FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2008 AND 2007

BY

BROWN & COMPANY CPAs, PLLC

NOVEMBER 7, 2008

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2008 AND 2007

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BROWN & COMPANY CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Federal Mine Safety and Health Review Commission
Washington, DC

We have audited the accompanying balance sheet of the Federal Mine Safety and Health Review Commission (FMSHRC) as of September 30, 2008 and 2007, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements). These financial statements are the responsibility of FMSHRC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in U.S. Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements.* Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the FMSHRC as of September 30, 2008 and 2007 and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with U.S. Government Auditing Standards and OMB Bulletin No. 07-04, we have also issued a report dated November 7, 2008 on our consideration of the FMSHRC internal control over financial reporting and its compliance with provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with U.S. Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The information in "Management's Discussion & Analysis" (MD&A) is presented for the purpose of additional analysis and is required by OMB Circular No. A-136, revised *Financial Reporting Requirements*. The FMSHRC's MD&A contains a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with FMSHRC officials. Based on this limited work, we found no material inconsistencies with the financial statements, U.S. generally accepted accounting principles, or OMB guidance.

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

Brown & Company

Largo, Maryland
November 7, 2008

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BROWN & COMPANY CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Federal Mine Safety and Health Review Commission
Washington, DC

We have audited the financial statements of the Federal Mine Safety and Health Review Commission (FMSHRC) as of and for the year ended September 30, 2008 and have issued our report thereon dated November 7, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in U.S Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements.*

In planning and performing our audit, we considered the FMSHRC's internal control over financial reporting by obtaining an understanding of the FMSHRC's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide an opinion on internal control and therefore, we do not express an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies. Under standards issued by the American Institute of Certified Public Accountants and OMB Bulletin No. 07-04, a significant deficiency is a deficiency in internal control, or a combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that result in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we considered to be significant deficiencies or material weaknesses as defined above.

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

Brown & Company

Largo, Maryland
November 7, 2008

BROWN & COMPANY CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

Federal Mine Safety and Health Review Commission
Washington, DC

We have audited the financial statements of the Federal Mine Safety and Health Review Commission (FMSHRC) as of and for the year ended September 30, 2008, and have issued our report thereon dated November 7, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in U.S. Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements.*

The management of the FMSHRC is responsible for complying with laws and regulations applicable to the FMSHRC. As part of obtaining reasonable assurance about whether the FMSHRC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 07-04. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the FMSHRC.

The results of our tests of compliance disclosed no reportable instances of noncompliance with other laws and regulations discussed in the preceding paragraph that are required to be reported under U.S. Government Auditing Standards or OMB Bulletin No. 07-04.

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion. However, we noted no noncompliance with laws and regulations, which could have a direct and material effect on the determination of financial statement amounts.

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

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Largo, Maryland
November 7, 2008

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FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2008 AND 2007
(In Dollars)

	2008	2007
Assets:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 3,798,259	$ 4,699,725
Total Intragovernmental	3,798,259	4,699,725
General Property, Plant and Equipment, Net (Note 3)	81,357	57,723
Total Assets	$ 3,879,616	$ 4,757,448
Liabilities:		
Intragovernmental:		
Accounts Payable	$ 2,094	$ -
Other (Note 5)	39,607	27,498
Total Intragovernmental	41,701	27,498
Accounts Payable	150,755	94,082
Other (Note 5)	513,377	415,370
Total liabilities	$ 705,833	$ 536,950
Net Position:		
Unexpended Appropriations - Other Funds	$ 3,392,425	$ 4,427,549
Cumulative Results of Operations - Other Funds	(218,642)	(207,051)
Total Net Position	$ 3,173,783	$ 4,220,498
Total Liabilities and Net Position	$ 3,879,616	$ 4,757,448

The accompanying notes are an integral part of these statements.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(In Dollars)

	2008	2007
Program Costs:		
Commission Review		
Gross Costs (Note 7)	$ 4,313,028	$ 3,998,486
Net Program Costs	$ 4,313,028	$ 3,998,486
Administrative Law Judge Determinations		
Gross Costs (Note 7)	$ 4,040,188	$ 3,324,910
Net Program Costs	$ 4,040,188	$ 3,324,910
Net Cost of Operations	$ 8,353,216	$ 7,323,396

The accompanying notes are an integral part of these statements.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(In Dollars)

