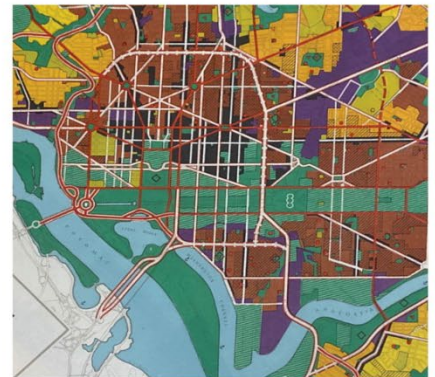




The Federal Planning Agency for America's Capital

PERFORMANCE & ACCOUNTABILITY REPORT

2022



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

EX OFFICIO MEMBERS

HONORABLE LLOYD J. AUSTIN III
Secretary of Defense

HONORABLE DEB HAALAND
Secretary of the Interior

HONORABLE ROBIN CARNAHAN
Administrator of General Services

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

HONORABLE CAROLYN B. MALONEY
Chairwoman
Committee on Oversight and Reform
United States House of Representatives

HONORABLE MURIEL BOWSER
Mayor
District of Columbia

HONORABLE PHIL MENDELSON
Chairman
Council of the District of Columbia

AGENCY DIRECTOR

MARCEL ACOSTA
Executive Director
National Capital Planning Commission

PERFORMANCE & ACCOUNTABILITY REPORT

2022

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MESSAGE FROM THE CHAIR



I am pleased to present the National Capital Planning Commission's (NCPC) Fiscal Year (FY) 2022 Annual Performance and Accountability Report. This year's report includes the results of an independent audit of the agency's financial statements and as well as highlights the agency's accomplishments of the past year. I am pleased that NCPC has received a clean independent audit report over its internal controls and financial statements.

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. 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 FY2022, NCPC remained committed to the effective stewardship of its fiscal resource to achieve the agency's goals and objectives. The audited financial statements included in this report were prepared to report the agency's financial position and results of operations pursuant to the requirements of 31 U.S.C. § 3515(b); and 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 were met and NCPC has effective internal controls in place to support reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.

In submitting this year's FY2022 annual performance and accountability report, I am very proud of NCPC's fiscal stewardship, as well as the achievements of the Commissioners and staff.

Sincerely,

Elizabeth A. White
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. 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

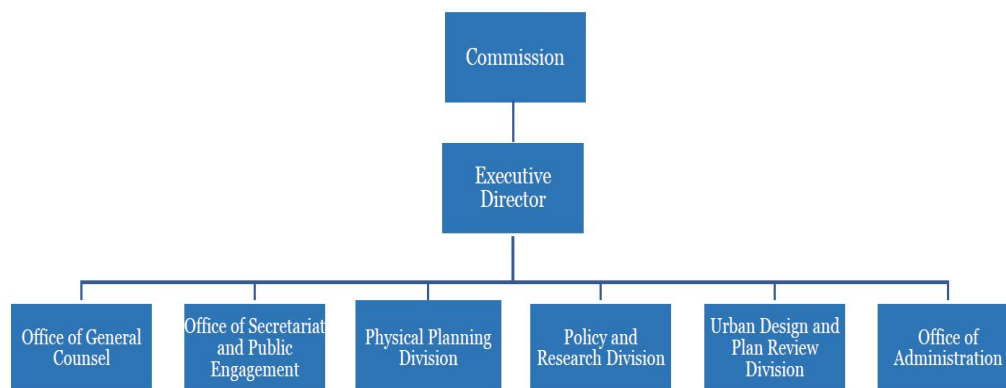
The National Capital Planning Commission (NCPC) was established by the National Capital Planning Act of 1952, as amended (40 U.S.C. §§ 8701 et seq). The Act coupled with other statutory authorities defines the agency's core responsibilities. NCPC also possesses statutory authorities related to the acquisition 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 to enrich the lives of the region's visitors, workers, and residents.

ORGANIZATIONAL STRUCTURE

The President appoints a Chair, who leads the Commission. NCPC professional staff is comprised of six Divisions, managed by an Executive Director. NCPC's full time staff is comprised of planners, architects, urban designers, landscape architects, and other professionals. 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.

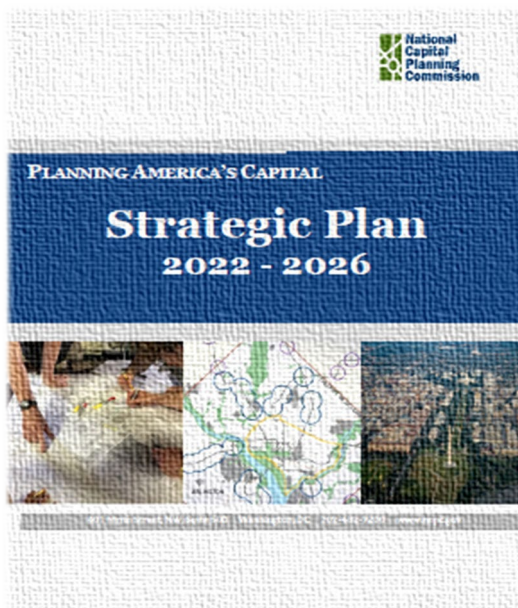


STRATEGIC GOALS 2022 - 2026

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. NCPC encourages efficient transportation and smart growth, accommodates the needs of foreign missions, and balances security elements with urban planning principles.

