO 14521 litigation. Intake and closure rates may be affected by representation-case-processing changes contemplated by the FLRA's organizational changes.

**Measure 1.1.1g (Previously 1.1.1m):** The percentage of representation cases resolved by the OGC through withdrawal, election, or issuance of a Decision and Order within 120 days of the filing of a petition.\*

<b>Results</b>		<b>Targets</b>	
<b>2023</b>	59% (113/193 cases) - <i>Not Met</i>	<b>2023</b>	70%
<b>2024</b>	67% (125/187 cases) - <i>Not Met</i>	<b>2024</b>	70%
<b>2025</b>	81% (184/228 cases) - <i>Met</i>	<b>2025</b>	70%
* This measure may be affected by representation case-processing changes contemplated by the FLRA's organizational changes.		<b>2026</b>	70%
		<b>2027</b>	70%

**Measure 1.1.1h:** The percentage of representation cases resolved by the OGC through withdrawal, election, or issuance of a Decision and Order within 365 days of the filing of a petition.\*

<b>Results</b>		<b>Targets</b>	
<b>2023</b>	96% (185/193 cases) - <i>Met</i>	<b>2023</b>	95%
<b>2024</b>	95% (177/187 cases) - <i>Met</i>	<b>2024</b>	95%
<b>2025</b>	100% (228/228 cases) - <i>Met</i>	<b>2025</b>	95%
* This measure may be affected by representation case-processing changes contemplated by the FLRA's organizational changes.		<b>2026</b>	95%
		<b>2027</b>	95%

<b>ULP Appeals</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Appeals pending, start of year	367	414	548	634	735
<b>Appeals filed (Intake)</b>	<b><u>127</u></b>	<b><u>148</u></b>	<b><u>91</u></b>	<b><u>115*</u></b>	<b><u>95*</u></b>
Total caseload	479	562	639	749	830
<b>Appeals closed (Output)</b>	<b><u>80</u></b>	<b><u>14</u><sup>1</sup></b>	<b><u>5</u><sup>1</sup></b>	<b><u>14</u><sup>1</sup></b>	<b><u>200</u><sup>1</sup></b>
Appeals pending, end of year	414	548	634	735	630

<sup>1</sup> The OGC General Counsel is vacant. Cases addressed during a GC vacancy were withdrawn or found not timely filed. Complaints and Appeals estimates assume a General Counsel in place in that FY.

\*Rates may be reduced due to EO 14521 and depends on the duration/outcome of EO 14521 litigation.

**Measure 1.1.1i:** The percentage of decisions on an appeal of a Regional Director's dismissal of a ULP charge issued by the General Counsel within 60 days of the date filed, and in no case more than 120 days.\*

Results		Targets	
<b>2023</b>	100% (80/80)	<b>2023</b>	95%
<b>2024</b>	100% (14/14) - <i>Met</i>	<b>2024</b>	95%
<b>2025</b>	100% (5/5) - <i>Met</i>	<b>2025</b>	95%
* The OGC General Counsel is vacant. Cases addressed during a GC vacancy were withdrawn or found not timely filed.		<b>2026</b>	95%
		<b>2027</b>	95%

### **FEDERAL SERVICE IMPASSES PANEL**

Impasses	2023	2024	2025	2026 Est.	2027 Est.
Cases pending, start of year	16	17	21	13	0
<b>Impasses filed (Intake)</b>	<b>84</b>	<b>88</b>	<b>45*</b>	<b>45*</b>	<b>90<sup>1</sup></b>
Total caseload	100	105	66	58	90
Panel Decision	11	11	4		
Panel declined jurisdiction	23	12	14		
Settled with Panel assistance	17	28	14		
Voluntarily withdrawn	32	33	21		
<b>Cases closed total (Output)</b>	<b>83</b>	<b>84</b>	<b>53</b>	<b>58</b>	<b>90</b>
Cases pending, end of year	17	21	13	0	0

\*Panel vacant as of February 2025. Rates may be reduced due to EO 14521 or the duration/outcome of EO 14521 litigation.

<sup>1</sup>Rates calculated based on expectation of having a full Panel.

**Measure 1.1.1j:** The percentage of bargaining-impasse cases in which the FSIP declines jurisdiction within 140 days of the date filed.

Results		Targets	
<b>2022</b>	100% - (29/29 cases) - <i>Met</i>	<b>2022</b>	90%
<b>2024</b>	100% - (12/12 cases) - <i>Met</i>	<b>2024</b>	90%
<b>2025</b>	100% - (14/14 cases) - <i>Met</i>	<b>2025</b>	90%
		<b>2026</b>	90%
		<b>2027</b>	90%

**Measure 1.1.1k:** The percentage of bargaining-impasse cases that are voluntarily settled within 160 days of the date filed.

Results		Targets	
<b>2023</b>	100% - (18/18 cases) - <i>Met</i>	<b>2023</b>	80%
<b>2024</b>	93% - (26/28 cases) - <i>Met</i>	<b>2024</b>	80%
<b>2025</b>	100% - (14/14 cases) - <i>Met</i>	<b>2025</b>	80%
		<b>2026</b>	80%
		<b>2027</b>	80%



**Measure 1.1.1l:** The percentage of bargaining-impasse cases that the FSIP resolves through final action that are closed within 200 days of the date filed.

Results		Targets	
<b>2023</b>	86%— (6/7 cases) - <i>Met</i>	<b>2023</b>	80%
<b>2024</b>	100%— (11/11 cases) - <i>Met</i>	<b>2024</b>	80%
<b>2025</b>	100%— (4/4 cases) - <i>Met</i>	<b>2025</b>	80%
		<b>2026</b>	80%
		<b>2027</b>	80%

## Strategic Objective 1.2: Provide appropriate Statutory Guidance and Training

### Performance Goal 1.2.1: Provide in-person and digital training for the federal sector labor-management community

The FLRA delivers guidance and training to the federal sector labor-management community. Trainings are in-person, virtual, and on-demand (YouTube).

**Measure 1.2.1a:** The number of training recipients.

Results		Targets	
<b>FY23</b>	22,946 - <i>Met</i>	<b>FY23</b>	15,000
<b>FY24</b>	39,993 - <i>Met</i>	<b>FY24</b>	15,000
<b>FY25</b>	32,208 - <i>Met</i>	<b>FY25</b>	15,000
		<b>FY26</b>	15,000
		<b>FY27</b>	15,000

**Measure 1.2.1b:** The number of times on-demand online training is used.

Results		Targets	
<b>FY23</b>	18,000+ - <i>Met</i>	<b>FY23</b>	1,000
<b>FY24</b>	27,000+ - <i>Met</i>	<b>FY24</b>	5,000
<b>FY25</b>	21,000+ - <i>Met</i>	<b>FY25</b>	5,000
		<b>FY26</b>	5,000
		<b>FY27</b>	5,000

### Performance Goal 1.2.2: Update guidance to ensure consistency with current case law and practices

**New Measure 1.2.2a:** Update one guidance document.

Results	Targets	
	<b>FY26</b>	1
	<b>FY27</b>	1

## **Strategic Goal 2: Align resources to enable the Agency to efficiently fulfill its statutory mission.**

The FLRA's ability to fulfill its Statutory mission depends on excellent management of the organization and its resources. The Federal workplace continues to evolve and the Agency must respond to rapidly changing influxes or reductions in workload. The FLRA will continue to use technology and data analytics to align all of our resources to support mission priorities for more efficient case processing.

