



Performance Accountability Report

National
Capital
Planning
Commission

2012

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A Message from the Chairman



I am pleased to present the National Capital Planning Commission's Performance and Accountability Report for FY 2012. This report is one of the many ways we demonstrate our commitment to openness and transparency about NCPC's operations – by sharing the results of our progress towards the goals in our Strategic Plan and informing you of how we used our resources during Fiscal Year 2012.

NCPC 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. This has been a remarkable year for NCPC. NCPC continued to successfully accomplish its core mission with limited resources. NCPC reviewed over 140 development proposals and plans in the National Capital Region as part of its project planning and review responsibilities. Many of these proposals and plans were generated by the federal government's largest landholders and involved major master plans, commemorative works and planning and revitalization projects.

NCPC continued to update the six *Federal Elements of the Comprehensive Plan for the National Capital* and drafted a new Urban Design Element. Each element is a statement of principles, goals, and planning policies for the growth and development of the national capital during the next 20 years. The goals of the updates are to ensure they are effective, accurate, and reflect current government policies and planning goals. The new Urban Design Element will establish policies that address how federal facilities and campuses fit within the urban context of Washington, D.C. and the National Capital Region.

In July 2012, NCPC and its federal partners completed and released for public comment the draft Southwest Ecodistrict plan, a vision that identifies urban development scenarios, urban design and environmental strategies, and a set of recommendations to achieve development and sustainability goals for the 10th Street and Maryland Avenue corridors. The recommendations identify next steps and an organization structure for future implementation. A general transportation analysis; energy, water and waste resource modeling at a building and district level; and a market study conducted by the District Office of Planning as part of the Maryland Avenue SW Small Area Plan, informed the recommendations for the SW Ecodistrict Plan.

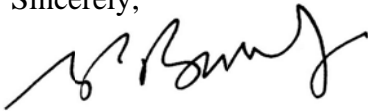
Additionally, NCPC and its federal partners drafted the report, *The State of Commemoration Planning in Washington, D.C.* *The State of Commemoration Planning* is designed to trigger an open dialog with the public, agency stakeholders, and Congressional sponsors about the current memorial landscape and key issues that warrant improvement and further study.

In support of the Administration's Open Government Initiative, NCPC expanded its Speaker Series to engage the public on topics such as Federal Design, Washington's Emerging Ecodistricts and Sustainable Installation Planning.

NCPC continues to ensure that its resources are well managed with the proper oversight. The performance and financial data in this report is reliable and complete and consistent with the guidance provided by the Office of Management and Budget. Based on the Independent Auditor's unqualified opinion on NCPC's consolidated financial statements, and the absence of any material internal control weaknesses, I can provide reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act have been met and that its financial systems conform to government-wide standards.

NCPC looks forward to reporting further progress to the Nation as we strive to effectively achieve our mission by protecting and enhancing the extraordinary historical cultural and natural resources of the National Capital Region. These are exciting times for NCPC and I know that my capable staff will move the work of this agency to realize its fullest potential.

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

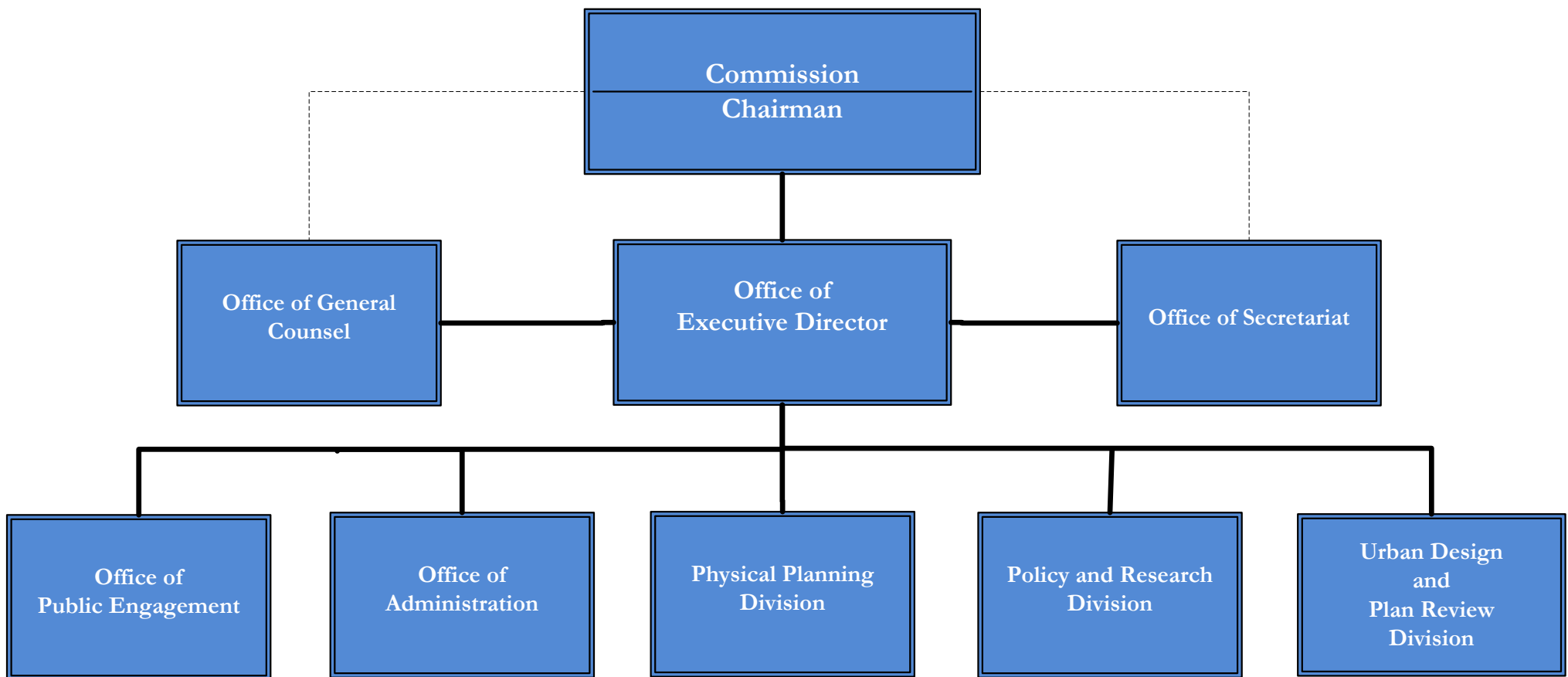
The National Capital Planning Commission envisions a vibrant world capital that accommodates the needs of our federal government; enriches the lives of the region's residents, workers, and visitors; and embodies an urban form and character that reflect the enduring values of the American people.

