

UNITED STATES ACCESS BOARD
PERFORMANCE AND ACCOUNTABILITY REPORT,
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2011 AND 2010



Prepared By
Brown & Company CPAs, PLLC
November 14, 2011



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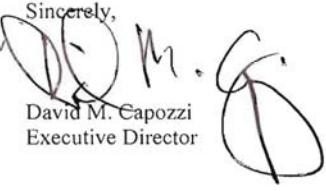
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November 14, 2011

I am pleased to present the Access Board's Performance and Accountability Report for Fiscal Year 2011. 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 2011 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

A FEDERAL AGENCY COMMITTED TO ACCESSIBLE DESIGN



**US Access Board
Washington, DC**

Management Discussion and Analysis Performance Accountability Report

OCTOBER 2011

**U.S. ACCESS BOARD
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR 2011**

INTRODUCTION

In March 2009, the Access Board approved a new strategic plan. The plan includes a new vision statement (*achieve a fully accessible America for all*) and a new mission statement (*lead the development, advancement, and implementation of accessibility requirements*). The plan includes four goals:

- develop and maintain accessibility requirements
- educate stakeholders about accessibility
- enforce compliance with the ABA, and
- anticipate opportunities for accessibility in our changing environment.

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: work with its stakeholders to establish consensus-based guidelines and standards that are fair, reasonable, and acceptable to all interests; 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 section 508 of the Rehabilitation Act for accessible electronic and information technology procured by Federal agencies and standards for accessible medical diagnostic equipment under section 510 of the Rehabilitation Act.

Additionally, 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.

The Board also 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.

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

FY 2011 Results – Rulemaking

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

Outdoor Developed Areas

In June 2007, the Board released proposed guidelines for public comment that address access to new or altered trails, beaches, and picnic and camping areas on sites managed by the Federal government. The guidelines would 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. The Board has been working with an ad hoc committee of Board members, staff, and representatives of the Federal land management agencies to finalize this rule. In October 2009, the Board released draft final rules for outdoor developed areas and provided a comment period, which closed in December 2009. A final rule is planned for FY 2012. Proposed guidelines for non-Federal sites will be published for comment at a future date.

Shared Use Paths

When the Board approved the draft final accessibility guidelines for trails, 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.

As a result, the Board initiated separate rulemaking to cover shared use paths. On September 13, 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.

Passenger Vessels

The Board's guidelines will 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. In June 2008, we published revised draft guidelines for the purpose of holding information meetings to collect data necessary for a regulatory assessment. Meetings were held in August 2008 to collect this data. In 2009, we contracted with the Volpe National Transportation Systems Center to assist the Board in finalizing the regulatory assessment. The Board's Passenger Vessel Emergency Alarms Advisory Committee completed its work and presented its report to the Board in October 2008. The committee's recommendations will advance the Board's development of new guidelines for passenger vessels, which are to include criteria for emergency alarm systems. At its May 2010 meeting, the Board approved the Passenger Vessel Accessibility Guidelines text and preamble. Since then, staff has been working to complete the rulemaking package that will be submitted to the Office of Management and Budget (OMB) for its review. To complete the package, the Regulatory Impact Analysis and the Initial Regulatory Flexibility Act Analysis needed to be finished. These documents will be available for Board review and approval at the January 2012 Board meeting.

Public Rights-of-Way

In 2009, we contracted with the Volpe National Transportation Systems Center to assist the Board in finalizing a regulatory assessment for this rulemaking. The Board has been working with an ad hoc committee of Board members and staff to develop a notice of proposed rulemaking (NPRM). The NPRM was published for public comment in July 2011.

Section 508 and Telecommunications Equipment Standards 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. On March 22, 2010, the Board published an Advance Notice of Proposed Rulemaking (ANPRM) to update the Board's Information and Communications Technologies (ICT) guidelines and standards based on the committee's report. The comment period closed on June 21, 2010. We received 380 comments on the ANPRM. A second ANPRM is planned for December 2011.