### **Strategic Objective 2.1: Use technology to streamline and enhance organizational operations**

#### **Performance Goal 2.1.1: Improve e-filing capabilities and continue developing a uniform case management system across the Agency**

<b>Measure 2.1.1a: Expand the use of electronic filing for all components.</b>	
<b>Results</b>	
<b>2023</b>	<ul style="list-style-type: none"><li>• Successfully amended the regulations to include opt-in for electronic service of documents</li><li>• Further modification of regulations underway to update negotiability case filing/processing, and workgroup established to recommend additional changes to procedural regulations</li><li>• Updated eFiling application to add functionality to support regulatory changes/updates</li><li>• Overall, 79% of cases eFiled, falling short of our goal of 80%. Lack of funding stymied development work to accommodate eFiling improvements</li></ul>
<b>2024</b>	<ul style="list-style-type: none"><li>• 100% of cases filed with OALJ are now eFiled.</li><li>• Cases eFiled: 77% (Goal 80%) Lack of funding slowed work re: eFiling improvements</li></ul>
<b>2025</b>	<ul style="list-style-type: none"><li>• 84% of cases eFiled agency-wide. (Goal of 80%).</li><li>• 87% of cases filed with the Authority eFiled.</li></ul>
<b>Targets</b>	
<b>2026</b>	<ul style="list-style-type: none"><li>• Investigate additional filing/submission types for addition to eFiling system.</li><li>• Implement significant regulatory changes to align with Electronic Case Filing modernization efforts.</li></ul>
<b>2027</b>	<ul style="list-style-type: none"><li>• Implement additional filing/submission types to eFiling system.</li><li>• Implement significant regulatory changes to align with Electronic Case Filing modernization efforts.</li></ul>

<b>Measure 2.1.1b: Move the FLRA towards 100% electronic case files, electronic permanent records, and electronic case management.</b>	
<b>Results</b>	
<b>2023</b>	<ul style="list-style-type: none"><li>• Development efforts have come to a standstill due to insufficient development funds.</li><li>• Minor improvements to the Authority CMS system</li></ul>
<b>2024</b>	<ul style="list-style-type: none"><li>• Development underway for the OGC Component CMS.</li></ul>
<b>2025</b>	<ul style="list-style-type: none"><li>• Significant progress on development of the OGC component (ULP and NEG) CMS.</li><li>• Major structural modifications initiated to accommodate regulatory changes to Representation Case processing and other matters.</li></ul>
<b>Targets</b>	
<b>2026</b>	<ul style="list-style-type: none"><li>• Complete development effort for OGC ULP and Negotiability CMS.</li></ul>

	<ul style="list-style-type: none"> <li>• Complete development for unified, streamlined Representation Case CMS.</li> </ul>
<b>2027</b>	<ul style="list-style-type: none"> <li>• Finalize needed changes for OGC, and REP CMS, and begin FSIP component CMS development.</li> <li>• Align Agency policies and procedures for 100% electronic records.</li> </ul>

### **Performance Goal 2.1.2: Continue maturation of cybersecurity program, controls, and measures**

**Measure 2.1.2a:** Achieve an exceptional level of information security by increasing the percentage of systems using a zero-trust model and multifactor authentication and by promptly complying with cybersecurity orders and directives.

<b>Results</b>	
<b>2023</b>	<ul style="list-style-type: none"> <li>• 80% of systems are fully Zero Trust, but lack of funding for modernization of systems has prohibited progress</li> </ul>
<b>2024</b>	<ul style="list-style-type: none"> <li>• 85% of systems fully Zero Trust, MFA added where fiscally feasible.</li> <li>• Funding continued to be greatest hurdle in achieving 100% Zero Trust, MFA.</li> </ul>
<b>2025</b>	<ul style="list-style-type: none"> <li>• Achieved an overall NIST maturity model rating of 4+ in the OIG's annual review of FISMA compliance</li> <li>• Instituted rigorous new cybersecurity controls on public facing information resources.</li> </ul>
<b>Targets</b>	
<b>2026</b>	<ul style="list-style-type: none"> <li>• Continued improvement in maturity model rating</li> <li>• Investigation into opportunities for AI integration for operational and technical efficiencies.</li> </ul>
<b>2027</b>	<ul style="list-style-type: none"> <li>• Full alignment with all administration goals.</li> <li>• 100% Zero Trust architecture, MFA in all internal and external facing systems.</li> </ul>

### **Strategic Objective 2.2: Prioritize and manage available resources to best achieve the Agency's statutory mission**

#### **Performance Goal 2.2.1: Improve Agency agility and knowledge transfer through cross-component training and details**

**New Measure 2.2.1a:** Provide cross-component training opportunities.

<b>Results</b>	
<b>2025</b>	<ul style="list-style-type: none"> <li>• Conduct cross-component training on representation caselaw and case-handling procedures.</li> <li>• Maintain and grow Agency expertise by providing detail opportunities.</li> <li>• Provide informal professional growth opportunities.</li> </ul>
<b>Targets</b>	
<b>2026</b>	<ul style="list-style-type: none"> <li>• Conduct cross-component training on representation caselaw and case-handling procedures.</li> <li>• Maintain and grow Agency expertise by providing detail opportunities.</li> <li>• Provide informal professional growth opportunities.</li> </ul>
<b>2027</b>	<ul style="list-style-type: none"> <li>• Maintain and grow Agency expertise by providing detail opportunities.</li> <li>• Continue to provide informal professional growth opportunities.</li> </ul>

## Performance Goal 2.2.2: Ensure mission alignment with performance plans in all areas of the Agency

New Measure 2.2.2a: Update performance documents across the Agency.	
Results	
<b>2025</b>	<ul style="list-style-type: none"> <li>Update all performance plans/standards to ensure they are current and aligned with the Strategic Plan.</li> <li>Update all position descriptions to ensure they are current and aligned with the Strategic Plan.</li> <li>Update USA Performance to reflect these updates.</li> </ul>
Targets	
<b>2026</b>	<ul style="list-style-type: none"> <li>85% Compliance with updating performance plans/standards.</li> <li>85% Compliance with updating position descriptions.</li> <li>85% Compliance with updating USA Performance to reflect these changes.</li> </ul>
<b>2027</b>	<ul style="list-style-type: none"> <li>95% Compliance with updating performance plans/standards.</li> <li>95% Compliance with updating position descriptions.</li> <li>95% Compliance with updating USA Performance to reflect these changes.</li> </ul>

### Discontinued Measures

#### Discontinued Negotiability Measures

Previously Measure 1.1.1e: The average age of negotiability cases decided or otherwise resolved by the Authority.*			
Results		Targets	
<b>2024</b>	35 days - <i>Met</i>	<b>2024</b>	125 days
<b>2025</b>	90 days - <i>Not Met</i>	<b>2025</b>	33 days
* Measure discontinued beginning FY26. Replaced by listed new measures.		<b>2026</b>	N/A

Previously Measure 1.1.1f: The average age of negotiability cases pending before the Authority.*			
Results		Targets	
<b>2024</b>	234 days - <i>Not Met</i>	<b>2024</b>	200 days
<b>2025</b>	225 days - <i>Not Met</i>	<b>2025</b>	222 days
*Measured at the end of the fiscal year. Measure discontinued beginning FY26. Replaced by listed new measures.		<b>2026</b>	N/A

Previously Measure 1.1.2c: The percentage of negotiability cases decided or otherwise resolved by the Authority within 365 days of the filing of a petition for review.*			
Results		Targets	
<b>2024</b>	100% – (24/24 cases) - <i>Met</i>	<b>2024</b>	75%
<b>2025</b>	90% – (28/31 cases) - <i>Met</i>	<b>2025</b>	75%
* Measure discontinued beginning FY26. Replaced by listed new measures.		<b>2026</b>	N/A

## **Discontinued ULP Measures**

**Previously Measure 1.1.1g:** The average age of ULP cases decided or otherwise resolved by the Authority.\*

Results		Targets	
<b>2024</b>	64 days - <i>Met</i>	<b>2024</b>	85 days
<b>2025</b>	58 days - <i>Met</i>	<b>2025</b>	61 days
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

**Previously Measure 1.1.1h:** The average age of ULP cases pending before the Authority.\*

Results		Targets	
<b>2024</b>	122 days - <i>Met</i>	<b>2024</b>	135 days
<b>2025</b>	151 days - <i>Not Met</i>	<b>2025</b>	116 days
		<b>2026</b>	N/A

\*Measured end of FY. Measure discontinued FY26. Replaced by new measures.

**Previously Measure 1.1.1j:** The percentage of ULP cases decided or otherwise resolved by the Authority within 300 days of assignment to a Member office.\*

Results		Targets	
<b>2024</b>	100% – (1/1 cases) - <i>Met</i>	<b>2024</b>	75%
<b>2025</b>	0 cases – <i>N/A</i>	<b>2025</b>	75%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

**Previously Measure 1.1.2c:** The percentage of ULP cases decided or otherwise resolved by the Authority within 365 days of assignment to a Member office.\*

Results		Targets	
<b>2024</b>	100% – (1/1 cases) - <i>Met</i>	<b>2024</b>	90%
<b>2025</b>	0 cases – <i>N/A</i>	<b>2025</b>	90%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

## **Discontinued Representation Measures**

**Previously Measure 1.1.1k:** The average age of representation cases decided or otherwise resolved by the Authority.\*

Results		Targets	
<b>2024</b>	38 days - <i>Met</i>	<b>2024</b>	85 days
<b>2025</b>	61 days – <i>Not Met</i>	<b>2025</b>	36 days
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

**Previously Measure 1.1.1l:** The average age of representation cases pending before the Authority.\*

Results		Targets	
<b>2024</b>	141 days - <i>Not Met</i>	<b>2024</b>	50 days
<b>2025</b>	215 days - <i>Not Met</i>	<b>2025</b>	134 days
		<b>2026</b>	N/A

\*Measured end of FY. Measure discontinued FY26. Replaced by new measures.

