



The Federal Planning Agency for America's Capital

PERFORMANCE & ACCOUNTABILITY REPORT

2021



NATIONAL CAPITAL PLANNING COMMISSION

MEMBERS

APPOINTED BY THE PRESIDENT

ELIZABETH A. WHITE
United States at Large

APPOINTED BY THE MAYOR OF THE DISTRICT OF COLUMBIA

ARRINGTON DIXON
District of Columbia

LINDA ARGO
District of Columbia

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Secretary of Defense

HONORABLE DEB HAALAND
Secretary of the Interior

HONORABLE ROBIN CARNAHAN
Acting Administrator of General Services

HONORABLE GARY PETERS
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate

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Committee on Oversight and Reform
United States House of Representatives

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MARCEL ACOSTA
Executive Director
National Capital Planning Commission

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MESSAGE FROM THE VICE-CHAIR



I am pleased to present the National Capital Planning Commission's (NCPC) fiscal year (FY) 2021 *Annual Performance and Accountability Report*. This year's report includes the results of an independent audit of the agency's financial statements. The report also contains highlights of some of the NCPC's accomplishments over the past year.

The mission of NCPC is to preserve and enhance the extraordinary historical, cultural, and federal assets and natural resources of the National Capital Region to support the needs of the federal government and enrich the lives of the region's residents, workers, and visitors. The NCPC provides overall planning guidance for federal land and buildings in the region. The agency also reviews the design of federal construction projects, oversees long-range planning for future development, and monitors capital investment by federal agencies.

In FY2021, the NCPC remained committed to the effective stewardship of its fiscal resources to achieve the agency's goals and objectives. The NCPC received a clean independent audit report over its internal controls and financial statements; the audited financial statements have been prepared to report the agency's financial position and results of operations pursuant to the requirements of 31 U.S.C. § 3515(b). Based on the independent auditor's unqualified opinion and the absence of any material internal control weaknesses, I can provide reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act have been met and the NCPC has effective internal controls in place to support reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. I am very proud of the NCPC's fiscal stewardship as well as the achievements of the NCPC's Commissioners and staff.

Sincerely,

Elizabeth A. White
Vice-Chair

PART I:

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT THE NATIONAL CAPITAL PLANNING COMMISSION

The National Capital Planning Commission (NCPC) is an independent agency in the Executive Branch of the federal government. The NCPC's core responsibilities include preparing the Comprehensive Plan for the National Capital's Federal Elements; reviewing plans and projects for federal property; preparing the Federal Capital Improvements Program; and providing recommendations to the District of Columbia Zoning Commission on the consistency of proposed text and map amendments with the Federal Elements.

LEGISLATIVE AUTHORITIES

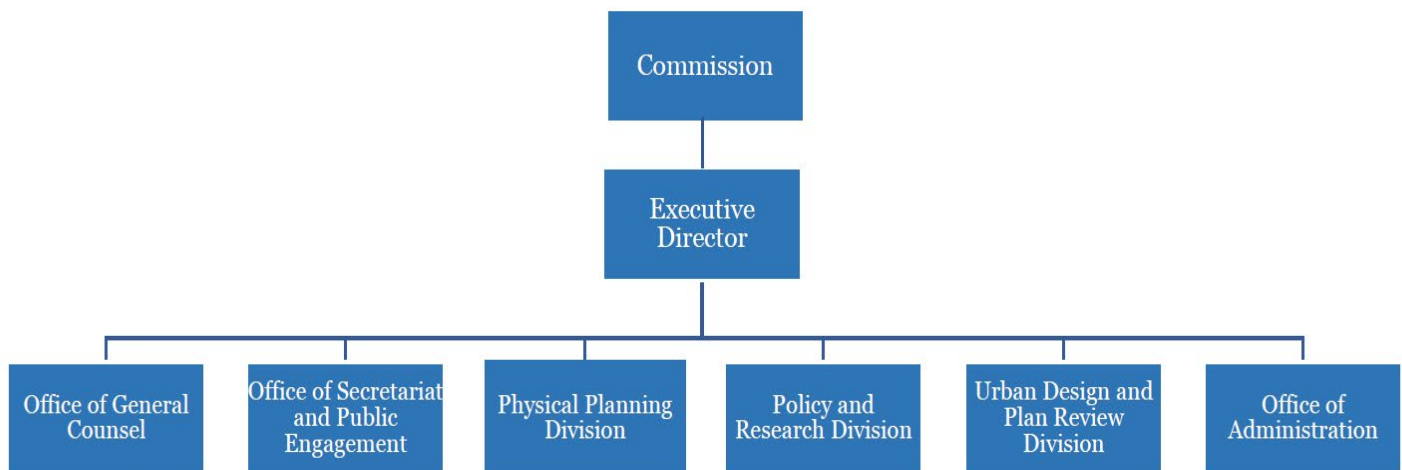
The National Capital Planning Commission (NCPC) was established by the National Capital Planning Act of 1952, as amended (40 U.S.C. §§ 8701 et seq). The Act coupled with other statutory authorities defines the agency's core responsibilities. The NCPC also possesses statutory authorities related to the acquisition and disposition of land for parks, parkways, and playground purposes.

MISSION STATEMENT

The National Capital Planning Commission's mission is to preserve and enhance the extraordinary historical, cultural, and federal assets and natural resources of the National Capital Region to support the needs of the federal government and enrich the lives of the region's visitors, workers, and residents.

ORGANIZATIONAL STRUCTURE

The President appoints a Chair, who leads the Commission. The NCPC professional staff is comprised of five Divisions, managed by an Executive Director. The NCPC's full time staff is comprised of planners, architects, urban designers, landscape architects, and other professionals. The NCPC's cadre of highly skilled specialists develop optimal solutions by balancing the needs of many different federal agencies with the concerns of local and regional authorities and the opinions of citizens and stakeholders.

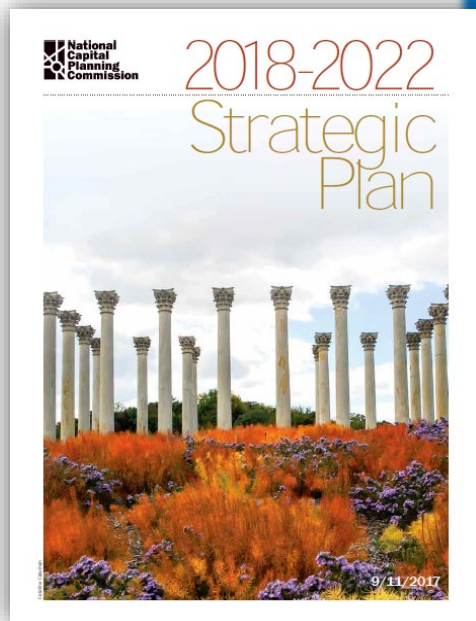


STRATEGIC GOALS 2018 - 2022

Through planning, policymaking, and plan review, the National Capital Planning Commission (NCPC) defines and protects both federal interests and broader national interests in the development of the National Capital Region. The federal interest is wide-ranging and multifaceted—from ensuring that government agencies have adequate facilities, and their employees have quality workplaces, to protecting the environment, public parks, and the region’s historic resources. The NCPC encourages efficient transportation and smart growth, accommodates the needs of foreign missions, and balances security elements with urban planning principles.

