

**NCD – 2019 Financial Statement Audit**  
**Contract: NCD19255**

---

**National Council on Disability (NCD)**  
**Fiscal Year 2019 Financial Statement Audit**

**Final Independent Auditors' Report**

*Submitted for review and acceptance to:*

Lisa Grubb  
Executive Director  
National Council on Disability  
1331 F Street NW  
Washington, DC 20004

*Submitted by:*

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

---

---

**Final Independent Auditors' Report**

Prepared under contract to the National Council on Disability (NCD) to provide financial auditing services

**NATIONAL COUNCIL ON DISABILITY  
AUDIT REPORT  
SEPTEMBER 30, 2019**



**ALLMOND & COMPANY, LLC  
Certified Public Accountants  
7501 Forbes Blvd, Suite 200  
Lanham, Maryland 20706  
(301) 918-8200**



## Independent Auditors' Report

Council Members and Executive Director  
National Council on Disability:

### Report on the Financial Statements

We have audited the accompanying financial statements of the National Council on Disability, which comprise the balance sheets as of September 30, 2019 and 2018; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years ended; and the related notes to the financial statements (hereinafter referred to as 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 responsibility 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 the fiscal years 2019 and 2018 financial statements of NCD based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Council on Disability as of September 30, 2019 and 2018, and its net cost of operations, 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**

### *Required Supplementary Information*

The information in the *Other Accompanying Information* section of this report is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding 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 NCD's financial statements. However, we did not audit this information and, accordingly, we express no opinion on it.

## **Other Reporting Required by Government Auditing Standards**

### *Internal Control over Financial Reporting*

In planning and performing our audit of NCD's financial statements as of and for the year ended September 30, 2019, in accordance with generally accepted government auditing standards, we considered NCD's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NCD's internal control over financial reporting. Accordingly, we do not express an opinion on NCD's internal controls over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 19-03. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

Our consideration of internal control over financial reporting was for the limited purpose as described in the paragraph above and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Exhibit I, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of NCD's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying *Exhibit I Findings and Recommendations* to be a material weakness (2019-02).

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 the attention by those charged with governance.

Furthermore, we noted an additional matter that we will report to NCD management in a separate letter.

***Compliance and Other Matters Specific to the Financial Statements***

As part of obtaining reasonable assurance about whether NCD's fiscal year 2019 financial statements are free of material misstatements, we performed tests of NCD's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, which noncompliance could have a direct and material effect on the determination of material amounts and disclosures in NCD's financial statements, and certain provisions of other laws specified in OMB Bulletin No. 19-03. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance as described in the preceding paragraph disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 19-03.

***NCD's Response to Findings***

NCD's responses to the findings identified during our audit are presented in Exhibit I. NCD's responses were not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of the Other Reporting Required by Government Auditing Standards***

The purpose of the communication provided in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and 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 the effectiveness of the NCD's internal control or on compliance. This communication is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal controls and compliance with laws, regulations, contracts, and grant agreements which could have a material effect NCD's financial statements. Accordingly, this communication is not suitable for any other purpose.

***Allmond & Company, LLC***

Lanham, MD  
November 22, 2019

**Internal Controls over Preparing Financial Statements and Footnote Disclosures (2019-02)**

**CONDITION:**

NCD's policies and procedures over financial reporting related to preparing and reviewing the financial statements and footnote disclosures are not adequately designed and implemented. United States Department of Agricultural (USDA) Office of Chief Financial Officer (OCFO) did not prepare their financial statements and footnotes disclosures consistently in accordance with the updated Office of Management and Budget (OMB) Circular A-136 issued June 29, 2019. In addition, NCD does not perform an adequate review the financial statements and footnote disclosures. Specifically, we noted the following issues:

- NCD did not include an Inter-Entity footnote disclosing their pensions, other retirement benefits, and other postretirement benefit expenses as required by OMB A-136.
- NCD did not include a footnote disclosure for Net Adjustments to Unobligated Balance Brought Forward, October 1 disclosing the material adjustments to the unobligated brought forward, October 1 as required by OMB A-136.
- NCD did not include a footnote disclosure for a reconciliation of Net Cost to Net Outlays disclosing the reconciliation of Net Operating Cost on the Statement of Net Cost to the Net Outlays on the Statement of Budgetary Resources as required by OMB A-136.
- NCD did not include a footnote disclosure in their Summary of Significant Accounting Policies disclosing the accounting standards allow presentations and disclosures to be modified for classified activities.
- NCD incorrectly included the current and prior year lease payment of \$567,176 for FY 2018 and FY 2019 in the calculation for Total Future Payments instead of future lease payments due.
- NCD did not properly reconcile the differences between the 2018 Statement of Budgetary Resources vs. the 2020 Budget of the United States Government. NCD presented the amounts from the 2019 Statement of Budgetary Resources as opposed to the 2018 Statement of Budgetary Resources.
- NCD incorrectly included the Statement of Financing as a principle financial statement; however it is not a required disclosure by OMB A-136.
- Net Book Value for Equipment per Note 5 – General Property, Plant, and Equipment, Net did not agree to the Net Book Value presented on the Balance Sheet for FY 2018.
- Payroll accrual from FY17 in the amount of \$12,300 was not properly reversed and was incorrectly included in the payroll accrual for FY 2018 and FY 2019.