**Measure 1.1.1o:** The percentage of representation cases decided or otherwise resolved by the Authority within 210 days of assignment to a Member office.\*

Results		Targets	
<b>2024</b>	100% - (2/2 cases) - <i>Met</i>	<b>2024</b>	75%
<b>2025</b>	100% - (5/5 cases) - <i>Met</i>	<b>2025</b>	75%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

**Measure 1.1.2g:** The percentage of representation cases decided or otherwise resolved by the Authority within 365 days of assignment to a Member office.\*

Results		Targets	
<b>2024</b>	100% – (2/2 cases) - <i>Met</i>	<b>2024</b>	90%
<b>2025</b>	100% – (5/5 cases) - <i>Met</i>	<b>2025</b>	90%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

### **Discontinued Case Intake and Publication (CIP) Measures**

**Previously Measure 1.1.1x:** CIP will assign the case to a Member office within 5 days of the due date for a final filing (regardless of whether such a filing has been received).\*

Results		Targets	
<b>2024</b>	100% - (65/65 cases) - <i>Met</i>	<b>2024</b>	75%
<b>2025</b>	100% - (47/47 cases) - <i>Met</i>	<b>2025</b>	75%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

**Previously Measure 1.1.1y:** CIP will assign the case to a Member office within 21 days of due date of final filing.\*

Results		Targets	
<b>2024</b>	100% - (65/65 cases) - <i>Met</i>	<b>2024</b>	100%
<b>2025</b>	100% - (47/47 cases) - <i>Met</i>	<b>2025</b>	100%
		<b>2026</b>	N/A

\* Measure discontinued beginning FY26. Replaced by listed new measures.

### **Discontinued IT Measures**

**Measure 2.1.2b** Assess how internal and external customers perceive the effectiveness of the Agency's IT modernization efforts.

Results	
<b>2024</b>	<ul style="list-style-type: none"> <li>• Sharp increase in engagement from stakeholders seeking additional case types for eFiling eligibility.</li> <li>• Increases in reliability and resilience of public-facing IT resources resulted in sharp decreases of reports and complaints from stakeholders.</li> </ul>
<b>2025</b>	<ul style="list-style-type: none"> <li>• Sharp increase in engagement from stakeholders seeking additional case types for eFiling eligibility.</li> <li>• Increases in reliability and resilience of public-facing IT resources resulted in sharp decreases of reports and complaints from stakeholders.</li> </ul>
Targets	
<b>2026</b>	<ul style="list-style-type: none"> <li>• Apply lessons learned and improve surveying for new development work for the OGC Component Case Management System.</li> <li>• Maintain open dialog with internal and external customers to best diagnose, assess, and plan future fixes and enhancements.</li> </ul>
<b>2027</b>	<ul style="list-style-type: none"> <li>• Apply lessons learned and improve surveying for new development work for the remaining components' CMS.</li> <li>• Maintain open dialog with internal and external customers to best diagnose, assess, and plan future fixes and enhancements.</li> </ul>



## PRINCIPAL FINANCIAL STATEMENTS

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### MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

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The FLRA's FY25 Performance and Accountability Report reflects the correlation between the programmatic and financial aspects of the agency's work. The report bridges these two areas by presenting performance results with the financial results of agency operations. The financial statements and notes that follow explain the FLRA's financial position as of September 30, 2025, and how the Agency's financial resources were expended to achieve results.

For the nineteenth consecutive year, the FLRA has received an unqualified audit opinion on its financial statements. Along with the unqualified opinion, the report of the independent auditors identified one material weakness in the design and operation of the Agency's system of internal controls over financial reporting, which the Agency has already taken steps to address. I am confident that the FLRA's financial and performance data are complete, accurate, and reliable.

With FY26 expected to be another challenging year, we will continue to focus on resolving cases fairly and efficiently, securing resources appropriate to meet our mission, implementing the President's Management Agenda, closing open recommendations, and improving our levels of employee satisfaction and morale.



Colleen Duffy Kiko  
Chairman and Chief Executive and  
Administrative Officer  
Federal Labor Relations Authority

## BALANCE SHEET

### FEDERAL LABOR RELATIONS AUTHORITY BALANCE SHEET AS OF SEPTEMBER 30, 2025 (In Dollars)

	2025
<b>Assets</b>	
Intragovernmental Assets	
Fund Balance with Treasury (Note 2)	\$ 3,780,541
Advances and Prepayments	23,326
Total Intragovernmental Assets	3,803,867
Other than Intragovernmental Assets	
Accounts Receivable, Net (Note 3)	3,275
Property, Plant, and Equipment, Net (Note 4)	195,346
Total Other than Intragovernmental Assets	198,621
<b>Total Assets</b>	<b>\$ 4,002,488</b>
<b>Liabilities</b>	
Intragovernmental Liabilities	
Accounts Payable	\$ 167,448
Other Liabilities (Note 6)	407,515
Total Intragovernmental Liabilities	574,963
Other than Intragovernmental Liabilities	
Accounts Payable	281,420
Federal Employee Salary, Leave, and Benefits Payable	2,377,695
Pension, Post-Employment, and Veterans Benefits Payable	1,240,726
Advances from Others and Deferred Revenue	1,631
Total Other than Intragovernmental Liabilities	3,901,472
<b>Total Liabilities</b>	<b>\$ 4,476,435</b>
Commitments and Contingencies (Note 8)	
<b>Net Position</b>	
Unexpended Appropriations	
Funds from Other than Dedicated Collections	\$ 2,676,137
Total Unexpended Appropriations (Consolidated)	2,676,137
Cumulative Results of Operations	
Funds from Other than Dedicated Collections	(3,150,084)
Total Cumulative Results of Operations (Consolidated)	(3,150,084)
<b>Total Net Position</b>	<b>\$ (473,947)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,002,488</b>

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

## STATEMENT OF NET COST

**FEDERAL LABOR RELATIONS AUTHORITY  
STATEMENT OF NET COST  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025  
(In Dollars)**

	2025
<b>Gross Program Costs:</b>	
Authority:	
Intragovernmental Costs	\$ 6,999,545
Public Costs	12,159,102
Total Program Costs	\$ 19,158,647
Less: Earned Revenue	(79,138)
Net Program Costs	\$ 19,079,509
 Federal Services Impasse Panel:	
Intragovernmental Costs	\$ 279,580
Public Costs	753,596
Total Program Costs	\$ 1,033,176
Less: Earned Revenue	-
Net Program Costs	\$ 1,033,176
 Office of General Counsel:	
Intragovernmental Costs	\$ 3,540,244
Public Costs	8,421,897
Total Program Costs	\$ 11,962,141
Less: Earned Revenue	(2,903)
Net Program Costs	\$ 11,959,238
 Total Gross Program Costs	\$ 32,153,964
Less: Total Earned Revenue	(82,041)
Net Cost of Operations	\$ 32,071,923

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

## STATEMENT OF CHANGES IN NET POSITION

**FEDERAL LABOR RELATIONS AUTHORITY  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025  
(In Dollars)**

	2025
<b>Unexpended Appropriations</b>	
Beginning Balance	\$ 3,368,655
Beginning Balance, as Adjusted	\$ 3,368,655
Appropriations Received	29,500,000
Other Adjustments	(650,247)
Appropriations Used	(29,542,271)
Net Change in Unexpended Appropriations	(692,518)
<b>Total Unexpended Appropriations</b>	<b>\$ 2,676,137</b>
<b>Cumulative Results of Operations</b>	
Beginning Balance	\$ (2,986,750)
Beginning Balance, as Adjusted	\$ (2,986,750)
Appropriations Used	29,542,271
Imputed Financing	2,366,218
Other	100
Net Cost of Operations	(32,071,923)
Net Change in Cumulative Results of Operations	(163,334)
<b>Total Cumulative Results of Operations</b>	<b>\$ (3,150,084)</b>
<b>Net Position</b>	<b>\$ (473,947)</b>

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

## STATEMENT OF BUDGETARY RESOURCES

**FEDERAL LABOR RELATIONS AUTHORITY  
STATEMENT OF BUDGETARY RESOURCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025  
(In Dollars)**

	2025
<b>Budgetary Resources</b>	
Unobligated Balance From Prior Year Budget Authority, Net	\$ 190,943
Appropriations	29,500,000
Spending Authority From Offsetting Collections	82,862
<b>Total Budgetary Resources</b>	<b>\$ 29,773,805</b>
<b>Status of Budgetary Resources</b>	
New Obligations and Upward Adjustments (Total) (Note 10)	\$ 29,478,562
Unobligated Balance, End of Year	
Apportioned, Unexpired Accounts	186,107
Unexpired, Unobligated Balance, End of Year	186,107
Expired, Unobligated Balance, End of Year	109,136
Unobligated Balance, End of Year (Total)	295,243
<b>Total Budgetary Resources</b>	<b>\$ 29,773,805</b>
<b>Outlays, Net and Disbursements, Net</b>	
Outlays, Net (Total)	\$ 30,381,091
<b>Agency Outlays, Net</b>	<b>\$ 30,381,091</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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

The FLRA is an independent, administrative Federal agency created by Title VII of the Civil Service Reform Act of 1978, with a mission to carry out five statutory responsibilities: (1) determining the appropriateness of units for labor organization representation; (2) resolving complaints of unfair labor practices; (3) adjudicating exceptions to arbitrators' awards; (4) adjudicating legal issues relating to duty to bargain; and (5) resolving impasses during negotiations. The agency consists of three components: the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel.

