# Fiscal Year 2020 Performance and Accountability Report



National Transportation Safety Board



# Message from the Chairman



I am pleased to present the National Transportation Safety Board's (NTSB) Fiscal Year (FY) 2020 Performance and Accountability Report. This report summarizes our goals and accomplishments for FY 2020 and presents key financial data about our FY 2020 operations.

Serving the American public as Chairman of the NTSB is truly a great privilege, and I am fortunate to lead such an incredibly talented and dedicated workforce.

Despite the COVID-19 national emergency, the agency remained open throughout the year to serve the American people and conduct mission-critical functions. Expanded use of technology enabled the NTSB to seamlessly convert to full-time telework. We held Board meetings virtually to increase the safety of the general public, and investigative and administrative processes were redesigned to adapt to our new circumstances. This allowed us to continue to fulfill our mission while protecting the safety of our employees.

We look forward to ongoing service to the Congress and the public as we reach our financial management and performance goals, while addressing current and future challenges in advancing transportation safety. The NTSB stands with our partners and colleagues in Congress, industry, and domestic and international agencies in protecting the traveling public and promoting safety.

The FY 2020 Performance and Accountability Report also includes the results of the independent audit of our FY 2020 financial statements, which I am pleased to announce, received for the 18th consecutive year, an unmodified (clean) opinion. I am also pleased to report that, based on our internal processes and controls, the NTSB provides reasonable assurance that we are in compliance with the Federal Managers' Financial Integrity Act, and that internal control over financial reporting is operating effectively to produce reliable and complete financial reporting as required by Office of Management and Budget Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls.

I am proud of what we have accomplished over the past year and look forward to building on past successes as we continually review and adjust our approach to accomplishing the NTSB's mission.

Sincerely,

Robert L. Sumwalt, III Chairman November 6, 2020

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# INTRODUCTION

# **About this Report**

Our Performance and Accountability Report (PAR) for fiscal year (FY) 2020 provides financial and performance information for the National Transportation Safety Board (NTSB) and compares performance results to the agency's strategic and performance goals. This information enables the President, the Congress, and the American people to assess the agency's performance as required by the following legislation:

- Federal Managers' Financial Integrity Act (FMFIA) of 1982
- Chief Financial Officers Act of 1990
- Government Performance and Results Act (GPRA) of 1993
- Government Management Reform Act of 1994
- Federal Financial Management Improvement Act of 1996
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA)

- Government Performance and Results Modernization Act (GPRAMA) of 2010
- Digital Accountability and Transparency Act (DATA) of 2014
- Payment Integrity Information Act of 2019
- Office of Management and Budget (OMB) Circular A-11, Preparation, Submission, And Execution of The Budget
- OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control
- OMB Circular A-136, Financial Reporting Requirements

The NTSB strives to keep the public informed of its activities. This report shows the tremendous effort and challenges involved in each of our modal office investigations and demonstrates how we are a major voice in promoting safety for the traveling public in the United States and globally. To learn more about the NTSB, visit our website at <a href="http://www.ntsb.gov">http://www.ntsb.gov</a>. The NTSB's Strategic Plan and annual PARs are available on our website at <a href="http://www.ntsb.gov/about/reports">http://www.ntsb.gov/about/reports</a>. The NTSB welcomes feedback on the form and content of this report.

# **How This Report is Organized**

The NTSB PAR is organized into three primary sections, plus a supplemental appendix, as required in OMB Circular A-136, Financial Reporting Requirements.

#### Management's Discussion and Analysis

This section provides an overview of the financial operations of the agency, the performance overview of the agency, highlights of the agency's performance goals and results, the status of systems and internal control weaknesses, and other pertinent information. It summarizes the NTSB's strategic goals and related objectives; provides annual performance information as required by OMB Circular A-11, GPRA, and GPRAMA; and includes a detailed discussion and analysis of the agency's performance in FY 2020. It also includes information about past results of key performance measures and provides a discussion of future challenges.

#### **Financial Section**

This section contains a message from the NTSB's Chief Financial Officer; details of the agency's FY 2020 finances; and the Department of Transportation Office of the Inspector General Quality Control Report, the Independent Auditor's Report, the NTSB Chief Financial Officer's Response to the Auditor's Report, and the agency's audited financial statements and notes.

#### INTRODUCTION

#### Other Accompanying Information

This section includes our Summary of Financial Statement Audit and Management Assurances, information about our compliance with Payment Integrity Information Act of 2019 and Fraud Reduction and Data Analytics Act of 2015 reporting, reporting of assessment and recapture of improper payments, Fraud Reduction efforts, and reporting of Civil Monetary Penalties.

#### **Appendices**

Appendix A lists the abbreviations, acronyms, and initialisms used in this report; Appendix B provides contact information and acknowledgements.

#### The NTSB at a Glance

#### History

The NTSB was created in 1967 as an accident investigation agency within the newly created US Department of Transportation (DOT). Since then, the agency's mission has been to determine the probable cause of transportation accidents and incidents and to formulate safety recommendations to improve transportation safety. The NTSB became an independent federal agency with the passage of the Independent Safety Act of 1974.