**CRITERIA:**

*The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design Control Activities, 10.03, Accurate and Timely Recording of Transactions, states, “Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.”*

*Office of Management and Budget (OMB) Circular A-136, section II.3.8.26. Note 26 Inter-Entity Cost, states, “Pursuant to SFFAS 4, as amended, paragraph 113A, reporting entities should disclose, if necessary, that only certain inter-entity costs are recognized for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. An illustrative disclosure that reflects unreimbursed costs that are required to be imputed by GAAP is shown below. Entities should also disclose the general nature of other imputed costs recognized in their financial statements in addition to the information shown below.*

*Office of Management and Budget (OMB) Circular A-136, section II.3.8.27. Note 27: Net Adjustments to Unobligated Balance, Brought Forward, October 1, states, “Disclose material adjustments during the reporting period to budgetary resources available at the beginning of the year and an explanation for the adjustments in accordance with SFFAS 7, paragraph 79. For corrections of errors this may include the amount of the errors and the period in which the errors occurred. This disclosure may not include all adjustments made to beginning balances reported on line 1020 of the SF-133, Report on Budget Execution and Budgetary Resources, which includes immaterial and material adjustments.*

*Office of Management and Budget (OMB) Circular A-136, section II.3.8.40: Reconciliation of Net Cost to Net Outlays, states, “Disclose a reconciliation of net cost to net outlays in accordance with SFFAS 7, paragraphs 80-82 and 95 through 101. Entities may tailor the illustrative example in SFFAS 7, as amended, to meet their needs.”*

*Office of Management and Budget (OMB) Circular A-136, section II.3.8.1: Note 1: Summary of Significant Accounting Policies, Classified Activities, states, “All federal reporting entities must including the following in the summary of significant accounting policies: Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.”*

*Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, Section II.3.8.18 Note 18: Leases, states, “Future Payments Due: Disclose future lease payments by major asset category for all non-cancelable leases with terms longer than one year. Disclosure of future payments for cancellable leases is optional, but if disclosed, future payments for cancellable leases should be separate from future payments for non-cancelable leases.*

*Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, Section II.3.8.33 Note 33: Explanation of Differences between the SBR and the Budget of the U.S. Government,* states, Agencies should explain material differences that exist between: 1. The budgetary resources, new obligations, upward adjustments (total), and net outlay amounts from the prior year (i.e., FY 2018) SBR and the actual amounts from “Detailed Budget Estimates by Agency” found in the Appendix of the Budget (i.e., the FY 2018 amounts in the FY 2020 Budget).

**CAUSE:**

NCD does not have adequate policies and procedures in place to review the financial statements and note disclosures prepared by their service provider USDA OCFO for completeness, accuracy, and compliance with financial reporting requirements.

**EFFECT:**

Continuing to use the incorrect OMB Circular A-136 could significantly impact the relevance and reliability of the financial statements and footnote disclosures. Furthermore, the lack of financial reporting internal controls can lead to potential misstatements to the financial statements or line items not being properly classified in accordance with generally accepted accounting principles.

**RECOMMENDATION:**

We recommend that NCD management:

Ensure the updated OMB Circular A-136 is utilized when preparing and reviewing the financial statements and footnote disclosures. In addition, design and implement policies and procedures to have the reviewer of the financial statements and note disclosures for completeness, accuracy, and compliance with financial reporting requirements. The review process should also utilize checklist that describes key items and expectations regarding the presentation of the financial statements and footnote disclosures.

**MANAGEMENT RESPONSE:**

The National Council on Disability (NCD/Customer) and the U.S. General Services Administration (GSA) / United States Department of Agricultural (USDA) Office of Chief Financial Officer (OCFO) entered into an Interagency Agreement (IA) for financial management services (FM). Due to the lack of financial expertise on staff at NCD, the agency entrusts our FM services provider to fulfill the services in the IA.

Services to be provided by GSA / USDA OCFO relative to the cause and effect include –  
GSA / USDA OCFO agreed to provide the following services to NCD:

- Financial Management Systems Services
- Financial Management Reporting and Accounting Support

- ☒ Optional Financial Management Services
- ☒ Budgeting and Analysis Support
- ☒ Payroll Services and PAR Systems Support
- ☒ Optional Payroll Services

GSA / USDA OCFO agreed to provide the following Financial Management Reporting, Accounting and Budgeting Support to NCD to fulfill Treasury and the OMB external reporting requirements of the NCD, through the following reports based upon the agency's reporting requirements. In addition, the USDA, OCFO-PFS will serve as a point of contact for financial regulatory issues with Treasury and OMB.

