

Performance and Accountability Report

Fiscal Year 2011



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A Message from the Chairman



It is an honor to present the National Capital Planning Commission's Performance and Accountability Report for FY 2011. This report demonstrates our continuing commitment to prudently and effectively use the resources that we have been entrusted to accomplish the agency's mission and achieve the goals in our Strategic Plan. The National Capital Planning Commission is the federal government's central planning agency in the District of Columbia and surrounding counties in Maryland and Virginia. The Commission provides overall planning guidance for federal land and buildings in the region. It also reviews the design of federal construction projects, oversees long-range planning for future development, and monitors capital investment by federal agencies.

Planning issues in Washington are important not just to those who live and work in the region, but to all citizens across the nation. As I reflect on the agency's accomplishments, I am proud to report that NCPC has embarked and made significant progress on several initiatives to underscore the importance of topics such as Sustainability, Security and Commemoration. During the past year, NCPC and its partners through the Southwest Eco-district project continued to push the boundaries of possibilities by imagining and developing a plan to transform an entire precinct into a showcase of green design. As envisioned, the eco-district will be an active multi-modal mixed-use neighborhood of significant cultural attractions, public spaces, offices, residences and amenities. Plans are already underway to manage the areas waste, energy use and water needs towards a zero energy use model community.

In May 2011, NCPC lead a successful design competition to generate creative and thoughtful design concepts that integrate durable and more aesthetic security elements into President's Park South located between the White House grounds and Constitution Avenue, NW; and improve the experience of visitors coming to the White House or passing through the park. The results of this competition will inform the development of alternatives for President's Park South to be undertaken by the National Park Service and the United States Secret Service.

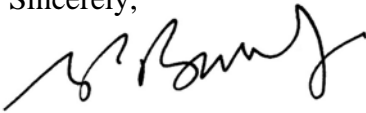
NCPC compiled the first-ever comprehensive inventory of commemorative works on federal land in Washington DC. Each of the records includes a work's title, location, a short description of its purpose, the landholding agency, the sponsor, the year of authorization, the year of dedication, the authorizing law, and the major themes represented in the work. This is one of several initiatives undertaken in response to the administration's guidelines for openness in government and transparency. In addition to the above, this Performance and Accountability Report highlights some of the major proposals related to urban design, environmental, transportation, and historic preservation that came before the Commission during FY 2011.

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 absence 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.

Only one city in America is the nation's capital. Only one city in America has so many public treasures. And only one city in America has such overlap between federal and local governments. As the central planning agency for the federal government in the National Capital Region, we approach our work with a heightened sense of responsibility. It's an exciting challenge and I am confident that the dedicated men and women of the National Capital Planning Commission will continue to provide the quality service the public deserves.

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.

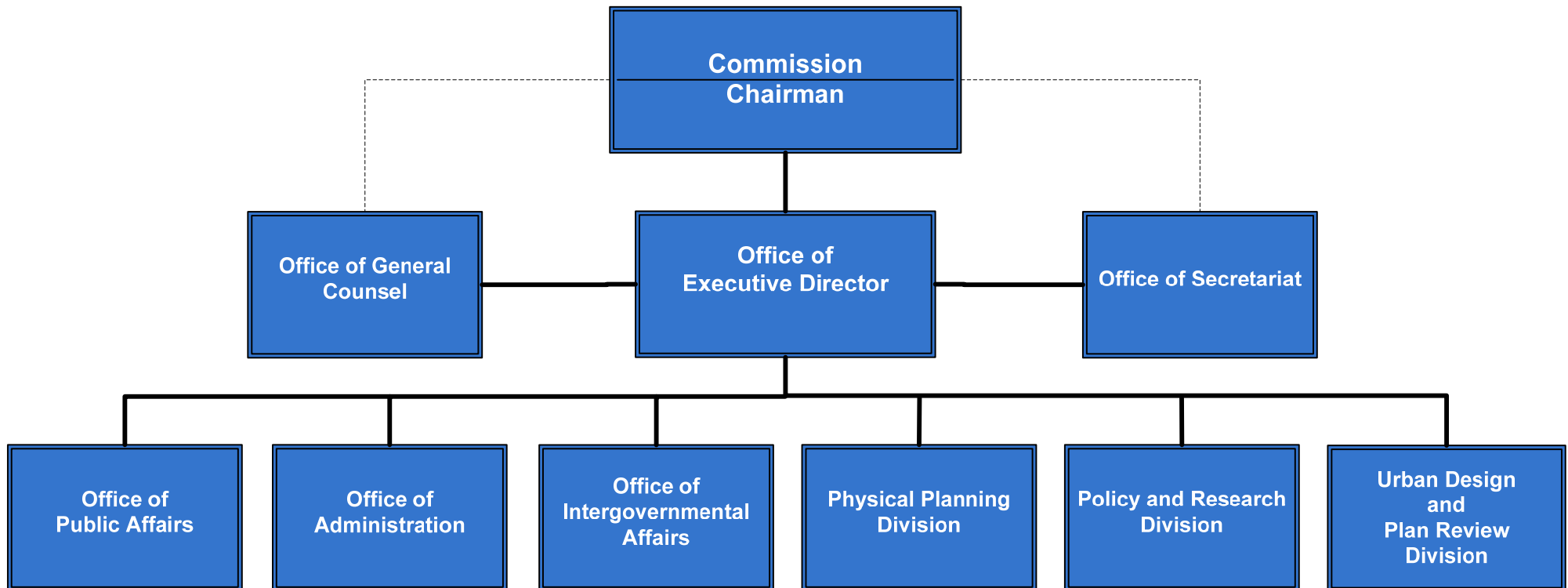
Strategic Goals

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

November 2011



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, the Commission reviewed the urban design, environmental, transportation and historic preservation implications for 211 projects. These projects included 2 commemorative works, 5 master plans, 6 street and alley closings, 38 zoning proposals, and 160 planning and revitalization programs as well as capital budgets.