### Headquarters

The NTSB is headquartered in Washington, DC. We also have investigators located in offices in Ashburn, Virginia; Denver, Colorado; Anchorage, Alaska; and Federal Way, Washington; as well as investigators located throughout the country. The NTSB's training center is in Ashburn, Virginia.

# The NTSB's Vital Role in Transportation Safety

With the responsibility vested by Congress to investigate every civil aviation accident in the United States and significant accidents in other modes of transportation—railroad, highway, marine, and pipeline—the NTSB determines the probable causes of accidents and develops recommendations that will prevent future accidents or reduce their effects in terms of injury, loss of life, or damage to property. Safety recommendations are a focal point of our effort to improve the safety of the nation's and the world's transportation systems; they are issued to agencies, industry, and other organizations able to effect change. The NTSB promotes transportation

safety, assists victims of transportation accidents and their families, conducts safety studies, and prepares accident reports based on investigation and analyses of transportation accident and incident data. Our investigations are used to determine factors common to a series of events and to identify safety improvements or evaluate the effectiveness of transportation-related devices or policies. Safety studies enhance the agency's corporate knowledge, enabling us to better perform our transportation safety mission. Additionally, we serve as the appellate authority for enforcement actions involving aviation and mariner certificates issued by the Federal Aviation Administration (FAA) and US Coast Guard, as well as the appeals of civil penalty actions taken by the FAA.



# **SECTION I Management's Discussion and Analysis**

This section provides an overview of the agency's history, mission, organizational structure, strategic goals, program performance, financial management, and management assurances and provides a summary of the agency's most significant challenges.



# **Agency and Mission Information**

This section explains the NTSB's mission, legislative mandate, and core values; provides background on the agency; provides an overview of the NTSB's leadership and program structure, and agency's office location and resources; and presents a brief synopsis of the agency's most significant challenges as determined by management, and the specific actions planned or taken to address them.

# Performance Goals, Objectives, and Results

This section summarizes the NTSB's strategic goals, objectives, data validation and verification processes, and performance results.

# **Financial Highlights**

This section summarizes the agency's finances, including an analysis of the audited financial statements, the sources and uses of NTSB funds, and the limitations of the financial statements.

# Management Assurances, Systems, Controls, and Legal Compliance

This section provides management's assessment and assurance on the NTSB's internal controls under the FMFIA and the agency's conformity with other financial laws and regulations.

# **Management's Discussion and Analysis**

# **Agency and Mission Information**

Since its creation in 1967, the NTSB's mission has been to determine the probable cause of transportation accidents and incidents and to formulate safety recommendations to improve transportation safety. Our authority currently extends to these types of accidents:

- All US civil aviation accidents and certain public aircraft accidents.
- Select highway accidents.
- Railroad accidents involving passenger trains and select accidents involving freight trains that result in fatalities or significant property damage.
- Major marine accidents and any marine accident involving both a public and a nonpublic vessel.
- Pipeline accidents involving fatalities, substantial property damage, or significant environmental damage.
- Select accidents resulting in the release of hazardous materials in any mode of transportation.
- Select transportation accidents that involve problems of a recurring nature or that are catastrophic.

With the passing of the Independent Safety Board Act by Congress in 1974, NTSB's ties to the DOT were severed and the agency was authorized to take the following additional actions:

- Evaluate the effectiveness of government agencies involved in transportation safety.
- Evaluate the safeguards used in the transportation of hazardous materials.
- Evaluate the effectiveness of emergency responses to hazardous material accidents.
- Conduct special studies on transportation safety problems.
- Maintain an official US census of aviation accidents and incidents.
- Review appeals from individuals and entities who have been assessed civil penalties by the FAA.

 Review appeals from airmen and merchant seamen whose certificates have been revoked or suspended by the FAA and the US Coast Guard, respectively.

The NTSB also leads US teams assisting in foreign airline accident investigations conducted by foreign authorities under the provisions of International Civil Aviation Organization agreements. In 1996, the Aviation Disaster Family Assistance Act further assigned the NTSB the responsibility of coordinating federal government resources to support local and state governments, disaster relief organizations, and transportation carriers to address the concerns of accident survivors and family members following air carrier accidents that occurred in the United States or its territories and resulted in a loss of life (Title 49 United States Code [U.S.C.] § 1136). The rail passenger disaster family assistance provisions of the Rail Safety Improvement Act of 2008 assigned the NTSB similar responsibilities for rail passenger disasters that resulted in a loss of life (49 U.S.C. § 1139).

In our 2018 reauthorization, Congress expanded the agency's family assistance responsibilities, obligating the NTSB, to the maximum extent practicable, to provide information regarding our investigative processes and products to the families of individuals involved in any accidents we investigate before providing that information to the media (49 *U.S.C.* § 1140). Currently, the primary focus of agency efforts is to ensure compliance for accidents involving fatalities.

