

**UNITED STATES ACCESS BOARD**  
**PERFORMANCE AND ACCOUNTABILITY REPORT,**  
**INDEPENDENT AUDITOR'S REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2013 AND 2012**



**Prepared By**  
**Brown & Company CPAs, PLLC**  
**December 11, 2013**



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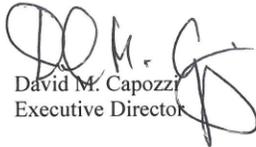
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December 11, 2013

I am pleased to present the Access Board's Performance and Accountability Report for Fiscal Year 2013. This report provides key information on the Access Board's progress in meeting its missions and managing its financial responsibilities. This agency has a proud history of serving the public through its programs devoted to accessibility for people with disabilities.

Fiscal Year 2013 was a year of continuing success. The Access Board continues to develop accessibility requirements, provide technical assistance and training, and enforces access requirements for the Federal government. We will continue to strive for excellence to fulfill our responsibilities to provide accessibility for people with disabilities.

Sincerely,



David M. Capozzi  
Executive Director



**US Access Board  
Washington, DC**

**Management Discussion and Analysis  
Performance Accountability Report**

OCTOBER 2013

**U.S. ACCESS BOARD  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR 2013**

**INTRODUCTION**

In March 2012, the Access Board approved a new strategic plan. The plan includes a new vision statement (advancing full access and inclusion for all) and a new mission statement (lead the development, advancement, and implementation of accessibility through outreach, rulemaking (standards and guidelines) and education). The plan includes three goals:

- innovate, develop, and maintain accessibility requirements
- educate about accessibility
- enforce compliance with the Architectural Barriers Act

The Board has established long and short-range goals and annual objectives that describe the strategies it will implement to achieve the goals. In developing objectives and strategies for achieving its goals, the Board seeks to work together with its stakeholders toward common objectives. The Board's plan is simple: establish guidelines and standards that are fair, reasonable, and derived from broad consensus among stakeholders; where the Board has enforcement responsibilities over federal agencies, assist those agencies to achieve full compliance; and involve its stakeholders in developing and disseminating materials and manuals that will help them understand and comply with our guidelines and standards.

The Board was established in 1973 under section 502 of the Rehabilitation Act and is the only federal agency whose primary mission is accessibility for people with disabilities. The Board is responsible for developing guidelines under the Americans with Disabilities Act, the Architectural Barriers Act, and the Communications Act for ensuring that buildings and facilities, transportation vehicles, and telecommunications equipment covered by these laws are readily accessible to and usable by people with disabilities. The Board is also responsible for developing standards under the Rehabilitation Act for accessible electronic and information technology procured by federal agencies and standards for accessible medical diagnostic equipment.

Under the Help America Vote Act, the Board serves on the Board of Advisors and the Technical Guidelines Development Committee, which assist the Election Assistance Commission in developing voluntary guidelines for voting systems, including accessibility for people with disabilities. In addition, under the 2012 Food and Drug Administration Safety and Innovation Act, the Board is responsible for developing best practices on access to information on prescription drug container labels for individuals who are blind or visually impaired.

The Board enforces the Architectural Barriers Act and provides training and technical assistance on each of its guidelines and standards, and on a variety of other accessibility issues. Additionally, the Board maintains a research program that develops technical assistance materials and provides information needed for rulemaking.

The Board's programs will result in accessible buildings and facilities, transportation vehicles, medical diagnostic equipment, telecommunications equipment, and information and communications technology across our country and, ultimately, the full economic and social integration of people with disabilities into our society. Achieving these results will depend not only on the Board's activities, but also on the level of commitment and action taken by other federal agencies, State and local governments, and businesses that are required to comply with or enforce the various laws that guarantee the civil rights of people with disabilities.

### **INNOVATE, DEVELOP, AND MAINTAIN ACCESSIBILITY REQUIREMENTS**

The Board will continue to develop and update accessibility guidelines and standards and work cooperatively with organizations that develop codes and standards affecting accessibility. We have the following two objectives for this program area:

- Complete pending rulemakings: Emergency Transportable Housing; Transportation Vehicles; Passenger Vessels; Public Rights-of-Way and Shared Use Paths; Medical Diagnostic Equipment; Information and Communications Technology; Self-Service Transaction Machines; and Classroom Acoustics.
- Improve the effectiveness and efficiency of the rulemaking process to ensure “state-of-the-art” accessibility guidelines and standards.

### **FY 2013 Results – Rulemaking**

The status of current guidelines and standards efforts is presented below.

#### *Outdoor Developed Areas*

On September 26, 2013, the Access Board issued new accessibility guidelines for outdoor areas developed by the federal government. The guidelines provide detailed specifications for accessible trails, picnic and camping areas, viewing areas, beach access routes and other components of outdoor developed areas when newly built or altered. They also provide exceptions for situations where terrain and other factors make compliance impracticable. The guidelines apply to sites developed or altered by federal land management agencies, including the U.S. Forest Service, the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Army Corps of Engineers, among others. Proposed guidelines for non-federal sites will be published for comment at a future date.

