
Court Services and Offender Supervision Agency

Community Supervision Program

Pretrial Services Agency



FY 2025 Agency Financial Report

November 17, 2025

Introduction

The Reports Consolidation Act of 2000 (P.L. 106-531) authorizes federal agencies to combine required financial, performance, and management assurance reports into one submission to improve the efficiency of agency reporting and to provide information to stakeholders in a more meaningful, useful format. The Court Services and Offender Supervision Agency's (CSOSA's) FY 2025 Agency Financial Report (AFR) provides fiscal and selected high-level performance results that enable the President, Congress, and the American people to assess our accountability and accomplishments for the reporting period of October 1, 2024, through September 30, 2025. There are three major sections to this AFR:

SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Contains information on CSOSA's mission, organizational structure, strategic goals, and locations. Provides an overview of financial results, a high-level discussion of selected key program performance measures, and management assurances related to the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and Federal Financial Management Improvement Act (FFMIA) of 1996.

SECTION II: FINANCIAL SECTION

Provides CSOSA's FY 2025 audited financial statements and notes and the independent auditor's reports.

SECTION III: OTHER INFORMATION

Contains Payment Integrity Information Act Of 2019 (PIIA) information. The PIIA amends government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA).

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AGENCY HEAD MESSAGE:

I am proud to share with you CSOSA's FY 2025 Agency Financial Report (AFR), as required by OMB A-136, Financial Reporting Requirements. CSOSA consists of two component programs, the Community Supervision Program (CSP), supervising adult offenders on probation, parole, and supervised release, and the Pretrial Services Agency (PSA), supervising defendants on pretrial release. Although CSP and PSA have distinct mandates and Strategic Plans, they share common purposes:

- Establishing strict accountability and preventing the population supervised by CSOSA from engaging in criminal activity, and
- Supporting the fair administration of justice by providing accurate information and meaningful recommendations to criminal justice decision-makers.

CSOSA is committed to achieving its strategic goals and enhancing public safety. CSP strives to decrease criminal behavior among its offender population by continuing to develop, implement, and evaluate effective evidence-based offender supervision programs and techniques. CSP focuses its supervision and intervention resources on our highest-risk offenders with the intent of further reducing serious violence within the District of Columbia and the participation of CSP offenders in those crimes.

PSA's drug testing and innovative supervision and treatment programs are regarded as models for the criminal justice system. PSA continues to improve its identification of defendants who pose a higher risk of pretrial failure to enhance supervision and oversight of these defendants, expand services and support of persons with substance dependence and mental health needs, and lead efforts in implementing drug testing strategies to keep pace with emerging drug use trends.

The AFR is CSOSA's principal report to the President, Congress, and the American people on our management of the funds with which we have been entrusted, and we believe it clearly demonstrates our commitment to the effective stewardship of the public's money. We will include our complete FY 2025 Annual Performance Report with our FY 2027 Congressional Budget Justification.

The financial and performance data reported in the FY 2025 AFR is reliable and complete. The fidelity of the reported data is evidenced by CSOSA having received unmodified (unqualified) opinions from our independent auditors since the agency's inception. An unmodified audit opinion affirms that CSOSA's financial statement(s) were presented fairly in all material respects and in conformity with generally accepted accounting principles. CSOSA's FY 2025 internal evaluation

concerning the adequacy of the agency's management controls did not identify material control weaknesses. CSOSA's evaluation of our financial management system confirmed compliance with Federal financial management systems requirements, accounting standards, and the United States Standard General Ledger at the transaction level.

The President appointed me as CSOSA's Director on September 19, 2025. Therefore, CSOSA's Deputy Director co-signs regarding the attestation of the completeness and reliability of the performance and financial data used in this report.

We are committed to managing CSOSA's resources in a transparent and accountable fashion as we carry out a mission that improves the lives of all people within the District of Columbia.



Gadyaces S. Serralta
Acting Director



Denise A. Simmonds
Deputy Director

AFR Section I: Management's Discussion and Analysis

Agency Overview

CSP OVERVIEW

CSOSA's Community Supervision Program (CSP) supervises adult criminal offenders sentenced by the Superior Court of the District of Columbia (DC Superior Court) to probation and those released from prison by the U.S. Parole Commission (USPC) on parole or supervised release, and monitors individuals subject to Deferred Sentencing Agreements (DSA) or Civil Protection Orders (CPOs). CSP's website provides additional information about its [mission, goals, and principles, approach to community supervision, organizational structure, and history](#).

CSP began FY 2025 (October 1, 2024) with 7,177 persons on its supervision caseload, and twelve months later (September 30, 2025), the supervision caseload increased by 11.4 percent, with 7,998 individuals on supervision (Table 1). During FY 2025, 5,399 persons entered CSP supervision: 4,761 individuals began serving probation or were monitored on DSAs or CPOs¹ and 638 offenders entered parole or supervised release. CSP monitored or supervised approximately 12,352 different persons over the course of the reporting period, most of whom were on probation. Approximately 7,470 people were supervised or monitored on a typical day over the course of the reporting period, which translates into a total of 2.73 million supervision days.²

Table 1: Daily population of CSP supervised individuals by supervision type, FYs 2022 - 2025, as of September 30

Fiscal Year	Probation		Parole		Supervised Release		DSA		CPO		Total
	N	%	N	%	N	%	N	%	N	%	N
2022	4,439	64.3%	663	9.6%	1,517	22.0%	174	2.5%	108	1.6%	6,901
2023	4,255	66.2%	507	7.9%	1,351	21.0%	164	2.6%	154	2.4%	6,431
2024	4,729	65.9%	451	6.3%	1,367	19.0%	175	2.4%	455	6.3%	7,177
2025	5,162	64.5%	384	4.8%	1,412	17.7%	170	2.1%	870	10.9%	7,998

¹ The Superior Court of the District of Columbia serves as the release authority for all the DSA and CPO cases, as well as most of the probation cases. The remaining probation cases are interstate matters transferred to CSP supervision from other states under the Interstate Compact Commission.

² The total supervision days for the fiscal year equates to the cumulative sum of CSP's daily caseload over the fiscal year.

CSP ORGANIZATION STRUCTURE

CSP includes agency-wide management, program development, supervision and interventions operations, and operational support functions. FY 2025 CSP offices include:

- CSOSA Office of the Director,
- Office of Investigations, Compliance and Audits,
- Office of Behavioral Interventions (OBI), which includes the Re-entry and Sanctions Center at Karrick Hall,
- Office of Research and Evaluation,
- Office of Community Supervision and Intervention Services (OCSIS),
- Office of General Counsel,
- Office of Legislative, Intergovernmental, and Public Affairs,
- Office of Administration (Procurement, Facilities/Property and Security),
- Office of Financial Management,
- Office of Human Resources,
- Training and Career Development,
- Office of Equal Employment Opportunity,
- Alternative Dispute Resolution, and
- Office of Information Technology.

OCSIS performs CSP's direct offender supervision services and is organized under an Associate Director. OCSIS is comprised of four divisions:

- Operations Support Division
 - Illegal Substance Collection Unit
 - Performance Support Unit
 - Administrative Support Unit
- Reception and Processing Center, Investigations, and Business Analytical Support Division
 - Offender Intake, Sex Offender Registry, and Records and Information Management Operations
 - Offender Investigations, Diagnostics, Evaluations; Unsupervised Probation; and Reentry Supportive Housing Team
 - Business Analytical Support Unit
- Accountability and Monitoring Division
 - General Supervision Teams

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- Specialized Supervision Teams
 - High Risk Management & Strategic Division
 - Interstate Supervision
 - High Intensity Supervision Teams
 - Engagement and Intervention Centers (formerly Day Reporting Centers)
 - Compliance Monitoring and Intelligence Center (Law enforcement partnerships and information sharing)
 - Warrant Team
 - Global Positioning System Monitoring
 - Rapid Engagement Team

The OBI performs offender assessments, provides intervention and housing referrals, and delivers certain intervention services. It is organized under an Associate Director and is comprised of three units:

- Assessment, Evaluation, and Placement Unit provides screening, assessment, evaluation, referral and placement into substance use treatment, sex offender treatment and mental health services;
- Intensive Cognitive Behavioral Intervention Unit, which provides job placement, career planning, vocational education, adult basic education, life skills interventions, cognitive behavioral interventions, domestic violence interventions, and supportive housing; and
- Re-Entry and Sanctions Center (RSC) at Karrick Hall, which provides both day programming and 24/7 residential services to mainly high-risk offenders on probation, parole or supervised release, who have substance use disorder issues or are marginally compliant with the terms of their supervision. The RSC also houses some pre-trial defendants.

CSP LOCATIONS

CSP's program model emphasizes decentralizing supervision from a single headquarters office in favor of supervising individuals in the community where they live and work to include field offices located in the community. By doing so, Community Supervision Officers (CSOs) maintain a more active, visible, and accessible community presence by collaborating with neighborhood police, community members, and stakeholders. CSOs spend more of their time conducting home visits, worksite visits, and other activities that allow CSP to be a visible partner in public safety. However, continued real estate development in the District of

Columbia creates challenges for CSP in obtaining and retaining space in the community for offender supervision operations.

Over the last eight years, CSP consolidated its field operations to achieve cost savings and operational efficiencies in the delivery of services. Those efforts resulted in a reduction of six supervision field unit locations (25 K Street, NE; 1418 Good Hope Road, SE; 4415 South Capitol Street, SE; 601 Indiana Avenue, NW; 300 Indiana Avenue, NW, and 1230 Taylor Street, NW), or nearly 25 percent of rentable square feet, from FY 2017 to FY 2025.

CSP currently maintains two headquarters locations (633 Indiana Avenue and 800 North Capitol Street, NW), the RSC (1900 Massachusetts Avenue, SE), and three supervision field offices throughout DC:

1. 910 Rhode Island Avenue, NE, [lease ends January 31, 2026],
2. 3850 South Capitol Street, SE, [lease ends July 31, 2026] and,
3. 2101 Martin Luther King Avenue, SE [lease ends February 7, 2027].