Governmentwide Mandated Reports:

- SF 133 – Report on Budget Execution and Budgetary Resources (monthly)
- Max A-11 – President's Budget Report
- SF-123 - Apportionment and Reapportionment Schedule
- TROR – Treasury Report on Receivables (quarterly)
- GTAS – Governmentwide Treasury Account Symbol Adjusted Trial Balance System (monthly)
- GFRS – Governmentwide Financial Report System
- ATDAs - Accountability of Tax Dollars Act Statement (3rd and 4th Quarter, unless negotiated differently)

GSA / USDA OCFO agreed to provide the following accounting support services for obligation and payment documents.

- Record obligations, receipts, and disbursements
- Process accounts receivable, reimbursable, and central collection. The letter of intent must be submitted to the USDA, OCFO-PFS on same day when the bank processes the transfer. The wire transfers must be in Collection Information Repository (CIR) and coding received by USDA, OCFO-PFS no later than the fifth day prior to month end in order to be processed by month end.
- Process vendor and other types of disbursements in accordance with Prompt Pay regulations
- Reconcile general ledger subsidiary transactions
- Reconcile Fund Balance with Treasury
- Preparation and research of Internal Revenue Service (IRS) Form 1099 for payments that have been made on behalf of the client

GSA / USDA OCFO agreed to provide the following budgeting and analysis support -

- Input of the NCD's Budget into the MAX database, updating data, and providing support during OMB Budget calls.
- Coordinate financial policy interpretation with OMB.
- Apportion the NCD's budget based on guidance from the NCD.
- Create budget allotments based on guidance from the NCD's staff director or designated point of contact.
- Track the NCD's spending to identify potential Anti-Deficiency Act violations.
- Interact with Treasury and OMB related to matters of budget execution including the above items.

- Communicate with a designated point of contact and process problems and to generally facility knowledge sharing.

GSA / USDA OCFO agreed to provide the following payroll services for NCD:

- Track and monitor all payroll related activities from initial hire through final payments at separation and submission of retirement records to the Office of Personnel Management (OPM).
- Perform the following payroll related processes:
  - Collect time and attendance data
  - Report and release time and attendance data
  - Accrue, process, and adjust leave
  - All routine employee deduction/input documents
  - All current and retroactive pay and leave actions generated due to personnel actions processed
  - Automated Form W-2 reporting
  - Employer quarterly tax reporting
  - Automated employment verification
  - Associated payroll management reports, including, but not limited to, budget reports and accounting distribution summary reports.
- Manage Federal Employees Health Benefits (FEHB) Temporary Continuation of Coverage (TCC) premium payments, based on FEHB enrollment, change and termination forms (SF 2809/2810) submitted by the client agency, for the NCD employees. Note: A 2% Service fee charged to the enrollee as part of monthly premium payment.
- Manage Federal Employees Health Benefits (FEHB) Spouse Equity premium payments, based on FEHB enrollment, change and termination forms (SF 2809/2810) submitted by the client agency, for the NCD employees. Note: A 2% Service fee charged (of the enrollee monthly premium) to the client agency as part of its quarterly billing.
- Provide data, as required by the OPM, for the SF-113A Feeder Data Report and SF-113G Monthly Report of Full-Time Equivalent/Work-Year Civilian Employment, to the NCD by the 10th of each month reflecting information for the preceding month.
- Provide comprehensive payroll reports:
  - Electronic Pay and Leave Statements via OPM's Employee Express (EEX)
  - Premium Pay Validation reports
  - Quarterly Overtime reports
  - Consolidated Payroll reports
  - Accounting Distribution reports
- Perform the following payroll related processes:
  - Provide pretax FEHB premium conversion
  - Provide pretax qualified transportation fringe benefits program
  - Commercial wage garnishments
  - Internal Revenue Service (IRS)/State tax levies
  - Child support/alimony garnishments
  - Military Service Credits (MSC)
  - Discretionary allotments
  - Union dues

- Charities
- Association dues deductions
- Salary offset for active employees
- Savings allotments support
- Federal Employees' Group Life Insurance (FEGLI)
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Affordable Health Care Act Employer Shared Responsibility Reporting (ACA ESR)
- Issuance of ACA ESR Internal Revenue Service Forms 1094C and 1095 C to IRS and 1095C to employees via OPM's Employee Express (EEX)

NCD concurs with the cause and effect stated. In response, NCD immediately implemented additional controls, which include a thorough review of financial statements and footnotes disclosures consistently in accordance with the updated Office of Management and Budget (OMB) Circular A-136 issued June 29, 2019. Additionally, NCD will discuss the cause and effect with our service provider and work collaboratively to ensure future compliance.

Lastly, NCD staff responsible for the oversight of financial reporting will receive training specific to OMB Circular A-136 in FY20.