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 Chart

September 2012



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 Engagement

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.

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 145 projects. These projects included 2 commemorative works, 3 master plans, 2 street and alley closings, 23 zoning proposals, and 115 planning and revitalization programs as well as capital budgets.

The Commission approved the preliminary design and final foundation plans for the National Museum of African American History and Culture to be located at the corner of 15th Street and Constitution Avenue, NW.

The Commission approved the final plans for the Ukrainian Famine Memorial at the intersection of North Capitol Street and Massachusetts Avenue and F Streets, NW. Congress authorized the Government of Ukraine to establish a memorial on federal land in the District of Columbia to honor the memory of the million that lost their lives and to serve as a tangible reminder of the need to prevent such tragedies in the future.

The Commission approved the Master Plan for the Intelligence Community Campus-Bethesda. The master plan provides a vision and framework to transform the facility into a secure campus supporting U.S. Intelligence Community activities.

The Commission approved the University of the District of Columbia – Van Ness Campus Plan. This campus plan was updated to accommodate projected student growth through the year 2020 and features the construction of a new student center and student housing, and the installation of new green roofs on existing buildings.

The Commission approved preliminary and final site development plans for the Federal Triangle Heritage Trail, a self-guided walking tour consisting of 16 signs that highlight the art architecture, and history of the Federal Triangle in Northwest Washington, D.C.

The Commission approved the preliminary and final site development plans for streetscape and site improvements at the Lafayette Building, 811 Vermont Avenue, NW. The building's site will be upgraded with new street trees, benches, street lighting, pavement and wheelchair ramps.

The Commission commented favorably on Phase II and III of the turf and soil reconstruction on the National Mall. This project includes reengineering of the subsurface soil; planting new turf; and constructing a below-grade irrigation and water storage system.

The Commission approved the preliminary and final site development plans for the installation of five Capital Bikeshare stations near the National Mall. The Capital Bikeshare program is a collaborative effort between the District of Columbia and Arlington County governments to provide alternative transportation for workers, visitors, and residents within their jurisdictions.

The Commission commented favorably on the concept design for the installation of perimeter security elements at the Herbert C Hoover Building, 1401 Constitution Avenue, NW. The proposal includes a cable rail system that will be concealed by stone-

clad piers and other security elements such as bollards, and reinforced light and flag poles.

The Commission approved plans for site improvements and installation of perimeter security at the Albert B. Bryan United States Courthouse in Alexandria, Virginia. The proposal includes the installation of retractable security bollards and reinforced garden walls.

The Commission approved a number of projects at Fort Belvoir to include: the National Intrepid Center of Excellence, National Museum of the United States Army, Travel Camp, and Automated Car Wash.

The Commission also approved a number of BRAC related projects at the Naval Support Activity Bethesda - Wounded Warrior Transition Lodge, Senior Enlisted Housing Units, and Replacement of Gates 3 and 4.

The Commission reviewed and commented on the Southwest Waterfront First Stage Planned Unit Development which identifies building massing, land uses, open space development, waterfront development and improvements as well as related map amendments.

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 initiated a comprehensive review of the FCIP to assess the program's effectiveness and to identify enhancements to further the agency's mission.

NCPC, as required by the Planning Act, reviewed the District of Columbia's Capital Improvements Program to determine what impacts the program may have on the federal establishment in the NCR. NCPC also reviewed and commented on the capital improvements programs for other state and local jurisdictions in the region, including the City of Alexandria, Loudon, Prince William and Fairfax Counties in Virginia and Montgomery and Prince George's Counties in Maryland .

NCPC continued its work updating the *Comprehensive Plan for the National Capital: Federal Elements*. The overall goals of the updates are to ensure they are effective, accurate, and reflect current government policies and planning goals. The NCPC adopted the revised Transportation Element and circulated for comment the draft Federal Workplace Element. NCPC advanced its work with the Urban Design Task Force to guide the development of an Urban Design Element. The new Urban Design Element will establish policies that address how federal facilities and campuses fit within the urban context of Washington, D.C. and the National Capital Region.