	2008	2007
Cumulative Results of Operations:		
Beginning Balances	$ (207,051)	$ (260,399)
Beginning Balances, as Adjusted	$ (207,051)	$ (260,399)
Budgetary Financing Sources:		
Appropriations Used	$ 7,936,929	$ 6,989,418
Other Financing Sources (Non-Exchange):		
Imputed Financing Sources	404,696	387,326
Total Financing Sources	$ 8,341,625	$ 7,376,744
Net Cost of Operations	$ 8,353,216	$ 7,323,396
Net Change	$ (11,591)	$ 53,348
Cumulative Results of Operations	$ (218,642)	$ (207,051)
Unexpended Appropriations:		
Beginning Balances	$ 4,427,549	$ 4,395,086
Beginning Balances, as Adjusted	$ 4,427,549	$ 4,395,086
Budgetary Financing Sources:		
Appropriations Received	$ 8,096,000	$ 7,777,652
Other Adjustments	(1,194,195)	(755,771)
Appropriations Used	(7,936,929)	(6,989,418)
Total Budgetary Financing Sources	$ (1,035,124)	$ 32,463
Total Unexpended Appropriations	$ 3,392,425	$ 4,427,549
Net Position	$ 3,173,783	$ 4,220,498

The accompanying notes are an integral part of these statements.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(In Dollars)

	2008	2007
Budgetary Resources:		
Unobligated Balance Brought Forward, October 1	$ 3,386,498	$ 3,243,153
Recoveries of Prior Year Unpaid Obligations	420,365	706,954
Budget Authority		
Appropriation	8,096,000	7,777,652
Permanently Not Available	(1,194,195)	(755,771)
Total Budgetary Resources	$ 10,708,668	$ 10,971,988
Status of Budgetary Resources:		
Obligations Incurred		
Direct	$ 7,787,182	$ 7,585,490
Unobligated Balance		
Apportioned	358,031	394,618
Unobligated Balance Not Available	2,563,455	2,991,880
Total Status of Budgetary Resources	$ 10,708,668	$ 10,971,988
Change in Obligated Balance:		
Obligated Balance, Net		
Unpaid Obligations, Brought Forward, October 1	$ 1,313,227	$ 1,451,071
Total Unpaid Obligated Balance, Net	1,313,227	1,451,071
Obligations Incurred Net	7,787,182	7,585,490
Less: Gross Outlays	7,803,270	7,016,380
Less: Recoveries of Prior Year Unpaid		
Obligations, Actual	420,365	706,954
Obligated Balance, Net, End of Period		
Unpaid Obligations	$ 876,773	$ 1,313,227
Total, Unpaid Obligated Balance, Net, End of Period	$ 876,773	$ 1,313,227
Net Outlays:		
Net Outlays:		
Gross Outlays	$ 7,803,270	$ 7,016,380
Net Outlays	$ 7,803,270	$ 7,016,380

The accompanying notes are an integral part of these statements.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and status and availability of budgetary resources of Federal Mine Safety and Health Review Commission (MSC). The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of MSC in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards approved by the principals of the Federal Accounting Standards Advisory Board (FASAB), OMB Circular A-136, *Financial Reporting Requirements* and MSC accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control MSC's use of budgetary resources.

The statements consist of the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and the Statement of Budgetary Resources. In accordance with OMB Circular A-136, the financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

B. Reporting Entity

MSC is an independent Federal agency with the mission of providing administrative trial and appellate review of legal disputes arising under the Federal Mine Safety and Health Amendments Act of 1977, Public Law 91-173, amended by Public Law 95-164.

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

C. Budgets and Budgetary Accounting

Congress enacts appropriations to permit MSC to incur obligations for specified purposes. In fiscal years 2008 and 2007, MSC was accountable for General Fund appropriations. MSC recognizes budgetary resources as assets when cash (funds held by the U.S. Treasury) is made available through the Department of Treasury General Fund warrants.

D. Basis of Accounting

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED*)*

E. Revenues & Other Financing Sources

Congress enacts annual appropriations to be used, within statutory limits, for operating and capital expenditures.

Appropriations are recognized as a financing source when expended. Appropriations expensed for capitalized property and equipment are recognized as expenses when an asset is consumed in operations.

MSC recognizes as an imputed financing source the amount of accrued pension and post-retirement benefit expenses for current employees paid on our behalf by the Office of Personnel Management (OPM).

F. Taxes

MSC, as a Federal entity, is not subject to Federal, State, or local income taxes, and, accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

G. Fund Balance with Treasury

The U.S. Treasury processes cash receipts and disbursements. Funds held at the Treasury are available to pay agency liabilities. MSC does not maintain cash in commercial bank accounts or foreign currency balances.

