

Performance and Accountability Report

Fiscal Year 2010



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A Message from the Chairman



As the Chairman of the National Capital Planning Commission (NCPC), I am honored to present the agency's Performance and Accountability Report for FY 2010. NCPC's chief responsibilities include the planning and design review of federal and District projects, preparing the federal elements of the Comprehensive Plan and reviewing/approving the District elements, and protecting and enhancing the natural resources of America's capital. In FY 2010, NCPC embarked on a number of activities in support of its mission and the goals of the administration.

Washington, DC is a renowned national capital and a livable urban city. NCPC is committed to serving both the distinctive needs of America's capital and a dynamic metropolis. In 2010, finding this balance was the product of many efforts undertaken by NCPC and its partners within the District and throughout the region. Teaming up with federal and local partners NCPC released *Activating Federal Places*, a guide for agencies seeking ways to better integrate facilities into the fabric of city life. Last April, we published *CapitalSpace*, the first comprehensive analysis of Washington's parks and open space, culminating years of work with the National Park Service and the District of Columbia. In support of the President's Executive Order calling for increased federal leadership in sustainability, NCPC launched the Southwest Eco-district Task Force to identify opportunities to transform a critical federal precinct into a model showcase for sustainability and economic success. Additionally, the agency completed the first-ever inventory of commemorative works on federal land within the District of Columbia, which will serve as the starting point for Washington as Commemoration, a joint study with the National Park Service. In response to the administration's guidelines for openness in government and transparency, we enhanced our growing inventory of online resources with the addition of five highly sought datasets, including the commemoration catalog. Additionally, this report highlights some of the major proposals related to urban design, environmental, transportation, and historic preservation that the Commission reviewed during FY 2010.

NCPC's many accomplishments were achieved as a result of sound financial management and the effective management of our resources. 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). 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.

Whether it's during the Commission's review of federal projects or the development of plans and initiatives, NCPC's primary goal to protect and enhance the historic, cultural and natural resources of the nation's capital remains steadfast. As we reflect on the past year, we value our shared accomplishments and look forward to taking on new challenges moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Preston Bryant, Jr.", written in a cursive style.

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

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.