The Commission commented on the concept design for the Dwight D. Eisenhower Memorial. The memorial will be bound by 4th and 6th Streets, SW and the Lyndon B. Johnson Department of Education Headquarters Building. NCPC reviewed three concept designs, which consist of a central memorial grove or plaza defined by large stone blocks and lintels containing cultures and inscriptions and/or monumental stone columns, small water features, landscaping, and support facilities.

The Commission approved revised preliminary and final site and building plans for the Martin Luther King, Jr. National Memorial, consisting of modifications to public benches within the memorial plaza to better accommodate handicapped seating. The Memorial is located in West Potomac Park on the northwestern side of the Tidal Basin on the National Mall.

The Commission also reviewed and commented on the revised concept design for the National Museum of African American History and Culture to be located at the corner of 15th Street and Constitution Avenue, NW. The 372,000 square feet museum will contain state-of-the art galleries, offices for program and administrative staff, and an education center.

The Commission approved the National Mall Plan. The plans 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 reviewed a number of security projects which were guided by the adopted National Capital Urban Design and Security Plan. For example, the Commission commented on the concept design for perimeter security at the Thomas Jefferson Memorial in West Potomac Park as well as perimeter security for the H. Carl Moultrie Courthouse.

The Commission also approved preliminary and final site and building plans for site improvements and perimeter security at the Mary E. Switzer Building located at 330 C Street, SW. The perimeter security uses a variety of hardened street furnishings such as benches, bike racks, bollards, streetlights, garden walls, newspaper boxes, and trash receptacles. It also utilizes extensive landscaping along all four sides of the building to help soften the appearance of the security elements, as well as minimize and mitigate their effect on the historic L'Enfant Plan.

The Commission reviewed the draft Master Plan for the Nebraska Avenue Complex (NAC) located at 3801 Nebraska Avenue, NW. The NAC Master Plan is being developed to accommodate the future needs of the Department of Homeland Security, the current tenant of the NAC. The NAC currently houses approximately 2,390 DHS employees in 653,400 gross square feet of building space; and the Master Plan proposes to accommodate 4,200 employees in 1.22 million gross square feet.

The Commission also reviewed the draft Master Plan for Joint Base Anacostia-Bolling located in Southeast. The plan is intended to provide future framework guidance for the development and re-development of the facility as a single, unified installation in terms of land use and urban design. The Master Plan spans 10 years, with the assumptions that total employment could increase by approximately 5,000 people.

The Commission approved the preliminary and final site development plans for Phase 2 improvements to the Potomac Park levee system near the intersection of 17th Street and Constitution Avenue, NW. The development plan provides for a post and panel flood protection system.

The Commission approved the preliminary and final site and building plans for the U.S. Diplomacy Center, Harry S Truman Building, U.S. Department of State Headquarters located at 2201 C Street, NW. The U.S. Diplomacy Center will serve as a museum and education center.

The Commission reviewed a number of projects at Fort Belvoir to include: the National Museum of the U.S. Army, the United Services Organization Family Services Building, the New Administration Building for the Chief of the Army Reserve, New Administration Building for U.S. Army Legal Services Administration and Army Audit Agency and the Fisher House.

The Commission also reviewed a number of BRAC related projects at the National Naval Medical Center to include: Buildings 3 and 5 renovations, Building 8 mechanical room expansion, Main Exchange replacement, Gate 5 replacement and internal roadway modifications.

The Commission approved the preliminary and final site development plans for the 11th Street Bridge replacement in Southeast. The new structure replaces the 40-year-old pair of bridges across the Anacostia River, allow for stronger neighborhood connections across the river and provide safety enhancements to the bridge and approach ramp structures.

The Commission reviewed and commented on a number of rewrites for the Zoning Regulations of the District of Columbia including height and use, motor vehicle and bicycle parking, and loading.

The Commission also reviewed and commented on the Zoning and Map Amendments to allow for expansion of an ice rink and construction of a youth baseball academy at Fort DuPont Park.

The Commission reviewed and commented on the Text and Map Amendment to the Zoning Regulations for Union Station North – Burnham Place. This new zoning district will be applied to a 14-acre, air-rights site above the rail lines behind Union Station and abutting the north and south sides of the H Street, NE bridge.

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.

The Commission reviewed and authorized the release of the Federal Capital Improvements Program (FCIP) for the National Capital Region for fiscal years 2012-2017 for public comments. This FCIP contains 145 projects submitted by 15 agencies and departments, at an estimated cost of \$3.9 billion. This year's FCIP has been significantly reduced due to the completion of BRAC projects and related actions, the submission of fewer projects by agencies, and the restructuring of budgets by agencies to conform to reductions in appropriations and expenditure limits overall.

In support of Executive Order 13514, NCPC in close partnership with the Commission of Fine Arts, the General Services Administration, along with other federal and local agencies developed a revitalization plan for the Southwest Eco-district, the area surrounding the 10th Street and Maryland Avenue corridors in Southwest. NCPC completed an existing conditions assessment of the study area including a high level energy analysis of existing buildings; developed urban design objectives and sustainability goals and targets; analyzed a range of development scenarios, including rehabilitation, redevelopment, and infill alternatives for the parcels; and conducted a cost benefit analysis of a range of sustainability and urban development strategies.

