

National Council on Disability

Performance and Accountability Report Fiscal Year 2016



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**National Council on Disability
Performance and Accountability Report,
Independent Auditor’s Report, and
Financial Statements
Fiscal Year 2016**

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National Council on Disability

An independent federal agency making recommendations to the President and Congress to enhance the quality of life for all Americans with disabilities and their families.

Agency Head Message

January 11, 2017

On behalf of the members of the National Council on Disability (NCD or the Council), I am pleased to submit the Fiscal Year (FY) 2016 Performance and Accountability Report (PAR). This report provides the results of the agency's programmatic and financial performance and demonstrates to the Congress, the President, and the public NCD's commitment to its mission and accountability over the resources entrusted to it.

This report includes information that satisfies the reporting requirements contained in the following legislation:

- Federal Managers' Financial Integrity Act of 1982
- Government Performance and Results Act of 1993
- Government Management Reform Act of 1994
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Improper Payments Information Act of 2002
- GPRA Modernization Act of 2010

Financial Management Reporting

General Services Administration Office of the Chief Financial Officer (GSA OCFO) fulfills all Treasury and the OMB external reporting requirements on behalf of the NCD through the following Governmentwide mandated reports based upon the agency's reporting requirements. Additionally, the GSA OCFO serves as a point of contact for financial regulatory issues with Treasury and OMB.

- SF 133 – Report on Budget Execution and Budgetary Resources (monthly)
- SF 224 – Statement of Transactions (reported by the third business day of the month)
- SF 132 – Apportionment and Reapportionment Schedule
- Max A-11 – President's Budget Report
- Intergovernmental Fiduciary Confirmation System (quarterly)
- ATDAs – Accountability of Tax Dollars Act Statements (quarterly)
- TROR – Treasury Report on Receivables (quarterly)
- GTAS – Governmentwide Treasury Account Symbol Adjusted Trial Balance System (monthly)
- GFRS – Governmentwide Financial Report System

While FY 2016 was marked by a significant amount of change to NCD's board membership and staff composition, I am proud that these changes did not hamper the ability of the agency to deliver on its planned slate of policy projects and numerous engagement activities.

Throughout FY 2016 and into the current FY, NCD has worked intensively with technical and contractual support from the General Services Administration and elsewhere to improve and further strengthen our internal agency operations and fiscal management. NCD management undertook a review of internal policies and has nearly completed a comprehensive overhaul of its administrative manual. Additionally, NCD has recently begun to evaluate its programmatic evaluation and validation standards and to implement best practice procedures in accordance with guidance from the Government Accountability Office (GAO) Center for Audit Excellence.

All of these steps contributed to NCD's ability in FY 2016 to faithfully execute its mission to serve as an advisor to the President, Congress, and other federal agencies by regularly: (1) reviewing federal disability programs and policies, (2) meeting with people with disabilities and other stakeholders around the country to learn how federal programs and policies are translating to on-the-ground realities, and (3) providing advice, analysis and recommendations on disability policy to federal policymakers.

It continues to be my honor to serve as the Chairperson of an agency the work of which I am personally and professionally proud.

Sincerely,

A handwritten signature in black ink, appearing to read "Clyde Terry". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Clyde Terry
Chairperson

Management Discussion and Analysis

Introduction

National Council on Disability (NCD) was initially established in 1978 as an advisory board within the U.S. Department of Education (Public Law 95-602). The Rehabilitation Act Amendments of 1984 (Public Law 98-221) transformed NCD into an independent agency and required NCD to provide expert advice to Congress and the Administration. Changes were also made to NCD's statutory mandate by the Rehabilitation Act Amendments of 1992 and 1998 and the Education of the Deaf Act Technical Amendments of 1993, and to its composition by the Workforce Innovation and Opportunity Act of 2014.

NCD's governing body is the Council, which is currently comprised of 9 part-time appointees – 5 presidential (including the chairperson) and 4 congressional, including one member appointed by each of the following: the Speaker of the House, the House Minority Leader, the Senate Majority Leader and the Senate Minority Leader.

Council Members are appointed to represent people with disabilities, national organizations concerned with disabilities, providers and administrators of services to people with disabilities, people engaged in conducting medical or scientific research related to disabilities, business concerns and labor organizations. The majority of the current Council Members are people with disabilities.

The Council Members are responsible for serving as trusted advisors to the President, Congress, and other federal agencies by developing policy recommendations regarding existing and needed legislation, regulation, and programs and practices; that serve to advance the goals of the Americans with Disabilities Act (ADA). The Council develops policy recommendations within the context of individual policy projects that culminate in topical policy reports. This work is done by ad hoc committees of several Council Members each project, with a single NCD staff lead per committee. These committees are formed after the approval of a new slate of policy priorities each year in a mid-year Council meeting and meet by phone at regular intervals to develop the project's scope of work, review proposals, guide and inform the research, and ultimately propose recommendations on the basis of the findings. Council Members are also responsible for establishing NCD's priorities and budget, and providing oversight of NCD's programs, operations, and finances. The Council exercises its oversight responsibilities in part through its Executive and Finance Committee, consisting of the Chairperson; the Vice Chair; and three Council Member principals for finance, governance and policy. The Chairperson of the Council also serves as the Chairperson of the Executive and Finance Committee. This committee meets monthly by phone with the management team on staff to review financial statements and receive programmatic updates.

In addition to the nine appointed Council Members, NCD has a professional staff that supports the work of the Council. The Chairperson appoints an Executive Director, who serves as the chief executive of the agency and has full responsibility for managing the agency to accomplish the mission, goals, and objectives. When fully staffed, NCD has 13 full-time employees, organized into three teams:

- Policy & Legal Team

- Legislative Affairs & Outreach Team
- Administration, Finance, and Operations Team

Mission, Vision, Goal & Objectives

NCD has a unique mission among federal agencies because it is charged with reviewing all programs and policies that affect people with disabilities across the Federal Government, not merely one aspect of policy affecting people with disabilities. NCD's Council Members, as constituted in 2010 and 2011, established NCD's singular strategic goal, its two supporting objectives, and the strategies intended to achieve the goal in its FY 2012 – FY 2017 strategic plan:

Mission	Promote equality of opportunity, full participation, independent living and economic self-sufficiency of people with disabilities of all ages and backgrounds by providing advice, analysis and recommendations on disability policy to the President, Congress and other federal agencies.
Vision	NCD leads by facilitating, articulating and promoting inclusion and empowerment of individuals with disabilities to live, learn and earn based on informed choices.
Strategic Goal	Advance the goals of the Americans with Disabilities Act by promoting policies, programs, practices, and procedures that guarantee equal opportunity and provide for economic self-sufficiency, independent living, and inclusion and integration into all aspects of society for individuals with disabilities.
Strategic Objectives	<ol style="list-style-type: none"> 1. Engagement – Engage stakeholders in order to assess concerns and priorities and build a network of NCD partners. 2. Policy Development & Collaboration – Address stakeholder concerns and priorities by advancing specific, practical policy solutions and encouraging collaboration.
Strategies	<p>Engagement –</p> <ul style="list-style-type: none"> • Inform NCD stakeholders of the policy projects it has underway and create and maintain regular opportunities to receive direct input from community stakeholders. • Cultivate trusted relationships with Congress. • Establish and cultivate trusted relationships with state, local, and tribal governments and other entities. • Brand NCD as a principal national voice of the disability community. • Cultivate future leaders of the disability community. <p>Policy Development and Collaboration –</p>

	<ul style="list-style-type: none"> • Cultivate trusted relationships with other federal agencies and look for opportunities to coordinate and work collaboratively. • Work closely with and enlist the support of stakeholders to develop and advance policy responses to priority issues. • Produce materials that have practical utility for federal, state, tribal, and local stakeholders regarding successful implementation of federal policies.
<p style="text-align: center;">NCD Stakeholders</p>	<ul style="list-style-type: none"> • All Americans with disabilities – a population diversified by geography, age, race, gender, ethnicity, sexual orientation, income, education, political party, type of disability, and other affiliations and identities; • Policymakers and decision makers – including the President and all federal agencies, Congress, state, tribal, and local governments and communities – who create and implement federal policies and programs that affect people with disabilities; • Groups and organizations concerned with people with disabilities; • Families and support systems of people with disabilities, including parents and guardians; and • Society at large – employers, educators, manufacturers, service providers, engineers, designers, entertainers, and other individuals and organizations who influence inclusion and participation of Americans with disabilities

Performance Overview

NCD utilizes a performance management methodology to set priorities, allocate resources, and evaluate programmatic activity. That methodology includes articulating desired performance results in quantifiable terms and meaningful measures to gauge success in reaching those targets. Measuring NCD’s impact on its strategic goal of guaranteeing equal opportunity and providing for economic self-sufficiency, independent living, and inclusion and integration into all aspects of society for individuals with disabilities is challenging since this is a large-scale, long-term endeavor. Accordingly, as we evaluate and validate our performance measures and outcomes, we ask:

- Has NCD been a thought leader, performing important research and analysis on critical and/or emerging topics, and creating greater interest in the disability considerations of a particular policy topic?
- Has NCD identified critical needs where our engagement with stakeholders and policy development and collaboration can advance existing initiatives?
- Has NCD provided practical, timely policy recommendations and consultations to Members of Congress and the Executive Branch?

