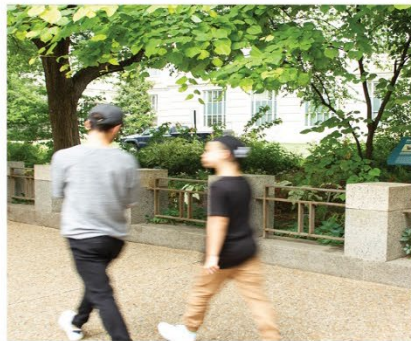


PERFORMANCE & ACCOUNTABILITY REPORT

2023



NATIONAL CAPITAL PLANNING COMMISSION

APPOINTED BY THE PRESIDENT

TERI HAWKS GOODMAN
Chair, United States at Large

ELIZABETH M. HEWLETT
Vice Chair, State of Maryland

BRYAN C. GREEN
Commonwealth of Virginia

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 PETERS
*Chair, Committee on Homeland Security and Governmental Affairs
United States Senate*

HONORABLE JAMES COMER
*Chair, Committee on Oversight and Accountability
United States House of Representatives*

HONORABLE MURIEL BOWSER
Mayor, District of Columbia

HONORABLE PHIL MENDELSON
Chairman, Council of the District of Columbia

EXECUTIVE DIRECTOR

MARCEL ACOSTA

PERFORMANCE & ACCOUNTABILITY REPORT

2023

CONTENTS

Message from the Chair.....	1
PART I: Management Discussion and Analysis	
About the National Capital Planning Commission	2
Strategic Goals for 2023 – 2027.....	3
PART II: Performance	
Performance Outcomes in FY2023	4
PART III: Analysis of Financial Statements	
Management Assurances.....	16
Analysis of the FY2023 Financial Statements.....	17
PART IV: Financial Section	
Independent Auditor’s Report.....	1-4
Balance Sheet.....	5
Statement of Net Cost.....	6
Statement of Changes in Net Position.....	7
Statement of Budgetary Resources	8
Notes to the Financial Statements.....	9-21

MESSAGE FROM THE CHAIR



I am pleased to present the National Capital Planning Commission's (NCPC) Fiscal Year (FY) 2023 Annual Performance and Accountability Report. This year's report includes the results of an independent audit of the agency's financial statements and highlights the agency's accomplishments of the past year. In FY2023, NCPC 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 natural resources and federal assets 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 FY2023, NCPC remained committed to the effective stewardship of its fiscal resources 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). 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. NCPC has effective internal controls to support reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations.

In submitting this year's FY2023 annual performance and accountability report, I am very proud of NCPC's fiscal stewardship and the achievements of the Commissioners and staff.

Sincerely,

Teri Hawks Goodmann
Chair

PART I: MANAGEMENT DISCUSSION & ANALYSIS

ABOUT THE NATIONAL CAPITAL PLANNING COMMISSION

The National Capital Planning Commission (NCPC) is an independent federal government Executive Branch agency. 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