NCPC, the National Park Service and the Commission of Fine Arts completed an update of the draft report, *The State of Commemoration Planning in Washington, D.C.*, documenting the processes for establishment and development of commemorative works in Washington, D.C. The study was prompted by interest expressed during the public

comment period of the Monumental Core Framework Plan, the National Mall Plan and during the comment periods of individual memorial projects. *The State of Commemoration Planning* is designed to trigger an open dialog with the public, agency stakeholders, and Congressional sponsors about the current memorial landscape and key issues that warrant improvement and further study.

NCPC continued to work on mapping commemorative sites in the District and the Region. Phase I of the online map has been completed and is currently on NCPC's main website. The map helps visitors and residents learn about over 120 commemorative works and their location in our nation's capital.

NCPC, in close partnership with the Commission of Fine Arts, the General Services Administration, the District of Columbia Office of Planning and other federal and local agencies developed the draft Southwest Ecodistrict plan. The Southwest Ecodistrict plan is a vision that identifies urban development scenarios, urban design and environmental strategies, and a set of recommendations to achieve development and sustainability goals for the 10th Street and Maryland Avenue corridors. The recommendations identify next steps and an organization structure for future implementation. A general transportation analysis; energy, water and waste resource modeling at a building and district level; and a market study conducted by the District Office of Planning as part of the Maryland Avenue SW Small Area Plan, informed the recommendations for the SW Ecodistrict Plan.

The Commission continued to advance the work of its Interagency Security Task Force. The Task Force met to identify strategies for balancing the security and urban design priorities of federal spaces in the monumental core and develop recommendations on how to efficiently and effectively address the Federal Triangle's perimeter security needs throughout the historically significant precinct while enhancing its public spaces for pedestrians and visitors.

NCPC released the Federal Triangle Stormwater Drainage Study along with a Companion Report that focused on interior drainage and supplements the ongoing 17th Street, NW levee work on the National Mall by the U.S. Army 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.

NCPC in partnership with the Federal Emergency Management Agency (FEMA) and the US Army Corps of Engineers (USACE) held the Federal Triangle Flood-proofing Seminar. The one-day event included tours showcasing flood-proofing and on-site stormwater facilities of the Smithsonian Museum of Natural History and the National Archives, as well as presentations by FEMA, the USACE, and facilities managers of various buildings in the Federal Triangle precinct. Attendees were provided valuable tools for assessing flood risks and building vulnerabilities to flooding, and real world examples of flood-proofing techniques successfully used in the Federal Triangle.

Facilitators discussed the significance of Executive Order 11988, *Floodplain Management*, in accomplishing a federal agency's mission, provided attendees with tools

for assessing flood risks and building vulnerabilities to flooding, and real world examples of flood-proofing techniques used in the Federal Triangle.

NCPC continued its informative speaker series with lectures by renown planning professionals on *Redefining Security a Decade after 9/11*, *Agents of Change: Local Perspectives on Federal Design*, *Shades of Green: Washington's Emerging Ecodistricts*, and *Sustainable Installation Planning*.

In an effort to keep the public knowledgeable about the importance of planning for the national capital and its many natural resources, NCPC staff participated in numerous panel discussions, symposiums, conference and interviews with national and local media and representatives of professional publications. Commission members and staff also gave presentations to national, international and local audiences on the agency's key activities and sought the public's feedback on NCPC's planning and development projects. NCPC hosted public meetings on planning initiatives to discuss and solicit public opinions concerning the development of an eco-district 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, 2012 was strong but differed with its financial position as of September 30, 2011.

Balance Sheet: (In thousands)

	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Total Assets	\$3,625	\$2,878	\$747	25.96%

As in prior Fiscal Years, Fund Balance with Treasury (FBWT) was the bulk of NCPC's assets. The types of FBWT transactions incurred in Fiscal Year 2012 were largely consistent with the types of FBWT transactions incurred in Fiscal Year 2011 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 were significantly higher in Fiscal Year 2012. 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, Fiscal Year 2011, 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. Although obligated at September 30, 2011, the majority of the facilities and equipment improvement projects were not expended until Fiscal Year 2012. The result was to close the gap between Fiscal Year 2011 and Fiscal Year 2010, and end Fiscal Year 2012 within \$115 of FBWT in Fiscal Year 2011. The expended facility improvement and equipment upgrades, net of depreciation expense, resulted in an \$864 increase in General Property Plant, and Equipment.

As a result of the Federal Pay Freeze for 2012 and vacancy management, NCPC had a 4% decrease, in personnel cost disbursements below Fiscal Year 2011.

Finally, 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. Only \$20 was cancelled in Fiscal Year 2012.

	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Total Liabilities	\$2,655	\$2,008	\$647	32.22%

The types of liability transactions that NCPC incurred in Fiscal Year 2012 were largely consistent with the types of transactions incurred in Fiscal Year 2011. The amortization of the unfunded liability at September 30, 2011 as a result of the new Occupancy Agreement with GSA increased the liability \$85 to \$1,147 from \$1,062 due to the \$119 Commission Credit in Fiscal Year 2012. NCPC's normal liability categories were accrued pay and benefits and unfunded payroll and accounts payable. Accounts Payable with other federal agencies increased \$144 and Accounts Payable with the public increased \$446 for a combined increase of \$590, 233.2% over Fiscal Year 2011. As previously discussed, the facility and equipment upgrades obligated in Fiscal Year 2011, were executed in Fiscal Year 2012. At the conclusion of Fiscal Year 2012, two of the projects to be capitalized were almost complete, but un-invoiced, and a third project was complete, but also un-invoiced. The result was an increase of \$557 in the Estimated Accounts Payable Accrual.