In close coordination with the National Park Service and the U.S. Secret Service, NCPC conducted a design competition to develop creative solutions that address the security, urban design, and historic preservation issues of President's Park South of the White House. NCPC solicited interested designers to submit their qualifications for consideration; selected five design teams to participate in the competition; shared the design concepts with the public; and managed the final ranking of the design concepts by the Commission's Interagency Security Task Force. The results of the design competition will inform the development of alternatives for President's Park South that will be undertaken by the National Park Service and the United States Secret Service.

NCPC coordinated the completion of a multi-agency funded Federal Triangle Stormwater Drainage Study. This study focused on interior drainage and supplements the ongoing 17th Street, NW levee work on the National Mall by the U.S. Corps of Engineers. The report includes an explanation of the cause of the 2006 flood, a range of alternatives for mitigating flooding, and a modeling of various design storm scenarios for the Federal Triangle and the resulting flood elevations for each scenario. The findings of the study have enabled the facility managers of the Federal Triangle buildings, as well as the Smithsonian Institution, the National Gallery of Art and the Washington Metropolitan Area Transit Authority to design their flood protection measures based on more accurate data. The findings have also provided the working group with a cost estimate of the capital and operating costs for system-wide infrastructure solutions for evaluating building flood-proofing.

NCPC continued its speaker series to include presentations on Commemoration, Executive Order 13514: Federal Leadership in Environmental Energy and Economic Performance, Regional Innovation Clusters and Security, and Contemporary Design.

To encourage and promote public participation and in support of the administration's open government initiative, NCPC 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, Transportation and *Federal Workplace Elements of the Comprehensive Plan Federal Elements: National Capital Region*.

Financial Statement Analysis

NCPC's financial position as of September 30, 2011 was strong but differed with its financial position as of September 30, 2010.

Balance Sheet: (In thousands)

	Fiscal Year 2011	Fiscal Year 2010	Variance	Percentage Inc/(Dec)
Total Assets	\$2,876	\$1,845	\$1,031	35.8%

Like prior Fiscal Years, Fund Balance with Treasury was the bulk of NCPC's assets. The types of asset transactions incurred in Fiscal Year 2011 were largely consistent with the types of asset transactions incurred in Fiscal Year 2010 with one exception; rental payments to the General Service Administration (GSA) for the lease of office space located at 401 Ninth St, NW, Washington DC was significantly lower in Fiscal Year 2011. On December 1, 2011, NCPC executed a new Occupancy Agreement with GSA for a ten year period. Under the new Occupancy Agreement, NCPC was entitled to ten months of free rent in the first year of occupancy in the amount of \$1,075. The new Occupancy Agreement did not include a Tenant Improvement Allowance, thus NCPC used the savings generated by the rent credit for essential facilities and equipment improvement projects. Some obligations related to the facilities and equipment improvement projects were undisbursed as of September 30, 2011. As a result of the Federal Pay Freeze for 2011 and vacancy management, NCPC had a 1.9% decrease, in personnel costs below Fiscal Year 2010.

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. Over the Fiscal Years, Fund Balance with Treasury slowly decreased as expired Fiscal Years with larger unobligated balances reached cancelled status. The trend continued into Fiscal Year 2011. Three hundred and eight two thousand dollars of the Fund Balance with Treasury on hand as of September 30, 2010 was cancelled in Fiscal Year 2011.

The continued liquidation of prior year advances on reimbursable agreements and the reduction in the number of un-liquidated new reimbursable agreements received was another trend that continued into Fiscal Year 2011. In Fiscal Year 2011, NCPC liquidated \$46 of prior year advances in Fund Balance with Treasury. In addition, NCPC returned \$85 of un-utilized prior year advances for competed reimbursable agreements in Fiscal Year 2011.

	Fiscal Year 2011	Fiscal Year 2010	Variance	Percentage Inc/(Dec)
Total Liabilities	\$2,008	\$1,199	\$809	67.5%

The types of liability transactions that NCPC incurred in Fiscal Year 2011 were largely consistent with the types of transactions incurred in Fiscal Year 2010 with one exception; NCPC incurred an unfunded liability at September 30, 2011 as a result of the new Occupancy Agreement entered into with GSA. In addition to the \$1,075 rent credit discussed in Fund Balance with Treasury, NCPC will receive a \$119 Commission Credit in Fiscal Year 2012. The Occupancy Agreement also contains scheduled increases over the ten year period to account for expected inflation. Per Financial Accounting Standards Board (FASAB) Topic 840, rental expense must be recognized on a straight-line basis over the life of the lease. Since the ten months free rent credit was received in Fiscal Year 2011, NCPC only disbursed \$75 to GSA for rent expense. Under the straight-line method, rent expense for Fiscal Year 2011 was \$1,137. NCPC recorded an unfunded liability for \$1,062 to account for the difference. NCPC's normal liability categories were: 1) accrued pay and benefits and unfunded payroll; 2) accounts payable; and 3) reimbursable agreements with advance.

In Fiscal Year 2010 there was an anomaly 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. Being an anomaly, it did not occur in Fiscal Year 2011. However, just as the anomaly impacted the comparison of Fiscal Year 2010 to Fiscal Year 2009, it is impacting the comparison of Fiscal Year 2011 to Fiscal Year 2010.

As discussed in Fund Balance with Treasury and consistent with Fiscal Year 2010, NCPC liquidated more prior year advances on hand September 30, 2010 than the balance of unliquidated new reimbursable agreements received in Fiscal Year 2011 at September 30, 2011. In addition, NCPC returned \$85 of unused prior year advances for completed reimbursable agreements in Fiscal Year 2011. The total variance due to advances on reimbursable agreements was \$132.