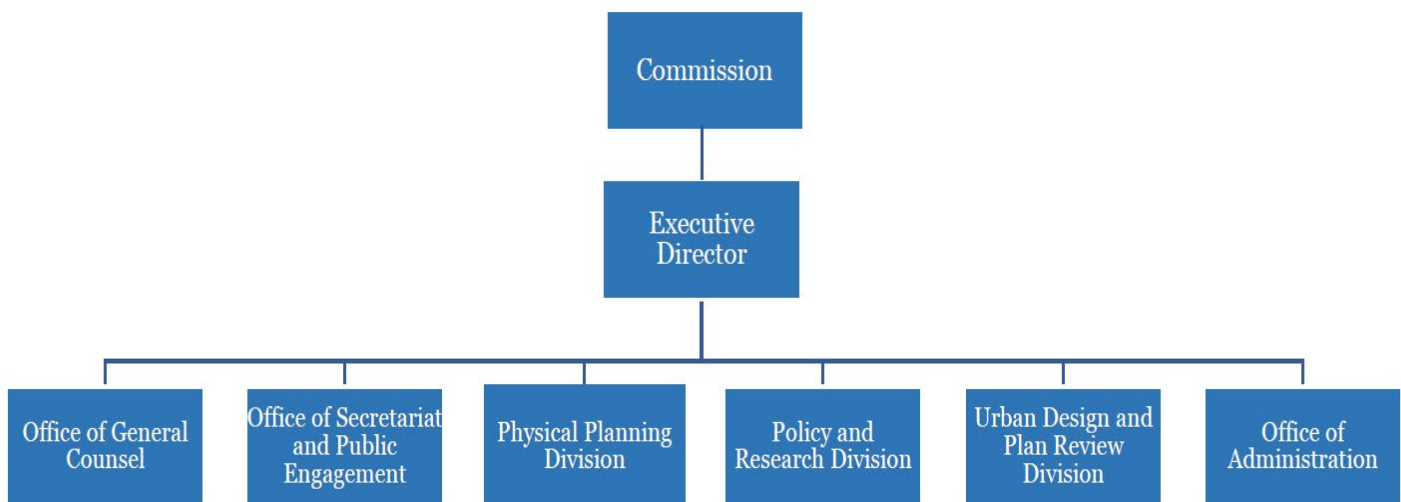
The National Capital Planning Commission (NCPC) was established by the National Capital Planning Act of 1952, as amended (40 U.S.C. §§ 8701 et seq). The Act and other statutory authorities define the agency's core responsibilities. The NCPC also possesses statutory authorities for acquiring and disposing 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, natural resources, and federal assets 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 comprises five Divisions, managed by an Executive Director. The NCPC's full-time staff includes planners, architects, urban designers, landscape architects, and other professionals. The NCPC's cadre of highly skilled specialists develops 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.

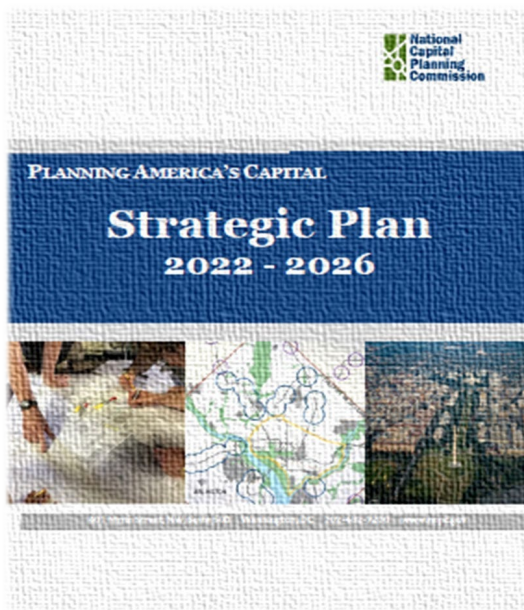


STRATEGIC GOALS: 2022 - 2026

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; interests range from ensuring that government agencies have adequate facilities and 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. The NCPC's planning guidance 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, for calendar years 2022 through 2026, the Commission established four strategic goals and one management priority with several performance objectives. The agency's four-year strategic plan provides the framework for the agency's planned activities for each fiscal year. The NCPC's Strategic Plan is on the agency's website at www.ncpc.gov.



STRATEGIC PLAN GOALS

GOAL ONE:

Enhance Our Nation's Legacy

GOAL TWO:

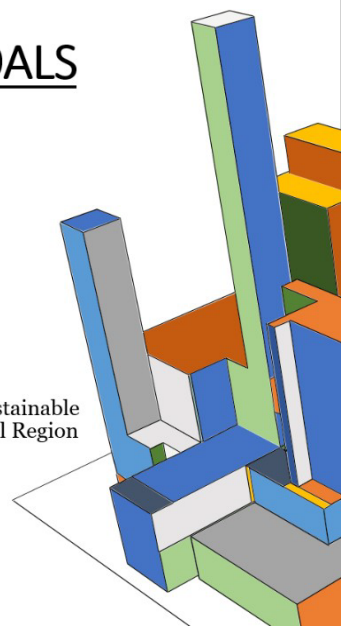
Expand Opportunities to Commemorate

GOAL THREE:

Balance Security and Public Access

GOAL FOUR:

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



PART II: FY2023 PERFORMANCE OUTCOMES

The strategic objectives developed in NCPC's strategic plan for FY2022 through 2026 are the roadmap for the agency's initiatives for the year. NCPC's annual FY2023 appropriation enabled the Commissioners and full-time staff to accomplish the agency's strategic goals and objectives successfully. Per guidance provided in the Office of Management and Budget's May 19, 2023, 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 FY2023, NCPC focused on efficiently delivering mission outcomes, providing excellent service, and acting as effective stewards of our nation's capital. Some of the agency's accomplishments toward meeting these goals include the following:

PROJECT AND PLAN REVIEW

In fulfilling one of the agency's core missions, the Commission evaluated project submissions following the Comprehensive Plan to coordinate regional development 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 projects, NCPC has the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) responsibilities, which entail planning and design consultation meetings, written analyses of planning issues, and the implementation of formal agreements. In FY2023, NCPC reviewed 146 submissions for development and planning projects. NCPC also issued exceptions for 25 other submissions during the year. Some of the projects reviewed by NCPC staff in FY2023 included the following:

COMMEMORATIVE WORKS	MASTER PLANS	PROJECTS
<ul style="list-style-type: none"> *National Desert Storm and Desert Shield Memorial Updates *Global War on Terrorism Site Selection *Fallen Journalists Memorial Site Selection 	<ul style="list-style-type: none"> *FDA Muirkirk Campus *Pentagon Reservation *Arlington National Cemetery *Joint Base Anacostia Bolling District Plans *The George Bush Center for Intelligence *James J. Rowley Training Center *Joint Base Meyer Henderson Hall *University of the District of Columbia 	<ul style="list-style-type: none"> *Hirschhorn Museum Plaza *Long Bridge *Bureau of Engraving and Printing *Ft. Belvoir North Area Headquarters *Union Station Expansion *Marine Barracks Annex *Revitalization of the Smithsonian Castle *National Arboretum Gates and Road Improvements *George Washington Parkway Improvements *Tidal Basin Seawall Rehabilitation *Rock Creek Park Golf Course *National 911 Pentagon Memorial Visitor Education Center

NATIONAL CAPITAL REGION FACILITIES OUTREACH INITIATIVE

The agency recently completed its second annual outreach initiative for federal facilities 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), department coordination meetings, and staff outreach on new guidelines and resource guides. The initiative took place this past summer and early fall, where NCPC coordinated with approximately staff at 75 different federal sites and installations. The initiative's overall goal 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 outreach meetings over the summer of 2023 and throughout many projects during the past year.

IMPROVING CUSTOMER EXPERIENCE

In FY2023, NCPC maintained 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 FY2023, NCPC's monthly newsletter had a 43% open rate, and the electronically distributed Commission meeting agenda had a 40% open rate, both higher than the industry standard of 20%. The NCPC website averages 17,000 views per month, with an average of 8000 monthly users. NCPC's Commission meetings are conducted online, live-streamed, and recorded, increasing public viewing, and making 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. NCPC sought to provide information about its work to new audiences and encourage public comment through public presentations, booths at major public events, and walking tours.

FORMAL REPRESENTATION ON VARIOUS LOCAL, REGIONAL, AND FEDERAL AUTHORITIES

In FY2023, 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 our nation's values. 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, the demand for many more memorials and museums may need to be accommodated in different ways or locations as this symbolic space reaches its capacity. As part of a *Memorials and Museums Master Plan* (2M Plan) update, NCPC is exploring the potential of temporary works 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

between the White House and U.S. Capitol. In collaboration, the partners initiated the solicitation process to hire two consultant teams to prepare the new plan. Their work will build on the studies, an agreed-upon vision, and early concepts developed and released by NCPC for public review. The new plan will address infrastructure and public space improvements to realize the new vision and an implementation program that will improve stewardship, operations, maintenance, and programming of the Avenue. Additionally, NCPC continued collaborating with Initiative partners to advance nationally significant programming on the Avenue to support the District of Columbia's economic recovery and enhance the federal presence.

MONUMENTAL CORE STREETSCAPE GUIDE

The Commission approved streetscape guidelines for vertical landscape elements. After releasing design guidelines for civic infrastructure and furnishings for public review, NCPC completed the final draft that the Commission will review in early 2024. 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, including new lighting specifications that will improve night-time visibility and energy savings.

INDEPENDENCE AVENUE

NCPC, in partnership with the Smithsonian Institution, the District Department of Transportation, and the Metropolitan Washington Council of Governments, completed a transportation assessment for Independence Avenue between 3rd and 15th Streets, NW. The purpose of this initial work was to assess the level of service for pedestrians, vehicular, and micro-mobility transportation modes to improve (1) mobility, curbside use, and the streetscape; (2) pedestrian use, safety, and experience; and (3) connectivity among adjoining communities and the National Mall. To address these issues, NCPC entered a second partnership with the Smithsonian Institution to begin the land use planning necessary to prepare programmatic design concepts necessary to build a coalition of support and advance this work.

