



The Federal Planning Agency for America's Capital

Performance Accountability Report : 2015



Contents

Message from the Chairman	1
Part I: Management's Discussion and Analysis	3
NCPC at a Glance	4
Mission Statement.....	4
Strategic Goals	5
Management Goal	5
Organizational Chart.....	6
NCPC Organizational Overviews	7
Program Performance Overview.....	9
Management Controls, Systems, and Compliance	10
Financial Statement Analysis.....	12
Part II: Performance Section	28
FY 2015 Annual Performance Report	29
Part III: Financial Section	49
Message from the Chief Operating Officer	50
Independent Auditor's Report	51
Financial Statements	54
Notes to the Financial Statement	58
NCPC response to Auditor's Report	82

MESSAGE FROM THE CHAIRMAN



I am pleased to present the National Capital Planning Commission's Performance and Accountability Report for FY 2015. This report is one of the many ways we demonstrate our commitment to openness and transparency about NCPC's operations – by sharing the results of our progress towards the goals in our Strategic Plan and informing you of how we used our resources during FY 2015.

NCPC is the federal government's central planning agency for the National Capital Region. The Commission provides overall planning guidance for federal land and buildings in the region. It also reviews the design of federal construction projects, oversees long-range planning for future development, and monitors capital investment by federal agencies. This has been a remarkable year for NCPC. The Commission continued to successfully accomplish its core mission with limited resources. NCPC reviewed over 140 development proposals and plans in the National Capital Region as part of its project planning and review responsibilities.

NCPC continued to update the *Federal Elements of the Comprehensive Plan for the National Capital* and completed the new Urban Design Element. The goal of the new Urban Design Element is to establish policies which will guide federal agencies to develop and maintain federal buildings and properties in a manner which enhances the public realm and better integrates federal facilities into the surrounding neighborhood context. The Element also provides policies which support the federal government's role in maintaining and improving Washington, DC's role as a capital city and an evolving, competitive 21st century city. NCPC also updated the policies in the Environment Element to ensure consistency with three recently issued Executive Orders regarding climate change, flooding, and sustainability.

NCPC continued to partner with federal, state and local agencies to advance several projects to include near-term and long-term development and infrastructure projects in the SW Ecodistrict; the Northwest Rectangle Task Force to develop and carry out the project work plan; a Pennsylvania Avenue Management and Operations Plan; and improve Pennsylvania Avenue west of the White House between 17th and 23rd Street, NW.

Additionally, NCPC and its federal partner initiated a Small Parks Management Study for approximately 300 National Park Service sites within the District of Columbia. This work complements the CapitalSpace Initiative completed by federal and local partners.

NCPC continued to ensure that its resources were well managed with the proper oversight. The performance and financial data in this report is reliable and complete and consistent with the guidance provided by the Office of Management and Budget. For the FY 2015 independent financial audit on NCPC's consolidated financial management statements, we received our 11th consecutive unmodified opinion, the highest audit opinion available. Based on the independent auditor's unmodified opinion and the absence of any material internal control weaknesses, I can

provide reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act have been met and that NCPC's financial systems conform to government-wide standards.

All of us at the NCPC look forward to continuing our work to provide overall planning guidance for federal land and buildings in the region. We are proud of the agency's accomplishment and we look forward to reporting further progress.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Preston Bryant, Jr.", with a stylized, cursive script.

L. Preston Bryant, Jr.
Chairman

PART I: MANAGEMENT'S DISCUSSION AND ANALYSIS

NCPC at a Glance

The National Capital Planning Commission (NCPC) was established in 1924 as a park-planning agency. Two years later its role was expanded to include comprehensive planning. In 1952, under the National Capital Planning Act, we were designated the central planning agency for the federal government responsible for all property in the District of Columbia, and all federal property in the National Capital Region (NCR).

In 1973, the National Capital Planning Act was amended by the D.C. Home Rule Act, which made the Mayor the chief planner for private development in the District of Columbia, and maintained NCPC as the central planning agency for all federal lands and facilities in the District of Columbia and the NCR.

The agency is governed by a 12-member Commission that includes three presidential appointees, one of whom is designated by the President to serve as Chairman; two mayoral appointees; a representative of the three major federal landholding agencies (the Department of Defense, the Department of the Interior, and the General Services Administration); one member of the U.S. Senate; one member of the U.S. House of Representatives; the Mayor of the District of Columbia; and the Chairman of the City Council of the District of Columbia.

Mission Statement

The National Capital Planning Commission preserves and enhances 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, through planning, policymaking, and plan review, 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 its 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 visitor's experiences within and around Washington's federal buildings, commemorative works, and national parks.

Strategic Goals

1. Foster a vibrant, well planned national capital.
2. Ensure that individual projects and plans within the National Capital Region are consistent with Federal interests.
3. Advance the orderly federal capital improvement of the National Capital Region.

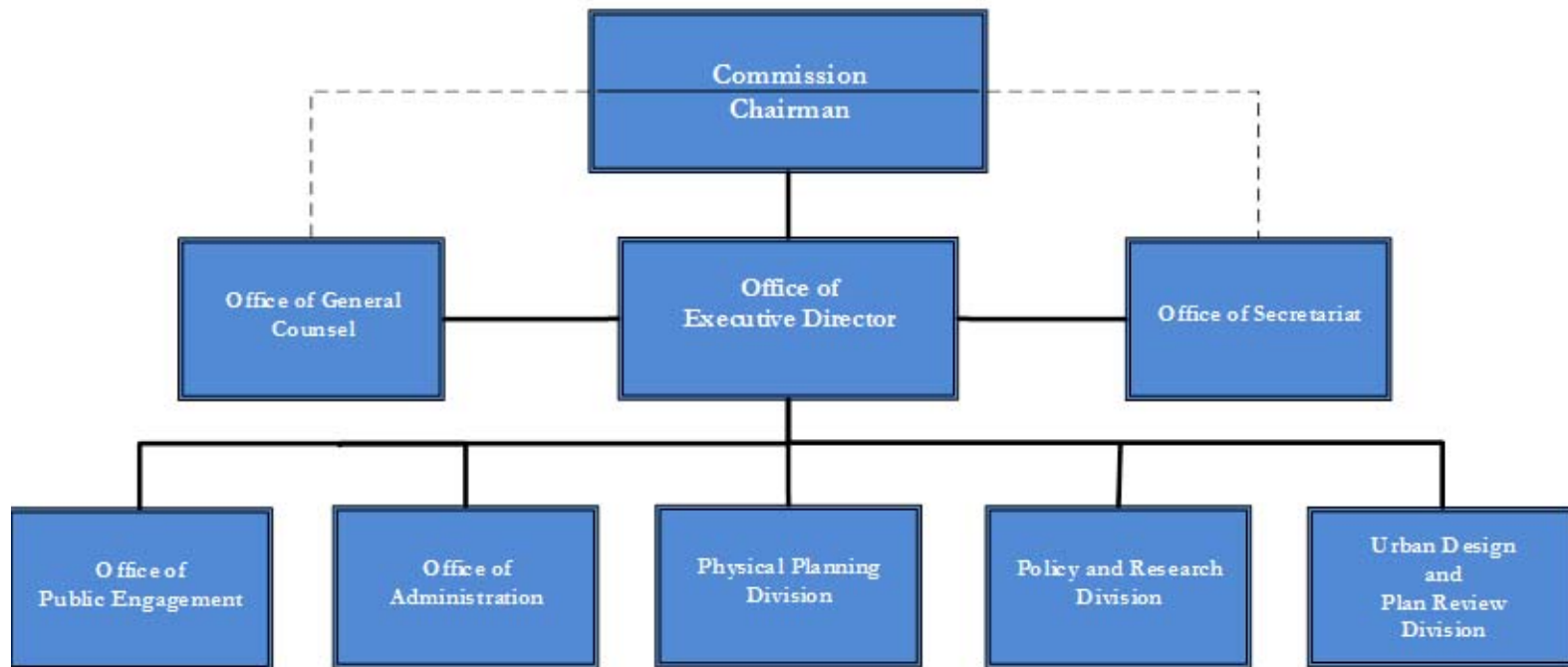
Management Goal

4. Ensure effective management and accountability of agency resources.

National Capital Planning Commission

Organizational Chart

September 2015



NCPC Organizational Overviews

Office of the Executive Director

The Office of the Executive Director provides the 12-member Commission with planning expertise and policy recommendations, guides the agency in fulfilling its mission and principal objectives, sets agency priorities, oversees the day-to-day operations, represents the agency before Congress and the Office of Management and Budget (OMB) and serves as the liaison with federal, state and regional agencies as well as professional organizations and planning boards.

Office of the Secretariat

The Office of the Secretariat acts as a primary liaison with the Chairman and members of the Commission. It prepares notices, agendas, memoranda of action, and other materials related to Commission meetings; assists in responding to federal and local agencies and the public regarding agenda items and subsequent actions of the Commission; and advises the presiding officer at Commission meetings on Commission by-laws and standing rules of procedures.

Office of the General Counsel

The Office of the General Counsel advises the Commission, Executive Director, and staff on the statutory powers, duties, and functions of the Commission and on legal questions in the fields of planning, plan review, environment, transportation, zoning, open space, and landmarks preservation. It also reviews and prepares litigation reports, serves as the Ethics and Privacy Officer, responds to Freedom of Information Act requests and ensures compliance with federal laws.

Office of Public Engagement

The Office of Public Engagement prepares and disseminates materials and information to educate the general public and specialized audiences about planning and development in the national capital. The Office seeks to involve local, national, and international audiences in the planning process; responds to the media and general public regarding specific plans and projects pending before the Commission; executes public outreach programs that advance the Commission's goals; and provides the public with information through the agency's website and social media.

Office of Administration

The Office of Administration provides day-to-day operations and support to the Commission and staff in the areas of human resources; financial management and accounting; budget formulation, execution, and control; procurement and contracting; space and facilities management; property and inventory control; and other general administrative functions. The office is also responsible for the Commission's technical support systems, information security, communication systems, software application training and information technology (IT) policy and planning.

Policy and Research Division

The Policy and Research Division is responsible for identifying critical issues and opportunities facing the federal government in the National Capital Region, evaluating policy options and priorities, and working with Commission and other partners in developing an agenda for public and private action. The work of the Policy and Research Division includes developing and updating the Comprehensive Plan, preparing the Federal Capital Improvement Program and conducting research on important federal interests in the region.

Physical Planning Division

The Physical Planning Division is responsible for guiding the design, visualization and implementation of Commission policies that are focused on a specific geography. The goal is to advance the federal interest and enhance the livability, human scale, and cultural treasures of the Nation's Capital. The initiatives that are undertaken by the Physical Planning Division range from specific sites to districts encompassing several neighborhoods.

Urban Design and Plan Review Division

The Urban Design and Plan Review Division coordinate and review development plans and projects of federal agencies, District of Columbia agencies, and other local jurisdictions in the NCR. It also provides professional and technical planning expertise in urban design, historic preservation, environment/energy, transportation, zoning, and land use to Commission staff.

Program Performance Overview

During Fiscal Year (FY) 2015, NCPC engaged in several initiatives and activities to protect and advance the federal government's interest in the region's development. The following are a few examples of the major activities undertaken. A more inclusive representation is provided in Part II: Performance Section of this report.

As the central planning agency for the federal government in the National Capital Region, the NCPC is charged with planning for the appropriate and orderly development of the national capital and the conservation of its important natural and historical features. NCPC prepares and adopts a "comprehensive, consistent, and coordinated plan for the National Capital." The *Comprehensive Plan for the National Capital: Federal Elements* is the blueprint for the long-term development of the national capital and is the decision-making framework for Commission actions on plans and proposals submitted for its review. The Commission's comprehensive planning function involves preparing and adopting the Federal Elements, as well as reviewing the District of Columbia Elements for their impact on the federal interest. In FY 2015, NCPC completed the new Urban Design Element. This Element establishes policies that will guide federal agencies to develop and maintain federal buildings and properties in a manner which enhances the public realm and better integrates federal facilities into the surrounding neighborhood context. The Element also provides policies which support the federal government's role in maintaining and improving Washington, DC as a capital city and an evolving competitive 21st century city. NCPC also revised the Historic Preservation and Foreign Missions and International Organizations Elements.

NCPC in fulfilling its plan and project review responsibilities reviewed the urban design, environmental, transportation and historic preservation implications for 144 projects. These projects included master plans and project plans for federal and District of Columbia installations and public buildings; site and design proposals for commemorative works in the District of Columbia and its environs; and proposed amendments to the District of Columbia zoning map, zoning regulations, and highway plan amendments, including street and alley closings, for their impact on the federal interests.

NCPC kicked-off an initiative to improve the maintenance, operations, and programming of Pennsylvania Avenue (between the White House and the U.S. Capitol). The initiative is committed to improving the Avenue and fostering an economically successful and culturally relevant destination for employees, tourists, and residents. NCPC completed an extensive review of the revised Zoning Regulations of the District of Columbia, which significantly impacts planning and development in the city. The Agency also developed the FY 2016-2021 Federal Capital Improvements Program (FCIP). The FCIP contained 72 federal proposed projects submitted by 11 agencies totaling \$4.6 billion.

The Commission continued to partner with federal and local agencies to advance the SW Ecodistrict toward implementation. NCPC spearheaded a partnership with the General Services Administration (GSA) and the District of Columbia to join the National Ecodistrict's Target Cities Program. The two-year program helps individual ecodistricts accelerate identification and development of an organizational structure necessary to prepare and carry out master development plans and district-scale energy and water recommendations, as well as create a governance model for implementation.

NCPC continued to serve as an active member of the Board of Zoning Adjustment (BZA) and the Foreign Missions Board of Zoning Adjustment (FMBZA). BZA is responsible for granting relief from strict application zoning regulations, approving certain uses of land, hearing appeals of land, and hearing appeals of action taken by the Zoning Administrator. FMBZA reviews the location, expansion, or replacement of chanceries in certain mixed-use areas in the District of Columbia.

NCPC continued to serve as a member of the National Capital Memorial Advisory Commission advising the Secretary of the Interior and the Administrator of General Services on policy and procedures for the establishment of commemorative works in the District and its environs.