#### ***B. Basis of Accounting and Presentation***

The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and budgetary resources of the FLRA in accordance with the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, and the Accountability of Tax Dollars Act of 2002. The statements have been prepared from agency financial records in accordance with U.S. Generally Accepted Accounting Principles (GAAP), in accordance with guidance issued by the Federal Accounting Standards Advisory Board (FASAB) and the Office of Management and Budget (OMB), as prescribed in OMB Circular A-136, Financial Reporting Requirements, and pursuant to the requirements of 31 U.S.C. § 3515(b). These financial statements include all funds and accounts under the control of the FLRA.

The accounting structure of Federal agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to the receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases occur before an accrual-based transaction takes place. The recognition of budgetary accounting transactions is essential for the control and monitoring of federal funds as well as the compliance with legal constraints and controls over the use of those funds. The accompanying financial statements are prepared on the accrual basis of accounting.

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.

#### ***C. Budget Authority***

The Congress passes appropriations annually that provide the FLRA with authority to obligate funds for necessary salaries and expenses to carry out mandated program activities. These funds are available until expended, subject to OMB apportionment and to Congressional restrictions on the expenditure of funds. Also, the FLRA places internal restrictions on fund expenditures to ensure the efficient and proper use of all funds.

#### ***D. Fund Balance with Treasury***

FLRA receipts and disbursements are processed by the Department of the Treasury. Fund balances with the Treasury consist of appropriated funds that are available to pay current liabilities and to finance authorized purchase commitments. No cash is held in commercial bank accounts.



### ***E. Accounts Receivable***

Accounts receivable consists of amounts owed to FLRA by other federal agencies and the public. Amounts due from federal agencies are considered fully collectible and consist of interagency agreements. An allowance for uncollectible accounts receivable from the public is established when either (1) management determines that collection is unlikely to occur after a review of outstanding accounts and the failure of all collection efforts, or (2) an account for which no allowance has been established is submitted to the Department of the Treasury for collection, which takes place when it becomes 120 days delinquent. Based on historical experience, all receivables are considered collectible and no allowance is provided.

### ***F. General Property and Equipment (P&E)***

This category consists of equipment and internal use software. The basis for recording purchased P&E is full cost, including all costs incurred to bring FLRA P&E to and from a location suitable for its intended use. P&E is depreciated using the straight-line method over the estimated useful life of the asset. Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, provides accounting standards for internal use software used by each agency. The standards provide for capitalized property to continue to be reported on the Balance Sheet. P&E that are not capitalized because they are under the capitalization threshold are expensed in the year of acquisition.

The FLRA's capitalization threshold for individual purchases is \$25,000. Bulk purchases of similar items that individually are worth less than \$25,000, but collectively are worth more than \$100,000 are also capitalized using the same general P&E categories and useful lives as capital acquisitions. Major building alterations and renovations are capitalized, while maintenance and repair costs are charged to expense as incurred.

General P&E Category	Service Life
Software	3 Years
Computer Equipment	5 Years
Office Equipment	7 Years
Office Furniture	15 Years
Leasehold Improvements	Life of lease

### ***G. Liabilities***

Liabilities represent the amount of monies or other resources likely to be paid by the FLRA as a result of transactions or events that have already occurred. Liabilities are recognized when they are incurred, regardless of whether they are covered by available budgetary resources. FLRA 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. No liability can be paid, however, absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as not covered by budgetary resources, since there is no certainty that the appropriation will be enacted. Liabilities that are covered by budgetary resources consist of intragovernmental and public accounts payable and accrued funded payroll. Liabilities not covered by budgetary resources in FY 2025 consist of accrued and actuarial Federal Employees Compensation Act (FECA) compensation and unfunded employee leave. The Federal government, acting in its sovereign capacity, can abrogate liabilities other than contracts.

## ***H. FECA Liabilities***

An accrued FECA liability is recorded for actual and estimated future payments to be made for workers' compensation pursuant to the FECA. The actual costs incurred are reflected as a liability because agencies will reimburse the Department of Labor (DOL) two years after the actual payment of expenses. Future revenues will be used for their reimbursement to the DOL. The liability consists of: (1) the unreimbursed cost paid by the DOL for compensation to recipients under the FECA; and (2) the net present value of estimated future payments calculated by the DOL.

An estimated actuarial liability for future workers' compensation benefits is included. The liability estimate is based on the DOL's FECA actuarial model that takes the amount of benefit payments over the last twelve quarters and calculates the annual average of payments for medical expenses and compensation. This average is then multiplied by the liabilities-to-benefits paid ratios for the whole FECA program. The ratios may vary from year to year as a result of economic assumptions and other factors, but the model calculates a liability approximately twelve times the annual payments.

## ***I. Annual, Sick and Other Leave***

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent that current or prior-year appropriations are not available to finance annual leave, future financing sources will be used. Sick leave and other types of non-vested leave are expensed as taken.

Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS) or a Civil Service Retirement System Offset (CSRS offset)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Federal Employees Retirement System (FERS)-covered employees were not entitled to use unused sick leave for additional service credit until October 28, 2009. For retirements effective between October 28, 2009 and December 31, 2013, 50 percent of unused sick leave can be used for additional service credit. For retirements effective after December 31, 2013, 100 percent of unused sick leave can be credited.

## ***J. Net Position***

The components of net position are unexpended appropriations and cumulative results of operations. Unexpended appropriations include undelivered orders and unobligated balances. Undelivered orders reflect the amount of goods and services ordered that have yet to be actively or constructively received. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The cumulative results of operations represent the net results of operations since inception, the cumulative amount of prior-period adjustments, the remaining book value of capitalized assets, and future funding requirements.

## ***K. Retirement Plans***

The FLRA's employees participate in the CSRS or the FERS. For CSRS employees, hired prior to January 1, 1984, the FLRA withholds seven percent of each employee's salary and contributes seven percent of the employee's basic salary to the CSRS Retirement and Disability Fund. These employees may also contribute, on a tax-deferred basis, to a defined contribution plan – the Thrift Savings Plan (TSP). The regular Internal Revenue Service limit in FY 2025 was \$23,500. The FLRA is not required to and does not contribute any matching amounts for CSRS employees.

The FERS was established by enactment of Public Law 99-335. Pursuant to this law, the FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 elected either to join the FERS and Social Security or to remain in the CSRS. For FERS employees, the FLRA withholds 6.2 percent in old age survivors and disability insurance up to a specified wage ceiling and 0.8 percent of an employee's gross earnings for retirement. In FY 2025, the FLRA matched the retirement withholdings with a contribution equal to 18.4 percent of the employee's taxable salary. Due to enactment of the FERS Revised Annuity Employee and Further Revised Annuity Employee programs, the agency matched with a contribution equal to 16.5 percent for employees hired during and after calendar year 2013.

All employees are eligible to contribute to the TSP. For employees under the FERS, a TSP account is automatically established. The FLRA is required to make a mandatory contribution of one percent of the base salary for each employee under the FERS. The agency is required to match the employee's contribution up to a maximum of five percent of his or her salary. Matching contributions are not made to the TSP accounts established by CSRS employees. The FLRA does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, are the responsibility of the OPM.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. CSRS employees who are 65 or older are eligible for Social Security payments (even if they have not retired). In these instances, the FLRA remits the employer's share of the required contribution.

#### ***L. Imputed Financing from Costs Absorbed by Others***

The FASAB's SFFAS No. 5, Accounting for Liabilities of the Federal Government, requires that employer agencies recognize the full cost of pension, health, and life insurance benefits during their employees' active years of service. The OPM, as administrator of the CSRS and FERS plans, the Federal Employees Health Benefits Program, and the Federal Employees Group Life Insurance Program, must provide the "cost factors" that adjust the agency contribution rate to the full cost for the applicable benefit programs. An imputed financing source and corresponding imputed personnel cost is reflected in the Statement of Changes in Net Position and the Statement of Net Cost.