#### *Emergency Transportable Housing*

An advisory committee on emergency transportable housing was created in September 2007. The Board organized the committee, which included representation from disability groups, industry and code groups, and government agencies, to provide recommendations on supplementing its guidelines to cover emergency transportable housing. Access to such housing proved problematic in the aftermath of Hurricane Katrina. After verifying and examining the issues involved, the Board determined that supplementary guidelines were needed. The committee completed its work and presented its report to the Board in November 2008. The

Board published a proposed rule in June 2012. The comment period closed in August 2012; one public hearing was held. At the close of the comment period, the Board had received 45 comments, including those from the public hearing. The Board approved a final rule in March 2013; it will be sent soon to OMB for review.

### *Transportation Vehicles Guidelines Update*

In November 2008, the Board released for public comment a second draft of revisions updating its accessibility guidelines for buses and vans covered by the Americans with Disabilities Act. The second draft was issued because the format had been significantly changed, provisions for over-the-road buses were added, and changes were made in response to comments on a first draft that was published in April 2007. In 2009, we contracted with the Volpe National Transportation Systems Center to assist the Board in finalizing the regulatory assessment for this rulemaking. A notice of proposed rulemaking (NPRM) to revise and update the accessibility guidelines for buses, over-the-road buses, and vans was published in July 2010. Two public hearings were held during the comment period that closed in November 2010.

One important issue was raised after the close of the comment period. As a result, the Board reopened the comment period for additional public input related to the late comments. The commenters raised issues about the 1:6 ramp slope requirements and a new design that locates the shallower ramp partially inside the vehicle. This design constrains the maneuvering space within the vehicle at the top of the ramp and at the fare box and creates a grade break within the ramp run. During the extended comment period which ended in October 2012, the Board held two information meetings to gather input on these issues. Because we do not want to delay rulemaking for subjects that do not require further development, we plan to move forward with the sections that have been vetted through public comment and that will result in better accessibility e.g., automated stop announcements. Additional research needs will be identified along with a time schedule for completion of the remaining issues.

### *Passenger Vessels*

On June 25, 2013, the Board released for public comment proposed guidelines for passenger vessels. Developed under the Americans with Disabilities Act (ADA), the guidelines provide design criteria for large vessels when newly constructed or altered to ensure that they are accessible to people with disabilities. The guidelines address various features of vessel accessibility and include provisions for onboard routes, vertical access between decks, doorways and coamings, toilet rooms, guest rooms, alarm systems, and other spaces and elements used by passengers. The Board's guidelines apply to passenger vessels that are permitted to carry more than 150 passengers or more than 49 overnight passengers, all ferries, and certain tenders that carry 60 or more passengers. On July 15, 2013, the Cruise Lines International Association requested that the 90-day comment period be extended by an additional 120 days to review and more fully assess the proposed rule. Although the Access Board has already provided a 90-day comment period and has held a public hearing on the proposed rule, the Board decided to provide additional time for the public to submit comments on this proposed rule. The new comment period ends on January 24, 2014.

### *Public Rights-of-Way and Shared Use Paths*

In 2009, we contracted with the Volpe National Transportation Systems Center to assist the Board in finalizing a regulatory assessment for the public rights-of-way rulemaking. An NPRM was published for public comment in July 2011. An ad hoc committee of Board members and staff are working to develop a final rule.

When the Board approved the draft final accessibility guidelines for outdoor developed areas, coverage of shared use paths was deferred to a future rulemaking. Commenters on the outdoor developed areas rule had previously raised concerns about the need for differing guidelines for shared use paths. Commenters noted that shared use paths differ from trails and typically are located in more developed outdoor areas, as opposed to the more primitive trail settings. Unlike trails, they are designed to serve both bicyclists and pedestrians and are used for transportation and recreation purposes.

In September 2010, the Board held a public information meeting in conjunction with the ProWalk/ProBike 2010 Conference. This meeting provided an opportunity for individuals with disabilities, designers of shared use paths, and others with expertise in this area to share information with the Board to assist in the development of new accessibility guidelines. The Board then published an advance notice of proposed rulemaking for shared use paths in March 2011. In February 2013, the Board published a Supplemental Notice of Proposed Rulemaking to include requirements for shared use paths as part of the public rights-of-way rule.

### *Medical Diagnostic Equipment*

The Access Board is developing accessibility standards for medical diagnostic equipment, including examination tables and chairs, weight scales, radiological equipment, and mammography equipment. The Patient Protection and Affordable Care Act signed into law in March 2010 requires the Board to issue these standards in consultation with the Food and Drug Administration. The standards are to address independent access to, and use of, equipment by people with disabilities to the maximum extent possible.

In July 2010, the Board held a public information meeting on this rulemaking to gather information from stakeholders, including consumers, equipment manufacturers, the health care industry, government agencies, and others with an interest in the new standards.

A proposed rule was published in February 2012 and two public hearings were held. The comment period closed in June 2012 and 53 comments were received. In March 2012, the Board created a 24-member Medical Diagnostic Equipment Accessibility Standards federal advisory committee to advise the Board on matters associated with the comments the Board received and information it requested in proposing the standards. The committee plans to conclude its meetings in November 2013.

### *Information and Communications Technologies Update*

In July 2006, the Board created an advisory committee to update and revise the Section 508 standards and the Telecommunications Act Accessibility Guidelines. Forty-one organizations

served on the Telecommunications and Electronic and Information Technology Advisory Committee. The committee's membership included representatives from industry, disability groups, standard-setting bodies in the U.S. and abroad, and government agencies, among others. The committee completed its work and presented its report to the Board in April 2008. In March 2010, the Board published an Advance Notice of Proposed Rulemaking (ANPRM) to update the Board's Information and Communications Technologies guidelines and standards based on the committee's report. A second ANPRM was published in December 2011. The public comment period ended in March 2012 and two public hearings were held. Ninety-one separate commenters filed comments or spoke at the hearings. We have contracted with Econometrica to assist the Board in preparing a regulatory assessment for this rulemaking. The Board approved a proposed rule in March 2013; it will be sent soon to OMB for review.