H. Accounts Receivable, Net

Accounts receivable consists of amounts owed to MSC by other federal agencies and the public. Amounts due from Federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when either (1) based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay, 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 180 days delinquent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property, Plant and Equipment, Net

MSC's property, plant and equipment is recorded at original acquisition cost and is depreciated using the straight-line method over the estimated useful life of the asset. Major alterations and renovations are capitalized, while maintenance and repair costs are charged to expense as incurred. MSC's capitalization threshold is $50,000 for individual purchases and $500,000 for bulk purchases. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, plant and equipment. The useful life classifications for capitalized assets are as follows:

Description	Useful Life (years)
Office Equipment	5
Leasehold Improvements	Period of Lease

J. Advances and Prepaid Charges

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

K. Liabilities

Liabilities covered by budgetary or other resources are those liabilities for which Congress has appropriated funds or funding is otherwise available to pay amounts due.

Liabilities not covered by budgetary or other resources represent amounts owed in excess of available Congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future Congressional appropriations or other funding. Intragovernmental liabilities are claims against MSC by other Federal agencies. Liabilities not covered by budgetary resources on the Balance Sheet are equivalent to amounts reported as Components requiring or generating resources on the Reconciliation of Net Cost to Budget. Additionally, the Government, acting in its sovereign capacity, can abrogate liabilities.

L. Accounts Payable

Accounts payable consists of amounts owed to other Federal agencies and the public.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management upon the retirement of that individual. No credit is given for sick leave balances upon the retirement of Federal Employee’s Retirement System (FERS)-covered employees.

N. Retirement Plans

MSC employees participate in either the CSRS or the FERS. FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 elected to join either FERS and Social Security or remain in CSRS.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established and MSC makes a mandatory 1 percent contribution to this account. In addition, MSC makes matching contributions, ranging from 1 to 4 percent, for FERS eligible employees who contribute to their TSP accounts. Matching contributions are not made to the TSP accounts established by CSRS employees.

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

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

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

Management has made certain estimates and assumptions when reporting assets, liabilities, revenue, expenses, and in the note disclosures. The preparation of financial statements in conformity with generally accepted accounting principles required management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

P. Imputed Costs/Financing Sources

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. MSC recognized imputed costs and financing sources in fiscal years 2008 and 2007 to the extent directed by OMB.

Q. Contingencies

Liabilities are deemed contingent when the existence or amount of the liability cannot be determined with certainty pending the outcome of future events. MSC recognizes contingent liabilities, in the accompanying balance sheet and statement of net cost, when it is both probable and can be reasonably estimated. MSC discloses contingent liabilities in the notes to the financial statements when the conditions for liability recognition are not met or when a loss from the outcome of future events is more than remote. In some cases, once losses are certain, payments may be made from the Judgment Fund maintained by the U.S. Treasury rather than from the amounts appropriated to MSC for agency operations. Payments from the Judgment Fund are recorded as an “Other Financing Source” when made. There are no contingencies that require disclosure.

R. Expired Accounts and Cancelled Authority

Unless otherwise specified by law, annual authority expires for incurring new obligations at the beginning of the subsequent fiscal year. The account in which the annual authority is placed is called the 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 but not previously reported. At the end of the fifth expired year, the expired account is cancelled.

S. Reclassification

Certain fiscal year 2007 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with current year presentation.

NOTE 2. FUND BALANCE WITH TREASURY

Fund balance with Treasury account balances as of September 30, 2008 and 2007 were:

Fund Balances:

	2008	2007
Appropriated Funds	$ 3,798,259	$ 4,699,725
Total Fund Balance	$ 3,798,259	$ 4,699,725

Status of Fund Balance with Treasury:

	2008	2007
Unobligated Balance		
Available	$ 358,031	$ 394,618
Unavailable	2,563,455	2,991,880
Obligated Balance not yet Disbursed	876,773	1,313,227
Total	$ 3,798,259	$ 4,699,725

Restricted unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

NOTE 3. GENERAL PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment account balances as of September 30, 2008 and 2007 were as follows:

Schedule of Property, Plant and Equipment as of September 30, 2008

Description	Acquisition Cost	Accumulated Depreciation	Net Book Value
Office Equipment	$ 99,597	$ (61,793)	$ 37,804
Leasehold Improvement	54,441	$ (10,888)	43,553
Total	$ 154,038	$ (72,681)	$ 81,357

Schedule of Property, Plant and Equipment as of September 30, 2007

Description	Acquisition Cost	Accumulated Depreciation	Net Book Value
Office Equipment	$ 99,597	$ (41,874)	$ 57,723

NOTE 4. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities on MSC's Balance Sheet as of September 30, 2008 and 2007, include liabilities not covered by budgetary resources, which are liabilities for which 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. Other liabilities not covered by budgetary resources consist entirely of unfunded leave liabilities. Unfunded leave balances are $299,998 and $264,775 as of September 30, 2008 and 2007, respectively.

NOTE 5. OTHER LIABILITIES

The accrued liabilities for MSC are comprised of program expense accruals, payroll accruals, and unfunded annual leave earned by employees. Program expense accruals represent expenses that were incurred prior to year-end but were not paid. Similarly, payroll accruals represent payroll expenses that were incurred prior to year-end but were not paid.