In FY 2016, NCD performed consistently within its planned activities for the fiscal year in support of its strategic goal. NCD released six policy reports to the President and Congress; submitted ten letters regarding various regulatory action or proposed legislation to federal agencies and to Congress; and released one policy toolkit at a White House event. Topics of policy advisement covered the watershed, ranging from the impact of the Affordable Care Act on people with disabilities to the accessibility of new U.S. currency to gun control proposals. In each instance, NCD employed multifaceted engagement strategies to inform its work product, including regional forums, roundtables, policy forums, Twitter chats, speaking engagements, and traditional public comment opportunities.

Throughout the fiscal year, NCD continued to demonstrate that it is a respected thought leader by addressing the disability considerations of several critical / emerging issues and creating greater interest for policymakers and in the general public in those considerations; and by receiving regular requests for consultation or comment by congressional offices and the media.

NCD also continued to build upon its existing body of work in FY 2016 through ongoing collaborations with NCD stakeholders in areas including the school-to-prison pipeline; parenting rights; Medicaid managed care; and the accessibility of polling places during elections.

Finally, in FY 2016, NCD demonstrated its ability to simultaneously work on long-range policy research projects while also remaining nimble to weigh in on time-sensitive legislative and regulatory initiatives and hearings, including mental health reform proposals, gun control proposals, autonomous vehicles hearings, and ADA notification proposals and hearings.

A more detailed analysis of NCD's programmatic performance is outlined in a later section.

Financial Overview

In FY 2016, NCD remained a responsible financial steward of federal funds entrusted to the agency by employing sound financial management practices. Rocha & Company, PC completed an independent audit for fiscal year 2016 and expressed the opinion that NCD's fiscal year 2016 financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Furthermore, no significant deficiencies or material weaknesses were identified in NCD's internal control. The audit firm confirmed NCD's compliance with selected provisions of laws and regulations required by OMB audit guidance.

The National Council on Disability (NCD) is mandated to enter into an Interagency Agreement (IA) with the General Services Administration (GSA), Office of the Chief Financial Officer (OCFO) to provide financial services to the NCD. GSA OCFO must fulfill Treasury and the OMB external reporting requirements of the NCD based upon the agency's reporting requirements. NCD completed training at GSA OCFO to maximize the agency's ability to monitor the accuracy and reporting on behalf of NCD.

Future Effects of Known Risks, Uncertainties, Events, Conditions, Trends

NCD is a micro-agency with a macro mission, a small staff, and a modest budget of \$3.2 million. Due to the budget climate of recent time, NCD anticipates minor growth or flat-level funding to continue for the foreseeable future. With certain fixed costs increasing year over year, this has required NCD to focus more of its work in-house (versus reliance on contracted experts), to reevaluate the cost-benefit of some of its in-person meetings' length and necessity, to closely align necessary technology upgrade purchases with the timing of federal cyber security requirements, and to regularly pursue lower-cost options in service providers it utilizes. Additionally, NCD has adopted a strategy of working in conjunction with a wide range of stakeholders – including people with disabilities, federal, state and local agencies, elected officials and their staff, universities, and a diverse group of non-profit organizations and individual disability policy experts and advocates – to leverage and steward resources to advance our mission, goals and objectives.

For reasons of its micro size alone (and an average of 4 staff per team), even small changes in staffing have the ability to significantly impact agency work flow. For many years, NCD enjoyed a relatively stable staffing roster but in the last couple fiscal years, NCD has experienced greater staff turnover, several extended periods of individual staff leave, and even a death of a staff member. In the last fiscal year alone, NCD has hired three new employees of its 13 total, with one of them new to federal service. NCD's management team has taken steps to ensure that new staff have transitioned into their responsibilities with relative ease. Much of the last few years' worth of turnover has been of individuals with a decade or more of agency institutional knowledge, which at times has caught the agency flat-footed in reevaluating job descriptions, timely completing hires, and reassigning responsibility, which contributed in part to incomplete work on more than one occasion in the last fiscal year. Management is utilizing those experiences to begin a thorough reassessment of its internal control environment and is taking corrective action to address weaknesses identified, including a nearly complete revamp of its internal administrative manual, internal control training, and clearer articulation of roles, responsibilities, and contingencies.

In FY 2016, NCD welcomed two new Council Members to the agency as congressional appointees. While the staggered terms of Council Members do create regular turnover at the board level, NCD management implemented a process in FY 2016 of in-person new board member orientations that cover all aspects of agency operations and acclimate new members to active policy projects and governance matters immediately to ease their transition and enhance continuity of agency work.

The Council Members and staff are cognizant that the national debt, coupled with the current legislative environment's emphasis on entitlement reform and reducing costs have the potential to create significant challenges to the fulfillment of NCD's strategic goal of advancing the goals of the Americans with Disabilities Act -- equality of opportunity, full participation, independent living and economic self-sufficiency of people with disabilities – as many people with disabilities rely on government programs, under threat of reduction or elimination, in pursuit of those ends. For this reason, NCD continues to work closely and positively with congressional offices and its diverse stakeholders to foster understanding of on-the-ground effects of changes to federal programs on the lives of people with disabilities.

Financial Section



NATIONAL COUNCIL ON DISABILITY

GENERAL FUND

FINANCIAL STATEMENTS

As Of And For The Years Ended September 30, 2016 and 2015



Rocha & Company, PC

*Certified Public Accountants
and Management Consultants*

Independent Auditor's Report

Board Members and Executive Director National Council on Disability

Report on the Financial Statements

We have audited the accompanying balance sheet of the National Council on Disability (the Council) as of September 30, 2016 and 2015, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended. In our audit of the Council for the fiscal year ended September 30, 2016, we found:

- The financial statements are presented fairly in all material respects, in conformity with U.S. generally accepted accounting principles.
- As stated in the Consideration of Internal Control section of this report, the following finding was identified:
 - Significant deficiency in internal control over financial reporting.
- Instances of non-compliance that are detailed in the Compliance with Applicable Laws and Regulations section of this report, the following findings were identified:
 - The Council did not comply with the Prompt Payment Act. During our audit we noted five instances where payments to contractors and vendors were not made within the required 30-day stipulation.

The following sections discuss in more detail our opinion, our consideration of internal control over financial reporting, our tests of compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

Opinion on the 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 National Council on Disability as of September 30, 2016 and 2015, and its net costs, changes in net position, and budgetary resources for the years then ended.

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Consideration of Internal Control

In planning and performing our audit, we considered the Council'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 Management's Discussion and Analysis (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 the internal control included in the MD&A.

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 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. 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 identify all deficiencies in the Council's internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We did identify a significant deficiency in internal control related to financial reporting, the details of which is presented in Exhibit A.

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

Compliance with Applicable Laws and Regulations

As part of obtaining reasonable assurance about whether the Council'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 2016. 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. Specifically, we noted violations of the Prompt Payment Act, the details of which are presented in Exhibit B.

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 the preparation of financial statements, establishing and maintaining effective internal control over financial reporting, and complying with laws, regulations, contracts, and grant agreements applicable to the Council.

Auditor's 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. 15-02, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 15-02 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 on such 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.

The Council's written response to the deficiency in internal control, instances of noncompliance or other matters identified in our audit is presented attached to our report, and was not subjected to the auditing procedures applied in the audit of the Council's financial statements and, accordingly, we express no opinion on it.



Gaithersburg, Maryland

December 12, 2016

Independent Auditor's Report Exhibit A: Significant Deficiency

Financial Reporting Controls

Conditions: The Council placed overreliance on the Council's service provider related to financial statements and footnote disclosures. This overreliance resulted in our identification of a material adjustment to advances and prepayments that was not identified by management or their service provider.

Criteria: The Government Accountability Office's Standards for Internal Control in the Federal Government.

Cause/Effect: The Council did not have sufficient coordination with personnel, including contractors, who are responsible for generating financial reports.

Recommendations: We recommend the Council obtain an understanding of the financial statement review process at NCD's third party provider to ensure they understand the extent of the review that takes place at the service provider's offices.

Management's Response: The National Council on Disability (NCD) is mandated to enter into an Interagency Agreement (IA) with the General Services Administration (GSA), Office of the Chief Financial Officer (OCFO) to provide financial services to the NCD. GSA OCFO must fulfill Treasury and the OMB external reporting requirements of the NCD based upon the agency's reporting requirements. GSA OCFO erred in the accuracy of reporting the financial statements on behalf of NCD.

NCD had not utilized prepayment accounts in the past and was therefore unfamiliar with GSA's accounting requirements related to advances and prepayments. NCD maintained internal accounting reports for the prepayment accounts with accuracy. NCD added an analysis of our prepayment accounts to our monthly close out procedures to thoroughly review prepayments and advances on the financial statements provided to NCD by GSA to ensure errors are identified and adjusted immediately.

