ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

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
Chairman and Executive Director
Administrative Conference of the United States
Washington, DC

Report on the Financial Statements

We have audited the accompanying balance sheets of the Administrative Conference of the United States as of September 30, 2014, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended. In our audit of the Administrative Conference of the United States 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 Conference as of September 30, 2014, and its net costs; changes in net position; and budgetary resources for the years then ended.

The financial statement of the Administrative Conference of the United States as of September 30, 2013 were audited by other auditors whose report dated December 13, 2013, expressed an unqualified opinion on those statements.

Consideration of Internal Control

In planning and performing our audit, we considered the Administrative Conference of the United States'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.

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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 Conference'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 Administrative Conference of the United States's management.

Compliance With Laws and Regulations

As part of obtaining reasonable assurance about whether the Administrative Conference of the United States'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 Administrative Conference of the United States.

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

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

BALANCE SHEET

As Of September 30, 2014 and 2013

		2014	2013
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	$ 761,833	$ 1,560,746
Total Intragovernmental		761,833	1,560,746
Assets With The Public:			
Accounts Receivable, net	(Note 3)	226	77
General Property, Plant and Equipment	(Note 4)	60,230	127,351
Total Assets		$ 822,289	$ 1,688,174
Liabilities:	(Note 5)		
Intragovernmental:			
Other:	(Note 6)		
Employer Contributions and Payroll Taxes Payable		10,068	8,753
Liability for Advances and Prepayments		130,524	
Total Intragovernmental		140,592	8,753
Liabilities With the Public:			
Accounts Payable		11,395	4,395
Other:	(Note 6)		
Accrued Funded Payroll and Leave		44,315	39,363
Employer Contributions and Payroll Taxes Payable		1,992	1,841
Unfunded Leave		156,018	137,475
Total Liabilities		$ 354,312	$ 191,827
Net Position:			
Unexpended Appropriations - All Other Funds		75,063	1,147,393
Cumulative Results of Operations - All Other Funds		392,914	348,954
Total Net Position		467,977	1,496,347
Total Liabilities and Net Position		$ 822,289	$ 1,688,174

The accompanying notes are an integral part of these statements.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
STATEMENT OF NET COST

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

		2014	2013
Program Costs:			
Gross Costs		3,516,218	3,352,820
Less: Earned Revenue		129,477	284,000
Net Program Costs	(Note 8)	3,386,741	3,068,820
Net Cost of Operations		$ 3,386,741	$ 3,068,820

The accompanying notes are an integral part of these statements.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

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	**$ 348,954**
Budgetary Financing Sources:	
Appropriations used	**3,322,330**
Other Financing Sources (Non-Exchange):	
Imputed financing	**108,372**
Total Financing Sources	**3,430,703**
Net Cost of Operations	**3,386,741**
Net Change	**43,961**
Cumulative Results of Operations	**392,915**
Unexpended Appropriations:	
Beginning Balance	**1,147,393**
Beginning Balance, as adjusted	**1,147,393**
Budgetary Financing Sources:	
Appropriations received	**3,000,000**
Other adjustments	**(750,000)**
Appropriations used	**(3,322,330)**
Total Budgetary Financing Sources	**(1,072,330)**
Total Unexpended Appropriations	**75,063**
Net Position	**467,978**

The accompanying notes are an integral part of these statements.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

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	$ 149,161
Budgetary Financing Sources:	
Appropriations used	3,254,477
Other Financing Sources (Non-Exchange):	
Imputed financing	89,136
Total Financing Sources	3,343,613
Net Cost of Operations	3,143,820
Net Change	199,793
Cumulative Results of Operations	348,954
Unexpended Appropriations:	
Beginning Balance	1,653,557
Beginning Balance, as adjusted	1,653,557
Budgetary Financing Sources:	
Appropriations received	2,900,000
Other adjustments	(151,687)
Appropriations used	(3,254,477)
Total Budgetary Financing Sources	(506,164)
Total Unexpended Appropriations	1,147,393
Net Position	1,496,347