#### ***M. Revenue and Other Financing Sources***

The FLRA's revenues are derived from reimbursable work agreements, Freedom of Information Act collections, and a direct annual appropriation. The FLRA recognizes reimbursable work when earned, i.e., services have been provided. Each reimbursable work agreement specifies the dollar value of the agreement and is based on estimated resources needed to perform the specified services.

The agency receives an annual Salaries and Expenses appropriation from the Congress. Annual appropriations are used, within statutory limits, for salaries and administrative expenses and for operating and capital expenditures for essential P&E. Appropriations are recognized as non-exchange revenues at the time the related program expenses are incurred. Appropriations expended for capitalized P&E are recognized as expenses when an asset is consumed in operations. The FLRA's annual appropriation for FY 2025 was \$29,500,000.

#### ***N. Expired Accounts and Cancelled Authority***

Unless otherwise specified by law, annual budget authority expires for incurring new obligations at the beginning of the subsequent fiscal year. The account into which the annual authority is placed is called an

expired account. For five fiscal years, the expired account is available for expenditure to liquidate valid obligations incurred during the unexpired period. Adjustments are allowed to increase or decrease valid obligations incurred during the unexpired period that were not previously reported. At the end of the fifth expired year, the account is cancelled and any remaining money is returned to the Treasury.

#### ***O. Contingencies***

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to the agency. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. With the exception of pending, threatened, or potential litigation, a contingent liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is more likely than not, and the related future outflow or sacrifice of resources is measurable. For pending, threatened, or potential litigation, a liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is likely, and the related future outflow or sacrifice of resources is measurable.

#### ***P. Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

#### ***Q. Advances and Prepayments***

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

#### ***R. 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, 2025, were as follows:

	<b>2025</b>
<b>Status of Fund Balance With Treasury</b>	
Unobligated Balance	\$ 295,243
Obligated Balance Not Yet Disbursed	3,485,298
<b>Total</b>	<b>\$ 3,780,541</b>

U.S. government cash is accounted for on an overall consolidated basis by the Treasury. The amounts shown on the Balance Sheet represent the FLRA's right to draw on the Treasury for valid expenditures. The fund balance as shown on the FLRA records is reconciled monthly with records from the Treasury. No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

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, 2025, were as follows:

	2025
Other than Intragovernmental	
Accounts Receivable	\$ 3,275
Total Other than Intragovernmental Accounts Receivable	\$ 3,275
<b>Total Accounts Receivable</b>	<b>\$ 3,275</b>

The reported amount for accounts receivable consists of amounts owed to the FLRA by the public. There are no amounts that are deemed uncollectible as of September 30, 2025.

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

Schedule of Property, Equipment, and Software as of September 30, 2025:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
<b>2025</b>			
<b>Major Class</b>			
Computer Equipment	\$ 534,853	\$ 339,507	\$ 195,346
Office Furniture	9,077	9,077	-
<b>Total</b>	<b>\$ 543,930</b>	<b>\$ 348,584</b>	<b>\$ 195,346</b>

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

The liabilities for the FLRA as of September 30, 2025, 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.

	2025
Intragovernmental-FECA	\$ 233,531
Unfunded Leave	1,874,687
Actuarial FECA	1,240,726
Total Liabilities Not Covered by Budgetary Resources	\$ 3,348,944
Total Liabilities Covered by Budgetary Resources	1,127,491
<b>Total Liabilities</b>	<b>\$ 4,476,435</b>

Unfunded FECA liabilities consist of workers' compensation claims payable to the DOL, which will be funded in a future year, and an unfunded estimated liability for future workers' compensation claims based on data provided from the DOL. The actuarial calculation is based on benefit payments made over twelve quarters and calculates the annual average of payments. For medical expenses and compensation, this average is then multiplied by the liability-to-benefit paid ratio for the whole FECA program.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. At the end of each month the balance in the unfunded leave account is adjusted to reflect the liability at current pay rates and leave balances. Unfunded 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. All other liabilities are considered to be covered by budgetary resources.

## NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2025, were as follows:

	Current	Non-Current	Total
<b>2025</b>			
Intragovernmental Other Liabilities:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 41,230	\$ -	\$ 41,230
Employer Contributions and Payroll Taxes Payable	132,754	-	132,754
Unfunded FECA Liability	233,531	-	233,531
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 407,515</b>	<b>\$ -</b>	<b>\$ 407,515</b>
Other than Intragovernmental Other Liabilities:			
Unfunded Accrued Interest Payable	\$ -	\$ -	\$ -
<b>Total Other than Intragovernmental Other Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Other Liabilities</b>	<b>\$ 407,515</b>	<b>\$ -</b>	<b>\$ 407,515</b>

## NOTE 7: LEASES

The FLRA has operating leases for rental of office space and equipment. As a Federal agency, the FLRA is not liable for any lease terms beyond one year. All leases are federal. The FY 2025 lease expense for the FLRA office spaces is \$1,788,024.

Below is a schedule of future payments for the term of the leases:

	Office Space	Total Federal
<b>Fiscal Year</b>		
2026	\$ 1,713,151	\$ 1,713,151
2027	624,305	624,305
2028	504,157	504,157
2029	507,396	507,396
2030	510,714	510,714
After 2030	814,245	814,245
<b>Total Future Lease Payments</b>	<b>\$ 4,673,968</b>	<b>\$ 4,673,968</b>

The operating lease amount includes estimated payments for leases in current and subsequent years. Estimates are subject to change in accordance with policy adjustments.

### **Current Operating Leases**

#### **229 Peachtree Street NE, Atlanta, GA**

The FLRA has an interagency agreement with the General Services Administration for office space at 229 Peachtree Street NE, Atlanta, GA. The term is for 174 months beginning January 18, 2022. This was a forced move at the Lessor's expense. FLRA has the right to terminate the lease based on the availability of funds or with a four month notice at any point after the first twelve months of occupancy. This lease expires January 17, 2037.

#### **224 S. Michigan Avenue, Suite 445, Chicago, IL**

The FLRA has an interagency agreement with the General Services Administration for office space at 224 S. Michigan Avenue, Suite 445, Chicago, IL. The term is for 120 months beginning on December 12, 2012 and expires on December 11, 2022. On August 21, 2021 the lease was renewed for 60 months beginning December 12, 2022. FLRA has the right to terminate the lease based on the availability of funds or with a four month notice at any point after the first twelve months of occupancy. Due to exercising the early termination option, the agreement will expire on December 31, 2025.

#### **1244 Speer Boulevard, Denver, CO**

The FLRA has an interagency agreement with the General Services Administration for office space at 1244 Speer Boulevard, Denver, CO. The previous term of 57 months began on July 1, 2013 and expired on March 24, 2018. The term for the current agreement is for 120 months beginning on or about March 25, 2018. FLRA has the right to terminate the lease based on the availability of funds or with a four month notice at any point after the first twelve months of occupancy. This lease expires March 24, 2028.

#### **1400 K Street NW, Suite 300, Washington, DC**

The FLRA has an interagency agreement with the General Services Administration for office space at 1400 K Street NW, Suite 300, Washington, DC. The term is for 87 months beginning on or about June 1, 2014. The term for the current agreement is for 120 months beginning on or about March 25, 2018. May 20, 2020, the lease agreement was modified to 60 months beginning September 14, 2021. FLRA has the right to terminate the lease based on the availability of funds or with a four month notice at any point after the first twelve months of occupancy. This lease expires September 14, 2026.

#### **1301 Clay Street, Oakland, CA**

The FLRA has an interagency agreement with the General Services Administration for office space at 1301 Clay Street, Oakland, CA. The term is for 120 months beginning on or about March 1, 2021. FLRA has the right to terminate the lease based on the availability of funds or with a four month notice at any point after the first twelve months of occupancy. This lease expires February 28, 2031.

### **NOTE 8. COMMITMENTS AND CONTINGENCIES**

The FLRA is, at times, a party in various administrative proceedings, legal actions, and claims brought by or against the agency. In the opinion of FLRA management, the ultimate resolution of any proceedings,



actions, and claims will not materially affect financial position or results of operations of the FLRA. The agency examined its FY 2020 obligations prior to cancellation and believes that it does not have any outstanding commitments or contingencies that will require future resources to liquidate.

## **NOTE 9. INTRAGOVERNMENTAL COSTS AND REVENUES**

The classification of revenue or cost as “intragovernmental” or “other than intragovernmental” is determined on a transaction by transaction basis. Preceding transactions in the lifecycle of a product will not have an impact on subsequent transactions. If the FLRA purchases goods or services from another Federal entity, capitalizes them into inventory, and later resells them to the public, the cost of the original purchase of resale assets from the other Federal entity will be classified as “intragovernmental” at the time of the purchase. At ultimate sale to the end user, the resulting cost of goods will be classified as “other than intragovernmental.” The purpose of this classification is to enable the Federal government to provide consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue.