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 NCPC’s Strategic Plan for the period covering 2022 through 2026. The Plan is located on the agency’s website at www.ncpc.gov.



STRATEGIC PLAN GOALS

GOAL ONE:

Enhance Our Nation’s Legacy

GOAL TWO:

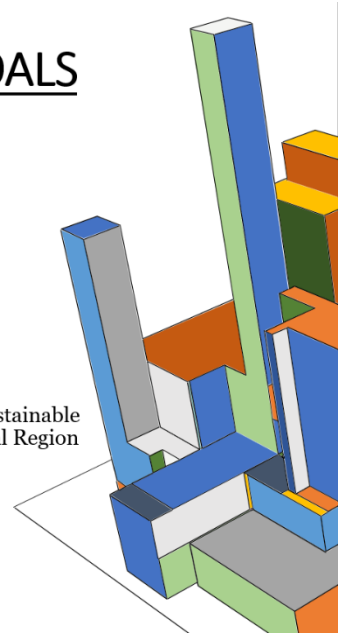
Expand Opportunities to Commemorate

GOAL THREE:

Balance Security and Public Access

GOAL FOUR:

Facilitate More Efficient, Attractive, and Sustainable Federal Development in the National Capital Region



PART II:

PERFORMANCE OUTCOMES IN FY2022

The strategic objectives developed in NCPC's strategic plan for the period covering FY2022 through 2026 are the roadmap for the agency's initiatives for the year. NCPC's annual FY2022 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 June 03, 2022, Circular A-136 *Financial Reporting Requirements*, some of 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

Enhance our nation's legacy.

In FY2022 NCPC continued to focus efforts towards efficiently delivering mission outcomes, providing excellent service, and acting as effective stewards of our nation's capital. Some of the agency's accomplishments towards meeting these goals include the following:

PROJECT AND PLAN REVIEW

In fulfilling one of the agency's core missions, the Commission evaluated project submissions in accordance with the Comprehensive Plan to coordinate development in the region and protect historic, cultural, and natural resources. 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 of Columbia land in Washington, DC, and (4) certain types of private development projects referred to NCPC by the District of Columbia Zoning Commission. Additionally, for many of the projects, NCPC has 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 FY2022, NCPC reviewed 145 submissions for development and planning projects. NCPC also issued exceptions for 26 other submissions during the year. Some of the projects reviewed by NCPC staff in FY2022 included the following:

COMMEMORATIVE WORKS	MASTER PLANS	PROJECTS
<ul style="list-style-type: none"> *National Desert Storm and Desert Shield Memorial *Peace Corps Memorial *Smithsonian Site Selection for new museums *Texas Legislation Memorial Site Selection *Korean War Veterans Memorial Wall of Remembrance Donor Signage 	<ul style="list-style-type: none"> *NASA Goddard Campus *Arlington National Cemetery *Joint Base Anacostia Bolling *Armed Forces Retirement Home Master Plan Amendment *Wolf Trap National Park 	<ul style="list-style-type: none"> *Hirschhorn Sculpture Garden *Long Bridge *Ft. Belvoir North Area Distribution Center *Revitalization of the Smithsonian Castle *Anacostia Bridge *K Street Transitway *DC Clean Rivers Potomac River Tunnel Project *National Foreign Affairs Training Center Perimeter Security

NATIONAL CAPITAL REGION FACILITIES OUTREACH INITIATIVE

The agency recently completed its second annual outreach initiative for federal facilities located in the National Capital Region. The initiative has informed the outlook for the Commission's work this coming year. The outreach builds upon NCPC's annual Federal Capital Improvements Program (FCIP); annual department coordination meetings; and staff outreach on new guidelines and resources guides. The initiative took place this past summer and early fall, where staff coordinated with approximately 75 different federal sites and installations. The overall goal of the initiative is to have the Commission engage with our federal partners and local jurisdictions earlier in the planning and development process.

NCPC our applicants, and local jurisdictions regard the initiative as very successful. It has resulted in improved coordination between local jurisdictions and applicants. Local representatives participated in all of the outreach meetings over the summer and throughout many projects during the past year.

IMPROVING CUSTOMER EXPERIENCE

In FY2022, NCPC continued to maintain a robust website, which is the principal source of information for its stakeholders and the public. In addition to providing monthly information on projects under consideration during each Commission meeting cycle, the website includes pages on proposed NCPC policy initiatives, major projects under review, and new planning initiatives, and is frequently updated with new content. Additionally, NCPC uses electronic

media to engage the public via monthly newsletters, webinars, blogs, streaming presentations, and social media platforms. In FY2022 NCPC's monthly newsletter had a 26% open rate, and the electronically distributed Commission meeting agenda had a 30% open rate, both higher than the industry standard of 20%. NCPC's Commission meetings are conducted online, live streamed and recorded, which has increased public viewing and made public participation more accessible. Public meetings for initiatives were conducted online and in-person, at varying locations and times, to encourage public engagement from diverse audiences.