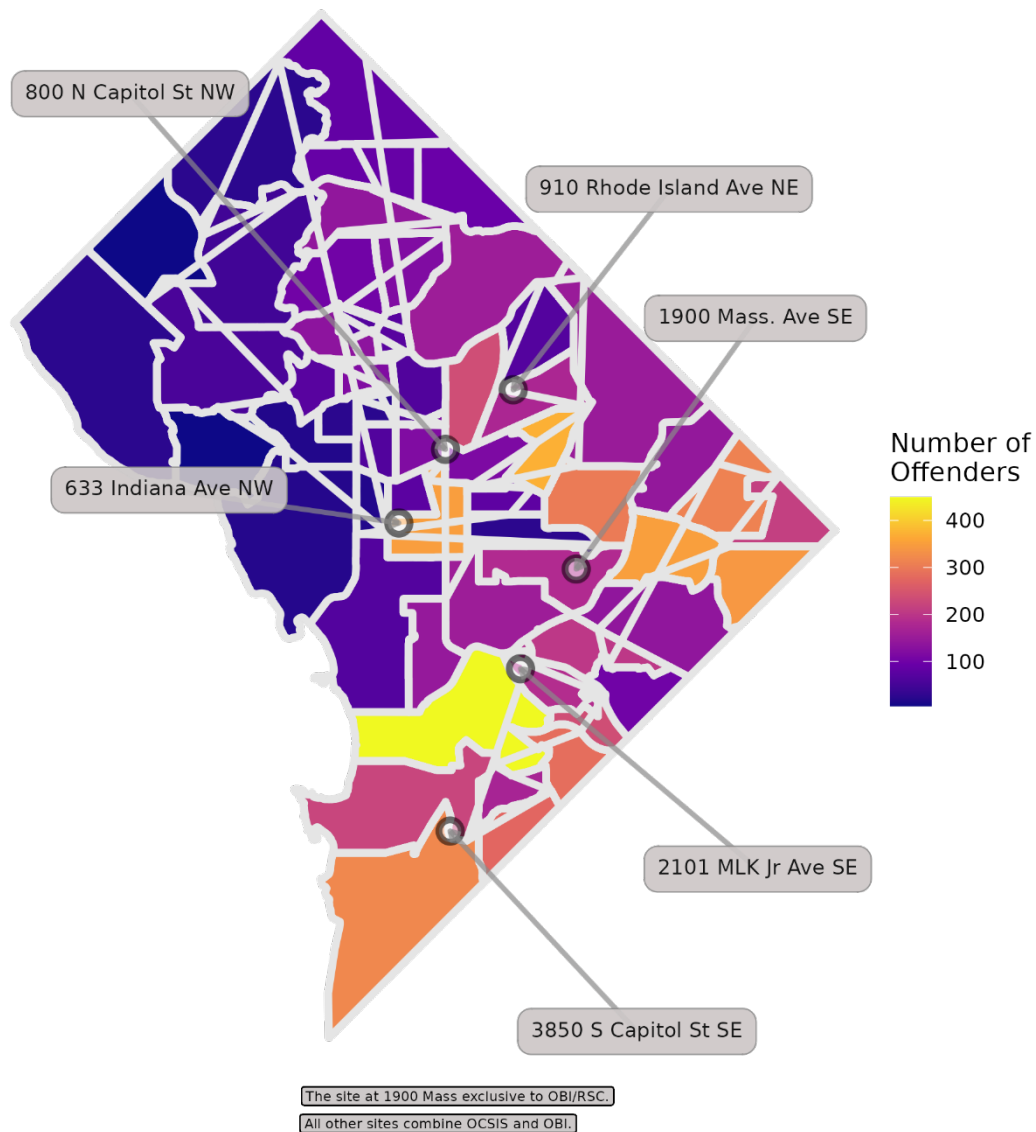


Figure 1: CSP Office Locations and Offender Residential Density by Police Service Area (PSA), October 2025

PSA OVERVIEW:

The mission of the Pretrial Services Agency for the District of Columbia (PSA) is to promote pretrial justice and enhance community safety. In fulfilling this mission, PSA assists judicial officers in both the Superior Court of the District of Columbia (DC Superior Court) and the United States District Court for the District of Columbia (US District Court) by conducting a risk assessment for every arrested person who

will be presented in court, identifying detention eligibility and formulating release recommendations, as appropriate, based upon the arrestee's demographic information, criminal history, drug use and/or mental health information. For defendants who are placed on conditional release pending trial, PSA provides supervision and treatment services intended to reasonably assure that they return to court and do not engage in criminal activity pending their trial and/or sentencing.

PSA's current caseloads include individuals with charges ranging from misdemeanor property offenses to homicide. During FY 2025, PSA served 31,401 arrestees and defendants. The Agency supervised 18,341 defendants on pretrial release, which corresponds to an average of 8,822 defendants on any given day. Most defendants (95 percent) are awaiting trial in DC Superior Court, with a smaller number (5 percent) awaiting trial in US District Court. During this same period, PSA provided services to an additional 13,060 arrestees and defendants, which included completing criminal history checks for persons who were released on citation or personal recognizance or whose charges were dismissed prior to their first appearance in court. Additionally, PSA conducted drug testing for 9,075 non-defendants, bringing the Agency's total responsibility to 40,476 individuals during this period.

Defendants remained under supervision for an average of 99 days in FY 2025. This average is close to pre-pandemic levels, when defendants remained under supervision for an average of 94 days.

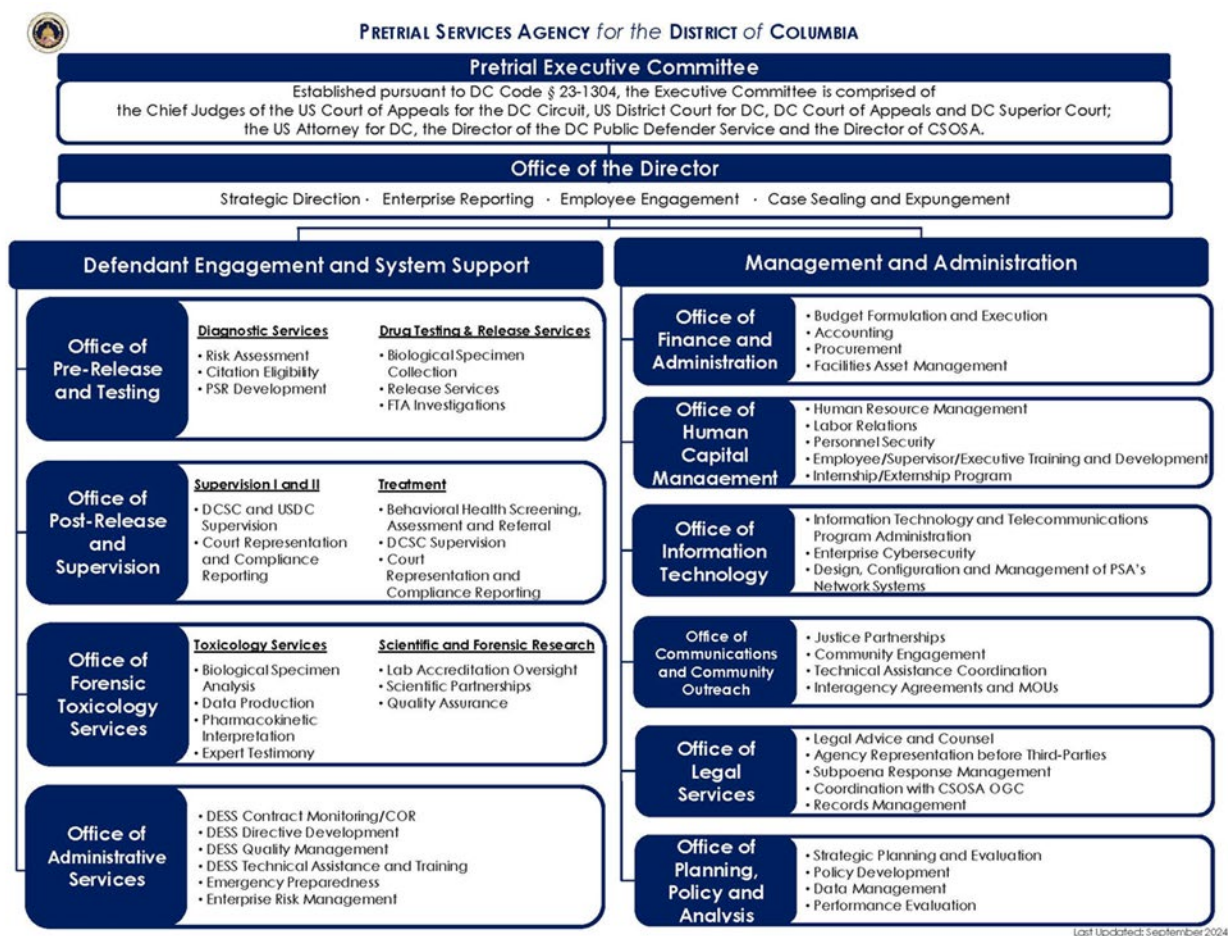
PSA's drug testing and innovative supervision and treatment strategies are recognized as models for the field of pretrial justice. The foundation of PSA's model approach includes:

- Providing timely and accurate information to the courts to support informed decision-making.
- Honoring the presumption of innocence and each defendant's right to pretrial release under the least restrictive conditions that assure community safety and return to court.
- Promoting the use of appropriate graduated sanctions and incentives in response to defendant behavior.
- Using evidence-based solutions and implementing continuous process evaluation to improve outcomes.
- Responding to behavioral health needs that may jeopardize a defendant's ability to adhere to court-ordered release conditions.

- Partnering with other criminal justice agencies and community organizations to build capacity for meeting defendants' social service needs.
- Effectively managing the appropriated funds entrusted to the Agency's stewardship.

PSA continues to facilitate requests for stakeholder education from national and international groups. Requests from domestic groups tend to focus more on understanding the technical aspects of how to replicate certain operations, particularly risk assessment. Requests from international groups generally focus on explanations of the US civil and criminal justice systems at the federal, state, and local levels; the role of various criminal justice system partners; the Drug Court model; and supervision techniques for defendants charged with non-violent offenses.

PSA ORGANIZATION STRUCTURE



PSA LOCATIONS

PSA operations are located at four locations in the downtown area, including: - SCDC building located at 500 Indiana Avenue, NW, for defendant interviews and risk assessments, court support, and specimen collection - Elijah Barrett Prettyman building (U.S. District Court) located at 333 Constitution Avenue, NW, for federal defendant interviews, risk assessments, and court support - 633 Indiana Avenue, NW, which houses its Headquarters office, supervision and treatment programs - 90 K Street, NE, which houses its drug testing laboratory.

CSP Strategic Goals

CSP has a pivotal role in enhancing public safety in the District of Columbia by guiding offenders away from crime and fostering their development into responsible citizens. Our efforts are focused not only on helping individuals reform, but also on promoting a safer environment for the community. This section will describe CSP's lines of programming, their purposes, and represent the scale of activities.

CSP is transitioning from the current FY 2022–2026 Strategic Plan to a new FY 2026–2030 Strategic Plan. CSP's proposed FY 2026–2030 Strategic Plan is pending OMB approval. [Figure 2](#) shows the current strategic plan structure alongside that of the proposed successor, which reduces and streamlines four strategic goals of the current plan into two principle goals.

