U.S. ABILITYONE COMMISSION

FISCAL YEAR 2014
Annual Financial Report (AFR)

Established as the
Committee for Purchase From People Who Are Blind or Severely Disabled
under the Javits-Wagner-O'Day Act (41 U.S.C. §§ 8501-8506)

The U.S. AbilityOne Commission administers the AbilityOne Program.

U.S. ABILITYONE COMMISSION

November 17, 2014

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Message from the Executive Director

I am pleased to present the Fiscal Year 2014 *Agency Financial Report* (AFR) for the Committee for Purchase From People Who Are Blind or Severely Disabled, which operates as the U.S. AbilityOne Commission (Commission).

This report provides an overview of the Commission's performance and financial results, demonstrating our commitment to the mission and accountability over the resources entrusted to us. This is the first year the Commission has chosen to produce an AFR, with a primary focus on financial information, and an Annual Performance Report (APR), which focuses on strategic goals and performance results, in lieu of a combined Performance and Accountability Report (PAR). The FY 2014 APR will be combined with the FY 2016 Annual Performance Plan (APP) and included in the FY 2016 Congressional Budget Justification in February 2015.

The Commission administers the Javits-Wagner-O'Day Act (41 U.S.C. §§ 8501-8506) and oversees the AbilityOne Program that statute authorizes. The Act is implemented through regulations found at 41 CFR Chapter 51 and Federal Acquisition Regulation (FAR) Subpart 8.7. The mission of both the Commission and the AbilityOne Program it oversees is to create employment opportunities for people who are blind or who have significant disabilities through the manufacture and delivery of products and services to the Federal Government. A jobs program accomplished through the Federal acquisition system, the AbilityOne Program serves individuals who have the most barriers to competitive employment and the lowest rate of workforce participation among working age Americans[1].

The Commission pursues four fundamental, strategic goals to achieve its employment mission:

- Effective Stewardship
- Employee and Customer Satisfaction
- Employment Growth, and
- Business Excellence.

[1] Labor force participation rate: Bureau of Labor Statistics, U.S. Department of Labor. Household Data, Table A-6, August 2014, *Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted* [retrieved September 5, 2014].

Key accomplishments upholding the AbilityOne mission include the creation or sustainment of employment opportunities for more than 45,000 Americans who are blind or who have significant disabilities, providing more than 45 million hours of direct labor and more than $500 million in wages to those individuals. Across the Program, participating nonprofit agencies maintained a 95% or greater rate of compliance, while overall AbilityOne employee satisfaction increased from 84.7% to 86.5%. The AbilityOne Program completed research to obtain key customer satisfaction insights such as price perceptions, and reduced cycle time for most Procurement List additions by seven days or approx. 8 percent of standard processing time.

This AFR is organized into three sections:

1. Management's Discussion and Analysis Section

This section provides an overview of the Commission's mission and organization, an overview of key performance goals and efficiency measures, mission challenges, financial highlights, and management assurances on internal controls, financial systems, and compliance with laws and regulations.

2. Financial Section

This section provides financial details, including the independent auditor's report and audited financial statements with accompanying notes.

3. Other Information Section

This section provides other financial information, management challenges identified by the Agency and appendices to the report.

The Commission takes its responsibility to be a diligent and accountable steward of Agency resources very seriously. The independent auditors did not identify any material weaknesses, significant deficiencies, or instances of non-compliance with laws and regulations during the FY 2014 financial audit. Management's assessment of risks and review of controls also disclosed no material weaknesses (see Statement of Assurance, p. 8), and the financial and performance data presented here is reliable and (unless otherwise specified) complete.

In pursuing our strategic goals and objectives, many of the Commission's challenges pertain to the conditions of the marketplace, and thus are ever changing. For a more detailed description of our mission challenges that have been identified by senior management, see p. 11.

Submitted by

E. Ballard
Executive Director & CEO

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Section 1: Management's Discussion and Analysis

Mission and Vision Statements

The **mission** of the U.S. AbilityOne Commission and the AbilityOne Program is:

> To create employment opportunities for people who are blind or who have other significant disabilities in the manufacture and delivery of products and services to the Federal Government.

The **vision** of the AbilityOne Program is:

> The AbilityOne Program enables people who are blind or have other significant disabilities to achieve their maximum employment potential.