### *Self-Service Transaction Machines*

At its November 2010 meeting, the Board decided to separate the rulemaking on ADA self-service transaction machines from the rulemaking on information and communication technology. The Departments of Transportation (DOT) and Justice (DOJ) are undertaking related rulemakings that present an opportunity to work collaboratively to develop a single set of technical requirements that would be referenced and scoped by each participating agency. We have contracted with Econometrica to assist the Board in preparing a regulatory assessment for this rulemaking. An ad hoc committee of Board members and staff are working to develop a proposed rule.

### *Classroom Acoustics*

The Board was petitioned in 1997 to include classroom acoustics provisions in revisions then underway to ADAAG; lack of notice precluded this. Instead, in 1998 the Board published a Request for Information that was strongly supported in comment by parents and by audiology and acoustics professionals. Opposition was largely based upon assumed cost increases when weighed against undemonstrated efficacy. The Board has worked hard to resolve these issues.

Instead of pursuing rulemaking at the time, the Board participated in the development of a voluntary consensus standard on the topic. In 2002, the ANSI/ASA S12.60 Classroom Acoustics Standard was finalized. However, the standard is voluntary until it is required to be complied with. In 2009, the Board worked to revise the standard to make it easier to reference in the International Building Code to make the voluntary standard mandatory. Revisions to the standard were finalized in April 2010. The Board then sought to have the new standard adopted by the International Code Council (ICC) so that it would be a required part of the International Building Code. However, the Board's proposal was defeated. Therefore, at its July 2010 meeting, the Board approved a motion to go forward with rulemaking under the ADA and Architectural Barriers Act to reference the ANSI/ASA standard for new classroom construction and for alterations of significant scope.

We have contracted with the National Institute for Building Sciences to complete the regulatory assessment for a proposed rule. Phase 1 of the draft assessment has been completed but phase 2, a case study model, is pending depending on available resources.

## *Best Practices for Making Prescription Drug Container Label Information Accessible to Persons Who are Blind or Visually-Impaired or Who are Elderly*

The Board is leading an effort to develop advisory guidance on making prescription drug container labels accessible to people who are blind or visually impaired or who are elderly. This initiative is authorized by the “Food and Drug Administration Safety and Innovation Act” which President Obama signed into law in July 2012. A provision of the Act (section 904) authorizes the Board to convene a working group to develop best practices for making information on prescription drug container labels accessible to people who are blind or visually impaired.

Shortly after the law was enacted, the Board formed the Working Group on Accessible Prescription Drug Container Labels, an 18-member stakeholder panel comprised of representatives from advocacy organizations and industry. The working group explored various access alternatives, including braille, large print labels, and auditory technologies such as “talking bottles” and radio frequency identification tags. On July 10, 2013, the working group submitted to the Board best practices for pharmacies on providing independent access to prescription drug container labels. These recommendations are advisory only, not mandatory, and will not have the force of guidelines or standards.

### **FY 2013 Results – Codes and Standards**

#### *Adoption of Board Guidelines as Enforceable Standards*

In order for the Board’s accessibility guidelines to become enforceable, other federal agencies must generally complete rulemaking to adopt the guidelines as standards. The Department of Housing and Urban Development, the Department of Defense, the General Services Administration, and the U.S. Postal Service use the Board’s guidelines to develop enforceable standards under the Architectural Barriers Act. The Departments of Justice and Transportation use the Board’s guidelines to develop enforceable standards under the Americans with Disabilities Act. The U.S. Postal Service, General Services Administration, the Department of Defense, and the Departments of Justice and Transportation have adopted the Board’s guidelines as standards. The Department of Housing and Urban Development has not acted yet to adopt the Board’s guidelines.

#### *Voluntary Consensus Standards*

Our long-range goal is to take a leadership role in the development of codes and standards for accessibility. The Board works with model codes organizations and voluntary consensus standards groups that develop and periodically revise codes and standards affecting accessibility. We have voting membership in several codes and standards organizations, and monitor or are actively involved in the development or revision of dozens of other codes and standards affecting accessibility. Some of the codes and standards groups that we work with include the ICC/American National Standards Institute (ANSI) A117 Committee; American Society of Mechanical Engineers (ASME) A18 Platform Lift and Stairway Chair Lift Committee; National Fire Protection Association (NFPA), Disability Access Review Advisory Committee; National Instructional Materials Accessibility Standard (NIMAS); World Wide Web Consortium (W3C);

and the American Society for Testing and Materials (ASTM) Committee on Playground Surfacing Systems.

We believe this goal enhances the Board's credibility as a knowledgeable source of information regarding technical aspects of accessibility. Additionally, by working cooperatively with model codes organizations and standards-setting organizations, federal and private codes and standards will be more similar, or harmonized, and the Board will be more alert to non-federal influences affecting its constituencies. Harmonization between federal and private requirements will make it more likely that buildings and facilities will be accessible, thus reducing the necessity for complaints and litigation.