KENNEDY CENTER CONNECTIONS STUDY

To minimize the impact of the highway infrastructure and reconnect the Kennedy Center to the city and the National Mall, NCPC led the development of a potential new vision. The new vision would reconnect the street grid, improve all modes of mobility, add 22 acres of civic space for recreation, memorials, and museums, and 6.5 acres of new private development, physically and visually links the Kennedy Center to the National Mall, and creates a new gateway to the nation's capital. To identify a framework on how to address the complex infrastructure challenges and nature of building a partnership among multi-local, state, and

federal agencies, NCPC partnered with the District of Columbia Office of Planning and the Urban Land Institute to invite a panel of technical experts to advise on the framework and steps necessary undertake the transportation, urban design, and land use planning to realize a new vision of the area.

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. With an increase in vehicle-ramming attacks and other growing threats in recent years, the focus has shifted from one on physical buildings to including 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 threats faced by people occupying public areas and released a proceeding report to use as a framework to work with stakeholders to make further assessments.

In FY2023, NCPC completed the Monumental Core Perimeter Security Inventory and Assessment, which provides an inventory and assessment of perimeter security measures in the downtown monumental core to understand prevailing conditions, broad trends, and prior NCPC guidance. This inventory and assessment will inform the National Mall Road Interagency Working Group project development and NCPC review activities.

In FY2023, NCPC staff collected feedback and insights from major cities worldwide on best practices around open space security, which will inform the agency's Public Space and Security Initiative.

NCPC was selected and featured in the Interagency Security Committee 2022 Annual Review Report's Profiles in Excellence. The 2022 Annual Review includes a collection of ISC member profiles that highlight the impactful work being conducted by departments and agencies in the security field. These pieces are associated with several areas of importance in which the ISC excels--expertise and guidance, capacity building, assessments and analysis, and security operations.

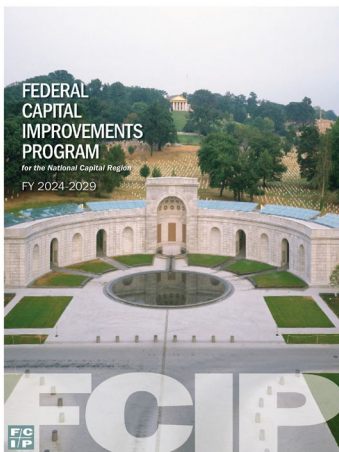
In FY2024, NCPC staff will draft amendments to the Federal Urban Design Element of the Comprehensive Plan to address the topic of security and integrate new Interagency Security

Committee design standards. NCPC will incorporate insights and integrate new policies developed from the workshops, forums, discussions, assessment findings, proceeding reports, case studies, and other efforts from the Public Space and Security Initiative and Monumental Core Perimeter Security Inventory and Assessment 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.

STRATEGIC GOAL FOUR

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

FEDERAL CAPITAL IMPROVEMENTS PROGRAM



In FY2022, NCPC coordinated with the Office of Management and Budget to develop questions regarding the potential equity impacts, climate risks, and adaptation consideration (identified in NCPC's Climate Action and Equity Action Plans) for agencies submitting proposed federal capital improvement projects to NCPC for review. As part of the first phase, NCPC used the *Federal Capital Improvements Program* (FCIP) solicitation process to ask how applicant agencies incorporate renewable energy, resiliency, climate readiness, and equity into planning for their capital projects.

In FY2023, as part of the second phase, NCPC developed new criteria in the project scorecard to evaluate and rate an agency's consideration of resiliency and equity planning during the conceptual stages of planning their capital improvement projects. The changes helped NCPC to improve and streamline the annual program.

In FY2023, NCPC staff reviewed and analyzed 94 proposed capital improvement projects submitted by federal agencies with an estimated value of \$11.4 billion for fiscal years 2024 through 2029. After conducting reviews, NCPC prepared and submitted the *Federal Capital Improvement Program Fiscal Year 2024-2029* report to the Office of Management and Budget, containing analysis and recommendations.