Statement of net Cost: (In thousands)

	Fiscal Year 2011	Fiscal Year 2010	Variance	Percentage Inc/(Dec)
Gross Costs	\$8,382	\$8,996	\$(614)	(6.8)%

The types of expenditure transactions incurred in Fiscal Year 2011 were largely consistent with the types of expenditure transactions incurred in Fiscal Year 2010 with one exception; as discussed in Fund Balance with Treasury, rental payments to the General Service Administration (GSA) for the lease of office space located at 401 Ninth St, NW, Washington DC was significantly lower in Fiscal Year 2011. The decrease in rental payments was offset by the unfunded liability to account for the lease per (FASAB) Topic 840 as discussed in Total Liabilities. In addition, NCPC's Occupancy Agreement specifies that NCPC is liable for all property taxes pertaining to the leased space. An estimate for real estate taxes is included in the lease payment, but NCPC is liable for the difference between the estimated real estate taxes and actual real estate taxes for the period. In previous Fiscal Years, in the later period of the previous ten year Occupancy Agreement, the baseline estimate for real estate taxes calculated in November 2000 was significantly lower than actual real estate taxes. The new Occupancy Agreement contains

an updated baseline estimate of real estate taxes in the lease payment. Therefore the difference between estimated real estate taxes and actual real estate taxes is significantly lower in Fiscal Year 2011 than in Fiscal Year 2010. The net decrease in rent expense was \$340.

Inconsistent with prior Fiscal Years, personnel costs decreased from Fiscal Year 2010 to Fiscal Year 2011. As a result of the Federal Pay Freeze for 2011 and vacancy management, NCPC incurred \$236 less, a 4.2% decrease, in personnel costs below Fiscal Year 2010.

Statement of Budgetary Resources: (In Thousands)

Budgetary Resources	Fiscal Year 2011	Fiscal Year 2010	Variance	Percentage Inc/(Dec)
Net Appropriation	\$8,507	\$8,507	\$0	0.0%
Change in Advances	\$(132)	\$(87)	\$(45)	(51.7)%
Permanently not Available	\$(399)	\$(154)	\$(245)	(159.1)%

The types of budgetary authority that NCPC received in Fiscal Year 2011 were consistent with the types of budget authority that NCPC received in Fiscal Year 2010. 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 2010, NCPC liquidated more prior year advances on hand September 30, 2010 than the balance of unliquidated new reimbursable agreements received in Fiscal Year 2011 at September 30, 2011. In addition, NCPC returned \$85 of un-utilized prior year advances for completed reimbursable agreements in Fiscal Year 2011.

As discussed in Fund Balance with Treasury, prudent financial management continues to be a high priority for NCPC. Over the Fiscal Years, Unobligated authority slowly decreased as expired Fiscal Years with larger unobligated balances reached cancelled status. The trend continued into Fiscal Year 2011. Three hundred and eight two thousand dollars of the Fund Balance with Treasury on hand as of September 30, 2010 was cancelled in Fiscal Year 2011. Only \$154 of expired authority was cancelled on September 30, 2010.

Status of Budgetary Resources	Fiscal Year 2011	Fiscal Year 2010	Variance	Percentage Inc/(Dec)
Reimbursable Obligations Incurred	\$100	\$3	\$97	3,233.3%
Unobligated Balance Not Available	\$237	\$667	\$(430)	(64.5)%

The types of direct obligations incurred in Fiscal Year 2011 were largely consistent with the types of expenditure transactions incurred in Fiscal Year 2010 with one exception; as discussed in Fund Balance with Treasury, rental payments to the General Services Administration (GSA) for the lease of office space located at 401 Ninth St, NW, Washington DC was significantly lower in Fiscal Year 2011. The new Occupancy Agreement did not contain a Tenant Improvement Allowance, so NCPC used the savings

generated by the rent credit for various facilities and equipment improvement projects. Obligations incurred for the various facilities and equipment improvement projects offset the decrease in obligations incurred due to rental payments under the new Occupancy Agreement.

Consistent with Fiscal Year 2010 and previous Fiscal Years, the majority of the obligations incurred in Fiscal Year 2011 covered: 1) pay and benefits; and 2) the cost of leased real estate, including facilities improvements. The combined cost of these items was \$6,760, or 79.6% of the budget. In Fiscal Year 2010, the combined cost of these items was \$7,339 or 86.3% of the budget. Two hundred and thirty six thousand dollars of the \$579 decrease in Direct Obligations Incurred due to pay and benefits costs and the cost of leased real estate was due to pay and benefits cost. \$343 of the decrease was due to decreased negotiated lease payments under the new Occupancy Agreement.

Occasionally, NCPC enters into reimbursable agreements with other Federal Agencies or the District of Columbia. Most reimbursable agreements are funded with annual appropriations and obligated in the current year. Large reimbursable agreements do not occur on a yearly basis. NCPC only entered into a minor reimbursable agreement in Fiscal Year 2010 for \$3. During Fiscal Year 2011, NCPC entered into a \$100 reimbursable agreement with another federal agency.

As discussed in Fund Balance with Treasury and Statement of Budgetary Resources- Budgetary Resources, prudent financial management continues to be a high priority for NCPC. Over the Fiscal Years, Unobligated authority slowly decreased as expired Fiscal Years with larger unobligated balances reached cancelled status. The trend continued into Fiscal Year 2011. Three hundred and eight two thousand dollars of the Fund Balance with Treasury on hand as of September 30, 2010 was cancelled in Fiscal Year 2011. Only \$154 of expired authority was cancelled on September 30, 2010.

Management Controls, Systems, and Compliance

Federal Managers' Financial Integrity Act (FMFIA)

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

Prompt Payment Act

The Prompt Payment Act requires federal agencies to make timely payments to vendors, including any interest penalties for late invoice payments. In FY 2011, the NCPC paid \$10 in interest penalties on Total invoices processed in the amount of \$1,749,970.