Management Controls, Systems, and Compliance

Federal Managers' Financial Integrity Act (FMFIA)

The FMFIA requires federal agencies to provide an annual statement of assurance regarding management controls and financial systems. The statement of assurance is provided in the Chairman's message at the beginning of the Performance and Accountability Report. This statement is based on the review and consideration of internal analyses, reconciliations and the independent auditor's opinion on the NCPC's financial statements.

Prompt Payment Act

The Prompt Payment Act requires federal agencies to make timely payments to vendors, including any interest penalties for late invoice payments. In FY 2015, the NCPC did not have any interest penalties associated with the Act.

Federal Financial Management Improvement Act (FFMIA)

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 FFMIA.

Improper Payments Information Act

The Improper Payments Information Act of 2002 (IPIA) requires Federal agencies to identify and report on significant payment programs that are susceptible to improper payments. The Improper Payments Elimination and Recovery Act of 2010 (IPERA) requires the development of policies and procedures for the prevention and detection of improper payments in the Federal government. IPERA expands on IPIA by, among other things, requiring an initial assessment to identify those programs that are susceptible to significant risk of improper payments.

OMB Memorandum M-11-16, dated April 14, 2011, issued government-wide IPERA guidance. Under IPERA, agencies are required to: 1) conduct reviews of all programs at a minimum of every three years to assess the risk of significant improper payments; 2) obtain a statistically valid estimate of the annual amount of improper payments for those programs identified to be at significant risk; 3) identify the reasons the identified significant-risk programs are at risk and implement a plan to reduce improper payments; 4) comply with specific reporting requirements for programs that possess a significant risk of erroneous payments; and 5) if cost-effective, conduct recovery audits for each program that expends \$1 million or more annually and report the results of recovery auditing activities. Intragovernmental payments and payments to employees are excluded from review.

The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) directs agencies to intensify and expand efforts to recover improper payments and establish a “Do Not Pay List” for agencies to check before making payments.

NCPC has not identified any programs where significant erroneous payments have occurred within the agency. The agency will continue to conduct reviews and comply with reporting requirements in accordance with IPERA and OMB guidance.

Limitations of the Financial Statements

These financial statements have been prepared to report the financial position and results of operations of NCPC pursuant to the requirements of 31 U.S.C. § 3515(b). While the statements have been prepared from the books and records of the Agency 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.

These statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

Financial Statement Analysis

NCPC's financial position as of September 30, 2015 was strong and insignificantly differed with its financial position as of September 30, 2014.

Balance Sheet:

BALANCE SHEETS				
As of September 30, 2015 and 2014				
(Dollars in Thousands)				
<i>Total Assets</i>				
EXCERPT	FY 2015	FY 2014	★ Change	% Inc/Dec
Fund Balance with Treasury (Note 4)	\$ 2,627	\$ 2,504	\$ 123	4.9%
Accounts Receivable, Net (Note 5)	14	-	14	n/a
Total Intragovernmental Assets	2,641	2,504	137	5.5%
General Property, Plant and Equipment, Net (Note 6)	556	684	(128)	-18.7%
Total Non-Intragovernmental Assets	556	684	(128)	-18.7%
Total Assets	\$ 3,197	\$ 3,188	\$ 9	0.3%
★ The Change is the total of all transactions between October 1, 2014 and September 30, 2015				

Total Assets increased an insignificant amount between FY 2014 and FY 2015. However, the insignificant change is masking the offsetting changes in Intragovernmental Assets and Non-Intragovernmental Assets. Intragovernmental Assets increased \$137, but Non-Intragovernmental Asset decreased \$128. With the exception of Intragovernmental Accounts Receivable, the types of Asset transactions that NCPC incurred in FY 2015 are consistent with the types of transactions incurred in FY 2014.

Intragovernmental Assets:

As in prior Fiscal Years, Fund Balance with Treasury (FBWT) is the bulk of NCPC's Total Assets, 82.2% and has the most significant change in Intragovernmental Assets. FBWT represented 78.6% of Total Assets in in FY 2014. FBWT increased \$123 between FY 2014 and FY 2015. It is important to note that the change in FBWT is the sum of all cash transactions between October 1, 2014 and September 30, 2015. The variances arising from the difference in Net Outlays in FY 2015 and FY 2014 are analyzed in The Statement of Budgetary Resources.

Change in FBWT in Unexpired Funds, (+\$1,565):

Fiscal Year 2015 Appropriations	+\$7,948
Non-Reimbursed Pay & Benefits disbursements	-\$4,518
Non-Reimbursed Acquisition-Related disbursements	-\$1,925
Unearned Reimbursable Advances from interagency partners for the Pennsylvania Design and Development Project, GSA & The National Park Service (NPS)	+\$60

Change in FBWT in Expired Funds, (-\$1,442):

Pay & Benefits disbursements (No Reimbursable Agreements in Expired Funds)	-\$118
Non-Reimbursed Acquisition-Related disbursements	-\$1,126
Cancelled FBWT returned to treasury (Fiscal Year 2010 annual Fund).	-\$198

Finally, Intragovernmental Accounts Receivable increased \$14 for Reimbursements Earned, but not yet received from disbursed Pay & Benefits for an NCPC employee that was on a Reimbursable detail to the Housing and Urban Development Agency (HUD).

Non-Intragovernmental Assets:

Non-Intragovernmental Assets decreased \$128 due to the depreciation of essential facilities and equipment improvement projects completed in prior fiscal years.

BALANCE SHEETS				
As of September 30, 2015 and 2014				
(Dollars in Thousands)				
<i>Total Liabilities (Note 7)</i>				
EXCERPT	FY 2015	FY 2014	★ Change	% Inc/Dec
Accounts Payable	\$ 129	\$ 213	\$ (84)	-39.4%
Other Intragovernmental Liabilities (Note 8)	997	1,034	(37)	-3.6%
Total Intragovernmental Liabilities	1,126	1,247	(121)	-9.7%
Accounts Payable	90	92	(2)	-2.2%
Other Liabilities (Note 8)	397	370	27	7.3%
Total Non-Intragovernmental Liabilities	487	462	25	5.4%
Total Liabilities	\$ 1,613	\$ 1,709	\$ (96)	-5.6%
★ The Change is the total of all transactions between October 1, 2014 and September 30, 2015				

Total Liabilities decreased between the Fiscal Years 2014 and 2015, primarily due to a significant reduction in Intragovernmental Liabilities. With the exception of Other Intragovernmental Liabilities, the types of liability transactions that NCPC incurred in FY 2015 are consistent with the types of transactions incurred in FY 2014.

Intragovernmental Liabilities:

Change in Accrued Interagency Accounts Payable, (-\$84):

Routine Interagency Administrative Services Accounts Payable	+\$13
Reimbursable Interagency Agreements where the partner agency is the service provider	+\$41
Accrued Real Estate Tax Escalation	-\$138

The majority of the change in Intragovernmental Liabilities is the change in Intragovernmental Accounts Payable. Intragovernmental Accounts Payable decreased \$84 in Fiscal Year 2015, (-39.4%), since FY 2014 year-end. NCPC typically incurs three types of Intragovernmental Accounts Payable Accruals (1) Un-invoiced routine Interagency Administrative Services, such as GSA; (2) Un-invoiced costs for Reimbursable Agreements with Interagency partners to complete specific projects for which the partner agency is the service provider; and (3) Accrued Real Estate Tax Escalation.

Change in Accrued Real Estate Tax Escalation (-\$138):

NCPC's operating lease with GSA for 401 9th Street, NW, Suite 500, includes a provision for the reimbursement of actual Real Estate Tax paid by GSA in excess of the of the base amount included in the lease payment. Prior to FY 2014, GSA had not sought reimbursement for Fiscal Years 2010 through 2013. An estimated \$204 was outstanding. In FY 2014, GSA proceeded to invoice NCPC for Fiscal Years 2011 through 2014. However, an estimated \$171 was still outstanding for Fiscal Years 2010, 2012, and 2014 at FY 2014 year-end. In Fiscal Year 2015, GSA indicated that NCPC will not be invoiced for Fiscal Year 2010 Real Estate Tax Escalation. NCPC reversed the estimated \$132 accrued in Fiscal Year 2010. An estimated \$33 for Fiscal Years 2012 and 2015 is accrued at FY 2015 year-end.

Change in Accrued Interagency Agreements (+\$54):

NCPC does not use an estimation method to accrue Intragovernmental Accounts Payable for Interagency Agreements. Routine Administrative Services are typically invoiced on a cycle. Interagency Obligations are reviewed monthly to determine if the Administrative Service provider is in arrears. On the other hand, due to the size and nature of Reimbursable Interagency Agreements, the NCPC Project Manager must closely monitor the services provided to determine if services have been received, but are un-invoiced to date. All Interagency Agreements, regardless of the service provider are assigned a Memorandum of Agreement number in the Financial System so it is relatively easy to determine the status of Intragovernmental Payables, as well as Receivables.

DC Parks Management project Reimbursable Interagency Agreement where The National Park Service (NPS) is the service provider	+\$60
10 th Street Revitalization project Reimbursable Interagency Agreement where GSA is the service provider	-\$19
Routine Interagency Administrative Services Accounts Payable	+\$13

Change in Other Intragovernmental Liabilities, (-\$37):

Amortization of the GSA Unfunded Liability due to the accounting treatment of Lease expense under the 10-year operating lease	-\$102
Unearned Reimbursable Advances received from GSA and NPS for the Pennsylvania Design and Development Project	+\$60
Accrued Benefits Payable to Intragovernmental providers (One more day accrued in Fiscal Year 2015 as compared to Fiscal Year 2014)	+\$5

Change in Unfunded Lease Liability (-\$102):

The Unfunded Lease Liability is NCPC's most significant Liability. NCPC entered into a 10-year operating lease in December 2010 for leased office space at 401 9th Street, NW, Washington, DC. The lease expires in November 2020. The operating lease contained a provision for a \$1,075 rent credit for the first ten months of the lease. NCPC received an additional \$119 Commission Credit in Fiscal Year 2012. Minimum lease payments under the lease are scheduled to increase over the life of the lease due to inflation. NCPC accounts for the lease on a straight-line basis over the lease term. The unfunded liability as of September 30, 2015 is \$910. The unfunded liability as of September 30, 2014 was \$1,012; -\$102 was amortized in FY 2015.

Unearned Reimbursable Advances (+\$60):

In FY 2015, NCPC entered into three new Reimbursable Interagency Agreements where NCPC is the service provider; (1) \$30 with GSA and (2) \$30 with NPS for the Pennsylvania Design and Development Project; and (3) \$36 with HUD for an employee detail. Reimbursements from HUD are collected on an Earned and Receivable basis, NCPC invoices HUD for costs incurred after expenditure. NCPC received reimbursements in Advance from GSA and NPS.

Non-Intragovernmental Liabilities:

The majority of the change in Non-Intragovernmental Liabilities is the change in Other Non-Intragovernmental Liabilities. Other Non-Intragovernmental Liabilities increased 7.3% since FY 2014 year-end.

Change in Other Non-Intragovernmental Liabilities, (+\$27):

Estimated Pay & Benefits earned by employees and the Commission and Benefits owed to Non-Intragovernmental providers (One more day was accrued in Fiscal Year 2015 as compared to Fiscal Year 2014)	+\$16
Estimated Unfunded Leave.	+\$11

Statement of Net Cost:

NATIONAL CAPITAL PLANNING COMMISSION				
STATEMENTS OF NET COST				
For the Years ended September 30, 2015 and 2014				
(Dollars in Thousands)				
EXCERPT	FY 2015	FY 2014	Variance	% Inc/Dec
Intragovernmental Gross Costs	\$ 2,708	\$ 2,661	\$ 47	1.8%
Public Costs	5,245	4,860	385	7.9%
Gross Program Costs (Note 11)	7,953	7,521	432	5.7%
Less: Earned Revenue (Note 12)	(36)	-	(36)	n/a
Net Cost of Operations	\$ 7,917	\$ 7,521	\$ 396	5.3%

Gross Costs

With the exception of Reimbursable Pay & Benefits expense and related Intragovernmental Revenue for the employee detail with HUD, the types of transactions that impacted Net Cost in FY 2015 were largely consistent with the types of transactions that impacted FY 2014 Net Cost.

Personnel Expense:

Consistent with prior Fiscal Years, Personnel expense is the most significant component of Gross Cost:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Intragovernmental Personnel expense	\$900	\$879	+\$21	+2.4%
Non-Intragovernmental Personnel expense	\$3,780	\$3,852	-\$72	-1.9%
Total Pay & Benefits expense	\$4,680	\$4,731	-\$51	-1.1%
Percentage of Gross Cost	58.8%	62.9%		
Change Accrued Unfunded Leave	\$10	\$4	+\$6	+150.0%
Imputed Pension expense	\$272	\$266	+\$6	+2.3%
Total Personnel expense	\$4,962	\$5,001	-\$39	-0.8%
Percentage of Gross Cost	62.4%	66.5%		

In FY 2015, Pay & Benefits expense is 58.9% of Gross Cost. In FY 2014, Pay & Benefits expense was 62.9% of Gross Cost. As a result of vacancy management, despite rising Pay & Benefits costs, NCPC incurred 1.1% less Pay & Benefits expense in FY 2015 as compared to FY 2014.

Intragovernmental GSA Lease Expense:

Consistent with prior Fiscal Years, NCPC's GSA operating lease with GSA is the second most significant component of Gross Cost:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
GSA Lease expense	\$1,452	\$1,481	-\$29	-2.0%
Change in accrued Real Estate Tax Escalation	\$(138)	\$ (33)	-\$105	318.2%
Total Funded GSA Lease Expense	\$1,314	\$1,448	-\$134	-9.3%
Percentage of Gross Cost	16.5%	19.3%		
Amortization of the GSA Unfunded Lease Liability	\$(102)	\$(79)	-\$23	29.1%
Total GSA Lease Expense	\$1,212	\$1,369	-\$157	-11.5%
Percentage of Gross Cost	15.2%	18.2%		

Change in accrued Real Estate Tax Escalation Accounts Payable, (-\$105):

Reference "Note 9 – Leases" or the discussion of Other Intragovernmental Liabilities in the Balance Sheet analysis for a description of NCPC's GSA operating lease and the nature of the Unfunded Lease Liability and Accrued Real Estate Tax Escalation.