This vision will be realized when:

- Every person who is blind or significantly disabled and who wants to work is provided an opportunity to be employed productively.
- Every AbilityOne employee earns not only the Federal minimum wage (or higher applicable state or local minimum wage) but also a living wage and benefits package appropriate to his or her geographic locality.
- AbilityOne employees are provided the training and development they need to be successful in their current positions, and ultimately achieve their maximum employment potential.
- Every AbilityOne employee is provided the opportunity, with or without accommodations, to advance to his or her maximum employment potential, including internal or external competitive placement or management and administrative positions.
- All AbilityOne products and services provide best value to Federal customers, thus earning their continued support and loyalty.

Organizational Structure:

The Commission is comprised of 15 Presidential appointees by law, and had a full-time staff of 26 at the end of FY 2014. In accordance with the enabling legislation, a unique public-private structure is in place to administer and support the AbilityOne Program. The Act directs the Commission to designate one or more central nonprofit agencies to assist it in implementing the AbilityOne Program. The Commission has designated National Industries for the Blind (NIB) and SourceAmerica (formerly known as NISH, serving people with a wide range of significant disabilities) to fulfill this role. NIB and SourceAmerica assist nearly 600 private not-for-profit agencies and/or State agencies that participate in the AbilityOne Program and provide support to the AbilityOne Program's Federal customers. The nonprofit agencies deliver quality supplies and services to Federal customers, thereby creating employment for the target population.

The AbilityOne Program organization structure is illustrated below.

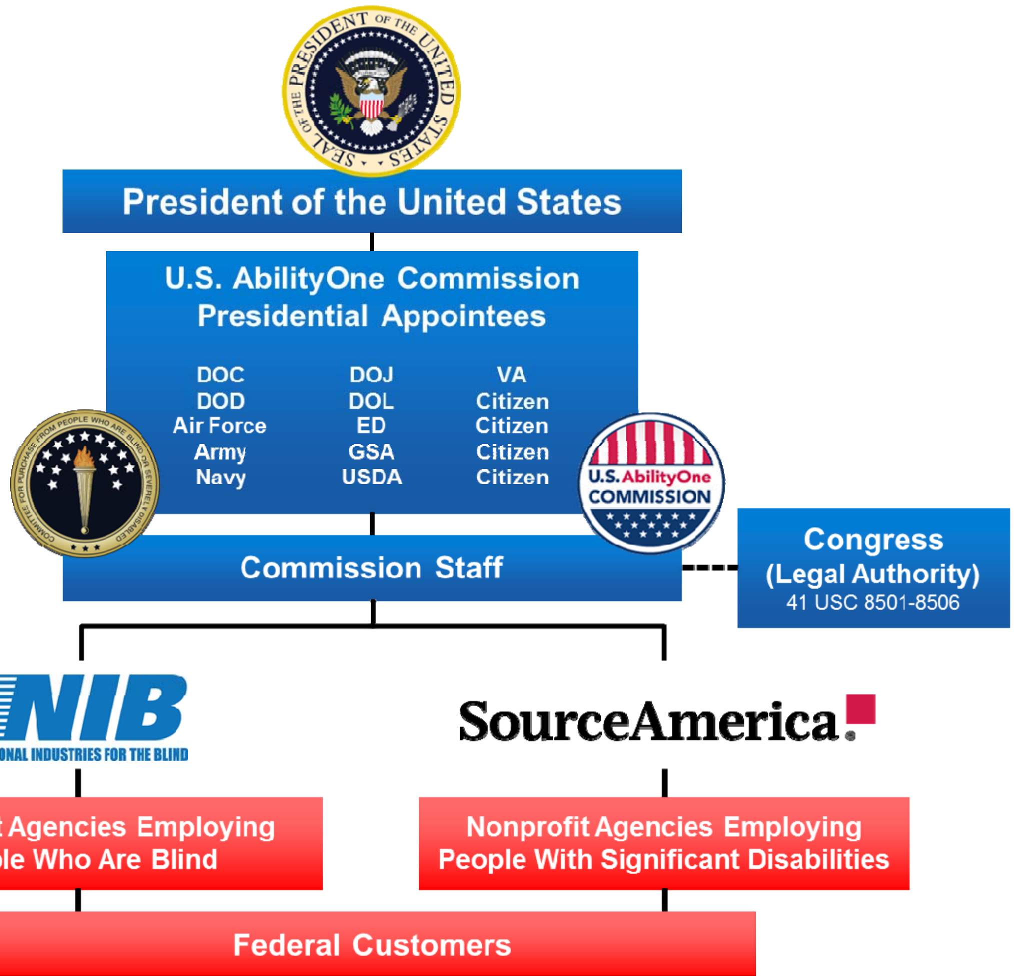

Figure 1. AbilityOne Program Fiscal Year 2014 Organizational Structure.