The NCPC also incorporates broader national interests into the agency’s planning guidance. This includes safeguarding the visual preeminence of Washington’s iconic civic and symbolic structures, such as its national monuments, which have contributed to the identity of our nation’s capital for over 200 years. It also includes enhancing the visitors’ experiences within and around Washington’s federal buildings, commemorative works, and national parks.

To carry out the agency’s mission and ensure that the nation’s capital evolves, the Commission established three strategic goals and one management goal in the NCPC’s Strategic Plan for the period covering 2018 through 2022. The Plan is located on the agency’s website at www.ncpc.gov.



STRATEGIC GOALS

GOAL ONE

Foster a vibrant, beautiful, and well-planned national capital and engaged public.

GOAL TWO

Ensure that individual projects and plans within the National Capital Region are consistent with federal interests.

GOAL THREE

Advance coordinated and efficient federal development in the National Capital Region.

GOAL FOUR

Ensure effective stewardship and accountability of agency resources.

PART II:

PERFORMANCE OUTCOMES IN FY2021

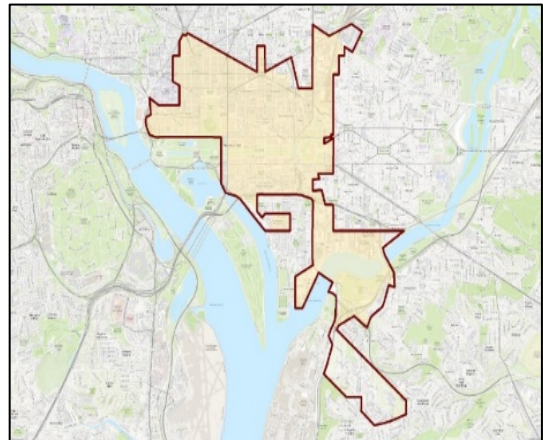
The strategic objectives developed in the NCPC’s strategic plan for the period covering 2018 through 2022 were the roadmap for the agency’s work initiatives for the year. The NCPC’s annual FY2021 appropriation enabled the Commissioners and full-time staff to be successful in accomplishing the agency’s strategic goals and objectives. In keeping with guidance provided in the Office of Management and Budget’s August 10, 2021, Circular A-136 *Financial Reporting Requirements*, the NCPC’s performance outcomes are summarized and highlighted below. This annual performance report is also published on the agency’s website at www.ncpc.gov.

STRATEGIC GOAL ONE

Foster a vibrant, beautiful, and well-planned national capital and engaged public.

THE COMPREHENSIVE PLAN FOR THE NATIONAL CAPITAL FEDERAL ELEMENTS FEDERAL WORKPLACE ELEMENT

In FY2021, the NCPC adopted amendments to the boundary, definition, and policy of the Central Employment Area (CEA) in the *2016 Federal Workplace Element*. The CEA is developed by the NCPC and the District of Columbia. Both the District and Federal Elements include a joint update to the federal/District designation of a CEA, which includes the existing “core” of federal facilities such as the U.S. Capitol Building, the White House, and the Supreme Court, and most of the legislative, judicial, and executive administrative headquarters of the United States government. The CEA reflects the District of Columbia’s priority areas for commercial, mixed-use development, and transportation investments and is where the greatest concentration of employment is encouraged.



Also, in FY2021, the NCPC Executive Director participated in three quarterly intergovernmental meetings with the U.S. General Services Administration’s Regional Commissioner, the District of Columbia’s Deputy Mayor for Planning and Economic Development, and the District of Columbia’s Office of Planning Director to discuss policies in the proposed update to the Federal Workplace Element, future locations of federal workplaces in Washington, and potential long-term impacts to the federal workplace post-COVID-19.

DISTRICT OF COLUMBIA COMPREHENSIVE PLAN

On July 1, 2021, the National Capital Planning Commission adopted a resolution that the Comprehensive Plan for the National Capital: District Elements—Comprehensive Plan Amendment Act of 2021 would not have a negative impact on the interests or functions of the federal establishment in the National Capital. Per the National Capital Planning Act, which is NCPC’s enabling legislation, NCPC’s federal interest review of the District Elements must focus on this. Federal Elements include federal land, buildings, and operations, as well as those related to Washington’s role as the nation’s capital including form, character and experience, especially within

the historic L'Enfant City. The District's Comprehensive Plan is organized around three Context Elements, twelve Citywide Elements and ten Area Elements. The Comprehensive Plan Amendment Act of 2021 became effective on August 21, 2021 (Law L24-0020).

TRANSPORTATION MONITORING PROGRAM AND EVALUATION PILOT

In FY2021, the NCPC staff implemented a transportation monitoring and evaluation pilot and developed a new Transportation Management Plan (TMP) questionnaire. The questionnaire is used to routinely monitor and evaluate the performance of Transportation Demand (TDM) programs at federal facilities. Agency staff determined that regular biennial reporting is critical to understand how transportation conditions at facilities change over time, and whether TDM programs are effectively managing travel demand. The biennial reporting will help the Commission understand larger transportation trends and will help determine whether TMPs are adequately helping facilities meet transportation goals.

Additionally, in the first quarter of FY2021, the NCPC staff and the Metropolitan Washington Council of Governments (MWCOG), presented "*Data Drives Transportation: Changing Travel Patterns and How We're Now Commuting to, and Parking on, Our Couch*" at the American Planning Association's Federal Planning Division Fall Workshop. The presentation discussed short and long-term impacts of the pandemic on the region's travel patterns, the need to reevaluate existing transportation policies and data, and how federal agencies are embracing increased telework. The NCPC staff reviewed the agency's new transportation monitoring program for federal facilities, transportation management planning, and other key element policies, and addressed how they may re-evaluate these considering the pandemic.

Finally, in the second quarter of FY2021, the NCPC staff, the MWCOG, and the WSP USA presented at the American Planning Association National Planning Conference in a session to discuss strategic planning for emerging travel trends post-pandemic. The session provided an overview of the travel patterns developed during the COVID-19 pandemic, explored strategies to incorporate in future planning, and shared how the NCPC's new transportation management program developed from the recently updated *Comprehensive Plan's Federal Transportation Element* can help assess pandemic impacts and overcome impediments to sustainable transportation demand.

TRANSPORTATION MANAGEMENT PLAN HANDBOOK

In FY2021, the NCPC staff in coordination with the MWCOG and the GSA completed the update of the *Federal Employee Transportation Coordinator's Transportation Management Plan Handbook* (TMP). The handbook provides federal agencies with procedures and guidelines to prepare a TMP that documents the agency's program to foster more efficient transportation patterns. The NCPC requires a TMP for all master plan updates. The handbook is designed to serve as a "bridging" document between the NCPC's recently adopted Federal Transportation Element and Addendum with more detail related to preparing, monitoring, and evaluating a TMP.

COMMEMORATION, MEMORIALS, AND MUSEUMS MASTER PLAN (2M PLAN)

In FY2021, the NCPC staff worked with the Trust for the National Mall on a commemoration demonstration proposal to test how temporary commemoration can be an alternative approach to a permanent memorial, address land constraints, and diversify representation within the commemorative landscape. The NCPC staff will use the information gained from this joint initiative to complete and update the 2001 version of the 2M Plan, develop federal policy framework for future temporary commemorative works, and identify criteria for permanent locations and long-term programming of temporary memorials. The Memorials and Museums Master Plan (2M Plan) expands on the amended 2001 Legacy Plan's ideas that call for distributing new memorials and museums into all four city quadrants.