Real Estate Tax Escalation expense is incurred when adjustments are made to the accrued liability. If the accrued liability decreases, negative expense is generated in the amount of the decrease. If the accrued liability increases, positive expense is generated in the amount of the increase. The total amount of the adjusted accrued liability is not the amount of expense incurred in Gross Cost.

NCPC reversed the estimated \$132 accrued in the Fiscal Year 2010 Annual Fund when GSA indicated that it would not seek reimbursement for the FY 2010 expense. The negative expense generated by the reversed accrual reduced the FY 2015 Gross Cost \$138. The estimate for the Real Estate Tax Escalation Expense attributable to the Fiscal Year 2015 Annual Fund generated positive expense in the amount of \$33.

As in prior Fiscal Years, combined Pay & Benefits expense & GSA Lease expense are a significant portion of Gross Cost. In FY 2015, combined, Pay & Benefits expense & GSA Lease expense represented 75.4% of Gross Cost.

Acquisition-Related Expense:

The majority of the variance in Gross Cost is for Acquisition-Related expense:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Intragovernmental Acquisition-Related expense (GSA Rent expense not included)	\$255	\$185	+\$70	+37.8%
Non-Intragovernmental Acquisition-Related expense	\$1,329	\$882	+\$447	+50.7%
Total Funded Acquisition-Related expense	\$1,584	\$1,067	+\$517	48.5%
Depreciation expense	\$127	\$127	\$0	n/a
Total Acquisition-Related expense	\$1,711	\$1,194	+\$517	43.3%
Percentage of Gross Cost	21.5%	15.9%		

In FY 2015, NCPC made a significant effort to address information technology and information resource management compliance and security. Consequently, 76.2% of the variance in Acquisition-Related expenses in Gross Cost is for Professional Services, Communication & Data Services, Equipment, and Supplies for: (1) Information Technology infrastructure maintenance, security, and improvements; and (2) Information Resource Management security, and improvements.

NCPC practices aggressive vacancy management to combat rising Operations & Administrative costs as appropriations remain at prior Fiscal Year levels, or less. Savings from vacancy management are allocated to projects to achieve the current Fiscal Year's Strategic Program Goals and Management Goal. In FY 2015, NCPC invested in its Human Capital and funded Comprehensive Planning projects to advance its Comprehensive Planning Strategic Objectives. This is evidenced by the increase in Training & Tuition and Comprehensive Planning Professional Services over FY 2014.

Acquisition-Related expenses in Fiscal Year 2015 as compared to Fiscal Year 2014:

Professional Services, Communication & Data Services, Equipment, and Supplies for: (1) Information Technology infrastructure maintenance, security, and improvements; and (2) Information Resource Management security, and improvements	+394
Training & Tuition	+\$73
Financial & Administrative Professional Services	+\$85
Professional Comprehensive Planning Services	-\$23
All other	-\$12

Change in Accrued Accounts Payable:

In any given Fiscal Year, the change in accrued Accounts Payable between the current Fiscal Year and the prior Fiscal Year is the expense reflected in Gross Cost. Therefore, the Accrued Accounts Payable expense in Gross Cost for Fiscal Year 2015 is the change between the Fiscal Year 2015 accrual and the Fiscal Year 2014 accrual. The Accrued Accounts Payable expense in Gross Cost for FY 2014 was the FY 2014 accrual less the FY 2013 accrual:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Change in Accrued Intragovernmental Accounts Payable	\$54	\$(39)	+\$93	-238.5%
Change in Accrued Non-Intragovernmental Accounts Payable	\$13	\$(4)	+\$17	-425.0%
Total change in the Accounts Payable Accrual	\$67	\$(43)	+\$110	-255.8%
Percentage of Gross Cost	0.8%	-0.6%		

Intragovernmental Revenue

In FY 2015, NCPC entered into three new Reimbursable Interagency Agreements where NCPC is the service provider; (1) \$30 with GSA and (2) \$30 with NPS for the Pennsylvania Design and Development Project; and (3) \$36 with HUD for an employee detail. NCPC accrues Revenue in equal amounts as expenditures are incurred to execute the reimbursable agreement. NCPC accrued \$36 for the employee detail to HUD in Fiscal Year 2015. NCPC obligated the costs to execute the \$60 Interagency Agreements with GSA & NPS for the Pennsylvania Design and Development Project, but did not incur expenditures against the obligation in FY 2015. No Intragovernmental Revenue was accrued for the Pennsylvania Design and Development Project.

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Intragovernmental Revenue for Reimbursements Earned & Collected for the employee detail to HUD	\$(22)	\$0	-\$22	n/a
Intragovernmental Revenue for Reimbursements Earned & Receivable for the employee detail to HUD	\$(14)	\$0	-\$14	n/a
Total Intragovernmental Revenue	\$(36)	\$0	-\$36	n/a

Statement of Budgetary Resources:

NATIONAL CAPITAL PLANNING COMMISSION STATEMENTS OF BUDGETARY RESOURCES For the Years Ended September 30, 2015 and 2014 (Dollars in Thousands)					
<u>Budgetary Resources</u>					
EXCERPT	FY 2015 Total Budgetary	FY 2014 Total Budgetary	Variance	% Inc/Dec	
Budgetary Resources:					
Unobligated Balance Brought Forward, Oct 1	\$ 676	\$ 443	\$ 233	█	52.6%
Recoveries of Prior Year Unpaid Obligations	133	292	(159)	█	-54.5%
Other Changes in Unobligated Balance (+ or -)	(198)	(86)			
Unobligated Balance From Prior Year Budget Authority, Net	611	649	(38)		-5.9%
Appropriations	7,948	8,084	(136)	█	-1.7%
Spending Authority From Offsetting Collections	96	-	96		n/a
Total Budgetary Resources	\$ 8,655	\$ 8,733	\$ (78)		-0.9%

With the exception of Spending Authority from Offsetting Collections, the types of budget authority that NCPC received in FY 2015 are consistent with the types of budget authority that NCPC received in FY 2014.

Net Appropriation:

NCPC has one primary source of budget authority, annual appropriations. As discussed in FBWT, NCPC received a significantly reduced net annual Appropriation in FY 2015 as compared to FY 2014, \$(136).

Offsetting Collections:

NCPC occasionally receives authority from agreements to provide goods or services to other federal agencies and the District of Columbia on a reimbursable basis. In FY 2015, NCPC entered into three new Reimbursable Interagency Agreements where NCPC is the service provider; (1) \$30 with GSA and (2) \$30 with NPS for the Pennsylvania Design and Development Project; and (3) \$36 with HUD for an employee detail.

Recoveries of Prior Year Unpaid Obligations:

The line item Recoveries of Prior Year Unpaid obligations is exclusively comprised of Downward Adjustments to prior year obligations in the current Fiscal Year. Recoveries of Prior Year Unpaid Obligations decreased \$159 (54.5%) as compared to FY 2014. Significant increases to the Expired Unobligated Balance for prior year recoveries are detailed below:

<u>Fiscal Year 2015</u>	(Inc)/Dec Expired Balance
Increases to Expired Authority	
Adjustments to accrued Real Estate Tax Escalation Accounts Payable discussed previously in the Financial Statement analysis	\$(132)
All Other	\$(1)
Total Increases to Expired Authority	\$(133)

<u>Fiscal Year 2014</u>	(Inc)/Dec Expired Balance
Increases to Expired Authority	
Recovery of the remaining balances of obligations for information security services because the public vendor was unable to complete the contracted services	\$(175)
Recovery of the remaining balances of Fiscal Year 2010 through Fiscal Year 2013 obligations to cleanse obligated balances in funds expired for one or more Fiscal Years	\$(87)
All Other	\$(30)
Total Increases to Expired Authority	\$(292)

Other Changes in Unobligated Balance:

NCPC is primarily funded through annual appropriations. Appropriations received in the current Fiscal Year are only available for new obligations in the current Fiscal Year. At the conclusion of the Fiscal Year, the unobligated balance of authority is Expired and available only for Upward Adjustments to Prior Year Obligations for the next five years. During the fund's Expired period, Downward Adjustments to Prior Year Obligations increase unobligated balance and Upward Adjustments decrease unobligated balance. At the conclusion of the 5-year Expired period, all remaining balances of obligations are recovered and the fund is cancelled.

NCPC cancelled the Fiscal Year 2010 Annual Fund at Fiscal 2015 Year-end. The Fiscal Year 2009 Annual Fund was cancelled at FY 2014 Year-end. Cancelled authority in the Fiscal Year 2010 Annual Fund was significantly more than in the Fiscal Year 2009 Annual Fund in Fiscal Year 2014, (-\$112). Cumulative changes to the Expired unobligated balance in the Fiscal Year 2010 and 2009 Annual Funds are detailed below:

<u>Fiscal Year 2010 Fund</u>	(Inc)/Dec Expired Balance
Adjustments to Expired Authority	
Beginning Balance of Expired Authority at Fiscal 2010 Year-end	\$ (41)

Cumulative Adjustments to Expired Authority:

Adjustments to accrued Real Estate Tax Escalation Accounts Payable discussed previously in the Financial Statement analysis	\$(132)
Recovery of an obligation with the Department of Homeland Security (DHS) for security upgrades the Building Manager did not approve	\$(21)
All Other routine recoveries	\$(4)
Total Cancelled Authority	\$(198)

<u>Fiscal Year 2009 Fund</u>	(Inc)/Dec Expired Balance
Adjustments to Expired Authority	
Beginning Balance of Expired Authority at Fiscal 2009 Year-end	\$(40)

Cumulative Adjustments to Expired Authority:

Routine Recoveries	\$(46)
Total Cancelled Authority	\$(86)

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2015 and 2014
(Dollars in Thousands)

Status of Budgetary Resources

EXCERPT	FY 2015 Total Budgetary	FY 2014 Total Budgetary	Variance	%
Inc/Dec				
Status of Budgetary Resources:				
Obligations Incurred (Note 13)	\$ 8,021	\$ 8,057	\$ (36)	-0.4%
Total Unobligated Balance, End of Year	634	676	(42)	-6.2%
Total Status of Budgetary Resources	\$ 8,655	\$ 8,733	\$ (78)	-0.9%
Budget Authority and Outlays, Net:				
Budget Authority, Gross	\$ 8,044	\$ 8,084	\$ (136)	-1.7%
Actual Offsetting Collections	(83)	-	(83)	n/a
Change in Uncollected Fed Customer Payments	(13)	-	(13)	n/a
Budget Authority, Net	\$ 7,948	\$ 8,084	\$ (136)	-1.7%
Outlays, Gross	7,710	7,261	449	6.2%
Actual Offsetting Collections	(83)	-	(83)	n/a
Agency Outlays, Net	\$ 7,627	\$ 7,261	\$ 366	5.0%

Budget Authority and Outlays, Net; Outlays, Gross:

With the exception of Reimbursable Pay & Benefits outlays for the employee detailed to HUD, the types of outlays that impact Gross Outlays incurred in FY 2015 are consistent with the types of outlays incurred in FY 2014.

Variances in Gross Outlays arise when there is a difference in the amount disbursed in the current Fiscal Year than in the prior Fiscal Year. The change in FBWT is the sum total of all cash transactions between October 1, 2014 and September 30, 2015. The change in FBWT is discussed in the Balance Sheet analysis.

Pay & Benefits Outlays:

Consistent with prior Fiscal Years, disbursements for Pay & Benefits is the most significant component of Gross Outlays:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Pay & Benefits disbursements	\$4,658	\$4,720	-\$62	-1.3%

Percentage of Gross Outlays

60.4%

65.0%

In FY 2015, Pay & Benefits disbursements are 60.4% of Gross Outlays. In FY 2014, Pay & Benefits disbursements were 65.0% of Gross Outlays. As a result of vacancy management, NCPC incurred 1.3% less Pay & Benefits outlays in FY 2015 as compared to FY 2014.

Gross Outlays in Unexpired Funds:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Pay & Benefits disbursements	\$4,540	\$4,609	-\$69	-1.5%
Acquisition-Related disbursements	\$1,925	\$1,946	-\$21	+1.1%
Gross Outlays from Unexpired Funds	\$6,465	\$6,555	-\$90	-1.4%
Percentage of Gross Outlays	83.9%	90.3%		

Gross Outlays in Expired Funds:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Pay & Benefits disbursements	\$118	\$111	+\$7	-6.3%
Acquisition-Related disbursements	\$1,127	\$595	+\$532	+89.4%
Gross Outlays from Expired Funds	\$1,245	\$706	+\$539	+76.3%
Percentage of Gross Outlays	16.1%	9.7%		

GSA Lease Payments:

Consistent with prior Fiscal Years, Lease payments for the GSA operating lease is the second most significant component of Gross Outlays:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
GSA Lease payments	\$1,452	\$1,481	-\$29	-2.0%
Percentage of Gross Outlays	18.8%	20.4%		

As in prior Fiscal Years, combined Pay & Benefits disbursements & GSA Lease payments is a significant portion of Gross Cost. In Fiscal Year 2015, combined, Pay & Benefits disbursements & GSA Lease payments represented 79.2% of Gross Cost.

Acquisition-Related Disbursements:

The majority of the variance in Gross Outlays is Acquisition-Related disbursements:

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Acquisition-Related disbursements	\$1,600	\$1,060	+\$540	+50.9%
Percentage of Gross Outlays	20.8%	14.6%		

Acquisition-Related disbursements in Fiscal Year 2015 as compared to Fiscal Year 2014:

Professional Services, Communication & Data Services, Equipment, and Supplies for: (1) Information Technology infrastructure maintenance, security, and improvements; and (2) Information Resource Management security, and improvements	+\$376
Training & Tuition	+\$73
Financial & Administrative Professional Services	+\$78
10 th Street Revitalization project Reimbursable Interagency Agreement where GSA is the service provider	+\$12
All other	+\$1

In FY 2015, NCPC made an effort to address information technology and information resource management compliance and security concerns. Consequently, 69.6% of the variance in Acquisition-Related expenses in Gross Outlays is for Professional Services, Communication & Data Services, Equipment, and Supplies for: (1) Information Technology infrastructure maintenance, security, and improvements; and (2) Information Resource Management, security, and improvements.