The accompanying notes are an integral part of these statements.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES
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		$ 1,366,687	$ 1,535,651
Unobligated balance brought forward, October 1, adjusted		1,366,687	1,535,651
Recoveries of prior year unpaid obligations (unobligated balances)		10,105	31,852
Other changes in unobligated balance		(750,000)	
Unobliged balance from prior year budget authority, net		626,792	1,567,503
Appropriations (discretionary and mandatory)		3,000,000	2,748,313
Spending authority from offsetting collections		260,107	284,210
Total budgetary resources		$ 3,886,899	$ 4,600,026
STATUS OF BUDGETARY RESOURCES			
Obligations incurred		$ 3,326,533	$ 3,233,340
Apportioned		229,524	556,176
Unapportioned		330,842	810,511
Unobligated balance brought forward, end of year		560,366	1,366,687
Total budgetary resources		$ 3,886,899	$ 4,600,027
CHANGE IN OBLIGATED BALANCE			
Unpaid obligations, brought forward, October 1 (gross)		$ 194,059	$ 231,528
Obligations incurred	(Note 9)	3,326,532	3,233,340
Outlays (gross) (-)		(3,309,020)	(3,238,957)
Recoveries of prior year unpaid obligations (-)		(10,105)	(31,852)
Unpaid obligations, end of year	(Note 10)	201,466	194,059
Obligated balance, start of year (net)		194,059	231,528
Obligated balance, end of year (net)		$ 201,466	$ 194,059
BUDGET AUTHORITY AND OUTLAYS, NET			
Budget authority, gross (discretionary and mandatory)		$ 3,260,107	$ 3,032,523
Actual offsetting collections (discretionary and mandatory) (-)		(260,107)	(284,210)
Budget authority, net (discretionary and mandatory)		3,000,000	2,748,313
Outlays, gross (discretionary and mandatory)		3,309,020	3,238,957
Actual offsetting collections (discretionary and mandatory) (-)		(260,107)	(284,210)
Outlays, net (discretionary and mandatory)		$ 3,048,913	$ 2,954,747
Agency outlays, net (discretionary and mandatory)		$ 3,048,913	$ 2,954,747

The accompanying notes are an integral part of these statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Administrative Conference of the United States (Conference) is an independent agency of the Executive Branch of the United States Government. The Conference has been re-established after an absence of over 14 years. ACUS was created in 1968 as an independent agency of the federal government, for the purpose of developing recommendations to improve the fairness and effectiveness of the rulemaking, adjudication, licensing, and investigative functions of federal agency programs.

The Conference ceased operations on October 31, 1995, due to termination of funding by Congress, but the statutory provisions that established the Conference were not repealed. Subsequently, Congress reauthorized the Conference in 2004 and again in 2008. The 2004 legislation expanded the responsibilities of the Conference to include specific attention to achieving more effective public participation and efficiency, reducing unnecessary litigation, and improving the use of science in the rulemaking process. Funding was approved in 2009, and the Conference was officially re-established in April 2010, when the Senate confirmed President Obama's nominee, Paul Verkuil as Chairman.

(b) Basis of Presentation

These financial statements have been prepared from the accounting records of the Conference in accordance with Generally Accepted Accounting Principles (GAAP), as promulgated by the Federal Accounting Standards Advisory Board (FASAB); and the form and content for entity financial statements specified in Office of Management and Budget's (OMB) Circular A-136, *"Financial Reporting Requirements."* GAAP for Federal entities is the hierarchy of accounting principles prescribed in Statement of Federal Financial Accounting Standards (SFFAS) 34, *"The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards issued by the Financial Accounting Standards Board."*

OMB Circular A-136, requires agencies to prepare principal statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, 2014 and 2013, amounts of future economic benefits owned or managed by the Conference (assets); amounts owed by the Conference (liabilities); and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the Conference's operations, which includes costs of identifiable supporting services provided by other federal agencies. The Statement of Budgetary Resources reports the Conference's budgetary activity.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of Accounting

Transactions are recorded on the accrual basis of accounting in accordance with OMB Circular 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 the receipt or payment of cash.

(d) Use of Estimates

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

(e) Budgets and Budgetary Accounting

The Conference follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, *"Preparation, Submission, and Execution of the Budget,"* dated July 2014. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. The Conference recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collection is incurred.

(f) Revenues and Other Financing Sources

The Conference received the funding necessary to support its programs, from appropriations in FY2009, FY2010, FY2011, FY2012, FY2013 and FY2014. None of the appropriations are "earmarked" funds.