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 2011 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 continued its 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 2011 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 2011, NCPC:

- Continued to advance the work of its Interagency Security Task Force. In close coordination with the National Park Service and the U.S. Secret Service, conducted a design competition to develop creative solutions that address the security, urban design, and historic preservation issues of President's Park South of the White House.
- In partnership with the Commission of Fine Arts, the General Services Administration, and other federal and local agencies, developed a revitalization plan for the Southwest Eco-district.
- Coordinated the completion of a multi-agency funded Federal Triangle Stormwater Drainage Study.
- Reviewed the District of Columbia and other regional Capital Improvement Programs.
- Served as an active member of the Board of Zoning Adjustment (BZA) and the Foreign Missions Board of Zoning Adjustment (FMBZA).
- Participated on the White House Urban Policy interagency initiative to support regional planning for a homeland security economic cluster.
- Partnered with the State Department and the District of Columbia Department of the Environment to assist the Embassy Greening Forum to create a plan for a Diplomatic Garden.

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 2011, NCPC: Approved and commented on 211 project planning and urban design proposals to include:

- Commented on the concept design for the Dwight D. Eisenhower Memorial.
- Approved revised preliminary and final site and building plans for the Martin Luther King, Jr. National Memorial.
- Reviewed and commented on the revised concept design for the National Museum of African American History and Culture.
- Approved the National Mall Plan.
- Reviewed the concept design for perimeter security at the Thomas Jefferson Memorial in West Potomac Park as well as perimeter security for the H. Carl Moultrie Courthouse.
- Approved preliminary and final site and building plans for site improvements and perimeter security at the Mary E. Switzer Building located at 330 C Street, SW.
- Reviewed the draft Master Plan for the Nebraska Avenue Complex (NAC) located at 3801 Nebraska Avenue, NW.
- Reviewed the draft Master Plan for Joint Base Anacostia-Bolling located in Southeast.
- Approved the preliminary and final site development plans for improvements to the Potomac Park levee system.
- Approved the preliminary and final site and building plans for the U.S. Diplomacy Center, Harry S Truman Building, U.S. Department of State Headquarters.
- Reviewed a number of BRAC projects at Fort Belvoir and the National Naval Medical Center.

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 2011, NCPC:

- Published the *CapitalSpace* Plan and the Agency's 2010 Annual Report.
- 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 including;
 - a public meeting to introduce the 10th Street Corridor eco-district concept and;
 - a series of speaker events to highlight important planning issues to the Nation's Capital such as Commemoration, Homeland Security Regional Innovation Cluster, and Contemporary Design (Balancing Innovation and Preservation).
- 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 E-Newsletter and other informational publications and developed an interactive map of the memorials of Washington, DC.
- 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 2011, 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.
- Continued to work with the District of Columbia on efforts to develop and implement the city's proposed streetcar system and supporting infrastructure.
- Partnered with the Interagency Security Committee and the General Services Administration to address the challenges of providing physical security within the valuable and historically significant public spaces of the Federal Triangle.
- 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 D.C. Board of Zoning Adjustment, and the Foreign Missions Board of Zoning Adjustment (FMBZA).

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 2011, NCPC:

- Completed the implementation of Managed Trusted Internet Protocol Services fulfilling the OMB's Trusted Internet Connection mandate.
- Implemented important information security services, including intrusion detection (IDS), content filtering and email filtering and security to improve protection of the NCPC network and information systems.
- Completed infrastructures upgrades and implemented live streaming of agency Commission Meetings, events and external public outreach activities over the Internet.
- Completed an update of NCPC's Continuity of Operations Plan.
- Completed updates to the agency Telework and Drug Free Workplace policies.
- Incorporated services of the Department of Defense's Computer/Electronic Accommodations Program (CAP) to address reasonable accommodations needs of NCPC employees with disabilities.
- Completed final transitional activities and the incorporation OPM's USA Staffing services to streamline NCPC's hiring processes.
- Completed an independent audit of NCPC's FY 2010 financial statements, receiving an unqualified audit opinion and a report of no material weakness.

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 2011 Performance and Accountability Report. The independent auditor has rendered an unqualified opinion on NCPC's financial statements and found no material weaknesses in internal controls or non-compliance with any laws, rules or regulation. This 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 of 2002.

In Fiscal Year 2011, the NCPC continued the course of strengthening its financial management practices across the organization. We aggressively implemented 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 Performance and Accountability Report. Martin & Wall, A Division of Chortek & Gottsachalk, LLP has determined that the financial statements, included in this report, are accurate and complete, in all material respects, and in conformity with U.S. Generally Accepted Accounting Principles.

During FY 2011, NCPC continued to partner with an outside firm to administer various aspects of financial management and accounting functions. Through this partnership, NCPC continued to develop new policies and procedures to enhance internal controls in its 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 that reviewed financial operations throughout the year.

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. The attainment of an unqualified opinion validates our efforts to ensure the financial statements of the agency are fairly presented and the funds, for which we are stewards, are responsibly managed. As we move forward, NCPC will continue to update financial policies and systems to support the agency's mission.

Sincerely,

A handwritten signature in black ink that reads "Barry S. Socks". The signature is written in a cursive, flowing style.

Barry S. Socks

Chief Operating Officer



Independent Auditor's 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. We have audited the accompanying balance sheets of the National Capital Planning Commission as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.

The objective of our audits was to express an opinion on the fair presentation of these financial statements. In connection with our audits, we also considered the National Capital Planning Commission's internal control over financial reporting and tested the National Capital Planning Commission's compliance with selected provisions of applicable laws and regulations that could have a direct and material effect on these financial statements.