Additionally, in FY2021, under its authority granted by the Commemorative Works Act of 1986, the NCPC provided comments on proposed commemorative works and legislation as a member of the National Capital Memorial Advisory Commission (NCMAC). These proposals include concept design of Public Law 113-123, authorizing the placement of a plaque or inscription with the words that President Franklin D. Roosevelt prayed on D-Day in the vicinity of the World War II Memorial; review and comment of legislation on S. 4433, the National Medal of Honor Monument Act; and review and comment of legislation on S. 4564, the Global War on Terrorism Memorial Location Act. NCPC also reviewed and provided comments on the Department of the Interior testimonies for H.R. 1164 National Medal of Honor, H.R. 1931 Japanese American Confinement Sites, and H.R. 2278 September 11 National Memorial Trail. The NCMAC members also discussed their role in reviewing commemorative work proposals referred to them by the DC government.

The NCPC also reviewed design modifications for the Second Division Memorial and approved preliminary and final site development plans for the D-Day Plaque at the World War II Memorial's Circle of Remembrance. Finally, NCPC staff worked with the Smithsonian Institution to identify appropriate sites for two national museums authorized by Public Law 116-260, the Women's History Museum, and the Museum of the American Latino.

BEYOND GRANITE

The NCPC collaborated with the Trust for the National Mall on a grant proposal to The Andrew W. Mellon Foundation to develop a demonstration project that will create a new model for temporary commemorative works and will establish the basis for a long-term permanent program for temporary commemoration. In September 2021, the Trust for the National Mall was awarded a \$4.5 million grant, for the project titled, "Beyond Granite" that will begin in FY2022. The Trust for the National Mall will lead this demonstration effort in partnership with the National Capital Planning Commission and the National Park Service. The Project will support a process to select and build 8-10 temporary commemorative works in and around the National Mall and in Washington, DC neighborhoods over the next two years (2022-2023). The temporary works will expand and celebrate national and local stories over varied periods of time, up to a 6-month installation. This work will foster a conversation around how temporary commemoration could provide a more equitable and inclusive approach to representation and narrative in our commemorative landscape.

PENNSYLVANIA AVENUE INITIATIVE

In FY2021, the Pennsylvania Avenue Executive Committee, comprised of eight federal and local agencies, engaged a panel of experts to kick off a public discussion about the Avenue's future, and completed a range of diverse concept visions that will be released for public review in the winter 2022. To increase social, cultural, and economic activity in the downtown core of the nation's capital, NCPC worked with Initiative partners to advance nationally significant cultural programming on the Avenue; and continued efforts to secure funding for design development and the National Environmental Policy Act (NEPA) environmental assessment and National Historic Preservation Act (Section 106) consultation.

MONUMENTAL CORE STREETScape GUIDE

In FY21, NCPC completed a substantial portion of the streetscape design guidelines that will be submitted to the Commission for preliminary approval in winter 2022. Staff worked with city partners to identify and begin to develop guidelines for District controlled streets where there is significant federal interest. NCPC also secured the resources to begin preparing the construction specifications to update the construction manual.

STRATEGIC GOAL TWO

Ensure that individual projects and plans within the National Capital Region are consistent with federal interests.

THE COMPREHENSIVE PLAN FOR THE NATIONAL CAPITAL DISTRICT ELEMENTS

In the third quarter of FY2021, the NCPC reviewed and adopted a resolution finding that the Comprehensive Amendment Act of 2021 will not have a negative impact on the interests or functions of the federal establishment in the National Capital. The District's Comprehensive Plan is organized around three Context Elements, twelve Citywide Elements and ten Area Elements.

FORMAL REPRESENTATION ON VARIOUS LOCAL, REGIONAL, AND FEDERAL AUTHORITIES

In FY2021, the NCPC staff continued to protect the federal interest through formal representation on various local, regional, and federal authorities such as the District of Columbia Board of Zoning Adjustment, Foreign Missions Board of Zoning Adjustment, NCMAC, Department of Homeland Security's Interagency Security Committee (ISC), and Transportation Planning Board of the Metropolitan Washington Council of Governments.

NATIONAL CAPITAL REGION FACILITIES OUTREACH INITIATIVE

The Urban Design and Plan Review Division completed the development of the Facilities Outreach Management System (FOMS) which has proven to be an indispensable tool in conducting stakeholder outreach and keeping track of pipeline projects, meeting notes, and contact information. In the third quarter of FY2021, NCPC staff hosted its first annual outreach meetings with applicants, including several federal agencies, the Department of the Army, the Department of the Navy, the Federal Highway Administration, and local jurisdiction representatives. The meetings offered insight into projects each agency has in the pipeline for in the coming fiscal year. The meetings were also an opportunity for NCPC to brief applicants on the work as well as provide guidance on how applicants should report their Transportation Management Plan data as part of the new monitoring program, which will begin in FY2022.

SUBMISSION GUIDELINES UPDATE AND NEW DELEGATIONS

In the third quarter of FY2021, the Commission adopted changes to streamline and clarify the NCPC's plan review process. The updated guidelines included changes to the master plan review process, specifically streamlining or eliminating, when possible, the concept review phase. The changes also included new delegated responsibilities from the entire Commission body to the Chair, the Executive Director, or the Secretary, thus improving efficiency and effectiveness of the entire Commission. The new delegations authorize the named individual(s) to act on behalf of the Commission to perform specific functions. To maintain accountability and transparency, any actions under delegated authority will be reported at monthly Commission meetings; however, the Commission reserves the right to perform any matter or function to which the new delegated authority applies.

PROJECT PLAN REVIEWS

In fulfilling one of the agency's core missions, in FY2021, the NCPC's staff and Commissioners evaluated project submissions in accordance with the Comprehensive Plan for the nation's capital to coordinate development in the region and protect historic, cultural, and natural resources. The NCPC has review authority for: (1) projects on federal land in the National Capital Region; (2) master plans for federal installations and campuses; (3) projects on District land in Washington, DC, and (4) certain types of private development projects referred to the NCPC by the District of Columbia Zoning Commission. Additionally, for many of the projects, the NCPC has a National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) responsibility, which entails planning and design consultation meetings in addition to written analyses of planning issues and the implementation of formal agreements. In FY2021, the NCPC reviewed 145 submissions for development and planning. The NCPC also issued exceptions for 26 other submissions during the year. Some of the projects reviewed by the NCPC staff in FY2021 included the following:

COMMEMORATIVE WORKS	MASTER PLANS	PROJECTS
World War II Prayer Plaque Second Division Memorial Modification	FDA Muirkirk Campus NASA Goddard Campus Ft Belvoir North Area USDA National Arboretum Humphreys Engineering Center Wolf Trap	Hirschhorn Sculpture Garden I-495 Managed Lanes Federal Reserve Campus Whitten Federal Building Security and Public Space DC Comprehensive Plan Smithsonian Castle Revitalization Bureau of Printing and Engraving Libyan Embassy Renovation Pentagon Security Upgrades NIH Surgery Lab Building Arlington National Cemetery Southern Expansion