In the last quarter of FY2023, NCPC staff prepared the public version of the FCIP FY 2023-2028 report, which summarizes the projects funded for FY2023. FY2023 included 45 funded projects, with a total of \$1,232,165,702. The funded report identifies projects 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 with high concentrations of low-income individuals and/or racial and ethnic minorities. NCPC will use the Equity Emphasis Areas to gauge prioritization and investment in underserved communities.

NCPC staff also reviewed and analyzed six non-federal Capital Improvement Projects in FY2023. The proposed non-federal projects included those proposed by the District government, Montgomery County, Prince George’s County, Prince William County, Loudoun County, and Arlington County. NCPC staff also provides advisory federal interest reviews on local plans and regional projects. For example, in FY2023, NCPC staff commented to Arlington County on a proposed development project and the potential impacts on the primary east-west vistas from the National Mall to the Western Horizon. This project was subject to a 1982 Arlington County Board non-binding resolution on views from the National Mall (“Resolution of Concern Regarding Building Heights Related to the National Capital Mall Axis”).

THE COMPREHENSIVE PLAN FOR THE NATIONAL CAPITAL: FEDERAL ELEMENTS

INTRODUCTION CHAPTER

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 FY2023, in response to the agency’s Climate Action and Equity Plans, NCPC staff initiated updates to 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. NCPC staff held multiple outreach sessions early in the process with representatives from local planning agencies, local universities, and other interest groups to gain input and guidance on key considerations that should be considered for the new framework for equity as it relates to community engagement, economic development, physical access, and local cultural affirmation and diversity. In FY2024, NCPC staff will release the draft update for public comment and bring the final updates to the Introduction Chapter to the Commission for final adoption. The Introduction Chapter will provide a framework for future updates to the Federal Environment Element.

FEDERAL WORKPLACE ELEMENT

In March 2021, the Commission deferred action on updates to the Federal Workplace Element due to changes in federal operations resulting from COVID-19. Staff continued to study the potential long-term impacts on the planning, location, and design of federal

workplaces post-pandemic. In FY 2023, NCPC partnered with the Metropolitan Washington Council of Governments (MWCOC) to explore scenario planning to understand better the cumulative impacts of federal telework and hybrid workplaces on our region.



In FY2023, NCPC staff hosted an expert roundtable discussion on the Future of the Federal Workplace in the National Capital Region with invited leaders in the region to gain their perspectives on the future of the federal real estate, transportation, workplace, and regional economy and to frame the future scenarios to be studied in the project. The facilitated discussion provided NCPC feedback on the direction, timing, and magnitude of key drivers and how they may affect future scenarios considered in the study. NCPC staff presented at the GSA Executive Leadership Forum and joined the U.S. General Services Administration, Metropolitan Washington Council of Governments, Washington Metropolitan Area Transit Authority, and George Mason University in a panel discussion to discuss the future of the federal workplace.

NCPC staff hosted a series of virtual focused group interviews with federal stakeholders to understand how agencies incorporate telework and remote work and how that may influence real estate and overall space needs, hiring and retention, and public transit and community use. NCPC, in partnership with the MWCOC, studied the usage of telework and analyzed how that may impact office demand, the federal footprint, the transportation network, and federal procurement. In FY2024, NCPC will summarize this analysis in a key finding report and will incorporate insights from the roundtable discussion, federal stakeholder interviews, and case studies 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 FY2023, NCPC evaluated 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 effectively manage travel demand. NCPC staff will continue with biennial reporting to help the Commission understand more significant transportation trends for the facility and

determine whether Transportation Management Plans (TMPs) are adequately helping facilities meet transportation goals.

FLOOD RISK MANAGEMENT

Through its leadership role with the DC Silver Jackets, NCPC continued to help coordinate stakeholder meetings, edit, and provide content for reports comparing system-wide solutions for flooding in the Federal Triangle area and a cost and damage assessment. NCPC initiated actions to update its policies to reflect Executive Orders regarding flood standards. NCPC staff served 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. The agency's strategic goals are derived from NCPC's statutory mission and are more expressed explicitly by the agency's strategic objectives. The strategic objectives are outcome-oriented and provide the NCPC's annual performance plan framework. The annual performance plan serves as the road map for guiding the organization's performance yearly. 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 must 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 updated its Equity Action Plan to reflect the substantial work completed and underway, including Beyond Granite's pilot temporary artwork exhibition to expand the diversity of stories told across the capital's commemorative landscape (discussed above), integrating equity considerations into the *Federal Capital Improvements Program*; policies and text of the Comprehensive Plan's Federal Elements; the submission guideline requirements used to review of major projects and master plans; and NCPC's public outreach.