FORMAL REPRESENTATION ON VARIOUS LOCAL, REGIONAL, AND FEDERAL AUTHORITIES

In FY2022, 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, National Capital Memorial Advisory Commission, Department of Homeland Security's Interagency Security Committee, and the Transportation Planning Board of the Metropolitan Washington Council of Governments.

STRATEGIC GOAL TWO

Expand opportunities to commemorate.

BEYOND GRANITE AND THE MEMORIALS & MUSEUMS MASTER PLAN (2M PLAN)

The memorials and museums in Washington's monumental core symbolize the values of the city and our nation. Despite the designation of a Reserve restricting new commemorative elements on the National Mall, there is continued demand for locations on the National Mall or as close as possible. In the future, there will be many more stories to be shared that may not be accommodated in this symbolic space. As part of a *Memorials and Museums Master Plan* (2M Plan) update, NCPC is exploring the potential of temporary commemoration to alleviate land constraints and provide exciting alternatives to permanent commemoration on the National Mall. The original 2M Plan (2001, amended in 2003) provided a variety of potential sites for permanent commemoration across the District. The 2M Plan update will seek to expand on temporary commemoration, future museum planning and siting, and continue to assess appropriate locations for permanent memorials.

In the second quarter of FY2022, NCPC staff and the Trust for the National Mall launched the *Beyond Granite* program to create a more inclusive, equitable, and representative process for commemoration on the National Mall and surrounding areas. The Trust for the National Mall is

leading the initiative in partnership with NCPC and the National Park Service. The program is funded by the Andrew W. Mellon Foundation's Monuments Project. The project and assessments will continue through FY2023 and the first and second quarters of FY2024.

Through an exhibition of temporary memorials in FY2023, the demonstration will test how temporary commemoration can be a viable alternative to permanent memorials, alleviate land constraints, and help diversify representation within the capital's commemorative landscape. NCPC will use the information gained from this joint initiative to inform the update to the 2001 version of the 2M Plan, develop federal policy framework for future temporary commemorative works, and, as appropriate, identify criteria for permanent locations for long-term programming of temporary memorials.

PERMANENT COMMEMORATION REVIEW

In FY2022, the Commission approved the preliminary site and building plans for the National Desert Storm and Desert Shield Memorial and approved the preliminary and final site development plans for the Korean War Veterans Memorial Wall of Remembrance Donor Signage. NCPC worked with the Smithsonian Institution to identify appropriate sites for two national museums authorized by Public Law 116-260, the American Women's History Museum, and the National Museum of the American Latino and provided comments on proposed sites.

Under its authority granted by the Commemorative Works Act of 1986, NCPC provided comments on nine proposed commemorative works and legislation as a member of the National Capital Memorial Advisory Commission. These proposals included the review of legislation for the National Service Animals Memorial Act; site selections for the Texas Legation and Fallen Journalists Memorials; and the site evaluation study for the American Women's History Museum and the National Museum of the American Latino.

PENNSYLVANIA AVENUE INITIATIVE

In FY2022, NCPC developed a new vision and three conceptual ideas for Pennsylvania Avenue between the White House and U.S. Capitol. The Commission released the new vision and concepts for a four-month public review and comment period, receiving more than 450 comments. NCPC, on behalf of the Initiative's federal and local partners, secured the funding and began coordinating to procure consultant services in 2023. The consultants will develop the concepts for assessment in accordance with the National Environmental Policy Act and National Historic Preservation Act. The new plan will address infrastructure and public space improvements to realize the new vision and an implementation program that will improve operations, maintenance, and programming of the Avenue. Additionally, to support the District

of Columbia’s economic recovery and enhance the federal presence, NCPC worked with Initiative partners to advance nationally significant cultural programming on the Avenue.

MONUMENTAL CORE STREETScape GUIDE

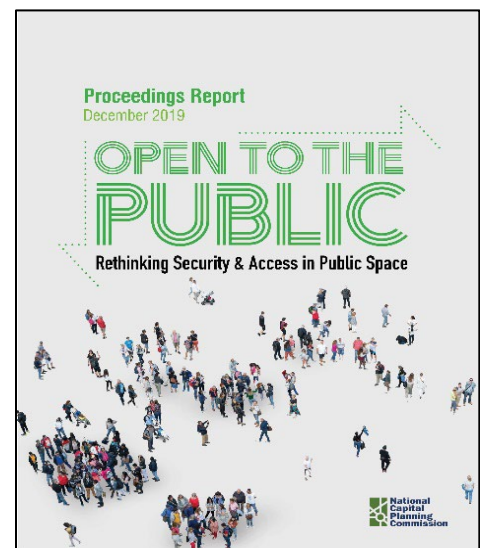
In FY22, NCPC released a substantial portion of the monumental core streetscape design guidelines for public review and comment. These guidelines will be submitted to the Commission for final approval in FY2023. Additionally, NCPC also completed design guidelines for civic infrastructure and furnishings that will be submitted to the Commission to release for public review. NCPC continues working with city partners to develop guidelines for District controlled streets where there is significant federal interest and preparing the construction specifications to update the construction manual.