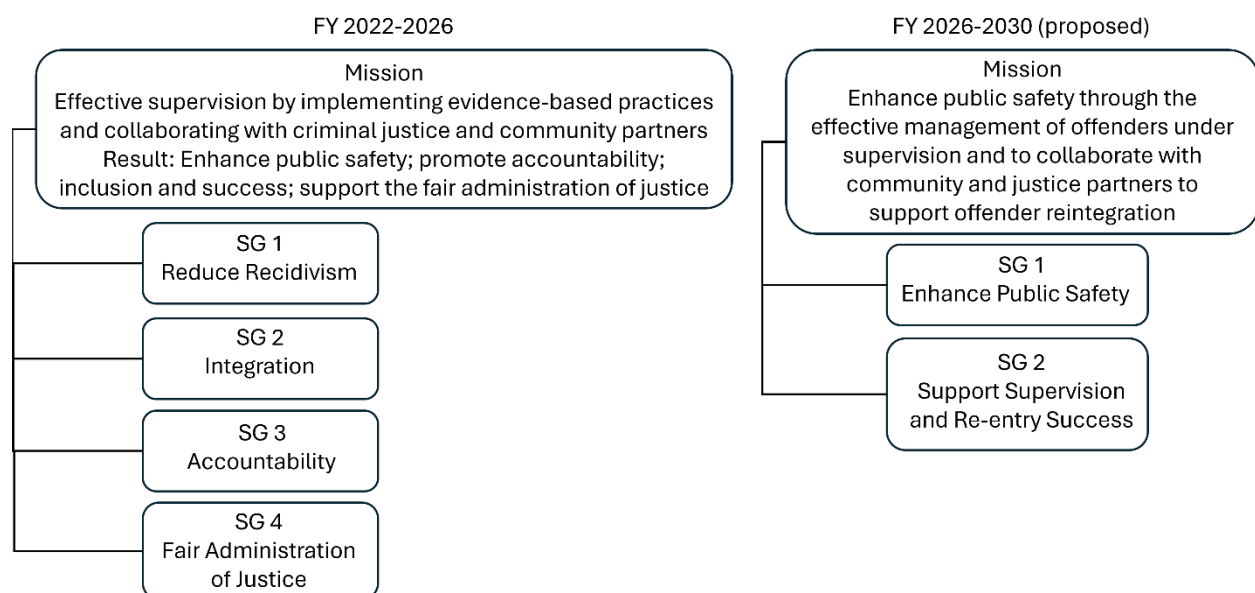


Figure 2: Structural changes between CSP FY 2022–2026 and proposed FY 2026–2030 strategic plans

CSP Outcomes of Supervision

To monitor the agency's progress in achieving its mission, CSP established the following outcome indicators related to public safety, offender compliance on supervision, and reintegration:

1. Rearrest during supervision,
2. Successful completion of supervision,
3. Revocation of supervision, and
4. Returns to community supervision.

These outcomes are related to, but distinct from, recidivism. Generally, recidivism refers to an offender's relapse or return to criminal behavior after receiving some type of sanction (e.g., incarceration, probation). Although the concept is relatively straightforward, measuring recidivism can be challenging. Because criminal activity may be undetected, official records are often incomplete representations of an offender's involvement in criminal activity. Therefore, it may be difficult to identify exactly if, or when, an offender recidivates.

Also, criminal justice agencies are generally limited to official records when studying recidivism and therefore, often must rely on a variety of constructs to obtain a complete picture of an offender's criminal activity. While common measurements include rearrest, reconviction and reincarceration, recidivism does not have a standard definition or follow-up period, although three years is commonly used. Recidivism rates also will vary for the same group, depending on how it is defined and the follow-up period used. In addition, although failure rates serve as the foundation of recidivism research, it is essential to move beyond them to improve recidivism as a performance measure. Constructs such as desistance (cessation of criminal activity), crime severity, and behavior changes should also be included as indicators of success.³

CSP recognizes that continued criminal conduct burdens victims, the offender's family, the community, and the entire criminal justice system. CSP tracks revocation rates and other related factors and adapts our behavioral interventions and supervision practices to meet offender needs. Despite these efforts, it is not unusual for offenders to return to CSP supervision.

³ King, Ryan, and Brian Elderbroom. 2014. Improving Recidivism as a Performance Measure. Washington, DC: Urban Institute.

CSP REARREST

In FY 2025, 21 percent of CSP's offenders supervised at some point during the fiscal year were rearrested in DC (Table 2) for alleged engagement in criminal activity. More than three-quarters of these arrests were for new charges. When Maryland and Virginia arrests are included, 22.9 percent of offenders supervised by CSP during the fiscal year were rearrested.

Table 2: Percentage of total supervised population rearrested, FY 2023 - FY 2025, as of September 30

	FY 2023	FY 2024	FY 2025
Probation			
DC Arrests	17.4%	17.9%	21.4%
DC Arrests (new charges) *	14.0%	14.4%	17.3%
DC/MD/VA Arrests	20.0%	20.5%	23.5%
Parole			
DC Arrests	12.4%	13.6%	12.4%
DC Arrests (new charges) *	8.2%	8.1%	7.3%
DC/MD/VA Arrests	13.1%	15.3%	14.1%
Supervised Release			
DC Arrests	22.7%	23.8%	27.3%
DC Arrests (new charges)	16.3%	16.5%	18.3%
DC/MD/VA Arrests	25.4%	26.0%	29.0%
Deferred Sentence Agreement			
DC Arrests	9.7%	9.9%	13.6%
DC Arrests (new charges)	7.6%	7.4%	8.7%
DC/MD/VA Arrests	11.2%	10.8%	14.1%
Civil Protection Order			
DC Arrests	16.3%	12.5%	13.2%
DC Arrests (new charges)	10.8%	8.5%	11.0%
DC/MD/VA Arrests	16.7%	13.2%	14.2%
Total Supervised Population			
DC Arrests	17.8%	18.2%	21.0%
DC Arrests (new charges) *	13.8%	13.9%	16.3%
DC/MD/VA Arrests	20.2%	20.6%	22.9%

* Excludes arrests made for parole or probation violations.

Computed as the number of unique offenders arrested in reporting period as a function of total number of unique offenders supervised in the reporting period.

Historically, CSP offenders on supervised release tend to be rearrested at a consistently higher rate than parolees and probationers. This pattern continued into FY 2025, with just under one-quarter of supervised releasees rearrested (DC, MD, and VA, all charges considered), demonstrating the necessity for us to continue allocating resources to address the criminogenic needs of this group. [Table 3](#) details the types of charges associated with the arrests of individuals while under supervision.

Table 3: Number of arrest charges and their ratio for offenders rearrested in D.C. while under CSP supervision, FY 2022 - FY 2025, as of September 30

Charge Category [§]	FY 2022		FY 2023		FY 2024		FY 2025	
	N	%	N	%	N	%	N	%
Firearm Offenses	1,243	14.9%	1,241	13.8%	1,103	14.4%	953	9.9%
Property Offenses	978	11.7%	966	10.8%	829	10.8%	1,159	12.0%
Simple Assaults	944	11.3%	988	11.0%	866	11.3%	1,074	11.1%
Public Order Offenses	1,673	20.0%	1,402	15.6%	1,370	17.8%	1,523	15.8%
Drug Offenses	428	5.1%	375	4.2%	449	5.8%	636	6.6%
Violent Offenses	1,324	15.9%	1,336	14.9%	1,074	14.0%	1,324	13.7%
Other Offenses	142	1.7%	313	3.5%	348	4.5%	809	8.4%
Release Condition Violations	1,614	19.3%	2,359	26.3%	1,647	21.4%	2,165	22.5%
TOTAL[†]	8,346	100.0%	8,980	100.0%	7,686	100.0%	9,643	100.0%

[†] Arrested offenders may be charged with more than one offense.

[§] Charge categories:

- Violent Offenses: Murder/Manslaughter, Forcible Rape, Sex Offenses, Robbery, Carjacking, Aggravated Assault,
- Assault With a Deadly Weapon, Assault With the Intent to Kill, Kidnapping, Offenses Against Family & Children
- Public Order Offenses: DUI/DWI, Disorderly Conduct, Gambling, Prostitution, Traffic, Vending/Liquor Law Violations, Drunkenness, Vagrancy, Curfew and Loitering Law Violations
- Firearm Offenses: Firearms - Carrying/Possessing
- Simple Assault: Simple Assaults
- Property Offenses: Arson, Burglary, Larceny-Theft, Fraud, Forgery and Counterfeiting, Embezzlement, Motor Vehicle Theft, Stolen Property, Vandalism
- Drug Offenses: Drug Distribution and Drug Possession
- Release Condition Violations: Parole and Probation Violations
- Other Offenses: Other Felonies and Misdemeanors including traffic violations, vehicle registration infractions, obstruction of justice, and fleeing from law enforcement.

CSP SUCCESSFUL COMPLETION OF SUPERVISION

In recent years, CSP characterized supervision completions as “unsuccessful,” “successful,” or “other.” Unsuccessful completions include cases closed by revocation, regardless of whether the offender was incarcerated or returned to supervision, as well as cases returned to the sending jurisdiction out of compliance or pending an institutional hearing before the U.S. Parole Commission. The “other” category includes cases closed due to the death or deportation of the offender, as well as cases closed for administrative reasons. All other completions are categorized as successful, including those where supervision expired or was terminated prior to the satisfactory completion of some conditions.

Going forward, CSP is adjusting this categorization scheme to provide more detail about the end of supervision, while reducing the normative implication of the category labels. The new categories are better aligned with those used by the Bureau of Justice Statistics (BJS) and more fully utilize the available information from CSP’s case management system, Supervision, Management and Automated Record Tracking (SMART).

The new categories of closed supervision periods are:

- Completed: Terminations or expirations where the release authority deemed the conditions of release were satisfied; formerly categorized as Successful.
- Revoked: Terminations where the release authority affirmatively revoked supervision; formerly categorized as Unsuccessful (Revoked).
- Unsatisfactory: Terminations or expirations in which the release authority acknowledged that one or more conditions were not fulfilled but did not revoke the grant of supervision; formerly divided between the Successful and Unsuccessful categories.
- Transferred: Supervision periods where CSP’s responsibility for the case ended with the transfer of the matter to another supervision agency (for example, U.S. Parole and Probation) or jurisdiction (for example, the originating state in matters transferred to CSP under the Interstate Compact); formerly divided between the Successful and Unsuccessful categories.
- Death: Terminations of supervision due to the death of the offender; formerly classified within the Other category.
- Deported: Terminations following the deportation of the offender; formerly classified with the Other category.
- Other: Administrative terminations typically where the circumstances are unknown or uncertain; formerly classified as Other.

Transitionally, CSP will report supervision endings by both the new and old categorization for comparison. [Table 4](#) shows the offender exits in FY 2025. [Table 5](#) shows the offender exits since FY 2022 using the old categorization.