Two Access Board members serve as members of the Technical Guidelines Development Committee and the Board of Advisors, which provide recommendations to the Election Assistance Commission (EAC) under the Help America Vote Act. We are also a member of the Interagency Committee on Standards Policy, which is the body that is responsible for overseeing the use of standards by federal agencies in accordance with the National Technology Transfer and Advancement Act.

## EDUCATE ABOUT ACCESSIBILITY

The Board provides technical assistance to a wide variety of people regarding the accessibility guidelines and standards it issues. The Board's customers include architects, builders, designers, manufacturers, people with disabilities, State and local governments, and federal agencies. The Board's technical assistance program has four components:

- Responding to customer inquiries. The Board responds to about 13,000 customer inquiries each year. We have toll-free telephone lines for customers to call with questions. Customers also e-mail and fax us questions. Many literally are sitting at a drawing table with a design problem. They want accurate, reliable, and timely advice. Our customers value being able to discuss their questions directly with our accessibility specialists who developed the guidelines and standards.
- Developing and disseminating bulletins, manuals, and other publications. The Board maintains about 30 publications on accessibility issues. These range from short bulletins responding to frequently asked questions about specific issues such as accessible parking, to manuals on the Board's guidelines and standards.
- Providing training. The Board conducts about 90 training sessions each year. Training usually is provided at conferences and seminars sponsored by other organizations. Training sponsors generally reimburse us for travel expenses.
- Maintaining the Board's website. The Board's website ([www.access-board.gov](http://www.access-board.gov)) has become a very effective way to distribute information to the public. Customers can download many of our publications and view our accessibility guidelines and standards from our website.

We have the following two objectives in this program area:

- Broaden education and outreach efforts.
- Use new technologies to deliver training and guidance.

The Board's long-range goal is to be known as the leading source of information about accessibility and to disseminate information to our customers in effective ways. As we develop guidelines for new areas such as outdoor developed areas, passenger vessels, public rights-of-ways, and emergency transportable housing, there will be increased demands for technical assistance from existing and new customer groups. The Board has informal partnerships with organizations such as the National Association of ADA Coordinators and the ten Regional ADA National Network Centers to disseminate information about the Board's programs. Many of the Board's guidelines and publications are available through these organizations' on-line networks. The Board also provides training for these organizations. As we develop new guidelines and standards, there will be opportunities to use existing partnerships and establish new partnerships with customer groups to disseminate information about the Board's rulemaking.

## **FY 2013 Results**

The Board is developing an online guide on the ADA and ABA Accessibility Guidelines that will consist of illustrated technical bulletins covering all sections of the guidelines and a supplementary series of short animations that will dynamically explain various requirements and the rationale behind them. Complete drafts of technical bulletins covering Chapters 1-3 of the ADA and ABA standards were distributed to Board members and federal liaisons for review. We have revised drafts of Chapter 1 bulletins according to comments received to date from this review. Agency comments on Chapter 2 and 3 bulletins are still pending. Meanwhile, we proceeded to draft content and generate illustrations for technical guides covering Chapters 4 and 5 of the standards. Work on these bulletins is still underway. Animations have been completed on wheelchair maneuvering, doors, toilet rooms, and bathing facilities. We plan to release the completed materials in December 2013; additional materials on the remaining chapters will be released as they become available.

We continue to offer our very successful monthly webinar series through a partnership with the National Network of ADA Centers. Sessions are conducted on a monthly basis with most scheduled for 90 minutes. Sessions also provide an opportunity to earn continuing education credits (CEUs) for a fee, but general attendance is free. We have also expanded our webinar series by adding an additional six webinars per year on section 508 issues in conjunction with the Chief Information Officers Council Accessibility Committee.

The Board has upgraded its news distribution services to provide enhanced features and options for email subscribers. Implemented through GovDelivery, a firm specializing in email subscription services for government entities, the new system offers more choices in receiving news updates on Board initiatives and activities. In addition to its email newsletter, Access Currents, subscribers can sign-up to receive instant news updates. Subscription lists also are available for updates specific to Board rulemaking initiatives. Those interested in the Board's development of a particular guideline or standard can subscribe to a dedicated list to be kept apprised of progress on that rulemaking.

We redesigned our website and implemented a content management system to aid in the ability to more easily update the site on a regular basis. We unveiled the new website in September 2013. Our last redesign was in June 2005.

The Board responded to 13,575 customer inquiries, distributed 1,240 information packets, and conducted 85 training sessions that were attended by approximately 7,865 people. An information packet usually contains several publications. Since we do not collect data on publications disseminated through partner organizations, the actual number of publications disseminated to our customers is greater than our current data indicate.

We have used our website to provide copies of the Board's guidelines and answers to frequently asked questions about the guidelines so that more customers can get the information they need. The usage of our website continues to grow. There were approximately 3.8 million user sessions and 51 million "hits". We also distributed six issues of Access Currents, a free newsletter the Board issues every other month by e-mail.

## **ENFORCE COMPLIANCE WITH THE ARCHITECTURAL BARRIERS ACT**

The Board enforces the Architectural Barriers Act (ABA), which requires that most buildings designed, constructed, altered, or leased by the federal government and certain other federally financed facilities be accessible to people with disabilities. Complaints received by the Board concern post offices, national parks, military facilities, veterans hospitals, courthouses, and a variety of other facilities. When the Board has jurisdiction and finds that the applicable accessibility standards were not followed, we request a corrective action plan and monitor the case until the barrier is removed. Even when the Board does not have jurisdiction or no violation is found, we attempt to negotiate voluntary barrier removal.