NCPC practices aggressive vacancy management to combat rising Operations & Administrative costs as appropriations remain at prior Fiscal Year levels, or less. Savings from vacancy management are allocated to projects to achieve the current Fiscal Year's Strategic Program Goals and Management Goal. In FY 2015, NCPC invested in its Human Capital and funded Comprehensive Planning projects to advance its Comprehensive Planning Strategic Objectives. This is evidenced by the increase in Training & Tuition and Comprehensive Planning Professional Services over FY 2014.

Actual Offsetting Collections:

In FY 2015, NCPC entered into three new Reimbursable Interagency Agreements where NCPC is the service provider; (1) \$30 with GSA and (2) \$30 with NPS for the Pennsylvania Design and Development Project; and (3) \$36 with HUD for an employee detail. Although NCPC received \$96 of reimbursable authority, Actual Offsetting Collections only considers the resources that were converted to cash. It does not include \$13 Reimbursements Earned & Receivable for the employee detail with HUD.

Component	Fiscal Year 2015	Fiscal Year 2014	Variance	Percentage Inc/(Dec)
Reimbursements Earned & Collected for the employee detail with HUD	\$(23)	\$0	-\$23	n/a
Unearned Reimbursements Received in Advance for the Pennsylvania Design and Development Project with GSA & NPS	\$(60)	\$0	-\$60	n/a
Total Intragovernmental Revenue	\$(83)	\$0	-\$83	n/a

PART II: PERFORMANCE SECTION

FY 2015 ANNUAL PERFORMANCE REPORT

In accordance with the Government Performance Results Act, the National Capital Planning Commission (NCPC) proudly presents its performance report for Fiscal Year (FY) 2015. The Commission's FY 2015 Performance Report is based on the goals, strategies, and performance objectives promulgated in the agency's Strategic Plan for FY 2015-FY 2018 and its FY 2015 Annual Performance Plan and links the agency's financial report to its goals.

NCPC works with a variety of partners, including federal, state, and local agencies that have a direct stake in many of its planning efforts. Achievement of performance goals is often contingent in part upon the contributions of other agencies. Additionally, unforeseen circumstances, i.e. an administration directive, congressional request, limited resources, etc., may influence the accomplishment and timing of performance goals which are established 12 to 18 months prior to implementation.

To optimize opportunities for success during FY 2015, the agency continued to foster strong affiliations with federal and local agencies on major initiatives to support its long-range planning objectives. NCPC expanded its focus on integrating urban design, sustainability and security objectives into projects in the monumental core and throughout the District. In the exercise of its core responsibilities, NCPC approved and commented on 95 federal plans and projects submitted by federal applicants, developed the Federal Capital Improvements Program, and completed a major update to the *Comprehensive Plan for the National Capital: Federal Elements*. A more complete discussion of results by strategic goals is provided on the following pages.

Strategic Goal 1

Foster a vibrant, well planned national capital.

Performance Goal 1.A.1: *Advance the Monumental Core Framework Plan.*

- Performance Indicator: Development of a Monumental Core Streetscape Framework Plan and Manual.
- Target: Completed Framework Plan and Manual.
- Time Period: September 2015.

Result: This project was deferred pending completion of the Urban Design Element.

Discussion: NCPC identified the need for a Monumental Core Streetscape Framework Plan and Manual during initial drafting of the Urban Design Element of the Comprehensive Plan's Federal Elements. NCPC determined that this work should build on broader urban design policies to be developed during preparation of the element. Development of the Urban Design Element was deferred when Congress directed NCPC to work with the District of Columbia to reevaluate the 1910 Height Act. Work on the Urban Design Element resumed in FY 2015 and the new element was adopted by the NCPC in the last quarter of FY 2015.

Performance Goal 1.A.1(a): *Facilitate the Monumental Core Climate Adaptation Initiative to advance implementation of Executive Orders related to sustainability and climate adaptation.*

- Performance Indicator: Update the Environment Element of the Federal Elements of the Comprehensive Plan.
- Target: Shared adaptation priorities among the federal agencies in the region to inform the update to the Environmental Element.
- Time Period: September 2015

Results: In January 2015, President Obama issued Executive Order (E.O.) 13690, *Establishing a Federal Flood Management Standard*, which asks federal agencies to consider how climate change can increase the risk of floods. This prompted NCPC to re-evaluate the Environment Element of the Comprehensive Plan to ensure it supports the Executive Order's objectives. NCPC established a working group of the major federal landholding agencies in the region to collaborate on a unified approach in applying the E.O. The results of the collaboration and a host of other activities led to changes to the Comprehensive Plan's Environment Element, to be released for public comment in October 2015.

Discussion: NCPC hosted four Monumental Core Climate Adaptation Working Group meetings that included national experts on topics such as flood inundation mapping, infrastructure vulnerability, and flood mitigation techniques. NCPC also met with regional interagency groups such as the DC Silver Jackets (flood risk management), the Department of Homeland Security Interagency Security Committee, and two Metropolitan Washington Council of Government's groups: the Climate, Energy, and Environment Committee and the Multi Sector Working Group.

Performance Goal 1.A.2: *Continue to partner with federal and local agencies to move the SW Ecodistrict toward implementation.*

- Performance Indicator: Advance near-term and long-term development and infrastructure projects in the SW Ecodistrict.
- Target: A preliminary Program Management Plan agreement; zoning provisions; implementation tools and next steps for a Master Development Plan, as well as the recommended energy and water systems; and a concept plan for 10th Street SW and the Banneker Interim Connection.
- Time Period: September 2015.

Results: Throughout 2015, NCPC collaborated with federal and local agencies, including the newly formed SW Business Improvement District (SW BID) to advance projects that will move the SW Ecodistrict toward implementation.

Discussion: NCPC spearheaded a partnership including the General Services Administration (GSA) and the District of Columbia to join the National Ecodistrict's Target Cities Program. The two-year program, which began in the summer of 2014, helps individual ecodistricts accelerate identification and development of an organizational structure necessary to prepare and carry out master development plans and district-scale energy and water recommendations, as well as create a governance model for implementation.

Commitment to this program by NCPC, GSA, and the District has served as a non-binding agreement to work together to advance implementation of the *SW Ecodistrict Plan*. As a result, the SW BID has committed to form the SW Ecodistrict Task Force in early FY 2016. This new organization will provide the initial steps needed to formalize agency and private sector cooperation to implement the *SW Ecodistrict Plan* recommendations.

NCPC worked closely with the District Office of Planning and GSA to draft zoning regulations (development controls) that will protect cultural and historic resources and other federal interests as the SW Ecodistrict is implemented. NCPC completed an exhaustive review of the revised Zoning Regulations and sent comments and recommendations to the Zoning Commission in early September 2015.

NCPC provided planning expertise and assistance to GSA in the pre-development work for the revitalization of 22 acres of federal land within the ecodistrict, including the proposed exchange acquisition for the Cotton Annex and GSA Regional Office Building sites. NCPC also led conversations between the Ecodistricts organization, GSA, and the District regarding improvements to the central utility plant in accordance with *SW Ecodistrict Plan's* recommendations.

NCPC provided planning expertise to the National Park Service (NPS) and the city during preparation of a concept design for a staircase connection at Banneker Park and for an integrated streetscape and storm water management plan for 10th Street, SW, respectfully. These concepts were approved by the Commission in March 2015. NPS and NCPC initiated the National Environmental Policy Act (NEPA) process for the staircase connection and hosted a public meeting in August 2015. The developer of The Wharf at the SW waterfront has committed to build the staircase connection as part of their waterfront development approval. Additionally, NCPC worked closely with the city to obtain agreement to advance development of the 10th Street Programmatic Concept. This will leverage private capital investment occurring at L'Enfant Plaza, the proposed location for the new International Spy Museum, ensuring 10th Street is planned and implemented as a cohesively designed corridor between the National Mall and Banneker Park.

Performance Goal 1.A.2(a): Comply with the Council on Environmental Quality Greenhouse Gas Emissions and sustainability reporting.

- Performance Indicator: Monitor and report NCPC's Annual Greenhouse Gas Inventory and Agency Strategic Sustainability Plan.
- Target: Annual Greenhouse Gas Inventory and Agency Strategic Sustainability Plan submitted to CEQ.
- Time Period: Greenhouse Gas Inventory January 2015; Sustainability Plan June 2015.

Result: In January 2015, NCPC submitted its FY2014 Greenhouse Gas Inventory to OMB and CEQ.

Discussion: NCPC showed a slight decrease in greenhouse gasses and a decrease in Scope 3 greenhouse gas emissions for FY2014, from 60 metric tons in FY2013 to 41 metric tons in FY2014. This can be attributed to decreases in air travel and commute distances.

Per Executive Order 13514, NCPC submitted its 6th Strategic Sustainability Performance Plan in June 2015. The Sustainability Plan highlights NCPC's FY2014 accomplishments as they relate to Executive Order 13514: *Federal Leadership in Environmental, Energy, and Economic Performance* and current efforts for FY2015. It also discusses the results of NCPC's greenhouse gas inventory for FY2014.

Performance Goal 1.A.2(b): *Consult and coordinate to design the Northwest Heritage Trail; prepare implementation and funding plan for the Southwest Heritage Trail.*

- Performance Indicator: Develop a funding and implementation strategy for the Northwest Heritage Trail and Southwest Federal Heritage Trail.
- Target: A Heritage Trail implementation Report with funding and implementation strategies and recommendations.
- Time Period: September 2015.

Result: NCPC commenced the research necessary to document and analyze alternative heritage trail approaches to advance implementation of the Northwest Rectangle and Southwest Rectangle Heritage Trails. This work will be completed in FY 2016.

Discussion: The *Monumental Core Framework Plan* identifies strategies to establish new destinations and improve connections. In 2013, NCPC completed the Northwest Rectangle and the Southwest Federal Center (SW Ecodistrict) Heritage Trail Assessment Reports that concluded these trails are a viable strategy to strengthen connections. Traditionally, these trails consist of a static signage system that no longer has a dedicated funding source. The purpose of this performance goal is to study and make recommendations on alternative ways to implement these heritage trail systems. While this work was delayed due to realignment of priorities, NCPC has begun to assess visitor needs, aesthetics, and maintenance costs by conducting relevant case studies and consulting with local stakeholders. A final report with recommendations will be completed in FY 2016.

Performance Goal 1.A.2(c): *Develop a conceptual Potomac Heritage National Scenic Trail route recommendation.*

- Performance Indicator: Prepare Recreational Trail Route alternatives for consideration by the implementing agencies, Department of Defense (DOD) and National Park Service.
- Target: A Trail Route Alternatives Report.
- Time Period: Background and analysis September 2015.

Result: A Memorandum of Understanding (MOU) was signed, establishing roles and responsibilities for the evaluation of a trail route alignment in Fairfax County; and a case study report completed evaluating public trails on military installations and how they address security, public access and use.

Discussion: NCPC signed a MOU with the National Park Service, the Department of the Army (U.S. Garrison Fort Belvoir), and the Northern Virginia Regional Commission (NVRC) to evaluate a potential trail alignment of the Potomac Heritage National Scenic Trail in southern Fairfax County from Mount Vernon to Pohick Bay Regional Park, and potentially including Fort Belvoir. To inform the evaluation, NCPC conducted a case study analysis assessing how military installations address security concerns relative to public access and the use of recreational trails on military installations. In consultation with DOD and NPS, NCPC will hold a series of public meetings in the 1st quarter of 2016 to obtain input on potential trail routes for DOD consideration.

Performance Goal 1.A.3: *Establish and commence work with the Northwest Rectangle Task Force to develop and carry out the project work plan.*

- Performance Indicator: Establish working group and develop a scope of work to inventory existing conditions, identify problems, opportunities, and strategies to advance the *Monumental Core Framework Plan* recommendations.
- Target: A partnership to prepare a scope of work for the Northwest Rectangle.
- Time Period: September 2015.

Result: This goal has been deferred.

Discussion: The Framework Plan included recommendations addressing federal facilities and public space. The facility related recommendations are being addressed in the near-term through current capital projects of the State Department and the Kennedy Center for the Performing Arts. Work to carry out the public space recommendations is deferred until release of the Urban Design Element which includes policies that will also inform public space planning in the Northwest Rectangle.

Performance Goal 1.A.4: *Coordinate with federal and local partners to prepare a Pennsylvania Avenue Management and Operations Plan.*

- Performance Indicator: Update the 1996 Memorandum of Agreement to outline a Management and Operations Plan, including jurisdictional responsibilities and agreement on ways to address physical and programmatic improvements.
- Target: Executed Memorandum of Agreement among the four primary jurisdictional partners outlining a strategy to improve maintenance and operations.
- Time Period: September 2015.

Result: NCPC formed an Executive Committee in November 2014 to oversee the preparation of the Pennsylvania Avenue Management and Operations Plan. The committee agreed to commit funding and/or resources to complete the first phase of work.

Discussion: Congress dissolved the Pennsylvania Avenue Development Corporation (PADC) in 1996 and transferred its responsibilities to GSA, NPS, and NCPC. The District Department of Transportation (DDOT) retained jurisdiction of the cartway. Each agency represents a unique mission and different interests regarding the avenue.

NCPC led a series of discussions and workshops among the partner agencies to evaluate the 1974 Pennsylvania Avenue Plan, considering today's challenges and opportunities related to maintenance, operations, activation, and planning. The committee determined that additional information was needed to address near-term operational and maintenance issues, as well as long-term issues related to the need to update the Pennsylvania Avenue Plan.

NCPC worked with federal and local agencies to prepare recommendations to improve permitting and maintenance in the near-term. To address long-term issues, NCPC and its partners developed a scope of work to carry out a high-level Economic and Urban Design Study. This study will inform a series of actions necessary to improve operations and maintenance and a future update to the Pennsylvania Avenue Plan. This work will be completed in the second quarter of 2016.

Performance Goal 1.A.4(a): *Collaborate with federal and local partners to support efforts to improve Pennsylvania Avenue west of the White House between 17th and 23rd Streets, NW.*

- Performance Indicator: Preparation of a streetscape improvement plan for Pennsylvania Avenue west of the White House that supports federal interests and identifies common strategies with the Pennsylvania Avenue initiative, the area east of the White House.
- Target: A streetscape and parks improvement concept plan, including Smart Technology to improve visitor services and operations.
- Time Period: September 2015.

Result: Completed a concept streetscape plan and a smart sensor technology pilot project.