In FY 2025, a total of 7,105 CSP supervision periods were closed: 5,503 probation; 805 supervised release cases; 248 parole cases; 286 deferred sentence agreements; and 263 civil protection orders ([Table 4](#)). Out of 7,105 cases closed, 3,756 (52.9 percent) were completed ([Table 4](#)).

Table 4: Offender exits by supervision type and success category as of September 30, 2025

	Parole		Supervised Release		Probation		Deferred Sentenced Agreement		Civil Protection Order		Total	
Completed	131	52.8%	212	26.3%	3,042	55.3%	183	64.0%	188	71.5%	3,756	52.9%
Revoked	65	26.2%	449	55.8%	1,386	25.2%	62	21.7%	1	0.4%	1,963	27.6%
Unsatisfactory	1	0.4%	17	2.1%	569	10.3%	25	8.7%	63	24.0%	675	9.5%
Transferred	17	6.9%	53	6.6%	251	4.6%	0	0.0%	0	0.0%	321	4.5%
Death	13	5.2%	35	4.3%	103	1.9%	1	0.3%	4	1.5%	156	2.2%
Deported	0	0.0%	0	0.0%	7	0.1%	0	0.0%	0	0.0%	7	0.1%
Absconded	0	0.0%	0	0.0%	1	0.0%	0	0.0%	0	0.0%	1	0.0%
Other	21	8.5%	39	4.8%	144	2.6%	15	5.2%	7	2.7%	226	2.8%
Total	248	100.0%	805	100.0%	5,503	100.0%	286	100.0%	263	100.0%	7,105	100.0%

Table 5: Case closures by historical success categories, FYs 2022 - 2025, as of September 30

Fiscal Year	Total Exits	Successful	Unsuccessful		Other
			Revocations	Other Unsuccessful	
2022	3,014	66.8%	22.3%	2.8%	8.1%
2023	4,906	67.0%	23.7%	1.6%	7.5%
2024	6,202	61.6%	29.8%	2.7%	5.9%
2025	7,105	64.4%	27.6%	2.3%	5.6%

CSP REVOCATIONS

CSP also tracks the percentage of its total supervised population revoked by the releasing authority. The revocation of a CSP offender can result from multiple factors and is an outcome of a complex supervision process that seeks to balance public safety with supporting offender reintegration. Revocation is typically the result of one or more alleged violation reports submitted by CSP to the releasing authority. Most revoked offenders return to prison after a series of events demonstrate their inability to maintain compliant behavior on community supervision. Alternatively, revoked offenders may return to prison after one event, depending on the circumstances. Non-compliance may involve one or more arrests, conviction for a new offense, technical violations of release conditions (e.g., positive drug tests or missed office appointments), or a combination of arrest and technical violations. CSP continues to develop, implement, and evaluate effective supervision programs and techniques to increase compliance and reduce revocations, while also maintaining public safety.

Table 6: CSP total supervised population revoked, by supervision/monitoring type, FYs 2023 - 2025, as of September 30

Supervision Type	FY 2023		FY 2024			FY 2025		
	N	Revoked %	N	Revoked %	Change %	N	Revoked %	Change %
CPO	203	0.5	568	0.2	179.8	1,067	0.0	87.9
DSA	340	9.1	323	5.6	-5.0	390	7.9	20.7
Parole	696	2.9	582	10.5	-16.4	491	7.9	-15.6
Probation	7,181	8.4	7,501	8.2	4.5	8,442	8.5	12.5
Supervised Release	1,986	12.4	1,937	15.1	-2.5	1,962	16.1	1.3
Total	10,406	8.8	10,911	9.6	4.9	12,352	8.9	13.2

Table 7: Characteristics of the revoked offenders for the total supervised population, FYs 2022 - 2025, as of September 30

FY	Supervision Risk Levels Intensive and Maximum		Unstable Housing		Less than HS Diploma		Employed		Female		Behavioral Health Team	
	Revoked	TSP	Revoked	TSP	Revoked	TSP	Revoked	TSP	Revoked	TSP	Revoked	TSP
2022	66.0%	53.7%	20.8%	9.5%	38.7%	30.8%	24.2%	51.5%	7.5%	11.1%	6.6%	4.7%
2023	50.9%	45.9%	18.9%	9.4%	39.8%	29.3%	25.0%	53.3%	8.5%	12.0%	7.0%	4.2%
2024	82.7%	49.3%	20.0%	8.9%	38.9%	28.1%	23.0%	53.0%	10.9%	13.9%	19.1%	4.9%
2025	79.7%	44.9%	19.7%	8.4%	37.9%	26.0%	16.8%	50.6%	11.5%	15.8%	15.5%	3.9%

Although CSP strives to reduce recidivism and address offenders' criminogenic needs while they are in the community, it is equally important for us to recognize and respond to offender noncompliance on supervision to protect public safety. We believe our evidence-based approach, which focuses resources on the highest-risk offenders, is the most efficient means of reducing recidivism and aligns with best practices in community supervision. Moving forward, it will be important to develop other measures of recidivism to show the impact of our strategies.

Compared to the overall supervised population, offenders revoked during FY 2025 were characterized by the following:

- More likely to be assessed and supervised by CSP at the highest risk levels (79.7 percent compared to 44.9 percent for the total supervised population);
- More likely to be supervised by a behavioral health supervision team (15.5 percent compared to 3.9 percent for the total supervised population);
- Have unstable housing (19.7 percent compared to 8.4 percent for the total supervised population);
- Have lower educational attainment (37.9 percent with less than a high school education compared to 26 percent for the total supervised population); and
- If employable, less likely to be employed (16.8 percent compared to 50.6 percent for the total supervised population).

Female offenders were less likely than male offenders to have their supervision revoked ([Table 7](#)). Although women accounted for 15.8 percent of the overall supervision population during FY 2025, they represented only 11.5 percent of those revoked. Probationers were underrepresented among revoked individuals, while those on supervised release were overrepresented. Specifically, probationers made up 68.3 percent of the supervised population but only 65 percent of those revoked. In contrast, offenders on supervised release comprised 15.9 percent of the supervised population yet accounted for 28.6 percent of revocations.

RETURNS TO CSP SUPERVISION

CSP tracks two metrics quantifying how often offenders return to supervision for a second or subsequent time: (1) The percentage of offenders who exited CSP supervision in the past who returned to CSP supervision within three years, and (2) the percentage of offenders who entered CSP supervision recently who had been under CSP supervision during the prior three years. CSP regards lower rates on

these metrics as indications that, overall, our efforts to rehabilitate and reform offenders are increasingly effective.⁴ CSP strives to help offenders avoid the revolving door of involvement with the criminal justice system. Our objective is to supervise each offender once, discharging them from supervision with the skills needed to be a productive member of the community with no reason to return to supervision.

Table 8 displays the proportions of individuals who entered or exited from CSP supervision in recent fiscal years and returned to CSP supervision within three years. Of the 5,399 people entering supervision in FY 2025, only 21.5 percent of them were supervised in the prior three years.⁵

Table 8: Offender returns to CSP supervision, FYs 2022 - 2025, as of September 30th

Cohort Type	Fiscal Year	Cohort Members (N)	Returned to Supervision (%)*
Entry	2022	4,151	21.5%
	2023	3,808	20.6%
	2024	4,642	19.8%
	2025	5,399	21.5%
Exit	2022	3,145	21.7%
	2023	3,965	23.1%**
	2024	3,713	18.8%**
	2025	4,337	7.4%**

*The percentage of cohort members (i.e., offenders) who returned to CSP supervision within 36 months. Smaller percentages are better.

**Since fewer than 36 months have elapsed since offenders in these cohorts exited CSP supervision, these percentages are attenuated and should not be compared with percentages from earlier cohorts.

⁴ This interpretation rests on some simplifying assumptions. The first is that most offenders who are revoked to incarceration will be released again to CSP supervision within three years. Revocations will, therefore, tend to increase returns to supervision. So, too, will offenders who complete CSP supervision, either successfully or unsuccessfully, but accrue new arrests and convictions, indicating that our efforts to rehabilitate them were not entirely successful. CSP acknowledges that offenders may not return to CSP supervision for other reasons that are more difficult to interpret. For example, they may move outside the District, they may become involved in the justice system of another state, or they may die or be deported. By interpreting reduced returns to supervision as a positive performance indicator, CSP is effectively assuming the proportion of offenders in these ambiguous circumstances (i.e., out-migration, death, deportation) is mostly invariant from year to year.

⁵ Table 8 is updated annually, not in partial years.

Pretrial Services Agency Performance Goals, Objective and Results

PSA's mission is to promote pretrial justice and enhance community safety in the Nation's Capital. Its vision is to improve public safety and serve the community through data-driven decision making by a committed workforce that provides evidence-based pretrial supervision and support services.

Strategic Goals:

PSA's Strategic Plan sets forth the agency's priorities, goals and objectives that guide our work in achieving its mission of promoting pretrial justice and enhancing community safety, while striving for efficient agency administration. Agency leaders use this Plan to drive resource allocations, thereby empowering employees to transform strategies into actions and measurable results. Progress on goals and objectives are measured using a comprehensive set of Key Performance Indicators (KPIs), regularly reviewed with staff at all levels of the organization. These reviews promote thoughtful discussion on agency advancement, highlight areas of success and help staff to identify opportunities for improvements and adjustments. PSA's FY 2022–2026 Strategic Plan is composed of four strategic goals and one management objective that outline the long-term outcomes we plan to achieve. The four strategic goals focus on effective mission accomplishment, and the management objective focuses on efficient agency administration. The four strategic goals are supported by specific objectives essential to our success. Key strategies outline how we will achieve our objectives, and the performance indicators measure progress toward our goals. PSA achieved or exceeded performance targets for all four strategic goals in FY 2025.

Throughout FY 2025, PSA continued to implement data-driven decision-making and enhance its risk-based-services supervision model, customizing release conditions and supervision based on each defendant's assessed risk levels for failure to appear and rearrest. The agency also regularly monitored outcomes, engaged in routine communication with criminal justice partners, and implemented additional staff training on new procedures. These practices demonstrate PSA's commitment to continuous improvement, ensuring PSA remain a leader among pretrial services agencies.

The table below summarizes PSA's overall performance on its strategic goals during FY 2025. PSA routinely reviews its performance indicators and develops

recommendations for modifying, streamlining or incorporating new measures that align with the agency's mission. As the agency moves into its FY 2026–2030 strategic planning period, it is expected that PSA will focus its efforts on two overarching strategic goals: Minimize Rearrest and Maximize Court Appearance. Strategic objectives and performance indicators will be revised and realigned under those goals. Relevant updates will be provided in PSA's FY 2026–2030 Strategic Plan and upcoming Congressional Budget Justification.