**AUDITOR'S RESPONSE:**

We will conduct follow-up procedures in FY 2020 to determine whether corrective actions have been developed and implemented.



**NATIONAL COUNCIL ON DISABILITY**

**GENERAL FUND**

**FINANCIAL STATEMENTS**

**As Of And For The Years Ended September 30, 2019 and 2018**

**National Council on Disability**  
BALANCE SHEET

As of September 30, 2019 and 2018 (in dollars)

		2019	2018
<b>Assets:</b>			
<b>Intragovernmental:</b>			
Fund Balance With Treasury	(Note 2)	\$ 661,293.98	\$ 928,520.96
<b>Other:</b>			
Advances and Prepayments	(Note 3)	66,781.45	66,781.45
<b>Total Intragovernmental</b>		728,075.43	995,302.41
Accounts Receivable, net	(Note 4)	3,551.00	615.13
General Property, Plant and Equipment, Net	(Note 5)	5,267.71	8,472.17
<b>Total Assets</b>		\$ 736,894.14	\$ 1,004,389.71
<b>Liabilities:</b>	(Note 6)		
<b>Intragovernmental:</b>			
Accounts Payable		\$ 2,000.00	\$ 2,000.00
<b>Other:</b>	(Note 7)		
Employer Contributions and Payroll Taxes Payable		15,119.57	13,587.06
<b>Total Intragovernmental</b>		17,119.57	15,587.06
Accounts Payable		66,198.41	92,281.81
<b>Other:</b>	(Note 7)		
Accrued Funded Payroll and Leave		55,428.92	51,753.30
Employer Contributions and Payroll Taxes Payable		2,240.32	1,915.16
Unfunded Leave		129,753.46	116,232.54
<b>Total Liabilities</b>		\$ 270,740.68	\$ 277,769.87
<b>Net Position:</b>			
Unexpended Appropriations - All Other Funds		587,088.21	833,765.08
Cumulative Results of Operations - All Other Funds		\$ (120,934.75)	\$ (107,145.24)
<b>Total Net Position - All Other Funds</b>		466,153.46	726,619.84
<b>Total Net Position</b>		\$ 466,153.46	\$ 726,619.84
<b>Total Liabilities and Net Position</b>		\$ 736,894.14	\$ 1,004,389.71

The accompanying notes are an integral part of these statements.

**National Council on Disability  
STATEMENT OF NET COST**

**For The Years Ended September 30, 2019 and 2018 (in dollars)**

	<b>2019</b>	<b>2018</b>
<b>Program Costs:</b>	<hr/>	<hr/>
<b>Gross Costs</b>	<b>\$ 3,461,673.73</b>	<b>\$ 3,423,569.83</b>
<b>Net Program Costs</b>	<b>3,461,673.73</b>	<b>3,423,569.83</b>
<b>Net Cost of Operations</b>	<b><u>\$ 3,461,673.73</u></b>	<b><u>\$ 3,423,569.83</u></b>

The accompanying notes are an integral part of these statements.

**National Council on Disability**  
**STATEMENT OF CHANGES IN NET POSITION**  
For The Years Ended September 30, 2019 and 2018 (in dollars)

FY 2019 (CY)

	All Other Funds (Consolidated Totals)	Consolidated Total
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 833,765.08	\$ 833,765.08
Adjustments (+/-)		
Corrections of errors (+/-)	-	-
Beginning balance, as adjusted	833,765.08	833,765.08
<b>Budgetary Financing Sources:</b>		
Appropriations received	3,250,000.00	3,250,000.00
Other Adjustments (+/-)	(137,383.33)	(137,383.33)
Appropriations used	(3,359,293.54)	(3,359,293.54)
Total Budgetary Financing Sources	(246,676.87)	(246,676.87)
<b>Total Unexpended Appropriations</b>	587,088.21	587,088.21
<b>Cumulative Results from Operations</b>		
Beginning Balances	\$ (107,145.24)	\$ (107,145.24)
<b>Budgetary Financing Sources:</b>		
Appropriations used	3,359,293.54	3,359,293.54
<b>Other Financing Sources (Nonexchange):</b>		
Imputed Financing	(Note 9) 88,590.68	88,590.68
Total Financing Sources	3,447,884.22	3,447,884.22
Net Cost of Operations	3,461,673.73	3,461,673.73
Net Change	(13,789.51)	(13,789.51)
<b>Cumulative Results of Operations</b>	(120,934.75)	(120,934.75)
<b>Net Position</b>	\$ 466,153.46	\$ 466,153.46

The accompanying notes are an integral part of these statements.

