

Performance and Accountability Report

Fiscal Year 2009

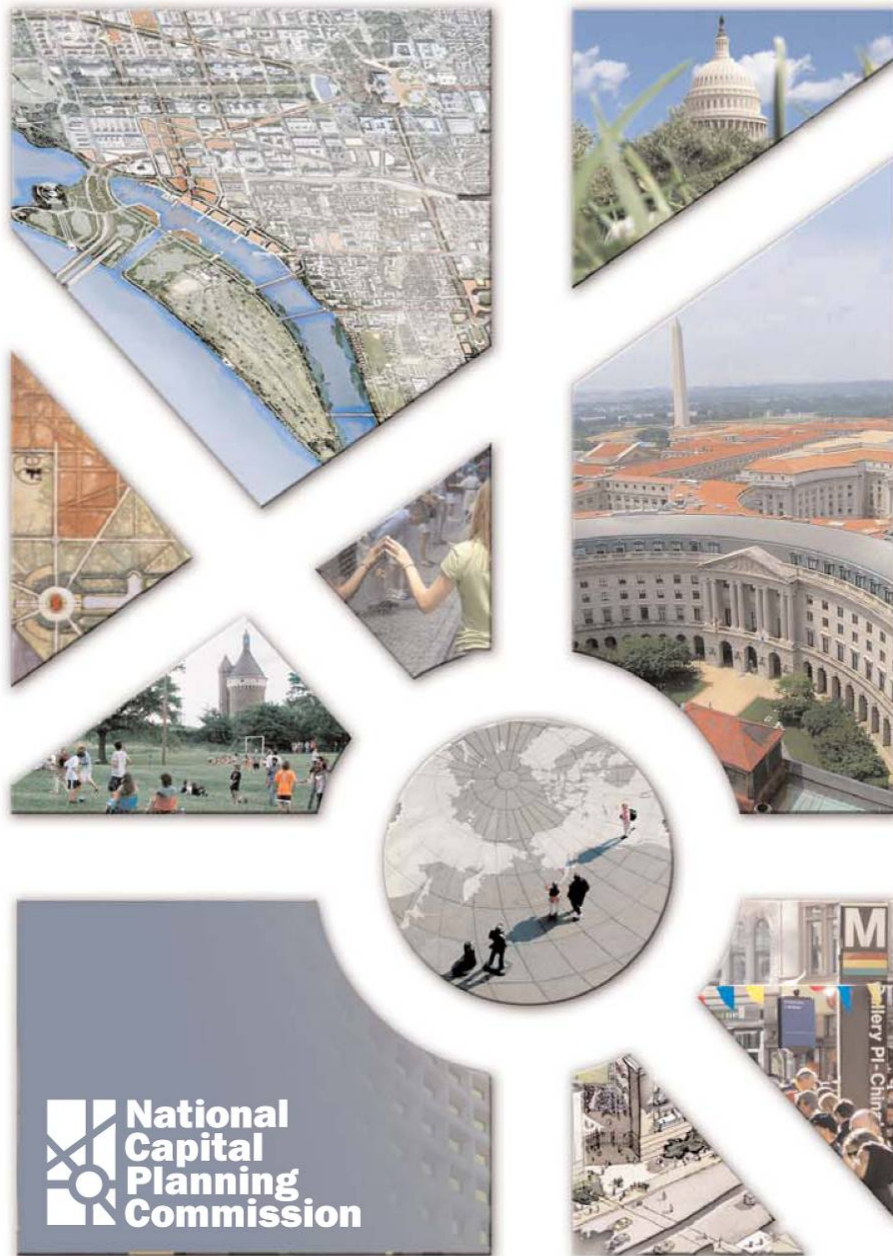


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A Message from the Chairman



On behalf of the National Capital Planning Commission (NCPC), I am pleased to present the agency's Performance and Accountability Report for FY 2009. This report reflects both program and financial accomplishments over the past year and demonstrates our commitment to fulfill the responsibilities that have been entrusted to the NCPC. The performance and financial data included in this report are complete and reliable, and consistent with guidance provided by the Office of Management and Budget (OMB).

As the central planning agency for the nation's capital and surrounding region, NCPC is privileged to serve as its principal steward. NCPC's key responsibilities include the development of comprehensive and long-range plans for the region; the review and approval of federal plans and projects and certain District projects; and collecting and evaluating proposed federal capital expenditures on behalf of OMB.

In this report you will find updates on NCPC's work with partner agencies and stakeholder groups to advance several major initiatives including: "Building the Region Together," Monumental Core Framework Plan, and CapitalSpace. This report also discusses planning efforts to expand the reach of public transit and identify strategies to put the region on the road to a greener and more energy efficient future. Additionally, the report highlights the 140 project proposals related to urban design, environmental, transportation, and historic preservation that the Commission reviewed during FY 2009 as well as the adoption of the *Federal Capital Improvements Program* (FCIP) for Fiscal Years 2010-2015.

NCPC's many accomplishments were achieved as a result of sound financial management and the effective management of our resources. This report demonstrates that the Commission has prudently managed funds and identifies NCPC's achievements in relation to its strategic goals. Based on the Independent Auditor's unqualified opinion on NCPC's consolidated financial statements, and the lack of any material internal control weaknesses, the agency provides reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act have been met and that its financial systems conform to government-wide standards.

As a steward of our nation's heritage, NCPC is dedicated to planning for a 21st century capital that respects Washington's role as the seat of government, as the symbolic heart of the nation, and as a living city that is the beneficiary to two hundred years of extraordinary planning. Through quality planning expertise, effective partnerships and visionary yet practical solutions, we are committed to fostering a beautiful, functional city that is an inspiration to the people of this country.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Preston Bryant". The signature is fluid and cursive, written over a white background.

L. Preston Bryant
Chairman
National Capital Planning Commission

**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

The National Capital Planning Commission protects and enhances the extraordinary historical, cultural, and natural resources of the National Capital Region by crafting long-range plans, analyzing emergent planning issues, reviewing site development and building proposals, and monitoring federal capital investment.