Performance Indicator		FY 2025	FY 2025–2027
Performance Description		Actual	Target Range
Strategic Goal 1	Judicial Concurrence with PSA Recommendations	83% ●	68% to 72%
Strategic Goal 2	Continued Pretrial Release	86% ●	84% to 86%
Strategic Goal 3	Arrest Free Rate	88% ●	85% to 89%
	Arrest Free Rate (Violent Crimes)	99% ●	96% to 98%
Strategic Goal 4	Court Appearance Rate	88% ●	86% to 88%

STRATEGIC GOAL 1: JUDICIAL CONCURRENCE WITH PSA RECOMMENDATIONS

PSA promotes the fair administration of justice by recommending the least restrictive release conditions to reasonably assure community safety and return to court. To support judicial decisions, PSA provides a Pretrial Services Report (PSR), which contains a summary of each defendant's criminal history and demographic

information, as well as recommended release conditions designed to mitigate the risk of failure to appear in court and rearrest during the pretrial period. To determine the degree to which our recommendations align with judicial orders, PSA implemented a measure to assess the extent to which judges concur with and implement PSA's initial release conditions.

Moving into the FY 2026–2030 strategic planning period, it is expected that PSA will realign the strategic objective currently encompassed within this goal under another, more fitting, goal.

Strategic Objective 1.1 Risk Assessment

To gauge the quality of the information provided to judges for decision making, PSA implemented a measure of PSR completeness. A PSR is considered “complete” when it contains defendant interview responses (or documented refusal thereof), lockup drug test results, criminal history, and release condition recommendations based on a risk assessment score, prior to the case being called in court.

STRATEGIC GOAL 2: CONTINUED PRETRIAL RELEASE

During the pretrial period, PSA undertakes efforts to address and resolve non-compliant behavior to help achieve the goal of remaining in the community. To gauge the effectiveness of our supervision services, PSA implemented a measure of continued pretrial release, which examines the rate at which defendants remain on release without revocation or a pending request for revocation due to non-compliance.

While PSA will continue to monitor defendant continued pretrial release rates, it is expected that the agency will shift its focus to goals that more directly impact mission accomplishment during the next strategic period.

Strategic Objective 2.1 Effective Case Management

Case management is an individualized approach for securing, coordinating, and monitoring the appropriate risk-based services necessary to help each defendant successfully comply with release conditions. To gauge the effectiveness of defendant case management, PSA implemented a measure of defendant compliance at case disposition.

STRATEGIC GOAL 3: MINIMIZE REARREST

PSA supervision is designed to mitigate defendant risk, address needs that may impact defendant success on supervision and help defendants remain arrest-free. To gauge our effectiveness in minimizing rearrests, we measure the rate at which defendants remain arrest-free during the pretrial period.

Strategic Goal 3.1 Risk-Based Services

PSA focuses supervision resources on defendants most at risk of violating their release conditions and uses graduated levels of supervision and pro-social interventions to promote compliance.

PSA's supervision strategies include imposing swift, consistent and graduated responses for non-compliance with release conditions.

To gauge the effectiveness of our supervision strategies, PSA implemented measures to evaluate the rate of response to defendant misconduct (e.g., drug use, contact, electronic monitoring, and group session infractions).

Strategic Goal 3.2 Assessment-Driven Treatment

An effective approach for minimizing rearrests during the pretrial period is addressing underlying issues that may impact a defendant's success on supervision, such as substance use disorder and mental health treatment needs. After a formal assessment is conducted and needs are identified, PSA provides—either through contract services or referral—appropriate behavioral health services aligned with risk-based priority.

Risk mitigation services for substance use and/or mental health disorders is provided as a component of, and never as a substitute for, PSA's robust supervision protocols. Defendants with behavioral health treatment needs are assigned to supervision units that provide services based on both risk and need. In addition to appropriate risk mitigation services, defendants placed in these units have release conditions to support compliance, including substance use testing, regular supervision contact, and program participation. To gauge the effectiveness of these interventions, PSA measures defendant referral, assessment, and placement in risk mitigation programs.

STRATEGIC GOAL 4: MAXIMIZE COURT APPEARANCE

The strategic goal of maximizing court appearance is one of the most fundamental outcome measures for pretrial programs. Within PSA, this strategic goal is measured by the defendant appearance rate, which indicates the percentage of cases where defendants on pretrial release make all scheduled court appearances during the fiscal year.

Strategic Objective 4.1: Court Appearance Notifications

To minimize failures to appear, defendants are notified of upcoming court dates using various methods of notification (e.g., email, text messages, and letters). An analysis of court appearance notification methods suggests that text messages are the most effective in yielding the highest court appearance rates. To gauge the effectiveness of the notification for court appearance, PSA implemented a measure to determine the rate of court appearance according to the notification method.

Management Assurances

OMB Circular A-123 (July 15, 2016) implements the Federal Managers Financial Integrity Act of 1982 (FMFIA) and the Federal Financial Management Improvement Act (FFMIA). It requires agency heads to annually assess and report on:

- Internal Controls (FMFIA §2); and
- Financial Management Systems (FMFIA §4).

OMB A-136 and CSOSA Policy Statement 5206 mandate that these assessments be documented in the AFR, due by November 17, 2025.

The GAO's "Green Book" (Standards for Internal Control in the Federal Government, effective for FY 2025) provides the framework for evaluating the design, implementation, and effectiveness of internal controls. Agency management must maintain internal controls to meet three objectives:

1. **Operations** – Efficient and effective program delivery
2. **Reporting** – Reliable internal and external financial reporting
3. **Compliance** – Adherence to applicable laws and regulations

OMB A-123 defines an effective internal control system as one that provides reasonable assurance of achieving these objectives. Deficiencies arise when controls fail to meet these goals or mitigate related risks.

All federal employees share responsibility for safeguarding assets and delivering services efficiently. Leaders must establish goals, ensure legal compliance, and manage risks proactively to improve decision-making and operational performance.

Per OMB A-136, agencies must include FMFIA and FFMIA assurances in the AFR's "Analysis of Systems, Controls, and Legal Compliance" section. A single statement signed by the agency head may cover both statutes.

For FMFIA, management must:

- Assess internal controls supporting financial reporting, operations, and compliance (§2);
- Evaluate financial systems' compliance with federal requirements (§4); and
- Identify material weaknesses and non-compliance, provide assurance level (unmodified, modified, or none), and outline corrective actions.

For FFMIA, management must assess compliance with:

- Federal financial system requirements;
- FASAB accounting standards; and
- U.S. Standard General Ledger (USSGL) at the transaction level.

We are committed to managing CSOSA's resources in a transparent and accountable fashion as we carry out a mission that improves the lives of all people within the District of Columbia. In March 2025, the Office of Investigations, Compliance and Audit-Quality Improvement Unit initiated a data call to executive staff, program managers, and line staff to identify internal control deficiencies. Participants used the GAO Green Book framework to evaluate control effectiveness and were asked to consider:

- Strategic goals and performance measures;
- Program management and security;
- Policies, procedures, and organizational culture;
- Communication effectiveness; and
- Prior findings (e.g., audits, FISMA reviews, external studies).

CSOSA conducted an internal review with component heads of the adequacy of internal controls in FY 2025. As a result of responses to this review, the CSOSA Director provides assurance that the Agency's management controls, and financial systems, met the objectives of Sections 2 (Programmatic Controls) and 4 (Financial Controls) of the FMFIA for FY 2025. No component head reported material deficiencies in the Agency's internal control responses.

After an analysis of the current internal controls and financial management systems CSOSA can provide assurance that the organization's financial management system complies with federal financial management systems requirements, standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and the U.S. Standard General Ledger (USSGL) at the transaction level.

Summary of Material Weakness and Nonconformance: As noted in the Statement of Assurance, the CSOSA had no material weakness in internal control, material noncompliance with applicable laws and regulations, nor substantial nonconformance with federal financial management system requirements to report for FY 2025.

The President appointed me as CSOSA's Director on September 19, 2025. Therefore, CSOSA's Deputy Director co-signs regarding the attestation of the completeness and reliability of the performance and financial data used in this report.



CSOSA

STATEMENT OF ASSURANCE

We are committed to managing CSOSA's resources in a transparent and accountable fashion as we carry out a mission that improves the lives of all people within the District of Columbia. CSOSA management is responsible for managing risks and maintaining effective internal controls to meet the objectives of both the FMFIA and the FFMA, and for assessing compliance with federal financial management systems. In March 2025, CSOSA conducted a data call using the A-123 survey, and PSA completed a risk assessment of PSA operations. The data call was distributed to key program managers and line staff to obtain input on potential internal control issues. Executive and next-level managers and supervisors were asked to identify objectives where the system(s) of internal control may be ineffective, based on the GAO Green Book framework.

No material weaknesses were reported in FY 2025, and no significant changes were made to the internal control systems since the Statement of Assurance was issued in November 2024. It should also be noted that in FY 2025, CSOSA was compliant with the Payment Integrity Information Act (PIIA) of 2019. The agency will continue to strengthen its internal control framework and follow up on assessment activities conducted in FY 2024.

Based on our assessment, we can provide reasonable assurance that, in accordance with Section 2 of the FMFIA, CSOSA's internal controls over operations, reporting, and compliance with laws and regulations were operating effectively as of September 30, 2025. In addition, we can provide reasonable assurance that as of September 30, 2025, CSOSA was in substantial conformance with the requirements of the FMFIA.

The President appointed me as CSOSA's Director on September 19, 2025. Therefore, CSOSA's Deputy Director co-signs regarding the attestation of the completeness and reliability of the performance and financial data referenced in this assurance statement.

A handwritten signature in blue ink, appearing to read "Gadyaces S. Serralta".

Gadyaces S. Serralta
Acting Director

A handwritten signature in blue ink, appearing to read "Denise Simmonds".

Denise Simmonds
Deputy Director and Acting Sr. Director,
Office of Investigations, Compliance and Audit (OICA)

Systems and Legal Compliance

Agency Financial Management Systems Strategy

CSOSA's overall strategy for its financial management systems is to ensure that the systems provide accurate, reliable, and timely information for management decision-making, maintain effective internal controls, and comply with applicable laws and regulations. It is also critical that the financial management systems support both operational efficiency and effectiveness in meeting the agency's strategic goals. Through FY 2025, the Department of the Interior's Interior Business Center (IBC) provided financial management system services for the CSOSA which it has been providing for the agency since 2007. CSOSA uses the Oracle Federal Financials (OFF) system as its core financial management system and the Oracle Analytics Server (OAS) reporting capabilities to produce timely reports that support agency requirements. CSOSA also uses several systems that integrate with OFF to support agency operations, including the Invoice Processing Platform (IPP) for efficient and secure processing of invoices, the E2 Solutions (E2) system to manage travel transactions, and the Contract Lifecycle Management (CLM) system for contract actions. The agency continued its efforts to maintain and enhance financial management systems to promote operational effectiveness, efficiency, reliability, and timeliness of data to support the agency's strategic goals. The CSOSA redesigned and improved several financial management business processes and procedures and developed new tools and reports to assess its financial management operations that ultimately contribute to its mission success. The CSOSA recognizes the importance of financial management systems and oversight as part of serving as a good steward of taxpayer dollars entrusted to it. Accordingly, in FY 2025, CSOSA continued to work to refine its financial management processes and procedures to optimize the performance of operations and reporting.