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. A proposed rule is planned for FY 2012.

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 has been significantly changed, provisions for over-the-road buses have been added, and changes have been 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. The Board has been working with an ad hoc committee of Board members and staff to develop this rulemaking. An NPRM to revise and update the accessibility guidelines for buses, over-the-road buses, and vans was published on July 26, 2010. A public hearing on the NPRM was held in Chicago on September 30. Another public hearing on the NPRM was held during the November 2010 Board meeting. The comment period closed on November 23, 2010 and 44 comments were received. A final rule is planned for FY 2012.

Emergency Transportable Housing

An advisory committee on emergency transportable housing was created in September 2007. The Board organized this 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 are needed. The committee completed its work and presented its report to the Board in November 2008. The Board is working with an ad hoc committee of Board members, staff, and Federal agencies to develop a notice of proposed rulemaking. In June 2010, we submitted a number of questions to the Federal Emergency Management Agency (FEMA) in order to obtain cost data, which would form the basis of the regulatory assessment. In July, we met with FEMA staff responsible for the procurement and design of emergency transportable housing units. FEMA agreed to consult its contractors regarding costs associated with the advisory committee recommendations. The Board approved the proposed rule at its March 2011 meeting; the rule is expected to be published in the Federal Register in early FY 2012.

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 ANSI/ASA S12.60 Classroom Acoustics Standard were finalized in late April 2010 and the standard was approved by ANSI immediately thereafter. 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 not supported at the ICC meetings in mid-May. Therefore, at its July 2010 meeting, the Board approved a motion to go forward with rulemaking under the ADA and Architectural Barriers Act (ABA) to reference the ANSI/ASA standard for new classroom construction and for alterations of significant scope.

At its November 2010 meeting, a Board ad hoc committee reviewed draft text for a Notice of Proposed Rulemaking on classroom acoustics. The next step is to develop a regulatory assessment and preamble to accompany the NPRM. At the end of FY 2011, we contracted with the National Institute for Building Sciences to complete the regulatory assessment. A proposed rule is planned for FY 2012.

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 two years 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.

On July 29, 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. The Board plans to vote on a proposed rule at its November 2011 meeting. The proposed rule will be published in early FY 2012.

FY 2011 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 International Code Council (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; 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.

In recognition of her work at the Board, Marsha Mazz, Director of the Board's Technical and Information Services, received the American National Standards Institute's 2010 Ronald H. Brown Standards Leadership Award. Named in honor of the late U.S. Secretary of Commerce, the award recognizes demonstrated leadership in promoting standardization and eliminating barriers to global trade. The award was presented on September 23 during the U.S. celebration of World Standards Day. The 2010 theme, "Standards for Accessibility," recognized the critical role model codes and standards play in ensuring access to the built environment, products, technologies, and systems for people with disabilities.

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 STAKEHOLDERS 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 customer's 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. We send out about 10,000 publications each year in print and alternate formats.
- 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) 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 Disability and Business Technical Assistance Centers (DBTAC) 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 2011 Results

Technical assistance, research, regulatory assessments, and training projects funded in FY 2011 include:

- **Regulatory Assessments.** Contracts were awarded at the end of FY 2011 to assist in the development of regulatory assessments for rulemaking for medical diagnostic equipment and classroom acoustics.
- **Walkway Standards for Rollability.** The Board contracted with the Department of Rehabilitation Science and Technology at the University of Pittsburgh and the Human Engineering Research Laboratories of the Veterans Administration Rehabilitation Research and Development Center in Pittsburgh to research, test, and develop a measurement protocol and comfort/rolling resistance standard for accessibility of newly installed exterior prepared/paved surfaces.
- **Transfer Issues.** The Board has identified independent transfers as an issue requiring research attention to underpin its rulemaking mandate. Limited research and information is available on the issue of transferring from one's mobility device to another element such as a transfer shower, a water closet, or an amusement ride seat or transfer device. Long-standing accessibility standards have established the desirable height and the position of clear space for elements where transfer is expected. With an increase in the number of elements designed for transfer, the Board intends to refine its guidance and technical assistance in this area.