STRATEGIC GOAL THREE

Balance security and public access.

PARTNERSHIPS TO INCREASE SECURITY IN THE NATION’S CAPITAL

NCPC is at the forefront of developing policy guidance to address security, urban design, and public access in a thoughtful and balanced manner. NCPC works with federal property representatives on their perimeter security projects to incorporate design practices that preserve vibrant public spaces and ensure security for individuals and physical assets. In recent years, with an increase in vehicle-ramming attacks and other growing threats, the focus has shifted from one on physical buildings to include parks, plazas, and streets— and the protection of people in these spaces. In 2019, NCPC initiated the Public Space Security Initiative to address the evolving range of threats faced by people occupying public spaces and released a proceeding report to use as a framework to work with stakeholders to make further assessments.



In FY2022, NCPC conducted case studies to examine security needs for activation of an “open” street (closed to cars) prototype. NCPC worked with the District of Columbia’s Office Planning to examine security needs for District’s Streets for People Initiative. In the last quarter of

FY2022, NCPC developed a questionnaire to learn about best practices from other capital cities in addressing the implications from precinct security, which focuses on securing multiple blocks to control access to an area, typically at roadways. In FY2023, NCPC will incorporate insights from the proceeding reports, case studies, and other efforts to inform updates to the *Comprehensive Plan for the National Capital's* Federal Urban Design Element, which NCPC uses to evaluate plans for public spaces.

NCPC worked with the Golden Triangle Business Improvement District (GT BID), the District of Columbia Department of Transportation (DDOT), and the NPS to discuss traffic safety and security around Farragut Square. NCPC helped bring the DDOT to the table to complete a safety study for the GT BID. Stakeholders will continue to work together to provide solutions to make Farragut Square a safe and accessible public space.

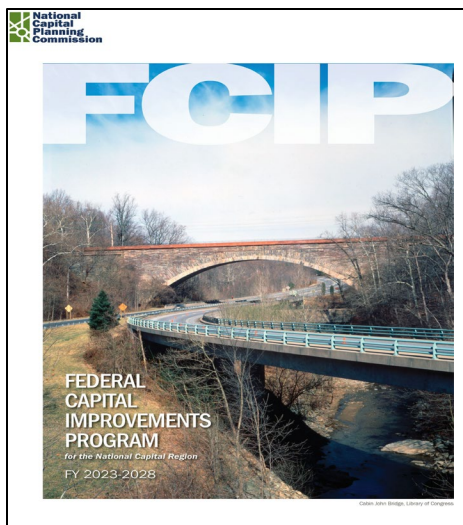
In the last quarter FY2022, NCPC was invited to the Interagency Security Committee (ISC) Quarterly Membership Meeting to present the agency's security planning and design related work, including recent perimeter security projects, NCPC's Public Space Security Initiative, updates to the Comprehensive Plan, and the Pennsylvania Avenue Initiative.

NCPC joined the ISC Mobile Federal Workplace Security working group and assisted in the draft *Mobile Federal Workplace Security: An Interagency Security Committee Best Practice* document update. This document offers organizations new and relevant guidance on physical and cyber security considerations for teleworking at home, in alternative workplace environments, and in public, while also addressing how telework options can augment continuity planning.

STRATEGIC GOAL FOUR

Facilitate more efficient, attractive, and sustainable federal development in the National Capital Region.

FEDERAL CAPITAL IMPROVEMENTS PROGRAM



In the first quarter of FY2022, NCPC coordinated with the Office of Management and Budget to develop questions regarding the potential equity impacts and climate risks and adaptation consideration (as identified in NCPC's Climate Action and Equity Action Plans) for agencies submitting proposed federal capital improvement projects to NCPC for review. NCPC completed upgrades to the *Federal Capital Improvements Program* (FCIP) process and included new equity and climate questions in the submission portal. The upgrades helped to improve and streamline the annual program. Several Federal applicants piloted the new submission portal before implementing the program's initial data call.

In FY2022, NCPC staff reviewed and analyzed 85 proposed capital improvement projects submitted by federal agencies with an estimated value of \$6.5 billion for fiscal years 2023 through 2028. After conducting reviews, NCPC prepared and submitted the *Federal Capital Improvement Program Fiscal Year 2023-2028* report, containing analysis and recommendations to the Office of Management and Budget.