Statement of net Cost: (In thousands)

	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Gross Costs	\$8,335	\$8,382	\$(47)	(0.56)%

The types of expenditure transactions incurred in Fiscal Year 2012 were largely consistent with the types of expenditure transactions incurred in Fiscal Year 2011 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. Consistent with Fiscal Year 2011, personnel costs decreased from Fiscal Year 2011 to Fiscal Year 2012. As a result of the Federal Pay Freeze for 2012 and vacancy management, NCPC incurred \$199 less, a 4% decrease in personnel costs below Fiscal Year 2011. The decrease in personnel costs was offset by an increase in the non-capitalized portion of the facility and equipment upgrades obligated at the conclusion of Fiscal Year 2011, but expended in Fiscal Year 2012.

	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Earned Revenue	\$(2)	\$146	\$(148)	(100.14)%

The majority of NCPC's Earned Revenue is the result of Reimbursable Agreements with other Federal Agencies and the District of Columbia. In Fiscal Year 2011, NCPC earned \$110 of revenue as a result of services provided to the Department of Homeland Security and an additional \$36 of revenue as a result of services provided to the District of Columbia. At the conclusion of Fiscal Year 2011, all prior year reimbursable agreements

were completed and NCPC received \$0 in new reimbursable agreements in Fiscal Year 2012.

Statement of Budgetary Resources: (In Thousands)

Budgetary Resources	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Net Appropriation	\$8,141	\$8,490	\$(349)	(4.11)%
Other Changes in Unobligated Balance	\$(20)	\$(382)	\$362	94.76%

The types of budgetary authority that NCPC received in Fiscal Year 2012 were consistent with the types of budget authority that NCPC received in Fiscal Year 2011. NCPC has one main type of budget authority, annual appropriations.

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 \$20 of expired authority was cancelled on September 30, 2012.

Status of Budgetary Resources	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Obligations Incurred	\$8,136	\$8,587	\$(451)	(5.25)%
Unobligated Balance, End of Year, Unapportioned	\$335	\$237	\$98	4.14%

The types of direct obligations incurred in Fiscal Year 2012 were largely consistent with the types of obligation transactions incurred in Fiscal Year 2011 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. Therefore, although rental payments under the new lease were \$951 higher in Fiscal Year 2012, the cost of facility upgrades and purchased equipment was \$1,057 lower than in Fiscal Year 2011.

Consistent with Fiscal Year 2011 and previous Fiscal Years, the majority of the obligations incurred in Fiscal Year 2012 covered: 1) pay and benefits; and 2) the cost of leased real estate. The combined cost of these items was \$6,469, or 79.46% of the budget. In Fiscal Year 2011, the combined cost of these items was \$6,760 or 79.62% of the budget. Two hundred and forty two thousand dollars of the \$291 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.

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. In Fiscal Year 2012, unobligated authority actually increased. \$20 of expired authority was cancelled, but \$118 of unobligated authority was added due to the addition of the unobligated balance of the Fiscal Year 2012 appropriation and an increase in expired authority due to prior year recoveries of expired authority in all remaining appropriated funds.

Budget Authority and Outlays, Net	Fiscal Year 2012	Fiscal Year 2011	Variance	Percentage Inc/(Dec)
Outlays, Gross	\$8,240	\$7,095	\$1,145	16.13%

The types of outlays in Fiscal Year 2012 were largely consistent with the types of outlay transactions in Fiscal Year 2011 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. The majority of the facility and equipment improvement projects were obligated, but unexpended at September 30, 2011. Therefore, rental payments under the new lease were \$927 higher in Fiscal Year 2012 and as the facility and equipment improvements were completed and invoiced in Fiscal Year 2012 an additional \$492 was disbursed over Fiscal Year 2011. In addition, as discussed in the Statement of Net Cost and The Statement of Budgetary Resources, Obligations Incurred, the cost of pay and benefits was lower in Fiscal Year 2012 than in Fiscal Year 2011. The increased outlays from rental payments and the completion of facility and equipment projects was offset by \$212 less pay and benefit cost disbursements.

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 2012 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 2012 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 2012, NCPC:

- Adopted the revised Transportation Element and circulated for comment the draft Federal Workplace Element of the *Comprehensive Plan for the National Capital: Federal Elements*.
- Released the Federal Triangle Stormwater Drainage Study.
- In partnership with the National Park Service and the Commission of Fine Arts updated the draft report, *The State of Commemoration Planning in Washington, D.C.*
- Completed Phase I of an online map of the Commemorative Landscape of Washington and surrounding counties to help visitors and residents learn about over 120 commemorative works.
- In partnership with the Commission of Fine Arts, the General Services Administration, the District of Columbia Office of Planning and other federal and local agencies, completed the draft plan for the development of the Southwest Ecodistrict.
- Initiated a comprehensive review of the FCIP to assess the program's effectiveness.
- Reviewed the District of Columbia and other regional Capital Improvement Programs.