## **NOTE 10. APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS**

All obligations incurred are characterized as Category A, quarterly apportioned, and Category B, apportioned by activities, projects, objects, or a combination of these categories, on the Statement of Budgetary Resources. New obligations and upward adjustments incurred and reported in the Statement of Budgetary Resources in 2025 consisted of the following:

	<b>2025</b>
Direct Obligations, Category A	\$ 29,396,537
Reimbursable Obligations, Category B	82,025
<b>Total New Obligations and Upward Adjustments</b>	<b>\$ 29,478,562</b>

Category A apportionments distribute budgetary resources by fiscal quarters. Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories.

## **NOTE 11. UNDELIVERED ORDERS AT THE END OF THE PERIOD**

Budgetary resources obligated for undelivered orders as of September 30, 2025 were as follows:

	<b>Intragovernmental</b>	<b>Other than Intragovernmental</b>	<b>Total</b>
<b>2025</b>			
Paid Undelivered Orders	\$ 23,326	\$ -	\$ 23,326
Unpaid Undelivered Orders	938,514	1,420,925	2,359,439
<b>Total Undelivered Orders</b>	<b>\$ 961,840</b>	<b>\$ 1,420,925</b>	<b>\$ 2,382,765</b>

## **NOTE 12. 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 2025 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2026 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2026 Budget of the United States Government, with the "Actual" column completed for 2024, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

### NOTE 13. INCIDENTAL CUSTODIAL COLLECTIONS

Custodial collections are reflected in Fund Balance with Treasury during the year. While these collections are considered custodial, they are neither primary to the mission of the agency nor material to the overall financial statements. There were no custodial collections for the year ended September 30, 2025. Custodial collections are transferred to the Treasury General Fund on September 30 and are not reflected in the financial statements of the Agency.

### 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, 2025:

	Intragovern- mental	Other than Intragovern- mental	Total
<b>Net Operating Cost (Revenue) Reported on Statement of Net Cost</b>	<b>\$ 10,737,229</b>	<b>\$ 21,334,694</b>	<b>\$ 32,071,923</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(106,970)	(106,970)
<b>Increase/(Decrease) in Assets Not Affecting Budgetary Outlays:</b>			
Accounts Receivable, Net	-	(4,846)	(4,846)
Advances and Prepayments	13,700	-	13,700
<b>(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:</b>			
Accounts Payable	(5,543)	52,080	46,537
Federal Employee Salary, Leave, and Benefits Payable	-	576,288	576,288
Pension, Other Post-Employment, and Veterans Benefits Payable	-	(3,418)	(3,418)
Advances from Others and Deferred Revenue	-	1,698	1,698
Other Liabilities	152,397	-	152,397
<b>Financing Sources:</b>			
Imputed Cost	(2,366,218)	-	(2,366,218)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (2,205,664)</b>	<b>\$ 514,832</b>	<b>\$ (1,690,832)</b>
<b>Misc Items</b>			
Custodial/Non-Exchange Revenue	31,754	(31,754)	-
<b>Total Other Reconciling Items</b>	<b>\$ 31,754</b>	<b>\$ (31,754)</b>	<b>\$ -</b>

<b>Total Net Outlays (Calculated Total)</b>	<b>\$</b>	<b>8,563,319</b>	<b>\$</b>	<b>21,817,772</b>	<b>\$</b>	<b>30,381,091</b>
<b>Budgetary Agency Outlays, net</b>					<b>\$</b>	<b>30,381,091</b>

#### **NOTE 15: SUBSEQUENT EVENTS**

Subsequent events and transactions occurring after fiscal year-end through the date of the auditor's opinion have been evaluated for potential recognition of disclosure in the financial statements. The date of the auditor's opinion also represents the date that the financial statements were available to be issued.

## REPORT OF INDEPENDENT AUDITORS

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### Independent Auditor's Report

To Chairman Colleen Duffy Kiko  
Federal Labor Relations Authority

In our audit of the fiscal year 2025 financial statements of the Federal Labor Relations Authority (FLRA), we found:

- FLRA's financial statements as of and for the fiscal year ended September 30, 2025, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- one material weakness in FLRA's internal control over financial reporting based on the limited procedures we performed; and
- no reportable non-compliance with provisions of applicable laws, regulations, and contracts we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI) such as Management's Discussion and Analysis and other information included with the financial statements; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations and contracts and (4) agency comments.

### Report on the Financial Statements

#### Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited FLRA's financial statements. FLRA's financial statements comprise the balance sheet as of September 30, 2025, the related statements of net cost, changes in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements.

In our opinion, FLRA's financial statements present fairly, in all material respects, FLRA's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards and guidance contained in the Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB guidance 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 FLRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

FLRA's management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in FLRA's Performance and Accountability Report (PAR), and ensuring the consistency of that information with the audited financial statements and RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (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) to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards and OMB Bulletin No. 24-02 guidance will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards and OMB Bulletin No. 24-02 guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FLRA's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.



Required Supplementary Information

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

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. 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 the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

FLRA'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 FLRA's PAR. The other information comprises Messages from the Chairman and Chief Executive Officer, and Other Accompanying Information. 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 exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Report on Internal Control over Financial Reporting**

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

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a deficiency in internal control that we consider to be a material weakness. The details of this material weakness are presented in Exhibit A.

Independent Auditor's Report (continued)

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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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance. 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.

We noted other non-reportable matters involving internal control and its operation that we will communicate in a separate management letter to FLRA's management.

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

We performed our procedures related to FLRA's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

FLRA's 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 FLRA's financial statements as of and for the fiscal year ended September 30, 2025, in accordance with U.S. generally accepted government auditing standards, we considered FLRA'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 FLRA's internal control over financial reporting. Accordingly, we do not express an opinion on the FLRA'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 (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations and contracts, noncompliance with which could have a material effect on the financial statements.



Independent Auditor's Report (continued)

Page 5

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 FLRA's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of FLRA'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, and Contracts**

In connection with our audit of FLRA's financial statements, we tested compliance with selected provisions of applicable laws, regulations and contracts consistent with our auditor's responsibility discussed below.

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

Our tests for compliance with selected provisions of applicable laws, regulations and contracts disclosed no instances of noncompliance for Fiscal Year 2025 that would be reportable under U.S. generally accepted government auditing standards or OMB Bulleting No. 24-02. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations and contracts applicable to FLRA. Accordingly, we do not express such an opinion.

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

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

Responsibilities of Management for Compliance with Laws, Regulations and Contracts

FLRA's management is responsible for complying with laws, regulations and contracts applicable to FLRA.

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

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

Independent Auditor's Report (continued)  
Page 6

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

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations and contracts, 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 and contracts is not suitable for any other purpose.

*Rocha & Company, PC*  
Gaithersburg, Maryland  
December 22, 2025

**Introduction to Exhibit A – Internal Control Deficiency**

The internal control deficiency and finding related to financial reporting identified during our audit of FLRA's FY 2025 financial statement is presented below.

**Exhibit A: Material weakness identified at FLRA at the financial statement level.**

**A-1: Improvements are Needed in the Internal Controls over Accounts Payable and Related Accrued Expenses**

*Background:* During our year-end audit procedures, we noted that the amounts FLRA calculated and recorded as accrued expenses on the financial statements were overstated due to incorrect methodologies used by FLRA.

*Condition:* The trial balance and related financial statements presented to Rocha & Company, PC for audit showed accounts payable and accrued expenses to be \$1,084,614. After conducting our audit procedures, this balance was reduced to \$448,868. This required adjustment of \$635,746 impacted several accounts including accrued expenses, net costs, as well as other budgetary accounts such as delivered and undelivered obligations.

*Cause/Effect:* FLRA did not have a complete understanding of the criteria that needed to be met for amounts to be included as an accrued expense and therefore the methodology used to create their internal listing of accrued expenses was incorrect. As a result, an incorrect accrued expense number was initially recorded on the financial statements.

*Criteria:*

- 1) Statement of Federal Financial Accounting Standards No. 1, Accounting for Selected Assets and Liabilities, states,

Accounts payable are amounts owed by a federal entity for goods and services received from, progress in contract performance made by, and rents due to other entities.... When an entity accepts title to goods, whether the goods are delivered or in transit, the entity should recognize a liability for the unpaid amount of the goods. If invoices for those goods are not available when financial statements are prepared, the amounts owed should be estimated.

- 2) GAO's Standards for Internal Control in the Federal Government states,

Internal control comprises the plans, methods, policies and procedures used to fulfill the mission, strategic plan, goals and objectives for the entity. Internal control services as the first line of defense in safeguarding assets. In short, internal control helps managers achieve desired results through effective stewardship of public resources.

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions.