Discussion: In 2015, NCPC consulted with local partners on the streetscape improvements, including potential strategies to relocate special events on the avenue from the east side to the west of the White House, to meet federal and local objectives. NCPC also worked with the National Institute of Science and Technology (NIST) and the Office of the Chief Technology Officer to develop a Smart Cities project to improve maintenance and operations. The project was NIST's June 2015 Global City Teams Challenge event. Together, these projects have the potential to inform improvements to Pennsylvania Avenue east of the White House.

Performance Goal 1.A.4(b): *Work with federal and local partners on the potential reuse or redevelopment of the Federal Bureau of Investigation's (FBI) Headquarters site on Pennsylvania Avenue, NW.*

- Performance Indicator: Coordination with the General Services Administration to amend the Pennsylvania Avenue Plan to codify guidance for the future redevelopment of the FBI Headquarters site, Squares 378 and 379.
- Target: Work plan to amend the PADC Plan and the Development Square Guidelines.
- Time Period: September 2015.

Result: NCPC, in consultation with GSA, developed a work plan to amend the PADC Plan and develop Square Guidelines.

Discussion: The GSA is working to consolidate the offices of the Federal Bureau of Investigation (FBI) in the national capital region into a single headquarters location. This will result in the transfer of title of the existing headquarters property located at 901 Pennsylvania Avenue to private ownership. GSA has initiated the work to fulfill its NEPA and Section 106 responsibilities. This includes preparation of a Section 106 Programmatic Agreement to identify a process to avoid, minimize, or mitigate potential adverse effects on historic properties resulting from reuse or redevelopment of the site.

To accomplish this, NCPC initiated the work to amend the plan which will inform the development of more detailed square guidelines. This is necessary because the property is located within the 1974 Pennsylvania Avenue Development Plan, a congressionally approved plan with unique jurisdictional and procedural provisions. The plan and square guidelines for this property will provide guidance to the future developer, as well as to regulatory agencies.

Performance Goal 1.A.5: *Update the Memorials and Museum Master Plan (2M Plan)*

- Performance Indicator: Initiate Memorials and Museum Master Plan update.
- Target: 2M Master Plan Update
- Time Period: September 2015 (new proposed completion date is 2017, after completion of NPS/NCPC Small Parks Study)

Result: The update to the 2M Plan is dependent upon the results of the National Park Service (NPS) and NCPC Small Parks Management Study initiated in FY 2015. The study is expected to be completed in FY 2016 and the 2M Plan completed in FY 2017.

Discussion: The NPS and NCPC initiated a Small Parks Management Study for approximately 300 NPS sites within the District of Columbia. This work complements the *CapitalSpace Initiative* completed by NPS, NCPC and the District of Columbia in 2010. The study will also evaluate certain *Memorials and Museum Master Plan* sites to determine their significance and identify the fundamental cultural resources and contextual changes relevant to each site. The Small Parks Study will also evaluate the inventory of parcels under NPS ownership, determine their purpose and significance, identify the fundamental cultural and natural resources, develop a Cultural Landscape Inventory, identify appropriate uses for each site, develop a menu of management mechanisms and partnership opportunities, and define next steps for implementing the study's recommendations. The data collected during the study will be integrated into a management information system that will help inform decisions concerning the small parks by developing criteria for analyzing the potential of 300 small park sites as new memorial candidate locations. The criteria may include but are not limited to: park size, accessibility, proximity to Metro/parking/bike share, surrounding land uses as they relate to user experience of the memorial, predominantly residential or commercial area, proximity to existing surrounding memorials, and types of existing surrounding memorials (i.e. international gifts, Presidential memorials, cultural commemorative works).

Performance Goals 1.A.6: *Evaluate the state of the Federal Elements of the Comprehensive Plan for the National Capital.*

- Performance Indicator: Review selected policies in the Comprehensive Plan.
- Target: Completed evaluation and updated policies.
- Time Period: September 2015.

Result: Updated the policies in the Environment Element of the Comprehensive Plan to ensure consistency with recently issued Executive Orders.

Discussion: Since the development of the Federal Environment Element in 2012, three executive orders regarding climate change, flooding, and sustainability were issued:

- Executive Order 13653: *Preparing the United States for the Impacts of Climate Change.*
- Executive Order 13690: *Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder.*
- Executive Order 13693: *Planning for Federal Sustainability in the Next Decade.*

The revised element includes policies and background information to help the National Capital Region meet the goals of the new executive orders and conform to the latest federal standards. The updated element includes measures to mitigate climate change through the reduction of greenhouse gas emissions, utilizing energy efficiency, renewable energy, alternative modes of transportation, and implementation of other technologies and sustainable measures. The policy framework supports making informed decisions that consider the impacts of climate change, reduces energy usage, and protects federal assets from flooding. These new policies and direction will provide climate change solutions beneficial to many environmental resources; and help the region think strategically about its growth and development.

Performance Goals 1.A.6(a): *Develop an Urban Design Element of the Comprehensive Plan for the National Capital: Federal Elements.*

- Performance Indicator: Draft an Urban Design Element of the Comprehensive Plan
- Target: Urban Design Element adopted by the Commission.
- Time Period: September 2015.

Result: A completed Urban Design Element.

Discussion: Updates to the Comprehensive Plan Elements, ensures that the Plan remains effective and supports the most recent planning policies, goals and initiatives. Additionally, the policies are being evaluated for their alignment with goals specifically related to Executive Order 13690: *Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input*, Executive Order 13653: *Preparing the United States for the Impacts of Climate Change*, Executive Order 13693: *Planning for Federal Sustainability in the Next Decade* and The White House Council on Environmental Quality (CEQ) Implementing Instructions for Executive Order 13693. Further, the updates are intended to support recent work in improving federal building design and perimeter security, activating public spaces, and defining the role of federal buildings and land in supporting the character of the National Capital Region.

Performance Goal 1.A.7: *Complete the Fiscal Year 2014 Annual Report*

- Performance Indicator: FY 2014 Annual Report.
- Target: Completed and published document.
- Time Period: December 2014.

Result: Published the 2014 Annual Report.

Discussion: NCPC published its first digital annual report, *2014 Year in Review*. The report details NCPC's efforts over the past year to meet federal and local needs. It also highlights NCPC's progress in priority areas including New and Transformative Landmarks, Form of the City, and Sustainable Planning. The annual report provides the public and stakeholders a single resource with information on the Commission's activities for the past fiscal year.

Performance Goal 1.A.8: *Publish a monthly newsletter to inform and educate the public.*

- Performance Indicator: Monthly E-Newsletter.
- Target: Published document.
- Time Period: Monthly.

Result: A monthly E-Newsletter was published prior to the end of each month updating the public on NCPC activities and initiatives.

Discussion: NCPC's E-Newsletter provides an update on monthly Commission actions as well as convened and upcoming events.

Performance Goal 1.A.9. *Inform the public of the results of Commission meetings.*

- Performance Indicator: Commission Actions posted on the NCPC public website.
- Target: Three business days after Commission Meetings.
- Time Period: Five business days following a Commission meeting.

Result: All Commission actions were posted on the agency website no later than two business days following the Commission meeting.

Discussion: Commission actions are usually posted on the agency website the next business day after the Commission meeting. Commission actions dating back to 2003 can be found on the website under Commission Actions Archive. These actions are regularly used by applicant agencies and members of the public.

Performance Goal 1.A.10: *Respond to a variety of informational requests from Congress, federal, state and local agencies, and the general public and a variety of news organizations.*

- Performance Indicator: Request for planning assistance.
- Target: Expert planning advise.
- Time Period: Based on the scope and complexity of the subject.

Result: Completed the review and analysis of the Arlington County *Envision Courthouse Square Plan*.

Discussion: Arlington County *Envision Courthouse Square Plan* is a proposal that builds upon Arlington County's Courthouse Sector Plan adopted in 1993. NCPC's analysis focused on the building location, height and design components of the Courthouse Square Plan. NCPC completed a series of technical 3D Computer Aided Design urban design analysis and written commentary as a basis for the staff review. NCPC's recommendations concerning building heights were accepted by the Arlington County Board of Supervisors and incorporated into the July 19, 2015 *Courthouse Sector Plan Addendum: Courthouse Square*.

The Envision Courthouse Square project scope addressed:

- **Open Space** - location and use of public open space, an integral component of the County's government center.
- **Building Use** – the uses of public and private buildings in the study area, including types of public resources (if any) that would be best fit to the site.
- **Building Location and Design** - the location, height, and density of buildings in the study area. The study will incorporate the consideration of a future 300-400,000 square foot County office building.
- **Circulation and Parking** - the overall pedestrian, bicycle and vehicular network, as well as connections to the surrounding neighborhood. Objectives to guide the future development of a detailed parking program will be defined with existing parking supply and demand considerations.
- **Cultural Resources** - the treatment of cultural resources, including historic buildings, the "Memorial" and "Mother's" trees, public art, and a potential cultural facility.
- **Sustainability** – the incorporation of building and landscape technologies, district energy, and an integrated energy master plan.

The Arlington County board's acceptance of NCPC's recommendations concerning building height ensures that this critical viewshed in the Monumental Core is respected. The axis from the Capitol east towards the Lincoln memorial is a component of the L' Enfant Plan and identified in the Urban Design Element as a critical viewshed. This view also features the U.S. Capitol Dome and the Washington Monument. These iconic skyline elements reflect the significance and founding of Washington as the capitol city of the United States, with public institutions at its core. NCPC's recommendations help to ensure that this iconic view is enjoyed by residents and visitors of the nation's capital for generations to come.

Strategic Goal 2

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

Performance Goal 2.A.1: *Review and analyze the planning, urban design and architectural components of federal plans and projects and make recommendations to the Commission for action in a timely manner in accordance with published schedules, guidelines, and policies.*

- Performance Indicator: Review the planning, urban design, and architectural components of federal plans and projects and make recommendations to the Commission in a timely manner in accordance with published schedules, guidelines, and policies.
- Target: Thirty-five days from the date of submission.
- Time Period: Monthly Commission meetings.

Result: Approved and commented on 95 federal plans and projects submitted by federal applicants.

Discussion: Through staff consultation and Commission action, these projects were evaluated against the highest planning standards. Key evaluation standards include meeting environmental performance, developing sound transportation strategies, protecting natural resources and enhancing the quality and livability of the city. A few of the notable projects include:

- Final master plan for the Pentagon Reservation, Arlington County, Virginia.
- Final master plan for the Naval Support Facility, Naval Research Laboratory, Southwest, Washington, DC.
- Final master plan for the Washington Navy Yard, Southeast, Washington, DC.
- Draft master plan for Fort Belvoir, Fairfax County Virginia.
- Draft master plan for the Marine Corps Base Quantico, Prince William County, Virginia.
- Final real property master plans for the Arlington National Cemetery and the United States Soldier's and Airmen's Home National Cemetery.
- Final master plan for the National Institutes of Health Bethesda Campus, Maryland.
- Comments on the concept design for the rehabilitation of Constitution Gardens on the National Mall.
- Preliminary and final site development plans for temporary improvements to the perimeter fence at the White House Complex.
- Preliminary and final site development plans for the temporary security improvements for vehicle access points on the Ellipse.
- Preliminary and final site and building plans for the expansion of the John F. Kennedy Center for the Performing Arts.
- Preliminary and final site and building plans for the Dwight D. Eisenhower Memorial.
- Final approval for the Vietnam Veterans Memorial Visitors Center on the National Mall.
- Preliminary master site development plans for the Intelligence Community Campus-Bethesda, Maryland.
- Final approval of the Urban Design and Preservation and Historic Features Elements of the Federal Elements of the Comprehensive Plan: for the National Capital.

The Commission's review process is designed to contribute to the orderly development of the national capital and to ensure that government facilities are well-planned and well-designed.

Performance Goal 2.B.1: *Review and analyze the planning, urban design and architectural components of District of Columbia, state and local plans and projects and make recommendations to the Commission for action in a timely manner in accordance with published schedules, guidelines and policies.*

- Performance Indicator: Review and analyze urban design and architectural components of District of Columbia public projects and present to the Commission in a timely manner.
- Target: Thirty-five days from the date of submission.
- Time Period: Monthly Commission Meetings.

Result: NCPC approved and commented on 11 District of Columbia plans and projects submitted by District government applicants. Through staff consultation and Commission action, these projects were evaluated against the highest planning standards. Key evaluation standards include meeting environmental performance, developing sound transportation strategies, protecting natural resources, and enhancing the quality and livability of the city. A few of the notable projects include:

- Preliminary and final site and building plans for the renovation of the Ridge Road Recreation Center in Southeast.
- Final site development plans for the Metro Memorial Park at the intersection of New Hampshire Avenue and South Dakota Avenue, Northeast.
- Final site development plan for architectural lighting on the Francis Case Memorial Bridge between Washington Channel and Maine Avenue, Southwest.

Performance Goal 2.B.2: *Review and analyze proposed actions of the Zoning Commission and proposed street and alley closings in a timely manner.*

- Performance Indicator: Review Zoning Commission actions and proposed street and alley closings in a timely manner.
- Target: Thirty-five days from the date of submission.
- Time Period: Monthly Commission meetings.

Result: NCPC commented on 38 proposed zoning actions, highway plan amendments, and street and alley closing projects

Discussion: The Commission's review is to determine if the proposed action will affect any identified federal interest.

Performance Goal 2.B.2.1: *Review and analyze the Zoning Regulations Rewrite.*

- Performance Indicator: Review and comment on the District of Columbia Zoning Regulations Rewrite (ZRR) as it relates to federal and national interests.
- Target: Review draft ZRR and forward approved NCPC comments to the Zoning Commission.
- Time Period: September 2015.

Result: NCPC staff reviewed the 1,000 page ZRR proposed by the District of Columbia for private development and provided two sets of formal comments to the Zoning Commission. NCPC staff worked with District staff to address its concerns. The National Capital Planning Commission provided official comments to the Zoning Commission.

Discussion: The District of Columbia began the ZRR in 2007. The purpose of the ZRR is to update the District's 56 year old zoning ordinance by adding clarity, relevance, and ease of use. NCPC worked with the District over the last eight years to address the impacts of the regulations on federal and national interests. The federal government's interests include those related to Washington's role as the seat of the federal government (federal interests) and those related to Washington's role as the nation's capital (national interests). Changes in zoning could potentially impact already developed and future federal assets, as well as federal responsibilities to design and program assets, provide physical and operational security, and meet requirements for such things as historic preservation and environmental protection. The District zoning regulations also help to enhance the city's national resources such as viewsheds and protect the unique characteristics that have defined the capital city for decades.