**National Council on Disability**  
**STATEMENT OF CHANGES IN NET POSITION**  
For The Years Ended September 30, 2019 and 2018 (in dollars)

FY 2018 (PY)

	All Other Funds (Consolidated Totals)	Consolidated Total
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 955,684.05	\$ 955,684.05
<b>Budgetary Financing Sources:</b>		
Appropriations received	3,250,000.00	3,250,000.00
Other Adjustments (+/-)	(57,452.87)	(57,452.87)
Appropriations used	(3,314,466.10)	(3,314,466.10)
Total Budgetary Financing Sources	(121,918.97)	(121,918.97)
<b>Total Unexpended Appropriations</b>	<b>833,765.08</b>	<b>833,765.08</b>
<b>Cumulative Results from Operations</b>		
Beginning Balances	\$ (70,178.23)	\$ (70,178.23)
<b>Budgetary Financing Sources:</b>		
Appropriations used	3,314,466.10	3,314,466.10
<b>Other Financing Sources (Nonexchange):</b>		
Imputed Financing	(Note 9) 72,136.72	72,136.72
Total Financing Sources	3,386,602.82	3,386,602.82
Net Cost of Operations	3,423,569.83	3,423,569.83
Net Change	(36,967.01)	(36,967.01)
<b>Cumulative Results of Operations</b>	<b>(107,145.24)</b>	<b>(107,145.24)</b>
<b>Net Position</b>	<b>\$ 726,619.84</b>	<b>\$ 726,619.84</b>

The accompanying notes are an integral part of these statements.

**National Council on Disability**  
**STATEMENT OF BUDGETARY RESOURCES**

For The Years Ended September 30, 2019 and 2018 (in dollars)

	2019 Budgetary	2018 Budgetary
<b>Budgetary resources:</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	(Note 10) \$ 396,328.37	\$ 391,612.47
Appropriations (discretionary and mandatory)	3,250,000.00	3,250,000.00
<b>Total budgetary resources</b>	<b>\$ 3,646,328.37</b>	<b>\$ 3,641,612.47</b>
<b>Status of budgetary resources:</b>		
New obligations and upward adjustments (total)	(Note 11) \$ 3,270,367.01	\$ 3,418,492.99
Unobligated balance, end of year:		
Apportioned, unexpired account	15,365.27	390.70
Unapportioned, unexpired accounts	135.53	-
Unexpired unobligated balance, end of year	15,500.80	390.70
Expired unobligated balance, end of year	360,460.56	222,728.78
<b>Unobligated balance, end of year (total)</b>	<b>375,961.36</b>	<b>223,119.48</b>
<b>Total budgetary resources</b>	<b>\$ 3,646,328.37</b>	<b>\$ 3,641,612.47</b>
<b>Outlay, net:</b>		
Outlays, net (total) (discretionary and mandatory)	\$ 3,379,843.65	\$ 3,320,305.27
Agency outlays, net (discretionary and mandatory)	<b>\$ 3,379,843.65</b>	<b>\$ 3,320,305.27</b>

The accompanying notes are an integral part of these statements.

# NATIONAL COUNCIL ON DISABILITY

## GENERAL FUND

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The National Council on Disability (NCD) is an independent agency of the Executive Branch of the United States Government that makes recommendations to the President and Congress on issues affecting Americans with disabilities.

NCD was initially established in 1978 as an advisory board within the Department of Education (Public Law 95-602). The Rehabilitation Act Amendments of 1984 (Public Law 98-221) transformed NCD into an independent agency and required NCD to provide expert advice to Congress and the Administration. The Rehabilitation Act Amendments of 1992 and 1998 and the Education of the Deaf Act Technical Amendments of 1993 updated NCD's statutory mandate.

NCD is composed of fifteen members appointed by the President and confirmed by the U.S. Senate. The Council members set the agency budget and establish the parameters for what it will support. The NCD executive director has full responsibility for carrying out the agency's operations as necessary to accomplish the goals and mission of the agency as established by the Council members.

NCD's overall purpose is to promote policies, programs, practices, and procedures that guarantee equal opportunity for all individuals with disabilities, regardless of the nature or severity of the disability; and to empower individuals with disabilities to achieve economic self-sufficiency, independent living, and inclusion and integration into all aspects of society. This mission is accomplished by serving as a policy agency that publishes reports and works with other federal agencies on policy development and implementing best practices.

#### Basis of Presentation

These financial statements have been prepared from the accounting records of NCD in accordance with generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, "Financial Reporting Requirements." GAAP for Federal entities is the hierarchy of accounting principles prescribed in Statement of Federal Financial Accounting Standards (SFFAS) 34, "The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards issued by the Financial Accounting Standards Board."

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

### **Basis of Presentation – (Continued)**

OMB Circular No. A-136 requires agencies to prepare principal statements, include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2019, amounts of future economic benefits owned or managed by NCD (assets), amounts owed by NCD (liabilities), and amounts which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within NCD and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

### **Basis of Accounting**

Transactions are recorded on the accrual accounting basis in accordance with U.S. GAAP. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

### **Budgets and Budgetary Accounting**

NCD follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," dated June 2019. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Each year, Congress provides NCD appropriations to incur obligations in support of agency programs. For Fiscal Years (FY) 2019 and 2018, NCD is accountable for general fund appropriations and no-year fund carryover. NCD recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collections is incurred.