To date, the NTSB has investigated nearly 150,000 aviation accidents and thousands of surface transportation accidents. On call 24 hours a day, 365 days a year, our investigators have traveled throughout the United States and to every corner of the world to perform investigations. Because of this dedication, we are recognized as the world's leading accident investigation agency.

Over the years, the NTSB has issued over 15,100 safety recommendations resulting from NTSB investigations, to more than 2,400 recipients, in all transportation modes. Since 1990, we have published a Most Wanted List of Transportation Safety Improvements, which highlights safety-critical actions that the DOT modal administrations, the Coast Guard, the states, and other entities should take to help prevent accidents and save lives.

We are not authorized to regulate transportation equipment, personnel, or operations or to initiate enforcement action. However, because of our reputation for objectivity and thoroughness, many safety features currently incorporated into airplanes, helicopters, automobiles, commercial motor vehicles, trains, pipelines, and marine vessels had their genesis in NTSB safety recommendations.

#### Our Legislative Mandate

The NTSB's congressional mandate requires that the agency act independently and objectively in the conduct of accident investigations and safety studies, perform fair and objective pilot and mariner certification appeals, advocate for and promote safety recommendations, and assist victims of transportation accidents and their families.

#### Organizational Structure and Locations

Our organizational structure is designed around sound business and management principles. The NTSB Chairman serves as the chief executive officer for the agency. The Chairman, Vice Chairman, and Board Members review and approve major accident reports, safety studies, safety recommendations, and safety alerts, and provide appellate review of FAA certificate and certain civil penalty actions, as well as Coast Guard license actions. They also participate in accident or other transportation safety hearings, testify before congressional committees, and may act as the on-scene agency spokesperson during accident investigations.

#### **Our Core Values**

Our core values are the guardrails that guide our decisions and actions. They drive our workforce's conduct and shape the organization's vision and culture. As binding principles, the core values are fundamental elements that allow us to serve the public in a cohesive and consistent manner.

These core values serve as a beacon to guide our decision-making:

#### Integrity

We hold ourselves and each other to the highest ethical standards.

#### **Transparency**

We encourage openness, collaboration, and feedback to ensure clarity and trust.

#### Independence

We are impartial and objective.

#### **Excellence**

We are thorough, rigorous, and accurate.

#### **Diversity and Inclusion**

We are committed to being fair, honest, respectful, inclusive, and objective in our work and in our treatment of others; we continuously seek diverse perspectives in all that we do.

Figure 1: NTSB Core Values

#### The Board

The authority of the National Transportation Safety Board is vested in a Board of five Members, with each Member nominated by the President and confirmed by the Senate to serve 5-year terms. One Member is separately nominated by the President and confirmed by the US Senate to serve as Chairman and another is designated by the President as Vice Chairman, each for a 3-year term. When there is no designated Chairman, the Vice Chairman serves as acting Chairman.

The Chairman serves as the chief executive officer for the agency. The Chairman, Vice Chairman, and Board Members convene at NTSB Board meetings to review and approve NTSB reports, safety studies, and safety recommendations; provide appellate review of FAA certificate and certain civil penalty actions, as well as Coast Guard license actions; and act as spokespersons at accident scenes. They also advocate for implementation of safety recommendations with recommendation recipients, the transportation community, other federal agencies, state and local governments, and the public.



Honorable Michael Graham **Member** 



Honorable Bruce Landsberg Vice Chairman



Honorable Robert L. Sumwalt, III

Chairman



Honorable Jennifer Homendy **Member** 



Honorable Thomas Chapman **Member** 

#### Policy and Direction

The agency's responsibilities are executed through five areas: the Office of the Chief Financial Officer; the Office of the General Counsel; the Office of the Managing Director; the Office of Safety Recommendations and Communications; and the Office of Equal Employment Opportunity, Diversity, and Inclusion.

#### Office of the Managing Director

The Office of the Managing Director assists the Chairman in the discharge of executive, investigative and administrative functions of the agency. The office coordinates activities of the entire staff, manages the day-to-day operation of the agency, develops policies, and recommends plans to achieve program objectives. The Managing Director is responsible for the overall leadership, direction, and performance of the agency. The Office of the Managing Director was realigned in early 2020 to create a more effective span of control within the MD's office by establishing two Deputy Managing Directors and dividing pertinent workload between them; to provide more oversight and direction for the agency's accident investigation processes, from launch to product completion; to increase focus by the Managing Director on the overall management of the agency, including strategic planning; and to improve management and accountability over the agency's business and support offices.



Figure 2

Calabasas, California—An NTSB investigator examines wreckage during the NTSB's investigation of the crash of a Sikorsky S76B helicopter near Calabasas, California, on January 26, 2020.