Summary

In our audits of the National Capital Planning Commission for the fiscal years ended September 30, 2011 and 2010, 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),
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss our opinion on the Commission's financial statements; our consideration of the Commission's internal controls over financial reporting; our tests of the Commission's compliance with certain provisions of applicable laws, regulations, contracts and agreements; and management's and our responsibilities.

Opinion on Financial Statements

We have audited the accompanying balance sheets of the National Capital Planning Commission as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.



In our opinion, the financial statements referred to above, including the accompanying notes, present fairly, in all material respects, the financial position of the National Capital Planning Commission, as of September 30, 2011 and 2010, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with U.S. generally accepted accounting principles.

The information in the Management's Discussion and Analysis, Required Supplementary Stewardship Information and Required Supplementary Information sections is not a required part of the financial statements, but is supplemental information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted of principally inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

Internal Control Over Financial Reporting

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 was for the limited purpose described in the Responsibilities section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal years 2011 and 2010 audits, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain additional matters that we reported to the Commission's management addressing internal control matters.

Compliance and Other Matters

The results of our tests of compliance as described in the Responsibilities section of this report disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04, as amended.

Responsibilities

Management Responsibilities: 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 and maintaining effective internal control, (3) complying with laws, regulations, contracts and agreements applicable to the Commission.

Auditor's Responsibilities: Our responsibility is to express an opinion on the fiscal years 2011 and 2010 financial statements of the National Capital Planning Commission based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 07-04, as amended. Those standards and OMB Bulletin 07-04, as amended, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of



the National Capital Planning Commission's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management;
- Evaluating the overall financial statement presentation;
- Obtaining 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);
- Considering the design of the process for evaluating and reporting on internal control;
- Testing compliance with selected provisions of laws, regulations, grants and controls applicable to the Commission that could have a direct and material effect on the financial statements.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal years 2011 and 2010 audits, we considered the National Capital Planning Commission's internal control over financial reporting by obtaining an understanding of the Commission's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*. 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.

As part of obtaining reasonable assurance about whether the National Capital Planning Commission's fiscal years 2011 and 2010 financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, as amended. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts and agreements applicable to the Commission. However, providing an opinion on compliance with laws, regulations, contracts and agreements was not an objective of our audits, and accordingly, we do not express such an opinion. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.



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.

Use and Distribution of Report

This report is intended solely for the information and use of the National Capital Planning Commission's management, Commissioners, U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

Charter & Sattahy, LLP

Washington, DC
November 14, 2011

NATIONAL CAPITAL PLANNING COMMISSION

BALANCE SHEET As of September 30, 2011 and 2010

	(Dollars in Thousands)	
	<u>FY 2011</u>	<u>FY 2010</u>
Assets (Note 3)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 4)	\$ 2,876	\$ 1,845
Total Intragovernmental Assets:	<u>2,876</u>	<u>1,845</u>
Accounts Receivable, Net (Note 5)	2	2
Total Assets	<u>\$ 2,878</u>	<u>\$ 1,847</u>
Liabilities (Note 7)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 139	\$ 132
Other Intragovernmental Liabilities (Note 8)	1,114	94
Total Intragovernmental Liabilities:	<u>1,253</u>	<u>226</u>
Accounts Payable	114	213
Other Liabilities (Note 8)	641	760
Total Liabilities	<u>\$ 2,008</u>	<u>\$ 1,199</u>
Net Position		
Unexpended Appropriations		
Earmarked Funds	\$ -	\$ -
All Other Funds	2,240	972
Cumulative Results of Operations		
Earmarked Funds	\$ -	\$ -
All Other Funds	(1,370)	(324)
Total Net Position	<u>870</u>	<u>648</u>
Total Liabilities and Net Position	<u>\$ 2,878</u>	<u>\$ 1,847</u>

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, 2011 and 2010

(Dollars in Thousands)

Program Costs (Note 10):	<u>FY 2011</u>	<u>FY 2010</u>
Planning:		
Gross Costs	\$ 8,382	\$ 8,996
Less: Earned Revenue	<u>(146)</u>	<u>(89)</u>
Net Program Costs	<u>\$ 8,236</u>	<u>\$ 8,907</u>
Net Cost of Operations	<u><u>\$ 8,236</u></u>	<u><u>\$ 8,907</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, 2011

(Dollars in Thousands)

Cumulative Results of Operations:	FY 2011 Earmarked Funds	FY 2011 All Other	FY 2011 Eliminations	FY 2011 Consolidated
Beginning Balances	\$ -	\$ (324.00)	\$ -	\$ (324.00)
Beginning Balances, As Adjusted	-	(324.00)	-	(324.00)
Budgetary Financing Sources:				
Appropriations Used	-	6,840.00	-	6,840.00
Other Financing Sources:				
Imputed Financing From Costs Absorbed by Others	-	350.00	-	350.00
Total Financing Sources	-	7,190.00	-	7,190.00
Net Cost of Operations (+/-)	-	(8,236.00)	-	(8,236.00)
Net Change	-	(1,046.00)	-	(1,046.00)
Cumulative Results of Operations	-	(1,370.00)	-	(1,370.00)
Unexpended Appropriations:				
Beginning Balances	\$ -	\$ 972.00	\$ -	\$ 972.00
Beginning Balances, As Adjusted	-	972.00	-	972.00
Budgetary Financing Sources:				
Appropriations Received	-	8,507.00	-	8,507.00
Other Adjustments (Rescissions, etc.) (+/-)	-	(399.00)	-	(399.00)
Appropriations Used	-	(6,840.00)	-	(6,840.00)
Total Budgetary Financing Sources	-	1,268.00	-	1,268.00
Total Unexpended Appropriations	-	2,240.00	-	2,240.00
Net Position	-	870.00	-	870.00