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 2012, NCPC: Approved and commented on 145 projects planning and urban design proposals to include:

- Approved the preliminary design and final foundation plans for the National Museum of African American History and Culture.
- Approved the final plans for the Ukrainian Famine Memorial at the intersection of North Capitol Street and Massachusetts Avenue and F Street, NW.
- Approved the Master Plan for the Intelligence Community Campus-Bethesda, a vision and framework to transform the facility into a secure campus supporting U.S. Intelligence Community activities.
- Approved the preliminary and final site development plans for streetscape and site improvements at the Lafayette Building, 811 Vermont Avenue, NW.
- Commented favorably on Phase II and III of the turf and soil reconstruction on the National Mall.
- Approved the preliminary and final site development plans for the installation of five Capital Bikeshare stations near the National Mall.
- Commented favorably on the concept design for the installation of perimeter security elements at the Herbert C Hoover Building, 1401 Constitution Avenue, NW.
- Approved plans for site improvements and installation of perimeter security at the Albert B. Bryan United States Courthouse in Alexandria, Virginia.
- Approved a number of projects at Fort Belvoir to include: the National Intrepid Center of Excellence, National Museum of the United States Army, Travel Camp, and Automated Car Wash.
- Approved a number of BRAC related projects at the Naval Support Activity Bethesda - Wounded Warrior Transition Lodge, Senior Enlisted Housing Units, and Replacement of Gates 3 and 4.
- Reviewed and commented on the Southwest Waterfront First Stage Planned Unit Development which identifies building massing, land uses, open space development, waterfront development and improvements as well as related map amendments.

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 2012, NCPC:

- Partnered with the Federal Emergency Management Agency and the US Army Corps of Engineers to host the Federal Triangle Flood-proofing Seminar.
- Hosted public meetings on planning initiatives to discuss and solicit public opinions concerning the development of an eco-district along the 10th Street Corridor, and Transportation and Federal Workplace Elements of the Comprehensive Plan Federal Elements: National Capital Region.
- Advanced the Agency's Speaker Series with presentations on Redefining Security a Decade after 9/11, Agents of Change: Local Perspectives on Federal Design, Shades of Green: Washington's Emerging Ecodistricts, and Sustainable Installation Planning.
- 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 participated in 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.
- Published the Agency's 2011 Annual Report.

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 2012, NCPC:

- Reviewed and commented on proposed legislation and testimony regarding the Wall of Remembrance at Korean War Memorial, Peace Corps Commemorative Act, Gold Star Mothers National Monument Act, World War II Prayer Act of 2011, Frank Buckles World War I Memorial, Eisenhower Memorial, National Liberty Act Memorial, Coast Guard Headquarters relocation to St. Elizabeths, and the Future of the National Mall.

- Partnered with the Interagency Security Committee and the General Services Administration to address challenges of physical security within the Federal Triangle and redevelopment of the Maryland Avenue SW area.
- 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 (MWCOC), 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 2012, NCPC:

- Completed modernization of the agency's telecommunications infrastructure reducing future operational costs for NCPC.
- Completed the virtualization of the agency's network server infrastructure improving disaster recovery capability and reducing operational overhead.
- Completed upgrade of the agency's Geographic Information System (GIS) infrastructure and Central Files Information System (CFIS).
- Completed assessment of the agency's information security program, policy and procedures.
- Completed a review and analysis of OPM's government-wide Federal Human Capital Survey for 2011 and published the findings and results on NCPC's public web site.
- Completed updates to important agency policy including National Security Classified Information Policy, the Reasonable Accommodations Policy, and the Limited English Proficiency Policy.
- Agency financial management and accounting practices, internal controls and financial reporting were scored as GREEN through the first three quarters of FY 12 by the Department of Treasury's Financial Management Service.
- Awarded 50% of agency procurements to small businesses during FY 2012, far above the 32% Small Business Administration Procurement Preference Goal established for NCPC.
- Completed an audit of its FY 2011 financial statements and received an unqualified audit opinion and a report of no material weaknesses.

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 2012 Performance and Accountability Report. The independent auditor has once again 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 opinion highlights for the public the continuing commitment of the National Capital Planning Commission to maintain sound financial management of the resources entrusted to us.

In Fiscal Year 2012, the NCPC continued the course of strengthening its financial management practices across the organization, aggressively implementing business process improvements to tighten controls during the budget planning and execution phases. The Commission's financial condition is sound and it has sufficient internal controls to ensure its budget authority is not exceeded and the funds are used efficiently and effectively. The independent auditor, 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 2012, NCPC continued to partner with an outside firm to administer various aspects of financial management and accounting functions. Through this partnership, NCPC advanced the development of new policies and procedures to enhance internal controls in its financial management operations. Financial management and internal control matters were further enhanced through updates to its accounting system and 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. Looking ahead, NCPC will continue to update financial policies and systems to support the agency's mission and continue its sound financial management.

Sincerely,

A handwritten signature in black ink that reads "Barry S. Socks". The signature is fluid and cursive, written over a light blue horizontal line.

Barry S. Socks
Chief Operating Office



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 (NCPC). We have audited the accompanying balance sheets of the National Capital Planning Commission as of September 30, 2012 and 2011 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, 2012 and 2011, 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 grant 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, 2012 and 2011, 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, 2012 and 2011, 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 section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Circular A-136, *Financial Reporting Requirements, revised*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and the presentation of the supplementary information and analysis of the consistency with the financial statements. However, we did not audit the information and express no opinion on it. The Performance and Accountability Report, except for Management's Discussion and Analysis, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we 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 year 2012 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies, as defined above.