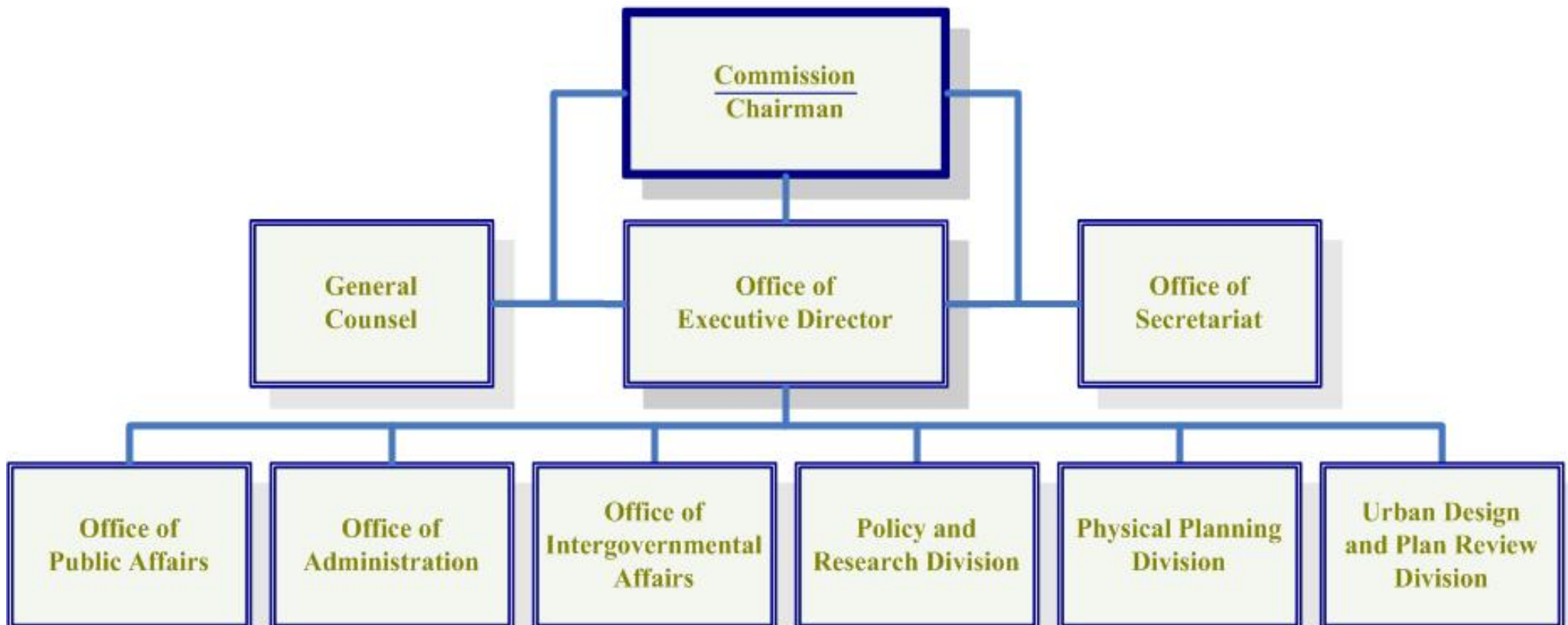
Vision

The National Capital Planning Commission envisions a vibrant world capital that accommodates the needs of our federal government; enriches the lives of the region's residents, workers, and visitors; and embodies an urban form and character that reflect the enduring values of the American people.

Strategic Goals

1. By crafting plans and policies that employ the highest standards of urban design and planning, the National Capital Planning Commission will define the federal government's interest in the long-term development of the National Capital Region.
2. NCPC will review proposals subject to Commission approval or advice to determine whether they are consistent with the federal interest, and we will represent the federal interest on local and regional planning bodies.
3. NCPC will inform the public of its activities, encourage citizens to become involved in the planning process, and participate in broader professional discussions at local, national, and international levels.
4. NCPC will build consensus and facilitate cooperation among citizens, public interest groups, nongovernmental organizations, and governmental agencies to shepherd plans and policies toward fruition.
5. To respond to the changing planning needs of the National Capital Region, NCPC will embrace the best practices for the continual development of its human resources, work processes, and technology.

National Capital Planning Commission Organizational Chart



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 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.

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 FOIA requests and ensures compliance with federal laws.

Office of Public Affairs

The Office of Public Affairs 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 and executes public outreach programs that advance Commission goals and the public with information electronically through the agency's website.

Office of Administration

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

Office of Intergovernmental Affairs

The Office of Intergovernmental Affairs is responsible for fostering partnerships and facilitating communication between jurisdictions, federal agencies and civic stakeholders throughout the National Capital Region. The goal of the Office is to ensure that federal resources and activities throughout the region are coordinated to effectively address regional challenges and to ensure a vibrant, inclusive and sustainable region. The work of the Office includes coordinating inter-agency teams and projects, sponsoring regional outreach and forums, and initiating regional policies and model projects.

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 disseminating 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 of the Division 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 reviews 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

As part of its statutory responsibility, NCPC reviewed the urban design, environmental, transportation, and historic preservation implications for 140 plans and project proposals. These projects included 4 master plans, 32 zoning proposals, 18 proposed street and alley closings, and 86 planning and revitalization programs. Three commemorative works including the Vietnam Veterans Memorial Visitor Center, American Veterans Disabled for Life Memorial, and site selection for the Memorial to Victims of the Ukrainian Manmade Famine were reviewed by the Commission.

Of major significance, NCPC approved the final master plan for the Department of Homeland Security headquarters at St. Elizabeths. The Commission approved the West Campus portion of the final master plan and commented favorably on the transportation improvements for the East Campus portion of the plan. The master plan will guide redevelopment of the 176-acre West Campus and a portion of the 280-acre East Campus and provide a secure federal site for the 22 agencies that make-up the Department of Homeland Security.

Also, NCPC approved an update to the National Naval Medical Center Master Plan (NNMC). The approved master plan will guide long-term development of the approximately 245-acre campus. It is anticipated that by 2016 annual patients and visitors will nearly double and building square footage will increase from 4.7 million gross square feet to 6.35 million gross square feet. Per the 2005 Base Realignment and Closure Act (BRAC), the Walter Reed Army Medical Center will close in 2011. Military medical services in the National Capital Area will be split between the NNMC and a new hospital at Fort Belvoir.

NCPC reviewed and approved the Federal Capital Improvements Program (FCIP) for the National Capital Region for fiscal years 2010-2015. This FCIP contains 182 projects submitted by 16 federal agencies and departments, at an estimated cost of \$10.3 billion. This FCIP has been influenced by the American Recovery and Reinvestment Act, as many agencies began funding capital projects in FY 2009, shifting funding proposals for the FYs 2010 to 2015 period.

NCPC approved the Monumental Core Framework Plan, a joint product of the National Capital Planning Commission and the U.S. Commission of Fine Arts. The Framework Plan provides a planning structure to preserve the reassured open space of the National Mall by improving the setting of the adjacent areas, making them desirable locations for the next generation of national museums, memorials, public gatherings, and federal offices.

NCPC continued to play a critical role in coordinating a federal and District response to overbank and stormwater flooding. NCPC worked closely with representatives from the District, National Park Service, Federal Emergency Management Agency and the US Army Corps of Engineers, to facilitate a rapid response to design a new levee structure at 17th Street on the National Mall, and to ensure that a complex array of environmental, historic preservation, and design reviews and requirements could be completed to meet required deadlines.

NCPC approved Phase 1 of the preliminary and final site development plans for an improved park levee on the National Mall near the intersection of Constitution Avenue and 17th Street, NW. The improved levee will provide a more secure temporary closure system consisting of a post-and panel barrier connected to masonry walls and earthen berms. It also includes an on-site below ground storage vault for the post-and panel elements when they are not in use.

NCPC approved the location and preliminary and final building foundation plans, and commented favorably on the concept site and building plans for the new Department of Defense Washington Headquarters Services complex (BRAC 133 Project Mark Center Development).

The Commission partnered with a local non-profit organization, Cultural Tourism DC, to study the feasibility of developing a heritage trail in the Federal Triangle. This assessment was developed in close coordination with the General Services Administration, the National Park Service, Federal Triangle tenant agencies, and the District of Columbia government.