Federal Information Security Management Act (FISMA)

As mandated by FISMA, the agency continues to maintain an effective information security program to manage information technology in accordance with OMB Circular A-130 requirements and National Institute of Standards and Technology (NIST) guidance. CSOSA currently has fourteen systems authorized to operate (ATO). CSOSA leverages seven Federal Risk and Authorization Management Program (FedRAMP) cloud service providers.

Digital Accountability and Transparency Act of 2014 (DATA Act)

The DATA Act expands the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in federal spending, making federal expenditure information more accessible to the public; improve the quality of the information on **USASpending.gov**, as verified through regular audits of the posted data; and to streamline and simplify reporting requirements through clear data standards. The CSOSA successfully transmitted the data files, and certified the quarterly submissions as required by the government-wide requirements set by OMB and the U.S. Department of Treasury.

Prompt Payment Act

The Prompt Payment Act requires that federal agencies automatically pay interest to vendors when a payment is not timely and report how much interest was paid each year because of late payments.

Debt Collection Improvement Act

The Debt Collection Improvement Act of 1996 (P.L. 104-134) requires the implementation of supplier registration and maintenance controls within the financial management system ensuring that vendors are properly registered and compliant with the United States Treasury Department. Payments made by CSOSA to suppliers with delinquent debts owed to the United States Government may be collected by the United States Treasury Department.

Antideficiency Act

The Antideficiency Act prohibits federal agencies from spending or obligating funds in excess of amounts and purposes approved by Congress, and from accepting voluntary services. CSOSA's funds controls and continuing reviews of funds usage and availability ensure it complies with requirements of the Antideficiency Act.

Payment Integrity Information Act

The PIIA requires that agencies examine the risk of erroneous payments in all programs and activities they administer. PIIA also identifies DNP pre-award and pre-payment review requirements.

FORWARD LOOKING INFORMATION

Other than the activities already identified in this report, there are no other known or anticipated risks, uncertainties, future events or conditions, or trends that could

significantly impact the future financial position, condition, or operating performance of CSOSA.

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

AFR Section II: Financial Section

A. MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to announce that CSOSA has earned an unmodified audit opinion on its financial statements from an independent public accountant. This opinion states that the financial statements are reported fairly in accordance with U.S. generally accepted accounting principles and are free of material misstatements. The FY 2025 auditor's report on internal controls over financial reporting did not identify any material weaknesses. CSOSA recognizes the Government-wide funding constraints under which we currently operate. We continue to review and implement methods to operate more efficiently to ensure taxpayer funds are used wisely in support of our law enforcement functions in the District of Columbia. CSOSA is committed to sound financial management controls and effective use of resources, and we look forward to continuing these practices in FY 2026.



Paul Girardo

Chief Financial Officer

B. FY 2025 AUDITORS' REPORT



BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

Independent Auditor's Report

Director
Court Services and Offender Supervision Agency

In our audit of the fiscal year 2025 financial statements of the Court Services and Offender Supervision Agency (CSOSA), we found

- CSOSA'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;
- no material weaknesses in internal control over financial reporting based on the limited procedures¹, we performed and
- no reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes a section on required supplementary information (RSI)² and a section on other information included with the financial statements³; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

Opinion

In accordance with U.S. generally accepted government auditing standards we have audited CSOSA's financial statements. CSOSA's financial statements comprise the balance sheet as of September 30, 2025, the related statement 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, CSOSA's financial statements present fairly, in all material respects, CSOSA's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSOSA and to meet

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A 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.

² The RSI consists of "Management's Discussion and Analysis" and the "Statement of Budgetary Resources" which are included with the financial statements.

³ Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements Management is responsible for

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 CSOSA'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 under standards issued 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

CSOSA'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 CSOSA's agency financial report. The other information comprises the following sections: a detailed statement of management assurances and other information as applicable. 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 audits of CSOSA's financial statements, we considered CSOSA'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 deficiencies⁴ or to express an opinion on the effectiveness of CSOSA's internal control over financial reporting. Given these

⁴ 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.

limitations, during our 2025 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

We performed our procedures related to CSOSA'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

CSOSA 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 the Consideration of Internal Control over Financial Reporting

In planning and performing our audit of CSOSA'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 CSOSA'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 CSOSA's internal control over financial reporting. Accordingly, we do not express an opinion on CSOSA's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

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

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

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

Intended Purpose of Report on Internal Control over Financial Reporting

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



for any other purpose.

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

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CSOSA. Accordingly, we do not express such an opinion.

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

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

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

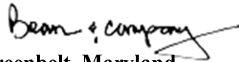
CSOSA management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CSOSA.

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

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

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

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


Greenbelt, Maryland
November 17, 2025


BROWN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

C. FY 2025 CSOSA FINANCIAL STATEMENTS

Court Services and Offender Supervision Agency Balance Sheet As of September 30, 2025 (In Dollars)

	<u>2025</u>
Assets	
Intragovernmental	
Fund Balance with Treasury - Note 2	\$ 175,649,895
Accounts Receivable - Federal - Note 3	4,224
Advances and Prepayments	278,451
With The Public	
Accounts Receivable - Note 3	11,411
General and right-to-use property, plant, and equipment, net - Note 4	14,017,954
Total Assets	<u><u>\$ 189,961,935</u></u>
Liabilities	
Intragovernmental Liabilities:	
Accounts Payable	28,099
Other liabilities - Note 5	
Employer Contributions and Payroll Taxes Payable	1,608,568
Unfunded FECA Liability	86,168
With The Public	
Accounts Payable	4,889,266
Federal employee and veteran benefits payable - Note 5	
Accrued Funded Payroll and Leave	3,673,722
Employer Contributions and Payroll Taxes Payable	150,008
Unfunded Leave	11,239,387
Actuarial FECA Liability	498,572
Other Liabilities	
Lessee Lease Liability - Note 7	3,227,844
Total Liabilities - Note 5	<u><u>25,401,634</u></u>
Net Position	
Unexpended Appropriation	165,233,288
Cumulative Results of Operations	(672,987)
Total Net Position	<u><u>164,560,301</u></u>
Total Liabilities and Net Position	<u><u>\$ 189,961,935</u></u>

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

Court Services and Offender Supervision Agency
Statement of Net Cost
For The Period Ended September 30, 2025
(In Dollars)

	<u>2025</u>
Gross Program Costs	
Reduce Recidivism	
Total Cost	\$ 32,557,780
Earned Revenue	-
Net Program Costs	<u>32,557,780</u>
Integration	
Total Cost	28,253,689
Earned Revenue	-
Net Program Costs	<u>28,253,689</u>
Accountability	
Total Cost	86,440,730
Earned Revenue	-
Net Program Costs	<u>86,440,730</u>
Fair Administration of Justice	
Total Cost	27,558,992
Earned Revenue	-
Net Program Costs	<u>27,558,992</u>
Judicial Concurrence with PSA Recommendations	
Total Cost	17,634,579
Earned Revenue	<u>(5,043)</u>
Net Program Costs	17,629,536
Continued Pretrial Release	
Total Cost	16,523,340
Earned Revenue	<u>(4,725)</u>
Net Program Costs	16,518,615
Minimize Rearrest	
Total Cost	19,029,316
Earned Revenue	<u>(5,442)</u>
Net Program Costs	19,023,874
Maximize Court Appearance	
Total Cost	19,206,780
Earned Revenue	<u>(5,492)</u>
Net Program Costs	19,201,288
Net Program Costs	<u><u>\$ 247,184,504</u></u>
 Cost not assigned to programs	 54,876,811
Less: earned revenues not attributed to programs	-
 Net Cost of Operations	 <u><u>\$ 302,061,315</u></u>

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

Court Services and Offender Supervision Agency
Statement of Changes in Net Position
For The Period Ended September 30, 2025
(In Dollars)

	<u>2025</u>
Unexpended Appropriations	
Beginning Balance	\$ 175,333,155
Appropriations Received	286,016,000
Canceled Funds	(18,825,255)
Appropriations Used	<u>(277,290,612)</u>
Change in Unexpended Appropriations	<u>(10,099,867)</u>
Total Unexpended Appropriations	165,233,288
Cumulative Results of Operations	
Beginning Balance	(1,140,923)
Appropriations Used	277,290,612
Imputed Financing - Note 8	25,238,639
Net Cost of Operations	<u>302,061,315</u>
Change in Cumulative Results of Operations	<u>467,936</u>
Total Cumulative Results of Operations	<u>(672,987)</u>
Net Position	<u>\$ 164,560,301</u>

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

Court Services and Offender Supervision Agency
Statement of Budgetary Resources
For The Period Ended September 30, 2025
(In Dollars)

	2025
Budgetary Resources	
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 80,553,094
Appropriations (discretionary and mandatory)	286,016,000
Spending authority from offsetting collections (discretionary and mandatory)	(194,011)
Total Budgetary Resources	\$ 366,375,083
Status of Budgetary Resources	
New obligations and upward adjustments (total)	281,968,178
Unobligated balance, end of year;	
Apportioned, unexpired account	10,185,536
Unapportioned, unexpired accounts	6,756,000
Unexpired unobligated balance, end of year	16,941,536
Expired unobligated balance, end of year	67,465,369
Unobligated balance, end of year (total)	84,406,905
Total Budgetary Resources	\$ 366,375,083
Outlays, net:	
Outlays, net (total) (discretionary and mandatory)	275,378,164
Distributed offsetting receipts (-)	-
Agency outlays, net (discretionary and mandatory)	\$ 275,378,164

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

D. NOTES TO THE FY 2025 FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies:

DESCRIPTION OF ENTITY

The Court Services and Offender Supervision Agency (CSOSA) for the District of Columbia was established in 2000 as an independent federal agency by the National Capital Revitalization and Self Government Improvement Act (the Act). Pursuant to the Act, CSOSA assumed the District of Columbia's (DC) pretrial services, adult probation, and parole supervision functions. CSOSA's mission is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the community. Most of the agency's funding comes from appropriations. Additional authority is provided through Interagency Agreements. This additional funding consists of reimbursable work performed by CSOSA on behalf of the requesting entity.

The CSOSA appropriation supports both the CSP and PSA.