	2008	2007
Intragovernmental		
Payroll Taxes Payable	$ 39,607	$ 27,498
Total Intragovernmental	$ 39,607	$ 27,498
Unfunded Leave	299,998	264,775
Accrued Funded Payroll	206,706	147,028
Payroll Taxes Payable	6,673	3,567
Total Nongovernmental	$ 513,377	$ 415,370
Total Other Liabilities	$ 552,984	$ 442,868

All liabilities are current liabilities.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

NOTE 6. LEASES

MSC occupies office space under a lease agreement that is accounted for as an operating lease. The lease term began on October 1, 2002 and expires on October 1, 2012. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations.

Schedule of Future Minimum Lease Payments

2009	$ 1,286,027
2010	1,311,542
2011	1,337,542
2012	1,364,040
Total Future Payments	$ 5,299,151

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

NOTE 7. INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental costs and intragovernmental exchanges revenue represent goods and services exchange transactions made between two reporting entities within the Federal government, and are in contrast to those with non-federal entities (the public). Such costs and revenue are summarized as follows:

	2008	2007
Commission Review		
Intragovernmental Costs	$ 1,580,222	$ 1,497,832
Public Costs	2,732,806	2,500,654
Total Program Costs	$ 4,313,028	$ 3,998,486
Administrative Law Judge Determinations		
Intragovernmental Costs	$ 1,508,721	$ 1,318,076
Public Costs	2,531,467	2,006,834
Total Program Costs	$ 4,040,188	$ 3,324,910
Total Intragovernmental Costs	$ 3,088,943	$ 2,815,908
Total Public Costs	5,264,273	4,507,488
Total Net Cost	$ 8,353,216	$ 7,323,396

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

NOTE 8. OPERATING/PROGRAM COSTS

Costs by major budgetary object classification as of September 30, 2008 and 2007 are as follows:

Budgetary Object Classifications	2008	2007
Personnel & Benefits	$ 5,661,831	$ 5,039,721
Benefits to former employees	(3,970)	10,432
Travel and Transportation	71,954	62,520
Rents, Communication & Utilities	1,413,630	1,362,910
Printing	15,158	12,435
Other Services	1,027,521	642,640
Supplies and Materials	90,670	82,822
Equipment, Land & Structures	76,422	109,916
Total	$ 8,353,216	$ 7,323,396

NOTE 9. IMPUTED FINANCING SOURCES

MSC recognizes as imputed financing the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, the Office of Personnel Management (OPM). For the fiscal years ended September 30, 2008 and 2007, respectively, imputed financing was $404,696 and $387,326, respectively.

NOTE 10. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, calls for explanations of material differences between amounts reported in the Statement of Budgetary Resources and the actual balances published in the Budget of the United States Government (President's Budget). However, the President's Budget that will include fiscal year 2008 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2009 and can be found at the OMB web site: http://www.whitehouse.gov/omb. The 2009 Budget of the United States Government, with the Actual Column completed for 2007, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

NOTE 11. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, states that the amount of budgetary resources obligated for undelivered orders at the end of the period should be disclosed. MSC's budgetary resources obligated for undelivered orders are $470,938 and $1,041,052 for the years ended September 30, 2008 and 2007, respectively.

NOTE 12. CUSTODIAL ACTIVITY

MSC's custodial collection primarily consists of Freedom of Information Act requests. While these collections are considered custodial, they are not primary to the mission of MSC nor material to the overall financial statements. MSC's total custodial collections are $21 and $59 for the years ended September 30, 2008, and 2007, respectively.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

NOTE 13. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

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

	2008	2007
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations incurred	$ 7,787,182	$ 7,585,490
Less: Spending Authority From Offsetting Collections and Recoveries	420,365	706,954
Obligations Net of Offsetting Collections and Recoveries	7,366,817	6,878,536
Net Obligations	7,366,817	6,878,536
Other Resources		
Imputed Financing From Costs Absorbed By Others	404,696	387,326
Net Other Resources Used to Finance Activities	404,696	387,326
Total Resources Used to Finance Activities	$ 7,771,513	$ 7,265,862
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Change In Budgetary Resources Obligated For Goods, Services and Benefits Ordered But Not Yet Provided	$ (570,113)	$ (110,882)
Resources That Fund Expenses Recognized In Prior Periods	-	73,267
Resources That Finance the Acquisition of Assets	54,441	-
Total Resources Used to Finance Items Not Part of Net Cost of Operations	(515,672)	(37,615)
Total Resources Used to Finance the Net Cost of Operations	$ 8,287,185	$ 7,303,477
Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period		
Components Requiring or Generating Resources in Future Periods		
Increase In Annual Leave Liability	$ 35,223	$ -
Total Components of Net Cost of Operations That Will Require or Generate Resources In Future Periods	35,223	-
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	30,808	19,919
Total Components of Net Cost of Operations That Will Not Require or Generate Resources	30,808	19,919
Total Components of Net Cost of Operations That Will Not Require or Generate Resources In The Current Period	$ 66,031	$ 19,919
Net Cost of Operations	$ 8,353,216	$ 7,323,396