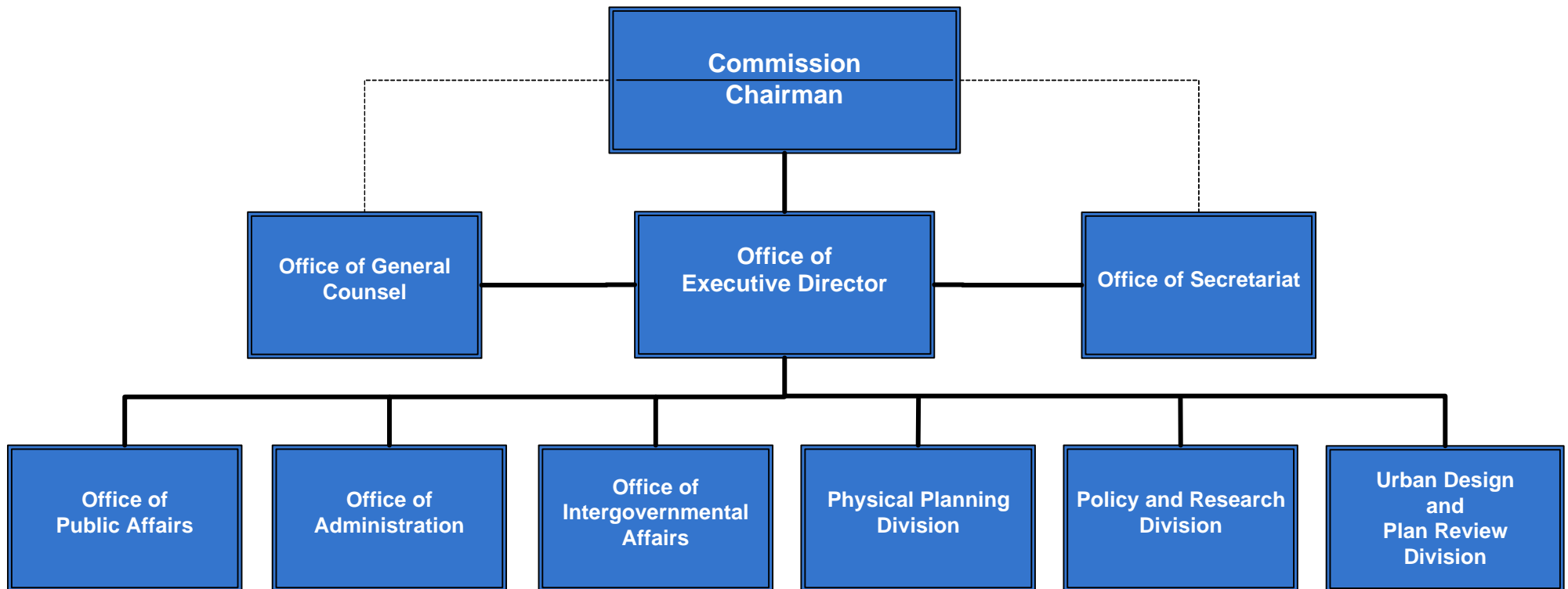
Strategic Goals

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 and Staffing Chart

September 2010



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

In the exercise of its statutory responsibilities, NCPC reviewed the urban design, environmental, transportation, and historic preservation implications for 216 projects. These projects included 2 commemorative works, 4 master plans, 11 proposed street and alley closings, 16 zoning proposals, and 183 planning and revitalization programs as well as capital budgets.

The Commission reviewed master plans and other development proposals involving significant federal facilities and parcels of land in the District of Columbia and Maryland. The Commission approved the master plan for the Veterans Affairs Medical Center Campus located at the intersection of North Capitol Street and Michigan Avenue in Northwest Washington, D.C. This master plan is a framework for campus development over the next 20 years with the goal of improving medical care for veterans located in the national capital region and becoming the flagship Veterans Affairs medical center.

The Commission also reviewed and approved updates to the Master Plans for the Food and Drug Administration Consolidation at White Oak, the National Institute of Standards and Technology in Gaithersburg and the St Elizabeths West Campus in southeast Washington, D.C.

The Commission approved the preliminary and final site and building plans for the U.S. Coast Guard Headquarters Building and the West Ravine Parking Garage, located in the southwest quadrant of the St. Elizabeths West Campus. These projects are part of the Phase I Department of Homeland Security Headquarters Consolidation at St. Elizabeths. The Commission approved the preliminary and final site and building plans for the East and West Tower buildings, the parking garages and the remote inspection facility of the Base Realignment and Closure 133 Mark Center Project for the Washington Headquarters Services (WHS) Mark Center Drive at Seminary Road, Alexandria, Virginia.

The Commission reviewed a number of BRAC related projects at the National Naval Medical Center in Bethesda, Maryland and Fort Belvoir, Fairfax County, Virginia. The Commission approved preliminary and final building plans for building modernization of the General Services Administration Headquarters Building located at 1800 F Street, NW; commented favorably on the concepts for ground floor retail along the E Street side of the building, and a new formal E Street building entrance and perimeter security at the headquarters building.

The Commission commented favorably on the draft National Mall Plan. The plan guides future decision-making and implementation of physical improvements for the protection of the National Mall's renowned natural and cultural resources, new visitor amenities and services, additional accommodations for First Amendment demonstrations and special events, better-linked circulation in a range of modes, accessibility throughout the Mall, additional opportunities for active and passive recreation, and improved visitor information and education.

The Commission commented favorably on the concept design for the reconstruction of the turf and soil and the construction of a curb and gutter around the three easternmost center lawn panels of the National Mall, bounded by 3rd Street, NW on the east and 7th Street, NW on the west. This project is consistent with the goals of the National Mall Plan.

The Commission approved the preliminary and final site and building plans for the rehabilitation of the Lincoln Memorial Grounds and in West Potomac Park, the Reflecting Pool and the Elm Walks, including the installation of perimeter security. The Commission recommended the transfer of jurisdiction of an approximately 15-acre parcel within Fort DuPont Park in Southeast Washington, D.C. to the District of Columbia Government to facilitate the District's proposed expansion of the existing ice rink and construction of a youth baseball academy.

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, and hearing appeals of actions taken by the Zoning Administrator. FMBZA also reviews the location, expansion, or replacement of chanceries in certain mixed-use areas in the District of Columbia.

NCPC reviewed and approved the Federal Capital Improvements Program (FCIP) for the National Capital Region for fiscal years 2011-2016. This FCIP contains 146 projects submitted by 14 federal agencies and departments, at an estimated cost of \$8.6 billion. Included are 32 Base Realignment and Closure projects, most notably Fort Belvoir in Fairfax County and Alexandria, Virginia, the renamed Walter Reed National Military Medical Center in Montgomery County, Maryland and the renamed Joint Base Andrews in Prince George's County, Maryland.

As a follow-up to the Monumental Core Framework Plan and in support of the President's Executive Order on Sustainability, NCPC created a Southwest Eco-District Task Force to inform a precinct-level design that accomplishes three main goals: 1) reconnect the National Mall to the Southwest Waterfront; 2) create a livable, walkable urban neighborhood that is engaging and enlivened through a variety of land uses and programmatic elements; and 3) redevelop existing buildings to create an eco-district that significantly reduces energy use, greenhouse gas emissions, and storm-water runoff.