In conjunction with the District Department of Transportation, and the DC Office of Planning (DCOP), NCPC completed a study of the potential impacts of new memorial sites; roadway and streetscape improvements; and new development opportunities along North Capital Street. This study evaluated several alternatives to transform the existing cloverleaf intersection between Irving Street and Michigan Avenue, into a more identifiable “gateway” into the city and create a community-oriented gathering spot. The study produced a planning report that will help guide future capital improvement, development, and land use decisions in the area.

NCPC, together with Metropolitan Washington Council of Governments (MWCOG) and DCOP, sponsored a one-day workshop to strategize the regional response to the future impact of climate, energy, demographics, and technology advancements in the National Capital Region (NCR). This workshop brought together local civic and business leaders, as well as federal representatives, to consider alternative to these futures scenarios and key actions necessary to advance regional development.

In conjunction with MWCOG, the Commission organized a regional forum, “Building the Region Together”. This event brought together high-level Administration leaders, regional elected officials and federal agency representatives to explore opportunities for establishing partnerships between the Administration and the NCR in support of regional coordination, livable communities, innovation economies and multimodal transportation.

NCPC assisted the District Department of Transportation on the *Union Station Intermodal Center Feasibility Study* to evaluate the possibility of creating an enhanced multi-modal transportation center at Washington, DC’s historic Union Station. This \$2.25 million study will be completed in the fall, at which time DDOT will determine if further analysis is necessary and/or plan for phased implementation of the study’s recommendations.

In an effort to keep the public informed about the importance of planning for the national capital and its many natural resources, NCPC staff participated in numerous panel discussions, symposiums, conference and interviews with national and local media and

representatives of professional publications. Commission members and staff also gave presentations to national, international, and local audiences on the agency's key activities and sought the public's feedback on NCPC's planning and development projects. NCPC hosted public meetings on new agency planning initiatives to discuss and solicit public opinions concerning the CapitalSpace Initiative, the Framework Plan and the North Capital Street Study.

Financial Statement Analysis

NCPC's financial position as of September 30, 2009 was strong and consistent with its financial position as of September 30, 2008.

Balance Sheet: (In thousands)

	Fiscal Year 2009	Fiscal Year 2008	Variance	Percentage Inc/(Dec)
Total Assets	\$1,957	\$2,143	\$(186)	(8.7)%

Like prior Fiscal Years, Fund Balance with Treasury was the bulk of NCPC's assets and the types of asset transactions incurred in Fiscal Year 2009 were consistent with like transactions incurred in Fiscal Year 2008. In Fiscal Year 2009, Fund Balance with Treasury was \$1,919 of NCPC's total assets. In Fiscal Year 2008, Fund balance with Treasury was \$2,062 of NCPC's total assets. While NCPC's net funding increased \$192 in Fiscal Year 2009 over Fiscal Year 2008, NCPC's overall Fund Balance with Treasury decreased \$186, or 8.7%.

This is representative of a continuing trend in NCPC's Fund Balance with Treasury. Over the past several Fiscal Years, NCPC experienced a period of increasing non-discretionary expenditures and relatively flat funding. In personnel costs, NCPC disbursed \$190 more, a 3.7% increase above Fiscal Year 2008 in comparison to a budget that increased \$192, or 2.7%.

Prudent financial management continues to be a high priority for NCPC. The status of obligations incurred against NCPC's budget for planned program activities was reviewed on a quarterly basis and revised to accommodate actual program activities and the remaining forecasted activities. Open obligations were more frequently analyzed and closed in a more timely manner. The Fund Balance with Treasury slowly decreased as expired Fiscal Years with larger unobligated balances reach cancelled status. One hundred and forty three thousand dollars of the Fund Balance with Treasury on hand as of September 30, 2008 was cancelled in Fiscal Year 2009.

The continued liquidation of prior year advances on reimbursable agreements and the reduction in the number of new reimbursable agreements was another trend that continued into Fiscal Year 2009. In Fiscal Year 2009, NCPC liquidated \$103 of advances in Fund Balance with Treasury.

	Fiscal Year 2009	Fiscal Year 2008	Variance	Percentage Inc/(Dec)
Total Liabilities	\$1,121	\$1,374	\$(253)	(18.4)%

The types of liability transactions that NCPC incurred in Fiscal Year 2009 were consistent with like transactions incurred in Fiscal Year 2008. NCPC's normal liability

categories were: 1) accrued pay and benefits and unfunded payroll; 2) accounts payable; and 3) reimbursable agreements with advance.

Consistent with previous Fiscal Years, the cost of accrued pay and benefits increased in Fiscal Year 2009 over Fiscal Year 2008. However, the amount accrued as of the end of the Fiscal Year fluctuated with the date of the final payroll disbursed in the Fiscal Year. There were fewer days of accrued payroll in Fiscal Year 2009 than Fiscal Year 2008. The difference in accrued pay and benefits, offset by increased payroll cost was \$89.

As discussed in Fund Balance with Treasury and consistent with Fiscal Year 2008, NCPC liquidated more prior year advances on hand September 30, 2008 than they received for new reimbursable agreements in Fiscal Year 2009. The net variance due to advances on reimbursable agreements was \$97.

Statement of Budgetary Resources: (In Thousands)

Budgetary Resources	Fiscal Year 2009	Fiscal Year 2008	Variance	Percentage Inc/(Dec)
Net Appropriation	\$8,328	\$8,136	\$192	2.7%
Change in Advances	\$(101)	\$(26)	\$(75)	288.5%

The types of budgetary authority that NCPC received in Fiscal Year 2009 were consistent with the types of budget authority that NCPC received in Fiscal Year 2008. NCPC has two main types of budget authority, annual appropriations and offsetting collections from reimbursable agreements. The \$192 increase in appropriations in Fiscal Year 2009 over Fiscal Year 2008 ended a three-year period of flat budget authority.

As discussed in Fund Balance with Treasury and consistent with Fiscal Year 2008, NCPC liquidated more prior year advances on hand September 30, 2008 than they received for new reimbursable agreements in Fiscal Year 2009. The decrease in Unfilled Customer Orders with Advance was almost three times as much as the decrease in Fiscal Year 2008, largely due to the liquidation of a reimbursable agreement with the Commission of Fine Arts for \$95.

Status of Budgetary Resources	Fiscal Year 2009	Fiscal Year 2008	Variance	Percentage Inc/(Dec)
Direct Obligations Incurred	\$8,320	\$8,259	\$61	0.7%
Reimbursable Obligations Incurred	\$32	\$105	\$(73)	(69.5)%

The types of obligations incurred by NCPC in Fiscal Year 2009 were consistent with those in Fiscal Year 2008. Consistent with Fiscal Year 2008 and previous Fiscal Years, the majority of the obligations incurred in Fiscal Year 2009 covered: 1) pay and benefits; and 2) the cost of leased real estate. The combined cost of these items was \$7,091, or 85.1% of the budget. In Fiscal Year 2008, the combined cost of these items was \$6,969 or 85.7% of the budget. One hundred and twenty two thousand dollars of the increase in Direct Obligations Incurred was due to increased pay and benefits costs, net the reduced pay and benefits accrual discussed in Fund balance with Treasury and Liabilities. The increased cost was offset by a decrease in upward adjustments in Fiscal Year 2009 over Fiscal Year 2008 as a result of improved obligation management discussed in Fund Balance with Treasury.