The Office of Highway Safety (HS) investigates crashes that have significant safety implications nationwide, highlight national safety issues, involve a large loss of life, or generate high interest because of emerging technologies or their circumstances. Such investigations may focus on collapses of bridges spanning roadways or tunnel structures, mass casualties and injuries on public transportation vehicles (such as motor coaches and school buses), and collisions at highway-railroad grade crossings. HS also investigates crashes that involve new safety issues or technologies (such as automated vehicles and alternatively fueled vehicles). and develops special reports based on trends emerging from NTSB investigations and from research and data that identify common risks or underlying causes of crashes, injuries, and fatalities. The NTSB is the only US organization that performs independent, comprehensive, and transparent multidisciplinary investigations to determine the probable causes of highway crashes, with the goal of making recommendations to prevent similar events or to reduce injuries and fatalities.

The Office of Aviation Safety (AS) (1) investigates all air carrier, commuter, and air taxi accidents and certain serious incidents; fatal and nonfatal general aviation accidents and serious incidents; unmanned aircraft systems and public aircraft accidents and serious incidents; and commercial space launch/reentry accidents; (2) participates in the investigation of aircraft accidents that occur in foreign countries involving US carriers, US-manufactured or -designed equipment, or US-registered aircraft to fulfill US obligations under International Civil Aviation Organization agreements; and (3) investigates safety issues that extend beyond a single accident to examine specific aviation safety problems from a broader perspective. AS also conducts investigative activities through five specialty divisions based in Washington, DC, and a regional investigation management structure consisting of four regions. Investigators are located throughout the country. International aviation activities are coordinated from the Washington, DC office.



Figure 3

Pala Mesa, California - On February 22, 2020, a 2014 Freightliner chassis configured with a General Coach America 30-passenger coach body was southbound on Interstate Highway 15 in Pala Mesa, California, when it departed the roadway, overturned, slid down an embankment, and came to rest on its roof, resulting in minor-to-serious injuries to 17 passengers and the driver.

The Office of Marine Safety (MS) investigates and determines the probable cause of major marine casualties in US territorial waters, major marine casualties involving US-flagged vessels worldwide, and accidents involving both US public (federal) and nonpublic vessels in the same casualty. In addition, the office investigates select catastrophic marine accidents and those of a recurring nature.

The Coast Guard conducts preliminary investigations of all marine accidents and notifies the NTSB when an accident qualifies as a major marine casualty, which includes any one of the following:

- The loss of six or more lives.
- The loss of a mechanically propelled vessel of 100 or more gross tons.
- Property damage initially estimated to be \$500,000 or more.
- A serious threat, as determined by the Commandant of the Coast Guard and with the concurrence of the NTSB Chairman, to life, property, or the environment by hazardous materials.

For select major marine casualties, MS launches a full investigative team and presents the investigative product to the Board. For all other major marine casualties, the office launches a field team of marine investigators to the scene to gather information to develop a marine accident brief report.

The Office of Railroad, Pipeline, and Hazardous Materials Investigations (RPH) investigates accidents involving railroads, pipelines, and hazardous materials, and evaluates the associated emergency response. Based on our investigation findings, the NTSB may issue safety recommendations to federal and state regulatory unions, industry, safety standards agencies, organizations, carriers, pipeline operators, equipment and container manufacturers, producers and shippers of hazardous materials, and emergency response organizations. The office also issues safety alerts to industry.



Figure 4

**Ventura, California** – An MS investigator oversees the recovery of the wreckage of the small passenger vessel *MV Conception* off the Channel Islands on September 2, 2019.



Figure 5

Northlake, Illinois – A Union Pacific freight train and tractor semi-trailer are shown in their final resting position at the site of the April 23, 2020, grade crossing collision. (Photo provided by Union Pacific.)



Figure 6

Washington, DC – NTSB engineer opening the cockpit voice recorder's crash survivable memory unit taken from the Beech BE-350 that crashed into a hangar at Addison Airport shortly after takeoff in Addison, Texas, September 30, 2019.

The Office of Research and Engineering (RE) is an investigative office providing scientific and technical expertise for NTSB accident investigations in all modes of transportation. The office, also conducts safety research, generates periodic statistical reviews of aviation accidents, and provides medical and toxicology expertise for investigations in all modes and provides medical and toxicology expertise for investigations in all modes.

The Office of the Chief Information Officer (OCIO) provides strategic direction and operational support for NTSB information systems and develops and distributes programs and products for use by the agency and the public.

The Office of Administration coordinates and manages infrastructure and support activities for the NTSB, providing support in the areas of human resource management, labor relations, facilities management, safety, security, and acquisition and lease management. Physical inventory, shipping and receiving, and management of the NTSB conference and Training Center facilities are also major functions.