### **Revenues and Other Financing Sources**

NCD receives substantially all the funding needed to support its programs through appropriations. NCD receives annual appropriations that may be used,

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

### **Revenues and Other Financing Sources – (Continued)**

within statutory limits, for operating and capital expenditures. Appropriations are recognized as financing sources as the related programs or administrative expenses are incurred.

Other financing sources for NCD consist of imputed financing sources which are costs financed by other federal entities on behalf of NCD, as required by SFFAS No. 5, "Accounting for Liabilities of the Federal Government." In certain instances, operating costs of NCD are paid out of funds appropriated to other federal agencies. In accordance with SFFAS 5, all expenses of a federal entity should be reported by that agency regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of NCD, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. NCD records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

### **Personnel Compensation and Benefits**

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued. Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

NCD's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. NCD and its employees both contribute to these systems. Although NCD funds a portion of the benefits under CSRS and FERS and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFFAS 5.

For CSRS employees, NCD contributes an amount equal to 7% of the employees' basic pay to the plan. For FERS employees, NCD contributes an amount equal to 13.7% of the employees' basic pay to the plan. For FERS-RAE and FRAE employees, NCD contributes an amount equal to 11.9% of the employees' basic pay to the plan.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

### **Personnel Compensation and Benefits – (Continued)**

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, NCD contributes an amount equal to 1% of the employee's basic pay to the TSP and matches employee contributions up to an additional 4%. CSRS employees receive no matching contribution from NCD.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including NCD's employees. NCD has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by NCD and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and NCD paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because NCD's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Board has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

### **Assets and Liabilities**

Intra-governmental assets and liabilities arise from transactions between NCD and other Federal entities.

Funds with the U.S. Treasury comprise the majority of assets on NCD's balance sheet. All other assets result from activity with non-federal sources.

Liabilities represent amounts that are likely to be paid by NCD as a result of transactions that have already occurred. The accounts payable portion of liabilities consists of amounts owed to federal agencies and commercial vendors for goods, services, and other expenses received but not yet paid.

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

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

### **Fund Balance with Treasury**

The U.S. Department of the Treasury (Treasury) processes NCD's receipts and disbursements. Fund Balance with Treasury is the aggregate amount of the agency's accounts with Treasury for which the agency is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of non-expenditure Treasury warrants for appropriations, positive non-expenditure transfers, and other expenditure inflows of funds. The Fund Balance with Treasury is reduced through non-expenditure Treasury Warrants for recissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

NCD's funds with the U.S. Treasury are cash balances from appropriations as of the fiscal year-end from which NCD is authorized to make expenditures and pay liabilities resulting from operational activity.

### **General Property, Plant, and Equipment, Net**

Property, plant, and equipment (PP&E) have been defined in the Federal Government as tangible items owned by the Federal Government and having an expected useful life of greater than two years. NCD has established the following policies for PP&E:

PP&E is reported at acquisition cost.

The capitalization threshold is \$5,000 for assets with a useful life of two or more years.

For bulk purchases, items will be capitalized when the individual useful lives are at least two years and the property has an aggregate value of \$100,000 or more.

Acquisitions of PP&E that do not meet the capitalization criteria outlined above are recorded as operating expenses. General PP&E consists of items that are used by NCD to support its mission.

Depreciation on assets is calculated using the straight-line method. Depreciation begins the month after the asset is placed in service.

Useful lives are as follows:

Equipment -	4 years
Furniture -	4 years

Maintenance, repairs and minor renovations are expensed as incurred. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

### **General Property, Plant, and Equipment, Net – (Continued)**

The costs of any leasehold improvements financed with NCD appropriated funds is capitalized if the total cost exceeds \$25,000. Construction costs are accumulated as “construction in-progress” until completion, at which time they are transferred to “leasehold improvements” and depreciated over 7 years or the remainder of the lease, whichever is less.

Internal use software development and acquisition costs of \$25,000 are capitalized as “software development-in-progress” until the development stage is completed and the software is successfully tested. At acceptance, “software development-in-progress” costs are reclassified as “internal use software” and amortized using the straight-line method over an estimated useful life of 4 years. Purchased commercial software that does not meet the capitalization criteria is expensed. Enhancements that do not add significant new capability or functionality are expensed.

### **Prepaid and Deferred Charges**

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

### **Liabilities**

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities incurred which are covered by realized budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from the offsetting collections, recoveries of unexpired budget authority through downward adjustments of prior year obligations, and unobligated balances of budgetary resources at the beginning of the year. Unfunded liabilities are not considered to be covered by such budgetary resources. Examples of unfunded liabilities are actuarial liabilities for future Federal Employees’ Compensation Act (FECA) payments and annual leave. The Government, acting in its sovereign capacity, can abrogate liabilities arising from other than contracts.