Reimbursable Obligations Incurred decreased \$73 in Fiscal Year 2009 over Fiscal Year 2008. This was largely due to the obligation of the \$95 reimbursable agreement for the Framework Plan with the Commission of Fine Arts in Fiscal Year 2008.

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 will be provided in the Chairman's message at the beginning of the Performance and Accountability Report. This statement will be 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 2009, the NCPC did not pay any interest penalties on invoices processed.

Federal Financial Management Improvement Act (FFMIA)

The National Capital Planning Commission is a federal agency subject to the Accountability of Tax Dollars Act, 2002. Agencies subject to the ATDA are not subject to the requirements of FFMIA.

Improper Payments Information Act

The Improper Payments Information Act (Public Law (P.L. No. 107-300) defined requirements to reduce improper/erroneous payments made by the federal government. OMB also has established specific reporting requirements for agencies with programs that possess a significant risk of erroneous payments and for reporting on the results of recovery auditing activities. A significant erroneous payment as defined by OMB guidance is an annual payment in a program that exceeds both 2.5 percent of the program payments and \$10 million.

NCPC has not identified any programs where significant erroneous payments have occurred within the agency. The agency will continue to review programs on an annual basis to determine if any significant erroneous payments exist.

PART II: PERFORMANCE SECTION

Performance by Strategic Goals

The Commission's Fiscal Year 2009 Performance Report links the agency's funding to its goals and accomplishments and demonstrates its continued commitment to shaping and preserving a capital worthy of the nation. This year the agency expanded partnerships with federal and local agencies on major initiatives that support its long-range plans, continued integrating urban design and security objectives into projects in the monumental core and throughout the District, and completed the Federal Capital Improvements Program.

This performance report reflects the FY 2009 accomplishments related to the NCPC 2009-2014 Strategic Plan goals and objectives.

Strategic Goal #1:

By crafting plans and policies that employ the highest standards of urban design and planning, the National Capital Planning Commission will define the federal government's interest in the long-term development of the National Capital Region.

In FY 2009, NCPC:

- Adopted the Monumental Core Framework Plan, a joint product of the National Capital Planning Commission and the U.S. Commission of Fine Arts.
- Through the CapitalSpace Initiative, developed a series of plans and strategies to; effectively plan and manage the city's 427 smallest parks; protect parks in the center city and those surrounding the National Mall; connect, restore and maintain high value park areas; ensure schoolyards and recreation fields provide sufficient access and quality of recreation.
 - Hosted a workshop to foster creative thinking about important global, national, and regional trends with MWCOG and DCOP
 - Commissioned a study of the sewage system near the Federal Triangle in cooperation with the DCDOE, DCWASA, GSA, Smithsonian Institution and WMATA
- Completed a study in conjunction with DCDOT and DCOP, of the potential impact of new memorial sites; roadway and streetscape improvements; and new development opportunities along North Capitol Street corridor
- Reviewed and approved the Federal Capital Improvements Program (FCIP) for the National Capital Region for fiscal years 2010-2015.
- Reviewed the District of Columbia and other regional Capital Improvement Program
- Serve as an active member of the Board of Zoning Adjustment (BZA) and the Foreign Missions Board of Zoning Adjustment (FMBZA).

Strategic Goal #2:

NCPC will review proposals subject to Commission approval or advice to determine whether they are consistent with the federal interest and we will represent the federal interest on local and regional planning bodies.

In FY 2009, NCPC approved / commented on 140 projects planning and urban design proposals to include:

- Commented on revised concept design for the Vietnam Veterans Memorial Visitor Center.
- Approved Reservation 78 as the site for the Memorial to Victims of the Ukrainian Manmade Famine.
- Approved preliminary and final site development plans for perimeter security at Union Station.
- Approved preliminary and final site development plans for perimeter security for the District of Columbia Courts at Judiciary Square, NW.
- Approved the final master plan for the Department of Homeland Security headquarters at St. Elizabeths West Campus.
- Commented favorably on the concept design for the US Coast Guard Headquarters (USCOG HQ) and the West Ravine Parking Garage as part of Phase 1 of the Department of Homeland Security Headquarters at the St. Elizabeths West Campus.
- Approved an update to the National Naval Medical Center Master Plan (NNMC).
- Approved the location and preliminary and final building foundation plans, and commented favorably on the concept site and building plans for the new Department of Defense Washington Headquarters Services complex (BRAC 133 Project Mark Center Development).
- Approved Phase 1 of the preliminary and final site development plans for an improved park levee on the National Mall near the intersection of Constitution Avenue and 17th Street, NW.
- Approved the final site development plans for the fabrication and installation of pedestrian guide wayfinding pylons and map kiosks for the National Mall and East Potomac Park.
- Reviewed and approved the Smithsonian Institution's updated master plan for the National Zoological Park.
- Approved preliminary and final site and building plans for the new Watha T. Daniel (Shaw) Neighborhood Library.
- Commented favorably on a zoning text amendment submitted by the District of Columbia Zoning Commission to allow firearm retail sales establishment's commercial and industrial zoning districts in Washington, DC.

- Recommended the District of Columbia Zoning Commission approve a proposed map amendment to change the zoning for Square 101, Lot 874 located on H Street, NW between 20th and 21st Streets in Washington, DC.
- Commented on a proposed Consolidated Planned Unit Development and related map amendment to change the zoning from SP-2 to C-3-C for the American Institute of Architects (AIA) Headquarters located at 1735 New York Avenue, NW.
- Recommended the District of Columbia Zoning Commission approve a consolidated Planned Unit Development (PUD) and related map amendment to construct the Marriott Marquis Hotel on Square 370 at the corner of 9th Street and Massachusetts Avenue, NW.
- Approved the location and the preliminary and final building foundation plans for the new Department of Defense (DOD) Washington Headquarters Services complex.
- Commented favorably on a design concept for improvements to the Potomac Park levee located on the National Mall near the intersection of Constitution Avenue and 17th Street, NW.
- Recommended the District of Columbia Zoning Commission approve proposed modifications to the second stage Consolidated Planned Unit Development Capper/Carrollsborg Hope VI Redevelopment Project in Southeast, DC.

Strategic Goal #3:

NCPC will inform the public of its activities, encourage citizens to become involved in the planning process, and participate in broader professional discussions at local, national, and international levels.

In FY 2009, NCPC:

- Published the *Monumental Core Framework Plan, the Agency's 2008 Annual Report* and the *Summary Report of the 2008 Capitals Alliance Conference*.
- Partnered with the Coalition for Smarter Growth to host a series of public forums on a range of topics including community revitalization, promoting walkable communities, car-sharing and planned improvements for regional mass transit.
- Hosted public meetings to engage constituents in NCPC's new planning initiatives.
 - A public meeting to preview preliminary findings from the North Capitol Street Study where attendees provided numerous comments and suggestions.
 - Several public meetings related to the Monumental Core Framework Plan that generated volumes of responses and comments.
- Hosted numerous foreign delegations, providing an overview of NCPC's work in the nation's capital and exchanging ideas with international planning professionals
- Developed and distributed several publications, e.g., *Quarterly* newsletter, the 2008 Annual Report, the *Monumental Core Framework Plan*, and other informational publications.