Independent Auditor's Report

Exhibit B: Instances of Non-Compliance

Non-Compliance with the Prompt Payment Act

Conditions: The Council does not appear to comply with the Prompt Payment Act. During our audit, we noted five instances where payments to vendors were not made within the required time period.

Criteria: The Prompt Payment Act and 5 CFR Part 1315 require that payments should be made to vendors within 30 days from the time a proper invoice is received.

Cause/Effect: Due to limited resources, the Council contracts certain accounting services to a third party provider, those services include remitting payments to vendors. Of the five (5) instances we identified as Prompt Payment Act violations, three (3) of the related invoices were submitted to the third party provider within the allowed 30-day time frame; however; by the time the third party remitted payment to the vendor, the 30-day time frame had been exceeded. Management was aware of the issue during the year and has been working with the third party provider to ensure compliance going forward.

Recommendations: We recommend that the Council continue to work with the third party provider to ensure invoices are remitted in sufficient time to allow the third party service provider to process vendor payments to ensure compliance. In addition, we recommend the Council establish internal control procedures to monitor the third party payment for timeliness.

Management's Response: The National Council on Disability (NCD) is mandated to enter into Interagency Agreement (IA) with the General Services Administration (GSA), Office of the Chief Financial Officer (OCFO) to provide financial services to the NCD. GSA OCFO erred in complying with the Prompt Payment Act in three of the five instances when processing payments on behalf of the NCD. The NCD will continue to monitor the processing time of our financial services provider to ensure compliance with the Prompt Payment Act.

NCD acknowledges two of the five violations. In following NCD's internal control procedures two invoices were returned to the Contracting Officer Representative (COR) to ensure proper approvals were in place prior to transmitting for payment. As a result, the transmittals were delayed and therefore the date of payment was also delayed. We believe these are two isolated incidents and not a reflection of NCD's overall compliance with the Prompt Payment Act.

Financial Statements

THE NATIONAL COUNCIL ON DISABILITY

BALANCE SHEET

As Of September 30, 2016 and 2015

		<u>2016</u>	<u>2015</u>
Assets:			
Intragovernmental:			
Fund Balance with Treasury	(Note 2)	\$ 1,378,117.07	\$ 1,211,289.87
Other:			
Advances and Prepayments	(Note 3)	<u>118,838.55</u>	<u>87,253.76</u>
Total Intragovernmental		1,496,955.62	1,298,543.63
Assets with The Public:			
Accounts Receivable, net	(Note 4)	293.23	18,966.02
Direct Loan and Loan Guarantees, Net		11,959.01	-
General Property, Plant and Equipment, Net	(Note 5)	<u>14,881.32</u>	<u>-</u>
Total Assets		<u>\$ 1,524,089.18</u>	<u>\$ 1,317,509.65</u>
Liabilities:			
Intragovernmental:			
Accounts Payable		-	81,690.96
Other:			
Employer Contributions and Payroll Taxes Payable	(Note 7)	<u>13,383.81</u>	<u>8,031.53</u>
Total Intragovernmental		13,383.81	89,722.49
Liabilities with the Public:			
Accounts Payable		132,730.46	88,129.45
Other:			
Accrued Funded Payroll and Leave	(Note 7)	47,260.80	35,562.41
Employer Contributions and Payroll Taxes Payable		1,922.36	952.36
Unfunded Leave		<u>88,710.58</u>	<u>89,830.11</u>
Total Liabilities		\$ 284,008.01	\$ 304,196.82
Net Position:			
Unexpended Appropriations - All Other Funds (Consolidated Totals)		1,301,658.19	1,084,176.92
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		(61,577.02)	(70,864.09)
Total Net Position - All Other Funds (Consolidated Totals)		<u>1,240,081.17</u>	<u>1,013,312.83</u>
Total Net Position		<u>\$ 1,240,081.17</u>	<u>\$ 1,013,312.83</u>
Total Liabilities and Net Position		<u>\$ 1,524,089.18</u>	<u>\$ 1,317,509.65</u>

The accompanying notes are an integral part of these statements.

THE NATIONAL COUNCIL ON DISABILITY

STATEMENT OF NET COST

As Of And For The Years Ended September 30, 2016 and 2015

Program Costs:

NCD:

Gross Costs	(Note 9)	\$ 3,045,306.93	\$ 3,368,697.89
Net Program Costs		3,045,306.93	3,368,697.89

2016

2015

Net Cost of Operations

\$ 3,045,306.93

\$ 3,368,697.89

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The accompanying notes are an integral part of these statements.

THE NATIONAL COUNCIL ON DISABILITY

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2016 and 2015

FY 2016 (CY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals) Total	Eliminations	Consolidated
	_____	_____	_____	_____
Cumulative Results of Operations:				
Beginning Balances	\$	(70,864.09)		\$(70,864.09)
Beginning balance, as adjusted		(70,864.09)		(70,864.09)
 Budgetary Financing Sources:				
Appropriations used		\$ 2,981,561.70		\$ 2,981,561.70
 Other Financing Sources (Non-Exchange):		=====		
Imputed financing		73,032.30		73,032.30
Total Financing Sources		3,054,594.00		3,054,594.00
Net Cost of Operations		<u>3,045,306.93</u>		<u>3,045,306.93</u>
Net Change		<u>\$9,287.07</u>		\$ 9,287.07
 Cumulative Results of Operations		\$ (61,577.02)		\$ (61,577.02)
 Unexpended Appropriations:				
Beginning Balance		\$ 1,084,176.92		\$ 1,084,176.92
 Budgetary Financing Sources:				
Appropriations received		3,250,000.00		3,250,000.00
Other adjustments		-(50,957.03)		(50,957.03)
Appropriations used		<u>(2,981,561.70)</u>		<u>(2,981,561.70)</u>
Total Budgetary Financing Sources		<u>217,481.27</u>		<u>217,481.27</u>
Total Unexpended Appropriations		<u>1,301,658.19</u>		<u>1,301,658.19</u>
Net Position		<u>\$ 1,240,081.17</u>		<u>\$ 1,240,081.17</u>

THE NATIONAL COUNCIL ON DISABILITY

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2016 and 2015

FY 2015 (PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
	_____	_____	_____	_____
Cumulative Results of Operation				
Beginning Balances	-	(72,416.80)		(72,416.80)
Beginning balance, as adjusted	-	(72,416.80)	-	(72,416.80)
 Budgetary Financing Sources:				
Appropriations used		\$ 3,302,401.77		\$ 3,302,401.77
 Other Financing Sources (Non-Exchange):				
Imputed financing		-		67,848.83
		67,848.83		
Total Financing Sources		3,370,250.60	-	3,370,250.60
Net Cost of Operations		<u>3,368,697.89</u>		<u>3,368,697.89</u>
Net Change		<u>-\$1,552.71</u>		\$ 1,552.71
 Cumulative Results of Operations		-\$ (70,864.09)		\$ (70,864.09)
 Unexpended Appropriations:				
Beginning Balance		\$ 1,179,173.94		\$ 1,179,173.94
 Budgetary Financing Sources:				
Appropriations received	-	3,250,000.00		3,250,000.00
Other adjustments	-	(42,595.25)		(42,595)
Appropriations used	-	<u>(3,302,401.77)</u>		<u>(3,302,401.77)</u>
Total Budgetary Financing Sources	-	<u>(94,997.02)</u>		<u>(94,997.02)</u>
Total Unexpended Appropriations	-	<u>1,084,176.92</u>		<u>1,084,176.92</u>
Net Position		\$ 1,013,312.83		\$ 1,013,312.83