Federal Mine Safety and Health Review Commission
FY 2008 Performance Accountability Report

Management Discussion and Analysis

Overview

The Federal Mine Safety and Health Review Commission ("Commission") is an independent adjudicatory agency charged with resolving disputes arising from the enforcement of occupational safety and health standards in the nation's mines. Under its enabling statute, the Federal Mine Safety and Health Act of 1977 ("Mine Act"), as amended, the Commission does not regulate the mining industry, nor does it enforce the Mine Act; those functions are delegated to the Secretary of Labor acting through the Mine Safety and Health Administration (MSHA).

Mission and Organization Structure

The Commission's mission is to provide just, speedy, and articulate adjudication of proceedings authorized under the Mine Act, thereby enhancing compliance with the Act and contributing to the improved health and safety of the nation's miners.

The Commission carries out its responsibilities through trial-level adjudication by the Commission's Office of Administrative Law Judges (ALJs) and appellate review of ALJ decisions by a 5-member Commission appointed by the President and confirmed by the Senate. Most cases involve civil penalties assessed against mine operators by MSHA and address whether the alleged safety and health violations occurred, and, if so, the appropriate sanctions to be imposed. Other types of cases involve mine operators' contests of mine closure orders, miners' complaints of safety or health related discrimination, miners' applications for compensation after a mine is idled by a closure order, and review of disputes between MSHA and underground coal mine operators relating to those operators' mine emergency plans.

Once a case is filed with the Commission, it is given a docket number and referred to the Chief Administrative Law Judge (Chief ALJ). Thereafter, litigants in the case must submit additional filings before the case is assigned to an ALJ. To expedite the decisional process, the Chief ALJ may rule on certain motions and, where appropriate, issue orders of settlement, dismissal, or default. Otherwise, once a case is assigned to an individual judge, that judge is responsible for the case and rules upon motions and settlement proposals, schedules the case for hearing, holds the hearing, and issues a decision based upon the record. An ALJ's decision that is not reviewed becomes a final, non-precedential order of the Commission.

The 5-member Commission provides administrative appellate review based on the record. It may, in its discretion, review decisions issued by ALJs when requested by a litigant, or it may, on its own initiative, direct cases for review. The Commission's decisions are precedential and appeals from the Commission's decisions are to the federal circuit courts of appeals.

Key Challenges

As an adjudicatory agency, the Commission's fulfillment of its mission is in large part influenced by the prerogatives of the parties that practice before it. This circumstance arises from the unique procedural structures created by the Mine Act itself. For example, the Mine Act provides that a mine operator may challenge an enforcement action, e.g., a citation or closure order, within 30 days of receipt thereof. At that juncture, however, the Mine Safety and Health Administration (MSHA) will not have had time to propose an appropriate civil penalty as a sanction for the citation or order. That process may take weeks or months following the initial enforcement action. Consequently, the Mine Act also allows the mine operator to defer challenging the citation or order until it has been assigned a proposed penalty assessment by MSHA. At this point, the case can then proceed on the issue of whether the alleged violation occurred and, if so, the appropriate civil penalty to be assessed for that violation.

Nevertheless, operators often file the initial contest even though they intend to wait until the proposed civil penalty is issued. At that point, the two proceedings are consolidated and the matter proceeds to settlement or trial. The operator's initial contest, however, has historically been carried on the Commission's docket as a pending unresolved case. That practice obviously leads to confusion regarding the Commission's productivity with respect to the disposition of cases at the ALJ level. For this reason, the Commission has determined that, unless the operator seeks to proceed with the litigation before a proposed penalty is issued, the Chief ALJ should defer the assignment of an operator contest to an ALJ until such time as MSHA arrives at a proposed civil penalty, the operator notifies MSHA that it intends to contest the penalty, and MSHA in turn notifies the Commission of that fact. This change in the Commission's docket record keeping more accurately represents the status of pending cases and allows the Commission's ALJs to focus their efforts on those matters wherein all relevant issues have been fully joined.