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 2012 and 2011 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, contracts and agreements 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 2012 and 2011 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 2012 and 2011 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 grant 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 and Commission members, the 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 & Sattley, LLP

Washington, DC November 15, 2012

NATIONAL CAPITAL PLANNING COMMISSION

BALANCE SHEETS
As of September 30, 2012 and 2011

(Dollars in Thousands)

	FY 2012	FY 2011
Assets (Note 3)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 4)	\$ 2,761	\$ 2,876
Total Intragovernmental Assets:	2,761	2,876
Accounts Receivable, Net (Note 5)	-	2
General Property, Plant and Equipment, Net (Note 6)	864	-
Total Assets	\$ 3,625	\$ 2,878
Liabilities (Note 7)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 283	\$ 139
Other Intragovernmental Liabilities (Note 8)	1,202	1,114
Total Intragovernmental Liabilities:	1,485	1,253
Accounts Payable	560	114
Other Liabilities (Note 8)	610	641
Total Liabilities	2,655	2,008
Net Position		
Unexpended Appropriations		
Earmarked Funds	-	-
All Other Funds	1,577	2,240
Cumulative Results of Operations		
Earmarked Funds	-	-
All Other Funds	(607)	(1,370)
Total Net Position	\$ 970	\$ 870
Total Liabilities and Net Position	\$ 3,625	\$ 2,878

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

**STATEMENTS OF NET COST
For the Years ended September 30, 2012 and 2011**

(Dollars in Thousands)

Program Costs (Note 10):	FY 2012	FY 2011
Project Planning:		
Gross Costs	\$ 2,630	\$ 2,080
Less: Earned Revenue (Note 11)	2	(110)
Net Program Costs	\$ 2,632	\$ 1,970
Comprehensive Planning:		
Gross Costs	\$ 860	\$ 571
Less: Earned Revenue	-	(36)
Net Program Costs	\$ 860	\$ 535
Federal Capital Improvements:		
Gross Costs	\$ 165	\$ 110
Net Program Costs	\$ 165	\$ 110
Planning Operations:		
Gross Costs	\$ 4,680	\$ 5,621
Net Program Costs	\$ 4,680	\$ 5,621
Net Program Costs Including Assumption Changes	\$ 8,337	\$ 8,236
Net Cost of Operations	\$ 8,337	\$ 8,236

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, 2012

(Dollars in Thousands)

	FY 2012 Earmarked Funds	FY 2012 All Other	FY 2012 Eliminations	FY 2012 Consolidated
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (1,370)	\$ -	\$ (1,370)
Beginning Balances, As Adjusted	-	(1,370)	-	(1,370)
Budgetary Financing Sources:				
Appropriations Used	-	8,784	-	8,784
Imputed Financing From Costs Absorbed by Others	-	316	-	316
Total Financing Sources	-	9,100	-	9,100
Net Cost of Operations (+/-)	-	(8,337)	-	(8,337)
Net Change	-	763	-	763
Cumulative Results of Operations	-	(607)	-	(607)
Unexpended Appropriations:				
Beginning Balances	-	2,240	-	2,240
Beginning Balances, As Adjusted	-	2,240	-	2,240
Budgetary Financing Sources:				
Appropriations Received	-	8,154	-	8,154
Other Adjustments (Rescissions, etc.) (+/-)	-	(33)	-	(33)
Appropriations Used	-	(8,784)	-	(8,784)
Total Budgetary Financing Sources	-	(663)	-	(663)
Total Unexpended Appropriations	-	1,577	-	1,577
Net Position	-	970	-	970

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)

	FY 2011 Earmarked Funds	FY 2011 All Other	FY 2011 Eliminations	FY 2011 Consolidated
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (324)	\$ -	\$ (324)
Beginning Balances, As Adjusted	-	(324)	-	(324)
Budgetary Financing Sources:				
Appropriations Used	-	6,840	-	6,840
Other Financing Sources:				
Imputed Financing From Costs Absorbed by Others	-	350	-	350
Total Financing Sources	-	7,190	-	7,190
Net Cost of Operations (+/-)	-	(8,236)	-	(8,236)
Net Change	-	(1,046)	-	(1,046)
Cumulative Results of Operations	-	(1,370)	-	(1,370)
Unexpended Appropriations:				
Beginning Balances	-	972	-	972
Beginning Balances, As Adjusted	-	972	-	972
Budgetary Financing Sources:				
Appropriations Received	-	8,507	-	8,507
Other Adjustments (Rescissions, etc.) (+/-)	-	(399)	-	(399)
Appropriations Used	-	(6,840)	-	(6,840)
Total Budgetary Financing Sources	-	1,268	-	1,268
Total Unexpended Appropriations	-	2,240	-	2,240
Net Position	-	870	-	870

The accompanying notes are an integral part of these financial statements

NATIONAL CAPITAL PLANNING COMMISSION

**STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2012 and 2011**

(Dollars in Thousands)