- Responded to numerous public requests for information and conducted interviews with national and local media and professional publications; educated key national and local audiences on the agency's newest initiatives and sought feedback to help shape these projects.
- NCPC launched its 2009 Speaker Series in May 2009 with a presentation about sustainable design in Canberra by Melinda Dodson, incoming president of the Australian Institute of Architects.

Strategic Goal #4:

NCPC will build consensus and facilitate cooperation among citizens, public interest groups, nongovernmental organizations, and governmental agencies to shepherd plans and policies toward fruition.

In FY 2009, NCPC:

- Hosted a regional forum, "Building the Region Together", bringing together high-level Administration leaders, regional elected officials and federal agency representatives to advance partnership opportunities to promote regional coordination.
- Coordinated federal and District response to stormwater flooding in the Federal Triangle.
- Hosted a public roundtable to discuss the key benefits of promoting active uses in federal buildings and strategies to address strategies to mitigate that limits adoption by the federal sector.
- Participated in several panel discussions concerning the history of the National Mall history, the city's role in commemoration as it aligns with NCPC's major planning efforts identified by the 1997 Extending the Legacy Plan, the 2001 Memorials and Museums Master Plan, and the current National Capital Framework Plan.
- 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.
- Fulfill legislative requirements and promote the agency's interests through representation on regional boards and commissions, including the Metropolitan Washington Council of Governments (MWCOG), the National Capital Memorial Advisory Commission (NCMAC), the D.C. Board of Zoning Adjustment, and the Fort Belvoir Board of Advisors.

Strategic Goal #5:

To respond to the changing planning needs of the National Capital Region, NCPC will embrace the best practices for the continual development of its human resources, work processes, and technology.

In FY 2009, NCPC:

- Completed an assessment of the agency's information security policy and procedures that will serve as the foundation of a FISMA compliant information security program at NCPC.
- Completed a review and analysis of OPM's government-wide Federal Human Capital Survey for 2008 and published the findings and results on NCPC's public web site.
- Instituted a Managers Briefing Series to provided timely, low-cost leadership and supervisory training to keep agency managers up-to-date and to promote a greater understanding of important personnel management issues.
- Completed an audit of NCPC's 2008 financial statements. NCPC received an unqualified audit opinion and a report of no material weakness.
- Completed expansion of the agency network data storage infrastructure improving data access and increasing network storage capacity by 300%.
- Expanded transmission capacity to improve access to internet data and services.

PART III: FINANCIAL SECTION

Message from the Chief Operating Officer

The National Capital Planning Commission's (NCPC) FY 2009 Performance and Accountability Report provides financial and program performance information to enable the public to understand and evaluate what we have achieved relative to our mission and resources. The report summarizes the Commission's performance, provides detailed financial information, and fulfills the requirements of the Government Performance and Results Act, the Federal Managers' Financial Integrity Act, and the Accountability of Tax Dollars Act.

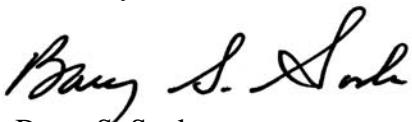
In Fiscal Year 2009, the NCPC continued to make strides towards financial management excellence. The Commission's progress is measured by the results and outcomes captured in this annual Performance and Accountability Report. I am pleased to report that for the fifth consecutive year, the NCPC received an unqualified audit opinion and had no material weaknesses. I am also pleased to confirm that the financial and performance data presented in this report are reliable and complete. Our auditor, the public accounting firm, Martin and Wall, P.C., affirmed that the financial statements, included in this report, were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles.

The Commission continued to make significant progress in fiscal year 2009 toward improving fiscal accountability. NCPC ensured all management officials serving as Contracting Officer's Technical Representatives completed the required training to serve effectively in that capacity. NCPC improved its financial reporting capabilities to facilitate efficient and effective program management and completed a review of all assets to ensure proper acquisition, maintenance and disposition.

During FY 2009, the NCPC continued to engage an outside firm to administer various aspects of financial management and accounting functions. Through this collaboration, the NCPC developed new policies and procedures to enhance internal controls in the financial management operations. Financial management and internal control matters were further enhanced through the active participation of the agency's Financial Audit Committee/Senior Management Council who met quarterly to review operations.

In FY 2010, the Commission will continue to advance its high standard of financial management and reporting. The NCPC remains firmly committed to maximizing the efficiency of its programs and the effective stewardship and management of the public funds to which we have been entrusted.

Sincerely,



Barry S. Socks
Chief Operating Officer



Independent Auditors' Report

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

In accordance with the Accountability of Tax Dollars Act of 2002, we are responsible for conducting audits of the National Capital Planning Commission. In our audits of the National Capital Planning Commission for fiscal years ended September 30, 2009 and 2008, we found

- the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses in internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations,
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management Discussion and Analysis and other supplementary information, (3) our audit objectives, scope and methodology, and (4) agency comments and our evaluation.

Opinion on Financial Statements

The financial statements including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the National Capital Planning Commission's assets, liabilities, and net position as of September 30, 2009 and 2008; and net costs; changes in net position; and budgetary resources; for the years then ended.

Consideration of Internal Control

In planning and performing our audit, we considered the National Capital Planning Commission's internal control over financial reporting and compliance. We did this to determine our procedures for auditing the financial statements and to comply with OMB audit guidance, not to express an opinion on internal control. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on internal control included in Management's Discussion and Analysis. However, for the controls we tested, we found no material weakness in internal control over financial reporting (including safeguarding assets) and compliance.



A material weakness is a control deficiency that results in more than a remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements. Our internal control work would not necessarily disclose all deficiencies in internal control that might be material weaknesses or other significant deficiencies.

Compliance with Laws and Regulations

Our tests of the National Capital Planning Commission's compliance with selected provisions of laws and regulations for fiscal year 2009 disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards or OMB audit guidance. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

Consistency of Other Information

The National Capital Planning Commission's Management's Discussion and Analysis, required supplementary information (including stewardship information), and other accompanying information contain a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with National Capital Planning Commission officials. Based on this limited work, we found no material inconsistencies with the financial statements, U.S. generally accepted accounting principles, or OMB guidance.

Objectives, Scope, and Methodology

National Capital Planning Commission's management is responsible for (1) preparing the financial statements in conformity with U.S. generally accepted accounting principles, (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met, and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We are also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Annual Financial Statement.



In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the entity and its operations, including its internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act; and
- tested compliance with selected provisions of the following laws and regulations: the Anti-Deficiency Act; Provisions Governing Claims of the U.S. Government (31 U.S.C. 3711-3720E), including the Debt Collection Improvement Act of 1996 (DCIA), the Prompt Payment Act; the Pay and Allowance System for Civilian Employees as provided primarily in Chapters 51-59 of title 5, United States Code; the Civil Service Retirement Act, 5 U.S.C. Chapter 83; Federal Employee Health Benefits Act, 5 U.S.C. Chapter 89; Federal Employees Compensation Act (FECA), 5 U.S.C. Chapter 81; Federal Employee's Retirement System (FERS) Act of 1986, 5 U.S.C. Chapter 84; and the National Capital Planning Act of 1952, as amended, and Public Law 108-447.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to the National Capital Planning Commission. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the National Capital Planning Commission's financial statements for the fiscal year ended September 30, 2009. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.