The scope of the Commission's mission has been significantly expanded by the passage of the Mine Improvement and New Emergency Response Act of (MINER Act) 2006, P.L. 109-236 in June of 2006. That statute amends the Mine Act and vests the Commission with the responsibility for resolving disputes over the contents of mine emergency plans adopted by underground coal mine operators and submitted to MSHA for review and approval. The MINER Act imposes tight deadlines on the Commission and its judges with respect to these proceedings, and the Commission has expeditiously adopted procedural rules for carrying out Congressional intent. Nevertheless, this new jurisdiction will tax the resources of the Commission's Office of ALJs. Moreover, given the structure of the MINER Act, the Commission's responsibilities in this area will not necessarily dissipate once the initial round of emergency plans are developed, reviewed, and, if necessary, litigated. The statute calls for the periodic updating, review, and approval of mine emergency plans and the adoption of new technologies in underground communications and disaster response. As this process evolves, the Commission anticipates that its role as arbiter in the plan adoption and approval process will be a significant and ongoing responsibility.

The MINER Act also establishes new and stronger civil sanctions for violations of the Mine Act, including minimum penalties for an operator's unwarrantable failure to comply with the statute or the mandatory safety and health standards, and a new penalty for conduct deemed "flagrant." In response to the MINER Act, MSHA has revised its civil penalty regulations, which will result in significant increases in the amount of civil penalties proposed by the agency. MSHA has also indicated that it will increase the exercise of its authority to issue closure orders at mines that have demonstrated a "pattern" of "significant and substantial" violations of the Act and the mandatory safety and health standards. These statutory and regulatory initiatives are expected to increase the number of operator contests filed with the Commission and may affect the number of cases that go to hearing rather than to settlement.

As a result of these legislative and regulatory changes, the Commission has experienced a dramatic rise in the number of contest cases filed by mine operators.

At the appellate level, the Commission's workload is determined predominately by the number of appeals filed by the parties. Although acceptance of an appeal is discretionary, the percentage of cases denied review has not varied significantly. In addition, while the number of appeals may vary, the Commission has not been able to discern a clear relationship between the trial caseload and the number of petitions for appellate review it receives. It should be noted that recent Mine Act jurisprudence adopted by the D.C. Circuit Court of Appeals that circumscribes the Commission's scope of review of MSHA policy may also affect the Commission's review docket. Nevertheless, the Commission expects that its workload will increase significantly from prior years, thus making it more challenging to attain the Commission's goal of timely adjudication at the trial and appellate levels.

Finally, the tragic events of September 11, 2001, and recent natural disasters underscore the need for a government agency to assure that its records are secure and replicable in the event that physical files are destroyed or become otherwise inaccessible. The Commission must therefore establish an electronic data system that stores all key documents away from the Commission's offices in such a way as to allow Commission personnel to access those documents in order to carry out the Commission's mission.

To meet these anticipated challenges, the Commission must streamline its case handling procedures, redirect its financial and human resources, and encourage efficiency and timeliness among the parties who practice before it. Accordingly, the Commission has adopted a set of goals for the next five years that, if achieved, will ensure that the Commission continues to carry out its mission in a just, efficient, open, and credible manner.

Performance Goals and Results

In view of the recent and continuing upsurge in its caseload, the Commission must continually reassess its strategic goals in light of changing circumstances. Therefore, the Commission has established benchmarks as part of its overall strategic plan, but it will also revisit and evaluate those benchmarks as part of its annual performance and budget planning activity.

The annual performance plan will clearly explain the role of each Commission activity as set forth in the Commission's budget. The plan's specific objectives, adjusted to reflect policy determinations and resource allocations in the annual budget process, will serve as intermediate steps in the Commission's overall efforts to successfully accomplish the goals of this strategic plan.

Accordingly, in order to achieve its mission, the Commission has set forth the following strategic goals: 1) to ensure expeditious, fair and legally sound adjudication of cases at the trial and appellate levels, and 2) manage the Commission's human resources, operations, facilities, and systems to ensure a continually improving, effective and efficient organization.

Commission Function

The responsibility for the review of ALJ decisions is set forth in section 113(d)(1) of the Act. The Act states that an ALJ's decision shall become final 40 days after its issuance, unless within that period any two Commissioners direct that the decision be reviewed.

Most cases come before the Commission when two or more Commissioners vote to grant a petition for discretionary review filed by a party adversely affected or aggrieved by the ALJ's decision. Petitioners may include miners, miners' representatives, mine operators or the Secretary of Labor. The Commission is also charged with the responsibility of reviewing disputes arising over the emergency response plans of underground coal operators pursuant to the Miner Act.

Two or more Commissioners may also direct any case for review *sua sponte* (on the Commission's own motion, without the parties filing a petition). *Sua sponte* review is limited to ALJ decisions that are contrary to law or Commission policy, or that present a novel question of policy. By law, a quorum of three Commissioners is required to consider and decide cases appealed from the Commission's ALJs. Many of the Commission's cases present issues of first impression under the Mine Act. That is, the cases raise issues that have not been resolved by prior decisions of the Commission or the courts or the cases involve the interpretation of safety and health standards and regulations newly promulgated by MSHA.