In FY 2025, the agency was appropriated \$286,016,000 from Congress (P.L. 119-4).

	Annual Appropriation	Multi-Year Appropriation	Total FY 2025
CSP	\$195,781,000	\$4,253,000	\$200,034,000
PSA	83,479,000	2,503,000	85,982,000
Total	\$279,260,000	\$6,756,000	\$286,016,000

SIGNIFICANT CHANGES TO FINANCIAL STATEMENTS

The A-136 for FY 2025 mandated the single-year presentation of all information in the FY 2025 AFR including the MD& A, Financial Statements, Notes to the Financial Statements, and Other Information.

BASIS OF PRESENTATION

These financial statements have been prepared from the accounting records of CSOSA in conformance with U.S. generally accepted accounting principles (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in revised Circular No. A-136, Financial Reporting Requirements. GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official body for setting the accounting standards of the U.S. government.

Accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information. Accordingly, modifications may have been made to certain presentations and disclosures.

BASIS OF ACCOUNTING

Transactions are recorded on an accrual and a budgetary basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, regardless of when cash is exchanged. Under the federal budgetary basis of accounting, funds availability is recorded based upon legal considerations and constraints. Budget authority is the authority provided by federal law to incur financial obligations that will result in outlays or expenditures.

REVENUES AND OTHER FINANCING SOURCES

CSOSA receives most of the funding needed to support its programs through Congressional appropriations. CSOSA receives an annual appropriation that may be used, within statutory limits, for operating and capital expenditures. Additional funding is provided through Interagency Agreements. Revenues are recognized at the time related program or administrative expenses are incurred. CSOSA reviews and classifies inter-agency agreements as either exchange or transfers-in based on the nature of the agreement.

FUND BALANCE WITH TREASURY

Funds with the Treasury primarily represent appropriated funds available to pay current liabilities and finance future authorized purchases. The Treasury, as directed by authorized certifying officers, processes receipts and disbursements on behalf of CSOSA. CSOSA does not maintain cash in commercial bank accounts nor does CSOSA maintain an imprest fund.

ACCOUNTS RECEIVABLE

Accounts receivable consists of receivables and reimbursements due from federal agencies and others. Generally, intragovernmental accounts receivable is considered fully collectible based on historical precedent.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment is recorded at cost and is depreciated using the straight-line method over the useful life of the asset, when the estimated useful life of an asset is two or more years. Leasehold improvements are capitalized when the improvements are made and amortized over the remaining term of the lease agreement. CSOSA established capitalization thresholds of \$100,000 for leasehold improvements and \$25,000 for equipment. Other property items, normal repairs, and maintenance are expensed as incurred. CSOSA follows SFFAS 10 for capitalization of software in the development phase. Internal use software is capitalized when developmental phase costs or enhancement costs are \$500,000 or more and the asset has an estimated useful life of two or more years.

NEW ACCOUNTING STANDARDS

CSOSA implemented the new accounting standard, Statement of Federal Financial Accounting Standards 64: Leases (SFFAS 64), which was effective beginning in FY 2026 but does allow for early adoption for FY 2025. Among other things, this standard guides the preparation of a balanced, concise, integrated, and understandable MD&A that is useful for all users, including those who are not experts in federal government financial matters.

ADVANCES AND PREPAYMENTS

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and are recognized as expenditures/expenses when the related goods and services are received.

LIABILITIES

Liabilities represent the monies or other resources that are likely to be paid by CSOSA as the result of a transaction or event that has already occurred. However, no liability can be paid absent the proper budget authority. Liabilities that are not funded by the current year's appropriation are classified as liabilities not covered by budgetary resources.

CONTINGENCIES AND COMMITMENTS

CSOSA is a party to various administrative proceedings, legal actions, and claims. A liability is recognized as an unfunded liability for any legal actions where unfavorable decisions are considered “probable” and an estimate for the liability can be made. Contingent liabilities that are considered “reasonably possible” are disclosed in the notes to the financial statements. Liabilities that are considered “remote” are not recognized in the financial statements or disclosed in the notes to the financial statements.

ANNUAL, SICK AND OTHER LEAVE

Annual and compensatory leave is accrued, as an unfunded liability, as it is earned. Each year the accrued unfunded annual leave liability account is adjusted to reflect the current unfunded leave earned and the current pay rates. To the extent current or prior year appropriations are not available to fund annual and compensatory leave earned, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

INTEREST ON LATE PAYMENTS

Pursuant to the Prompt Payment Act, 31 U.S.C. 3901-3907, CSOSA pays interest on payments for goods or services made to business concerns after the due date. The due date is generally 30 days after receipt of a proper invoice or acceptance of the goods or services, whichever is later.

RETIREMENT PLANS

CSOSA participates in the retirement plans offered by the Office of Personnel Management (OPM) and does not maintain any private retirement plans. CSOSA employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). For employees covered by the CSRS, CSOSA contributes 7.0 percent of the employees’ gross pay for normal retirement and 7.5 percent for law enforcement retirement. For employees covered by the FERS, the percentage that CSOSA contributes is 18.4 percent of employees’ gross pay for normal retirement and 38.2 percent for law enforcement retirement. For FERS-RAE and FERS-FRAE the percentage that CSOSA contributes is 16.5 percent of employees’ gross pay for normal retirement and 36.4 percent for law enforcement retirement. All employees are eligible to contribute to the federal Thrift Savings Plan (TSP). For employees covered by the FERS plans, a TSP account is automatically

established and CSOSA is required to contribute 1 percent of gross pay to this plan and match employee contributions up to 4 percent. No matching contributions are made to the TSPs established by CSRS employees. CSOSA does not report CSRS or FERS assets, accumulated plan benefits or unfunded liabilities, if any, which may be applicable to its employees, as such reporting is the responsibility of OPM. The Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service, see Note 8, Imputed Financing Sources for additional details.

FEDERAL EMPLOYEES COMPENSATION BENEFITS

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to cover federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The total FECA liability consists of an actuarial and an accrued portion as discussed below.

Actuarial Liability: The U.S. Department of Labor (DOL) calculates the liability of the federal government for future compensation benefits, which includes the expected liability for death, disability, medical and other approved costs. The liability is determined using the paid-losses extrapolation method calculated over the next 37-year period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting federal government liability is then distributed by agency. The portion of this liability (if any) would include the estimated future cost of death benefits, workers' compensation, medical and miscellaneous cost for approved compensation cases for CSOSA employees. Due to CSOSA's size, DOL does not report CSOSA separately. The FECA actuarial liability (if any) is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is billed.

Accrued Liability: The accrued FECA liability (if any) is the amount owed to DOL for the benefits paid from the FECA Special Benefits Fund which CSOSA has not yet reimbursed.

EARMARKED FUNDS

Earmarked funds are financed by specifically identified revenues that remain available over time and are required by statute to be used for designated activities, benefits, or purposes. FASAB SFFAS No. 27, *Identifying and Reporting Earmarked Funds*, requires the separate identification of earmarked funds on the agency accompanying financial statements. CSOSA management determined that none of its funds should be earmarked.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Note 2: Fund Balance with Treasury

The Fund Balance with Treasury amount represents the unexpended cash balance of CSOSA's Treasury Symbols and consists of the following as of September 30, 2025.

Fund Balance	CSP	PSA	Total FY 2025
Appropriated Funds	\$137,498,331	\$38,151,564	\$175,649,895

Status of the Fund Balance with Treasury consists of the following as of September 30, 2025:

Status of Fund Balance	CSP	PSA	Total FY 2025
Unobligated Balance	\$67,202,290	\$17,220,074	\$84,422,364
Obligated Balance not yet Disbursed	70,310,453	21,022,761	91,333,214
Less: Reimbursable Obligations	-0-	(86,000)	(86,000)
Less: Accounts Receivable	(14,412)	(5,271)	(19,683)
Total	\$137,498,331	\$38,151,564	\$175,649,895

The Status of Fund Balance may differ from the Fund Balance due to reimbursable obligations that are in an Obligated Balance not yet Disbursed and/or Accounts Receivable status.

Note 3: Accounts Receivable

CSOSA's Accounts Receivable consists of services provided in conjunction with reimbursable services performed through Interagency Agreements. All receivables are considered collectible based on historical precedent; there is no allowance for uncollectable accounts. The receivable consists of the following:

Receivables	CSP	PSA	Total FY 2025
Federal Receivable	\$-0-	\$4,224	\$4,224
Allowance for Uncollectable Receivables	-0-	-0-	-0-
Net Federal Receivable	-0-	4,224	4,224
Public Receivable	14,412	1,047	15,459
Allowance for Uncollectable Receivables	(4,048)	-0-	(4,048)
Net Federal Receivable	10,364	1,047	11,411
Total Net Receivables	\$10,364	\$5,271	\$15,635

Note 4: General Property, Plant and Equipment, Net

Equipment consists of Computer equipment, Security equipment, and Laboratory equipment used for the purpose of drug testing related to CSOSA's mission to supervise offenders and defendants. Leasehold improvements represent modifications made to leased real estate space to meet CSOSA's specific needs.

CSOSA established capitalization thresholds of \$100,000 for leasehold improvements and \$25,000 for equipment. Other property items, normal repairs, and maintenance are expensed as incurred. Internal use software is capitalized when developmental phase costs or enhancement costs are \$500,000 or more and the asset has an estimated useful life of two or more years. CSOSA amortizes leasehold improvements based on the remaining period of the lease; equipment is

depreciated for five years, and internal use software is depreciated for two to five years.