The President appoints 15 members to the U.S. AbilityOne Commission, who provide oversight and guidance to the Agency and make determinations about products and services suitable for the Procurement List. Eleven of the members are appointed to represent Federal agencies, while four members are private citizens representing the employment concerns of people who are blind or who have other significant disabilities. This diversity in membership ensures that the Commission is able to consider and balance the employment needs of people who are blind or significantly disabled with the procurement needs of the Federal Government.

Throughout FY 2014, the Commission Chairperson was J. Anthony Poleo, who was appointed to represent the Department of Defense. The Vice Chairperson was James M. Kesteloot, a private citizen from Chicago, Illinois, representing the employment concerns of nonprofit agency employees who are blind.

A full list of Presidential appointees serving on the U.S. AbilityOne Commission at the end of FY 2014 may be found in Appendix A.

Performance Highlights:

This section provides an overview of the Commission's strategic and performance planning framework and summarizes the key performance goals and measures. The performance results described in this report enable the Commission to administer its programs, gauge their success, and make adjustments necessary to improve program quality for the public. As stated in the introduction to this report, the Commission will produce a more detailed Annual Performance Report (APR) in February 2015, in lieu of submitting a combined Performance and Accountability Report in November 2014. The APR will have updated FY 2014 data, and will be combined with the FY 2016 Congressional Budget Justification. The AFR and APR will be published on the Commission's website, www.abilityone.gov.

Strategic and Performance Planning Framework:

The FY 2014 performance planning framework originated from the AbilityOne Program Strategic Plan for Fiscal Years 2010 to 2014, and is structured around four strategic goals.

- Effective Stewardship

AbilityOne Program integrity is paramount, making the Effective Stewardship goal a top priority for the Commission. Effective Stewardship encompasses monitoring and fostering nonprofit agencies' compliance with the statutory and regulatory requirements to participate in the AbilityOne Program, which is measured by the percentage of nonprofit agencies audited and found to be within the parameters of AbilityOne requirements compliance. The Commission's preliminary FY 2014 data shows a compliance rate of 95%, which is consistent with that of FY 2013. At the same time, stewardship involves educating and promoting Federal customers' compliance with AbilityOne mandatory source requirements, and most recently, enhancing the Commission's oversight of its Central Nonprofit Agencies, in accordance with the recommendations in GAO Report GAO-13-457. The Commission is working to establish benchmark data to demonstrate compliance levels of the latter groups.

- Employee and Customer Satisfaction

Both employee and customer satisfaction are crucial to accomplishment of the AbilityOne Program's employment mission. The Commission oversees the evaluation of data from these two key stakeholder groups, which include both quantitative and qualitative measures of satisfaction. The Commission and its AbilityOne partners then develop and execute plans to increase satisfaction in the areas where our data and evidence show the greatest opportunity for improvement. AbilityOne employee satisfaction is measured by periodic workforce surveys conducted by the Central Nonprofit Agencies, whose data is combined and analyzed by the Commission. In FY 2014, the workforce overall satisfaction rate rose from 84.7% to 86.5%, based on this analysis. In terms of customer data, AbilityOne products' end-users were surveyed and provided insights into pricing perceptions that affect the level of support and utilization of AbilityOne products.

- Employment Growth

  The AbilityOne Program's mission is to generate employment opportunities for people who are blind or significantly disabled, so employment growth is an obvious goal and metric for the Commission. The quality of AbilityOne employment, in addition to the quantity of jobs, is also high priority for the Commission, and is considered under the previous goal for employee satisfaction. In terms of net growth, the Commission direct labor hours worked, individuals hired to perform on AbilityOne contracts, promotions of people who are blind or significantly disabled, as well as competitive placements. During FY 2014, most employment metrics for the program were down approx. 3 percent, due to budget austerity, military drawdown and the effects of sequestration. By mid-2014, AbilityOne sales and jobs began to resume some lost ground. While the fiscal year ended down, we anticipate some recovery in FY 2015.

- Business Excellence.

  The Commission executes mission-critical business processes with its Central Nonprofit Agencies, participating nonprofit agencies and Federal customers. The strategic objective is to improve the efficiency and efficacy of three critical business processes: (1) the Procurement List addition process, which as discussed above generates employment, (2) fair market pricing policy and procedures, and (3) the Central Nonprofit Agency (CNA) Fee determination and implementation process. The Commission is working to decrease cycle times, with its initial focus on the Procurement List having shaved another 7 days or 8 percent off the standard process in FY 2014. In terms of the CNA Fee, the Commission continued to track quarterly achievements and compared them to planned activities as one means to monitor appropriate resource utilization.