During FY2008, the number of default cases handled by the Commission created a major challenge, particularly for the Commission's Office of the General Council (OGC). Default cases typically involve situations where a mine operator has allegedly failed to challenge civil penalties proposed by the MSHA within the prescribed 30-day period for contesting such proposed penalties. Under the Mine Act, proposed penalties that are not timely contested automatically become final Commission orders. Operators may file written requests with the Commission seeking to establish "good cause" to re-open the final orders.

The number of default cases received by the Commission increased dramatically from 68 in FY2007 to 177 in FY2008 – a 2.5 fold increase. This increase in the number of default cases being filed was presumably due to statutory changes and changes in MSHA's enforcement policy that resulted in many more penalty proposals being issued and for much larger amounts. This situation created more opportunities for default orders and increased the incentives for operators to re-open default orders. The huge increase in default orders has greatly increased the demands on OGC's attorneys, who must analyze each case and prepare a draft order for the Commissioners. OGC's task was made even more difficult by the fact that for part of FY2008 the Commission lacked a quorum and was not able to rule on any re-opening requests, thereby creating a larger backlog.

The following table provides the performance goals and results for this function for FY2008.

COMMISSION REVIEW APPELLATE CASES				
	FY 2008	FY 2008	Goals	
	Estimate	Actual	Met	Not Met
Undecided cases beginning-of-year	12	16	✓	
Cases decided	86	101	✓	
Undecided cases end-of-year	12	103	✓	

Administrative Law Judge Function

The Commission employs administrative law judges to hear and decide contested cases at the trial level, as initiated by the Secretary of Labor, mine operators, and miners or their representatives. The judges are also responsible for evaluating and approving or denying settlement agreements under the Mine Act.

The ALJs travel to hearing sites located at or near the mine involved in order to afford mine operators, miners and their representatives the full opportunity to participate in the hearing process.

The Commission has established its law clerkship program to provide research and drafting assistance to its ALJs and assist in the efficient management of each judge's docket. The Commission hired four law clerks and increased the docket office staff by (1) FTE in order to assist with the processing of new cases received.

The Office of Administrative Law Judges has faced several challenges due to the greater than 400% increase in caseload over historical levels in FY2008. Benchmarks were based upon a projected estimated backlog by the end of FY2008 of 7,000 cases. Actual cases received were 8,956 resulting in a backlog of 9,737. Cases decided during FY2008 were 3,316. An estimated total of 6,000 new cases were anticipated for 2008.

The following table provides the performance goals and results for this function for FYs 2005 – 2008.

OFFICE OF ADMINISTRATIVE LAW JUDGES						
Ensure Timely Issuance of Decisions					GOAL	
PERFORMANCE GOALS	FY 2005	FY 2006	FY 2007	FY 2008	MET	NOT MET
Issue 90 percent of decisions within 90 days of receipt of the post-hearing briefs.	96%	88%	69%	60%		✓
Issue 95 percent of settlement decisions within 30 days of receipt of settlement motions.	90%	96%	80%	73%		✓
Decide all cases within an average of 195 days from receipt by the Commission	121	N/A	128	291		✓
Decide 90 percent of cases within 270 days of assignment.	97%	98%	97%	79%		✓
Undecided cases over 270 days of age.	18	5	71	687		✓

Office of the Executive Director Function

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

OED provides strategic planning and operational management for the organization. OED also includes administrative services, financial, human resources, procurement, technology management, and computer and information security. The day-to-day tasks performed under the direction of the Executive Director include:

- Supporting the development and implementation of the Commission's strategic goal;
- Supporting the implementation and development of effective and efficient case management and administrative systems through information technology hardware and software;

- Maintaining and enhancing a website to provide the public with user friendly access to Commission information;
- Enhancing telecommunications and improving technology efficiency and effectiveness;
- Providing support Commission-wide in the areas of human resources, procurement, budget, finance, equal opportunity, and general administrative services;
- Providing personnel, payroll, benefits, hearing coordination, and travel coordination to Commission employees; and
- Procuring goods and services, maintenance and needed repairs of equipment, training, reference materials, and supplies and office space.

Analysis of Financial Statements

In accordance with the Accountability of Tax Dollars Act of 2002, the Commission began annual audits in FY 2003. The Commission has received an "unqualified" opinion for each annual review conducted by an independent auditor.