Strategic Goal 3

Advance the orderly federal capital improvement of the National Capital Region.

Performance Goal 3.A.1: *Review and analyze proposed capital improvement projects by federal agencies for the Fiscal Year 2016 to Fiscal Year 2021.*

- Performance Indicator: Fiscal Year 2016 to Fiscal Year 2021 FCIP report.
- Target: Completed report submitted to the Office of Management and Budget.
- Time Period: September 2015.

Result: The FY 2016-2021 annual six-year program of recommended public works projects for the federal government was adopted by the Commission and submitted to the Office of Management and Budget.

Discussion: The FY 2016-2021 FCIP contained 72 proposed federal projects submitted by eleven agencies, totaling \$4.6 billion. The FCIP program ensures that proposed capital projects in the NCR are consistent with the policy goals of the Comprehensive Plan thereby assisting in the orderly and efficient development of the nation's capital.

Performance Goal 3.A.2: *Review and analyze capital improvement programs for non-federal jurisdictions in the National Capital Region.*

- Performance Indicator: Review of non-federal capital programs in the NCR.
- Target: Completed report.
- Time Period: Within 35 days of receipt of document.

Results: NCPC provided advisory comments on six capital budgets in the region. These plans included:

- Loudoun County's Capital Improvement Program (CIP) in the FY 2016 Proposed Budget under review.
- Prince William County's Proposed FY 2016-2021 Capital Improvement Program (CIP).
- County of Fairfax, Virginia FY 2016-2020 Advertised Capital Improvement Program (CIP).
- District of Columbia Annual Operating Budget and Capital Plan – FY 2016 - FY 2021.
- Metropolitan Washington Council of Governments, National Capital Region's 2015 Financially Constrained Long Range Transportation Plan (CLRP).

Discussion: NCPC commented on capital budgets prepared by local jurisdictions as well as those prepared by regional authorities to help guide development in the NCR.

Strategic Goal 4

Ensure effective management and accountability of agency resources.

Performance Goal 4.A.1: *Implement an internal professional development program designed to increase employee awareness of the agency's operations.*

- Performance Indicator: Internal professional development program.
- Target: Cross-divisional team.
- Time Period: As needed throughout FY 2015.

Result: Implemented cross-divisional teams to leverage subject matter expertise more effectively and foster employee development.

Discussion: Due to limited resources and declining budgets, NCPC formed cross-divisional teams as an effective means to cross train and develop its staff. These teams were comprised of staff from all planning divisions. The teams assisted with the project and plan review, the Federal Capital Improvements Program, the Pennsylvania Avenue Initiative and updates to the Comprehensive Plan. These assignments increased employees' knowledge of agency functions, sparked creativity and enhanced teamwork. Each member offered alternative perspectives to various circumstances, which compelled others to be open to new ideas and ways of conducting the business of the agency.

Performance Goal 4.A.2.: *Prepare the annual training plan that addresses critical skill gaps in NCPC's workforce and prioritizes NCPC's training requirements to meet agency mission priorities.*

- Performance Indicator: Fiscal Year 2015 Training Plan.
- Target: Completed document.
- Time Period: December 2014.

Result: Completed NCPC 2015 Annual Training Plan on schedule.

Discussion: The Annual Training Plan provides a comprehensive view of the training essential to building and maintaining a cadre of employees with the competencies to achieve the agency's mission. The plan identifies both paid and unpaid training. Due to limited discretionary funds, the training budget does not support all training identified by the managers and their employees. Training is prioritized by organizational needs and the Individual Development Plan. All priority training was provided to NCPC staff.

Performance Goal 4.A.3.: *Review and evaluate NCPC's Succession Plan.*

- Performance Indicator: NCPC's Succession Plan.
- Target: Completed document.
- Time Period: December 2014.

Result: NCPC Succession Plan completed on schedule.

Discussion: NCPC's succession plan provides managers with a framework for planning current and future staffing decisions based on organizational mission, strategic plans and objectives, budgetary resources, and a set of desired workforce skills and competencies. It provides a long-term view of organizational needs and how those needs may change based on internal and external factors.

Performance Goal 4.B.1: *Develop the FY 2017 Budget Estimate and Annual Performance Plan.*

- Performance Indicator: FY 2017 Budget Estimate and Annual Performance Plan.
- Target: Draft budget estimate that complies with OMB guidance.
- Time Period: Date established by OMB.

Result: Budget estimate submitted to OMB on September 14, 2015.

Discussion: NCPC FY 2017 budget estimate was prepared in accordance with OMB's guidance. It reflects a five percent reduction below the net discretionary in NCPC's FY 2016 budget.

Performance Goal 4.B.2: *Maintain accurate financial records, establish and maintain effective financial management internal controls, and prepare agency financial statements in accordance with U.S. Federal Government policies and regulations.*

- Performance Indicator: FY 2014 Financial Statement Audit.
- Target: Unqualified Opinion.
- Time Period: December 2014.

Result: Unqualified audit opinion for FY 2014.

Discussion: The independent financial statement audit report concluded that NCPC's financial statements presented fairly, in all material respects, the financial position of NCPC as of September

30, 2014 and 2013, and its net costs, changes in net position, and budgetary resources for the year then ended in conformity with U.S. Generally Accepted Accounting Principles.

Performance Goal 4.B.3: *Develop an action plan to address all recommended actions and process improvements identified in the Fiscal Year 2014 financial audit opinion.*

- Performance Indicator: Auditor-Recommended Financial Management Improvements Action Plan.
- Target: Completed document.
- Time Period: March 2015.

Result: NCPC received a clean audit opinion and there were no auditor-recommended process improvements identified.

Performance Goal 4.C.1: *Establish and review policies and procedures for the agency's compliance with the Federal Information Security Management Act (FISMA).*

- Performance Indicator: IT policies and procedures.
- Target: FISMA compliant.
- Time Period: September 2015.

Result: The following policies were developed and approved:

- Information Security Policy
- Information Security Procedures
- General Rule of Behavior
- Security Assessment and Authorization Procedures
- Security Planning Procedures
- NCPC General Support System (NGSS) Contingency Plan
- NGSS Security Plan
- Risk Management Procedures
- System Development Life Cycle Procedures

Discussion: NCPC developed and documented information security procedures in accordance with NIST SP 800-53, Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations*. The information security procedures facilitate the implementation of NCPC's policy and security control requirements. (Reference: NIST SP 800-53, Rev. 1)

Performance Goal 4.C.2: *Assuming sufficient resources, migrate NCPC's IT infrastructure to a cloud based solution.*

- Performance Indicator: Migrate to cloud base solution.
- Target: Cloud platform
- Time Period: September 2015.

Result: Implemented Microsoft Office 365 Multi-Tenant Cloud Service Solution (O365 MT).

Discussion: NCPC implemented O365 to provide a reliable, secure, and cost-efficient solution to provide its users with cloud versions of Exchange Online, SharePoint Online, and Visio Online.

O365MT is a multi-tenant cloud computing-based subscription service offering from Microsoft that is FedRAMP-compliant. Cloud computing has been defined by NIST as a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or cloud provider interaction.

Performance Goal 4.C.3. *Security assessment and authorization.*

- Performance Indicator: Assess and authorize the NCPC General Support System (NGSS)
- Target: Completed assessment.
- Time Period: March 2015.

Result: An independent contractor, assessed the NGSS in accordance with in accordance with National Institute of Standards and Technology (NIST) Special Publication (SP) 800-37 Revision 1, *Guide for Applying the Risk Management Framework to Federal Information Systems*, in November 2014.

Discussion: The Authorizing Official (AO) granted an Interim Authority to Operate (IATO) in February 2015 with conditions to remediate the high findings within three months of signing the IATO.

The IT team remediated the high findings within the three month period and presented the remediated weaknesses to the AO in May 2015. The AO granted the NGSS an ATO on May 5, 2015. The ATO is valid for three years from the date of signature, or sooner if significant changes are made to the system engineering design and architecture.

Performance Goal 4.C.4: *Upgrade NCPC's Firewall security.*

- Performance Indicator: Ensure integrity of NCPC's firewall.
- Target: Review of firewall.
- Time Period: September 2015.

Result: NCPC reviewed and updated its firewall rules to protect the confidentiality and integrity of data transmitted within the NCPC environment and to external entities. (Reference: NIST SP 800-53, Rev. 4; SC-7, Boundary Protection)

Discussion: NCPC updated its firewall hardware and rules to improve the network security by:

- Upgrading firewall from a 100D to a 300C unit with additional security features – web content filtering, AV and URL filtering and Data Loss Prevention.
- Removing rules that were no longer used.
- Adding rules to make network connections more secure.
- Sending system log data to the SolarWinds Log and Event Manager for monitoring and analysis.

PART III: FINANCIAL SECTION

Message from the Chief Operating Officer



The National Capital Planning Commission takes seriously its responsibility for the execution of its mission and the stewardship of agency resources. In Fiscal Year 2015, the NCPC saw a decline in resources due to cost cutting measures across the government. The continued careful stewardship of limited agency resources demands superior financial performance and reporting.

I am pleased to present the financial statements for the National Capital Planning Commission's (NCPC) Fiscal Year 2015 Performance and Accountability Report (PAR); and affirm that an independent auditor has rendered an unmodified opinion on the NCPC's financial statements. The auditor has also rendered an unmodified opinion on NCPC's internal control over financial reporting and concluded that the NCPC is compliant with pertinent provisions of laws and regulations. Receiving this most recent clean opinion was particularly notable since it represents the eleventh consecutive year the agency has received a clean opinion.

This Performance Accountability Report demonstrates our efforts to present the Agency's financial position and to provide the public a full understanding of the activities and challenges at the NCPC in 2015. Despite limited resources, NCPC continues to improve the effectiveness of financial management practices across the organization, implementing business process improvements to tighten controls during the budget planning and execution phases.

NCPC's financial condition is sound and has sufficient internal controls to ensure that its budget authority is not exceeded and its funds are used efficiently and effectively. The independent auditor, Chortek LLP has determined that the financial statements, included in this report, are accurate and complete, in all material respects, and in conformity with U.S. Generally Accepted Accounting Principles.

During FY 2015, the NCPC implemented updated financial control and reporting frameworks to align with the agency's revised strategic plan and budget structure. NCPC maintained its partnership with an outside firm to administer various aspects of financial management and accounting functions. This partnership has benefitted the NCPC immeasurably. The firm has assisted NCPC in developing new policies and procedures to enhance internal controls. Updates to the accounting system have resulted in improved financial management. Agency internal controls were further enhanced through active participation of the agency's Financial Audit Committee / Senior Management Council.

As financial management and accountability generate greater demands, NCPC is committed to continuous improvement and to the preparation of timely, accurate, reliable, and transparent financial information. NCPC will continue to update its financial policies and systems to support the agency's mission. I am proud of the progress we have made during the past year to promote sound business practices in order to accomplish our mission.

A handwritten signature in black ink, reading "Barry S. Socks". The signature is fluid and cursive, with the first name "Barry" being more prominent.

Barry S. Socks
Chief Operating Officer



November 9, 2015

Independent Auditor's Report

Chairman, Commissioners,
Executive Director and Chief Operating Officer
National Capital Planning Commission
Washington, DC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the National Capital Planning Commission (NCPA), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of net cost, changes in net position, and combined 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 15-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 NCPA's internal control. Accordingly, we 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 the 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, 2015 and 2014, and 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America 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 Chairman's message, performance and other information sections of National Capital Planning Commission's *Performance and Accountability Report* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit 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, 2015, we considered NCPC's internal control over 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 on the effectiveness of NCPC's internal control. Accordingly, we do not express an opinion on the effectiveness of NCPC'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*.



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 deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCPC'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. 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. 15-02.

Purpose of Other Reporting Required by Government Auditing Standards

The purpose of the communication described 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 result of that testing, and not to provide an opinion on the effectiveness of NCPC's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Chortek LLP". The signature is written in a cursive, flowing style.

Chortek LLP
November 9, 2015

Financial Statements

NATIONAL CAPITAL PLANNING COMMISSION BALANCE SHEETS As of September 30, 2015 and 2014

(Dollars in Thousands)

	FY 2015	FY 2014
Assets (Note 3)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 4)	\$ 2,627	\$ 2,504
Accounts Receivable (Note 5)	14	-
Total Intragovernmental Assets:	2,641	2,504
General Property, Plant and Equipment, Net (Note 6)	556	684
Total Assets	\$ 3,197	\$ 3,188
Liabilities (Note 7)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 129	\$ 213
Other Intragovernmental Liabilities (Note 8)	997	1,034
Total Intragovernmental Liabilities:	1,126	1,247
Accounts Payable	90	92
Other Liabilities (Note 8)	397	370
Total Liabilities	\$ 1,613	\$ 1,709
Net Position		
Unexpended Appropriations - All Other Funds	2,215	2,074
Cumulative Results - All Other Funds	(631)	(595)
Total Net Position - All Other Funds	\$ 1,584	\$ 1,479
Total Net Positions	\$ 1,584	\$ 1,479
Total Liabilities and Net Position	\$ 3,197	\$ 3,188

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENTS OF NET COST
For the Years ended September 30, 2015 and 2014

(Dollars in Thousands)

	<u>FY 2015</u>	<u>FY 2014</u>
Program Costs (Note 11):		
Comprehensive Planning:		
Gross Costs	\$ 3,176	\$ 2,000
Less: Earned Revenue (Note 12)	<u>(14)</u>	<u>-</u>
Net Program Costs	\$ <u>3,162</u>	\$ <u>2,000</u>
 Plan & Project Review:		
Gross Costs	\$ 2,075	\$ 2,124
Less: Earned Revenue (Note 12)	<u>(21)</u>	<u>-</u>
Net Program Costs	\$ <u>2,054</u>	\$ <u>2,124</u>
 Federal Capital Improvements Program:		
Gross Costs	\$ 174	\$ 157
Net Program Costs	\$ <u>174</u>	\$ <u>157</u>
 Planning Operations:		
Gross Costs	\$ 2,528	\$ 3,240
Less: Earned Revenue (Note 12)	<u>(1)</u>	<u>-</u>
Net Program Costs	\$ <u>2,527</u>	\$ <u>3,240</u>
 Net Program Costs Including Assumption Changes	\$ <u><u>7,917</u></u>	\$ <u><u>7,521</u></u>
 Net Cost of Operations	\$ <u><u>7,917</u></u>	\$ <u><u>7,521</u></u>