We have the following three objectives in this program area:

- Expand partnerships with federal agencies, state and local governments, advocacy groups, and others.
- Increase ABA compliance.
- Develop strategies for better compliance using ABA compliance performance information.

In addition to enforcement, the Board works with federal agencies and others to ensure compliance with the Architectural Barriers Act and make the federal government a model of accessibility. Our experience with resolving complaints is that most violations are not intentional. When violations are found, it is usually because the people responsible for designing buildings, reviewing plans, and on-site construction did not have a good understanding of the accessibility standards and how to apply them. People responsible for building planning and design at headquarters, regional and field offices, and local sites must have a working knowledge of the accessibility standards if compliance is to be achieved. As federal agencies are reorganized and personnel assignments and responsibilities change, it is important that agencies have effective systems for training new people responsible for applying the accessibility standards and for monitoring compliance with the Architectural Barriers Act. Training has become even more important now that new accessibility standards for the Architectural Barriers Act are being implemented by the standard-setting agencies.

### **FY 2013 Results - ABA Compliance**

The Board received 148 written ABA complaints in FY 2013. These included complaints investigated under the Architectural Barriers Act, and also those concerning facilities not covered by that law but potentially covered by other laws, such as the Americans with Disabilities Act and the Rehabilitation Act. Of the 148 complaints, we opened 60 as new Architectural Barriers Act cases. Although the Board did not have authority under the Architectural Barriers Act in the other 88 complaints, we responded to the complainants, usually by referring them to the appropriate enforcement agency. In addition, we referred another five complainants to other agencies for action when our investigations revealed there was no violation of the Architectural Barriers Act or we did not have jurisdiction.

The Board responds quickly to all new complaints. We sent initial letters to complainants acknowledging receipt of their complaint or began an investigation of the issues they raised within an average of five days. It is Board practice to keep complainants informed on a regular basis throughout the course of our investigations. We contacted 67 complainants to provide updates on the status of their complaints. We find that these contacts can be helpful in obtaining additional information about actions being taken that may not have been provided by respondent agencies. Upon completing investigations, we always give complainants an opportunity to comment on determinations we have made and actions that have been taken before closing complaints.

As part of our efforts to implement the President's Open Government principles, the Board is gathering views from the public through a customer satisfaction survey. The surveys are administered to individuals who filed complaints with the Access Board under the Architectural Barriers Act; complainants receive a copy of the questionnaire at the time we notify them that we have completed our work on the complaint and that the case is about to be closed. The survey is voluntary and respondents may respond anonymously, or provide their name and complaint number if they wish.

### **FY 2013 Results - Working in Partnership with Agencies**

We completed an update to our complaint tracking system so that it can accept complaint information directly from complainants through submission via a web-based complaint form, accept other data from Access Board staff (such as status updates, corrections and additions to complaint information), and from points of contact at other federal agencies via a web-based questionnaire form. As noted above, we also initiated a new customer satisfaction survey for ABA complaints. Because the survey is voluntary, and because individuals responding are permitted to do so anonymously, we are using this data for anecdotal purposes. However, we are pleased to note that 95 percent of those individuals responding in the 2012 cohort rated their satisfaction with the complaint process, the outcome of their complaint, and staff knowledge, at the highest rating level.

## **FUTURE EFFECTS OF KNOWN DEMANDS, RISKS, UNCERTAINTIES, EVENTS, CONDITIONS, AND TRENDS**

The Access Board operates in a stable environment, and can confidently predict that it will operate and succeed in the future as it has in the past. We anticipate slow growth in our appropriated budget with ample time to anticipate any changes.

The Board constantly monitors its environment, notes changes, and updates its rulemaking plan on a periodic basis. It is cognizant of the fact that technology changes rapidly and is in the process of revising and updating some of its accessibility guidelines and standards to reflect this recognition.

In its rulemaking activities, the Board has always tried to work closely and amicably with its stakeholders. It has paid special attention to those companies in industries where the Board is developing new accessibility requirements where none existed before. For example, we work closely with the passenger vessel industry in developing guidelines for passenger vessels. We strongly believe that we will achieve better access for people with disabilities if we work with an industry, involve them in our rulemaking, and get their “buy-in” to the accessibility guidelines at the earliest possible moment.

### **Management Assurances**

The Access Board’s management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objective of the Federal Manager's Financial Integrity Act. The Board conducted its assessment of the effectiveness and efficiency of internal control and ensures compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this evaluation, we can provide reasonable assurance that our internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2013, was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

The Board conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the Board can provide reasonable assurance that its internal control over financial reporting as of September 30, 2013, was operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

### **Limitations of the Financial Statements**

The principal financial statements for the Board have been prepared to report the financial position and results of our 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 Board in accordance with generally accepted accounting principles 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.

**UNITED STATES ACCESS BOARD**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2013 AND 2012**



**Prepared By  
Brown & Company CPAs, PLLC  
December 11, 2013**



**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

U.S. Access Board  
Washington, D.C.

**Report on the Financial Statements**

We have audited the accompanying balance sheets of the U.S. Access Board (AB) as of September 30, 2013 and 2012, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements), and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 14-02, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

### *Opinion on the Financial Statements*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AB as of September 30, 2013 and 2012, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

### **Report Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered AB's internal control over financial reporting (internal control) to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AB's internal control. Accordingly, we do not express an opinion on the effectiveness of AB's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. In our fiscal year 2013 audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.