To inspire and convey ideas that can better connect with the fabric of the city, create friendlier and more meaningful public spaces, and foster more forward-thinking architecture, NCPC released Activating Federal Spaces. This new guide for federal agencies outlines how to integrate clusters of single-use, large-scale office buildings within the fabric of city life, particularly at street level. It identifies current challenges and potential solutions, and showcases examples of people-friendly federal facilities across the United States that are successfully contributing to urban vitality. The report is the result of two years of discussions with stakeholders to examine ways to incorporate active uses,

while balancing critical operations and performance within the ground floors of federal buildings.

Commission staff conducted extensive research and interviews to better understand the important role the region's federal presence plays in supporting innovation economies in areas such as IT, defense, and life sciences. While the concentration of federal laboratories, federally-sponsored research, and procurement provide important contributions, there are opportunities to better leverage existing resources to affect commercialization and technology transfer. Using this early research work, NCPC has provided continuing support as a member of a White House sponsored working group seeking to strategically leverage the federal investment at St. Elizabeths to create jobs and greater economic development opportunities for surrounding communities as part of a homeland security regional innovation cluster.

After several years of dedication on the part of NCPC, the National Park Service, and the government of the District of Columbia, the first-ever comprehensive analysis of Washington's parks and open space in nearly 40-years has been developed. Adopted by the Commission in April, the CapitalSpace plan envisions a beautiful, high-quality, and unified park system. The CapitalSpace partnership identified six big ideas: 1. Link the Fort Circle Parks; 2. Improve public schoolyards; 3. Enhance urban natural areas; 4. Improve playfields; 5. Enhance Center City parks; and 6. Transform small parks.

NCPC kicked-off Washington as Commemoration, a joint study with the National Park Service. The initial research resulted in a complete inventory of all commemorative works on federal land within the District of Columbia. In addition to listing the artists, titles, and locations of each work of art, the catalogue begins to identify the national themes associated with each piece. In the year ahead, NCPC will explore global approaches to national commemoration. Inspired by case studies from around the world, a new era of public art and place-making may emerge.

NCPC continued to advance the work of its Interagency Security Task Force. Since September 11, 2001, E Street south of the White House has been closed to public traffic through the use of temporary security barriers and guard houses. This arrangement is an eyesore that needs to be addressed. Through the efforts of NCPC's Security Task Force, the US Secret Service and the National Park Service reached a general agreement about how to address this problem. It was agreed that NCPC will manage a design competition to generate creative and thoughtful ideas for how to address the urban design and security challenges of this area.

To keep the public up to date on the initiatives of NCPC and its partners, NCPC instituted its own Speaker Series. The inaugural year attracted high caliber speakers and near capacity crowds at four sessions that covered topics such as *Sustainable Development and Infrastructure*, *Monument Wars*, *the Centennial of Washington's Height Act*, and *Seven Minutes & Change Toward a Better Region*.

To encourage and promote public participation and in support of the administration's open government initiative, 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 planning initiatives to discuss and solicit public opinions concerning the development of an eco-district in along the 10th Street Corridor, CapitalSpace and the Greater Washington 2050 Coalition's *Region Forward Plan*.

Financial Statement Analysis

NCPC's financial position as of September 30, 2010 was strong and consistent with its financial position as of September 30, 2009.

Balance Sheet: (In thousands)

	Fiscal Year 2010	Fiscal Year 2009	Variance	Percentage Inc/(Dec)
Total Assets	\$1,847	\$1,957	\$(110)	(5.6)%

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 2010 were consistent with like transactions incurred in Fiscal Year 2009. In Fiscal Year 2010, Fund Balance with Treasury was \$1,845 of NCPC's total assets. In Fiscal Year 2009, Fund balance with Treasury was \$1,919 of NCPC's total assets. While NCPC's net funding increased \$179 in Fiscal Year 2010 over Fiscal Year 2009, NCPC's overall Fund Balance with Treasury decreased \$74, or 3.8%.

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 \$151 more, a 2.9% increase above Fiscal Year 2009 in comparison to a budget that increased \$179, or 2.1%.

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 continually monitored 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 fifty four thousand dollars of the Fund Balance with Treasury on hand as of September 30, 2009 was cancelled in Fiscal Year 2010.

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 2010. In Fiscal Year 2010, NCPC liquidated \$87 of advances in Fund Balance with Treasury.

	Fiscal Year 2010	Fiscal Year 2009	Variance	Percentage Inc/(Dec)
Total Liabilities	\$1,199	\$1,121	\$78	6.9%

The types of liability transactions that NCPC incurred in Fiscal Year 2010 were consistent with like transactions incurred in Fiscal Year 2009. 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 2010 over Fiscal Year 2009. 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 more days of accrued payroll in Fiscal Year 2010 than Fiscal Year 2009. The difference in accrued pay and benefits, plus increased payroll cost was \$107.