*Recommendations:*

- 1) Ensure a complete understanding is obtained as to what constitutes accounts payable and accrued expenses and how that is different from obligated, undelivered orders. In addition, increase the understanding of what accounts on the trial balance and line items on the financial statements are impacted by accruals.
- 2) Improve the existing worksheet used for accrual calculations by including contract type, services/goods received, documentation of accrual methodology and accumulate adequate support that is readily available. The spreadsheet and supporting documentation should be presented to a supervisor for review as part of the accrual review process.

*Management's Response:*

FLRA's response to the finding identified in our audit is described in the accompanying Audit Response Letter. FLRA's response was not subject to auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.




UNITED STATES OF AMERICA  
FEDERAL LABOR RELATIONS AUTHORITY

December 19, 2025

**MEMORANDUM**

TO: Dana Rooney  
Inspector General

FROM: Greg Mister, Director Budget and Finance Division

THROUGH: Michael Jeffries  
Executive Director 

SUBJECT: Management Response to the Office of Inspector General's (OIG) Annual Review  
of the Federal Labor Relations Authority's (FLRA's) Fiscal Year 2025 Financial  
Statements

Thank you to the Office of Inspector General for its diligence and professionalism throughout the audit process, as well as for the work performed to help ensure the integrity and reliability of the Agency's financial statements.

The Agency concurs with the finding and has already begun taking corrective actions to address it. We appreciate the OIG's efforts and continued collaboration in support of FLRA programs.

## OTHER ACCOMPANYING INFORMATION

### SUMMARY OF FINANCIAL STATEMENT AUDIT

<b>Audit Opinion:</b>	Unqualified				
<b>Restatement:</b>	No				
	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Material weaknesses	0	1	0	0	1

### SUMMARY OF MANAGEMENT ASSURANCES

	Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
Statement of Assurance:		Unqualified				
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material weaknesses	0	0	0	0	0	0
	Effectiveness of Internal Control over Operations (FMFIA § 2)					
Statement of Assurance:		Unqualified				
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material weaknesses	0	0	0	0	0	0
	Conformance with Financial Management System Requirements (FMFIA § 4)					
Statement of Assurance:		Systems conform				
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Non-conformances	0	0	0	0	0	0

## **IMPROPER PAYMENTS ELIMINATION AND RECOVERY**

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The Improper Payments Information Act of 2002, as amended by the Payment Integrity Information Act of 2019 (PIIA), requires agencies to annually report information on improper payments. The FLRA has reviewed all of its programs and determined that none are susceptible to significant improper payment. The IPERA also requires agencies to conduct payment-recapture audits for each program that expends \$1 million or more annually, if conducting such audits would be cost-effective. Based on the criteria set forth in Appendix C of OMB Circular A-123, the agency has also determined that it would not be cost-effective to establish a recovery-audit program for its programs that expend more than \$1 million. Recoveries are not expected to be greater than the costs incurred to identify any overpayments.

The Federal Labor Relations Authority did not have any significant improper payments to report for FY25. The FLRA's overall outlays were over \$10M, however, our commercial payment outlays were well below \$10M. Accordingly, FLRA is not deemed a high priority program. Equally, no FLRA programs are likely to be susceptible to improper payments. The FLRA's FY25 Improper Payments Risk Assessment determined that the FLRA has a low risk of improper payments. Data for this fiscal year has been uploaded to the <https://www.paymentaccuracy.gov> website.



# INSPECTOR GENERAL MEMORANDUM ON TOP MANAGEMENT CHALLENGES

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INSPECTOR GENERAL

UNITED STATES OF AMERICA  
FEDERAL LABOR RELATIONS AUTHORITY  
WASHINGTON, D.C. 20424-0001

## MEMORANDUM

DATE: September 15, 2025

TO: Colleen Duffy Kiko  
Chairman

Anne M. Wagner  
Member

FROM: Dana Rooney *Dana Rooney*  
Inspector General

SUBJECT: Top Management and Performance Challenges for Fiscal Year 2026 (MC-25-01)

Each Inspector General is required by the Reports Consolidation Act of 2000<sup>1</sup> to provide the agency head with a statement that “summarizes what the inspector general considers to be the most serious management and performance challenges facing the agency” and “briefly assesses the agency’s progress in addressing those challenges.”<sup>2</sup> The law states that the “agency head may comment on the inspector general’s statement, but may not modify the statement.”<sup>3</sup> The Inspector General’s statement must be included in the Federal Labor Relations Authority’s (FLRA) annual Performance and Accountability Report (PAR) or Agency Financial Report for Fiscal Year (FY) 2025.<sup>4</sup>

The FLRA Inspector General’s statement is based on the Office of Inspector General’s (OIG) experience and observations from our oversight work, as well as our general knowledge of the FLRA programs and operations. In the statement for this year, we identified three management and performance challenges facing the FLRA in FY 2026. These challenges include the ongoing challenges of (1) The Continued Impact on the FLRA’s Office of the General Counsel’s Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel, and (2) Meeting Cybersecurity Requirements in a Resource-Constrained Environment, challenges we reported last year. Additionally, we identified one new challenge: (3) Ensuring Current and Effective Policies and Procedures. The FLRA has taken sufficient action to effectively mitigate the challenge of Achieving Performance Goals with Insufficient Funding that we reported in the FY 2024 PAR statement.

Our analysis considers the accomplishments the FLRA reported as of August 29, 2025. We noted progress that FLRA has made on (1) The Continued Impact on the FLRA’s Office of the General

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<sup>1</sup> Pub. L. No. 106-531, § 3 (codified at 31 U.S.C. § 3516).

<sup>2</sup> 31 U.S.C. § 3516(d).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*; see also Office of Management and Budget (OMB), OMB Circular A-136, *Financial Reporting Requirements*, § II.4.4. (July 14, 2025).

Counsel's Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel, and (2) Meeting Cybersecurity Requirements in a Resource-Constrained Environment.

The attached statement describes what we consider to be the most serious management and performance challenges facing the FLRA along with a brief assessment of management's progress in addressing them. We appreciate management's strong commitment to addressing these challenges and welcome comments to our assessment.

Attachment



**Office of Inspector General  
Federal Labor Relations Authority**

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## **Top Management and Performance Challenges for Fiscal Year 2026**

### **Challenge 1: The Continued Impact on the FLRA's Office of the General Counsel's Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel**

The Office of the General Counsel (OGC) plays a fundamental role in facilitating orderly, efficient, and effective change within the Federal Government. External challenges can make it difficult to achieve the overall mission. One significant management challenge is the eight-and-a-half-year vacancy in the position of General Counsel (GC), a role that is Presidentially-appointed and Senate-confirmed (PAS) (5 U.S.C. § 7104(f)(1)).<sup>1</sup>

This vacancy has impaired the FLRA's ability to achieve its mission because issuance of unfair-labor-practice (ULP) complaints are reserved exclusively to the GC's discretion (5 U.S.C. §§ 7104(f)(2)(B), 7118(a)(1)). Thus, if there is no GC or Acting GC, then the OGC cannot issue ULP complaints. As the GC position has been vacant since January 20, 2017, and there has been no Acting GC for most of that time, OGC's ability to perform its statutory duties has been severely impaired for over eight years.

This has had negative impacts on the efficiency and effectiveness of the Federal Government's labor-management relations system government-wide. ULP charges represent workplace conflicts. When OGC cannot act on the charges, workplace conflicts simmer and distract from agency missions. Moreover, the older the case, the more potential liability increases for the Federal Government in the form of higher backpay and interest.

The vacancy has also distorted OGC practices and created further delays that hurt the agencies, individuals, and bargaining unit representatives OGC serves. Parties file ULP charges that are investigated, but cannot be prosecuted in the absence of a PAS GC or Acting GC. Years pass and the number of ULP charge recommendations waiting for action grow. Then, during the limited tenure of an Acting GC, OGC must sprint to clear out those cases before the Acting GC's term expires, all while receiving new cases. The prioritization of the backlog cases caused delays in the resolution of other OGC cases.

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<sup>1</sup> During this vacancy, Presidents have nominated individuals; the nominations expired without consideration by the full Senate. Nominations were made on: April 11, 2019; February 12, 2020; August 9, 2021; January 4, 2022; June 6, 2023; and January 8, 2024. The FLRA had Acting GCs for the periods January 20, 2017 to November 16, 2017, and March 23, 2021 to August 1, 2023.



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### Progress in Addressing this Challenge

As of the date of this statement, the GC position remains vacant. While this backlog may initially lessen with the implementation of Executive Order (EO) 14251, Exclusions from Federal Labor-Management Relations Programs (Mar. 27, 2025), and EO 14343, Further Exclusions from the Federal Labor-Management Relations Program (Aug. 28, 2025), the backlog will, nonetheless, continue to grow in the absence of a GC or Acting GC. FLRA stated that it continues to engage with key stakeholders to underscore the critical need for this position to be filled with a PAS GC.