The Board responded to 12,673 customer inquiries, distributed 1,225 information packets, and conducted 87 training sessions that were attended by approximately 7,340 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 3.5 million user sessions and 48 million "hits". At the end of FY 2011, we awarded a contract to redo our website and create an intranet site. We also published and distributed six issues of *Access Currents*, a free newsletter the Board issues every other month by e-mail.

We also offer monthly webinars and audio conferences through a partnership with the National Network of ADA Centers (DBTACs). We hosted 10 sessions where participants learned more about the work of the Access Board, its guidelines and standards, and accessible design. Sessions also provide an opportunity to earn continuing education credits (CEUs). General attendance is free, but a \$25 fee is charged by the DBTAC for processing CEUs.

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 2011 Results - ABA Compliance

The Board received 92 written complaints. 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 92 complaints, we opened 49 as new Architectural Barriers Act cases. Although the Board did not have authority under the Architectural Barriers Act in the other 43 complaints, we responded to the complainants, usually by referring them to the appropriate enforcement agency. In addition, we referred another 15 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 57 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.

FY 2011 Results - Working in Partnership with Agencies

We provided a webinar on our Architectural Barriers Act compliance program through the webinar series we are doing with the National Network of ADA Centers (DBTACs). At the end of FY 2011, we awarded a contract to update 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. We also initiate a new customer satisfaction process for ABA complaints and will begin implementation in FY 2012.

ANTICIPATE OPPORTUNITIES FOR ACCESSIBILITY IN OUR CHANGING ENVIRONMENT

This is a new program area for the Board. In July 2009, the Board formed a new ad hoc committee to address “frontier” technologies not currently addressed by the Board’s guidelines and standards or elsewhere. We have the following two objectives in this program area:

- Work with appropriate agencies within the Administration to clarify authority of the Americans with Disabilities Act with respect to information and communication technology.
- Identify, prevent, and resolve barriers to accessible technology.

FY 2011 Results

The ad hoc committee on frontier issues will serve as a mechanism to examine the new accessibility needs of the upcoming generations of people with disabilities with regard to emerging technologies issues. Issues brought to the committee may come from staff, the Board or another ad hoc committee. From the committee, issues could go to staff, to a standing committee, to the Board, or be referred to another organization for action. Although the ad hoc committee has just begun its work, it has already identified the accessibility of health information technology (HIT), including health records as being important. The Board is interested in a facilitation role to foster interagency collaboration in this area. In March 2010 we convened a panel of experts from various offices in the Department of Health and Human Services (including the Office of the National Coordinator for Health Information Technology, Office on Disability, Office for Civil Rights, Office of Minority Health, and the Agency for

Healthcare Research and Quality) to address the Board regarding HIT accessibility and related concerns. We also assisted the Interagency Committee on Disability Research to convene a conference on this subject.

As shown above, one of the Board's objectives in this area was to work with appropriate agencies within the Administration to clarify the authority of the Americans with Disabilities Act with respect to information and communication technology. That issue was largely addressed in July 2010 with the publication of an advance notice of proposed rulemaking by the Department of Justice on the application of accessibility to the internet, outside of the Federal sector.

In July 2010, we heard from the Cofounder and Chief Executive Officer of ClickAndGo Wayfinding Maps, a new technology that is similar to maps and directions currently available on the internet. However, the service is tailored to meet the needs of pedestrians who are blind, have low vision or are deaf and blind. A major innovation is that, unlike GPS, the service is available for both indoor and outdoor environments.

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 (FMFIA). 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, 2011, 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, 2011, 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 GAAP for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

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 its accessibility standards for information and communications technologies and our transportation vehicle guidelines.

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 guidelines where no guidelines 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.