In an effort to improve the accuracy of the estimate of supplies and services received in Fiscal Year 2010, but not yet invoiced by vendors, NCPC changed the method of calculation of the estimated accounts payable accrual. The result of the change in the method of calculation resulted in a decrease of \$48. The decrease caused by the change in the method of calculation was offset by an anomaly in Fiscal Year 2010 that significantly impacted the estimated accounts payable accrual. A major service provider was significantly in arrears in invoicing. The vendor communicated an estimated amount of services provided, but not yet invoiced of \$127.

As discussed in Fund Balance with Treasury and consistent with Fiscal Year 2009, NCPC liquidated more prior year advances on hand September 30, 2009 than they received for new reimbursable agreements in Fiscal Year 2010. The net variance due to advances on reimbursable agreements was \$87.

Statement of Budgetary Resources: (In Thousands)

Budgetary Resources	Fiscal Year 2010	Fiscal Year 2009	Variance	Percentage Inc/(Dec)
Net Appropriation	\$8,507	\$8,328	\$179	2.1%
Change in Advances	\$(87)	\$(101)	\$(14)	13.8%

The types of budgetary authority that NCPC received in Fiscal Year 2010 were consistent with the types of budget authority that NCPC received in Fiscal Year 2009. NCPC has two main types of budget authority, annual appropriations and offsetting collections from reimbursable agreements.

As discussed in Fund Balance with Treasury and consistent with Fiscal Year 2009, NCPC liquidated more prior year advances on hand September 30, 2009 than they received for new reimbursable agreements in Fiscal Year 2010.

Status of Budgetary Resources	Fiscal Year 2010	Fiscal Year 2009	Variance	Percentage Inc/(Dec)
Direct Obligations Incurred	\$8,472	\$8,320	\$152	1.8%
Reimbursable Obligations Incurred	\$3	\$32	\$(29)	(91)%

The types of obligations incurred by NCPC in Fiscal Year 2010 were consistent with those in Fiscal Year 2009. Consistent with Fiscal Year 2009 and previous Fiscal Years, the majority of the obligations incurred in Fiscal Year 2010 covered: 1) pay and benefits; and 2) the cost of leased real estate. The combined cost of these items was \$7,339, or 86.3% of the budget. In Fiscal Year 2009, the combined cost of these items was \$7,091 or 85.1% of the budget. Two hundred and forty eight thousand dollars of the increase in Direct Obligations Incurred was due to increased pay and benefits costs, net the increased 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 2010 over Fiscal Year 2009 as a result of improved obligation management discussed in Fund Balance with Treasury.

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 2010, 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 2010 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 2010 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 2010, NCPC:

- Adopted the CapitalSpace Plan, a joint product of the National Capital Planning Commission, the District of Columbia Department of Parks and Recreation, District of Columbia Office of Planning and the National Park Service, that provides a vision for a beautiful, high-quality, and unified park system for Washington.
- Formed a task force to investigate opportunities to transform the 10th Street SW corridor into a more pedestrian friendly, active environment that links cultural destinations such as the National Mall, Banneker Overlook and the Southwest Waterfront.
- Developed the publication, *Activating Federal Places*, a how-to-guide which outlines how to integrate clusters of single-use, large scale office buildings with the fabric of the city life.
- Provided planning expertise to a working group seeking to strategically leverage the federal investment at St. Elizabeths to create jobs and greater economic development opportunities for surrounding communities as part of a homeland security regional innovation cluster.
- Continued to work closely with the District of Columbia Office of Planning in the review and update of the D.C. Zoning Regulations.
- Reviewed and approved the Federal Capital Improvements Program (FCIP) for the National Capital Region for fiscal years 2011-2016.
- 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 2010, NCPC approved / commented on 216 projects planning and urban design proposals to include:

- Approved the preliminary and final revised perimeter security plan for the Martin Luther King, Jr. National Memorial.
- Reviewed and approved the final site and building plans for the American Veterans Disabled for Life Memorial.
- Commented favorably on the concept design for the National Museum of African American History and Culture.
- Approved preliminary and final site and building plans for perimeter security at the Marine Corps Commandant's residence.
- Commented favorably on the Federal Reserve's concept design for a visitor screening and conference center addition at the William McChesney Martin, Jr. Building.
- Approved the master plan for the Veterans Affairs Medical Center Campus.
- Reviewed and approved updates to the Master Plans for the Food and Drug Administration Consolidation at White Oak, the National Institute of Standards and Technology in Gaithersburg and the St Elizabeths West Campus in southeast Washington, D.C.
- Approved the preliminary and final site and building plans for the U.S. Coast Guard Headquarters Building and the West Ravine Parking Garage.
- Approved the preliminary and final site and building plans for the East and West Tower buildings, the parking garages and the remote inspection facility of the Base Realignment and Closure 133 Mark Center Project.
- Reviewed a number of BRAC related projects at the National Naval Medical Center in Bethesda, Maryland and Fort Belvoir, Fairfax County, Virginia.
- Approved preliminary and final building plans for building modernization of the General Services Administration Headquarters Building; commented favorably on the concepts for ground floor retail along the E Street side of the building, and a new formal E Street building entrance and perimeter security.
- Approved preliminary and final site and building plans for the rehabilitation of the Lincoln Memorial Grounds and in West Potomac Park, the Reflecting Pool and the Elm Walks.
- Recommended the transfer of jurisdiction of an approximately 15-acre parcel within Fort DuPont Park in Southeast Washington, D.C. to the District of Columbia NCPC.

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 2010, NCPC:

- Published the *CapitalSpace Plan, the Agency's 2009 Annual Report* and the *Activating Federal Places* brochure.
- 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, and the Greater Washington 2050 Coalition's new *Region Forward* Plan.
- Hosted public meetings to engage constituents in NCPC's new planning initiatives.
 - A public meeting to introduce the 10th Street Corridor concept of an eco-district
 - Several speaker series events to highlight topics such as Commemoration, Height of Building Act, and emerging regional planning initiatives.
- 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 2009 Annual Report, E-Newsletter, 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.

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 2010, NCPC:

- Partnered with the Metropolitan Washington Council of Governments (COG) on the Greater Washington 2050 initiative, organized to help the region meet challenges like population growth, traffic congestion, and public safety.
- Partnered with a local non-profit organization, Cultural Tourism DC, to study the feasibility of developing a heritage trail to highlight the art; architecture; and social, cultural, and governmental history of the Federal Triangle.

- 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.
- NCPC has played a critical, continuing role in bringing together federal and District stakeholders to develop levee improvements that would meet federal standards and be appropriate to the culturally and historically important grounds of the National Mall. Construction of the levee improvements are anticipated to begin in fall 2010.
- Served 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.
- Fulfilled legislative requirements and promoted 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 2010, NCPC:

- Advanced the President's Hiring Reform Initiative through establishment of an 80-day hiring time frame, the creation of plain language job announcements, adoption of category applicant ratings opposed to numeric rankings, and the establishment of mandatory benchmarks for communicating progress of job opportunities to job applicants.
- Completed a review and analysis of OPM's government-wide Federal Human Capital Survey for 2010 and published the findings and results on NCPC's public web site.
- Completed the remediation of high risk security issues identified in the 2009 information security assessment. These security improvements are in line with National Institute of Standards and Technology regulations.
- Fulfilled its competition requirements and completed the transition planning to move agency telecommunications services from the FTS 2001 contract to the NETWORKX telecommunications contract.

PART III: FINANCIAL SECTION

Message from the Chief Operating Officer

I am pleased to present the National Capital Planning Commission's (NCPC) consolidated financial statements for the fiscal year 2010 Performance and Accountability Report. Also, I am proud to report that once again the independent auditor has rendered an unqualified opinion on the NCPC financial statements and the auditor did not identify any significant deficiencies in internal controls or non-compliance with any laws, rules or regulation. 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 2010, the NCPC continued to make steady improvements, strengthening our financial management practices across the organization. We were more aggressive implementing business process improvements to tighten controls during the budget planning and execution phases. The Commission's progress is measured by the results and outcomes captured in this annual Performance and Accountability Report. I am 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.

During FY 2010, the NCPC continued to engage an outside firm to administer various aspects of financial management and accounting functions. Through this collaboration, the NCPC has continued to develop 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 several time throughout the year to review operations.

Even as financial oversight and accountability requirements grow more complex and challenging, NCPC is steadfastly committed to improving financial management and producing accurate and reliable financial statements.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry S. Socks". The signature is written in a cursive, flowing style.

Barry S. Socks
Chief Operating Officer



Tel. 202.332.3566 · Fax 202.332.3672 · www.martinwallcpa.com

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, 2010 and 2009, 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, 2010 and 2009; 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 *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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements, fraud or noncompliance in amounts that would be material to the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting and compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. 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 2010 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; and the Federal Employee's Retirement System (FERS) Act of 1986, 5 U.S.C. Chapter 84.