THE NATIONAL COUNCIL ON DISABILITY

STATEMENT OF BUDGETARY RESOURCES

As Of And For The Years Ended September 30, 2016 and 2015

	2016	2015
	<u>Budgetary</u>	<u>Budgetary</u>
BUDGETARY RESOURCES		
Unobligated balance brought forward, October 1	\$ 253,092.31	\$ 385,020.89
Unobligated balance brought forward, October 1, adjusted	253,092.31	385,020.89
Recoveries of prior year unpaid obligations (unobligated balances)	388,156.33	19,873.29
Other changes in unobligated balance	<u>(50,957.03)</u>	<u>(42,595.25)</u>
Unobligated balance from prior year budget authority, net	590,291.61	362,298.93
Appropriations (discretionary and mandatory)	3,250,000.00	3,250,000.00
Spending authority from offsetting collections	20,010.52	26,167.41
Total budgetary resources	<u><u>\$ 3,860,302.13</u></u>	<u><u>\$ 3,638,466.34</u></u>
 STATUS OF BUDGETARY RESOURCES		
Obligations incurred	(Note 10) \$ 3,675,794.54	\$ 3,385,374.03
Apportioned	52,825.94	101,007.12
Unapportioned	<u>131,681.65</u>	<u>152,085.19</u>
Unobligated balance brought forward, end of year	<u>184,507.59</u>	<u>253,092.31</u>
Total budgetary resources	<u><u>3,860,302.13</u></u>	<u><u>\$ 3,638,466.34</u></u>
 CHANGE IN OBLIGATED BALANCE		
Unpaid obligations, brought forward, October 1 (gross)	\$ 958,197.56	\$ 932,967.78
Obligations incurred	3,675,794.54	3,385,374.03
Outlays (gross) (<u>(3,052,226.29)</u>	<u>(3,340,270.96)</u>
Recoveries of prior year unpaid obligations (-)	(388,156.33)	(19,873.29)
Unpaid obligations, end of year	<u>1,193,609.48</u>	<u>958,197.56</u>
Obligated balance, start of year (net)	958,197.56	932,967.78
Obligated balance, end of year (net)	<u><u>\$ 1,193,609.48</u></u>	<u><u>\$ 958,197.56</u></u>
 BUDGET AUTHORITY AND OUTLAYS, NET		
Budget authority, gross (discretionary and mandatory)		\$3,276,167.41
Actual offsetting collections (discretionary and mandatory) (-)	3,270,010.52 <u>(20,010.52)</u>	<u>(26,167.41)</u>
Budget authority, net (discretionary and mandatory)	<u>3,250,000.00</u>	<u>3,250,000.00</u>
Outlays, gross (discretionary and mandatory)	3,052,226.29	3,340,270.96
Actual offsetting collections (discretionary and mandatory) (-)	<u>(20,010.52)</u>	<u>(26,167.41)</u>
Outlays, net (discretionary and mandatory)	<u>3,032,215.77</u>	<u>3,314,103.55</u>
Agency outlays, net (discretionary and mandatory)	<u><u>\$ 3,032,215.77</u></u>	<u><u>\$ 3,314,103.55</u></u>

The accompanying notes are an integral part of these statements.

NATIONAL COUNCIL ON DISABILITY

GENERAL FUND

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

Basis of Presentation

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Basis of Presentation – (Continued)

OMB Circular No. A-136 requires agencies to prepare principal statements, include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2016, amounts of future economic benefits owned or managed by NCD (assets), amounts owed by NCD (liabilities), and amounts which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within NCD and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with 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.

Use of Estimates

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

Budgets and Budgetary Accounting

NCD follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," dated June 2016. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Each year, Congress provides NCD appropriations to incur obligations in support of agency programs. For Fiscal Years (FY) 2016 and 2015, NCD is accountable for general fund appropriations and no- year fund carryover. NCD recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collections is incurred.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Revenues and Other Financing Sources

NCD receives substantially all of the funding needed to support its programs through appropriations. NCD receives annual and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Appropriations are recognized as revenues as the related programs or administrative expenses are incurred.

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

Personnel Compensation and Benefits

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

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

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

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

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

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

Assets and Liabilities

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

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

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fund Balance with Treasury

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

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

General Property, Plant, and Equipment, Net

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

PP&E is reported at acquisition cost.

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

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

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

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

Useful lives are as follows:

- Equipment - 4 years
- Furniture - 4 years

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

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

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

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

Prepaid and Deferred Charges

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

Liabilities

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

Contingencies

The agency has potential commitments or contingencies that currently do not meet any of the conditions for liability recognition however there is a possibility that a loss will occur of approximately \$400,000.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Net Position

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

Funds from Dedicated Collections

SFFAS 43 replaced SFFAS 27 and resulted in a significant change in the definition of what was previously known as "earmarked funding." SFFAS 43 states that funds from dedicated collections are financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenues.

As of FY 2014 it was determined that NCD funding that previously was designated "earmarked" did not qualify under the new definition for "Funds from Dedicated Collections" and are not presented separately in these financial statements.

NOTE 2 – FUND BALANCE WITH TREASURY

All of NCD's fund balance with treasury is coming from appropriations. No trust, revolving or other fund type are used to fund NCD's activities. NCD operates as an annual fund, where each year is a new appropriation. This fund balance with treasury is a consolidated balance of one no-year fund and five annual funds (FY 2012, FY 2013, FY 2014, and FY 2015 and FY 2016). The annual fund for FY 2011 is cancelled and the remaining fund balance of \$50,957.03 is given back to US Treasury during fiscal year 2016.

A. Fund Balance with Treasury	<u>201</u>	<u>2015</u>
Appropriated Fund	1,378,117.07	1,211,289.8
B. Status of Fund Balance with Treasury		
1) Unobligated Balance	184,507.59	
a) Available	52,825.94	101,007.12
b) Unavailable	131,681.65	152,085.19
2) Obligated Balance not yet Disbursed	1,193,609.48	958,197.56
Total	<u>1,378,117.07</u>	<u>1,211,289.87</u>

NOTE 3 – ADVANCES AND PREPAYMENTS

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

	<u>2016</u>	<u>2015</u>
Deferred	118,838.55	87,253.76
Total	<u>118,838.55</u>	<u>87,253.76</u>

NOTE 4 – ACCOUNTS RECEIVABLE, NET

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

	<u>2016</u>	<u>2015</u>
Accounts Receivable - With the Public	12,252.24	18,966.02

NOTE 4A – LOANS RECEIVABLE, NET

Loans Receivable, Net from the Public represents a Loan Receivable from a current employee.

	<u>2016</u>	<u>2015</u>
Loans Receivable - With the Public	-	-

NOTE 5 - GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

The Board’s total cost, accumulated depreciation, and net book value for PPE for the year ending September 30, 2016 is as follows. There was no PPE for the year ending September 30, 2015.

2016	Equipment	Furniture & Fixtures	Software	Software in Development	Total
Cost	\$15,452.00	\$0.00	\$0.00	\$0.00	\$15,452.00
Accum Depr.	(\$570.68)	\$0.00	\$0.00	\$0.00	(\$570.68)
Net Book Value	\$14,881.32	\$0.00	\$0.00	\$0.00	\$14,881.32

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of NCD are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2016, NCD showed liabilities covered by budgetary resources of \$195,297.43 and liabilities not covered by budgetary resources of \$88,710.58. As of September 30, 2015, NCD showed liabilities covered by budgetary resources of \$214,366.71 and liabilities not covered by budgetary resources of \$89,830.11.

As of September 30, 2016, liabilities covered by budgetary resources are composed of Accounts Payable of \$132,730.46, Accrued Funded Payroll and Leave of \$47,260.80, and Employer Contributions and Payroll Taxes Payable of \$15,306.17. As of September 30, 2015, liabilities covered by budgetary resources are composed of Accounts Payable of \$169,820.41, Accrued Funded Payroll and Leave of \$35,562.41, and Employer Contributions and Payroll Taxes Payable of \$8,983.89.

	<u>2016</u>	<u>2015</u>
Other (Unfunded leave liability)	88,710.58	89,830.11
Total liabilities not covered by budgetary resources	<u>88,710.58</u>	<u>89,830.11</u>
Total liabilities covered by budgetary resources	195,297.43	214,366.71
Total Liabilities	<u>284,008.01</u>	<u>304,196.82</u>

NOTE 7 – OTHER LIABILITIES

As of September 30, 2016, other liabilities with the public consist of Accrued Funded Payroll and Leave of \$47,260.80, unfunded leave in the amount of \$88,710.58, and employer contributions and payroll taxes payable – TSP of \$1,922.36. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable of \$13,383.81.

As of September 30, 2015, other liabilities with the public consist of Accrued Funded Payroll and Leave of \$35,562.41 unfunded leave in the amount of \$89,830.11, and employer contributions and payroll taxes payable – TSP of \$952.36. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable of \$8,031.53.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2016	Other Liabilities	88,710.58	49,183.16	137,893.74
2015	Other Liabilities	89,830.11	36,514.77	126,344.88
	Intragovernmental	Non-Current	Current	Total
2016	Other Liabilities	-	13,383.81	13,383.81
2015	Other Liabilities	-	8,031.53	8,031.53

NOTE 8 - LEASES

Operating Leases

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

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

<u>Fiscal Year Ended</u>	<u>Minimum Lease Payment</u>
September 30, 2017	279,139
September 30, 2018	282,076
September 30, 2019	285,100
September 30, 2020	288,215
September 30, 2021	<u>257,804</u>
	1,392,334

NOTE 9 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

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

	Total 2016	Total 2015
Program A		
Intragovernmental costs	775,846.84	884,096.35
Public costs	2,269,460.09	2,484,601.54
Total Program A costs	<u>3,045,306.93</u>	<u>3,368,697.89</u>
Total Program A	<u><u>3,045,306.93</u></u>	<u><u>3,368,697.89</u></u>

NOTE 10 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

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

Direct	<u>2016</u>		<u>2015</u>
Category B	3,675,794.54		3,385,374.03
	3,675,794.54		3,385,374.03

NOTE 11 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of NCD’s undelivered orders was \$1,117,150.60 and \$831,084.61 as of September 30, 2016 and 2015, respectively.

NOTE 12 – 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 6), shown as follows:

**FY
2016**

	FY 2015	FY 2016	Change
Unfunded Annual Leave	\$89,830.11	\$88,710.58	(\$1,119.53)

**FY
2015**

	FY 2014	FY 2015	Change
Unfunded Annual Leave	\$89,975.63	\$89,830.11	(\$145.52)

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 decrease in annual leave liability for which the budgetary resources will be provided in a subsequent period.