UNITED STATES ACCESS BOARD

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

**FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2011 AND 2010**



**Prepared By
Brown & Company CPAs, PLLC
November 14, 2011**



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

We have audited the accompanying balance sheet of the U.S. Access Board (AB) as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements). These financial statements are the responsibility of AB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AB as of September 30, 2011 and 2010 and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *U.S. Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued a report our dated November 14, 2011 on our consideration of the AB internal control over financial reporting and its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with *U.S. Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by OMB Circular A-136, *Financial Reporting Requirements*, as revised, that 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.

This report is intended solely for the information and use of the management of the 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
November 14, 2011



**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

We have audited the financial statements of the U.S. Access Board (AB) as of and for the year ended September 30, 2011 and have issued our report thereon dated November 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

In planning and performing our audit, we considered the AB's internal control over financial reporting by obtaining an understanding of the AB's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04, as amended. The objective of our audit was not to provide an opinion on internal control and therefore, we do not express an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness or significant deficiency. Under standards issued by the American Institute of Certified Public Accountants and OMB Bulletin No. 07-04, as amended, 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 in internal control, 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. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we considered to be a material weakness as defined above.

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

Largo, Maryland
November 14, 2011



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS**

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

We have audited the financial statements of the U.S. Access Board (AB) as of and for the year ended September 30, 2011 and have issued our report thereon dated November 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

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

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

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

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

Largo, Maryland
November 14, 2011

FINANCIAL STATEMENTS AND NOTES

**UNITED STATES ACCESS BOARD
BALANCE SHEET
AS OF SEPTEMBER 30, 2011 AND 2010
(In Dollars)**

	2011	2010
Assets:		
Intragovernmental		
Fund Balance With Treasury (Note 2)	\$ 1,826,110	\$ 1,826,903
Accounts Receivable	-	1,408
Total Intragovernmental	1,826,110	1,828,311
Accounts Receivable, Net (Note 3)	30,252	22,412
Property, Equipment, and Software, Net (Note 4)	384,211	343,598
Total Assets	\$ 2,240,573	\$ 2,194,321
Liabilities:		
Intragovernmental		
Accounts Payable	\$ 1,500	\$ 3,050
Other (Note 6)	45,078	41,375
Total Intragovernmental	46,578	44,425
Accounts Payable	48,808	69,485
Other (Note 6)	515,127	450,730
Total Liabilities	610,513	564,640
Net Position:		
Unexpended Appropriations - Other Funds	1,522,100	1,516,727
Cumulative Results of Operations - Other Funds	107,960	112,954
Total Net Position	1,630,060	1,629,681
Total Liabilities and Net Position	\$ 2,240,573	\$ 2,194,321

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, 2011 AND 2010
(In Dollars)

	2011	2010
Program Costs:		
Salaries and Expenses (Note 8)		
Gross Costs	\$ 7,397,650	\$ 6,963,683
Less: Earned Revenue	(21,870)	(12,440)
Net Program Costs	\$ 7,375,780	\$ 6,951,243
Net Cost of Operations	\$ 7,375,780	\$ 6,951,243

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, 2011 AND 2010
(In Dollars)

	2011	2010
Cumulative Results of Operations:		
Beginning Balances	\$ 112,954	\$ (211,972)
Budgetary Financing Sources:		
Appropriations Used	7,172,242	7,103,869
Other Financing Sources (Non-Exchange):		
Imputed Financing Sources (Note 9)	198,544	172,300
Total Financing Sources	7,370,786	7,276,169
Net Cost of Operations	(7,375,780)	(6,951,243)
Net Change	(4,994)	324,926
Cumulative Results of Operations	\$ 107,960	\$ 112,954
Unexpended Appropriations:		
Beginning Balances	\$ 1,516,727	\$ 1,599,607
Budgetary Financing Sources:		
Appropriations Received	7,300,000	7,300,000
Other Adjustments	(122,385)	(279,011)
Appropriations Used	(7,172,242)	(7,103,869)
Total Budgetary Financing Sources	5,373	(82,880)
Total Unexpended Appropriations	\$ 1,522,100	\$ 1,516,727
Net Position	\$ 1,630,060	\$ 1,629,681