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, 2010. 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 8, 2010

NATIONAL CAPITAL PLANNING COMMISSION

CONSOLIDATED BALANCE SHEET

As of September 30, 2010 and 2009

(Dollars in Thousands)

	FY 2010	FY 2009
Assets (Note 3)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 4)	\$ 1,845	\$ 1,919
Total Intragovernmental Assets:	1,845	1,919
Accounts Receivable, Net (Note 5)	2	2
General Property, Plant and Equipment, Net (Note 6)	-	36
Total Assets	\$ 1,847	\$ 1,957
Liabilities (Note 7)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 132	\$ 159
Other Intragovernmental Liabilities (Note 8)	94	62
Total Intragovernmental Liabilities:	226	221
Accounts Payable	213	134
Other Liabilities (Notes 8)	760	766
Total Liabilities	\$ 1,199	\$ 1,121
Net Position		
Unexpended Appropriations		
Earmarked Funds	\$ -	\$ -
All Other Funds	972	1,067
Cumulative Results of Operations		
Earmarked Funds	\$ -	\$ -
All Other Funds	(324)	(231)
Total Net Position	648	836
Total Liabilities and Net Position	\$ 1,847	\$ 1,957

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, 2010 and 2009

(Dollars in Thousands)

Program Costs (Note 10):	<u>FY 2010</u>	<u>FY 2009</u>
Planning:		
Gross Costs	\$ 8,996	\$ 8,548
Less: Earned Revenue	<u>(89)</u>	<u>(132)</u>
Net Program Costs	<u>\$ 8,907</u>	<u>\$ 8,416</u>
Net Cost of Operations	<u><u>\$ 8,907</u></u>	<u><u>\$ 8,416</u></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, 2010**

(Dollars in Thousands)

	FY 2010 <u>Earmarked Funds</u>	FY 2010 <u>All Other</u>	FY 2010 <u>Eliminations</u>	FY 2010 <u>Consolidated</u>
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (231.00)	\$ -	\$ (231.00)
Beginning Balances, As Adjusted	-	(231.00)	-	(231.00)
Budgetary Financing Sources:				
Appropriations Used	-	8,448.00	-	8,448.00
Other Financing Sources:				
Imputed Financing From Costs Absorbed by Others	-	366.00	-	366.00
Total Financing Sources	-	8,814.00	-	8,814.00
Net Cost of Operations (+/-)	-	(8,907.00)	-	(8,907.00)
Net Change	-	(93.00)	-	(93.00)
Cumulative Results of Operations	-	(324.00)	-	(324.00)
Unexpended Appropriations:				
Beginning Balances	\$ -	\$ 1,067.00	\$ -	\$ 1,067.00
Beginning Balances, As Adjusted	-	1,067.00	-	1,067.00
Budgetary Financing Sources:				
Appropriations Received	-	8,507.00	-	8,507.00
Other Adjustments (Rescissions, etc.) (+/-)	-	(154.00)	-	(154.00)
Appropriations Used	-	(8,448.00)	-	(8,448.00)
Total Budgetary Financing Sources	-	(95.00)	-	(95.00)
Total Unexpended Appropriations	-	972.00	-	972.00
Net Position	-	648.00	-	648.00

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	-	(259.00)	-	(259.00)
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	-	(231.00)	-	(231.00)
Unexpended Appropriations:				
Beginning Balances	\$ -	\$ 1,028.00	\$ -	\$ 1,028.00
Beginning Balances, As Adjusted	-	1,028.00	-	1,028.00
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	-	39.00	-	39.00
Total Unexpended Appropriations	-	1,067.00	-	1,067.00
Net Position	-	836.00	-	836.00

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, 2010 and 2009**

(Dollars in Thousands)

	FY 2010 Total <u>Budgetary</u>	FY 2010 Total Non-Budgetary <u>Financing Accounts</u>	FY 2009 Total <u>Budgetary</u>	FY 2009 Total Non-Budgetary <u>Financing Accounts</u>
Budgetary Resources (Note 13):				
Unobligated balance	\$ 679	\$ -	\$ 675	\$ -
Recoveries of prior year unpaid obligations	105	-	137	-
Budget authority:				
Appropriation	8,507	-	8,328	-
Spending Authority from Offsetting Collections				
Earned				
Collected	92	-	135	-
Change in unfilled customer orders				
Advance Received	(87)	-	(101)	-
Subtotal	5	-	34	-
Permanently not available (-)	(154)	-	(143)	-
Total Budgetary Resources	\$ 9,142	\$ -	\$ 9,031	\$ -
Status of Budgetary Resources:				
Obligations incurred (Note 11)				
Direct	\$ 8,472	\$ -	\$ 8,320	\$ -
Reimbursable	3	-	32	-
Subtotal	8,475	-	8,352	-
Unobligated balance not available:	667	-	679	-
Total Status of Budgetary Resources	\$ 9,142	\$ -	\$ 9,031	\$ -
CHANGE IN OBLIGATED BALANCES				
Obligated balance, net				
Unpaid obligations, brought forward, October 1 (+)	\$ 1,240	\$ -	\$ 1,387	\$ -
Total unpaid obligated balances brought forward, net	1,240	-	1,387	-
Obligations incurred (+)	8,475	-	8,352	-
Gross Outlays (-)	(8,432)	-	(8,362)	-
Recoveries of prior-year unpaid obligations, actual(-)	(105)	-	(137)	-
Obligated balance, net, end of period				
Unpaid obligations(+)	1,178	-	1,240	-
Total, unpaid obligated balance, net, end of period	1,178	-	1,240	-
NET OUTLAYS				
Net Outlays				
Gross Outlays (+)	8,432	-	8,362	-
Offsetting collections (-)	(5)	-	(34)	-
Net Outlays	\$ 8,427	\$ -	\$ 8,328	\$ -