NOTE 13 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the NCD in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the NCD 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 NCD 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):

**NOTE 13 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY)
TO BUDGET – (CONTINUED)**

	2016	2015
Budgetary Resources Obligated	3,675,794.54	3,385,374.03
Spending Authority from Recoveries and Offsetting Collections	(408,166.85)	(46,040.70)
Distributed Offsetting Receipts	-	-
Imputed Financing from Costs Absorbed by Others	73,032.30	67,848.83
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(286,065.99)	(36,931.56)
Other Resources or adjustments	-	-
Resources that Finance the Acquisition of Assets	(8,738.22)	(1,407.19)
Increase in Annual Leave Liability	(1,119.53)	(145.52)
Depreciation and Amortization	570.68	
Net Cost of Operations	3,045,306.93	3,368,697.89

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 12, 2016, which is the date the financial statements were available to be issued.

Assurance Statement

December 12, 2016

Christopher Toht Rocha & Company, PC

9841 Washingtonian Blvd., Ste. 310

Gaithersburg, MD 20878 Dear, Mr. Toht:

We are providing this letter in connection with your audit of the National Council on Disability's balance sheet as of September 30, 2016 and the related statements of net costs, changes in net position and budgetary resources for the year then ended (hereinafter referred to as the "financial statements").

You conducted your audit to (1) express an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, (2) report on the entity's internal control over financial reporting and compliance with laws and regulations as of September 30, 2016, and (3) test for compliance with applicable laws and regulations. In addition, you have performed certain audit procedures with respect to the 2016 Management's Discussion and Analysis (MD&A) and other supplementary information, which is included as part of the 2016 financial statements of the National Council on Disability.

Certain representations in this letter are described as being limited to matters that are material. For purposes of this letter, matters are considered material if they involve \$1,600 or more. For the financial statement audit, overall planning materiality was \$97,000 and tolerable misstatement was \$32,000. Items also are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of December 12, 2016 the following representations made to you during your audit. These representations pertain to both years' financial statements, and update the representations were provided in the prior year:

Presentation and Disclosure

1. We are responsible for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for the preparation of the MD&A, and other supplementary information.
2. The financial statements are fairly presented in conformity with U.S. generally accepted accounting principles. The MD&A and other supplementary information are fairly presented and are consistent with the financial statements.

3. We have made available to you, all
 - a. financial records and related data,
 - b. any communications from the Office of Management and Budget (OMB) concerning noncompliance with or deficiencies in financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or disclosed in the notes to the financial statements.
5. The National Council on Disability has satisfactory title to all owned assets, including property, plant, and equipment; such assets have no liens or encumbrances, nor have any assets been pledged.
6. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities or that we are required to disclose in the financial statements.
7. There are no guarantees under which the National Council on Disability is contingently liable that require reporting or disclosure in the financial statements.
8. Related party transactions and related accounts receivable or payable, including assessments, loans, leasing arrangements, and guarantees have been properly recorded and disclosed.
9. No material events or transactions have occurred subsequent to September 30, 2016, that have not been properly recorded in the financial statements or disclosed in the notes.

Intra-governmental Activities

10. All intra-entity transactions and balances have been appropriately identified and eliminated for financial reporting purposes. All intra-governmental transactions and activities have been appropriately identified, recorded, and disclosed in the financial statements. We have reconciled intra-governmental transactions and balances with the federal entity providing the goods and services.

Internal Control

11. We are responsible for establishing and maintaining effective internal control.
12. Pursuant to the Federal Managers' Financial Integrity Act, we have assessed the effectiveness of the National Council on Disability's internal control in achieving the following objectives:
 - a. Reliability of financial reporting - Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.

b. Compliance with applicable laws and regulations - Transactions are executed in accordance with laws governing the use of budget authority; other laws and regulations that could have a direct and material effect on the financial statements, and any other laws, regulations, and government wide policies identified in OMB guidance.

c. Reliability of performance reporting - Transactions and other data that support reported performance measures in the MD&A are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management.

13. There have been no changes to internal control subsequent to September 30, 2016, or other factors that might significantly affect the effectiveness of internal control.

14. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud (intentional misstatements or omissions of amounts or disclosures in financial statements and misappropriation of assets that could have a material effect on the financial statements).

15. We have no knowledge of any fraud or suspected fraud affecting the National Council on Disability involving:

- a. Management,
- b. Employees who have significant roles in internal control, or
- c. Others where the fraud could have a material effect on the financial statements.

16. We have no knowledge of any allegations of fraud or suspected fraud affecting the National Council on Disability received in communications from employees, former employees, regulators, or others.

Laws and Regulation

17. We are responsible for the National Council on Disability's compliance with applicable laws and regulations.

18. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

19. There are no:

- a. violations or possible violations of laws or regulations, whose effects we should evaluate for disclosure in the financial statements or as a basis for recording a loss contingency,
- b. material liabilities or gain or loss contingencies that are required to be accrued or disclosed, that have not been accrued or disclosed, or

c. unasserted claims or assessments that are probable of assertion and must be disclosed, that have not been disclosed.

20. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

21. We are not aware of any violations of the Antideficiency Act that we must report to the Congress and the President for the year ended September 30, 2016 and through the date of this letter.

Budgetary and Restricted Funds

22. The information presented in the National Council on Disability's Statement of Budgetary Resources agrees with information submitted in its year-end Reports of Budget Execution and Budgetary Resources (SF-133s). This information is supported by the related financial records and data.

23. The agency does not maintain earmarked funds as defined by FASAB SFFAS No. 27.



Rebecca Cokley
Executive Director


Lisa Grubb
Management Analyst

Performance Section

GOAL: Advance the goals of the Americans with Disabilities Act (ADA) by promoting policies, programs, practices, and procedures that guarantee equal opportunity and provide for economic self-sufficiency, independent living, and inclusion and integration into all aspects of society for individuals with disabilities.

NCD's history and future, as is our strategic goal, is inextricably linked to the ADA. In 1986, NCD advised the President and Congress to pass a civil rights law for people with disabilities and in 1988, NCD wrote the first version of the ADA that was introduced in the House and Senate. Since that time, NCD has diligently monitored and reported on the ADA's implementation; any threats posed to it; and policies, programs, practices, and procedures that advance the ADA's goals.

We have the following two objectives to facilitate achieving this goal:

1. Engage stakeholders in order to assess concerns and priorities and build a network of NCD partners.
2. Address stakeholder concerns and priorities by advancing specific, practical policy solutions and encouraging collaboration.

FY 2016 Results – Engagement

NCD regularly hears from its stakeholders throughout each year both through letters, emails, faxes, and calls received to our office and through created opportunities such as regional policy forums; public testimony received at meetings in person or by telephone; participation at conferences and meetings of stakeholder groups; congressional office visits; and communications the Council Members have with their disability-related organizational ties.

In addition to these opportunities, NCD's legislation mandates a minimum of four public meetings annually. Some of NCD's most important activities occur during the quarterly meetings. Public comment sessions and town halls, full-length presentations by stakeholders, and opportunities to meet with additional stakeholders in the disability community who attend the meetings afford NCD the opportunity to identify needs as well as promising practices in communities and regions across the country, which can be highlighted in our reports as findings and the basis of recommendations. NCD also has a history of playing a convening role, advancing policy discussions in the process, by bringing diverse stakeholders together that may not otherwise have policy discussions with one another.

Throughout the life of the agency, NCD has closely consulted stakeholders as key advisors in shaping NCD's policy endeavors. NCD employs a wide array of communication tools to stay connected to our constituency, both to hear from them and also to make them aware of the recommendations we are offering to policymakers.

Agency Website -- NCD's website houses all of its reports to Congress and the President and acts as an online library of sorts for many individuals interested in learning more about the implementation of certain disability laws and the gaps that remain in securing equality of opportunity for Americans with disabilities. We regularly hear from students in the U.S. and abroad who make use of our reports, as well as from congressional staffers and interns who are attempting to learn more about a particular subject that has recently been added to their portfolio.

In FY 2016, NCD's website hosting vendor, the Government Publishing Office, divested itself of website hosting service provision, and notified its agency customers that we'd have to secure new services quickly. The website data migration and changes in monitoring software resulted in an interruption in website statistical data collection, making it impossible to compare the web traffic to the NCD website from FY2016 to FY 2015. However, in view of continued growth in other online communication mediums, NCD remains confident that its website traffic remains very high. Last year, NCD saw its third year of continual growth in website traffic, with 463,000 unique visitors last FY, which represented a 49% increase in visitors over FY14; and an 87% increase over FY13.

The three most commonly viewed reports in FY 2016 remained unchanged from the previous year's most viewed reports and continue to provide evidence of the diversity of NCD's stakeholders' interests, the breadth of NCD's work, and the relevance of our reports, even years after their release – *Rocking the Cradle: Ensuring the Rights of Parents with Disabilities and Their Children* (2012, and also re-released with a plain language toolkit in May 2016); *The Current State of Health Care for People with Disabilities* (2009); and *Effective Emergency Management: Making Improvements for Communities and People with Disabilities* (2009).