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

*Brown & Company*  
Largo, Maryland  
December 11, 2013

Financial Statements and Notes

**UNITED STATES ACCESS BOARD  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2013 AND 2012  
(In Dollars)**

	2013	2012
<b>Assets:</b>		
Intragovernmental		
Fund Balance With Treasury (Note 2)	\$ 1,516,661	\$ 1,563,973
Accounts Receivable (Note 3)	1,941	1,941
Total Intragovernmental	1,518,602	1,565,914
Accounts Receivable, Net (Note 3)	29,702	27,579
Property, Equipment, and Software, Net (Note 4)	400,417	430,666
<b>Total Assets</b>	<b>\$ 1,948,721</b>	<b>\$ 2,024,159</b>
<b>Liabilities:</b>		
Intragovernmental		
Accounts Payable	\$ 25,899	\$ 25,900
Other (Note 6)	26,902	54,018
Total Intragovernmental	52,801	79,918
Accounts Payable	8,359	5,934
Other (Note 6)	402,454	518,799
<b>Total Liabilities (Note 5)</b>	<b>\$ 463,614</b>	<b>\$ 604,651</b>
<b>Net Position:</b>		
Unexpended Appropriations - All Other Funds	\$ 1,395,804	\$ 1,277,203
Cumulative Results of Operations - All Other Funds	89,303	142,305
<b>Total Net Position</b>	<b>\$ 1,485,107</b>	<b>\$ 1,419,508</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,948,721</b>	<b>\$ 2,024,159</b>

The accompanying notes are an integral part of these financial statements

**UNITED STATES ACCESS BOARD**  
**STATEMENT OF NET COST**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012**  
**(In Dollars)**

	2013	2012
<b>Program Costs: (Note 8)</b>		
Gross Costs	\$ 7,149,937	\$ 7,638,372
Less: Earned Revenue	(35,155)	(22,467)
Net Program Costs	\$ 7,114,782	\$ 7,615,905
Net Cost of Operations (Note 8)	\$ 7,114,782	\$ 7,615,905

The accompanying notes are an integral part of these financial statements

**UNITED STATES ACCESS BOARD**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012**  
**(In Dollars)**

	2013	2012
<b>Cumulative Results of Operations:</b>		
Beginning Balances	\$ 142,305	\$ 107,960
<b>Budgetary Financing Sources:</b>		
Appropriations Used	6,865,576	7,455,486
<b>Other Financing Sources (Non-Exchange):</b>		
Imputed Financing Sources (Note 9)	196,204	194,764
Total Financing Sources	7,061,780	7,650,250
Net Cost of Operations (Note 8)	(7,114,782)	(7,615,905)
Net Change	(53,002)	34,345
Cumulative Results of Operations	\$ 89,303	\$ 142,305
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ 1,277,203	\$ 1,522,100
<b>Budgetary Financing Sources:</b>		
Appropriations Received	7,400,000	7,400,000
Other Adjustments	(415,823)	(189,411)
Appropriations Used	(6,865,576)	(7,455,486)
Total Budgetary Financing Sources	118,601	(244,897)
Total Unexpended Appropriations	\$ 1,395,804	\$ 1,277,203
Net Position	\$ 1,485,107	\$ 1,419,508

The accompanying notes are an integral part of these financial statements

**UNITED STATES ACCESS BOARD**  
**STATEMENT OF BUDGETARY RESOURCES**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012**  
(In Dollars)

	2013	2012
<b>Budgetary Resources:</b>		
Unobligated Balance Brought Forward, October 1	\$ 281,522	\$ 379,110
Recoveries of Prior Year Unpaid Obligations	377,825	194,875
Other changes in unobligated balance	(28,758)	(189,411)
Unobligated balance from prior year budget authority, net	630,589	384,574
Appropriations	7,012,936	7,400,000
Spending authority from offsetting collections	22,536	29,031
<b>Total Budgetary Resources</b>	<b>\$ 7,666,061</b>	<b>\$ 7,813,605</b>
<b>Status of Budgetary Resources:</b>		
Obligations Incurred (Note 11)	\$ 7,295,841	\$ 7,532,083
Unobligated balance, end of year:		
Apportioned (Note 2)	75,231	79,976
Unapportioned (Note 2)	294,989	201,546
Total unobligated balance, end of year	370,220	281,522
<b>Total Budgetary Resources</b>	<b>\$ 7,666,061</b>	<b>\$ 7,813,605</b>
<b>Change in Obligated Balance</b>		
<b>Unpaid Obligations:</b>		
Unpaid Obligations, Brought Forward, October 1	\$ 1,298,670	\$ 1,459,140
Obligations Incurred (Note 11)	7,295,841	7,532,083
Outlays (gross)	(7,064,370)	(7,497,677)
Recoveries of Prior Year Unpaid Obligations	(377,825)	(194,875)
Unpaid Obligations, End of Year (Gross) (Note 2)	1,152,317	1,298,670
<b>Uncollected payments:</b>		
Uncollected Customer Payments, Federal Sources, Brought Forward, October 1	(16,219)	(12,140)
Change in Uncollected Customer Payments, Federal Sources	10,344	(4,080)
Uncollected Customer Payments, Federal Sources, End of Year (Note 2)	(5,876)	(16,219)
<b>Obligated Balance, End of Year (Note 2)</b>	<b>\$ 1,146,441</b>	<b>\$ 1,282,451</b>
<b>Budget Authority and Outlays, Net:</b>		
Budget authority, gross	\$ 7,035,472	\$ 7,429,031
Actual offsetting collections	(32,880)	(24,951)
Change in uncollected customer payments from Federal sources	10,344	(4,080)
<b>Budget Authority, net</b>	<b>\$7,012,936</b>	<b>\$7,400,000</b>
Outlays, gross	\$7,064,370	\$7,497,677
Actual offsetting collections	(32,880)	(24,951)
Outlays, net	7,031,490	7,472,726
<b>Agency outlays, net</b>	<b>\$ 7,031,490</b>	<b>\$ 7,472,726</b>