NORTH CAPITAL/IRVING STREET CLOVERLEAF WORKSHOP

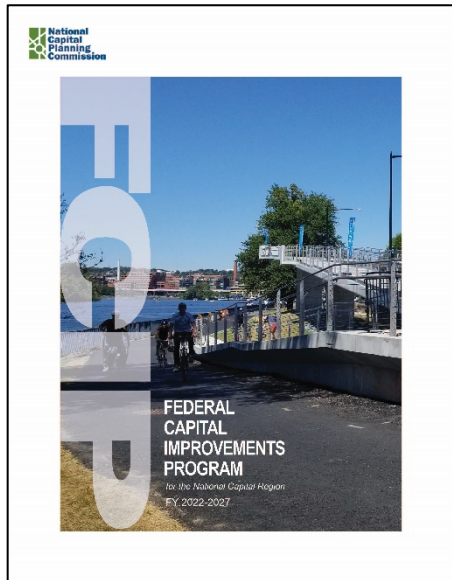
In the second quarter of FY2021, the NCPC hosted a virtual workshop for stakeholders adjacent to the North Capitol and Irving Street intersection. The workshop was hosted in coordination with the District Office of Planning (DCOP) and facilitated by the National Charrette Institute. Building off the workshop that NCPC hosted in 2019, staff reconvened representatives from the Armed Forces Retirement Home (AFRH), General Services Administration, Veterans Affairs Medical Center, Catholic University, DCOP, and District Department of Transportation to exchange updates on planning work underway in the area. DCOP also presented an overview of their recent study of potential improvements to the North Capitol and Irving Street intersection. Attendees had a productive discussion regarding potential changes to the cloverleaf intersection and possible impacts/benefits to adjacent campuses and the overall area. NCPC and District staff will continue to convene this group of local and federal stakeholders to ensure a coordinated vision for the larger area. The Commission will review a master plan update to the AFRH campus in the first quarter of FY2022.

STRATEGIC GOAL THREE

Advance coordinated and efficient federal development in the National Capital Region.

PROPOSED CAPITAL IMPROVEMENTS PROJECTS FOR FEDERAL ENTITIES

In FY2021, the NCPC staff reviewed and analyzed 88 proposed capital improvement projects submitted by federal agencies with an estimated value of \$6.1 billion for fiscal years 2022 through 2027. After conducting reviews, the NCPC prepared and submitted the Federal Capital Improvement Program (FCIP) Fiscal Year 2022-2027 report, containing analysis and recommendations to the Office of Management and Budget. The FCIP addressed the proposed projects' consistency with the Comprehensive Plan and other adopted plans. The NCPC's reviews and analysis help to inform decisions concerning the President's Budget.



In the last quarter of FY2021, the NCPC staff released the public version of the FCIP FY 2021-2026 report, which summarizes the projects funded for FY2021. FY2021 included 35 funded projects, with a total of \$700,487,232. Additionally, in FY2021, the NCPC staff initiated the update to the FCIP Online Project Submission System portal to streamline the federal applicant submission process and incorporate recent guidance on new Executive Orders (E.O.) related to climate change and equity. The new EOs include: E.O. 14030: Climate-Related Financial Risk; E.O. 14008: Tackling the Climate Crisis at Home and Abroad; E.O. 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government; and E.O. 14035: Diversity, Equity, Inclusion and Accessibility in the Federal Workforce.

The NCPC also reviewed and analyzed seven non-federal Capital Improvement Projects (CIP) in FY2021. The proposed non-federal projects included those proposed by the District of Columbia Government, Montgomery County, Prince George's County, Prince William County, Fairfax County, Arlington County, and the City of Alexandria. The NCPC's review of the non-federal capital improvement projects included analysis and recommendations regarding consistency with the policies of the *Comprehensive Plan for the National Capital: Federal Elements*.

GEORGETOWN TRANSIT IMPROVEMENT STUDY

The Georgetown Business Improvement District (BID), Federal City Council, the District of Columbia's Department of Transportation, and the National Capital Planning Commission partnered to advance planning for improved transit to and from Georgetown. The purpose of the one-year, \$250,000 study is to identify a preliminary range of alternatives to provide direct, frequent, rapid transit between the Metrorail System and Georgetown prior to the preparation of an Environmental Impact Statement (EIS). During the EIS phase, there will be significant opportunities for public involvement and feedback. The focus of the EIS will be refining the project's purpose and need, developing draft alternatives for later public review, and identifying resource-impact areas. The Federal City Council engaged VHB Metro DC, LLC, to complete this phase of work. In addition to that, the NCPC will serve as the lead federal agency for the purposes of meeting National Environmental Policy Act (NEPA) requirements. At the end of the phase, the partners will decide which, if any, of the alternatives to move forward for further development.

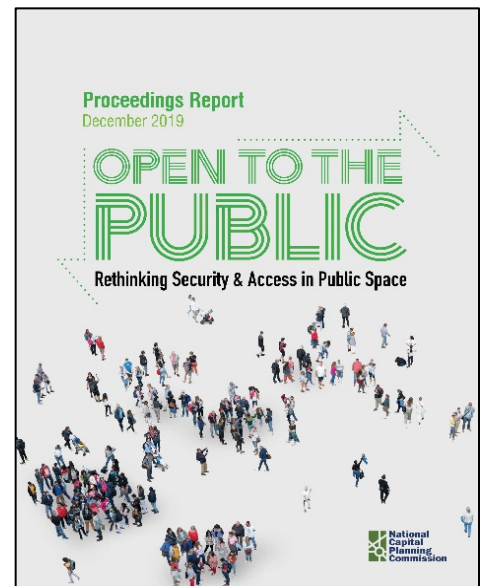
PARTNERSHIPS TO INCREASE SECURITY IN THE NATION'S CAPITAL

INTERAGENCY SECURITY COMMITTEE

In FY2021, the NCPC staff met with representatives from the Department of Homeland Security's Interagency Security Committee (ISC) as part of the ISC's Annual Membership Meeting to discuss the NCPC's conformance to the ISC's Standards Compliance, the ISC's continued partnership and participation with the NCPC's Public Space and Security initiative, and continued cooperation to address emerging issues. In addition to that, the NCPC staff continued to explore security and public space issues and hosted panelist discussions and a workshop with key stakeholders for the Public Space and Security initiative.

APA SECURITY PANEL DISCUSSION

In the first quarter of FY2021, the NCPC staff held a panel discussion at the American Planning Association Division's virtual Federal Planning Division Fall Training Workshop. The panelists built upon the NCPC's recent work on security in public spaces and discussed the range of perspectives and professionals needed to develop holistic security solutions to maintain safe and open public spaces.



VIRTUAL WORKSHOP ON SECURITY

In the second quarter of FY2021, the NCPC staff conducted a virtual workshop with key stakeholders to examine different types of urban public spaces to better understand their security needs. The workshop focused on Farragut Square as an example of a small urban park. Key stakeholders included the local Business Improvement Districts, the National Park Service, the United States Park Police, the DC Office of Planning, the DC Department of Transportation, the U.S. Commission of Fine Arts, the Cybersecurity and Infrastructure Security Agency, the Metropolitan Police Department, the Homeland Security and Emergency Management Agency, the New York Department of Transportation, and the New York City Public Design Commission.