#### Office of the General Counsel

The Office of the General Counsel serves as the chief legal officer of the agency and ensures the proper implementation of NTSB's statutory responsibilities relating to transportation safety. Specifically, the office advises NTSB officials on legal and policy issues arising under the NTSB's governing legislation and regulations, and on other administrative law matters. The office also provides objective review of airman appeals of certificate actions and certain civil penalties and seaman license actions, acting on behalf of the agency on particular procedural aspects of enforcement cases; administers the agency's ethics program; provides legal reviews of contracts and acquisition documents; makes release determinations of official information for use in litigation not involving the United States; ensures compliance with statutes concerning public access to information through publication of NTSB decisions and releases under the Freedom of Information Act; drafts all rulemaking and interpretive guidance; represents the NTSB (or assists the Department of Justice) in administrative or judicial forums in personnel matters, in litigation arising from the agency's accident investigation responsibilities, and in other matters in which the agency has an interest; and provides internal legal assistance and guidance regarding all other aspects of NTSB accident and incident investigations, such as hearings, appearances as witnesses, the acquisition of evidence by subpoena and other means, and the taking of depositions.

#### Office of the Chief Financial Officer

The Office of the Chief Financial Officer (OCFO) manages NTSB financial resources, develops the agency's budget requests for submission to the OMB and Congress, and executes the budget for resources appropriated to the NTSB by Congress. The OCFO also prepares the agency's financial statements as required by the Accountability of Tax Dollars Act and oversees property and inventory control programs and the agency's travel and charge card programs. Additionally, the OCFO is responsible for agency accounting and financial policy and for overseeing internal controls to comply with the requirements of FMFIA.



Office of Equal Employment Opportunity, Diversity, and Inclusion

The Office of Equal Employment Opportunity, Diversity, and Inclusion (EEODI) advises and assists the Chairman and NTSB office directors in carrying out their responsibilities related to Title VII of the Civil Rights Act of 1964, as amended, and other laws, executive orders, and regulatory guidelines affecting diversity development, and the processing of Equal Employment Opportunity (EEO) complaints. These services are provided to managers, employees, and job applicants through a combination of full-time staff, collateral-duty employees, and volunteer managers of our special emphasis programs. To maintain the integrity and impartiality of the agency's EEO complaints resolution program, external EEO counselors and investigators are contracted to help employees and job applicants who file formal or informal complaints of alleged discrimination. In addition, the office manages an alternative dispute resolution

program. EEODI services also include providing required educational training to NTSB staff, raising diversity awareness at the agency, engaging in targeted outreach, helping with internal recruitment initiatives, and providing career enhancement advisory services.

#### Office of Safety Recommendations and Communications

The Office of Safety Recommendations and Communications (SRC) ensures that information regarding NTSB investigations, activities, advocacy, and safety recommendations is accurately and effectively communicated to a range of stakeholders, including elected officials and their staffs at the federal, state, and local levels; industry representatives; media; and the public. SRC's mission begins at the scene of an accident, continues through the NTSB accident investigation and the resulting issuance of one or more safety recommendations, and is maintained through advocacy efforts to secure favorable action on safety recommendations. In addition to traditional communication methods, the office uses digital and social media to facilitate robust public and stakeholder engagement.



#### Administrative Law Judges (ALJ)

The Administrative Law Judges (ALJ) hear, consider, and issue initial decisions on administrative appeals regarding FAA aviation enforcement actions for airmen, aircraft mechanics, air traffic controllers, air carriers, repair facilities, and any other individual or entity against whom the FAA has taken a certificate action, and for mariners against whom the Coast Guard has taken a certificate action. The judges also adjudicate claims under the Equal Access to Justice Act for fees and expenses stemming from FAA certificate and civil penalty actions. The NTSB currently has three judges assigned to headquarters in Washington, DC, and one judge located in the Denver Regional Office. The Pilot's Bill of Rights, Public Law No. 112-53 (August 3, 2012), requires judges to apply the Federal Rules of Evidence and Federal Rules of Civil Procedure to the extent practicable to their proceedings. Either the certificate holder or the FAA can appeal a judge's decision in these cases to the five-member Board. The Board's review on appeal of an ALJ's decision is based on the record of the proceeding, which includes hearing testimony (the transcript), exhibits, the judge's decision, and the appeal briefs submitted by the parties. Section 716 of the Aviation Investment and Reform Act for the 21st Century, Public Law 106-181 (April 5, 2000), expanded the NTSB's jurisdiction to include, upon petition by the affected certificate holder, reviews of FAA designations of safety enforcement actions as emergencies that require the order to be effective immediately. The Board has delegated this review authority to its administrative law judges.