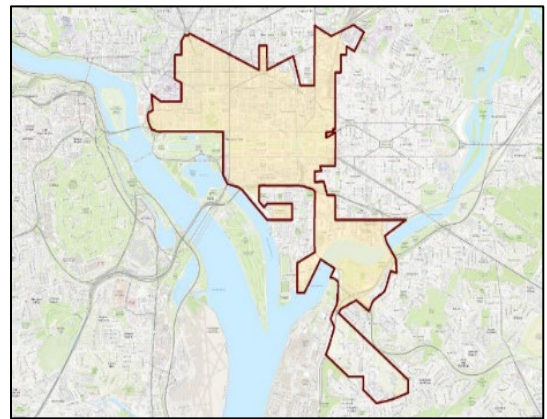
In the last quarter of FY2022, NCPC staff prepared the public version of the FCIP FY 2022-2027 report, which summarizes the projects funded for FY2022. FY2022 included 41 funded projects, with a total of \$1,072,168,039.65. The funded report identifies projects located within equity emphasis areas, a planning concept adopted by the Metropolitan Washington Council of Governments that encompasses 350 of the region's approximately 1,200 census tracts that have high concentrations of low-income individuals and/or racial and ethnic minorities. NCPC will use the Equity Emphasis Areas as a tool to gauge prioritization and investment in underserved communities.

NCPC staff also reviewed and analyzed seven non-federal Capital Improvement Projects in FY2022. The proposed non-federal projects included those proposed by the District government, Montgomery County, Prince George's County, Prince William County, Fairfax County, Loudoun County, Arlington County, and the City of Alexandria.

THE COMPREHENSIVE PLAN FOR THE NATIONAL CAPITAL: FEDERAL ELEMENTS

While the Comprehensive Plan is a policy document that serves as the blueprint for the region's long-term development, it does not include targeted policies and analysis on how the plan impacts underserved communities and could improve more equity outcomes. In FY2022, in response to the agency's Climate Action and Equity Plans, NCPC staff focused their efforts on updating the Comprehensive Plan's Introduction Chapter, to include a new framework on how to address equity and climate adaptation throughout the updates of the Federal Elements.

In March 2021 the Commission deferred action on further changes to the Federal Workplace Element while staff continues to study the potential long-term impacts to the planning, location, and design of federal workplaces post-pandemic. In the third quarter of FY2022, NCPC staff provided the Commission a high-level overview of NCPC's new partnership with the Metropolitan Washington Council of Governments (MWCOC) to explore a scenario planning initiative to better understand the cumulative impacts of federal telework/hybrid workplaces on our region. This effort is designed in collaboration with the U.S. General Services Administration, the Department of Defense, and the District of Columbia Office of Planning.



In FY2023, NCPC staff will convene a panel of experts and include facilitated discussions with stakeholders to help identify future scenarios that will be considered for subsequent targeted research. NCPC, in partnership with the MWCOC and other partners, will study the use of telework and analyze how that may impact office demand, federal footprint, the transportation network, and federal procurement. NCPC will summarize this analysis in a key finding report that will be a framework for NCPC and other federal agencies, MWCOC, and regional planning directors to make more effective decisions as they consider potential impacts of the future scenarios. This study will help inform policy updates to the Federal Workplace and Transportation Elements.

TRANSPORTATION MONITORING PROGRAM

In FY2022, NCPC staff continued to monitor and evaluate the performance of Transportation Demand Management (TDM) programs at federal facilities. Agency staff determined that regular reporting is critical to understanding how transportation conditions at facilities change over time,

and whether TDM programs are effectively managing travel demand. NCPC staff will continue with biennial reporting to help the Commission understand larger transportation trends for the facility and determine whether Transportation Management Plans (TMPs) are adequately helping facilities meet transportation goals.

In FY2022, NCPC staff received the Metropolitan Washington Council of Government's Commuter Connection's 2022 Employer Services Organization Achievement Award and the American Planning Association National Capital Area Chapter Award for its Transportation planning initiative. NCPC assists federal agencies in developing robust TMPs that prioritize environmental protection, sustainable development, congestion reduction, energy efficiency, and quality of life in the region.

FLOOD RISK MANAGEMENT

Through its leadership role with the DC Silver Jackets, NCPC continued to help coordinate stakeholder meetings, as well as edit and provide content for reports comparing system-wide solutions for flooding in the Federal Triangle area, as well as a cost and damage assessment. NCPC initiated actions to update its policies to reflect Executive Orders regarding flood standards. NCPC staff serve on a stakeholder group developing a District of Columbia Flood Risk Plan.

CLIMATE ACTION PLAN, SUSTAINABILITY REPORT, IMPLEMENTATION PLAN AND EQUITY ACTION PLAN

NCPC's strategic goals reflect the agency's broad, long-term outcomes to which the agency aspires to achieve collectively through its Commissioners and full-time staff. The agency's strategic goals are derived from NCPC's statutory mission and are more specifically expressed by the agency's strategic objectives. The strategic objectives are outcome-oriented and provide the framework for NCPC's annual performance plan. The annual performance plan serves as the road map for guiding the organization's performance from year to year. In addition, NCPC uses the strategic objectives and evidence gathered throughout the year to measure, evaluate, and monitor the agency's progress in fulfilling its mission.