Performance Measurement Process:

The data used by the Commission to measure progress toward the strategic goals comes from annual certifications submitted by AbilityOne-participating nonprofit agencies, from the AbilityOne Program Central Nonprofit Agencies, from Commission's internal database and as needed, from original research. The nonprofit agency and Central Nonprofit Agency data is reviewed and validated by the Commission prior to acceptance and incorporation into our data systems. The Commission's Director of Compliance serves as the data steward for the Agency's performance measures, in light of his quality assurance background and familiarity with the sources of the data received. This process includes substantiating that actual results reported are indeed correct whenever those results reveal significant discrepancies or variances from the target. He coordinates with the Chief Compliance, Financial and/or Information Officers at the Central Nonprofit Agencies to make any necessary corrections to the data.

Verification and Validation of Performance Data:

The Commission ensures that the performance data presented in this report is complete, reliable and accurate based upon the following steps:

- The Commission's Procurement List Information Management System (PLIMS) is a central repository for data submission and review, and allows for the generation of various management reports. As an electronic data tool, it reduces human error, increases transparency, and facilitates senior management review of the agency's performance information.
- The Commission has written policies and procedures to ensure timely reporting by participating nonprofit agencies and Central Nonprofit Agencies of complete, accurate, and reliable data results relative to the key performance goals.
- The Agency conducts ongoing monitoring of performance targets, such as through quarterly dashboards, to identify and capture changes in key factors that impact the AbilityOne Program's ability to achieve results.
- The Commission's annual results are presented to the Presidentially-appointed members each year with an in-depth discussion of causal factors, policy implications and any proposed changes.

Accordingly, the Agency's performance results demonstrate that the U.S. AbilityOne Commission is focused on the strategic goals it has identified and is properly leveraging resources to achieve its employment mission.

Mission Challenges

The most significant challenge to the Commission's employment mission is the austere Federal budget environment, combined with the military drawdown, which resulted in a substantial reduction in Federal contract spending, including expenditures on AbilityOne products and services. The Federal Government has been funded by a series of incremental continuing resolutions over the past several years, and was shut down for three weeks at the start of FY 2014. These declines and dramatic uncertainty have resulted in a contraction in both AbilityOne jobs and hours of direct labor worked by the AbilityOne population during FY 2014, despite efforts to identify new employment opportunities.

The Commission and its AbilityOne Program partners have developed strategies and tactics to foster employment growth despite the difficult business environment. These include developing new lines of business, seeking high level advocates for the program, removing self-imposed barriers and continuously improving cycle time.

Management Assurances

The Commission considers internal controls to be an integral component of effective agency management which helps the Agency to provide reasonable assurance that the following objectives are achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with laws and regulations. In FY 2014, the Commission has continued its commitment to maintaining strong internal controls.

The Commission's management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers Financial Integrity Act of 1982 (FMFIA). The Commission conducted its FY 2014 assessment of the effectiveness of internal controls in accordance with the requirements of the Office of Management (OMB) Circular No. A-123 "Management's Responsibility for Internal Control." Based on the results of this assessment, the Commission is providing reasonable assurance that the internal controls in effect as of September 30, 2014 met their intended objectives and no material weaknesses were found in the agency's controls.

Summary of Material Weakness and Nonconformances:

The Commission has no material weaknesses or nonconformances to report for FY 2014. Additionally, there were no existing unresolved weaknesses requiring corrective action.

FISMA:

As mandated by the Federal Information Security Management Act (FISMA), the Commission continues to maintain an information security program to manage information technology in accordance with National Institute of Standards and Technology (NIST) requirements. During FY 2014, the Commission devoted the necessary attention and effort to implementing the measures (plan of action milestones or POAMs) necessary to fully comply with all FISMA audit requirements, executing the Agency's annual submission to OMB in a timely manner.

Prompt Payment Act

The Prompt Payment Act requires Federal agencies to make timely payments to vendors for supplies and services, to pay interest penalties when payments are made after the due date, and to take cash discounts when they are economically justified. As of September 30, 2014, the Commission had no outstanding payments that were subject to the Prompt Payment Act and incurred no interest penalties.

Debt Collection Improvement Act of 1996

This law was enacted to enhance the ability of the Federal Government to service and collect debts. The Commission has no routine debt collection, and refers any occasional delinquent debt to the U.S. Treasury for collection.