# **Organizational Chart**

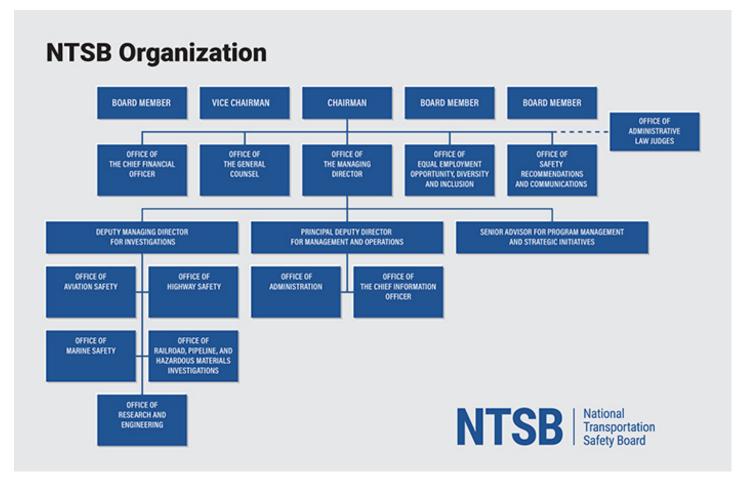


Figure 7: NTSB Organization Chart

# **Location of Regional Offices**



|                  | Alaska Region             | Western Pacific<br>Region   | Central Region   | Eastern Region   |
|------------------|---------------------------|---|--|--|
| Coverage<br>Area | Entire state of<br>Alaska | Montana, Idaho,<br>Utah, Arizona,<br>Nevada,<br>Washington,<br>Oregon,<br>California, and<br>Hawaii, as well<br>as the territories<br>of Guam and<br>American Samoa | Ohio, Michigan, Indiana, Wisconsin, Illinois, Minnesota, Iowa, Missouri, Arkansas, Louisiana, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Wyoming, Colorado, and New Mexico | Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, and Florida, as well as the District of Columbia, Puerto Rico, and the US Virgin Islands |

Figure 8: NTSB Regional Field Offices

#### **Sources of Funds**

As provided for in U.S.C. 3109, the NTSB receives an annual Salaries and Expenses appropriation. For 2020, the NTSB's enacted appropriation was \$110,400,000. In addition, the NTSB received \$1,225,000 in discretionary reimbursable spending authority for reimbursable activities with other federal agencies, state and local governments, and the public, for services determined to be appropriately provided by the NTSB. All fees imposed for services are to be credited as offsetting collections to the account that financed the activities and services. Fees collected are available only to pay the costs of activities and services for the fees imposed and remain available until expended.

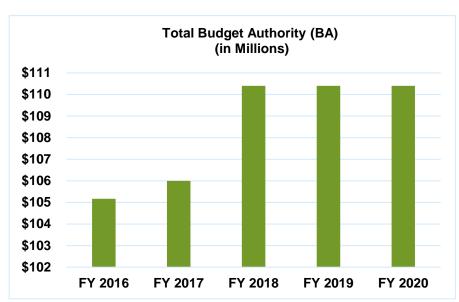


Figure 9: Total Budgetary Authority for most recent five years

The NTSB's FY 2020 obligations by personnel and non-personnel costs are represented by the chart below. Personnel costs, which primarily comprise salaries and employee benefits, counted for 71 percent of NTSB costs. The remaining 29 percent was spent on non-personnel items such as equipment and infrastructure, software, hardware, office rent, building security, travel, and other related costs.

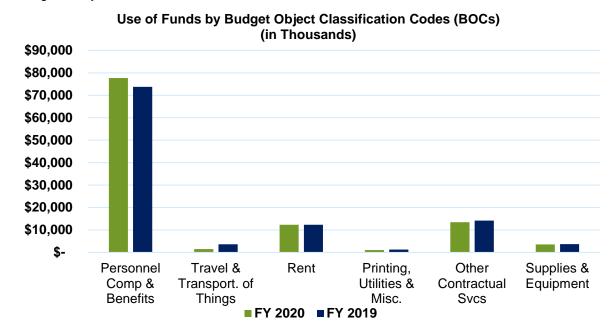


Figure 10: Salaries and Expenses Appropriation Fund by Budget Object Classification (000s)

# **Forward-Looking**

#### Human Capital Management

The NTSB's mission of improving transportation safety is dependent on maintaining a robust workforce of knowledgeable, experienced, and dedicated experts in their respective fields.

Our largest expense category is employee compensation. For the last few years, mandatory increases in pay and benefit costs have made it challenging simply to maintain staffing levels. We have managed to do so by adjusting non-personnel spending, prioritizing hiring in those program areas where additional staffing resources would be most impactful and, where appropriate, requesting additional funding from Congress. The NTSB's Human Capital needs are driven by the diverse skill and experience sets dictated by the nature of our work, constantly evolving transportation technologies, and new duties legislatively imposed by our most recent reauthorization. Examples include individuals capable of developing key performance indicators, utilizing business intelligence and analytics tools, and creating visualizations of data throughout the agency to support the mission of the organization. NTSB Human Capital Management has also been impacted by the challenges of an aging workforce, employee attrition, and the increasing complexities of information technology requirements. Management continues to be vigilant in our assessment of resources and continues to aggressively seek solutions to these challenges.

#### Information Technology Modernization

The NTSB is committed to using information technology to maximize the effectiveness and efficiency of our staff. To this purpose, we are continuously engaged in upgrading and modernizing our information technology to better support our mission.

The NTSB's prioritization of network updates positioned the agency to operate effectively during the max-telework period instituted during the COVID-19 pandemic. During this period, the agency conducted its Board meetings virtually, thus increasing safety for the general public as well as our staff. By implementing infrastructure improvements to our networks and information technology resources, we were able to convert the whole agency to a full-time telework environment rapidly and therefore continue to perform our mission while maintaining the safety of our employees.