NCD Social Media and Listserv-- NCD remains recognized by and sought by the disability community as a leader in utilizing social media to engage with stakeholders with our active Facebook and Twitter accounts. NCD staff continued to "live tweet" many disability policy events and hearings on Capitol Hill and the White House to bring information from these Washington, DC based events, which were neither webcast nor available for teleconference participation, to far wider audiences beyond the beltway.

The total number of individuals who follow NCD's Facebook page continued to show steady, increasing growth with the number of supporters growing from 21,034 in September 2015 to 27,885 at the end of September 2016.

Similarly, NCD's Twitter account from which we facilitate and host discussions among stakeholders and constituents and distribute important updates on disability policy concerns as risen to 9,150 at the end of 2016 increasing our followers by over 2,600 from this time last year.

In FY2016, NCD conducted several Twitter chats and participatory online events, including:

- April 13, 2016: "How does technology enhance the lives, leisure and independence of people with disabilities?" The well-received conversation was used to inform the National Council on Disability 2016 Progress Report and participants' comments were featured prominently in the report.
- July 28, 2016: Live tweeting of the panel discussions at the NCD quarterly meeting (Minneapolis, MN) focused on the impact of poverty on the disability community and fostered additional input on the topic from both those present and those unable to attend. The panel discussions and the online comments will help inform the 2017 Progress Report focused on poverty.
- September 10, 2016: NCD conducted a live Twitter chat with prominent mental health advocates for a discussion about mental health reform. The Storify (www.storify.com) record of the comments received was shared with staff of the committees of jurisdiction on mental health care reform proposals under consideration.

- September 30, 2016: Twitter chat, co-hosted with Paralyzed Veterans of American, “Celebrating 30 years of the Air Carrier Access Act” – timed to coincide with the Air Carrier Access Act negotiated rulemaking and against the backdrop of the Federal Aviation Administration reauthorization so the insights of NCD stakeholders could be elevated.

NCD also continues to utilize its traditional email distribution listserv for constituents who favor this method of information delivery. Approximately 3,000 subscribers receive regular policy and activities updates from the agency using this method.

Public Comment –Eleven public comment periods were conducted during Quarterly Meetings of the National Council on Disability during FY 2016. During that time, a total of 56 individuals provided public comment either in written format by email, by phone or in person on the following topics:

- Mental health services in higher education
- Guardianship and supported decision-making
- Medicaid managed care and challenges for the direct care workforce
- Emerging technology, direct care workforce challenges
- Poverty and disability
- Police/state violence
- Criminal justice and disability, and special education

Phone Briefings -- Finally, NCD organized and implemented three community phone briefings on NCD’s Affordable Care Act report series, which were well-attended:

- January 19, 2016: Implementing the Affordable Care Act: A Roadmap for People with Disabilities.
- January 26, 2016: The Impact of the Affordable Care Act on People with Disabilities.
- February 2, 2016: Monitoring and Enforcing the Affordable Care Act for People with Disabilities

Conferences and Other Speaking Engagements – NCD receives numerous invitations each year to speak at state, national, and international conferences and other events and makes good use of the opportunities it accepts by sharing its latest policy findings and recommendations, sometimes with hundreds of attendees at each event. In FY 2016, highlights of such speaking engagements included:

- On September 18, 2016 in New Orleans at the annual Excellence in Journalism conference, NCD’s Public Affairs Specialist, along with CNN journalist and the *National Center on Disability* and Journalism conducted a workshop for reporters on how to write beyond stereotypes and how to find the disability stories hidden within every beat.
- On July 26, 2016 NCD staff spoke at an event with the White House Initiative on Educational Excellence and African Americans on the challenges and opportunities associated with being “Young, Black, Gifted, and Disabled in the ADA Generation.” Approximately 250 students and family members were in attendance.
- On July 13, 2016, NCD’s Executive Director Rebecca Cokley was part of a panel exploring the intersection between the LGBT and disability rights movements was a key

point addressed at a *Netroots Nation* panel. Two hundred people attended the event which was webcast to approximately 90,000.

- On May 11, 2016, NCD's Public Affairs Specialist and disability journalist David Perry taught reporters better ways to tell stories about disability as identity reveal key resources for reporting on these stories and see the disability angle hidden within almost every beat in a webinar for journalists provided by *Poynter's News University*.
- In September, NCD staff spoke at the Connecticut Vocational Rehabilitation Conference and the Virginia State Independent Living Conference on emerging areas of disability public policy.
- Throughout July, NCD presented at the U.S Department of Commerce, the U.S. Mint, the Securities and Exchange Commission and Export-Import Bank, and Small Business Administration.
- In 2016 the Chairperson spoke on the Medicaid Managed Care Roll out with the National Association of Councils on Developmental Disabilities, TASH, Oklahoma State Independent Living Conference, National Advisory Board on Long Term Supports and Services, and the Consumer Directed Personal Assistance Association of New York State.

International Delegations – Internationally, NCD continues to regularly host U.S. State Department delegations interested in U.S. disability rights and in the role of NCD in the federal government. In FY 2016, these delegation visits included those from South Korea; Burma; China; Egypt; Ghana; Hungary; Iceland; Korea; Latvia; Maldives; Moldova; Nepal; Oman; Pakistan; Palestinian Territories; Philippines; Russia; Tajikistan; Tanzania; Uganda. NCD also met with representatives of the Peace Corps to help them develop more inclusive hiring practices with NCD's assistance.

Congressional and Federal Agency Engagement – Throughout FY 2016, NCD continued to deepen relationships as a trusted advisor in both Member and committee offices and federal agencies. NCD responds to calls and letters from individual congressional offices throughout each year that request disability-related information regarding constituents' needs. In addition to being a resource for Members' district offices, NCD strives to provide timely policy information and recommendations to legislative offices and federal agencies, both proactively and in response to direct requests. NCD staff provided electronic copies and in-person briefings of its policy reports and papers to legislative staff in the House and Senate and appropriate federal agencies throughout the past fiscal year. In addition, NCD staff has offered policy briefings on its reports' major findings and recommendations, as well, utilizing teleconferences and in-person Hill and agency briefing formats. Some highlights of NCD's FY16 congressional and federal agency activity include the following:

- NCD reviewed and provided input to the Office for Democratic Institutions and Human Rights (OSCE) Needs Assessment Mission Report for the State Department, regarding voting accessibility. NCD's voting work is noted in the report.
- NCD was chosen to be a government observer during the negotiated rule-making on the Nondiscrimination on the Basis in Air Travel conducted by the Department of Transportation. NCD is represented on the working group regarding inflight communication and inflight entertainment (IFC/IFE).
- NCD was chosen to serve on the Small Business Administration's Council on Underserved Communities, following its outreach to advocate for inclusion of people with disabilities in 8 (a) programs.

- NCD Staff was asked to present to a series of economic agencies presented on emerging issues in disability policy. Agencies included, the Securities Exchange Commission, Export-Import Bank, Dept. of Commerce, and U.S. Mint.
- NCD met regularly with leadership at the National Highway Traffic Safety Administration regarding development of guidance for autonomous vehicle technology; and likewise met with majority and minority staff of the U.S. Senate Committee on Commerce, Science, and Transportation in preparation for hearings on the topic.
- NCD met regularly with majority and minority staff of the House Energy and Commerce Health Subcommittee regarding mental health reform as proposals were under consideration and negotiations were underway.
- NCD led and coordinated efforts to secure a congressional request of GAO for a report on voter access in the 2016 general election.
- NCD participated in a federal government roundtable discussion about guardianship, which was timely in consideration of NCD's research for its guardianship report set for release in FY2017.
- After years of interactions with the FDA in which NCD proposed a ban on electroshock therapy, on April 22, 2016, the FDA announced its intention to push for a ban on electrical stimulation devices used to treat aggressive or self-injurious behavior, recognizing that the devices present an unreasonable and substantial risk of illness or injury that cannot be corrected or eliminated by labeling. Both new devices and devices already in distribution and use would be banned under the proposal.
- NCD released a toolkit and a revamped version of its *Rocking the Cradle* report on parenting, as well as a plain language version of the toolkit, at the White House forum on the Civil Rights of Parents with Disabilities. The release was in coordination with a roundtable intended to discuss how to advance the report's recommendations in Congress and the Administration. The roundtable was attended by representatives from the Department of Justice and HHS Office for Civil Rights.
- In February 2016, the U.S. Department of Education's proposed "Equity in IDEA" rule would, for the first time, require states to implement a standard approach to compare racial and ethnic groups, with reasonable thresholds for determining when disparities have become significant in identification, placement, and discipline. These new standards draw from several recommendations made in NCD's "Breaking the School-to-Prison Pipeline" report issued in FY 2015 and followed regular communications with the Department of Education regarding the report's findings and recommendations.
- NCD reviewed and provided feedback on the U.S. Department of Justice Office of Community Relations Services training materials for law enforcement engaging with people with Intellectual & Developmental Disabilities.
- NCD convened a roundtable discussion titled, "The Sustainability of the HCBS System: Compliance, Access, Rates" in which top level leadership of CMS participated. The roundtable participants, in addition to including state representatives, advocates, and service providers, included representatives from DOJ and across divisions of HHS.