PARTNERSHIP TO HOST WORKSHOP WITH DC OFFICE OF PLANNING

In the second quarter of FY2021, the NCPC staff in partnership with the DC Office of Planning held a virtual event, *Open to the Public: What's the Big Deal with a Little Security?* to engage in dialogue around security and public space. The panel of urban designers and security experts discussed the effectiveness of implemented security measures against evolving threats given the negative impact to public space. The panelists also spoke to the changing security trends that have shaped Washington, DC since 1995.

In the fourth quarter of FY2021, the NCPC staff released an Addendum to the Proceedings Report based on the workshop and events held in FY2021. The addendum included a criteria toolkit to assist in the evaluation of security interventions, with application to a small urban park typology.

FLOOD RISK MANAGEMENT

Throughout FY2021, through its leadership role with the DC Silver Jackets, the NCPC continued to help coordinate stakeholder meetings as well as provide graphic design support for a variety of presentations and public education and information projects sponsored by the Silver Jackets. Also, in FY2021, the NCPC initiated actions to update its policies to reflect newly initiated Executive Orders regarding flood standards.

STRATEGIC GOAL FOUR

Ensure effective management and accountability of resources.

In FY2021, the NCPC continued to focus efforts towards efficiently delivering mission outcomes, providing excellent service, and acting as effective stewards of appropriated funds. Some of the agency's accomplishments towards meeting these goals include the following:

IMPROVING CUSTOMER EXPERIENCE

In FY2021, the NCPC continued to maintain a robust website, which is the principal source of information for agency stakeholders and the public. In addition to providing monthly information on projects under consideration at each Commission meeting cycle, the website includes pages on proposed NCPC policy initiatives, major projects under review, and new planning initiatives. Additionally, the NCPC has adopted the use of electronic media to engage the public via monthly electronic newsletters, webinars, blogs, streaming presentations, and social media platforms. In FY2021 the NCPC's monthly newsletter website had a 27% open rate, which is higher than the industry standard of 20%. The monthly Commission meeting agendas had an average 30% open rate.

CLIMATE ACTION PLAN AND SUSTAINABILITY REPORT AND IMPLEMENTATION PLAN

In FY2021, the NCPC updated its Sustainability Report and Implementation Plan and prepared a new Climate Action Plan to address internal and external activities to advance executive orders and policies of the President.

WORKFORCE TRAINING AND PROFESSIONAL DEVELOPMENT

The NCPC's leadership is committed to developing a workforce for the 21st century. In FY2021, the NCPC hosted brownbag sessions to discuss and share professional experiences as well as industry best practices. Some of the brownbag discussion topics have included accessibility in museums; the Tidal Basin Ideas Lab; the NCPC's Legacy Plan; and the District of Columbia's Flood Risk Portal.

FEDERAL COMPLIANCE AND REPORTING

In FY2021, the NCPC continued to meet federal reporting and compliance requirements, some of the agency's accomplishments in this area include: (1) the NCPC's Commissioners, leaders, and staff successfully adhered to Equal Opportunity and Anti-Sexual Harassment laws and policies and timely submitted all annual reports as required; (2) agency employees continued to practice safe Occupational Safety and Health Practices in agency operations—especially those pertaining to the COVID-19 health crisis; (3) employees effectively followed information security practices to protect the agency's physical and digital resources amidst increased cybersecurity risks and challenges, (4) NCPC timely responded to all applicable Executive Orders and related mandates; and (5) the NCPC continued to effectively manage internal controls over operations as evidenced by an unqualified independent audit opinion.

PART III:
ANALYSIS OF FINANCIAL STATEMENTS

MANAGEMENT ASSURANCES

ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

The National Capital Planning Commission is a federal agency subject to the Accountability of Tax Dollars Act (ATDA) of 2002. Agencies subject to the ATDA are not subject to the requirements of Federal Financial Management Improvement Act of 1996 (FFMIA). However, as stated in this report's message from the Vice-Chairman, the NCPC has complied with the Federal Managers' Financial Integrity Act § 2 (FMFIA) as well as the following applicable laws:

- The Anti-Deficiency Act (31 U.S.C. §§ 1341, 1342, 1350, 1351, 1517)
- The Prompt Payment Act (31 U.S.C. § 39)
- The Improper Payments Elimination and Recover Act of 2010
- The Payment Integrity Act of 2019
- Fraud Reduction and Data Analytics Act of 2015
- Digital Accountability and Transparency Act of 2014

In FY2021, the NCPC renewed its agreement with a federal shared services provider for all fiscal related functions. As a result of the interagency agreement, the NCPC has continued its efficiency and effectiveness in its fiscal operations. Under the shared federal services agreement, the agency does not operate or maintain an independently functioning financial management system, thus significantly reducing any associated IT-related security risks. Other efficiencies have included secure web-based fiscal transaction management from the issuance of purchase orders through vendor invoicing; and streamlined and automated processing and tracking of purchase card expenditures, travel-related transactions, and electronic procurement management.

LIMITATIONS OF THE FINANCIAL STATEMENTS

The NCPC's financial statements have been prepared to report the agency's financial position and results of operations pursuant to the requirements of 31 U.S.C. § 3515(b). The statements have been prepared from the books and records of the NCPC in accordance with generally accepted accounting principles for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

ANALYSIS OF THE FY2021 FINANCIAL STATEMENTS

The section that follows contains the National Capital Planning Commission's (NCPC) FY2021 financial statements which includes a Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, and Statement of Budgetary Resources. The statements also include the comparative financial data for FY2020.

In FY2021 the overall financial condition of the agency was good, and there were no fiscal issues arising during the 2021 fiscal year period. There were no major changes in the types or amounts of assets, liabilities, net costs, obligations, or outlays.

NATIONAL CAPITAL PLANNING COMMISSION TABLE OF KEY MEASURES				
In Dollars	Current FY2021	Prior FY2020	+Increase/(-Decrease)	
			\$	%
COSTS				
Total Financing Sources	\$8,634,536	\$8,197,894	\$436,642	5%
Less: Net Cost	(\$8,706,153)	(\$8,090,969)	(\$615,184)	7.6%
Net Change of Cumulative Results of Operations	(\$71,617)	\$106,925	(\$178,542)	-167%
NET POSITION				
Assets				
Intragovernmental FBWT	\$1,658,373	\$2,215,026	(\$556,653)	-25%
General Property, Plant and Equipment Net	\$71,281	\$138,953	(\$67,672)	-48.7%
Total Assets	\$1,729,654	\$2,353,979	(\$624,325)	-26.5%
Liabilities				
Intragovernmental Accounts Payable	\$46,448	\$45,002	+\$1,446	+3.1%
Other	\$69,305	\$59,772	+\$9,533	+13.7%
Accounts Payable	\$39,811	\$257,160	(\$217,349)	-84.5%
Other	\$567,266	\$515,510	\$51,756	10%
Total Liabilities	\$722,830	\$877,444	(\$154,614)	-17.6
Net Position (Assets minus Liabilities)	\$1,006,824	\$1,476,535	(\$469,711)	-31.8%

VARIANCE ANALYSIS OF FINANCIAL STATEMENTS

There were no significant fiscal variances between FY2021 and FY2020.