Improper Payments Elimination and Recovery Act:

This statute requires agencies to annually review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in the susceptible programs and activities, and report the results of their improper payment activities. In accordance with the OMB guidance, the Commission performed a risk assessment and determined that none of the agency's programs or activities were susceptible to significant improper payments. The Commission's review of all payments made in during the fiscal year confirmed that the Agency did not make any improper payments in FY 2014.

Section 2: Financial Section
See Attached Audit Report and Financial Statement with notes.

Section 3: Other Information

Schedule of Spending

NA

Management Challenges

Like the mission challenges discussed in Section 1, the austere Federal budget environment has presented management challenges for the U.S. AbilityOne Commission. In the past several years, a combination of continuing resolutions, across-the-board reductions and rescissions have eroded the Commission's budget, and staffing has decreased by 10% from a peak of 29 FTEs in 2008 to 26 FTEs in 2014, the maximum practical at the current funding level.

Over that same period the Agency's ability to perform oversight, legal, regulation, policy, operations have been dwarfed by program value that increased by 38% or nearly $1 billion, and more than 1,500 product and service requirements were added to the AbilityOne Procurement List, requiring oversight and ongoing maintenance. In May 2013, the Government Accountability Office (GAO) issued a report [13-457] finding that the Commission needs to provide greater oversight of the AbilityOne Program.

At about 45,000 disabled employees, this program is the single largest employer of people who are blind or significantly disabled in the United States. However, that number had reached 50,000 and there are more than 13 million unemployed or underemployed in the population we are intended to serve. The agency continues to use the resources it has available, and to leverage the AbilityOne public-private network, to pursue employment growth while maintaining effective stewardship, employee and customer satisfaction and operational excellence.

Appendix A
U.S. AbilityOne Commission Members as of September 30, 2014

J. Anthony Poleo, *Chairperson*
Director, DLA Finance/CFO
Defense Logistics Agency

James M. Kesteloot, *Vice Chairperson*
Private Citizen Representing Nonprofit Agency Employees who are Blind

Perry E. Anthony, Ph.D.
Deputy Commissioner, Rehabilitation Services Administration
U.S. Department of Education

Jan R. Frye
Deputy Assistant Secretary, Office of Acquisition & Logistics
U.S. Department of Veterans Affairs

Harry P. Hallock
Deputy Assistant Secretary of the Army – Procurement
U.S. Department of the Army

Robert T. Kelly, Jr.
Private Citizen Representing Employment Concerns of People with Significant Disabilities

Paul M. Laird
Regional Director, North Central Region, Federal Bureau of Prisons
U.S. Department of Justice

Anil Lewis
Private Citizen Representing Employment Concerns of People who are Blind

Kathleen Martinez
Assistant Secretary, Office of Disability Employment Policy
U.S. Department of Labor

Karen J. McCulloh
Private Citizen Representing Nonprofit Agency Employees with Significant Disabilities

Thomas D. Robinson
Associate Deputy Assistant Secretary (Contracting)
U.S. Department of the Air Force

William A. Sisk
Assistant Commissioner, Federal Acquisition Service
U.S. General Services Administration

Lisa M. Wilusz
Director of the Office of Procurement and Property Management
U.S. Department of Agriculture

Virna L. Winters
Director, Acquisition Policy and Oversight Division
U. S. Department of Commerce

Admiral Jonathon Yuen
Commander Naval Supply Systems Command and Chief of Supply Corps
U.S. Department of Navy

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

GENERAL FUND

FINANCIAL STATEMENTS

As Of And For The Years Ended September 30, 2014 and 2013

Rocha & Company, PC

Certified Public Accountants
and Management Consultants

Independent Auditor's Report
Committee Members and Executive Director
Committee for Purchase From People Who Are Blind or Severely Disabled

Report on the Financial Statements

We have audited the accompanying balance sheets of the Committee for Purchase From People Who Are Blind or Severely Disabled (the Committee) as of September 30, 2014 and 2013, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended. In our audit of the Committee for the fiscal year ended September 30, 2014, we found:

- The financial statements are presented fairly in all material respects, in conformity with U.S. generally accepted accounting principles,
- No material weaknesses or significant deficiencies in internal control over financial reporting (including safeguarding assets),
- No reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management's Discussion and Analysis (MD&A) and other accompanying information included with the financial statements, (3) management's responsibility and (4) our responsibilities.

Opinion on Financial Statements

In our opinion, the financial statements, including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the financial position of the Committee as of September 30, 2014 and 2013, and its net costs; changes in net position; and budgetary resources for the years then ended.