Investments in new software applications are yielding benefits that further strengthen the agency's data-driven operations. Early 2020 saw the launch of the System for Analysis of Federal Transportation Investigations (SAFTI) interface. SAFTI is the multimodal tool designed to manage all aspects of a project's workflow, including consolidating and standardizing processes and data across the organization. SAFTI allows greater collaboration while also supporting multiple modal-specific features.

Cybersecurity needs also continue to be a priority for the NTSB. Meeting the goals outlined in Executive Order 13800, Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure, boosted the ability of the agency to deliver services and products on a highly secure and reliable technical platform. The OCIO is continuing to upgrade its technical platform, develop an enterprise-wide case management tool for accident investigations, and migrate applications and services to the cloud as appropriate.

The NTSB is striving to ensure that our processes and systems are robust and are supported by advanced privacy and security controls.

## **Performance Goals, Objectives, and Results**

#### **Strategic Goals Overview**

The NTSB's Annual Performance Plan outlined our strategies to achieve agency priorities, promote organizational change, and improve agency performance. The FY 2020 plan provides stakeholders—the traveling public, the transportation industry, government agencies, and Congress—with a comprehensive view of our goals and objectives for the fiscal year. Additionally, the plan draws a clear line from our mission through performance metrics and targets to our goals, objectives, and key performance indicators. The Annual Performance Plan is guided by our new FY 2020–2024 Strategic Plan and complies with the Government Performance and Results Modernization Act of 2010 (GPRA Modernization Act) and OMB Circular A-11, Part 6.

The plan includes three new strategic goals: improving processes, improving products, and improving employee engagement, diversity, and inclusion. The strategic goals are designed to improve the agency's operations, from investigative to support offices.

# Goal '

- •Improving Processes: Evaluating and identifying ways to enhance the effectiveness and efficiency of our investigative and business processes.
  - Objective 1: Improve the timeliness of investigations through data analysis
  - Objective 2: Improve the timeliness of agency operations through data analysis

# Goal 2

- •Improving products: Evaluating and identifying ways to enhance the effectiveness and efficiency of our products.
- · Objective1: Improve the effectiveness of agency products

# Goal 3

- Improving employee engagement, diversity, and inclusion: Implementing actions to ensure we sustain a culture that is fair, diverse, and provides opportunities for all employees to excel.
- Objective 1: Improve the engagement of agency staff
- Objective 2: Attract, develop, and retain a high-performing, diverse, and inclusive workforce

Figure 11: NTSB Strategic Goals

#### FY 2019 to FY 2020 Changes to Performance Metrics

In the FY 2020 – 2024 Strategic Plan, NTSB management established three new performance goals to better align with the agency's priorities. Metrics were revised in FY 2020 to accommodate these changes. The table below summarizes the differences in the metrics between FY 2019 and FY 2020.

| FY 2019       |    | FY 2020       |   |
|---------------|----|---------------|---|
| Total Metrics | 14 | Total Metrics | 9 |
| New           | 8  | New           | 9 |
| Revised       | 5  | Revised       | 0 |
| Unchanged     | 1  | Unchanged     | 0 |

Figure 12: FY 2019 to FY 2020 Performance Metric Changes

#### **Strategic Performance Management**

In accordance with the GPRA Modernization Act and <u>Circular A-11</u>, <u>Part 6</u>, our strategic management process and performance framework started with our new <u>FY 2020-2024 Strategic Plan</u>. The yearly plan serves as the foundation for establishing long-term priorities and developing performance goals, objectives, and metrics that gauge our success. This strategic management process demonstrated progress toward our performance goals and priorities and was measured using quarterly reviews and data analysis. We are optimistic that our results-oriented culture will continue to evolve and promote better governance in the future, leading to further improvements in transportation safety. The figure below depicts the cyclical process map of how we measured success.

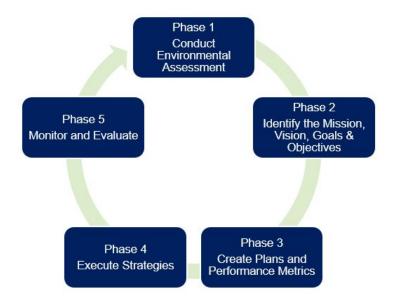


Figure 13: Strategic Management Process Map

#### Management Review

We used a quarterly, data-driven, strategic review process. Performance goals and metrics were assigned to a goal leader responsible for tracking the goal's progress, reporting the results, and making operational adjustments. The Office of the Managing Director coordinated these quarterly reviews, analyzed the data, and reported to senior leadership at various intervals throughout the year.

#### Data Management and Reliability

Data management and reliability are important for determining performance outcomes. Currently, data are reviewed and verified by the strategic management program manager and finalized with the Managing Director. We implemented a new strategic management communication tool to streamline the performance reporting process in FY 2017; this web portal enables each program office to enter its data to track performance metrics. This tool validates and verifies the reported metrics, and the process ensures the reasonable reliability of the performance metric data.