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, 2010

(Dollars in Thousands)

	FY 2010 Earmarked Funds	FY 2010 All Other	FY 2010 Eliminations	FY 2010 Consolidated
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 BUDGETARY RESOURCES
For the Years Ended September 30, 2011 and 2010**

(Dollars in Thousands)

	FY 2011 Total Budgetary	FY 2011 Total Non-Budgetary Financing Accounts	FY 2010 Total Budgetary	FY 2010 Total Non-Budgetary Financing Accounts
Budgetary Resources (Note 12):				
Unobligated balance	\$ 667	\$ -	\$ 679	\$ -
Recoveries of prior year unpaid obligations	31	-	105	-
Budget authority:				
Appropriation	8,507	-	8,507	-
Spending Authority from Offsetting Collections				
Earned				
Collected	150	-	92	-
Change in unfilled customer orders				
Advance Received	(132)	-	(87)	-
Subtotal	18	-	5	-
Permanently not available (-)	(399)	-	(154)	-
Total Budgetary Resources	\$ 8,824	\$ -	\$ 9,142	\$ -
Status of Budgetary Resources:				
Obligations incurred (Note 11)				
Direct	\$ 8,487	\$ -	\$ 8,472	\$ -
Reimbursable	100	-	3	-
Subtotal	8,587	-	8,475	-
Unobligated balance not available:	237	-	667	-
Total Status of Budgetary Resources	\$ 8,824	\$ -	\$ 9,142	\$ -
CHANGE IN OBLIGATED BALANCES				
Obligated balance, net				
Unpaid obligations, brought forward, October 1 (+)	\$ 1,178	\$ -	\$ 1,240	\$ -
Total unpaid obligated balances brought forward, net	1,178	-	1,240	-
Obligations incurred (+)	8,587	-	8,475	-
Gross Outlays (-)	(7,095)	-	(8,432)	-
Recoveries of prior-year unpaid obligations, actual(-)	(31)	-	(105)	-
Obligated balance, net, end of period				
Unpaid obligations(+)	2,639	-	1,178	-
Total, unpaid obligated balance, net, end of period	2,639	-	1,178	-
NET OUTLAYS				
Net Outlays				
Gross Outlays (+)	7,095	-	8,432	-
Offsetting collections (-)	(18)	-	(5)	-
Net Outlays	\$ 7,077	\$ -	\$ 8,427	\$ -

The accompanying notes are an integral part of these financial statements

National Capital Planning Commission
Notes to Financial Statements
September 30, 2011 and 2010

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. The Balance Sheet presents, as of September 30, 2011, 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) 2011 and 2010, 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
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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
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NOTE 3 - NON-ENTITY ASSETS

(Dollars in Thousands)

Intragovernmental:	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Total Non-Entity Assets	\$ -	\$ -
Total Entity Assets	<u>2,878</u>	<u>1,847</u>
Total Assets	<u>\$ 2,878</u>	<u>\$ 1,847</u>

National Capital Planning Commission
Notes to Financial Statements
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NOTE 4 - FUND BALANCE WITH TREASURY

(Dollars in Thousands)

Fund Balances:	September 30, 2011 <u>Total</u>	September 30, 2010 <u>Total</u>
General Funds	\$ 2,876	\$ 1,845
Total	<u>\$ 2,876</u>	<u>\$ 1,845</u>

Status of Fund Balance with Treasury:

Unobligated Balance		
Unavailable	237	667
Obligated Balance Not Yet Disbursed	<u>2,639</u>	<u>1,178</u>
Total	<u>\$ 2,876</u>	<u>\$ 1,845</u>

Other Information:

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

National Capital Planning Commission
Notes to Financial Statements
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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, 2011					
Public:					
Accounts Receivable	\$	2	\$	-	\$ 2
As of September 30, 2010					
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 still considered fully collectible.

National Capital Planning Commission
Notes to Financial Statements
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NOTE 6 - GENERAL PROPERTY, PLANT AND EQUIPMENT

(Dollars in Thousands)

<u>Major Classes</u>	<u>Service Life</u>	<u>Acquisition Value</u>	September 30, 2011		September 30, 2010	
			<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Improvements	10 SL	\$ 419	\$ 419	\$ -	\$ 419	\$ 419
Total		\$ 419	\$ 419	\$ -	\$ 419	\$ 419

<u>Major Classes</u>	<u>Capitalization Threshold</u>
Equipment	\$ 25
Internal Use Software	200
Buy 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, 2011</u>	<u>September 30, 2010</u>
Other Liabilities-Unfunded Rent Expense	\$ 1,062	\$ 5
Total Intragovernmental	<u>\$ 1,062</u>	<u>\$ 5</u>
Other Liabilities	<u>\$ 320</u>	<u>\$ 331</u>
Total Liabilities Not Covered by Budgetary Resources	\$ 1,382	\$ 336
Total Liabilities Covered by Budgetary Resources	<u>626</u>	<u>863</u>
Total Liabilities	<u><u>\$ 2,008</u></u>	<u><u>\$ 1,199</u></u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2011 and 2010

NOTE 8 - OTHER LIABILITIES

(Dollars in Thousands)