In FY2022, NCPC released the agency's Climate Action Plan. As directed by Executive Order 14008: Tackling the Climate Crisis at Home and Abroad, major federal agencies were required to develop an adaptation and resilience plan to address their most significant climate risks and vulnerabilities. NCPC's Climate Action Plan identified near-term, long-term, and ongoing opportunities to incorporate climate adaptation goals and policies in its four core activities: Comprehensive Planning, the *Federal Capital Improvements Program*, Project and Plan Review, and Special Initiatives.

In FY2022, NCPC assembled a cross-divisional working group to prepare the agency's Equity Action Plan. Federal agencies were required to prepare a plan to address barriers to full and equal participation in programs, procurement, and contracting following the release of Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. NCPC's Equity Action Plan seeks to integrate equity considerations into the agency's planning for commemoration; preparation of the *Federal Capital Improvements Program*; policies and text of the Comprehensive Plan's Federal Elements; review of major projects and master plans; and NCPC's public outreach.

Using the strategic objectives developed in NCPC's strategic plan for the period covering FY2018 through FY2022, the following are highlighted outcomes of the of the agency's FY2022 performance.

WORKFORCE TRAINING AND PROFESSIONAL DEVELOPMENT

NCPC's leadership is committed to developing a workforce for the 21st century. In FY2022, NCPC hosted brownbag sessions to discuss and share professional experiences as well as industry best practices. In 2022, NCPC established a work team to develop an Equity Action Plan in response to E.O. 13985 and then implemented the plan by incorporating equity considerations into the agency's core work and initiatives such as Beyond Granite. An agency-wide equity training program was developed, and two brown bags on regional planning in equity were held.

FEDERAL COMPLIANCE AND REPORTING

In FY2022, NCPC's leadership continued to focus on staff and agency compliance of the accomplishments in the arenas of: (1) NCPC's Commissioners, Executive Team, 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 and all federal reporting requirements were met; (3) employees effectively followed physical and information security practices to protect the agency's physical and digital resources; (4) NCPC submitted response to EO 14019, promoting Access to Voting, EO 13175, Tribal Engagement; and (5) NCPC's General Council submitted the annual FOIA response report.

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 the Federal Financial Management Improvement Act of 1996 (FFMIA). However, as stated in this report's message from the Chair, 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 Recovery Act of 2010
- The Payment Integrity Act of 2019
- Fraud Reduction and Data Analytics Act of 2015
- Digital Accountability and Transparency Act of 2014

LIMITATIONS OF THE FINANCIAL STATEMENTS

In FY2022, NCPC renewed its agreement with a federal shared services provider for all fiscal related functions. As a result of the interagency agreement, 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 included secure web-based fiscal transaction management from the issuance of purchase orders through vendor invoicing. Other improved efficiencies include streamlined and automated processing and tracking of purchase card expenditures, travel-related transactions and electronic procurement management which has integrated compliance reporting in accordance with the Digital Accountability and Transparency Act of 2014.

NCPC's financial statements were prepared to report the agency's financial position and results of operations pursuant to the requirements of 31 U.S.C. § 3515(b). While the statements were prepared from the books and records of 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 FY2022 FINANCIAL STATEMENTS

The section that follows contains National Capital Planning Commission's FY2022 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 FY2022.

In FY2022 the overall financial condition of the agency was good, and there were no fiscal issues arising during the 2022 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 STATEMENT OF BUDGETARY RESOURCES FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

(In Dollars)

	2022	2021
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net (Note 9)	\$ 677,121	\$ 780,193
Appropriations	8,750,000	8,124,000
Spending Authority from Offsetting Collections	-	108,622
Total Budgetary Resources	\$ 9,427,121	\$ 9,012,815
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (total) Note (10)	\$ 8,554,970	\$ 8,351,628
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	363,196	97,695
Unapportioned, Unexpired Accounts	9,477	9,477
Unexpired Unobligated Balance, End of Year	372,673	107,172
Expired Unobligated Balance, End of Year	499,478	554,015
Unobligated Balance, End of Year (total)	872,151	661,187
Total Budgetary Resources	\$ 9,427,121	\$ 9,012,815
Outlays, Net and Disbursements, Net:		
Outlays, Net (total)	\$ 8,249,414	\$ 8,539,591
Agency Outlays, Net	\$ 8,249,414	\$ 8,539,591

VARIANCE ANALYSIS OF FINANCIAL STATEMENTS

There were no significant fiscal variances between FY2022 and FY2021.

PART IV:

FINANCIAL SECTION

NATIONAL CAPITAL PLANNING COMMISSION

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021**





**NATIONAL CAPITAL PLANNING COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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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, 2022 and 2021 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. 22-01, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 22-01, 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, 2022 and 2021, 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, 2022, 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

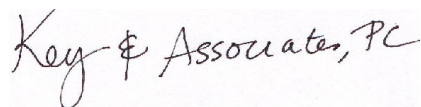
As part of obtaining reasonable assurance about whether the National Capital Planning Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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. 22-01. 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. 22-01.