NCPC will mark its Centennial in 2024 and has prepared a digital library of 20th-century planning documents, conducted oral histories with prior Commissioners and staff, and conducted extensive research for a physical and digital exhibit sharing stories about the impact of planning on the capital city in the 20th century, including equity considerations.

Using the strategic objectives developed in NCPC's strategic plan for FY2018 through FY2022, the following are highlighted outcomes 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 FY2023, NCPC hosted brown bag sessions to discuss and share professional experiences and industry best practices. NCPC provided staff and commissioner equity training as part of its Equity Action Plan and continued in response to E.O.'s implementation by incorporating equity considerations into the agency's core work.

FEDERAL COMPLIANCE AND REPORTING

In FY2022, NCPC's leadership continued to focus on staff and agency compliance with the accomplishments in the areas 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) 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 Federal Financial Management Improvement Act of 1996 (FFMIA) requirements. 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 FY2023, 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 issuing 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 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 FY2023 FINANCIAL STATEMENTS

The following section contains the National Capital Planning Commission's FY2023 financial statements, including 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 FY2023, the overall financial condition of the agency was good, and there were no fiscal issues arising during the 2023 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, 2023 AND 2022 (In Dollars)

	2023	2022
Budgetary Resources:		
Unobligated Balance From Prior Year Budget Authority, Net (Note 9)	\$ 991,212	\$ 677,121
Appropriations	8,750,000	8,750,000
Spending Authority from Offsetting Collections	8,200,000	-
Total Budgetary Resources	\$ 17,941,212	\$ 9,427,121
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	\$ 8,909,444	\$ 8,554,970
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	8,509,149	363,196
Unapportioned, Unexpired Accounts	9,477	9,477
Unexpired Unobligated Balance, End of Year	8,518,626	372,673
Expired Unobligated Balance, End of Year	513,142	499,478
Unobligated Balance, End of Year (Total)	9,031,768	872,151
Total Budgetary Resources	\$ 17,941,212	\$ 9,427,121
Outlays, Net and Disbursements, Net:		
Outlays, Net (Total)	\$ (201,145)	\$ 8,249,414
Agency Outlays, Net	\$ (201,145)	\$ 8,249,414

PART IV:
FINANCIAL SECTION

NATIONAL CAPITAL PLANNING COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023, AND 2022





**NATIONAL CAPITAL PLANNING COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT.....	1 - 4
BALANCE SHEET.....	5
STATEMENT OF NET COST.....	6
STATEMENT OF CHANGES IN NET POSITION.....	7
STATEMENT OF BUDGETARY RESOURCES.....	8
NOTES TO THE FINANCIAL STATEMENTS.....	9-21

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the accompanying balance sheets of the National Capital Planning Commission as of September 30, 2023 and 2022 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').

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, 2023 and 2022, its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the of the Financial Statements section of our report. We are required to be independent of the National Capital Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Capital Planning Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that indicates our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Accountability of Tax Dollars Act of 2002, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*,

we: exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

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 President's message 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 in 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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, 2023, 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, other 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. 24-01. 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. 24-01.

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.

A handwritten signature in black ink that reads "Key & Associates, PC". The signature is written in a cursive, flowing style.

Silver Spring, Maryland
November 13, 2023

NATIONAL CAPITAL PLANNING COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2023 AND 2022
(In Dollars)