	<u>Non-Current Liabilities</u>	<u>Current Liabilities</u>	<u>FY 2011 Total</u>
As of September 30, 2011			
Intragovernmental:			
Accrued Pay and Benefits	-	52	52
Unfunded Accrued GSA Rent Expense	1,062	-	1,062
Total Intragovernmental Other Liabilities	<u>\$ 1,062</u>	<u>\$ 52</u>	<u>\$ 1,114</u>
Public:			
Accrued Pay and Benefits	-	321	321
Other-Unfunded Leave	320	-	320
Total Public Other Liabilities	<u>\$ 320</u>	<u>\$ 321</u>	<u>\$ 641</u>
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	<u>\$ 5</u>	<u>\$ 89</u>	<u>\$ 94</u>
Public:			
Accrued Pay and Benefits	-	335	335
Advances and Prepayments	-	94	94
Other - Unfunded Leave	331	-	331
Total Public Other Liabilities	<u>\$ 331</u>	<u>\$ 429</u>	<u>\$ 760</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2011 and 2010

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. NCPC entered into a new operating lease in December 2010. The new lease expires in November 2020. The old lease expired in November 2010. NCPC received a rent credit of \$1,075 for the first ten months of the lease. NCPC will receive a Commission Credit of \$119 in the second year of the lease. Minimum lease payments under the new lease are scheduled to increase over the life of the lease due to inflation. NCPC accounted for the lease on a straight-line basis over the lease term and recorded an unfunded liability of \$1,062 to be amortized over the term of the lease.

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 2	\$ 1,230	\$ 1,230
Year 3	\$ 1,421	\$ 1,421
Year 4	\$ 1,444	\$ 1,444
Year 5	\$ 1,467	\$ 1,467
Year 6	\$ 1,491	\$ 1,491
Year 7	\$ 1,516	\$ 1,516
Year 8	\$ 1,541	\$ 1,541
Year 9	\$ 1,568	\$ 1,568
Year 10	\$ 1,595	\$ 1,595
Year 11 (2 months)	\$ 251	\$ 251
Total Future Lease Payments	<u>\$ 13,524</u>	<u>\$ 13,524</u>

Lease payments under the new lease for the year ended September 30, 2011 was \$75. Total funded and unfunded lease expense was \$1,137.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2011 and 2010

NOTE 10 - INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

(Dollars in Thousands)

Program Costs:	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Planning:		
Intragovernmental Gross Costs	2,922	3,232
Less: Intragovernmental Earned Revenue	(110)	(24)
Intragovernmental Net Costs	<u>2,812</u>	<u>3,208</u>
Gross Costs with the Public	5,460	5,765
Less: Earned Revenues from the Public	(36)	(66)
Net Costs with the Public	<u>5,424</u>	<u>5,699</u>
 Total Net Cost of Operations	 <u>\$ 8,236</u>	 <u>\$ 8,907</u>

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

(Dollars in Thousands)

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Direct Obligations Incurred:		
Category A	\$ 8,487	\$ 8,472
	\$ 8,487	\$ 8,472
Total Direct Obligations Incurred	\$ 8,487	\$ 8,472
Reimbursable Obligations Incurred:		
Category B	\$ 100	\$ 3
	\$ 100	\$ 3
Total Reimbursable Obligations Incurred	\$ 100	\$ 3
Total Obligations Incurred	\$ 8,587	\$ 8,475

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
September 30, 2011 and 2010

NOTE 12 - ADJUSTMENTS TO BEGINNING BALANCE OF BUDGETARY RESOURCES

(Dollars in Thousands)

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Adjustments during the fiscal year to the beginning balance of Budgetary Resources:		
Prior Year Recoveries	31	105
Cancelled Authority	(382)	(154)
	(351)	(154)
 Total Adjustments to the beginning balance of Budgetary Resources	 \$ (351)	 \$ (49)

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

(Dollars in Thousands)

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
Undelivered orders at the end of the period	\$ 2,013	\$ 447

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2011 and 2010

NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

(Dollars in Thousands)

	<u>FY 2011</u>	<u>FY 2010</u>
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 8,587	\$ 8,475
Less: Spending Authority From		
Offsetting Collections & Recoveries	49	110
Obligations Net of Offsetting		
Collections and Recoveries	\$ 8,538	\$ 8,365
Net Obligations	\$ 8,538	\$ 8,365
Other Resources		
Imputed Financing from Costs		
Absorbed by Others	\$ 350	\$ 366
Net Other Resources Used to		
Finance Activities	\$ 350	\$ 366
Total Resources Used to Finance		
Activities	\$ 8,888	\$ 8,731
Resources Used to Finance Items Not		
Part of the Net Cost of Operations:		
Change in Budgetary Resources		
Obligated But Not Provided (+/-)	\$ 1,698	\$ (83)
Resources that Fund Expenses		
Recognized in Prior Periods	16	-
Total Resources Used to Finance Items		
Not Part of the Net Cost of Operations	\$ 1,714	\$ (83)
Total Resources Used to Finance		
the Net Cost of Operations	\$ 7,174	\$ 8,814

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 2011</u>	<u>FY 2010</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
Other		
Other	1,062	2
Total Components Requiring or Generating Resources in Future Periods	\$ 1,062	\$ 57
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	\$ -	\$ 36
Total Components Not Requiring or Generating Resources	\$ -	\$ 36
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	\$ 1,062	\$ 93
Net Cost of Operations	\$ 8,236	\$ 8,907

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 14, 2011, which is the date the financial statements were available to be used.

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


November 14, 2011

Martin & Wall, A Division of Chortek & Gottschalk, LLP
Mark E. Albrecht, CPA, Partner
1633 Q Street, NW, Suite 230
Washington, DC 20009

Dear Mr. Albrecht:

We have reviewed the draft audit report provided to us relating to your audit of National Capital Planning Commission for the fiscal years ended September 30, 2011 and 2010. 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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