(g) Imputed Financing Sources

In certain instances, operating costs of the Conference are paid out of funds appropriated to other federal agencies. In accordance with SFFAS 5, *"Accounting for Liabilities of the Federal Government,"* all expenses of a federal entity should be reported by that agency, regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of the Conference, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. The Conference records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Personnel Compensation and Benefits

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

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

For CSRS employees, the Conference contributes an amount equal to 7% of the employees' basic pay, to the plan. For FERS employees, the Conference contributes an amount equal to 11.9% of the employees' basic pay to the plan.

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Personnel Compensation and Benefits (continued)

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

(i) Assets and Liabilities

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

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

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

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

(j) Fund Balance with Treasury

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, Plant, and Equipment (PPE)

PPE consists of capitalized equipment, furniture and fixtures, and software. There are no restrictions on the use or convertibility of property, plant, or equipment.

The Conference capitalizes PPE with a useful life of at least two (2) years and individually costing more than $5,000 ($15,000 for leasehold improvements). Bulk purchases of lesser value items are capitalized when the aggregate cost is $10,000 or greater.

Assets are depreciated on a straight-line basis over the estimated used life of the property. Information Technology (IT) equipment and software is depreciated over a useful life of five (5) years. All other equipment is depreciated over a five (5) year useful life, and leasehold improvements are depreciated over the seven (7) years, or the remaining life of the lease.

(l) Prepaid and Deferred Charges

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

(m) Liabilities

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

(n) Contingenicies

The criteria for recognizing contingencies for claims are: (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). The Conference recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings and environmental suits that have been brought to the attention of legal counsel, some of which will be paid by the Treasury Judgment Fund. It is the opinion of management and legal counsel that the ultimate resolution of these proceedings, actions and claims, will not materially affect the financial position or results of operations.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Net Position

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

NOTE 2 – FUND BALANCE WITH TREASURY

The Conference's funds with the U.S. Treasury consist only of appropriated funds. In FY 2014, the Conference received a multi-year appropriation of $3,000,000. The status of these funds as of September 30, 2014 is as follows:

	2014	2013
A. Fund Balance with Treasury		
General Fund	$761,833	$1,560,746
Total	$761,833	$1,560,746
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	229,524	556,176
b) Unavailable	330,843	810,511
2) Obligated Balance not yet Disbursed	201,466	194,059
Total	$761,833	$1,560,746

NOTE 3 – ACCOUNTS RECEIVABLE

The line item represents the combined balance of Accounts Receivable Claims from Associates and the Accounts Receivable Debt Referred for FY 2014.

	2014	2013
Accounts Receivable	$226	$77
Total Accounts Receivable With the Public	$226	$77

NOTE 4 - GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

The Conference's total cost, accumulated depreciation, and net book value for PPE for the year ended September 30, 2014 is as follows.

2014	Equipment	Furniture & Fixtures	Software	Total
Cost	$335,582			$335,582
Accum. Depr.	($275,352)			($275,352)
Net Book Value	$60,230	$0	$0	$60,230

2013	Equipment	Furniture & Fixtures	Software	Total
Cost	$335,582			$335,582
Accum. Depr.	($208,230)			($208,230)
Net Book Value	$127,351 *	$0	$0	$127,351 *

*Rounding

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the Conference are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2014, the Conference had liabilities covered by budgetary resources of $198,293 and liabilities not covered by budgetary resources of $156,019. As of September 30, 2013, the Conference had liabilities covered by budgetary resources of $54,353 and liabilities not covered by budgetary resources of $137,475.

As of September 30, 2014, liabilities covered by budgetary resources are composed of Accounts Payable of $11,395; Liability for Advances of $130,523; Employer Contributions and Payroll Taxes Payable of $12,060; and Accrued Funded Payroll and Leave of $44,315. As of September 30, 2013, liabilities covered by budgetary resources are composed of Accounts Payable of $445; Disbursements in transit of $3,949; Employer Contributions and Payroll Taxes Payable of $10,594; and Accrued Funded Payroll and Leave of $39,364.