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENTS OF CHANGES IN NET POSITION
For the Years ended September 30, 2015 and 2014

(Dollars in Thousands)

	FY 2015 All Other	FY 2014 All Other
Cumulative Results of Operations:		
Beginning Balances	\$ (595)	\$ (533)
Beginning Balances, As Adjusted	(595)	(533)
Budgetary Financing Sources:		
Appropriations Used	7,609	7,193
Other Financing Sources:		
Imputed Financing From Costs Absorbed by Others	272	266
Total Financing Sources	7,881	7,459
Net Cost of Operations (+/-)	(7,917)	(7,521)
Net Change	(36)	(62)
Cumulative Results of Operations	\$ (631)	\$ (595)
Unexpended Appropriations:		
Beginning Balances	\$ 2,074	\$ 1,268
Beginning Balances, As Adjusted	2,074	1,268
Budgetary Financing Sources:		
Appropriations Received	7,948	8,084
Other Adjustments (Rescissions, etc.) (+/-)	(198)	(85)
Appropriations Used	(7,609)	(7,193)
Total Budgetary Financing Sources	141	806
Total Unexpended Appropriations	\$ 2,215	\$ 2,074
Net Position	\$ 1,584	\$ 1,479

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION
STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2015 and 2014

(Dollars in Thousands)

	FY 2015 Total Budgetary	FY 2014 Total Budgetary
Budgetary Resources:		
Unobligated Balance Brought Forward, Oct 1	\$ 676	\$ 443
Unobligated Balance Brought Forward, Oct 1, as Adjusted	676	443
Recoveries of Prior Year Unpaid Obligations	133	292
Other Changes in Unobligated Balance (+ or -)	(198)	(86)
Unobligated Balance From Prior Year Budget Authority, Net	611	649
Appropriations (Discretionary and Mandatory)	7,948	8,084
Spending Authority From Offsetting Collections (Discretionary and Mandatory)	96	-
Total Budgetary Resources	\$ 8,655	\$ 8,733
Status of Budgetary Resources:		
Obligations Incurred (Note 13)	\$ 8,021	\$ 8,057
Unobligated Balance, End of Year:		
Unapportioned	634	676
Total Unobligated Balance, End of Year	634	676
Total Status of Budgetary Resources	\$ 8,655	\$ 8,733
Change in Obligated Balance:		
Unpaid Obligations:		
Unpaid Obligations, Brought Forward, Oct 1	1,828	\$ 1,324
Obligations Incurred	8,021	\$ 8,057
Outlays (Gross) (-)	(7,710)	\$ (7,261)
Recoveries of Prior Year Unpaid Obligations (-)	(133)	(292)
Unpaid Obligations, End of Year	2,006	\$ 1,828
Uncollected Payments:		
Change in Uncollected Pymts, Fed Sources (+ or -)	(13)	-
Uncollected Pymts, Fed Sources, End of Year (-)	(13)	-
Memorandum (non-add) Entries:		
Obligated Balance, Start of Year (+ or -)	\$ 1,828	\$ 1,324
Obligated Balance, End of Year (+ or -)	\$ 1,993	\$ 1,828
Budget Authority and Outlays, Net:		
Budget Authority, Gross (Discretionary and Mandatory)	\$ 8,044	8,084
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(83)	-
Change in Uncollected Customer Payments From Federal Sources (Discretionary and Mandatory) (+ or -)	(13)	-
Budget Authority, Net (Discretionary and Mandatory)	\$ 7,948	\$ 8,084
Outlays, Gross (Discretionary and Mandatory)	7,710	\$ 7,261
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(83)	-
Outlays, Net (Discretionary and Mandatory)	7,627	7,261
Agency Outlays, Net (Discretionary and Mandatory)	\$ 7,627	\$ 7,261

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statement

NOTE 1 – Overview of Reporting Entity

In accordance with the implementation of the GPRA Modernization Act of 2010, and to promote efficiency and transparency, the Strategic Goals presented in NCPC's FY 2015-2018 Strategic Plan are aligned with NCPC's Budget Justification and Annual Performance Plan. The annual budget, obligations incurred, costs, and revenues required to execute NCPC's mission and achieve its Strategic Goals are captured in the financial system by four major programs that align with NCPC's Strategic Goals: 1) Strategic Goal 1, "Foster a vibrant, well-planned national capital," is captured in the Comprehensive Planning program; 2) Strategic Goal 2, "Ensure that individual projects and plans within the National Capital Region are consistent with federal interests," is captured in the Plan & Project Review program; 3) Strategic Goal 3, "Advance the orderly federal capital improvement of the National Capital Region," is captured in the Federal Capital Improvements program; and 4) Management Goal 4, "Ensure effective stewardship and accountability of agency resources," is captured in the Planning Operations program.

- I. **Comprehensive Planning** - 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. 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.

NOTE 1 – Overview of Reporting Entity (Continued)

Signature Planning Activities and Sector Plans

NCPC's signature planning efforts are re-envisioning the urban form and function of selected federal buildings, resources, and lands within the capital city. These sector plans merge physical planning strategies, programming opportunities, and policy goals in areas with a concentration of federal assets. Sector plans often address challenges associated with integrating federal and local land uses and goals. Examples of NCPC's past and current sector planning work include: *Robert F. Kennedy Site Redevelopment Plan*, *South Capitol Street Plan*, *North Capitol Street Plan*, *The Monumental Core Framework Plan*, and the *SW Ecodistrict Plan*.

Emerging Planning Issues

To improve the depth of its policymaking, NCPC undertakes focused studies of key and emerging planning issues. More recently, NCPC published studies related to building heights (Height Master Plan for Washington, DC - 2013), commemorative works (*Memorial Trends and Practice in Washington, DC*, 2012), and parks and open space (*Capital Space*, 2011).

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. They often form the basis for future planning initiatives and help establish priorities for updating the *Comprehensive Plan* or inform a new signature planning initiative.

- II. **Plan & Project Review** - Through its regulatory responsibilities, 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. NCPC also protects federal interests through its representation on local and regional planning bodies. 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 Commission 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, 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, but so 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 is 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.

NOTE 1 – Overview of Reporting Entity (Continued)

In evaluating designs for site and building projects, NCPC's staff professionals consider 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 NCPC's Commission meetings, NCPC protects the federal interest through formal representation on various local, regional and federal authorities such as the Board of Zoning Adjustment, the Foreign Missions Board of Zoning Adjustment, the National Capital Memorial Advisory Commission, and the Transportation Planning Board of the Metropolitan Washington Council of Governments. 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 an example, NCPC is involved in the following external initiatives: the National Mall Roads Interagency Group (NPS), National Tour Bus Study (NPS), District of Columbia Streetcar Task Force (DC), St. Elizabeth's DHS Campus (GSA), the DC Surface Transit, Inc. (Downtown Business Improvement District), and the Regional Transit System Plan (WMATA). 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, NCPC reviews plans developed by regional and local planning agencies. NCPC provides comment letters to municipalities within the region regarding major projects, such as municipal capital improvement programs and park master plans.

III. Federal Capital Improvements Program - Analyze and recommend proposed capital improvement projects in consultation with stakeholders in the National Capital Region.

Each year the federal government spends millions to maintain and improve its facilities in the National Capital Region. Construction of new office buildings and rehabilitation of old ones; improvements to roads, bridges, and recreation, military, and cultural facilities; and building and land purchases are all included in the capital improvements programs that federal agencies propose for funding.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 1 – Overview of Reporting Entity (Continued)

As part of the Federal Capital Improvements Program (FCIP), NCPC receives annual proposals from federal agencies for capital improvements to be carried out over the next six years. NCPC reviews each submission for consistency with the Comprehensive Plan and federal and local planning policies. NCPC provides the FCIP to the Office of Management and Budget (OMB).

- IV. **Planning Operations** - Management systems and operations systems functions and responsibilities provide strategic direction, oversight, and the required resources to ensure the agency fulfills its planning functions and management Strategic Objectives and achieves its mission with the most efficient and effective utilization of funding provided by Congress. Management pursues the following Program Objectives in support of achieving NCPC's Strategic Objectives:

NCPC ensures that its financial systems and operations can produce, in a timely manner, accurate and relevant financial information to support sound decision making and comply with the external reporting requirements directed by OMB and the U.S. Department of the Treasury. The agency can demonstrate that appropriate financial controls are in place to quickly identify and correct potential waste, fraud and abuse. The financial system and processes enables the agency to link investment of resources to performance.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared from the accounting records of NCPC in accordance with generally accepted accounting principles in the United States (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular A-136, *Financial Reporting Requirements*, as OMB A-136 has been updated and amended several times from publication to the present year. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular A-136 Financial Reporting Requirements requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, 2015, amounts of future economic benefits owned or managed by NCPC (assets), amounts owed by NCPC (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within NCPC and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual basis of accounting in accordance with OMB Circular A-136, *Financial Reporting Requirements*. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Use of Estimates

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

NCPC follows standard Federal budgetary accounting policies and practices in accordance with OMB Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” dated June 30, 2015. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Each year, Congress provides NCPC appropriations to incur obligations in support of agency programs. For Fiscal Year (FY) 2015 and 2014, NCPC is accountable for general fund appropriations, no-year fund carryover and Offsetting Collections, and deposit funds. NCPC recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through warrants and when spending authority from the offsetting collection is incurred.

Revenues and Other Financing Sources

NCPC receives the majority of the funding needed to support all of its programs through appropriations and other collections. NCPC receives annual, multi-year and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional amounts are obtained from service fees through reimbursable agreements for services performed for intra-governmental and public entities. Appropriations are recognized as revenues as the related program or administrative expenses are incurred. Other financing sources for NCPC consist of imputed financing sources which are costs financed by other federal entities on behalf of NCPC, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

Receivables

Accounts receivable consist of amounts owed to NCPC by other Federal agencies and the public. Federal accounts receivable are generally the result of the provision of goods and services to other federal agencies and, with the exception of occasional billing disputes, are considered to be fully collectible. Public accounts receivable are generally the result of the provision of goods and services, or erroneous payments. Amounts due from the public are presented net of an allowance for loss on uncollectible accounts, which is based on historical collection experience and/or an analysis of the individual receivables.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Inventory and Operating Materials and Supplies

NCPC's operating materials and supplies are immaterial. Operating materials and supplies are expended as purchases are received.

Property and Equipment

NCPC currently has a capitalization threshold of \$200,000 for structures and facilities and \$25,000 for other property, plant and equipment. The subsidiary property management system accumulates costs assigned to the equipment or facility being constructed. The straight line method is generally used to depreciate capitalized assets.

Prepaid and Deferred Charges

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

Liabilities

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Personnel Compensation and Benefits

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued.

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

NCPC's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. NCPC and its employees both contribute to these systems. Public Law 112-96, Section 5001, the "Middle Class Tax Relief and Job Creation Act of 2012", divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Although NCPC funds a portion of benefits under CSRS and FERS and makes the necessary payroll withholdings, it does not report assets associated with these benefits plans in accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government."

For FERS employees, NCPC contributes an amount equal to 11.9% of the employees' basic pay to the plan. For FERS-RAE employees, NCPC contributes an amount equal to 9.6% of the employees' basic pay to the plan. For CSRS employees, NCPC contributes an amount equal to 7% of the employees' basic pay to the plan.

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

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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

Borrowings Payable to Treasury

NCPC does not engage in Treasury Borrowing activities.

Contingencies

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

Reclassifications

Certain Fiscal Year 2014 amounts have been reclassified for comparative financial reporting purposes. This includes the reclassification of amounts included on the Statements of Net Costs to align with NCPC’s updated Strategic Plan and associated goals. The reclassifications made do not have a material impact on NCPC’s financial statements.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 3 – Non-Entity Assets

Intragovernmental:	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Total Non-Entity Assets	\$ -	\$ -
Total Entity Assets	<u>3,197</u>	<u>3,188</u>
Total Assets	<u>\$ 3,197</u>	<u>\$ 3,188</u>

NOTE 4 – Fund Balance with Treasury

Fund Balances:	<u>September 30, 2015</u> Total	<u>September 30, 2014</u> Total
General Funds	\$ 2,627	\$ 2,504
Total	<u>\$ 2,627</u>	<u>\$ 2,504</u>

Status of Fund Balance with Treasury:

Unobligated Balance		
Unavailable	634	676
Obligated Balance Not Yet Disbursed	<u>1,993</u>	<u>1,828</u>
Total	<u>\$ 2,627</u>	<u>\$ 2,504</u>

Other Information:

The U.S. Treasury performs cash management activities for all Federal agencies. Fund Balance with Treasury is the aggregate amount of the agency's accounts with Treasury for which the agency is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of non-expenditure Treasury Warrants for appropriations, positive non-expenditure transfers, and other expenditure inflows of funds. The Fund Balance with Treasury is reduced through non-expenditure Treasury Warrants for rescissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 5 - Accounts Receivable

	Gross Amount Due	Allowance for Uncollectible Amounts	Net Amount Due
As of September 30, 2015			
Intragovernmental:			
Accounts Receivable	\$ 14	\$ -	\$ 14
As of September 30, 2014			
Intragovernmental:			
Accounts Receivable	\$ -	\$ -	\$ -

Other Information:

In Fiscal Year 2015, NCPC entered into an intragovernmental reimbursable agreement without advance. The intragovernmental accounts receivable balance is the amount of unbilled reimbursements for the costs of services provided to the receiving agency by NCPC.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 6 – General Property, Plant, and Equipment

<u>Major Classes</u>	<u>Service Life</u>	September 30, 2015			September 30, 2014		
		<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	5 SL	\$ 306	\$ 206	\$ 100	\$ 306	\$ 143	\$ 163
Leasehold Improvements	10 SL	1,046	590	456	1,046	525	521
Total		<u>\$ 1,352</u>	<u>\$ 796</u>	<u>\$ 556</u>	<u>\$ 1,352</u>	<u>\$ 668</u>	<u>\$ 684</u>