### **Contingencies**

The criteria for recognizing contingencies for claims are (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). NCD recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings and environmental suits that have been brought to the attention of legal counsel.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

### Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent amounts of budgetary authority to include unobligated or obligated balances not rescinded or withdrawn. Cumulative results of operations are comprised of the following: (1) the difference between revenues and expenses, (2) the net amount of transfers of assets in and out without reimbursement, and (3) donations, all since inception of the fund(s).

### Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

## NOTE 2 – FUND BALANCE WITH TREASURY

All of NCD's fund balance with treasury is coming from appropriations. No trust, revolving or other fund type are used to fund NCD's activities. NCD operates as an annual fund, where each year is a new appropriation. This fund balance with treasury is a consolidated balance of one no-year fund and five annual funds (FY 2015, FY 2016, FY 2017, and FY 2018 and FY 2019). The annual fund for FY 2014 is cancelled and the remaining fund balance of \$137,383.33 is given back to US Treasury during fiscal year 2019.

	<u>2019</u>	<u>2018</u>
1. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	15,365.27	390.70
b) Unavailable	<u>360,596.09</u>	<u>222,728.78</u>
	375,961.36	223,119.48
2) Obligated Balance not yet Disbursed	<u>285,332.62</u>	<u>705,401.48</u>
Total	<u><u>661,293.98</u></u>	<u><u>928,520.96</u></u>

**NOTE 3 – ADVANCES AND PREPAYMENTS**

Advances and Prepayments represents advances to Government Publishing Office Deposit Accounts.

	<u>2018</u>	<u>2019</u>
Deferred	66,781.45	66,781.45
Total	66,781.45	66,781.45

**NOTE 4 – ACCOUNTS RECEIVABLE, NET**

Accounts Receivable, Net from the Public represents the Accounts Receivable from current employees. NCD has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

	<u>2019</u>	<u>2018</u>
Accounts Receivable - With the Public	3,551.00	615.13

**NOTE 5 - GENERAL PROPERTY, PLANT AND EQUIPMENT, NET**

The Board’s total cost, accumulated depreciation, and net book value for PPE for the years ending September 30, 2019 and 2018 are as follows.

2019	Equipment	Total
<b>Cost</b>	\$15,452.00	\$15,452.00
<b>Accum. Depr.</b>	(\$10,184.29)	(\$10,184.29)
<b>Net Book Value</b>	\$5,267.71	\$5,267.71

2018	Equipment	Total
<b>Cost</b>	\$15,452.00	\$15,452.00
<b>Accum. Depr.</b>	(\$6,979.83)	(\$6,979.83)
<b>Net Book Value</b>	\$8,472.17	\$8,472.17

## NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the NCD are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2019, the NCD had liabilities covered by budgetary resources of \$140,987.22 and liabilities not covered by budgetary resources of \$129,753.46. As of September 30, 2018, the NCD had liabilities covered by budgetary resources of \$161,537.33 and liabilities not covered by budgetary resources of \$116,232.54.

	<u>2019</u>	<u>2018</u>
With the Public		
Unfunded Leave	129,753.46	116,232.54
Total liabilities not covered by budgetary resources	\$ 129,753.46	\$ 116,232.54
Total liabilities covered by budgetary resources	<u>140,987.22</u>	<u>161,537.33</u>
Total Liabilities	<u>\$ 270,740.68</u>	<u>\$ 277,769.87</u>

## NOTE 7 – OTHER LIABILITIES

Other liabilities with the public for the year ended September 30, 2019 and 2018 consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, and Unfunded Leave in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable.

## NOTE 7 – OTHER LIABILITIES - (CONTINUED)

	FY 2019		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 15,119.57	\$ 15,119.57
Total Intragovernmental	-	15,119.57	15,119.57
Liabilities with the Public			
Accrued Funded Payroll & Leave		55,428.92	55,428.92
Employer Contributions and Payroll Taxes Payable	-	2,240.32	2,240.32
Unfunded Leave	129,753.46		129,753.46
Total Liabilities with the Public	129,753.46	57,669.24	187,422.70
Total Other Liabilities	<u>\$ 129,753.46</u>	<u>\$ 72,788.81</u>	<u>\$ 202,542.27</u>
	FY 2018		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 13,587.06	\$ 13,587.06
Total Intragovernmental	-	13,587.06	13,587.06
Liabilities with the Public			
Accrued Funded Payroll & Leave		51,753.30	51,753.30
Employer Contributions and Payroll Taxes Payable	-	1,915.16	1,915.16
Unfunded Leave	116,232.54		116,232.54
Total Liabilities with the Public	116,232.54	53,668.46	169,901.00
Total Other Liabilities	<u>\$ 116,232.54</u>	<u>\$ 67,255.52</u>	<u>\$ 183,488.06</u>

## NOTE 8 - LEASES

### Entity as Lessee: Operating Leases

NCD leases office space at 1331 F Street, NW, Washington, DC. The lease was entered on August 29, 2012 for a period of 10-years retroactive August 22, 2011 continuing through August 21, 2021. A new lease agreement for the same space was entered on August 27, 2019 for a period of 15-years, beginning on August 22, 2021, continuing through August 21, 2036. The lease and space may be vacated at any time upon four (4) months written notice.