Agency Comments and Our Evaluation

In commenting on a draft of this report (see Appendix A), the National Capital Planning Commission concurred with the facts and conclusions in our report.

Martin & Wall, P.C.

Washington, DC
November 13, 2009

NATIONAL CAPITAL PLANNING COMMISSION

CONSOLIDATED BALANCE SHEET

As of September 30, 2009 and 2008

(Dollars in Thousands)

	FY 2009	FY 2008
Assets (Note 3)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 4)	\$ 1,919	\$ 2,062
Total Intragovernmental Assets:	1,919	2,062
Accounts Receivable, Net (Note 5)	2	2
General Property, Plant and Equipment, Net (Note 6)	36	79
Total Assets	\$ 1,957	\$ 2,143
Liabilities (Note 7)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 159	\$ 152
Other Intragovernmental Liabilities (Note 8)	62	164
Total Intragovernmental Liabilities:	221	316
Accounts Payable	134	203
Other Liabilities (Notes 8)	766	855
Total Liabilities	\$ 1,121	\$ 1,374
Net Position		
Unexpended Appropriations		
Earmarked Funds	\$ -	\$ -
All Other Funds	1,067	1,028
Cumulative Results of Operations		
Earmarked Funds	\$ -	\$ -
All Other Funds	(231)	(259)
Total Net Position	836	769
Total Liabilities and Net Position	\$ 1,957	\$ 2,143

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

STATEMENT OF NET COST For the Years ended September 30, 2009 and 2008

(Dollars in Thousands)

Program Costs (Note 10):	FY 2009	FY 2008
Planning:		
Gross Costs	\$ 8,548	\$ 8,814
Less: Earned Revenue	<u>(132)</u>	<u>(130)</u>
Net Program Costs	<u>\$ 8,416</u>	<u>\$ 8,684</u>
Net Cost of Operations	<u>\$ 8,416</u>	<u>\$ 8,684</u>

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2009

(Dollars in Thousands)

Cumulative Results of Operations:	FY 2009 <u>Earmarked Funds</u>	FY 2009 <u>All Other</u>	FY 2009 <u>Eliminations</u>	FY 2009 <u>Consolidated</u>
Beginning Balances	\$ -	\$ (259.00)	\$ -	\$ (259.00)
Beginning Balances, As Adjusted	<u>-</u>	<u>(259.00)</u>	<u>-</u>	<u>(259.00)</u>
Budgetary Financing Sources:				
Appropriations Used	-	8,146.00	-	8,146.00
Other Financing Sources:				
Imputed Financing From Costs Absorbed by Others	-	298.00	-	298.00
Total Financing Sources	-	8,444.00	-	8,444.00
Net Cost of Operations (+/-)	-	(8,416.00)	-	(8,416.00)
Net Change	-	28.00	-	28.00
Cumulative Results of Operations	<u>-</u>	<u>(231.00)</u>	<u>-</u>	<u>(231.00)</u>
Unexpended Appropriations:				
Beginning Balances	\$ -	\$ 1,028.00	\$ -	\$ 1,028.00
Beginning Balances, As Adjusted	<u>-</u>	<u>1,028.00</u>	<u>-</u>	<u>1,028.00</u>
Budgetary Financing Sources:				
Appropriations Received	-	8,328.00	-	8,328.00
Other Adjustments (Rescissions, etc.) (+/-)	-	(143.00)	-	(143.00)
Appropriations Used	-	(8,146.00)	-	(8,146.00)
Total Budgetary Financing Sources	<u>-</u>	<u>39.00</u>	<u>-</u>	<u>39.00</u>
Total Unexpended Appropriations	<u>-</u>	<u>1,067.00</u>	<u>-</u>	<u>1,067.00</u>
Net Position	<u>-</u>	<u>836.00</u>	<u>-</u>	<u>836.00</u>

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2009

(Dollars in Thousands)

	FY 2008 <u>Earmarked Funds</u>	FY 2008 <u>All Other</u>	FY 2008 <u>Eliminations</u>	FY 2008 <u>Consolidated</u>
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (152.00)	\$ -	\$ (152.00)
Beginning Balances, As Adjusted	-	(152.00)	-	(152.00)
Budgetary Financing Sources:				
Appropriations Used	-	8,312.00	-	8,312.00
Other Financing Sources:				
Imputed Financing From Costs Absorbed by Others	-	265.00	-	265.00
Total Financing Sources	-	8,577.00	-	8,577.00
Net Cost of Operations (+/-)	-	(8,684.00)	-	(8,684.00)
Net Change	-	(107.00)	-	(107.00)
Cumulative Results of Operations	-	(259.00)	-	(259.00)
Unexpended Appropriations:				
Beginning Balances	\$ -	\$ 1,268.00	\$ -	\$ 1,268.00
Beginning Balances, As Adjusted	-	1,268.00	-	1,268.00
Budgetary Financing Sources:				
Appropriations Received	-	8,265.00	-	8,265.00
Other Adjustments (Rescissions, etc.) (+/-)	-	(193.00)	-	(193.00)
Appropriations Used	-	(8,312.00)	-	(8,312.00)
Total Budgetary Financing Sources	-	(240.00)	-	(240.00)
Total Unexpended Appropriations	-	1,028.00	-	1,028.00
Net Position	-	769.00	-	769.00

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

**STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2009 and 2008**

(Dollars in Thousands)

	FY 2009 Total <u>Budgetary</u>	FY 2009 Total Non-Budgetary <u>Financing Accounts</u>	FY 2008 Total <u>Budgetary</u>	FY 2008 Total Non-Budgetary <u>Financing Accounts</u>
Budgetary Resources (Note 13):				
Unobligated balance	\$ 675	\$ -	\$ 688	\$ -
Recoveries of prior year unpaid obligations	137	-	173	-
Budget authority:				
Appropriation	8,328	-	8,265	-
Spending Authority from Offsetting Collections				
Earned				
Collected	135	-	132	-
Change in unfilled customer orders				
Advance Received	<u>(101)</u>	<u>-</u>	<u>(26)</u>	<u>-</u>
Subtotal	34	-	106	-
Permanently not available (-)	<u>(143)</u>	<u>-</u>	<u>(193)</u>	<u>-</u>
Total Budgetary Resources	<u>\$ 9,031</u>	<u>\$ -</u>	<u>\$ 9,039</u>	<u>\$ -</u>
Status of Budgetary Resources:				
Obligations incurred (Note 11)				
Direct	\$ 8,320	\$ -	\$ 8,259	\$ -
Reimbursable	<u>32</u>	<u>-</u>	<u>105</u>	<u>-</u>
Subtotal	8,352	-	8,364	-
Unobligated Balance				
Unobligated balance not available:	<u>679</u>	<u>-</u>	<u>675</u>	<u>-</u>
Total Status of Budgetary Resources	<u>\$ 9,031</u>	<u>\$ -</u>	<u>\$ 9,039</u>	<u>\$ -</u>
CHANGE IN OBLIGATED BALANCES				
Obligated balance, net				
Unpaid obligations, brought forward, October 1 (+)	<u>\$ 1,387</u>	<u>\$ -</u>	<u>\$ 1,473</u>	<u>\$ -</u>
Total unpaid obligated balances brought forward, net	1,387	-	1,473	-
Obligations incurred (+)	8,352	-	8,364	-
Gross Outlays (-)	<u>(8,363)</u>	<u>-</u>	<u>(8,277)</u>	<u>-</u>
Recoveries of prior-year unpaid obligations, actual(-)	(137)	-	(173)	-
Obligated balance, net, end of period				
Unpaid obligations(+)	<u>1,240</u>	<u>-</u>	<u>1,387</u>	<u>-</u>
Total, unpaid obligated balance, net, end of period	1,240	-	1,387	-
NET OUTLAYS				
Net Outlays				
Gross Outlays (+)	8,362	-	8,277	-
Offsetting collections (-)	<u>(34)</u>	<u>-</u>	<u>(106)</u>	<u>-</u>
Net Outlays	<u>\$ 8,328</u>	<u>\$ -</u>	<u>\$ 8,171</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 1 – OVERVIEW OF REPORTING ENTITY