Media & Other Engagement – In FY 2016, NCD received numerous request for comments and interviews by members of the media regarding our reports and policy positions or in search of a disability perspective on a topic of popular culture. Responding to these opportunities helps extend NCD's reach well beyond our traditional reach, gives us opportunities to promote our body of work in relation to "trending" topics, and often leads to new working relationships and ongoing coverage of important disability concerns in current events. FY 2016 highlights included:

- On November 17, 2015, in partnership with Disability.gov, NCD authored and distributed an editorial by NCD Chair Clyde Terry titled, “Economic Independence for Americans with Disabilities Requires Owning and Operating Our Own Businesses.” The piece was sent to 93K Twitter followers, 35K Facebook friends, as well as more than 56K blog subscribers of Disability.gov in addition to our own 22,115 Facebook subscribers, 7,404 Twitter followers and 2,747 listserv subscribers.
- On December 14, 2015, *Education News* from *Think Inclusive* featured information on education from NCD’s 2015 annual Progress Report.
- On *January 25, 2016*, *Cosmopolitan* featured NCD’s Parenting Report in an article titled, “Too Disabled to Care for a Child? How One Mom Fought the State to Bring Her Baby Home.”
- On January 24, 2016 *New York Magazine* highlighted NCD’s work on parenting with a disability.
- On January 31, 2016 NCD’s report on the lack of transportation access and the significant barrier it presents to participating in the community was cited in the *Santa Fe New Mexican*. On April 19, 2016, NCD’s work on foster care issues was cited in an expose on Texas’ foster care system on *Michigan Public Radio*.
- On February 4, 2016, the Parent Herald online magazine featured NCD’s parenting work in an article titled “Does A Parent’s IQ Affect Parenting Skills?”
- On February 24, 2016, *Modern Healthcare* quoted NCD’s work on the impact of the Affordable Care Act on Americans with Disabilities by detailing how the ACA has improved the lives of disabled individuals. The article noted NCD’s support of the CMS transition to a Transformed Medicaid Statistical Information System and quoted from NCD’s report.
- On April 12, 2016, the *Philadelphia Tribune* featured NCD’s work in an article on addressing racial bias and ending the ‘school-to-prison pipeline.’
- On April 13, 2016, *Modern Healthcare* wrote an in-depth piece titled, “Disabled Medicaid beneficiaries are losing services in managed care,” which cited research and outreach efforts conducted by NCD.
- On May 26, 2016, *The Atlantic* magazine cited NCD’s work on healthcare reform.
- On July 12, 2016, the NCD Chairperson, who is blind, co-piloted the new self-driving vehicle from Audi at the prototype’s debut. Media coverage highlighting the event was featured in the *NH Union Leader* and *Bloomberg BNA*.
- On July 22, 2016 NCD’s report on voting access was cited in the *Washington Post*.
- On July 25, 2016, NCD’s Executive Director was interviewed by the *Daily Beast* in a thorough examination of “What It Feels Like To Be An Autistic Person of Color in the Eyes of the Police.”
- In July 2016, a NCD Council Member was a guest on the *Disability Matters* radio show to discuss NCD’s Progress Report; our work on autonomous vehicles; and our mental health in higher education project.
- On July 26, 2016 NCD Executive Director co-authored an article for *NBC News.com* titled, “How Do We Support African American Students with Disabilities?” The NBC News digital platform reaches an audience of more than 58 million unique visitors who generate more than 1.2 billion page views each month.
- On August 2, 2016 *Slate Magazine* publicized the plain-language toolkit outlining the rights of parents with disabilities and their children in a response to their popular letters column.
- On September 11, 2016, the *Philadelphia Inquirer* interviewed the NCD Executive Director, who was quoted that even though the U.S. Census Bureau estimates that

report nearly one in five people in the United States have a physical or mental disability, people with disabilities remain underrepresented in books and other types of media.

- On September 13, 2016, *Rolling Stone* interviewed the NCD Executive Director for a feature on how the increased visibility of disabled athletes in the Paralympics extends beyond sporting events to civil and human rights.
- On September 20, 2016, the NCD Chairperson was featured in an interview with *New Hampshire Public Radio* talking about NCD's work on autonomous vehicles.

FY 2016 Results – Policy Development and Collaboration

In FY 2016, NCD's engagement activities and policy development activities remained complementary. Much of what NCD hears from its stakeholders throughout the year through the means of engagement outlined above informs the Council's priority setting when selecting its slate of policy projects for the upcoming fiscal year. Likewise, once the policy projects are selected, NCD often relies upon engagement activities again during the research phase of a project, to convene focus groups, receive immediate input via Twitter chats on specific questions posed by researchers, and to receive expert information during quarterly meeting panel presentations. Once reports are written and released, engagement activities are again employed to create awareness of the recommendations and work collaboratively toward their implementation, much of which includes further development of new policies.

In FY 2016, NCD developed policy positions and recommendations for Congress, the President, and other federal agencies in the following publications and letters:

- *Monitoring and Enforcing the Affordable Care Act for People with Disabilities*
- *The Impact of the Affordable Care Act on People with Disabilities: A 2015 Status Report*
- *Implementing the Affordable Care Act (ACA): A Roadmap for People with Disabilities*
- *Medicaid Managed Care Community Forums: Report*
- *Self-Driving Cars: Mapping Access to a Technological Revolution*
- *Toolkit for Parenting with a Disability*
- Accessible Drug Labeling brochure
- Letter to House Judiciary Committee on the "ADA Education & Reform Act of 2015"
- Letter to Social Security Administration Regarding Proposed Rule Titles "Implementation of the ICS Improvement Act of 2007 (NIAA)"
- Letter to Senate Majority Leader Mitch McConnell Regarding Senate Mental Health Legislation
- Letter to CMS Regarding Proposed Part B Drug Payment Model
- Letter to Treasury Secretary about Including Accessibility in New Dollar Bills
- Letter to CDC about National Health Interview Survey's (NHIS) 2018 Questionnaire Redesign

A brief synopsis of the FY 2016 reports follows in the chart below.

Federal Agency Collaboration – Given the connection between NCD's engagement and policy development objectives, rather than repeat many items previously noted, the highlights of NCD's performance in this area are noted above in the section involving congressional and federal agency engagement.

More Stakeholder-Friendly Materials – In FY 2016, NCD continued to make changes to the manner in which it develops and packages its policy recommendations to Congress and the President in response to feedback received from congressional stakeholders. Staff received and applied necessary training to transition report presentations to a more reader-friendly layout that includes a greater emphasis on infographics, easier-to-spot major findings and recommendations and key points, and shorter in length. The new report format has been met with an overwhelmingly positive response. NCD likewise began steps in FY 2016 to identify opportunities for greater application of plain language principles in its policy work, and at the request of disability community stakeholders, created and released a plain language version of a parenting rights toolkit, collaboratively with the Christopher and Dana Reeve Foundation.

Progress Report Overhaul – In FY 2016, NCD began transitioning its annual progress report from its historically lengthy presentation of available data that was largely redundant year over year, to a presentation format that tied policy areas together thematically. This year’s progress report relied upon access to information and communication technology as its unifying theme across policy areas. NCD plans to continue utilizing a thematic organizing format in its FY2017 progress report.

Synopses of FY2016 Policy Reports
<p><i>Self-Driving Cars: Mapping Access to a Technology Solution</i></p> <p>In 2004 NCD issued a report, <i>Design for Inclusion</i>, aimed at educating designers and manufacturers about the way electronic and information technology (E&IT) intersects with the needs of individuals with disabilities, and how designing with access in mind can significantly increase the size of targeted markets for E&IT. In 2011, NCD took the next step in recognizing the transformative power of technology and innovation, and examined the importance of social media and other information technologies in connecting people to job opportunities in report <i>The Power of Digital Inclusion</i>. The latest innovations in technology are now upon us through the use of autonomous vehicles. <i>Self-Driving Cars: Mapping Access to a Technology Revolution</i> explores the emerging revolution in automobile technology and the promise it holds for people with disabilities, as well as the obstacles the disability community faces to realizing that promise. The report examined the current state of the technology, current approaches to regulation, and potential technological and policy barriers to full use by people with disabilities, and provides recommendations for preventing or eliminating those barriers, including model legislative language.</p> <p>http://www.ncd.gov/publications/2015/self-driving-cars-mapping-access-technology-revolution</p>
<p><i>Implementing the Affordable Care Act (ACA): A Roadmap for People with Disabilities</i></p> <p>The Patient Protection and Affordable Care Act (ACA) is one of the most significant and widely debated pieces of healthcare legislation in generations, and it has altered the way that people with disabilities will receive health care and ancillary services for generations to come. <i>Implementing the Affordable Care Act (ACA): A Roadmap for People with Disabilities</i> is the first in a series of three reports regarding the implementation, impact, and enforcement of ACA. This first report in the series provides a roadmap for monitoring the implementation of ACA and for making sure that this important federal law supports the outcomes the disability community has prioritized. The report: (1) provides an overview of future healthcare implementation decisions that must be made by both private insurers and state and federal</p>

officials; (2) outlines approaches to maximizing ACA's positive impact on people with disabilities while limiting risks to the disability community that could result from unwise implementation choices; and (3) evaluates the policy options facing states as they consider expanding and reconfiguring Medicaid.