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, 2022

NATIONAL CAPITAL PLANNING COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2022 AND 2021
(In Dollars)

	2022	2021
Assets:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 1,991,808	\$ 1,658,373
Total Intragovernmental	1,991,808	1,658,373
Other than Intragovernmental:		
General Property, Plant, and Equipment, Net (Note 3)	10,278	71,281
Total Other than Intragovernmental	10,278	71,281
Total Assets	\$ 2,002,086	\$ 1,729,654
Liabilities: (Note 4)		
Intragovernmental:		
Accounts Payable	\$ 86,033	\$ 46,448
Accounts Payable	86,033	46,448
Other Liabilities (Note 5)	86,159	69,305
Other Liabilities (Without Reciprocals)	25,129	16,073
Other Current Liabilities - Benefit Contributions Payable	61,030	53,232
Total Intragovernmental	172,192	115,753
Other than Intragovernmental:		
Accounts Payable	144,670	39,811
Federal Employee Benefits Payable	405,247	341,719
Other Liabilities (Note 5)	335,742	225,547
Total Other than Intragovernmental	885,659	607,077
Total Liabilities	\$ 1,057,851	\$ 722,830
Net Position:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 1,317,692	\$ 1,257,095
Cumulative Results of Operations - Funds from Other than Dedicated Collections	(373,457)	(250,271)
Total Net Position	944,235	1,006,824
Total Liabilities and Net Position	\$ 2,002,086	\$ 1,729,654

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

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

	2022	2021
Gross Program Costs:		
Salaries and Expenses:		
Gross Costs	\$ 8,906,229	\$ 8,814,776
Less: Earned Revenue	-	(108,623)
Net Cost of Operations	\$ 8,906,229	\$ 8,706,153

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

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

	2022	2021
Unexpended Appropriations:		
Beginning Balance	\$ 1,257,095	\$ 1,655,189
Appropriations Received	8,750,000	8,124,000
Other Adjustments	(167,152)	(141,062)
Appropriations Used	(8,522,251)	(8,381,032)
Net Change in Unexpended Appropriations	60,597	(398,094)
Total Unexpended Appropriations	\$ 1,317,692	\$ 1,257,095
Cumulative Results of Operations:		
Beginning Balance	\$ (250,271)	\$ (178,654)
Appropriations Used	8,522,251	8,381,032
Imputed Financing (Note 8)	260,792	253,505
Other	-	(1)
Net Cost of Operations	(8,906,229)	(8,706,153)
Net Change in Cumulative Results of Operations	(123,186)	(71,617)
Total Cumulative Results of Operations	\$ (373,457)	\$ (250,271)
Net Position	\$ 944,235	\$ 1,006,824

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

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(In Dollars)

	2022	2021
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net (Note 9)	\$ 677,121	\$ 780,193
Appropriations	8,750,000	8,124,000
Spending Authority from Offsetting Collections	-	108,622
Total Budgetary Resources	\$ 9,427,121	\$ 9,012,815
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (total) Note (10)	\$ 8,554,970	\$ 8,351,628
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	363,196	97,695
Unapportioned, Unexpired Accounts	9,477	9,477
Unexpired Unobligated Balance, End of Year	372,673	107,172
Expired Unobligated Balance, End of Year	499,478	554,015
Unobligated Balance, End of Year (total)	872,151	661,187
Total Budgetary Resources	\$ 9,427,121	\$ 9,012,815
Outlays, Net and Disbursements, Net:		
Outlays, Net (total)	\$ 8,249,414	\$ 8,539,591
Agency Outlays, Net	\$ 8,249,414	\$ 8,539,591

The accompanying notes are an integral part of these financial statements

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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 2022 - 2026 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 five major functional areas that align respectively with NCPC's Strategic Goals: 1) Plan and Project Review; 2) Comprehensive Planning; 3) Federal Capital Improvements; 4) Equity, Diversity and Inclusion; and 5) Communication and Outreach. The NCPC outlines and adheres to financial reporting guidance in our Planning Operations.

I. 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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

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.

II. 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, 2022 and 2021

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. Equity, Diversity and Inclusion

The NCPC accepts, values, and embraces all people in our local communities. To foster inclusiveness, the agency promotes the free exchange of ideas and opinions and the fair and equitable treatment of all. The agency's leadership fosters the belief that there is strength in diversity, and encourages staff to recognize, respect, and appreciate different views.

V. Communication and Outreach

Engaging the public and stakeholders is integrated into our ongoing project reviews and our daily work. The NCPC will continue to utilize various communication methods to inform and update our partners, stakeholders, and the public.

VI. 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.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the 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 the NCPC in accordance with the hierarchy of accounting principles generally accepted in the United States of America, 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 the 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 the 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 the control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

D. Fund Balance with Treasury

Fund Balance with Treasury 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 the NCPC in the U.S. dollar equivalents.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

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. The 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

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.