Consideration of Internal Control

In planning and performing our audit, we considered the Committee's internal control over financial reporting as a basis for designing our auditing procedures and to comply with the Office of Management and Budget (OMB) audit guidance for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on internal control and compliance or on management's assertion on internal control included in the MD&A. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on the effectiveness of the entity's internal control over financial reporting, or on management's assertion on internal control included in the MD&A.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a deficiency, or 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. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements.

Our consideration of internal control over financial reporting was for the purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the Committee's internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies, as defined above.

We noted other non-reportable matters involving internal control and its operation that we will communicate in a separate management letter to the Committee's management.

Compliance With Laws and Regulations

As part of obtaining reasonable assurance about whether the Committee's financial statements are free from material misstatement, we also performed tests of its compliance with certain provisions of laws and regulations for fiscal year 2014. 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 disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Consistency of Other Information

The information in the Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

The information in the Chairman's Message, Performance Section, and Other Accompanying Information is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

Responsibilities

Management's Responsibilities. Management is responsible for preparing the financial statements; establishing and maintaining effective internal control over financial reporting; and complying with laws, regulations, contracts, and grant agreements applicable to the Committee.

Auditors' Responsibilities. Our responsibility is to express an opinion on the financial statements 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 the U.S. Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 14-02, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 14-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency'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 agency's internal control. Accordingly, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 opinion.

Rocha & Company, PC

Rocha & Company, PC
Gaithersburg, Maryland

November 12, 2014

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

BALANCE SHEET

As Of September 30, 2014 and 2013

		2014	2013
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	$ 766,937	$ 539,683
Total Intragovernmental		766,937	539,683
Assets With The Public:			
Accounts Receivable, net	(Note 3)	18,018	994
General Property, Plant and Equipment, Net	(Note 4)		931
Total Assets		$ 784,955	$ 541,608
Liabilities:			
Intragovernmental:			
Accounts Payable	(Note 5)	82,927	815
Other:			
Employer Contributions and Payroll Taxes Payable	(Note 6)	17,460	15,253
Total Intragovernmental		100,387	16,068
Liabilities With the Public:			
Accounts Payable	(Note 5)	69,061	65,932
Other:			
Accrued Funded Payroll and Leave	(Note 6)	78,806	70,951
Employer Contributions and Payroll Taxes Payable		2,549	2,198
Unfunded Leave	(Note 10)	239,444	227,160
Total Liabilities		$ 490,247	$ 382,309
Net Position:			
Unexpended Appropriations - All Other Funds		516,134	384,534
Cumulative Results of Operations - All Other Funds		(221,426)	(225,235)
Total Net Position - All Other Funds		294,708	159,299
Total Net Position		$ 294,708	$ 159,299
Total Liabilities and Net Position		$ 784,955	$ 541,608

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

STATEMENT OF NET COST

As Of And For The Years Ended September 30, 2014 and 2013

		2014	2013
Program Costs:			
ABILITY ONE:			
Gross Costs		**$ 5,397,335**	**$ 5,309,498**
Net Program Costs	**(Note 7)**	**5,397,335**	**5,309,498**
Net Cost of Operations	**(Note 11)**	**$ 5,397,335**	**$ 5,309,498**

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2014 and 2013

FY 2014 (CY)

		Total
Cumulative Results of Operations:		
Beginning Balances	$	(225,235)
Budgetary Financing Sources:		
Appropriations used		5,113,126
Other Financing Sources (Non-Exchange):		
Imputed financing		288,018
Total Financing Sources		5,401,144
Net Cost of Operations		5,397,335
Net Change		3,809
Cumulative Results of Operations	$	(221,426)
Unexpended Appropriations:		
Beginning Balance		384,534
Budgetary Financing Sources:		
Appropriations received		5,257,000
Other adjustments		(12,275)
Appropriations used		(5,113,125)
Total Budgetary Financing Sources		131,600
Total Unexpended Appropriations		516,134
Net Position	$	294,708

The accompanying notes are an integral part of these statements.

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2014 and 2013

FY 2013 (PY)

	Total
Cumulative Results of Operations:	
Beginning Balances	$ (247,828)
Budgetary Financing Sources:	
Appropriations used	5,073,156
Other Financing Sources (Non-Exchange):	
Imputed financing	258,935
Total Financing Sources	5,084,263
Net Cost of Operations	5,309,498
Net Change	22,593
Cumulative Results of Operations	$ (225,235)
Unexpended Appropriations:	
Beginning Balance	474,953
Budgetary Financing Sources:	
Appropriations received	5,374,822
Other adjustments	(392,085)
Appropriations used	(5,073,156)
Total Budgetary Financing Sources	(90,419)
Total Unexpended Appropriations	384,534
Net Position	$ 159,299

The accompanying notes are an integral part of these statements.