**NOTE 8 – LEASES – (CONTINUED)**

The following is a schedule of future minimum lease payments required by the lease:

<u>Fiscal Year Ended</u>	<u>Minimum Lease Payments</u>
September 30, 2020	288,215
September 30, 2021	257,804
September 30, 2022	156,702
September 30, 2023	270,689
September 30, 2024	274,034
Fiscal Years 2025 - 2036	<u>3,811,596</u>
Total Future Lease Payments	<u><u>5,059,040</u></u>

**NOTE 9 – INTER-ENTITY COSTS**

NCD recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. NCD recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2019 and 2018, respectively, inter-entity costs were as follows:

	<u>2019</u>	<u>2018</u>
Office of Personnel Management	<u>\$ 88,590.68</u>	<u>\$ 72,136.72</u>
Total Imputed Financing Sources	<u>\$ 88,590.68</u>	<u>\$ 72,136.72</u>

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

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2019, and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Unobligated Balance Brought Forward, October 1	\$ 222,983.95	\$ 241,546.28
Recoveries of Prior Year Obligations	310,592.32	207,519.06
Other Changes in Unobligated Balances	<u>(137,383.33)</u>	<u>(57,452.87)</u>
Unobligated Balance From Prior Year Budget Authority, Net	\$ 396,192.94	\$ 391,612.47

**NOTE 11 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS. REIMBURSABLE OBLIGATIONS**

Obligations for NCD are category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132.

	<u>2019</u>	<u>2018</u>
Direct		
Category B	<u>3,270,357.01</u>	<u>3,418,492.99</u>
	3,270,357.01	3,418,492.99

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

The amount of NCD's undelivered orders was \$211,126.85 and \$610,645.60 as of September 30, 2019 and 2018, respectively.

	<u>Unpaid Undelivered Orders</u>	<u>Paid Undelivered Orders</u>	<u>Total Undelivered Orders</u>
<b>Intergovernmental</b>			
2019	\$ 54,439.14	\$ 66,781.45	\$ 121,220.59
2018	\$ 100,411.38	\$ 66,781.45	\$ 167,192.83
<b>With the Public</b>			
2019	\$ 89,906.26		\$ 89,906.26
2018	\$ 443,452.77		\$ 443,452.77
<b>Total</b>			
2019	\$ 144,345.40	\$ 66,781.45	\$ 211,126.85
2018	\$ 543,864.15	\$ 66,781.45	\$ 610,645.60

**NOTE 13 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT**

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2019 actual budgetary execution information is scheduled for publication in February 2020, which will be available through OMB’s website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2018 SBR and the related President’s Budget reflected the following:

<b>FY2018</b>	<b>Budgetary Resources</b>	<b>New Obligations &amp; Upward Adjustments (Total)</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
Statement of Budgetary Resources	\$ 4	\$ 3	\$ -	\$ 3
Expired Unobligated Balance	\$ (1)			
<i>Budget of the U.S. Government</i>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>
<b>Difference</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The difference between the Statement of Budgetary Resources and the Budget of the United States Government is due to expired unobligated balances being reported in the Statement of Budgetary Resources but not in the Budget of the United States Government.

## NOTE 14 – RECONCILIATION OF NET COST TO OUTLAYS

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

	Intragovernmental	With the Public	Total
<b>Net Operating Cost (SNC)</b>	<b>921,133.19</b>	<b>2,540,540.54</b>	<b>3,461,673.73</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, plant, and equipment depreciation		(3,204.46)	(3,204.46)
<b>Increase/(Decrease) in Assets not affecting Budget Outlays:</b>			
Accounts receivable	-	2,935.87	2,935.87
<b>(Increase)/Decrease in Liabilities not affecting Budget Outlays:</b>			
Accounts payable		26,083.40	26,083.40
Salaries and benefits	(1,532.51)	(4,000.78)	(5,533.29)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(13,520.92)	(13,520.92)
<b>Other financing sources</b>			
Federal employee retirement benefit costs	(88,590.68)		(88,590.68)
<b>Total Components of Net Operating Cost Not Part of the Budget Outlays</b>	<b>(90,123.19)</b>	<b>8,293.11</b>	<b>(81,830.08)</b>
<b>Net Outlays (Calculated Total)</b>	<b>831,010.00</b>	<b>2,548,833.65</b>	<b>3,379,843.65</b>
<b>Related Amounts on the Statement of Budgetary Resources</b>			
Outlays, net (SBR Line 4190)			3,379,843.65
Agency Outlays, Net (SBR Line 4210)			<u>3,379,843.65</u>