The accompanying notes are an integral part of these financial statements



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

**A. Reporting Entity**

Access Board is an independent Federal agency with the mission of developing guidelines and requirements for standards issued under the Americans with Disabilities Act and Architectural Barriers Act. Access Board was established by section 502 of the Rehabilitation Act and is the only Federal agency whose primary mission is accessibility for people with disabilities. Access Board is responsible for developing guidelines for ensuring that buildings and facilities, transportation vehicles, and telecommunications equipment covered by these laws are readily accessible to and usable by people with disabilities.

Access Board develops accessibility guidelines for telecommunications and electronic information technology under section 508 of the Rehabilitation Act. Access Board enforces the Architectural Barriers Act and provides training and technical assistance on each of its guidelines and standards, and on a variety of other accessibility issues. Access Board maintains a small research program that develops technical assistance materials and provides information needed for rulemaking.

Access Board's reporting entity is comprised of General Funds and General Miscellaneous Receipts. General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.

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

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

**B. Basis of Presentation**

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

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

**C. Basis of Accounting**

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized

when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements on the use of federal funds.

**D. Fund Balance with Treasury**

Fund Balance with Treasury is the aggregate amount of Access Board’s funds with Treasury in expenditure, receipt, and deposit fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases. Access Board does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Treasury disburses funds for the agency on demand.

**E. Accounts Receivable**

Accounts receivable consists of amounts owed to Access Board by other Federal agencies and the general public. Amounts due from Federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor’s ability to pay.

**F. Property, Equipment, and Software**

Property, equipment and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. Access Board’s capitalization threshold is \$50,000 for individual purchases and \$500,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property,

equipment, and software. The useful life classifications for capitalized assets are as follows:

<u>Description</u>	<u>Useful Life (years)</u>
Leasehold Improvements	9
Office Furniture	5
Computer Equipment	3
Office Equipment	5
Software	5

**G. Advances and Prepaid Charges**

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

**H. Liabilities**

Liabilities represent the amount of funds likely to be paid by Access Board as a result of transactions or events that have already occurred.

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

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for

employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

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

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

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees effective at 50% beginning FY 2010 and 100% in 2014.

### **J. Accrued and Actuarial Workers' Compensation**

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the Access Board employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that Access Board terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also

administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL and (2) the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

### **K. Retirement Plans**

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

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

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

Access Board recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to Access Board for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. Access

Board recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

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

#### **L. Other Post-Employment Benefits**

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

#### **M. Use of Estimates**

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

#### **N. Imputed Costs/Financing Sources**

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. Access Board recognized imputed costs and financing sources in fiscal years 2013 and 2012 to the extent directed by accounting standards.

#### **O. Reclassifications**

Certain fiscal year 2012 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

## NOTE 2. FUND BALANCE WITH TREASURY

Fund balance with Treasury account balances as of September 30, 2013 and 2012 were as follows:

	2013	2012
<b>Fund Balances:</b>		
Appropriated Funds	1,516,661	1,563,973
<b>Total</b>	<b>\$ 1,516,661</b>	<b>\$ 1,563,973</b>

### Status of Fund Balance with Treasury:

Unobligated Balance		
Available	\$ 75,231	\$ 79,976
Unavailable	294,989	201,546
Obligated Balance Not Yet Disbursed	1,146,441	1,282,451
<b>Total</b>	<b>\$ 1,516,661</b>	<b>\$ 1,563,973</b>

No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, this amount will become part of the unavailable balance as described in the following paragraph.

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

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable balances as of September 30, 2013 and 2012 were as follows:

	2013	2012
Intragovernmental		
Accounts Receivable	\$ 1,941	\$ 1,941
With the Public		
Accounts Receivable	\$ 29,702	\$ 27,579
<b>Total Other Assets</b>	<b>\$ 31,643</b>	<b>\$ 29,520</b>

The accounts receivable is primarily employee receivables and other receivables with the public. Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2013 and 2012.

**NOTE 4. PROPERTY, EQUIPMENT, AND SOFTWARE, NET**

Schedule of Leasehold Improvement as of September 30, 2013

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Building	\$ 475,220	\$ 74,803	\$ 400,417
<b>Total</b>	<b>\$ 475,220</b>	<b>\$ 74,803</b>	<b>\$ 400,417</b>

Schedule of Leasehold Improvement as of September 30, 2012

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Building	\$ 451,571	\$ 20,905	\$ 430,666
<b>Total</b>	<b>\$ 451,571</b>	<b>\$ 20,905</b>	<b>\$ 430,666</b>

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

The liabilities on Access Board’s Balance Sheet as of September 30, 2013 and 2012, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2013	2012
Intragovernmental – FECA	\$ 5,837	\$ 5,837
Unfunded Leave	315,556	292,887
Total Liabilities Not Covered by Budgetary Resources	\$ 321,393	\$ 298,724
Total Liabilities Covered by Budgetary Resources	142,221	305,927
<b>Total Liabilities</b>	<b>\$ 463,614</b>	<b>\$ 604,651</b>

The FECA liability represents the unfunded liability for actual workers compensation claims paid on Access Boards’s behalf and payable to DOL. Access Board also records an actuarial liability for future workers compensation claims based on the liability to benefits paid (LBP) ratio provided by DOL and multiplied by the average of benefits paid over three years.