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, 2011 AND 2010
(In Dollars)

	2011	2010
Budgetary Resources:		
Unobligated Balance:		
Unobligated Balance Brought Forward, October 1	\$ 424,780	\$ 592,877
Recoveries of Prior Year Unpaid Obligations	106,631	339,759
Budget Authority		
Appropriation	7,300,000	7,300,000
Spending Authority From Offsetting Collections		
Earned		
Collected	15,972	6,197
Change In Receivables From Federal Sources	5,898	6,244
Permanently Not Available	(122,385)	(279,011)
Total Budgetary Resources	\$ 7,730,896	\$ 7,966,066
Status of Budgetary Resources:		
Obligations Incurred (Note 11)		
Direct	\$ 7,329,916	\$ 7,528,846
Reimbursable	21,870	12,440
Subtotal	7,351,786	7,541,286
Unobligated Balance		
Apportioned	77,108	32,082
Unobligated Balance Not Available	302,002	392,698
Total Status of Budgetary Resources	\$ 7,730,896	\$ 7,966,066
Change in Obligated Balance:		
Obligated Balance, Net		
Unpaid Obligations, Brought Forward, October 1	\$ 1,408,365	\$ 1,270,140
Uncollected Customer Payments From		
Federal Sources, Brought Forward, October 1	(6,243)	-
Total Unpaid Obligated Balance, Net	\$ 1,402,122	\$ 1,270,140
Obligations Incurred Net	\$ 7,351,786	\$ 7,541,286
Gross Outlays	(7,194,381)	(7,063,301)
Recoveries of Prior Year Unpaid		
Obligations, Actual	(106,631)	(339,759)
Change In Uncollected Customer Payments		
From Federal Sources	5,898	(6,243)
	\$ 1,458,794	\$ 1,402,123
Obligated Balance, Net, End of Period		
Unpaid Obligations	\$ 1,459,140	\$ 1,408,366
Uncollected Customer Payments From		
Federal Sources	(12,140)	(6,243)
Total, Unpaid Obligated Balance, Net, End of Period	\$ 1,447,000	\$ 1,402,123
Net Outlays:		
Gross Outlays	\$ 7,194,381	\$ 7,063,301
Offsetting Collections	(15,972)	(6,197)
Net Outlays	\$ 7,178,409	\$ 7,057,104

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



UNITED STATES ACCESS BOARD NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Access Board (AB) is an independent Federal Agency with the mission of developing guidelines and requirements for standards issued under the Americans with Disabilities Act of 1990 and Architectural Barriers Act of 1968. The AB was established by section 502 of the Rehabilitation Act of 1973 and is the only Federal Agency whose primary mission is accessibility for people with disabilities. The AB 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.

The AB develops accessibility guidelines for telecommunications and electronic information technology under section 508 of the Rehabilitation Act. The AB 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. The AB maintains a small research program that develops technical assistance materials and provides information needed for rulemaking.

The AB 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. The AB has rights and

ownership of all assets reported in these financial statements. The AB does not possess any non-entity assets.

B. Basis of Presentation

The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and the status and availability of budgetary resources of the AB. 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 the AB in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards approved by the Federal Accounting Standards Advisory Board (FASAB), OMB Circular A-136, *Financial Reporting Requirements* and the AB 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 the AB'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. Budgets and Budgetary Accounting

Congress usually enacts appropriations to permit the AB to incur obligations for specified purposes. In fiscal years 2011 and 2010, the AB was accountable for General Fund appropriations. The AB recognizes budgetary resources as assets when cash (funds held by the U.S. Treasury) is made available through the Department of Treasury General Fund warrants.

D. Basis of Accounting

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

E. Revenues & Other Financing Sources

Congress enacts annual appropriations to be used, within statutory limits, for operating, and capital expenditures. Additional amounts are obtained from service fees and reimbursements from other government entities and the public.