	2014	2013
With the Public		
Other	156,019	137,475
Total liabilities not covered by budgetary resources	156,019	137,475
Total liabilities covered by budgetary resources	198,293	54,352
Total Liabilities	$354,312	$191,827

NOTE 6 – OTHER LIABILITIES

Other liabilities with the public for fiscal year 2014 consist of Accrued Funded Payroll and Leave of $44,315; Unfunded leave of $156,019; and Employer Contributions and Payroll Taxes Payable – TSP of $1,992, Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable of $10,068; and Liability for Advances and Prepayments of $130,524.

Other liabilities with the public for fiscal year 2013 consist of Accrued Funded Payroll and Leave of $39,304; Unfunded leave of $137,475; and Employer Contributions and Payroll Taxes Payable – TSP of $1,840, Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable of $8,753.

	With the Public	Non-Current	Current	Total
2014	Other Liabilities	156,019	46,306	$202,325
2013	Other Liabilities	137,475	41,205	$178,679

	Intragovernmental	Non-Current	Current	Total
2014	Other Liabilities	130,523	10,068	$140,592
2013	Other Liabilities	0	8,753	$8,753

NOTE 7 – LEASES

Entity as Lessee:

The Conference leases office space, located at 1120 20th Street, NW; Suite 706 South, in Washington, DC. The lease was entered into, and became effective, on August 9, 2010; and has a term of 60 months. The lease terminates on August 8, 2015.

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

Lease Ending August 8, 2015	$ 331,633
Total Future Lease Payments	$ 331,633

NOTE 8 – INTRAGOVERNMENTAL COSTS

The portion of the Conference's program costs related to Intragovernmental Costs and Costs with the Public, are shown as follows (note that as the Conference earns no revenue from its operations, gross and net costs are identical). Intragovernmental costs are costs incurred from exchange transactions with other federal entities (e.g., building lease payments to GSA). Costs with the Public are incurred from exchange transactions with non-Federal entities (i.e., all other program costs).

	Total 2014	Total 2013
Program A		
Intragovernmental costs	1,096,297	885,665
Intragovernment earned revenue	129,477	284,000
Total Intragovernment	966,820	601,665
Public costs	2,419,921	2,467,155
Net Costs	3,386,741	3,068,820

NOTE 9 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED: DIRECT VS. REIMBURSABLE OBLIGATIONS

The Conference is subject to apportionment. All direct obligations are category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132. All reimbursable obligations are category B, which is the amount of reimbursable obligations incurred against amounts apportioned under category B on the latest SF132.

	Total 2014	Total 2013
Direct		
Category B	3,156,275	3,233,340
Reimbursable		
Category B	170,258	
Total Obligations	3,326,533	3,233,340

NOTE 10 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of Unpaid Obligated Balance, Net, End of Period, shown on the Statement of Budgetary Resources includes obligations relating to Undelivered Orders (goods and services contracted for, but not yet received at the end of the year), and Accounts Payable (amounts owed at the end of the year by the Conference for goods and services received). The amount of each is as follows:

	Undelivered Orders	Accounts Payable	Unpaid Obligated Balance Net
2014	133,697	67,770	$201,466
2013	139,707	54,353	$194,060

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 Conference in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Conference 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 Conference employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered, but not yet provided, represents the difference between the beginning and ending balances of undelivered orders. (Note that goods and services received during the year based on obligations incurred in 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: (Please note that in prior years, this information was presented as a separate financial statement (the Statement of Financing)):

	FY 2014	FY 2013
Budgetary Resources Obligated	3,326,533	3,233,339
Spending Authority from Recoveries and Offsetting Collections	(270,212)	(391,062)
Imputed Financing from Costs Absorbed by Others	108,371	89,136
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	136,533	53,200
Resources that Finance the Acquisition of Assets	(150)	1,348
Financing Sources Yet to be Provided	18,544	15,738
Components Not Requiring or Generating Resources	67,121	67,121
Net Cost of Operations	$3,386,740	$3,068,820

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

Liabilities not covered by budgetary resources total $156,019 and the change in components requiring or generating resources in future period shows $18,544. The $18,544 is the net increase of future funded expenses – leave between appropriations of annual fund 2013 and annual fund 2014. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded 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.

	2014	2013
Liabilities not covered by budgetary resources	156,019	137,475
Change in components requiring/generating resources	18,544	15,738

NOTE 12 – 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.