The National Capital Planning Commission (NCPC) is an independent agency of the Executive Branch of the United States Government. The agency was originally established in 1924 as the National Capital Park Commission. With the passage of the National Capital Planning Act of 1952, the agency was renamed the National Capital Planning Commission and provided new responsibilities as the central planning agency for the federal and District of Columbia governments.

The National Capital Planning Commission is governed by 12 Commissioners, three of whom are appointed by the President of the United States and two by the Mayor of the District of Columbia. The NCPC is managed by an Executive Director appointed by the Chairman. The National Capital Planning Commission engages in four major activities (programs):

1. **Comprehensive planning** - The Commission sets long-range policies and goals for future federal development and plays an important role in the historic preservation, environmental protection, and economic development of the national capital.

The major program activity is the preparation and adoption of the *Comprehensive Plan for the National Capital: Federal Elements* and review of the District Elements for the consideration and protection of the federal interest. The Comprehensive Plan is a statement of goals, policies, and guidelines for the future development of the National Capital Region. The Federal Elements of the Comprehensive Plan cover the following areas: Federal Workplace: Location, Impact, and the Community; Foreign Missions and International Organizations; Transportation; Parks and Open Space; Federal Environment; Preservation and Historic Features; and Visitors.

NCPC is also responsible for developing specialized plans for long-range development in the National Capital Region. Some of NCPC's most successful plans include the 1997 *Extending the Legacy: Planning America's Capital for the 21st Century*, the 2001 *Memorials and Museums Master Plan* and the groundbreaking *National Capital Urban Design and Security Plan* of 2002. NCPC's recent planning initiatives include CapitalSpace, an open space plan for the nation's capital and the Monumental Core Framework Plan (Framework Plan), an initiative to encourage the location of future memorials and museums beyond the National Mall.

NOTE 1 – OVERVIEW OF REPORTING ENTITY (CONTINUED)

2. **Oversight of federal capital improvements** - 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. NCPC evaluates these proposals from a regional perspective to ensure that they meet federal planning objectives and that they are coordinated with one another and with the surrounding communities. The Commission's *Federal Capital Improvements Program*, an annual publication, reports on the public works projects proposed by federal agencies over the coming six years and provides the Administration with recommendations for their consistency with the Comprehensive Plan for the National Capital Region.
3. **Review of federal development projects** - The Commission reviews all development proposals on public lands to ensure that plans are consistent with the nature and function of the national capital. NCPC provides professional and technical planning expertise in urban design, historic preservation, environment, energy, transportation, zoning, and land-use to federal, state, and District agencies and coordinates federal plans with local, state, and regional planning partners. In this function, NCPC approves or denies the location and design of all federal buildings, museums, memorials, and monuments proposed in the National Capital Region. In addition, the Commission reviews all District of Columbia public projects and proposed policies, plans, and zoning actions.
4. **Project planning and partnerships** - The Commission provides regional leadership to protect the federal interest and advance the implementation of federal planning initiatives. By forging strong partnerships, and through effective coordination, NCPC advances the critical recommendations of its Legacy and Comprehensive Plans. Some of these recent projects include the DC Circulator Transit Service, Flooding and Stormwater Study, National Mall Levee Project, and the Monumental Core Framework Plan.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

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, which supersedes and incorporates OMB Bulletin No. 01- 09, “Form and Content of Agency Financial Statements,” as amended. 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, 2009, 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.

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 2008. 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) 2009 and 2008, 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. Interest income received is recognized as revenue on the accrual basis. 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.

Inventory and Operating Materials and Supplies

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Personnel Compensation and Benefits

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

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

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.

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 benefit plans in accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government."

For CSRS employees, NCPC contributes an amount equal to 11.2% of the employees' basic pay to the plan. For FERS 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. Following guidance from the Department of the Interior Office of Financial Management.

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.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

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.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 3 - NON-ENTITY ASSETS

(Dollars in Thousands)

	<u>September 30, 2009</u>	<u>September 30, 2008</u>
Total Non-Entity Assets	\$ -	\$ -
Total Entity Assets	<u>1,957</u>	<u>2,143</u>
 Total Assets	 <u>\$ 1,957</u>	 <u>\$ 2,143</u>

NOTE 4 - FUND BALANCE WITH TREASURY

(Dollars in Thousands)

	<u>September 30, 2009</u>	<u>September 30, 2008</u>
	<u>Total</u>	<u>Total</u>
Fund Balances:		
General Funds	\$ 1,919	\$ 2,062
Total	<u>\$ 1,919</u>	<u>\$ 2,062</u>

Status of Fund Balance with Treasury:

Unobligated Balance		
Available	\$ -	\$ -
Unavailable	679	675
Obligated Balance Not Yet Disbursed	<u>1,240</u>	<u>1,387</u>
Total	<u>\$ 1,919</u>	<u>\$ 2,062</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 recissions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

National Capital Planning Commission
Notes to Financial Statements
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NOTE 5 - ACCOUNTS RECEIVABLE

(Dollars in Thousands)

	Gross Amount Due	Allowance for Uncollectible Amounts		Net Amount Due
As of September 30, 2009				
Public:				
Accounts Receivable	\$ 2	\$ -	-	\$ 2

As of September 30, 2008

Public:				
Accounts Receivable	\$ 2	\$ -	-	\$ 2

NCPC engages in immaterial receivables with the public. The public receivable balance is composed of one receivable reported on the Treasury Report on Receivables (TROR) as a receivable on a payment plan and although it is outstanding for greater than 90 days, it is considered fully collectible.