Appropriations are recognized as a financing source when expended. Revenues from service fees associated with reimbursable agreements are recognized concurrently with the recognition of accrued expenditures for performing the services.

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

F. Taxes

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

G. Fund Balance with Treasury

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

H. Accounts Receivable

Accounts receivable consists of amounts owed to the AB 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.

I. 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. The AB's capitalization threshold is \$50,000 for individual purchases and \$500,000 for bulk purchases. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, 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

J. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as

reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

K. Liabilities

Liabilities represent the amount of monies or other resources likely to be paid by the AB as a result of transactions or events that have already occurred. No liability can be paid, however, absent an appropriation or other funding. Liabilities for which an appropriation has not been enacted or other funds received are, therefore, classified as not covered by budgetary resources. There is no certainty that the appropriation will be enacted. Additionally, the Government, acting in its sovereign capacity, can abrogate liabilities.

L. Accounts Payable

Accounts payable consists primarily of amounts owed to other Federal agencies and the public for contracts for goods or services, such as leases, utilities, telecommunications and consulting and support services.

M. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to 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 FY2010 and 100% in 2014.

N. 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 AB 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 the AB 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.

O. Retirement Plans

The AB employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the AB's 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. FERS offers a savings plan to which the AB automatically contributes one percent of pay and matches any employee contribution up to an additional four percent of pay. For FERS

participants, The AB also contributes the employer's matching share of Social Security.

reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, AB remits the employer's share of the required contribution.

The AB 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 AB for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The AB recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The AB 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.

P. Other Post-Employment Benefits

The AB 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 AB with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The AB 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 AB through the recognition of an imputed financing source.

Q. 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.

R. 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. The AB recognized imputed costs and financing sources in fiscal years 2011 and 2010 to the extent directed by OMB.

S. Expired Accounts and Cancelled Authority

Unless otherwise specified by law, annual authority expires for incurring new obligations at the beginning of the subsequent fiscal year. The account in which the annual authority is placed is called the expired account. For five fiscal years, the expired account is available for expenditure to liquidate valid obligations incurred during the unexpired period. Adjustments are allowed to increase or decrease valid obligations incurred during the unexpired period but not previously reported. At the end of the fifth expired year, the expired account is cancelled.

T. Reclassification

Certain fiscal year 2010 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, 2011 and 2010, were as follows:

	2011	2010
Fund Balances:		
Appropriated Funds	\$ 1,826,110	\$ 1,826,903
Total	\$ 1,826,110	\$ 1,826,903

Status of Fund Balance with Treasury:

Unobligated Balance		
Available	\$ 77,108	\$ 32,082
Unavailable	302,002	392,698
Obligated Balance Not Yet Disbursed	1,447,000	1,402,123
Total	\$ 1,826,110	\$ 1,826,903

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 cash balance on hand (see also Note 12).

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable balances as of September 30, 2011 and 2010, were as follows:

	2011	2010
Intragovernmental		
Accounts Receivable	\$ -	\$ 1,408
With the Public		
Accounts Receivable	\$ 30,252	\$ 22,412
Total Accounts Receivable	\$ 30,252	\$ 23,820

The accounts receivable is primarily made up of 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, 2011 and 2010.

NOTE 4. PROPERTY, EQUIPMENT, AND SOFTWARE

Schedule of Property as of September 30, 2011 consisted of a Construction in Progress with a targeted completion in Fiscal Year 2012.

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Construction-in-Progress	\$ 384,211	\$ -	\$ 384,211
Total	\$ 384,211	\$ -	\$ 384,211

Schedule of Property, Equipment, and Software as of September 30, 2010

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Construction-in-Progress	\$ 343,598	\$ -	\$ 343,598
Total	\$ 343,598	\$ -	\$ 343,598

NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for AB as of September 30, 2011 and 2010, 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.