PART IV: FINANCIAL SECTION

**NATIONAL CAPITAL PLANNING COMMISSION
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**



NATIONAL CAPITAL PLANNING COMMISSION

GENERAL FUND

FINANCIAL STATEMENTS

As Of And For The Years Ended September 30, 2021 and 2020



**NATIONAL CAPITAL PLANNING COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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Key & Associates, P.C.

INDEPENDENT AUDITOR'S REPORT

Chairman, Commissioners,
Executive Director and Director, Office of Administration
National Capital Planning Commission
Washington, DC

Report on the Financial Statements

In accordance with the Accountability of Tax Dollars Act of 2002, we are responsible for conducting an audit of the National Capital Planning Commission. We have audited the accompanying balance sheets of the National Capital Planning Commission as of September 30, 2021 and 2020 and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04, 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 National Capital Planning Commission internal control. Accordingly, we do express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Capital Planning Commission, as of September 30, 2021 and 2020, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis section be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Chairperson's message, performance and other information sections of the National Capital Planning Commission's *Agency Financial Report* are presented for purposes of additional analysis and are not a required part of the basic financial statements. We read the information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, as of and for the year ended September 30, 2020, we considered the National Capital Planning Commission's internal control over the financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of The National Capital Planning Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of The National Capital Planning Commission's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by *the Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a significant deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, 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.

Compliance and Other Matters

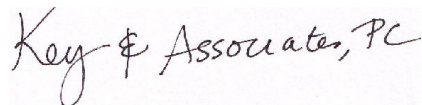
As part of obtaining reasonable assurance about whether the National Capital Planning Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB bulletin No. 19-03. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 19-03.

Purpose of Other Reporting Required by Government Auditing Standards

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

Restriction of Use of the Report on the Financial Statements

This report is intended solely for the information and use of the management and members of the National Capital Planning Commission, U.S. Department of Treasury, the U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress in connection with the preparation and audit of the Financial Report of the U.S. Government and is not intended to be and should not be used by anyone other than these specified parties.



Silver Spring, Maryland
November 15, 2021

NATIONAL CAPITAL PLANNING COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Assets:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 1,658,373	\$ 2,215,026
Total Intragovernmental	1,658,373	2,215,026
With the Public:		
General Property, Plant, and Equipment, Net (Note 3)	71,281	138,953
Total Assets	\$ 1,729,654	\$ 2,353,979
Liabilities (Note 4):		
Intragovernmental:		
Accounts Payable	\$ 46,448	\$ 45,002
Accounts Payable	46,448	45,002
Other Liabilities (Note 5)	69,305	59,772
Other Liabilities (Without Reciprocals)	16,073	14,544
Benefit Program Contributions Payable	53,232	45,228
Total Intragovernmental	115,753	104,774
With the Public:		
Accounts Payable	39,811	257,160
Federal Employee Benefits Payable	341,719	313,575
Other Liabilities (Note 5)	225,547	201,935
Total With the Public	607,077	772,670
Total Liabilities	\$ 722,830	\$ 877,444
Net Position:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 1,257,095	\$ 1,655,189
Cumulative Results of Operations - Funds from Other than Dedicated Collections	(250,271)	(178,654)
Total Net Position	\$ 1,006,824	\$ 1,476,535
Total Liabilities and Net Position	\$ 1,729,654	\$ 2,353,979

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Gross Program Costs:		
Salaries and Expenses:		
Gross Costs	\$ 8,814,776	\$ 8,121,757
Less: Earned Revenue	(108,623)	(30,788)
Net Cost of Operations	\$ 8,706,153	\$ 8,090,969

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Unexpended Appropriations:		
Beginning Balances	\$ 1,655,189	\$ 1,614,296
Appropriations Received	8,124,000	8,124,000
Other Adjustments	(141,062)	(98,218)
Appropriations Used	(8,381,032)	(7,984,889)
Net Change in Unexpended Appropriations	(398,094)	40,893
Total Unexpended Appropriations - Ending	\$ 1,257,095	\$ 1,655,189
Cumulative Results of Operations:		
Beginning Balances	\$ (178,654)	\$ (285,579)
Appropriations Used	8,381,032	7,984,889
Imputed Financing (Note 8)	253,505	213,005
Other	(1)	-
Net Cost of Operations	(8,706,153)	(8,090,969)
Net Change in Cumulative Results of Operations	(71,617)	106,925
Cumulative Results of Operations - Ending	\$ (250,271) #	\$ (178,654)
Net Position	\$ 1,006,824	\$ 1,476,535

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(In Dollars)

	2021	2020
Budgetary Resources:		
Unobligated balance from prior year budget authority, net (Note 9)	\$ 780,193	\$ 678,976
Appropriations	8,124,000	8,124,000
Spending authority from offsetting collections	108,622	30,788
Total Budgetary Resources	\$ 9,012,815	\$ 8,833,764
Status of Budgetary Resources:		
New obligations and upward adjustments (total) (Note 10)	\$ 8,351,628	\$ 8,146,285
Unobligated balance, end of year:		
Apportioned, unexpired accounts	97,695	230,814
Unapportioned, unexpired accounts	9,477	9,477
Unexpired unobligated balance, end of year	107,172	240,291
Expired unobligated balance, end of year	554,015	447,188
Unobligated balance, end of year (total)	661,187	687,479
Total Budgetary Resources	\$ 9,012,815	\$ 8,833,764
Outlays, Net and Disbursements, Net:		
Outlays, net (total)	\$ 8,539,591	\$ 8,151,875
Agency outlays, net	8,539,591	8,151,875

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Established by Congress in 1924, the National Capital Planning Commission (NCPC) is the federal government's central planning agency for the National Capital Region. Through planning, policymaking, and project review, NCPC protects and advances the federal government's interest in the region's development. The Commission provides overall planning guidance for federal land and buildings in the region by reviewing the design of federal and certain local projects, overseeing long-range planning for future development, and monitoring capital investment by federal agencies.

In accordance with the GPRA Modernization Act of 2010, and to promote efficiency and transparency, the National Capital Planning Commission's (NCPC's) Budget Justification and Annual Performance Plan are aligned with the goals in its FY 2018 - 2022 Strategic Plan – 1) Foster a vibrant, well-planned National Capital; 2) Ensure that individual projects and plans within the National Capital Region are consistent with federal interest; 3) Advance the orderly federal capital improvements of the National Capital Region; and 4) Ensure effective stewardship and accountability of agency resources. The NCPC's annual budget supports four major functional areas that align respectively with NCPC's Strategic Goals: 1) Comprehensive Planning; 2) Plan and Project Review; 3) Federal Capital Improvements; and 4) Planning Operations.

I. Comprehensive Planning

The NCPC develops its planning vision for the National Capital Region through the Comprehensive Plan for the National Capital (Comprehensive Plan), signature planning efforts, emerging issues planning, and a robust public process.

Federal Elements of the Comprehensive Plan

The Comprehensive Plan sets forth the long-term planning vision for the National Capital Region. The NCPC drafts the Federal Elements of the Comprehensive Plan. The Mayor of the District of Columbia drafts the District Elements of the Comprehensive Plan. The Federal Elements of the Comprehensive Plan outline policies for eight distinct planning elements of capital city life in which the federal government has an interest. It addresses the needs of federal employees as well as visitors to the capital; devises policies for locating new federal facilities and maintaining existing ones; guides the placement of foreign missions and international agencies; promotes the preservation and improvement of the natural environment and public parks; protects historic and cultural resources; and encourages efficient transportation into, out of, and around the National Capital Region. The Comprehensive Plan is a key factor in NCPC's decision-making process. Policies are updated periodically to respond to changing circumstances, the evolving priorities of the federal government, and the findings of studies undertaken by our agency and others.