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

## NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2013 and September 30, 2012 were as follows:

Current Year:

	Current	Non Current	Total
Intragovernmental			
FECA Liability	\$ 5,837	\$ -	\$ 5,837
Payroll Taxes Payable	19,763	-	19,763
Custodial Liability	1,302	-	1,302
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 26,902</b>	<b>\$ -</b>	<b>\$ 26,902</b>

With the Public

Payroll Taxes Payable	\$ 3,147	\$ -	\$ 3,147
Accrued Funded Payroll and Leave	75,652	-	75,652
Unfunded Leave	315,556	-	315,556
Custodial Liability	8,099	-	8,099
<b>Total Public Other Liabilities</b>	<b>\$ 402,454</b>	<b>\$ -</b>	<b>\$ 402,454</b>

Prior Year:

	Current	Non Current	Total
Intragovernmental			
FECA Liability	\$ 5,837	\$ -	\$ 5,837
Payroll Taxes Payable	48,181	-	48,181
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 54,018</b>	<b>\$ -</b>	<b>\$ 54,018</b>

With the Public

Payroll Taxes Payable	\$ 9,585	\$ -	\$ 9,585
Accrued Funded Payroll and Leave	216,327	-	216,327
Unfunded Leave	292,887	-	292,887
<b>Total Public Other Liabilities</b>	<b>\$ 518,799</b>	<b>\$ -</b>	<b>\$ 518,799</b>

## NOTE 7. LEASES

### Operating Leases

Access Board occupies office space under a lease agreement that is accounted for as an operating lease. The lease started on July 1, 2008 and expires June 30, 2018. Lease payments are increased annually based on the adjustments for operating costs and real estate escalations. A schedule of future payments is as follows:

Fiscal Year	Totals
2014	693,008
2015	700,514
2016	708,244
2017	716,208
2018	521,712
<b>Total Future Payments</b>	<b>\$ 3,339,686</b>

## NOTE 8. INTRAGOVERNMENTAL COSTS

Intragovernmental costs represent goods and services transactions made between two reporting entities within the Federal government, and are in contrast to those with non-federal entities (the public). Intragovernmental costs include payments to federal vendors for personnel benefits, rent, utilities, and other services. Payments made to non-federal entities (the public) are comprised primarily of employee salaries and other services. Such costs are summarized as follows:

	2013	2012
Program Costs		
Intragovernmental Costs	\$ 2,409,116	\$ 2,727,975
Public Costs	4,740,821	4,910,397
Total Program Costs	\$ 7,149,937	\$ 7,638,372
Intragovernmental Earned Revenue	-	(639)
Public Earned Revenue	(35,155)	(21,828)
<b>Total Net Cost</b>	<b>\$ 7,114,782</b>	<b>\$ 7,615,905</b>

**NOTE 9. IMPUTED FINANCING SOURCES**

Access Board recognizes as imputed financing the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, the Office of Personnel Management (OPM). For the nine months ending September 30, 2013 and 2012, imputed financing were as follows:

	2013	2012
Office of Personnel Management	\$ 196,204	\$ 194,764
Total Imputed Financing Sources	\$ 196,204	\$ 194,764

**NOTE 10. BUDGETARY RESOURCE COMPARISONS TO THE BUDGET OF THE UNITED STATES GOVERNMENT**

The President's Budget that will include fiscal year 2013 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2014 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2014 Budget of the United States Government, with the "Actual" column completed for 2012, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

**NOTE 11. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED**

Obligations incurred and reported in the Statement of Budgetary Resources in 2013 and 2012 consisted of the following:

	2013	2012
Direct Obligations, Category A	\$ 7,295,841	\$ 7,536,322
Reimbursable Obligations, Category A	-	(4,239)
Total Obligations Incurred	\$ 7,295,841	\$ 7,532,083

Category A apportionments distribute budgetary resources by fiscal quarters.

**NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD**

For the fiscal years ended September 30, 2013 and 2012, undelivered orders amounted to \$1,019,497 and \$992,744 respectively.

### NOTE 13. RECONCILIATION OF NET COST OF OPERATION TO BUDGET

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

	2013	2012
<b>Resources Used to Finance Activities</b>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 7,295,841	\$ 7,532,083
Spending Authority From Offsetting Collections and Recoveries	(400,361)	(223,906)
Net Obligations	6,895,480	7,308,177
Other Resources		
Imputed Financing From Costs Absorbed By Others	196,204	194,764
Net Other Resources Used to Finance Activities	196,204	194,764
Total Resources Used to Finance Activities	7,091,684	7,502,941
Resources Used to Finance Items Not Part of the Net Cost of Operations	(40,849)	102,315
Total Resources Used to Finance the Net Cost of Operations	7,050,835	7,605,256
Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:		
	63,947	10,649
Net Cost of Operations	\$ 7,114,782	\$ 7,615,905