	2023	2022
Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 10,752,780	\$ 1,991,808
Advances and Prepayments	274	-
Total Intragovernmental Assets	10,753,054	1,991,808
Other than Intragovernmental Assets:		
Property, Plant, and Equipment, Net (Note 3)	474,644	10,278
Total Other than Intragovernmental Assets	474,644	10,278
Total Assets	\$ 11,227,698	\$ 2,002,086
Liabilities: (Note 4)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 55,000	\$ 86,033
Accounts Payable	55,000	86,033
Advances from Others and Deferred Revenue	8,200,000	-
Other Liabilities (Note 5)	84,064	86,159
Other Liabilities (Without Reciprocals)	19,487	25,129
Other Current Liabilities - Benefit Contributions Payable	64,577	61,030
Total Intragovernmental Liabilities	8,339,064	172,192
Other than Intragovernmental Liabilities:		
Accounts Payable	158,027	144,670
Federal Employee Benefits Payable	407,574	405,247
Other Liabilities (Note 5)	268,254	335,742
Total Other than Intragovernmental Liabilities	833,855	885,659
Total Liabilities	\$ 9,172,919	\$ 1,057,851
Net Position:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 1,965,467	\$ 1,317,692
Cumulative Results of Operations - Funds from Other than Dedicated Collections	89,312	(373,457)
Total Net Position	2,054,779	944,235
Total Liabilities and Net Position	\$ 11,227,698	\$ 2,002,086

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, 2023 AND 2022
(In Dollars)

	2023	2022
Gross Program Costs:		
Salaries and Expenses:		
Gross Costs	\$ 7,846,716	\$ 8,906,229
Net Cost of Operations	\$ 7,846,716	\$ 8,906,229

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, 2023 AND 2022
(In Dollars)

	2023	2022
Unexpended Appropriations:		
Beginning Balance	\$ 1,317,692	\$ 1,257,095
Appropriations Received	8,750,000	8,750,000
Other Adjustments	(190,174)	(167,152)
Appropriations Used	(7,912,051)	(8,522,251)
Net Change in Unexpended Appropriations	647,775	60,597
Total Unexpended Appropriations	\$ 1,965,467	\$ 1,317,692
Cumulative Results of Operations:		
Beginning Balance	\$ (373,457)	\$ (250,271)
Appropriations Used	7,912,051	8,522,251
Imputed Financing (Note 8)	397,434	260,792
Net Cost of Operations	(7,846,716)	(8,906,229)
Net Change in Cumulative Results of Operations	462,769	(123,186)
Total Cumulative Results of Operations	\$ 89,312	\$ (373,457)
Net Position	\$ 2,054,779	\$ 944,235

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, 2023 AND 2022
(In Dollars)

	2023	2022
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net (Note 9)	\$ 991,212	\$ 677,121
Appropriations	8,750,000	8,750,000
Spending Authority from Offsetting Collections	8,200,000	-
Total Budgetary Resources	\$ 17,941,212	\$ 9,427,121
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (total)	\$ 8,909,444	\$ 8,554,970
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	8,509,149	363,196
Unapportioned, Unexpired Accounts	9,477	9,477
Unexpired Unobligated Balance, End of Year	8,518,626	372,673
Expired Unobligated Balance, End of Year	513,142	499,478
Unobligated Balance, End of Year (total)	9,031,768	872,151
Total Budgetary Resources	\$ 17,941,212	\$ 9,427,121
Outlays, Net and Disbursements, Net:		
Outlays, Net (total)	\$ (201,145)	\$ 8,249,414
Agency Outlays, Net	\$ (201,145)	\$ 8,249,414

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

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

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 the Financial Statements
September 30, 2023 and 2022

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.

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).

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

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.

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,

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

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.

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

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

F. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions, payments to contractors and employees, and other expenses. 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.

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

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

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.

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 employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGlIP) 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.

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

M. Reclassification

Certain fiscal year 2022 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, 2023 and 2022, were as follows:

	2023	2022
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 8,509,149	\$ 363,196
Unavailable	522,619	508,955
Obligated Balance Not Yet Disbursed	1,721,012	1,119,657
Total	\$ 10,752,780	\$ 1,991,808

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 10).

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 3. PROPERTY, PLANT AND EQUIPMENT, NET

Schedule of Property, Plant and Equipment, Net as of September 30, 2023:

Major Class	Acquisition Cost	Accumulated Amortization/ Depreciation	Net Book Value
Building	\$ 419,089	\$ 419,089	\$ -
Leasehold Improvements	626,951	626,951	-
Furniture & Equipment	305,998	305,998	-
Construction-in-Progress	474,644	N/A	474,644
Total	\$ 1,826,682	\$ 1,352,038	\$ 474,644

Schedule of 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

NOTE 4. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the NCPC as of September 30, 2023 and 2022, 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.