The FLRA should continue to attempt to hasten the process of filling the GC vacancy by actively interacting with key decisionmakers and promptly addressing questions concerning nominees. The FLRA should continue these efforts in the coming year with the prospect that the vacancy may be filled in FY 2026.

### References

- EO 14251, Exclusions from Federal Labor-Management Relations Programs, 90 Fed. Reg. 14553 (Mar. 27, 2025).
- EO 14343, Further Exclusions from the Federal Labor-Management Relations Program, 90 Fed. Reg. 42683 (Aug. 28, 2025).
- FLRA, Congressional Budget Justification for FY 2026 (May 30, 2025).
- The President, B-334563 (Comp. Gen. Feb. 8, 2023) ("Subject: *Violation of the Time Limit Imposed by the Federal Vacancies Reform Act of 1998: General Counsel, Federal Labor Relations Authority*").





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### **Challenge 2: Meeting Cybersecurity Requirements in a Resource-Constrained Environment**

FLRA is a small, independent agency facing ongoing challenges in maintaining a robust cybersecurity posture while operating with constrained budgets and limited staffing. The growing complexity and frequency of cyber threats, along with increasing regulatory requirements under the Federal Information Security Modernization Act of 2014 (FISMA)<sup>2</sup>, make it difficult to keep pace with compliance expectations and operational demands. Despite progress in strengthening FLRA's information technology (IT) security, resource limitations continue to hinder the agency's ability to fully address the evolving landscape of cybersecurity risks.

In recent years, Federal cybersecurity requirements have expanded significantly. The annual FISMA review includes evaluating over 900 National Institute of Standards and Technology (NIST) controls, with agencies expected to meet stringent maturity levels across various domains, including risk management, incident response, and continuous monitoring.

The challenge lies in the disparity between the increasing cybersecurity demands and the limited funding and staffing available to small, independent agencies. While larger agencies have greater resources to address these challenges, smaller agencies often struggle to keep pace with the continuous flow of new requirements, guidance, and compliance mandates. This places additional pressure on the agency to meet government-wide cybersecurity standards without the necessary support to scale the agency's efforts.

#### **Key Issues:**

1. **Limited Resources:** As a small agency, the FLRA has limited funding and staffing to support comprehensive cybersecurity initiatives, which challenges the agency's ability to implement, monitor, and update the full range of security controls required by FISMA.
2. **Evolving Cyber Threats:** The cybersecurity landscape is dynamic, with threats becoming increasingly sophisticated and frequent. Keeping pace requires continuous investment in advanced tools, training, and expertise—resources that are often difficult to obtain due to budget constraints.
3. **Compliance and Maturity Levels:** Achieving a higher level of cybersecurity maturity, as mandated by FISMA, requires a holistic approach that encompasses risk management, continuous monitoring, and incident response.
4. **Competing Priorities:** The FLRA must balance cybersecurity requirements with other mission-critical priorities. Given finite resources, this often means making difficult decisions on funding allocation, which can lead to delays or reduced scope for cybersecurity initiatives.

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<sup>2</sup> Pub. L. No. 113-283 (codified at 44 U.S.C. ch. 35).



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Failing to address these challenges effectively can result in increased vulnerability to cyberattacks, potential data breaches, and reduced compliance with Federal security standards. Additionally, an ongoing FISMA finding related to cybersecurity may cause reputational harm, heightened oversight, and possible financial penalties.

### Progress in Addressing this Challenge

The FLRA has made significant progress in advancing its IT security environment despite the resource constraints. In OIG's FISMA review for FY 2025, the findings supported closing 24 of the 25 recommendations from the prior year's review. Additionally, there were no new findings or recommendations. The one open recommendation for the FLRA relates to internal controls for supply chain risk management. In its response to the FISMA recommendation, FLRA noted its resource constraints, but committed to exploring options to address the recommendation, including possible support from other agencies.

Further, in OIG's FISMA review for FY 2025, OIG determined that the overall maturity level of the FLRA's information security program was "managed and measurable" (Level 4), *effective*. This was a critical improvement from the prior FY, when OIG determined the level to be "consistently implemented" (Level 3), *not effective*. FLRA attributed the improvement to FLRA employing a risk-based strategy and leveraging no-cost or cost-effective shared services provided by the Federal Government to address areas of highest risk.

Additionally, in FY 2025, OIG was able to close a recommendation from its privacy and data security review, related to the Incident Response Plan for breaches involving personally identifiable information, based on FLRA's having taking appropriate action to address the recommendation. Finally, the FLRA described in its Congressional Budget Justification for FY 2026 the IT capital improvements it will prioritize with any available resources.

### References

- EO 14306, Sustaining Select Efforts to Strengthen the Nation's Cybersecurity and Amending Executive Order 13694 and Executive Order 14144, 90 Fed. Reg. 24723 (June 6, 2025).
- FLRA-OIG, *Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025*, Report No. MAR-25-09 (July 2025).
- FLRA-OIG, *Review of the Federal Labor Relations Authority's Privacy and Data Security Policies, Procedures, and Practices for Fiscal Year 2025*, Report No. MAR-25-06 (Apr. 2025).
- NIST, *NIST Cybersecurity Framework (CSF) 2.0* (Feb. 26, 2024).
- FLRA, Congressional Budget Justification for FY 2026 (May 30, 2025).





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### **Challenge 3: Ensuring Current and Effective Policies and Procedures**

Periodic review of agency policy and procedures is part of the standards of internal control in the Federal Government. These reviews serve as a crucial mechanism for identifying and addressing outdated or inadequate agency policies and are essential to enhancing internal controls utilized by management to fulfill the agency's objectives, mitigate risks in agency operations, and foster accountability. This process assists agencies in ensuring that their policies and procedures comply with current law and authoritative guidance, thereby effectively serving stakeholders such as the public, Congress, the President, and agency leadership.

Recent reviews by the OIG, conducted in FY 2024 with follow-up in FY 2025, identified various FLRA internal policies that were outdated or did not reflect current law or guidance. The OIG reviews found, in part:

- FLRA's Incident Response Policy and Standard Operating Procedure did not contain the necessary procedures for how to respond to personally identifiable information (PII) breaches and FLRA had no policy or procedures to minimize PII when testing, training, and research is conducted. FLRA addressed these findings and the OIG closed its recommendations in April 2025.
- Several FLRA policies contained nondisclosure provisions that ostensibly bound FLRA employees without inclusion of the requisite statutory language from the Whistleblower Protection Enhancement Act of 2012 (5 U.S.C. § 2302(b)(13)(A)). FLRA addressed this finding and OIG closed its recommendation in April 2025.
- FLRA policy *Protection of Personally Identifiable Information* was not current with relevant authorities. FLRA addressed the findings in that report and OIG closed its recommendations in July 2025.

FLRA promptly revised those policies OIG identified above. However, FLRA's policy about its policy system provides for a systematic and proactive approach: "A working group may be formed to: review existing FLRA policies; make recommendations regarding which policies should be updated and the timeline for doing so; and prepare proposals." FLRA Policy No. 1321, *Policy System*, § I (Sept. 7, 2018).

As of the date of this statement, the FLRA has several policies last updated in the 1980s, including its policies regarding reductions in force, workers compensation, and use of government telephone systems. While an older policy is not necessarily outdated, an older policy raises the question of whether relying on it is consistent with current law and government-wide policy.

The challenge of ensuring current and effective policies becomes especially pressing during periods of transition in Executive administration. With each new administration, there is an



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immediate initiative to implement the administration's policy priorities through the Federal agencies. This has been the case in the current calendar year, and the FLRA must manage its limited resources to assess and revise outdated or inadequate policies to ensure their adherence to applicable law and authoritative guidance.

### References

- FLRA-OIG, *Review of the Federal Labor Relations Authority's Privacy and Data Security Policies, Procedures, and Practices for Fiscal Year 2025*, Report No. MAR-25-06 (Apr. 2025).
- FLRA-OIG, *Follow-Up and Close-Out of the Review of FLRA Nondisclosure Requirements and Whistleblowing Rights*, Report No. MAR-25-05 (Apr. 2025).
- FLRA-OIG, *Follow-Up on the Evaluation of the Federal Labor Relations Authority's Compliance with the Privacy Act Mandatory Annual Training Requirement for Fiscal Year 2023*, Report No. MAR-25-08 (July 2025).
- Government Accountability Office (GAO), GAO-25-107721, *Standards for Internal Control in the Federal Government* (May 2025).
- FLRA, FLRA Policy No. 1321, *Policy System* (Sept. 7, 2018).