Since 1998, the Commission has contracted with the Bureau of Public Debt, Treasury Franchise Fund, Administrative Resource Center, for accounting services. The Administrative Resource Center prepared the Commission's FY 2008 financial statements, which include comparative data for FY 2007. The principal financial statements include the Balance Sheet, Statement of Net Cost, Statement of Net Position and Statement of Budgetary Resources. The Statement of Financing is now part of the Notes to the financial statements.

The changes described in the analyses below generally indicate that the Commission has been more efficient in the obligation of the funds available. This is due to higher payroll cost and filing critical positions, as well as higher costs for goods and services to maintain operations and accomplish our mission.

Analysis of the Balance Sheet

The Commission's assets in FY2008 were $3,879,616 as of September 30, 2008. This represents a decrease of $877,832 from FY2007. The Fund Balance with Treasury of $3,798,259 represents the Commission's largest asset as of September 30, 2008. This is a decrease of approximately 19 percent from FY2007 and represents approximately 98 percent of the Commission's total assets. General Property, Plant and Equipment accounts for approximately 2 percent of the Commission total assets as of September 30, 2008. The net fixed asset value of $81,357 equals the cost less accumulated depreciation and represents the current book value of those assets.

The Commission's liabilities in FY2008 totaled $705,833 as of September 30, 2008. This is an increase of $168,883 over the FY2007 balance of $536,950. Accounts payable balance at September 30, 2008, was $152,849, an increase of $58,767 from September 30, 2007. Accrued liabilities and payroll taxes payable increased slightly in

2008. Unfunded annual leave increased $35,223 in 2008 from 2007. Unfunded annual leave represents approximately 43 percent of total Commission liabilities.

Net position is the difference between total assets and total liabilities. The total net position for FY2008 decreased by $1,046,715 from FY2007.

Analysis of Statement of Net Cost

The statement of Net Cost shows the net cost of operations for the Commission, and it is broken out between the Commissions two major programs, Administrative Law Judge and Commission. The total net cost of operations in 2008 was $8,353,216, an increase of $1,029,820, or 14 percent, over the 2007 net cost of operations of $7,323,396.

Analysis of the Statement of Changes in Net Position

The Statement of Changes in Net Position reports the change in the Commission's net position during the reporting period. The net position consists of two components, the unexpended appropriations and the cumulative results of operations. The Net Position decreased $1,046,715 in 2008 from 2007, a change of approximately 25 percent.

Analysis of the Statement of Budgetary Resources

The Statement of Budgetary Resources presents how the budgetary resources were made available and the status of the budgetary resources at the end of the reporting period. The total budgetary resources must always equal the total status of budgetary resources. For FY2008, the Commission had total budgetary resources of $10,708,668, which is $263,320 less than in 2007.

Management Assurances

Systems, Controls, and Legal Compliance

The Commission's is responsible for establishing and maintaining effective internal control over financial reporting which includes safeguarding assets and complying with applicable laws and regulations. As a micro independent agency, the Commission must rely heavily on the systems and controls provided by servicing agencies to meet the OMB's guidelines and the requirements of law with respect to financial management, accounting systems, and financial reporting. These services are supplemented by internal control procedures within the Commission sufficient to assure that the performance and financial data included in this audit report are complete and reliable.

All financial data reported was obtained from the FY 2008 accounting reports prepared by the Bureau of Public Debt, the Commission's accounting servicing provider, and the performance data on case intake and dispositions has been verified by Commission program managers. There are no material inadequacies or non-conformance in either the completeness or reliability of the data reported.

In addition, I am pleased to certify, with reasonable assurance, that the Commission's systems of internal controls and the systems of accounting used by the Bureau of Public Debt are in compliance with the Federal Managers Financial Integrity Act.

Performance Data Verification

The adjudicative and managerial goals and objectives set forth above can be achieved through an integrated set of strategies that build on current Commission programs and initiatives. The Commission now provides same day electronic recordings of oral arguments and decisional meetings on its web site. The Commission's Performance Data and Verification web site access is provided in real time. The Commission has implemented a new case management system so that all case files will be stored electronically. The system will ultimately allow parties to file all documents electronically as well.

Working from the premise that fair and expeditious decision-making and efficient agency management go hand in hand, the Commission adopts the following strategies to implement the strategic goals and objectives: 1) prioritize the decisional process; 2) maintain and enhance an information technology program; 3) improve human resources management; and 4) promote employee accountability.

The Commission will evaluate its progress towards accomplishing its strategic goals, through analysis of the results of its performance measures and through a continual reassessment of its workload and the needs of the parties that it serves. Program strengths and weakness will be assessed to determine alternative courses of action. The Commission will use the results of these evaluations to develop the annual performance goals and objectives which will focus the Commission's activities for the year.

Limitations of the Financial Statements

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

The statements have been prepared from the books and records of the Commission in accordance with GAAP for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.