Emerging Planning Issues

To improve the depth of its policymaking, NCPC undertakes focused studies of key and emerging planning issues. The reports, policies, and concept designs that result from the study of emerging planning issues help define and clarify federal and national interests in these areas. The studies conducted often form the basis for future planning initiatives and help establish priorities for updating the Comprehensive Plan or inform a new signature planning initiative.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

II. Plan and Project Review

Through its regulatory responsibilities, the NCPC protects and represents the federal interest on all planning matters. The primary method for carrying out these responsibilities is through agency consultation and the monthly plan and project review process. The NCPC protects federal interests through its representation on local and regional planning bodies. The NCPC also reviews state, district and local plans for consistency with the Comprehensive Plan, federal sector plans, urban planning and design principles, and other federal interests.

The NCPC's Commissioners supported by the agency's full-time staff, reviews a wide range of plans and projects to determine whether they are consistent with the federal interest. Federal interests in the development of the National Capital Region encompasses many policy areas, and because the needs and priorities of any one agency may not align with those of another, the NCPC weighs varying concerns to determine how best to serve the broader federal interest. For example, securing public buildings and monuments is an important federal interest, and equally important is maintaining the image of the capital city's architecture and public spaces. Building new facilities in locations that serve the needs of particular agencies are also in the federal interest, but so are preventing urban sprawl and increasing the use of public transit. The review of plans and proposals is a rigorous and systematic process and assessing the federal interests in any given situation is contingent upon many factors.

In conducting its reviews, the NCPC's staff considers the federal interest within the context of federal, state and local laws; the policies and guidelines articulated in the Comprehensive Plan and other long-range plans; the plans and policies of local and regional planning authorities; the needs and master plans of the applicant agency; the concerns of other agencies; and public input. The public is invited to comment on projects under Commission consideration. NCPC staff consults closely with submitting agencies, stakeholders, and the public to identify and resolve issues. Staff recommendations and public input inform the discussion of the Commissioners, who vote on projects during their monthly meetings.

In addition to its individual project review during the NCPC's monthly Commission meetings, the NCPC protects the federal interest through formal representation on various local, regional and federal authorities such as the Board of Zoning Adjustment, the Foreign Missions Board of Zoning Adjustment, the National Capital Memorial Advisory Commission, and the Transportation Planning Board of the Metropolitan Washington Council of Governments. The NCPC also participates in project-specific and issue-based studies conducted by other agencies and organizations to ensure federal interests are recognized and to advance agency plans. As one of NCPC's key statutory responsibilities, external representation must be fully integrated with the agency's other planning and plan review activities.

To coordinate development planning in the region, the NCPC reviews plans developed by regional and local planning agencies. The NCPC provides comment letters to municipalities within the region regarding major projects, such as municipal capital improvement programs and park master plans.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

III. Federal Capital Improvements Program

The NCPC analyzes and recommends proposed capital improvement projects in consultation with stakeholders in the National Capital Region. As part of the Federal Capital Improvements Program (FCIP), the NCPC receives annual proposals from federal agencies for capital improvements to be carried out over the next six years. Each year the federal government spends millions to maintain and improve its facilities in the National Capital Region. The construction of new and rehabilitation of old office buildings; improvements to roads, bridges, and recreation, military, and cultural facilities; and building and land purchases are all included in the federal capital improvements proposed for funding. The NCPC's staff review each submission for consistency with the Comprehensive Plan and federal and local planning policies. Following the agency's review, the NCPC provides the FCIP to the Office of Management and Budget (OMB).

IV. Planning Operations

To support the NCPC's planning operations, the agency ensures that appropriate resources are dedicated to federal reporting and compliance; continuity of operations and operational readiness; modernization and maintenance of information technology resources and infrastructure; training and professional development of staff; risk management; internal controls; and fiscal management.

The NCPC reporting entity is comprised of General Funds and General Miscellaneous Receipts.

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. NCPC manages Operations and Facilities General Fund accounts.

General Fund Miscellaneous Receipts are accounts established for receipts of non-recurring activity, such as fines, penalties, fees and other miscellaneous receipts for services and benefits.

NCPC has rights and ownership of all assets reported in these financial statements. The reporting entity is a component of the U.S Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. NCPC does not possess any non-entity assets.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of NCPC. The Balance Sheet presents the financial position of the agency. The Statement of Net Cost presents the agency's operating results; the Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.

The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of NCPC in accordance with the hierarchy of accounting principles generally accepted in the United States of America,

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as amended, and NCPC's accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control NCPC's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

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

D. Fund Balance with Treasury

FBWT is an asset of a reporting entity and a liability of the General Fund. It is the aggregate amount of the NCPC's funds with Treasury in expenditure and receipt accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

The NCPC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. When the reporting entity seeks to use FBWT or investments in Government securities to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Funds are disbursed for the agency on demand. Foreign currency payments are made either by Treasury or the Department of State and are reported by NCPC in the U.S. dollar equivalents.

E. Property, Equipment, and Software

Property, equipment and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. NCPC's capitalization threshold is \$50,000 for individual purchases and \$500,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

<u>Description</u>	<u>Useful Life (years)</u>
Leasehold Improvements	Period of Lease
Office Furniture	5
Computer Equipment	3
Office Equipment	5
Software	3

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

F. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

G. Liabilities

Liabilities represent the amount of funds likely to be paid by the NCPC as a result of transactions or events that have already occurred.

NCPC reports its liabilities under two categories, Intragovernmental and With the Public. Intragovernmental liabilities represent funds owed to another government agency. Liabilities with the Public represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave and deferred rent. Deferred rent is the difference at year-end between the sum of monthly cash disbursements paid to date for rent and the sum of the average monthly rent calculated based on the term of the lease.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

H. Annual, Sick, and Other Leave

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

I. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the NCPC's employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the NCPC terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

J. Retirement Plans

NCPC's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of NCPC's matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency contribution equal to one percent of pay and NCPC matches any employee contribution up to an additional four percent of pay. For FERS participants, NCPC also contributes the employer's matching share of Social Security.

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

NCPC recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to NCPC for current period expense reporting. OPM also provides information regarding the full

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

cost of health and life insurance benefits. NCPC recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

NCPC does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM, as the administrator.

K. Other Post-Employment Benefits

NCPC's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) may continue to participate in these programs after their retirement. The OPM has provided the NCPC with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The NCPC recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM and offset by the NCPC through the recognition of an imputed financing source.

L. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

M. Reclassification

Certain fiscal year 2020 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

N. Classified Activities

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2021 and 2020, were as follows:

	2021	2020
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 97,695	\$ 230,814
Unavailable	563,491	456,665
Obligated Balance Not Yet Disbursed	997,187	1,527,547
Total	\$ 1,658,373	\$ 2,215,026

No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, this amount will become part of the unavailable balance as described in the following paragraph.

The unavailable unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand (see also Note 11).