The accompanying notes are an integral part of these financial statements

National Capital Planning Commission
Notes to Financial Statements
September 30, 2010 and 2009

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.

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. Interim financial statements are limited to a Balance Sheet, Statement of Net Cost, and Statement of Budgetary Resources. NCPC opts to prepare the Statement of Changes in Net Position for the interim financial statements. The Balance Sheet presents, as of September 30, 2010, 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 July 21, 2010. 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) 2010 and 2009, 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 FERS employees, NCPC contributes an amount equal to 11.2% 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. 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, 2010 and 2009

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, 2010 and 2009

NOTE 3 - NON-ENTITY ASSETS

(Dollars in Thousands)

Intragovernmental:	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Total Non-Entity Assets	\$ -	\$ -
Total Entity Assets	<u>1,847</u>	<u>1,957</u>
 Total Assets	 <u>\$ 1,847</u>	 <u>\$ 1,957</u>

NOTE 4 - FUND BALANCE WITH TREASURY

(Dollars in Thousands)

Fund Balances:	<u>September 30, 2010</u>	<u>September 30, 2009</u>
	<u>Total</u>	<u>Total</u>
General Funds	\$ 1,845	\$ 1,919
Total	<u>\$ 1,845</u>	<u>\$ 1,919</u>

Status of Fund Balance with Treasury:

Unobligated Balance		
Available	\$ -	\$ -
Unavailable	667	679
Obligated Balance Not Yet Disbursed	<u>1,178</u>	<u>1,240</u>
Total	<u>\$ 1,845</u>	<u>\$ 1,919</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
September 30, 2010 and 2009

NOTE 5 - ACCOUNTS RECEIVABLE

(Dollars in Thousands)

	Gross Amount Due	Allowance for Uncollectible Amounts	Net Amount Due
As of September 30, 2010			
Public:			
Accounts Receivable	\$ 2	\$ -	\$ 2

As of September 30, 2009

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 Life	Acquisition Value	September 30, 2010		September 30, 2009	
			Accumulated Depreciation	Net Book Value	Accumulated Depreciation	Net Book Value
Improvements	10 SL	\$ 419	\$ 419	\$ -	\$ 383	\$ 36
Total		\$ 419	\$ 419	\$ -	\$ 383	\$ 36

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

The leasehold improvement was fully-depreciated in August 2010 with no additions to capitalized assets.

National Capital Planning Commission
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NOTE 7 - LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

(Dollars in Thousands)

Intragovernmental:	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Other Liabilities-Unfunded Leave Benefits	\$ 5	\$ 3
Total Intragovernmental	<u>\$ 5</u>	<u>\$ 3</u>
Other Liabilities	<u>\$ 331</u>	<u>\$ 276</u>
Total Liabilities Not Covered by Budgetary Resources	\$ 336	\$ 279
Total Liabilities Covered by Budgetary Resources	<u>863</u>	<u>842</u>
Total Liabilities	<u><u>\$ 1,199</u></u>	<u><u>\$ 1,121</u></u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2010 and 2009

NOTE 8 - OTHER LIABILITIES

(Dollars in Thousands)

	Non-Current Liabilities	Current Liabilities	FY 2010 Total
As of September 30, 2010			
Intragovernmental:			
Advances and Prepayments	\$ -	\$ 38	\$ 38
Accrued Pay and Benefits	-	51	51
Unfunded Employment Liability	5	-	5
Total Intragovernmental Other Liabilities	\$ 5	\$ 89	\$ 94
Public:			
Accrued Pay and Benefits	\$ -	\$ 335	\$ 335
Advances and Prepayments	-	94	94
Other-Unfunded Leave	331	-	331
Total Public Other Liabilities	\$ 331	\$ 429	\$ 760
As of September 30, 2009			
Intragovernmental:			
Advances and Prepayments	\$ -	\$ 59	\$ 59
Unfunded Employment Liability	3	-	3
Total Intragovernmental Other Liabilities	\$ 3	\$ 59	\$ 62
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
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NOTE 9 - LEASES

Entity as Lessee:

Operating Leases:

Description of Leasing Arrangements:

(1) 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.