THE COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

STATEMENT OF BUDGETARY RESOURCES

As Of And For The Years Ended September 30, 2014 and 2013

		2014 Budgetary	2013 Budgetary
BUDGETARY RESOURCES			
Unobligated balance brought forward, October 1		$ 94,868	$ 164,572
Recoveries of prior year unpaid obligations (unobligated balances)		91,355	40,915
Other changes in unobligated balance		(12,274)	(110,949)
Unobligated balance from prior year budget authority, net		173,949	94,538
Appropriations (discretionary and mandatory)		5,257,000	5,093,686
Spending authority from offsetting collections		249	
Total budgetary resources		$ 5,431,198	$ 5,188,224
STATUS OF BUDGETARY RESOURCES			
Obligations incurred	(Note 8)	$ 5,302,317	$ 5,093,356
Apportioned		49,538	4,043
Unapportioned		79,343	90,825
Unobligated balance brought forward, end of year		128,881	94,868
Total budgetary resources		$ 5,431,198	$ 5,188,224
CHANGE IN OBLIGATED BALANCE			
Unpaid obligations, brought forward, October 1 (gross)		$ 444,815	$ 624,477
Obligations incurred		5,302,317	5,093,356
Outlays (gross) (-)		(5,017,721)	(5,232,102)
Recoveries of prior year unpaid obligations (-)		(91,355)	(40,915)
Unpaid obligations, end of year	(Note 9)	638,056	444,816
Obligated balance, start of year (net)		444,815	624,477
Obligated balance, end of year (net)		$ 638,056	$ 444,816
BUDGET AUTHORITY AND OUTLAYS, NET			
Budget authority, gross (discretionary and mandatory)		$ 5,257,249	$ 5,093,686
Actual offsetting collections (discretionary and mandatory) (-)		(249)	
Budget authority, net (discretionary and mandatory)		5,257,000	5,093,686
Outlays, gross (discretionary and mandatory)		5,017,721	5,232,102
Actual offsetting collections (discretionary and mandatory) (-)		(249)	
Outlays, net (discretionary and mandatory)		5,017,472	5,232,102
Agency outlays, net (discretionary and mandatory)		$ 5,017,472	$ 5,232,102

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

GENERAL FUND

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Committee for Purchase from People who are Blind or Severely Disabled is the independent Federal agency that administers the Javits-Wagner-O'Day (JWOD) Program. The committee's mission is to create employment opportunities for people who are blind or have other severe disabilities by educating Federal customers about their requirement to purchase products and services made available by nonprofit agencies across the country employing such individuals.

Basis of Presentation

These financial statements have been prepared from the accounting records of the Committee in accordance with generally accepted accounting principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, as amended. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular No. A-136 requires agencies to prepare principal statements which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2014, amounts of future economic benefits owned or managed by the Committee (assets), amounts owed by the Committee (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 the Committee 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 OMB Circular No. A-136. 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. 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.

Revenues and Other Financing Sources

The Committee is an appropriated fund. It receives appropriations. Other financing sources for the Committee consist of imputed financing sources which are costs financed by other Federal entities on behalf of the Committee, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

NOTE 2 – FUND BALANCE WITH TREASURY

All of the Committee's fund balance with treasury is coming from appropriations. No trust, revolving or other fund type is used to fund the Committee's activities. The Committee operates as an annual fund, where each year is a new appropriation. This fund balance with treasury is a consolidated balance of five annual funds (FY 2010, FY 2011, FY 2012, FY 2013, and FY 2014). The annual fund for FY 2009 is cancelled and the remaining fund balance of $12,275 is given back to US Treasury during fiscal year 2014.

A. Fund Balance with Treasury	2014	2013
Appropriated Fund	$766,937	$539,683
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	49,538	4,043
b) Unavailable	79,343	90,825
2) Obligated Balance not yet Disbursed	638,056	444,815
Total	$766,937	$539,683 *

*Rounding

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net from the Public represents the Accounts Receivable from current employees.