<u>Major Classes</u>	<u>Capitalization Threshold</u>
Equipment	\$ 25
Internal Use Software	200
Bulk Purchase Software	200
Software Enhancements	200
Buildings/Structures	200
Leasehold Improvements	25

NCPC recognizes Construction in Progress based upon the estimated completion of assets under construction. At the conclusion of Fiscal Year 2013, all projects were estimated to be complete and placed in service. NCPC commences depreciation of assets in the month following the period that they have been completed, are fully operational, and in service.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 7 – Liabilities not covered by Budgetary Resources

Intragovernmental:	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Other Liabilities-Unfunded Rent	<u>\$ 910</u>	<u>\$ 1,012</u>
Total Intragovernmental	<u>\$ 910</u>	<u>\$ 1,012</u>
Other Liabilities-Unfunded Leave	<u>\$ 286</u>	<u>\$ 275</u>
Total Liabilities Not Covered by Budgetary Resources	<u>\$ 1,196</u>	<u>\$ 1,287</u>
Total Liabilities Covered by Budgetary Resources	<u>\$ 417</u>	<u>\$ 422</u>
Total Liabilities	<u><u>\$ 1,613</u></u>	<u><u>\$ 1,709</u></u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 8 – Other Liabilities

	<u>Non-Current Liabilities</u>	<u>Current Liabilities</u>	<u>Total</u>
As of September 30, 2015			
Intragovernmental:			
Advances and Prepayments	\$ -	\$ 60	\$ 60
Accrued Pay and Benefits	\$ -	\$ 27	\$ 27
Unfunded Accrued GSA Rent	\$ 784	\$ 126	\$ 910
	<u> </u>	<u> </u>	<u> </u>
Total Intragovernmental Other Liabilities	<u>\$ 784</u>	<u>\$ 213</u>	<u>\$ 997</u>
Public:			
Accrued Pay and Benefits	\$ -	\$ 111	\$ 111
Other-Unfunded Leave	\$ 286	\$ -	\$ 286
	<u> </u>	<u> </u>	<u> </u>
Total Public Other Liabilities	<u>\$ 286</u>	<u>\$ 111</u>	<u>\$ 397</u>
As of September 30, 2014			
Intragovernmental:			
Accrued Pay and Benefits	\$ -	\$ 22	\$ 22
Unfunded Accrued GSA Rent	\$ 1,012	\$ -	\$ 1,012
	<u> </u>	<u> </u>	<u> </u>
Total Intragovernmental Other Liabilities	<u>\$ 1,012</u>	<u>\$ 22</u>	<u>\$ 1,034</u>
Public:			
Accrued Pay and Benefits	\$ -	\$ 95	\$ 95
Other - Unfunded Leave	\$ 275	\$ -	\$ 275
	<u> </u>	<u> </u>	<u> </u>
Total Public Other Liabilities	<u>\$ 275</u>	<u>\$ 95</u>	<u>\$ 370</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 9 - Leases

Entity as Lessee:

Operating Leases:

Description of Leasing Arrangements:

NCPC leases office space at 401 9th Street, N.W., North Lobby, Suite 500, Washington, DC 20004. NCPC entered into a new operating lease in December 2010. The new lease expires in November 2020. The old lease expired in November 2010. NCPC received a rent credit of \$1,075 for the first ten months of the lease in Fiscal Year 2011. NCPC received an additional Commission Credit of \$119 in Fiscal Year 2012 of the lease. Minimum lease payments under the new lease are scheduled to increase over the life of the lease due to inflation. NCPC accounts for the lease on a straight-line basis over the lease term. The unfunded liability as of September 30, 2015 is \$910. The unfunded liability as of September 30, 2014 was \$1,012.

Other Information:

OMB Circular A-136 requires the disclosure of future lease payments, by major asset category, for all non-cancellable leases with terms longer than one year. It does not require the same disclosure for cancellable leases. Although NCPC's lease for office space is cancellable with four months of notice, to better understand the significance of NCPC's leased office space to NCPC's future annual funding, NCPC is disclosing future payments due under the lease in other information.

Future Payments Due (Dollars in Thousands):

The following is a schedule of the minimum lease payments required by the lease, plus estimated real estate property tax escalation:

	Buildings and Structures	
	(1)	Totals
Year 6	\$ 1,491	\$ 1,491
Year 7	\$ 1,516	\$ 1,516
Year 8	\$ 1,541	\$ 1,541
Year 9	\$ 1,568	\$ 1,568
Year 10	\$ 1,595	\$ 1,595
Year 11 (2 months)	\$ 251	\$ 251
Total Future Lease Payments	\$ 7,962	\$ 7,962

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 9 - Leases (Continued)

Lease payments under the new lease, including estimated Real Estate Taxes Escalation Expense for the year ended September 30, 2015 was \$1,452. Lease payments for the year ended September 30, 2014 was \$1,481. Total funded and unfunded GSA lease expense was \$1,212 for the year ended September 30, 2015. Total funded and unfunded GSA lease expense for the year ended September 30, 2014 was \$1,370. In Fiscal Year 2015, GSA elected not to seek reimbursement for \$132 Real Estate Tax Escalation Expense accrued in Fiscal Year 2010 and cancelled in Fiscal Year 2015.

NOTE 10 - Commitments and Contingencies

Contingencies where any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred should be disclosed. SFFAS No. 5, as amended by SFFAS No.12, contains the criteria for recognition and disclosure of contingent liabilities.

On July 16, 2015, an Equal Employment Opportunity (EEO) matter was filed with the EEO Commission. It is reasonably possible (the chance of an unfavorable outcome is less than probable, but more than remote) that the matter will result in an unfavorable outcome. The estimated amount of potential loss is \$100, but may fall between the range of \$25 and \$100. The loss contingency meets the threshold for disclosure, but does not meet the threshold for either recognition or a loss accrual.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 11 – Intragovernmental Costs and Exchange Revenue

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Comprehensive Planning:		
Intragovernmental Gross Costs	\$ 1,153	\$ 597
Public Costs	2,023	1,403
Total Comprehensive Planning Costs	3,176	2,000
Intragovernmental Earned Revenue	(14)	-
Total Comprehensive Planning Earned Revenue	(14)	-
Plan & Project Review:		
Intragovernmental Gross Costs	\$ 908	\$ 1,091
Public Costs	1,167	1,033
Total Plan & Project Review Costs	2,075	2,124
Intragovernmental Earned Revenue	(21)	-
Total Plan & Project Review Earned Revenue	(21)	-
Federal Capital Improvements Program:		
Intragovernmental Gross Costs	\$ 80	\$ 63
Public Costs	94	94
Total Federal Capital Improvements Costs	174	157
Planning Operations:		
Intragovernmental Gross Costs	\$ 567	\$ 910
Public Costs	1,961	2,330
Total Planning Operations Costs	2,528	3,240
Intragovernmental Earned Revenue	(1)	-
Total Planning Operations Earned Revenue	(1)	-

To implement the GPRA Modernization Act of 2010, and to promote efficiency and transparency, NCPC updated its FY 2015-2018 Strategic Plan to include goals that correlate to NCPC's legislative functions and responsibilities. The Fiscal Year 2015 Budget Justification & Annual Performance Plan reflected the change accordingly. The result was a change in the definition of the costs captured within NCPC's program structure presented in the Fiscal Year 2015 financial statements. To promote comparability, the Fiscal Year 2014 Statement of Net Cost was restated to best approximate the change.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 11 – Intra-governmental Costs and Exchange Revenue (Continued)

Intragovernmental and public revenue is recognized when NCPC has earned funding received from a reimbursable agreement. A reimbursable agreement is where NCPC receives funding from another Federal Government entity, a state entity, or a local entity to provide goods and services to the other entity. Intragovernmental or public revenue is earned on a case-by-case basis when expenditures are incurred by NCPC to provide the goods and services required under the reimbursable agreement. NCPC classifies expenses as "intragovernmental" if goods and services are procured from another Federal Government entity and "public" if goods and services are procured from a public entity, regardless of funding source. Rarely, NCPC may provide goods and services to the public in exchange for a fee. Public revenue is recognized when NCPC provides the goods or services to the public entity.

NOTE 12 – Exchange Revenues

Description of exchange revenues:

Exchange revenue is recognized when NCPC has earned funding received from a reimbursable agreement. A reimbursable agreement is where NCPC receives funding from another Federal Government entity or a state or local entity to provide goods and services to the other entity. Exchange revenue is earned on a case-by-case basis when expenditures are incurred by NCPC to provide the goods and services required under the reimbursable agreement. Pricing is such that NCPC receives no profit from the exchange. NCPC is only reimbursed for the cost of providing the goods or services to the other entity. Occasionally, NCPC receives exchange revenue other than from a reimbursable agreement. NCPC provides data, images, or training related to Geographic Information Systems to public entities in exchange for a fee. The fees are based upon the estimated cost to provide the goods or services requested. Exchange Revenue is recognized upon delivery of the goods or services to the public entity. For the fiscal years ended September 30, 2015 and September 30, 2014, NCPC had \$0 exchange revenue with the public.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 13 – Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Direct Obligations Incurred:		
Category A	\$ 7,925	\$ 8,057
Total Direct Obligations Incurred	<u>\$ - 7,925</u>	<u>\$ - 8,057</u>
Reimbursable Obligations Incurred:		
Category B	\$ 96	\$ -
Total Reimbursable Obligations Incurred	<u>\$ - 96</u>	<u>\$ -</u>
Total Obligations Incurred	<u>\$ 8,021</u>	<u>\$ 8,057</u>

An apportionment is a plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Appropriation Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes other limitations, as appropriate) for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an agency into allotments, suballotments, and allocations.

OMB Circular A-11 defines apportionment categories as follows:

Category A apportionments distribute budgetary resources by fiscal quarters.

Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories.

Category C apportionments may be used in multi-year and no-year TAFS to apportion funds into future fiscal years.

Exempt from apportionment (see OMB Circular A-11, paragraph 120.5 for details).

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 14 – Undelivered Orders at the End of the Period

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Undelivered orders at the end of the period	\$ 1,649	\$ 1,406

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 15 – Explanation of Differences between the SBR and the Budget of the US Government

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting calls for explanations of material differences between budgetary resources available, status of those resources, and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the Budget of the United States Government (President's Budget). The most current comparable data is FY 2014 Actual amounts presented in the President's Budget for Fiscal Year 2016. The President's Budget that will include FY 2015 Actual amounts has not yet been published. The President's Budget for FY 2017 is scheduled for publication in February 2016 on OMB's website.

Reconciling differences are caused by the exclusion of amounts of Budgetary Resources, Obligations Incurred, Offsetting Collections, and Outlays in expired funds that are not excluded in the SBR. The Ending Unobligated Balance on the SBR includes both unexpired and expired Budgetary Resources. The President's Budget discloses only unexpired Unobligated balances available for obligation in the following Fiscal Year. NCPC is funded primary through annual one-year Appropriations. Consequently, NCPC's actual Ending unobligated Balance from the previous year are not reflected as available Budgetary Resources in the President's Budget for the following Fiscal Year. In addition, the presentation of amounts in the SBR are in thousands of dollars. The presentation of amounts in the President's Budget are in millions of dollars. Small differences in amounts presented in thousands may convert to a difference of \$1 million for the purpose of this reconciliation.

	FY 2014 Obligated Balance			
	Beginning Balance	Obligations Incurred	Outlays	Ending Balance
Statement of Budgetary Resources	\$ 1	\$ 8	\$ 7	\$ 2
Difference	\$ -	\$ -	\$ -	\$ -
President's Budget	\$ 1	\$ 8	\$ 7	\$ 2

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 16 – Reconciliations of Net Cost of Operations to Budget

(Dollars in Thousands)

	<u>FY 2015</u>	<u>FY 2014</u>
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 8,021	\$ 8,057
Less: Spending Authority From Offsetting Collections & Recoveries	<u>229</u>	<u>292</u>
Obligations Net of Offsetting Collections & Recoveries	<u>7,792</u>	<u>7,765</u>
Net Obligations	\$ 7,792	\$ 7,765
Other Resources		
Imputed Financing from Costs Absorbed by Others	<u>272</u>	<u>266</u>
Net Other Resources Used to Finance Activities	<u>272</u>	<u>266</u>
Total Resources Used to Finance Activities	\$ 8,064	\$ 8,031
Resources Used to Finance Items Not Part of Net Cost of Operations:		
Change in Budgetary Resources Obligated But Not Provided (+/-)	\$ 183	\$ 572
Resources That Fund Expenses Recognized in Prior Periods	\$ 102	\$ 79
Resources That Finance the Acquisition of Assets or Liquidation of Liabilities (+/-)	<u>-</u>	<u>(10)</u>
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	<u>285</u>	<u>641</u>
Total Resources Used to Finance the Net Cost of Operations	\$ 7,779	\$ 7,390

National Capital Planning Commission
Notes to Financial Statements
September 30, 2015 and 2014
(Dollars in Thousands)

NOTE 16 – Reconciliations of Net Cost of Operations to Budget (Continued)

	<u>FY 2015</u>	<u>FY 2014</u>
Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:		
Components Requiring/Generating Resources in Future Periods:		
Increase in Annual Leave Liability	\$ 11	\$ 4
Total Components Requiring or Generating Resources in Future Periods	\$ 11	\$ 4
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	\$ 127	\$ 127
Total Components Not Requiring or Generating Resources	\$ 127	\$ 127
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	\$ 138	\$ 131
Net Cost of Operations	<u>\$ 7,917</u>	<u>\$ 7,521</u>

NOTE 17 – Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 9, 2015, which is the date the financial statements were available to be used.

National Capital Planning Commission
Other Information
September 30, 2015 and 2014

Summary of the Financial Statement Audit and Management's Assurances

Table 1: Summary of Financial Statement Audit:

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Table 2: Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management Systems Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0	0

November 12, 2015

Chortek LLP
Erin Singshinsuk, CPA
Audit Partner
400 Virginia Avenue, SW,
Suite 130
Washington, DC 20024

Dear Ms. Singshinsuk:

We have reviewed the draft audit report provided to us relating to your audit of the National Capital Planning Commission for the fiscal year ended September 30, 2015. We concur with the facts and conclusions in the draft report.

Sincerely,



Barry S. Socks
Executive Director

National Capital Planning Commission

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