The NCPC reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental 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.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

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

The NCPC's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the 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 the NCPC matches any employee contribution up to an additional four percent of pay. For FERS participants, the 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, the NCPC remits the employer's share of the required contribution.

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

The 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

The 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 2021 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.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2022 and 2021, were as follows:

	2022	2021
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 363,196	\$ 97,695
Unavailable	508,955	563,491
Obligated Balance Not Yet Disbursed	1,119,657	997,187
Total	\$ 1,991,808	\$ 1,658,373

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

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, 2022:

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Building	\$ 419,089	\$ 419,089	\$ -
Leasehold Improvements	626,951	618,080	8,871
Furniture & Equipment	305,998	304,591	1,407
Total	\$ 1,352,038	\$ 1,341,760	\$ 10,278

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

NOTE 4. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the NCPC as of September 30, 2022 and 2021, 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.

	2022	2021
Unfunded Leave	\$ 393,213	\$ 331,030
Total Liabilities Not Covered by Budgetary Resources	\$ 393,213	\$ 331,030
Total Liabilities Covered by Budgetary Resources	664,638	391,800
Total Liabilities	\$ 1,057,851	\$ 722,830

National Capital Planning Commission
Notes to Financial Statements
September 30, 2022 and 2021

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

NOTE 5. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2022, were as follows:

	Current	Total
Intragovernmental		
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 25,129	\$ 25,129
Employer Contributions and Payroll Taxes Payable	61,030	61,030
Total Intragovernmental Other Liabilities	\$ 86,159	\$ 86,159
Other than Intragovernmental		
Accrued Funded Payroll and Leave	\$ 335,742	\$ 335,742
Total Other than Intragovernmental Other Liabilities	\$ 335,742	\$ 335,742
Total Other Liabilities	\$ 421,901	\$ 421,901

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

	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
Other than Intragovernmental		
Accrued Funded Payroll and Leave	\$ 225,547	\$ 225,547
Total Other than Intragovernmental Other Liabilities	\$ 225,547	\$ 225,547
Total Other Liabilities	\$ 294,852	\$ 294,852

NOTE 6. LEASES

The NCPC occupies office space under a federal lease agreement that is accounted for as an operating lease. 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 2022 and 2021 were \$913,306 and \$1,480,134, respectively. The lease is presently under review with the U.S. General Services Administration, and therefore, no future fiscal year information is available as of the date of the financial statements.

NOTE 7. COMMITMENTS AND CONTINGENCIES

The NCPC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2022 and 2021.

National Capital Planning Commission
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NOTE 8. INTER-ENTITY COSTS

The 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. The 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, 2022 and 2021, respectively, inter-entity costs were as follows:

	2022	2021
Office of Personnel Management	\$ 260,792	\$ 253,505
Total Imputed Financing Sources	\$ 260,792	\$ 253,505

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, 2022, and 2021, consisted of the following:

	2022	2021
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 661,187	\$ 687,479
Recoveries of Prior Year Obligations	183,086	233,776
Other Changes in Unobligated Balances	(167,152)	(141,062)
Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 677,121	\$ 780,193

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 2022 and 2021 consisted of the following:

	2022	2021
Direct Obligations, Category A	\$ 8,554,970	\$ 8,243,006
Reimbursable Obligations, Category A	-	108,622
Total New Obligations and Upward Adjustments	\$ 8,554,970	\$ 8,351,628

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, 2022, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Unpaid Undelivered Orders	\$ 83,507	\$ 371,512	\$ 455,019
Total Undelivered Orders	\$ 83,507	\$ 371,512	\$ 455,019

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

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 2022 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2023 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2023 Budget of the United States Government, with the "Actual" column completed for 2021, 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	\$ 9
Unobligated Balance Not Available	(1)	-	-
Budget of the U.S. Government	\$ 8	\$ 8	\$ 9

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 \$0 and \$1 for the years ended September 30, 2022, and 2021, respectively.

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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.

Reconciliation of Net Cost to Net Outlays as of September 30, 2022:

RECONCILIATION OF NET COST TO NET OUTLAYS
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2022
(In Dollars)

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	\$ 3,097,571	\$ 5,808,658	\$ 8,906,229
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(61,002)	(61,002)
(Increase)/Decrease in Liabilities:			
Accounts Payable	(39,585)	(104,859)	(144,444)
Federal Employee [and Veteran] Benefits Payable	-	(63,528)	(63,528)
Other Liabilities	(16,854)	(110,195)	(127,049)
Financing Sources:			
Imputed Cost	(260,792)	-	(260,792)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (317,231)	\$ (339,584)	\$ (656,815)
Total Net Outlays (Calculated Total)	\$ 2,780,340	\$ 5,469,074	\$ 8,249,414
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			\$ 8,249,414

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	Other than Intragovernmental	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	(25,028)	217,349	192,321
Federal Employee [and Veteran] Benefits Payable	-	(28,144)	(28,144)
Other Liabilities	14,049	(23,612)	(9,563)
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

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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, 2022, 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.