	2023	2022
Unfunded Leave	\$ 394,811	\$ 393,213
Total Liabilities Not Covered by Budgetary Resources	\$ 394,811	\$ 393,213
Total Liabilities Covered by Budgetary Resources	8,778,108	664,638
Total Liabilities	\$ 9,172,919	\$ 1,057,851

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.

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 5. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2023, were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 19,487	\$ -	\$ 19,487
Employer Contributions and Payroll Taxes Payable	64,577	-	64,577
Total Intragovernmental	\$ 84,064	\$ -	\$ 84,064
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 268,254	\$ -	\$ 268,254
Total Other than Intragovernmental	\$ 268,254	\$ -	\$ 268,254
Total Other Liabilities	\$ 352,318	\$ -	\$ 352,318

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

	Current	Non 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	\$ 86,159	\$ -	\$ 86,159
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 335,742	\$ -	\$ 335,742
Total Other than Intragovernmental	\$ 335,742	\$ -	\$ 335,742
Total Other Liabilities	\$ 421,901	\$ -	\$ 421,901

NOTE 6. LEASES

The NCPC occupies office space under a federal lease agreement that is accounted for as an operating lease. The lease term begins on December 1, 2020 and expires on November 30, 2035. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. The total operating lease expenses for fiscal years 2023 and 2022 were \$143,878 and \$913,306, respectively. Below is a schedule of future payments for the term of the lease.

Fiscal Year	Asset Category Building
2024	\$ 1,165,953
2025	1,182,772
2026	1,242,991
2027	1,269,414
2028	1,287,793
Thereafter	10,050,763
Total Future Lease Payments	\$ 16,199,686

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

The NCPC's office suite underwent renovations initiated in January, 2021. Upon completion of the renovations, the NCPC was to receive rent credits and rent abatements (free rent) for eight months. The NCPC received credits as abatements from the leaseholder because of required tenant improvements and a decrease of the NCPC square footage. The credits were applied to the

FY23 as well as some of FY24 GSA rental bills as documented in the new lease agreement as a result of lease renewal negotiations. The operating lease amount does not include estimated payments for leases with annual renewal options.

NOTE 7. COMMITMENTS AND CONTINGENCIES

The NCPC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2023 and 2022.

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, 2023 and 2022, respectively, inter-entity costs were as follows:

	2023	2022
Office of Personnel Management	\$ 397,434	\$ 260,792
Total Imputed Financing Sources	\$ 397,434	\$ 260,792

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, 2023, and 2022, consisted of the following:

	2023	2022
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 872,151	\$ 661,187
Recoveries of Prior Year Obligations	309,235	183,086
Other Changes in Unobligated Balances	(190,174)	(167,152)
Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 991,212	\$ 677,121

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 10. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2023, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 274	\$ -	\$ 274
Unpaid Undelivered Orders	121,205	1,021,698	1,142,903
Total Undelivered Orders	\$ 121,479	\$ 1,021,698	\$ 1,143,177

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

NOTE 11. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2023 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2024 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2024 Budget of the United States Government, with the "Actual" column completed for 2022, 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	\$ 9	\$ 8
Difference - Due to Rounding	-	(1)	-
Budget of the U.S. Government	\$ 9	\$ 8	\$ 8

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 12. 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
BUDGET AND ACCRUAL RECONCILIATION
FOR THE YEARS ENDED SEPTEMBER 30, 2023
(In Dollars)

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	\$ 2,382,374	\$ 5,464,342	\$ 7,846,716
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(10,280)	(10,280)
Increase/(Decrease) in Assets:			
Other Assets	274	-	274
(Increase)/Decrease in Liabilities:			
Accounts Payable	31,033	(13,357)	17,676
Federal Employee [and Veteran] Benefits Payable	-	(2,327)	(2,327)
Other Liabilities	(8,197,905)	67,488	(8,130,417)
Financing Sources:			
Imputed Cost	(397,434)	-	(397,434)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (8,564,032)	\$ 41,524	\$ (8,522,508)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	\$ -	\$ 474,647	\$ 474,647
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 474,647	\$ 474,647
Total Net Outlays (Calculated Total)	\$ (6,181,658)	\$ 5,980,513	\$ (201,145)
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			\$ (201,145)

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

National Capital Planning Commission
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 13. SUBSEQUENT EVENTS

NCPC has evaluated subsequent events occurring after the balance sheet date and through the date of November 13, 2023, 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.