	2011	2010
Unfunded Leave	\$ 294,362	\$ 248,221
Total Liabilities Not Covered by Budgetary Resources	\$ 294,362	\$ 248,221
Total Liabilities Covered by Budgetary Resources	316,151	316,419
Total Liabilities	\$ 610,513	\$ 564,640

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, 2011 were as follows:

	Current	Total
Intragovernmental Liabilities		
Payroll Taxes Payable	\$ 45,078	\$ 45,078
Total Intragovernmental Other Liabilities	\$ 45,078	\$ 45,078
With the Public		
Payroll Taxes Payable	\$ 6,844	\$ 6,844
Accrued Funded Payroll and Leave	213,921	213,921
Unfunded Leave	294,362	294,362
Total Public Other Liabilities	\$ 515,127	\$ 515,127

Other liabilities account balances as of September 30, 2010 were as follows:

	Current	Total
Intragovernmental Liabilities		
Payroll Taxes Payable	41,375	41,375
Total Intragovernmental Other Liabilities	\$ 41,375	\$ 41,375
With the Public		
Payroll Taxes Payable	\$ 6,556	\$ 6,556
Accrued Funded Payroll and Leave	195,953	195,953
Unfunded Leave	248,221	248,221
Total Public Other Liabilities	\$ 450,730	\$ 450,730

NOTE 7. LEASES

Operating Leases

The AB occupies office space under a lease agreement that is accounted for as an operating lease. The lease term begins on July 1, 2008 and expires on June 30, 2018. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. Space occupied increased from 8,514 ft. to 13,825 ft. during FY 2010. The total operating lease expense for Fiscal Years 2011 and 2010 were \$748,672 and \$404,548, respectively. Below is a schedule of future payments for the term of the lease.

Fiscal Year	Totals
2012	\$ 678,645
2013	685,721
2014	693,008
2015	700,514
2016	708,244
Thereafter	1,237,920
Total Future Payments	\$ 4,704,052

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

NOTE 8. INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

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

	2011	2010
Program Costs		
Intragovernmental Costs	\$ 2,942,412	\$ 2,374,888
Public Costs	4,455,238	4,588,795
Total Program Costs	7,397,650	6,963,683
Intragovernmental Earned Revenue	-	(1,408)
Public Earned Revenue	(21,870)	(11,032)
Total Net Cost	\$ 7,375,780	\$ 6,951,243

NOTE 9. IMPUTED FINANCING SOURCES

AB 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, OPM. For the fiscal years ended September 30, 2011 and 2010, respectively, imputed financing was as follows:

	2011	2010
Office of Personnel Management	\$ 198,544	\$ 172,300
Total Imputed Financing Sources	\$ 198,544	\$ 172,300

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

The President's Budget that will include FY11 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2012 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2012 Budget of the United States Government, with the "Actual" column completed for 2010, 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 2011 and 2010 consisted of the following:

	2011	2010
Direct Obligations, Category A	\$ 7,329,916	\$ 7,528,846
Reimbursable Obligations, Category A	21,870	12,440
Total Obligations Incurred	\$ 7,351,786	\$ 7,541,286

Category A apportionments distribute budgetary resources by fiscal quarters.

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, states that the amount of budgetary resources obligated for undelivered orders at the end of the period should be disclosed. For the fiscal years ended September 30, 2011 and 2010, undelivered orders amounted to \$1,142,989 and \$1,091,946, respectively.

NOTE 13. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

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

	2011	2010
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations Incurred	\$ 7,351,786	\$ 7,541,286
Spending Authority from Offsetting Collections and Recoveries	(128,501)	(352,200)
Net Obligations	7,223,285	7,189,086
Other Resources		
Imputed Financing from Costs Absorbed by Others	198,544	172,300
Total Resources Used to Finance Activities	7,421,829	7,361,386
Resources Used to Finance Items Not Part of the Net Cost of Operations	(91,656)	(425,488)
Total Resources Used to Finance the Net Cost of Operations	7,330,173	6,935,898
Components of Net Cost of Operations That will not Require or		
Generate Resources in the Current Period	45,607	15,345
Net Cost of Operations	\$ 7,375,780	\$ 6,951,243