	FY 2012 Total Budgetary	FY 2012 Total Non-Budgetary Financing Accounts	FY 2011 Total Budgetary	FY 2011 Total Non-Budgetary Financing Accounts
Budgetary Resources:				
Unobligated Balance Brought Forward, Oct 1	\$ 237	\$ -	\$ 667	\$ -
Unobligated Balance Brought Forward, Oct 1, as Adjusted	237	-	667	-
Recoveries of Prior Year Unpaid Obligations	110	-	31	-
Other Changes in Unobligated Balance	(20)	-	(382)	-
Unobligated Balance From Prior Year Budget Authority, Net	327	-	316	-
Appropriations (Discretionary and Mandatory)	8,141	-	8,490	-
Spending Authority From Offsetting Collections (Discretionary and Mandatory)	3	-	18	-
Total Budgetary Resources	\$ 8,471	\$ -	\$ 8,824	\$ -
Status of Budgetary Resources:				
Obligations Incurred (Note 12)	\$ 8,136	\$ -	\$ 8,587	\$ -
Unobligated Balance, End of Year: Unapportioned	335	-	237	-
Total Unobligated Balance, End of Year	335	-	237	-
Total Status of Budgetary Resources	\$ 8,471	\$ -	\$ 8,824	\$ -
Change in Obligated Balance:				
Unpaid Obligations, Brought Forward, October 1 (Gross)	\$ 2,640	\$ -	\$ 1,178	\$ -
Obligated Balance Start of Year (Net), Before Adjustments (+ or -)	2,640	-	1,178	-
Obligated Balance Start of Year (Net), As Adjusted	2,640	-	1,178	-
Obligations Incurred	8,136	-	8,587	-
Outlays Gross (-)	(8,240)	-	(7,095)	-
Recoveries of Prior Year Unpaid Obligations (-)	(110)	-	(31)	-
Obligated Balance, End of Year Unpaid Obligations, End of Year (Gross)	2,426	-	2,639	-
Oligated Balance, End of Year (Net)	\$ 2,426	\$ -	\$ 2,639	\$ -
Budget Authority and Outlays, Net:				
Budget Authority, Gross (Discretionary and Mandatory)	\$ 8,144	\$ -	\$ 8,508	\$ -
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(3)	-	(18)	-
Budget Authority, Net (Discretionary and Mandatory)	8,141	-	8,490	-
Outlays, Gross (Discretionary and Mandatory)	8,240	-	7,095	-
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(3)	-	(18)	-
Outlays, Net (Discretionary and Mandatory)	8,237	-	7,077	-
Agency Outlays, Net (Discretionary and Mandatory)	\$ 8,237	\$ -	\$ 7,077	\$ -

The accompanying notes are an integral part of these financial statements

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

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 approves or denies all District of Columbia public projects and proposed policies, plans, and provides comments on all 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, 2012, 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 August 3, 2012. 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) 2012 and 2011, 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.

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, 2012 and 2011

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, 2012 and 2011

NOTE 3 - NON-ENTITY ASSETS

(Dollars in Thousands)

Intragovernmental:	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Total Non-Entity Assets	\$ -	\$ -
Total Entity Assets	<u>3,625</u>	<u>2,878</u>
Total Assets	<u>\$ 3,625</u>	<u>\$ 2,878</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 4 - FUND BALANCE WITH TREASURY

(Dollars in Thousands)

Fund Balances:	September 30, 2012 <u>Total</u>	September 30, 2011 <u>Total</u>
General Funds	\$ 2,761	\$ 2,876
Total	<u>\$ 2,761</u>	<u>\$ 2,876</u>

Status of Fund Balance with Treasury:

Unobligated Balance		
Unavailable	\$ 335	\$ 237
Obligated Balance Not Yet Disbursed	<u>2,426</u>	<u>2,639</u>
Total	<u>\$ 2,761</u>	<u>\$ 2,876</u>

Other Information:

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 5 - ACCOUNTS RECEIVABLE

(Dollars in Thousands)

	Gross Amount Due	Allowance for Uncollectible Amounts	Net Amount Due
As of September 30, 2012			
Public:			
Accounts Receivable	\$ -	\$ -	\$ -
As of September 30, 2011			
Public:			
Accounts Receivable	\$ 2	\$ -	\$ 2

NCPC engages in immaterial receivables with the public. The public receivable balance as of September 30, 2011 was composed of one receivable reported on the Treasury Report on Receivables (TROR) as a receivable on a payment plan, and although it was outstanding for greater than 90 days, was considered fully collectible. In FY 2012 it was deemed uncollectible and written off.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 6 - GENERAL PROPERTY, PLANT AND EQUIPMENT

(Dollars in Thousands)

<u>Major Classes</u>	<u>Service Life</u>	September 30, 2012			September 30, 2011		
		<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	5 SL	\$ 278	\$ 21	\$ 257	\$ -	\$ -	\$ -
Leasehold Improvements	10 SL	532	422	110	419	419	-
Construction in Progress		497	-	497	-	-	-
Total		\$ 1,307	\$ 443	\$ 864	\$ 419	\$ 419	\$ -

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

The leasehold improvement for the lease ended November 30, 2010 was fully-depreciated in August 2010 with no additions to capitalized assets until the first Quarter of Fiscal Year 2012. NCPC recognizes Construction in Progress based upon the estimated completion of the assets under construction. NCPC commences to depreciate capitalized assets in the month following the period that they have been completed, are fully operational, and in service.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 7 - LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

(Dollars in Thousands)

Intragovernmental:	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Other Liabilities-Unfunded Rent Expense	\$ <u>1,147</u>	\$ <u>1,062</u>
Total Intragovernmental	<u>\$ 1,147</u>	<u>\$ 1,062</u>
Other Liabilities-Unfunded Leave	\$ <u>333</u>	\$ <u>320</u>
Total Liabilities Not Covered by Budgetary Resources	\$ 1,480	\$ 1,382
Total Liabilities Covered by Budgetary Resources	<u>1,175</u>	<u>626</u>
Total Liabilities	<u>\$ 2,655</u>	<u>\$ 2,008</u>

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 8 - OTHER LIABILITIES

(Dollars in Thousands)

	<u>Non-Current Liabilities</u>	<u>Current Liabilities</u>	<u>Total</u>
As of September 30, 2012			
Intragovernmental:			
Accrued Pay and Benefits	\$ -	\$ 55	\$ 55
Unfunded Accrued GSA Rent Expense	1,147	-	1,147
Total Intragovernmental Other Liabilities	\$ 1,147	\$ 55	\$ 1,202
Public:			
Accrued Pay and Benefits	\$ -	\$ 277	\$ 277
Other-Unfunded Leave	333	-	333
Total Public Other Liabilities	\$ 333	\$ 277	\$ 610
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	\$ 1,062	\$ 52	\$ 1,114
Public:			
Accrued Pay and Benefits	\$ -	\$ 321	\$ 321
Other - Unfunded Leave	320	-	320
Total Public Other Liabilities	\$ 320	\$ 321	\$ 641

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

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 in Fiscal Year 2011. NCPC received an additional Commission Credit of \$119 in the current 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 accounts for the lease on a straight-line basis over the lease term. The unfunded liability as of September 30, 2012 is \$1,147.