Property, Plant and Equipment balances as of September 30, 2025 are as follows:

CSP	Estimated Useful Life	Purchase Cost	Net Book Value Accumulated Depreciation	Net Book Value FY 2025
Construction in Progress		\$-0-	\$-0-	\$-0-
Equipment	5yrs	8,903,757	7,834,001	1,069,756
Leasehold Improvements	Based on life of lease	12,024,311	10,786,484	1,237,827
Lease Right-to-Use	Based on life of lease	6,583,213	3,590,238	2,992,975
Internal Use Software	2yrs	21,453,235	15,422,546	6,030,689
Internal Use Software in Development		1,516,482	-0-	1,516,482
Total CSP		\$50,480,998	\$37,633,269	\$12,847,729
PSA	Estimated Useful Life	Purchase Cost	Net Book Value Accumulated Depreciation	Net Book Value FY 2025
Construction in Progress		\$-0-	\$-0-	\$-0-
Equipment	5yrs	4,932,373	4,144,913	787,460
Leasehold Improvements	Based on life of lease	704,958	554,040	150,918
Lease Right-to-Use	Based on life of lease	416,513	184,666	231,847
Internal Use Software	2yrs	8,604,532	8,604,532	-0-
Internal Use Software in Development		-0-	-0-	-0-
Total PSA		14,658,376	13,488,151	1,170,225
Total CSOSA		\$65,139,374	\$51,121,420	\$14,017,954

Note 5: Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. Liabilities not covered by budgetary resources include Accrued Unfunded Annual Leave earned but not used as of September 30. The accrued unfunded annual leave liability is adjusted as leave is earned and used throughout the year. The expenditure for these accruals will be funded from future Congressional actions as the expenses are incurred. The annual net change of the Accrued Unfunded Annual Leave is reflected in Note 11: *Reconciliation of Net Cost of Operations (proprietary) to Budget*. Liabilities not covered by Budgetary Resources consist of the following as of September 30, 2025:

	CSP	PSA	Total FY 2025
Accrued Unfunded Liability - Intragovernmental	\$54,426	\$31,742	\$86,168
Actuarial FECA Liability - Intragovernmental	-0-	-0-	-0-
Sub-Total Liabilities Not Covered by Budget Resources - Intragovernmental	54,426	31,742	86,168
Accrued Unfunded Liability - Intergovernmental	7,497,693	3,741,694	11,239,387
Actuarial FECA Liability - Intergovernmental	159,284	339,288	498,572
Custodial Liability - Intergovernmental	-0-	-0-	-0-
Sub-Total Liabilities Not Covered by Budget Resources - Intergovernmental	7,656,977	4,080,982	11,737,959
Total Liabilities Not Covered by Budgetary Resources	7,711,403	4,112,724	11,824,127
Total Liabilities Covered by Budgetary Resources	9,798,349	3,779,158	13,577,507
Total Liabilities	\$17,509,753	\$7,891,882	\$25,401,634

Note 6: Exchange/Earned Revenue

CSOSA earns exchange revenue through interagency agreements with other federal and District of Columbia entities for which CSOSA provides services. Revenues are recognized when related program or administrative expenses are incurred. CSOSA reviews and classifies their inter-agency agreements as either exchange or transfers in. Revenues consist of the following as of September 30, 2025:

Exchange/Earned Revenue	Intragovernmental Revenue	Earned Revenue from Public	Total FY2025
CSP	\$-0-	\$-0-	\$-0-
PSA	13,799	6,902	20,701
Total CSOSA	\$13,799	\$6,902	\$20,701

Note 7: Leases

Operating leases have been established as of September 30, 2025, with future lease payments due for non-cancelable terms longer than one year. Many of the operating leases that expire over an extended period include an option to renew the lease for additional periods. Most of the space that CSOSA leases is based on the GSA square footage requirements and the rental charges are intended to approximate commercial rates. It is anticipated that, in most cases, CSOSA will continue to lease space beyond the terms of current leases. Rent expense for the year was \$17,677,148 at September 30, 2025.

	CSP		PSA		
Future Operating Lease Payments	Federal	Non-Federal	Federal	Non-Federal	Total
Fiscal Year 2026	\$12,760,091	\$1,656,636	\$5,737,578	\$117,368	\$20,271,673
Fiscal Year 2027	1,293,220	934,883	611,164	120,889	2,960,155
Fiscal Year 2028		962,929	611,164	-0-	1,574,093
Fiscal Year 2029	-0-	-0-	613,795	-0-	613,795
Fiscal Year 2030	-0-	-0-	524,045	-0-	524,045
Fiscal Year 2031 and beyond	-0-	-0-	524,045	-0-	524,045
Total Future Operating Lease Payments	\$14,053,311	\$3,554,447	\$8,621,791	\$238,257	\$26,467,806

Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement. CSOSA's lease agreements for its offices originating with non-federal entities are subject to this standard as operating leases. CSOSA recognized lease liabilities of \$6,225,519 utilizing a discount rate of three percent (3%) in FY2024 .

Future lease payments due on these operating lease liabilities as of September 30, 2025, are as follows:

Lease Liability - Capitalized Leases			
	Principal	Interest	Total
Fiscal Year 2026	\$1,540,875	\$ 77,698	\$1,618,573
Fiscal Year 2027	1,686,969	40,135	1,727,104
Fiscal Year 2028	-0-	-0-	-0-
Fiscal Year 2029	-0-	-0-	-0-
Fiscal Year 2030	-0-	-0-	-0-
Fiscal Year 2031 and beyond	-0-	-0-	-0-
Total	\$3,227,844	\$117,833	\$3,345,677

Note 8: Imputed Financing Sources

Imputed financing recognizes actual cost of future benefits to employees, the Federal Employees Health Benefits Program (FEHB), the Federal Employees Group Life Insurance Program (FEGLI), and the Retirement Plans that are paid by other federal entities. SFFAS No. 5, Accounting for Liabilities of the Federal Government, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate these costs. OPM actuaries calculate the value of pension benefits expected to be paid in the future and then determine the total funds to be contributed by and for covered employees. For "regular" and "law enforcement" employees of FERS and CSRS, OPM calculated that 22.4 percent and 47.4 percent for FERS and 50.4 percent and 70.9 percent for CSRS Offset, respectively, of each employee's salary would be sufficient to fund these projected pension benefit costs. The cost to be paid by other agencies is the total calculated future costs, less employee and employer contributions. In

addition, other retirement benefits, which include health and life insurance that are paid by other federal entities, must also be disclosed.

Imputed financing sources consists of the following as of September 30, 2025:

	CSP	PSA	Total FY 2025
FEHB	\$6,323,219	\$3,329,469	\$9,652,688
FEGLI	16,815	8,357	25,172
Pensions	9,968,835	5,591,944	15,560,779
Total	\$16,308,869	\$8,929,770	\$25,238,639

Note 9: Contingencies and Commitments

CSOSA is a party to various administrative proceedings, legal actions, and claims. As of September 30, 2025, there are no cases classified as probable, but there are two cases classified as reasonably possible, one with an estimated loss ranging from \$150,000 to \$400,000, and another with undetermined loss amount.

FY 2025 Contingencies & Commitments	Accrued Liabilities	Estimated Range of Loss	
		Lower End	Upper End
Legal Contingencies:			
Probable	\$-0-	\$-0-	\$-0-
Reasonably Possible		150,000	400,000
Environmental Contingencies:			
Probable	-0-	-0-	-0-
Reasonably Possible	-0-	-0-	-0-
Other Contingencies:			
Probable	-0-	-0-	-0-
Reasonably Possible	\$-0-	-\$-0-	\$-0-

Note 10: Statement of Budgetary Resources

CSOSA reports information about budgetary resources in the accompanying Combined Statements of Budgetary Resources (SBR) and for presentation in the Budget of the U.S. Government (President's Budget). The President's Budget for fiscal year 2026, which contains actual budget results for fiscal year 2024, was released in February 2025. The Budget with the actual amounts for the current year, FY 2025, will be available at a later date at <https://www.whitehouse.gov/omb/informationresources/budget/>.

There were no material differences between the amounts for fiscal year 2024 published in the President's FY 2026 Budget and that reported in the accompanying SBRs for the fiscal year ending on September 30, 2024, for obligations incurred or net outlays. For budgetary presentation resources, the difference in Total Budgetary Resources can be primarily attributed to the fact that total unobligated balances brought forward for expired funds are reported in the SBR, but not in the President's Budget. The difference in Net Outlays is due to rounding.

The following is the reconciliation of the 2024 SBR to the 2026 President's Budget.

Fiscal Year 2024	Total Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources:	\$382	\$300	\$-0-	\$277
Differences:				
Prior Year Unobligated brought forward	(96)			
Recoveries of Prior-Year Resources	(14)			
Other Changes in Obligated Balance	14			
Other (Rounding)	-0-			
Budget of the United States	\$286	\$300	\$-0-	\$277

Note 11: Reconciliation of Net Cost to Net Outlays

The following is provided as a reconciliation of budgetary obligations and non-budgetary resources, as of September 30, 2025:

	Intra-governmental	With the public	Total FY 2025
NET COST	\$109,594,752	\$192,466,563	\$302,061,315
Components of Net Cost That Are Not Part of Net Outlays:			
Property, plant, and equipment depreciation		(7,030,064)	(7,030,064)
Increase/(decrease) in assets:			
Accounts receivable	(7,192)	8,048	856
Advances	25,520	-0-	25,520
(Increase)/decrease in liabilities:			
Accounts payable	11,403	(1,191,877)	(1,180,474)
Salaries and benefits		1,210,682	1,210,682
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	(61,648)	1,025,753	964,105
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(25,238,639)	-0-	(25,238,639)
Total Components of Net Cost That Are Not Part of Net Outlays	(25,270,555)	(5,977,458)	(31,248,013)
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	-0-	4,564,862	4,564,862
Total Components of Net Outlays That Are Not Part of Net Cost	-0-	4,564,862	4,564,862
NET OUTLAYS	\$84,324,197	\$191,053,967	\$275,378,164

Note 12: Undelivered Orders at the end of the Period

CSOSA had Undelivered Orders consisting of the following as of September 30, 2025:

	Federal	Non-Federal	Total FY 2025
Undelivered Orders	\$29,228,366	\$52,033,938	\$81,262,303
Paid	27,893,670	247,489,332	275,383,003
Unpaid	\$1,935,495	\$8,413,868	\$10,349,363

AFR Section III: Other Information

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

The tables below summarize material weaknesses identified by the financial statement audit and/or by the agency through Federal Managers' Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA) management assurances. There were no material weaknesses identified by the auditors or management for FY 2025.

SUMMARY OF FINANCIAL STATEMENT AUDIT

FY 2025 Audit Opinion:		Unmodified			
Restatement:		No			
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
FY 2025 Statement of Assurance:		Unmodified			
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)					
FY 2025 Statement of Assurance:		Unmodified			

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
FY 2025 Statement of Assurance:		Unmodified			
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)					
FY 2025 Statement of Assurance:		Systems comply to financial management system requirements			
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

PAYMENT INTEGRITY INFORMATION ACT REPORTING

The PIIA amends government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA). PIIA requires that agencies examine the risk of erroneous payments in all programs and activities they administer. CSOSA consists of two programs: CSP and PSA. PIIA also identifies DNP pre-award and pre-payment review requirements.

Agencies are required to review all programs and activities they administer and identify those that may be susceptible to significant erroneous payments. CSP performed an internal review of FY 2025 payments and concluded that reviewed payments should have been made and were made in the correct amount. Taking into consideration the low inherent risks of the CSP and PSA programs, the strength of CSOSA internal controls, the results of prior financial statement audits, and CSOSA internal testing of its FY 2025 payment transactions, CSOSA determined that

neither program poses the risk of improper payments exceeding both 1.5% and \$10 million. In FY 2025, CSOSA complied with DNP pre-award and pre-payment review requirements initiated by our financial SSP, DOI IBC. CSOSA provided information to fulfill reporting requirements under the Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) (PIIA) to OMB. Comprehensive agency improper payment data and information can be found on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).