	2014	2013
Accounts Receivable - With the Public	$18,018	$994

NOTE 4 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2014, the Committee showed Leasehold Improvements with a total cost of $258,074 and a net book value of $0. The Accumulated Depreciation to date showed a balance of $258,074. The depreciation calculation method used was Straight Line with a useful life matching the remaining time on the lease contract. The Committee also showed Equipment – Administrative with a total cost of $58,068 and a net book value of $0. The Accumulated Depreciation to date was $58,068. The depreciation calculation method used was Straight Line with a useful life of 5 years. A $5,000 threshold was used to determine whether items are capitalized.
*Rounding

2014	Equipment	Leasehold	Total
Cost	$58,068	258,074	$316,142
Accum. Depr.	($58,068)	(258,074)	($316,142)
Net Book Value	$0	$0	$0

2013	Equipment	Leasehold	Total
Cost	$58,068	258,074	$316,142
Accum. Depr.	($57,137)	(258,074)	($315,211) *
Net Book Value	$931 *	$0	$931

*Rounding

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Committee are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2014, the Committee showed liabilities covered by budgetary resources of $250,803 and liabilities not covered by budgetary resources of $239,444.

Liabilities covered by budgetary resources was composed of Accounts Payable $151,988, Accrued Funded Payroll and Leave $78,806, and Employer Contributions and Payroll Taxes Payable $20,009.

	2014	2013
With the Public		
Other (Unfunded leave liability)	239,444	227,160
Total liabilities not covered by budgetary resources	239,444	227,160
Total liabilities covered by budgetary resources	250,803	155,149 *
Total Liabilities	$490,247	$382,309 *

*Rounding

NOTE 6 – OTHER LIABILITIES

Other liabilities with the public consist of Accrued Funded Payroll and Leave of $78,806, Unfunded Leave of $239,444, and employer contributions and payroll taxes payable – TSP of $2,549. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable $17,460.

	With the Public	Non-Current	Current	Total
2014	Other Liabilities	$239,444	$81,355	$320,799
2013	Other Liabilities	$227,160	$73,149	$300,309

	Intragovernmental	Non-Current	Current	Total
2014	Other Liabilities	$0	$17,460	$17,460
2013	Other Liabilities	$0	$15,253	$15,253

NOTE 7 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental costs are those of goods/services purchased from a federal entity.

	Total 2014	Total 2013
Program A		
Intragovernmental costs	1,705,610	1,378,408
Public costs	3,691,725	3,931,090
Total Program A costs	5,397,335	5,309,498
Total Program A	5,397,335	5,309,498

*Rounding

NOTE 8 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

All obligations for the Committee in fiscal year 2014 were category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132. All obligations for the Committee in fiscal year 2013 were category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the fiscal year 2013 SF 132.

	2014	2013
Direct		
Category B	$5,302,317	$5,093,356

NOTE 9 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

$387,253 was the amount of the Committee's budgetary resources obligated for undelivered orders as of September 30, 2014.

	Undelivered Orders	Accounts Payable	Unpaid Obligated Balance Net	
2014	387,253	250,803	$638,056	
2013	289,666	155,149	$444,815	*

*Rounding

NOTE 10 – EXPLANATION OF THE RELATIONSHIP BETWEEN LIABILITIES NOT COVERED BY BUDGETARY RESOURCES ON THE BALANCE SHEET AND THE CHANGE IN COMPONENTS REQUIRING OR GENERATING RESOURCES IN FUTURE PERIODS

The Change in Components Requiring or Generating Resources in Future Periods equals the difference between the opening and ending balances of Liabilities Not Covered by Budgetary Resources (as shown on the Balance Sheet, reference Note 5).

FY 2014

	FY 2013	**FY 2014**	**Change**
Unfunded Annual Leave	$227,160	$239,444	($12,284)

FY 2013

	FY 2012	**FY 2013**	**Change**
Unfunded Annual Leave	$256,254	$227,160	($29,095)
Other: Correction to Unfunded Annual Leave	$14,829		$14,829
Totals	$271,083	$227,160	($43,923)*

*Rounding

Note accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations, whereas unfunded annual leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the Committee in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Committee in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the Committee employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered by not yet provided represents the difference between the beginning and ending balances of undelivered orders (i.e., good and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and not cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and financial (proprietary) accounting) is as follows (note: in prior years this information was presented as a separate financial statement (the Statement of Financing)):

	FY 2014	**FY 2013**
Budgetary Resources Obligated	$5,302,317	$5,093,356
Spending Authority from Recoveries and Offsetting Collections	(91,604)	(40,915)
Imputed Financing from Costs Absorbed by Others	288,018	258,935
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(97,587)	20,715
Resources that Finance the Acquisition of Assets	(17,024)	(581)
Financing Sources Yet to be Provided (see Note 11)	12,284	(29,095)
Components Not Requiring or Generating Resources	931	7,082
Net Cost of Operations	$5,397,335	$5,309,498*

*Rounding

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 12, 2014, which is the date the financial statements were available to be issued.