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 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>\$ 12,294</u>	<u>\$ 12,294</u>

Lease payments under the new lease, including estimated Real Estate Taxes Escalation Expense for the year ended September 30, 2012 was \$1,301. Total funded and unfunded GSA lease expense was \$1,386.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 10 - INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

(Dollars in Thousands)

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Project Planning:		
Intragovernmental Gross Costs	\$ 1,077	\$ 496
Public Costs	1,553	1,584
Total Project Planning Costs	<u>2,630</u>	<u>2,080</u>
Intragovernmental Earned Revenue	-	(110)
Public Earned Revenue	2	-
Total Project Planning Earned Revenue	<u>2</u>	<u>(110)</u>
Comprehensive Planning:		
Intragovernmental Gross Costs	\$ 414	\$ 124
Public Costs	446	447
Total Comprehensive Planning Costs	<u>860</u>	<u>571</u>
Public Earned Revenue	-	(36)
Total Comprehensive Planning Earned Revenue	<u>-</u>	<u>(36)</u>
Federal Capital Improvements:		
Intragovernmental Gross Costs	\$ 52	\$ 27
Public Costs	113	83
Total Federal Capital Improvements Costs	<u>165</u>	<u>110</u>
Planning Operations:		
Intragovernmental Gross Costs	\$ 1,616	\$ 2,275
Public Costs	3,064	3,346
Total Planning Operations Costs	<u>4,680</u>	<u>5,621</u>

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

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 11 - EXCHANGE REVENUES

Description of exchange revenues:

Occasionally, NCPC provides data, images, or training related to Geographic Information Systems to public entities in exchange for a fee. The fees are based upon the estimated cost to provide the goods or services requested. Exchange Revenue is recognized upon delivery of the goods or services to the public entity. In Fiscal Year 2012, NCPC wrote off a \$2 uncollectible receivable for goods and services provided a public entity. The balance of Accounts Receivable with the public is \$0.

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

**NOTE 12 - APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED:
DIRECT VS. REIMBURSABLE OBLIGATIONS**

(Dollars in Thousands)

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Direct Obligations Incurred:		
Category A	\$ 8,136	\$ 8,487
Total Direct Obligations Incurred	\$ 8,136	\$ 8,487
Reimbursable Obligations Incurred:		
Category B	\$ -	\$ 100
Total Reimbursable Obligations Incurred	\$ -	\$ 100
Total Obligations Incurred	\$ 8,136	\$ 8,587

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 details).

National Capital Planning Commission
Notes to Financial Statements
September 30, 2012 and 2011

NOTE 13 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

(Dollars in Thousands)

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Undelivered orders at the end of the period	\$ 1,252	\$ 2,013

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, 2012 and 2011

NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

(Dollars in Thousands)

	<u>FY 2012</u>	<u>FY 2011</u>
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 8,136	\$ 8,587
Less: Spending Authority From		
Offsetting Collections & Recoveries	113	49
Obligations Net of Offsetting		
Collections and Recoveries	\$ 8,023	\$ 8,538
Net Obligations	\$ 8,023	\$ 8,538
Other Resources		
Imputed Financing from Costs		
Absorbed by Others	\$ 316	\$ 350
Net Other Resources Used to		
Finance Activities	\$ 316	\$ 350
Total Resources Used to Finance		
Activities	\$ 8,339	\$ 8,888
Resources Used to Finance Items Not		
Part of the Net Cost of Operations:		
Change in Budgetary Resources		
Obligated But Not Provided (+/-)	\$ (762)	\$ 1,698
Resources That Fund Expenses		
Recognized in Prior Periods	-	16
Resources That Finance the		
Acquisition of Assets or		
Liquidation of Liabilities (+/-)	888	-
Total Resources Used to Finance Items		
Not Part of the Net Cost of Operations	\$ 126	\$ 1,714
Total Resources Used to Finance		
the Net Cost of Operations	\$ 8,213	\$ 7,174

**NOTE 14 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET
(CONTINUED)**

(Dollars in Thousands)

	<u>FY 2012</u>	<u>FY 2011</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	\$ 13	\$ -
Increase in Public Exchange Revenue		
Receivables	2	-
Other		
Other	85	1,062
Total Components Requiring or Generating Resources in Future Periods	\$ 100	\$ 1,062
Components Not Requiring or Generating Resources:		
Depreciation and Amortization	\$ 24	\$ -
Total Components Not Requiring or Generating Resources	\$ 24	\$ -
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	\$ 124	\$ 1,062
Net Cost of Operations	<u>\$ 8,337</u>	<u>\$ 8,236</u>

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 15, 2012, which is the date the financial statements were available to be used.

APPENDIX A

NATIONAL CAPITAL PLANNING COMMISSION
COMMENTS ON

DRAFT AUDIT REPORT

November 15, 2012

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, 2012 and 2011. 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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