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:

	<u>Buildings and Structures</u>	
	<u>(1)</u>	<u>Totals</u>
Year 10	\$ 345	\$ 345
Total Future Lease Payments	<u>\$ 345</u>	<u>\$ 345</u>

Lease payments for the fiscal year ended September 30, 2010 was \$1,754

NCPC and GSA are in the process of finalizing a new lease agreement commencing on December 1, 2010

National Capital Planning Commission
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NOTE 10 - INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

(Dollars in Thousands)

Program Costs:	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Planning:		
Intragovernmental Gross Costs	3,232	3,060
Less: Intragovernmental Earned Revenue	(24)	(127)
Intragovernmental Net Costs	<u>3,208</u>	<u>2,933</u>
Gross Costs with the Public	5,765	5,488
Less: Earned Revenues from the Public	(66)	(5)
Net Costs with the Public	<u>5,699</u>	<u>5,483</u>
 Total Net Cost of Operations	 <u>\$ 8,907</u>	 <u>\$ 8,416</u>

National Capital Planning Commission
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**NOTE 11 - APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED:
DIRECT VS. REIMBURSABLE OBLIGATIONS**

(Dollars in Thousands)

	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Direct Obligations Incurred:		
Category A	<u>\$ 8,472</u>	<u>\$ 8,320</u>
Total Direct Obligations Incurred	<u><u>\$ 8,472</u></u>	<u><u>\$ 8,320</u></u>
Reimbursable Obligations Incurred:		
Category B	<u>\$ 3</u>	<u>\$ 32</u>
Total Reimbursable Obligations Incurred	<u><u>\$ 3</u></u>	<u><u>\$ 32</u></u>
Total Obligations Incurred	<u><u>\$ 8,475</u></u>	<u><u>\$ 8,352</u></u>

Apportionment is a plan, approved by the U.S. Office of Management and Budget (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 – Exempt from apportionment (see OMB Circular A-11, paragraph 120.8 for

National Capital Planning Commission
Notes to Financial Statements
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NOTE 12 - ADJUSTMENTS TO BEGINNING BALANCE OF BUDGETARY RESOURCES

	(Dollars in Thousands)	
	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Adjustments during the fiscal year to the beginning balance of Budgetary Resources:		
Prior Year Recoveries	105	137
Cancelled Authority	<u>(154)</u>	<u>(143)</u>
 Total Adjustments to the beginning balance of Budgetary Resources	 <u>\$ (49)</u>	 <u>\$ (6)</u>

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

	(Dollars in Thousands)	
	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Undelivered orders at the end of the period	\$ 447	\$ 616

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
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NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

(Dollars in Thousands)

	<u>FY 2010</u>	<u>FY 2009</u>
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 8,475	\$ 8,352
Less: Spending Authority From		
Offsetting Collections & Recoveries	110	171
Obligations Net of Offsetting		
Collections and Recoveries	\$ 8,365	\$ 8,181
Net Obligations	\$ 8,365	\$ 8,181
Other Resources		
Imputed Financing from Costs		
Absorbed by Others	\$ 366	\$ 298
Net Other Resources Used to		
Finance Activities	\$ 366	\$ 298
Total Resources Used to Finance		
Activities	\$ 8,731	\$ 8,479
Resources Used to Finance Items Not		
Part of the Net Cost of Operations:		
Change in Budgetary Resources		
Obligated But Not Provided (+/-)	\$ (83)	\$ 36
Total Resources Used to Finance Items		
Not Part of the Net Cost of Operations	\$ (83)	\$ 106
Total Resources Used to Finance		
the Net Cost of Operations	\$ 8,814	\$ 8,373

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 2010</u>	<u>FY 2009</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	\$ 55	\$ -
Increase in Public Exchange Revenue Receivables	-	-
Other		
Other	2	-
Total Components Requiring or Generating Resources in Future Periods	\$ 57	\$ -
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	\$ 36	\$ 43
Total Components Not Requiring or Generating Resources	\$ 36	\$ 43
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	\$ 93	\$ 43
Net Cost of Operations	\$ 8,907	\$ 8,416

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 8, 2010, which is the date the financial statements were available to be used.

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

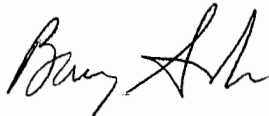
November 8, 2010

Martin & Wall, P.C.
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's consolidated financial statements for the fiscal years ended September 30, 2010 and 2009. We concur with the facts and conclusions in the draft report.

Sincerely,



Barry Socks
Chief Operating Officer

National Capital Planning Commission

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Suite 500, North Lobby
Washington, DC 20004

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