The Impact of the Affordable Care Act on People with Disabilities: A 2015 Status Report

The Patient Protection and Affordable Care Act (ACA) is especially important to people with disabilities who often rely on a broad range of health care services and supports and are more impacted by changes that occur within the healthcare system. Accordingly, in this second part of the ACA report series, NCD provides a snapshot of how early implementation of ACA has impacted the disability community. The report utilizes a formal literature review, interviews with key informants in ten states with diverse ACA implementation approaches, and a 50-state review of state policies involving key ACA provisions, such as decisions involving Medicaid expansion and selected essential health benefits of particular interest to people with disabilities. The resulting report provides a snapshot of the experience of people with disabilities at a time that the implementation of ACA is in its relative infancy, in the hopes of informing policy decisions now and in the future.

Monitoring and Enforcing the Affordable Care Act for People with Disabilities

Monitoring and Enforcing the Affordable Care Act (ACA) for People with Disabilities is the final report in a three-part series on ACA from NCD, each report considering a different aspect of ACA's implementation, impact, or ongoing enforcement. In this, the final installment in the series, NCD examines key legal safeguards in ACA implementation regulations that can help people with disabilities secure essential care and supports. The report also outlines legal duties; identifies the parties responsible for fulfilling those duties; and in some instances, explores potential avenues for redress where applicable. By identifying issues for monitoring by the disability community nationally and in individual states, the report seeks to ensure that Americans with disabilities have the tools to fully share in ACA's promised benefits and assess the impact ACA has had not only on the health of people with disabilities but also on the advancement of the goals of the ADA -- equality of opportunity, full participation, independent living, and economic self-sufficiency.

Medicaid Managed Care Community Forums: Report

In studying the emerging Medicaid issues, the National Council on Disability (NCD) has focused its attention on how changes and proposed changes in delivery systems from planning through implementation are affecting people with disabilities. NCD began articulating its earliest findings and recommendations in 2012 with publication of Analysis and Recommendations for the Implementation of Managed Care in Medicaid and Medicare Programs for People with Disabilities and Guiding Principles: Successfully Enrolling People with Disabilities in Managed Care, followed in 2013 by its report, Medicaid Managed Care for People with Disabilities: Policy and Implementation Considerations for State and Federal Policymakers.

As a direct follow-up to NCD's 2012 and 2013 Medicaid managed care publications, in fiscal years 2014 and 2015, NCD hosted a series of stakeholder forums to promote greater dialogue and contact between key CMS regional office staff and the disability community regarding managed care waiver applications and dual eligible demonstration proposals. This

work was achieved through 10 community forums in which state Medicaid authorities, the U.S. Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS), and over 650 people participated. There were seven stakeholder groups comprising consumers/self-advocates, families, other advocates, providers, informal family caregivers, state government agency workers, managed care organizations (MCO), researchers, and various professionals in academia.

NCD conducted the Medicaid managed care forums in 10 states: Kansas, Florida, Illinois, California, New York, Georgia, Louisiana, Pennsylvania, Texas, and Wisconsin.

This report reflects the perspectives of what disability stakeholders, self-advocates, parents, providers, and state Medicaid staff are experiencing at the state and community levels, and includes NCD policy recommendations for HHS / CMS, Congress, and state governments.

Parenting with a Disability: Know Your Rights Toolkit

Currently, 35 states include disability as grounds for termination of parental rights. Nine states and the District of Columbia list physical disability in particular as grounds for termination of parental rights, even without evidence of abuse or neglect. These states include Kansas, Maryland, Mississippi, New Mexico, North Dakota, Ohio, and South Carolina in addition to the nation's capital. In every state, the presence of a disability can be arbitrarily used when determining the "best" interests of a child.

NCD and the Christopher & Dana Reeve Foundation collaboratively released the "Parenting with a Disability: Know Your Rights Toolkit" to build on the awareness raised following the release of NCD's groundbreaking 2012 report, "Rocking the Cradle: Ensuring the Rights of Parents with Disabilities and Their Children"—the first of its kind for a federal agency.

The toolkit was also made available in plain language format.

Accessible Drug Labeling Brochure

In 2012, Congress tasked NCD with a public awareness campaign regarding accessible drug labeling best practices under the Food and Drug Administration Safety and Innovation Act (FDSIA). Section 904 of FDSIA authorized the U.S. Access Board to convene a stakeholder working group to develop these best practices. On July 2013, the working group convened by the U.S. Access Board released its list of best practices for making prescription drug container label information accessible to people who are blind or visually impaired or elderly. The best practices offered are advisory only. NCD developed a trifold brochure summarizing these best practices and requested pharmacies and pharmacy associations disseminate the information to their affiliates and members. Advocates are also welcome to print and utilize the brochure in conversations with their own local pharmacies to increase awareness of the best practices.

GOALS, MEASURES & PROGRAM HIGHLIGHTS

	Strategic Goal Component	Key Measures	Program Highlights for FY 2016
Integrated Approach	Economic Self-Sufficiency	Enhance participation in and knowledge of programs available to assist people with disabilities in enhancing their self-sufficiency through employment, education and job training.	<p>Three meetings with SBA to discuss inclusion of disability as a category under 8 (a). NCD was asked to join the Small Business Administration’s Council on Underserved Communities</p> <p>Provided input on Maryland subminimum wage legislation</p> <p>NCD Staff targeted engagement on economic agencies presented on disability policy at Securities Exchange Commission, Export-Import Bank, Dept. of Commerce, and U.S. Mint.</p>
	Independent Living	Improving access to long term services and support, health care, housing and transportation	<p>Co-convended a meeting with CMS and the disability community to address states’ adoption of Medicaid managed care models. The forums provided critical feedback for CMS and key state agencies regarding the efficacy of and potential pitfalls of managed care for individuals with disabilities with long term support needs. NCD spoke at CDPAANYS, NACDD, TASH, and OK SILC conference on this topic.</p> <p>NCD released three reports on the Affordable Care Act and its impact on people with disabilities.</p> <p>Forum report on Medicaid Managed Care discussions released</p> <p>Submitted remarks to Google that were included in Senate testimony on autonomous vehicles. Participated in key meetings with DOT, the White House, and manufacturers on this new technology.</p> <p>NCD created & disseminate a brochure to U.S. pharmacies outlining best practices for making</p>

			<p>information on prescription drug container labels accessible to people who are blind or visually impaired.</p> <p>FDA proposes a ban on shock devices which includes language from NCD recommendations</p> <p>NCD meeting with FEMA, FCC and DOJ to discuss NCD recommendations tied to emergency management in Flint lead contamination</p> <p>Assisted in development of bi-partisan letter on non-discrimination in organ transplantation with Rep. Honda's office.</p> <p>Congressional briefing on mental health with majority staff</p> <p>Congressional briefing with 10 Majority and Minority staff of the U.S. Senate Committee on Commerce, Science, and Transportation and with majority staff of the Energy and Commerce Subcommittee on Digital Commerce and Consumer Protection on Autonomous Vehicles</p> <p>Coordination with Sen. Casey and Sen. Ayotte to request GAO report on voting accessibility</p>
	<p>Integration & Inclusion</p>	<p>Improving policies and practices to ensure that all children, youth, and adults with disabilities are valued by, and contribute to, their communities of choice and civil rights are protected</p>	<p>Assisted three state legislators in drafting and working on legislation on the rights of parents with disabilities and their families. One bill passed into law.</p> <p>Co-authored a toolkit on the Civil Rights of Parents with Disabilities with the Christopher & Dana Reeve Foundation</p> <p>Convened a White House Forum on the Civil Rights of Parents with Disabilities</p> <p>Co-convened a White House Forum on Criminal Justice and Disability</p>

			<p>HHS developed a settlement agreement with Georgia on the application of the ADA in foster care and adoption based on NCD's report.</p> <p>FY2016 Progress Report focused on role of emerging technologies and their role in increasing societal access for people with disabilities</p> <p>Reviewed & provided revisions on DOJ's Developmental Disabilities Training for Law Enforcement</p> <p>Reviewed & provided revisions FEMA ICC Report on Emergency Preparedness</p> <p>Provided names to the White House for inclusion in Bullying Summit</p> <p>Co-convened series of meetings with ACL on Tribal Coordination</p> <p>NCD recommendations included in Dept. of Ed NPRM on addressing racial & ethnic disparities in identification, placement and discipline</p> <p>Provided feedback and guidance to the Peace Crops on inclusive hiring practices</p> <p>NCD served as a government observer during the negotiated rule-making on the <i>Nondiscrimination on the Basis in Air Travel</i> conducted by the Department of Transportation</p> <p>Reviewed and provided input to the Office for Democratic Institutions and Human Rights (OSCE) Needs Assessment Mission Report for the State Department, regarding voting accessibility.</p> <p>Provided feedback on Amtrak Accessible Station Development Program</p>
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