NOTE 3. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of General Property, Plant and Equipment, Net as of September 30, 2021:

Major Class	Acquisition Cost	Accumulated Amortization/ Depreciation	Net Book Value
Building	\$ 419,089	\$ 419,089	\$ -
Leasehold Improvements	626,951	559,890	67,061
Furniture & Equipment	305,998	301,778	4,220
Total	\$ 1,352,038	\$ 1,280,757	\$ 71,281

National Capital Planning Commission
Notes to Financial Statements
September 30, 2021 and 2020

Schedule of General Property, Plant and Equipment, Net as of September 30, 2020:

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Building	\$ 419,089	\$ 419,089	\$ -
Leasehold Improvements	626,951	495,032	131,919
Furniture & Equipment	305,998	298,964	7,034
Total	\$ 1,352,038	\$ 1,213,085	\$ 138,953

NOTE 4. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for NCPC as of September 30, 2021 and 2020, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2021	2020
Unfunded Leave	\$ 331,030	\$ 303,502
Deferred Lease Liabilities	-	23,582
Total Liabilities Not Covered by Budgetary Resources	\$ 331,030	\$ 327,084
Total Liabilities Covered by Budgetary Resources	391,800	550,360
Total Liabilities	\$ 722,830	\$ 877,444

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NCPC leases office space at 401 9th Street, N.W., North Lobby, Suite 500, Washington, DC 20004. NCPC entered into an operating lease in December 2010 which expired in November 2020. NCPC received a rent credit of \$1,074,583 for the first ten months of the lease in Fiscal Year 2011. NCPC received an additional Commission Credit of \$119,390 in Fiscal Year 2012 of the lease. NCPC accounted for the lease on a straight-line basis over the lease term.

NOTE 5. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2021 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 16,073	\$ -	\$ 16,073
Employer Contributions and Payroll Taxes Payable	53,232	-	53,232
Total Intragovernmental Other Liabilities	\$ 69,305	\$ -	\$ 69,305
With the Public			
Accrued Funded Payroll and Leave	\$ 225,547	\$ -	\$ 225,547
Total Public Other Liabilities	\$ 225,547	\$ -	\$ 225,547
Total Other Liabilities	\$ 294,852	\$ -	\$ 294,852

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Other liabilities account balances as of September 30, 2020 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 14,544	\$ -	\$ 14,544
Employer Contributions and Payroll Taxes Payable	45,228	-	45,228
Total Intragovernmental Other Liabilities	\$ 59,772	\$ -	\$ 59,772
With the Public			
Accrued Funded Payroll and Leave	\$ 201,935	\$ -	\$ 201,935
Total Public Other Liabilities	\$ 201,935	\$ -	\$ 201,935
Total Other Liabilities	\$ 261,707	\$ -	\$ 261,707

NOTE 6. LEASES

Operating Leases

NCPC occupies office space under a federal lease agreement that is accounted for as an operating lease. The lease term expired November 30, 2020, but a lease extension was enacted through May 31, 2022. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. The total operating lease expense for fiscal years 2021 and 2020 were \$1,480,134 and \$1,407,389, respectively. Below is a schedule of future payments for the term of the extension.

Fiscal Year	Asset Category Building
2022	\$ 966,128
Total Future Lease Payments	\$ 966,128

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

NOTE 7. COMMITMENTS AND CONTINGENCIES

NCPC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2021 and 2020.

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NOTE 8. INTER-ENTITY COSTS

NCPC recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. NCPC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2021 and 2020, respectively, inter-entity costs were as follows:

	2021	2020
Office of Personnel Management	\$ 253,505	\$ 213,005
Total Imputed Financing Sources	\$ 253,505	\$ 213,005

NOTE 9. NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority.

The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2021, and 2020, consisted of the following:

	2021	2020
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 687,479	\$ 518,367
Recoveries of Prior Year Obligations	233,776	258,826
Other Changes in Unobligated Balances	(141,062)	(98,217)
Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 780,193	\$ 678,976

NOTE 10. APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS

New obligations and upward adjustments incurred and reported in the Statement of Budgetary Resources in 2021 and 2020 consisted of the following:

	2021	2020
Direct Obligations, Category A	\$ 8,243,006	\$ 8,115,497
Reimbursable Obligations, Category A	108,622	30,788
Total New Obligations and Upward Adjustments	\$ 8,351,628	\$ 8,146,285

Category A apportionments distribute budgetary resources by fiscal quarters.

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NOTE 11. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2021, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Unpaid Undelivered Orders	\$ 189,768	\$ 415,619	\$ 605,387
Total Undelivered Orders	\$ 189,768	\$ 415,619	\$ 605,387

As of September 30, 2020, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Unpaid Undelivered Orders	\$ 193,738	\$ 783,450	\$ 977,188
Total Undelivered Orders	\$ 193,738	\$ 783,450	\$ 977,188

NOTE 12. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2021 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2022 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2022 Budget of the United States Government, with the "Actual" column completed for 2020, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	\$ 9	\$ 8	\$ 8
Difference - Due to Rounding	(1)	-	-
Budget of the U.S. Government	\$ 8	\$ 8	\$ 8

NOTE 13. CUSTODIAL ACTIVITY

NCPC's custodial collection primarily consists of an immaterial refund related to an expired reimbursable agreement. While these collections are considered custodial, they are neither primary to the mission of NCPC nor material to the overall financial statements. NCPC's total custodial collections are \$1 and \$0 for the years ended September 30, 2021, and 2020, respectively.

NOTE 14. RECONCILIATION OF NET COST TO NET OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

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Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2021
(In Dollars)

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 3,493,293	\$ 5,212,860	\$ 8,706,153
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(67,672)	(67,672)
(Increase)/Decrease in Liabilities:			
Accounts Payable	(1,446)	217,349	215,903
Federal Employee and Veteran Benefits Payable	-	(28,144)	(28,144)
Other Liabilities	(9,533)	(23,612)	(33,145)
Financing Sources:			
Imputed Cost	(253,505)	-	(253,505)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (264,484)	\$ 97,921	\$ (166,563)
Misc Items			
Non-Entity Activity	1	-	1
Total Other Reconciling Items	\$ 1	\$ -	\$ 1
Total Net Outlays (Calculated Total)	\$ 3,228,810	\$ 5,310,781	\$ 8,539,591
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			\$ 8,539,591

Reconciliation of Net Cost to Net Outlays as of September 30, 2020:

RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2020
(In Dollars)

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 3,048,764	\$ 5,042,205	\$ 8,090,969
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(67,670)	(67,670)
(Increase)/Decrease in Liabilities:			
Accounts Payable	298,516	72,351	370,867
Federal Employee and Veteran Benefits Payable	-	(54,181)	(54,181)
Other Liabilities	(14,273)	39,168	24,895
Financing Sources:			
Imputed Cost	(213,005)	-	(213,005)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ 71,238	\$ (10,332)	\$ 60,906
Total Net Outlays (Calculated Total)	\$ 3,120,002	\$ 5,031,873	\$ 8,151,875
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			\$ 8,151,875

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NOTE 15. SUBSEQUENT EVENTS

NCPC has evaluated subsequent events occurring after the balance sheet date and through the date of November 15, 2021, the date the financial statements were available for release. Based upon this evaluation, NCPC has determined that no subsequent events have occurred which require disclosure in the financial statements.