NOTE 6 - GENERAL PROPERTY, PLANT AND EQUIPMENT

(Dollars in Thousands)

Major Classes	Service <u>Life</u>	September 30, 2009				September 30, 2008	
		Acquisition <u>Value</u>	Accumulated <u>Depreciation</u>	Net Book <u>Value</u>	Accumulated <u>Depreciation</u>	Net Book <u>Value</u>	
Improvements	10 SL	\$ 419	\$ 383	\$ 36	\$ 340	\$ 79	
Total		<u>\$ 419</u>	<u>\$ 383</u>	<u>\$ 36</u>	<u>\$ 340</u>	<u>\$ 79</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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 7 - LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

(Dollars in Thousands)

Intragovernmental:	September 30, 2009	September 30, 2008
Other Liabilities-Unfunded Leave Benefits	<u>\$ 3</u>	<u>\$ 8</u>
Total Intragovernmental	<u>\$ 3</u>	<u>\$ 8</u>
Other Liabilities	<u>\$ 276</u>	<u>\$ 340</u>
Total Liabilities Not Covered by Budgetary Resources	\$ 279	\$ 348
Total Liabilities Covered by Budgetary Resources	<u>842</u>	<u>1,026</u>
Total Liabilities	<u>\$ 1,121</u>	<u>\$ 1,374</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 8 - OTHER LIABILITIES

(Dollars in Thousands)

	Non-Current Liabilities	Current Liabilities	FY 2009 Total
As of September 30, 2009			
Intragovernmental:			
Advances and Prepayments	\$ -	\$ 59	\$ 59
Unfunded Employment Liability	3	-	3
Total Intragovernmental Other Liabilities	\$ 3	\$ 59	\$ 62
As of September 30, 2009			
Public:			
Accrued Pay and Benefits	\$ -	\$ 331	\$ 331
Advances and Prepayments	-	159	159
Other-Unfunded Leave	276	-	276
Total Public Other Liabilities	\$ 276	\$ 490	\$ 766

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 8 - OTHER LIABILITIES (CONTINUED)

(Dollars in Thousands)

	Non-Current Liabilities	Current Liabilities	FY 2008 Total
As of September 30, 2008			
Intragovernmental:			
Advances and Prepayments	\$ -	\$ 156	\$ 156
Unfunded Employment Liability	8	-	8
Total Intragovernmental Other Liabilities	\$ 8	\$ 156	\$ 164
As of September 30, 2008			
Public:			
Accrued Pay and Benefits	\$ -	\$ 351	\$ 351
Advances and Prepayments	-	164	164
Other - Unfunded Leave	340	-	340
Total Public Other Liabilities	\$ 340	\$ 515	\$ 855

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 9 - LEASES

Entity as Lessee:

NCPC leases office space at 401 9th Street, N.W., North Lobby, Suite 500, Washington, DC 20004. The operating lease was entered into in December 2000 and expires in November 2010. The lease contains an option to renew.

The following is a schedule of the minimum lease payments (in whole dollars) per the Fiscal Year 2009 Occupancy Agreement, plus estimated real estate property tax escalation:

Year Ending September 30	2009	<u>1,745,695</u>	
		<u>\$ 1,745,695</u>	Current FY Obligation
	2010	1,894,804	
	2011	<u>344,600</u>	
		<u>\$ 2,239,404</u>	Future FY Minimum Lease Payments
		<u>\$ 3,985,099</u>	Total Lease Payments

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 10 - INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

(Dollars in Thousands)

Program Costs:	September 30, 2009	September 30, 2008
Planning:		
Intragovernmental Gross Costs	3,060	3,041
Less: Intragovernmental Earned Revenue	<u>127</u>	<u>40</u>
Intragovernmental Net Costs	2,933	3,001
Gross Costs with the Public	5,488	5,773
Less: Earned Revenues from the Public	<u>5</u>	<u>90</u>
Net Costs with the Public	5,483	5,683
 Total Net Cost of Operations	 <u>\$ 8,416</u>	 <u>\$ 8,684</u>

**NOTE 11 - APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED:
DIRECT VS. REIMBURSABLE OBLIGATIONS**

(Dollars in Thousands)

	September 30, 2009	September 30, 2008
Direct Obligations Incurred:		
Category A	<u>\$ 8,320</u>	<u>\$ 8,259</u>
Total Direct Obligations Incurred	<u>\$ 8,320</u>	<u>\$ 8,259</u>
Reimbursable Obligations Incurred:		
Category B	<u>\$ 32</u>	<u>\$ 105</u>
Total Reimbursable Obligations Incurred	<u>\$ 32</u>	<u>\$ 105</u>
Total Obligations Incurred	<u>\$ 8,352</u>	<u>\$ 8,364</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2009 and 2008

NOTE 12 - ADJUSTMENTS TO BEGINNING BALANCE OF BUDGETARY RESOURCES

(Dollars in Thousands)		
	September 30, 2009	September 30, 2008
Adjustments during the fiscal year to the beginning balance of Budgetary Resources:		
Rescissions	\$ -	\$ (129)
Prior Year Recoveries	137	173
Cancelled Authority	<u>(143)</u>	<u>(64)</u>
 Total Adjustments to the beginning balance of Budgetary Resources	 <u>\$ (6)</u>	 <u>\$ (20)</u>

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

(Dollars in Thousands)		
	<u>September 30, 2009</u>	<u>September 30, 2008</u>
Undelivered orders at the end of the period	\$ 616	\$ 682

National Capital Planning Commission
Notes to Financial Statements
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NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

(Dollars in Thousands)

	FY 2009	FY 2008
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 8,352	\$ 8,364
Less: Spending Authority From		
Offsetting Collections & Recoveries	<u>171</u>	<u>279</u>
Obligations Net of Offsetting		
Collections and Recoveries	<u>\$ 8,181</u>	<u>\$ 8,085</u>
Net Obligations	\$ 8,181	\$ 8,085
Other Resources		
Imputed Financing from Costs		
Absorbed by Others	<u>\$ 298</u>	<u>\$ 265</u>
Net Other Resources Used to		
Finance Activities	<u>\$ 298</u>	<u>\$ 265</u>
Total Resources Used to Finance		
Activities	\$ 8,479	\$ 8,350
Resources Used to Finance Items Not		
Part of the Net Cost of Operations:		
Change in Budgetary Resources		
Obligated But Not Provided (+/-)	\$ 36	\$ (227)
Resources that Fund Expenses		
Recognized in Prior Periods	<u>\$ 70</u>	<u>\$ -</u>
Total Resources Used to Finance Items		
Not Part of the Net Cost of Operations	<u>\$ 106</u>	<u>\$ (227)</u>
Total Resources Used to Finance		
the Net Cost of Operations	\$ 8,373	\$ 8,577

National Capital Planning Commission
Notes to Financial Statements
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**NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET
(CONTINUED)**

(Dollars in Thousands)

	<u>FY 2009</u>	<u>FY 2008</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	\$ -	\$ 54
Increase in Public Exchange Revenue Receivables	-	1
Other	-	8
Other	<u>-</u>	<u>8</u>
Total Components Requiring or Generating Resources in Future Periods	\$ -	\$ 63
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	\$ 43	\$ 44
Total Components Not Requiring or Generating Resources	<u>\$ 43</u>	<u>\$ 44</u>
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	<u>\$ 43</u>	<u>\$ 107</u>
Net Cost of Operations	<u>\$ 8,416</u>	<u>\$ 8,684</u>

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 13, 2009, which is the date the financial statements were available to be used.

APPENDIX A –
NATIONAL CAPITAL PLANNING COMMISSION COMMENTS ON
DRAFT AUDIT REPORT

November 13, 2009

Martin & Wall, P.C.
Mr. Andrew B. Martin, CFE, CPA
Managing Partner
1633 Q Street, NW
Suite 230
Washington, DC 20009

Dear Mr. Martin:

We have reviewed the draft report relating to your audit of the National Capital Planning Commission for the fiscal year that ended September 30, 2009. We concur with the facts and conclusions in the draft report.

Sincerely,



Barry S. Socks
Chief Operating Officer

National Capital Planning Commission

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