#### Measuring our Success

The plan serves as the foundation for establishing long-term and outcome-related priorities and developing performance goals, objectives, and metrics by which we can gauge our success. Our performance-based culture continues to remain a focus of agency management and staff.

We define our performance goals annually and evaluate our progress toward achieving them through performance metrics. We regularly collect and analyze performance metric data to inform decisions through quarterly reviews with senior leadership and staff. This process promotes active management and staff engagement across the agency.

As we continually improve this process, we will be able to demonstrate more outcome-related performance results and make the best use of the resources entrusted to the agency. We are optimistic that our results-oriented culture will continue to evolve and promote better governance in the future, leading to further improvements in transportation safety.

#### Key Challenges Affecting Achievement of Strategic Goals

Our ability to achieve our strategic goals may be influenced by the changing balance of industry; other federal, state, and local government activities; national priorities; and resource availability. The following challenges may affect our ability to achieve our goals:

- Recruiting, retaining, and developing highly skilled and diverse staff, particularly when competing against the private sector
- Ensuring that we understand new technologies in all modes of transportation and train and hire accordingly
- Budgetary constraints, including fluctuations in appropriations
- The Covid-19 pandemic

#### Addressing Goal Achievement Challenges

We address these challenges through effective long-range planning, open communication, and improved employee engagement. Long-range planning in human capital management and core operations ensures that we are ready to deal with future investigative needs. Effective communication at all levels of the organization improves planning and process. We devote time and resources to thinking strategically, promoting employee engagement, and encouraging staff development. To achieve our long-term vision, we must effectively plan and communicate while maintaining our primary commitment to

improving transportation safety. We believe that the initiatives in place will provide the balance necessary for these strategic goals and priorities to be successful.

#### **Performance Management and Reporting**

Our strategic objectives support and complement our strategic goals. Each strategic objective is linked to performance goals and measurable metrics and targets. Performance metrics used available data to determine whether our goals and objectives were met within the proposed time frame. Targets kept us on track toward achievement. We reviewed performance metrics and targets to assess program effectiveness and to consider how risks and opportunities impact our ability to achieve the strategic goals and objectives. This assessment allowed the agency to adjust and improve performance throughout the year, and to re-evaluate the agency's strategic plan objectives and metrics, when necessary.

#### FY 2020 Performance Metrics Results at a Glance

| Performance Metric  | FY 2020 Results   |
|---|---|
| <b>1.1.1</b> : Study and implement an improved investigation timeliness process                               | Green: Process established                                    |
| 1.2.1: Study and reduce Freedom of Information Act responses backlog  | Green: Backlog reduced, process, plan or initiative completed |
| Strategic Goal 2: Improve Products  |   |
| Performance Metric  | FY 2020 Results   |
| <b>2.1.1:</b> Establish a safety actions program to document all safety actions resulting from investigations | Green: Program was established                                |
| 2.1.2: Establish agency-wide Board meeting criteria   | Green: Criteria established                                   |
| 2.1.3: Refresh agency external website to improve search capabilities   | Green: External website launched                              |
| Strategic Goal 3: Improve Employee Engagement, Diversity, and Inclusi   |   |
|   | EV 0000 D 11 -  |
| Performance Metric  | FY 2020 Results   |
| Performance Metric  | Green: Website launched                                       |
| Performance Metric  3.1.1: Implement new employee intranet site   | Green: Website launched                                       |
|   |   |

Figure 14: Strategic Goals and Results

# **Financial Highlights**

#### Discussion and Analysis of Financial Statements

The NTSB's FY 2020 and FY 2019 financial statements report the agency's financial position and the results of operations on an accrual basis. These annual financial statements comprise a Consolidated Balance Sheet, a Consolidated Statement of Net Cost, a Consolidated Statement of Changes in Net Position, and a Consolidated Statement of Budgetary Resources, along with related notes that provide a clear description of the agency, our mission, and the significant accounting policies used to develop the statements.

#### Limitations of the Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements lies with NTSB management. The accompanying principal financial statements have been prepared to report the financial position and results of operations of the agency, in accordance with the requirements of 31 USC 3515 (b). Although the statements have been prepared from the books and records of the agency in accordance with generally accepted accounting principles for federal agencies and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the awareness that they were prepared for a component of the US Government, a sovereign entity.

We present the following analysis of the Balance Sheet and significant changes:

| BALANCE SHEET                                     | FY 2 | 2020  | FY | 2019  | C  | hange | %<br>Change |
|---|------|-------|----|-------|----|-------|-------------|
| Assets:   |      |       |    |       |    |       |             |
| Fund Balance with Treasury                        | \$   | 39.0  | \$ | 41.4  | \$ | (2.4) | -6%         |
| Accounts Receivable, Net                          |      | -     |    | 0.1   |    | (0.1) | 0%          |
| General property, equipment, and software,<br>Net |      | 7.3   |    | 7.4   |    | (0.1) | -1%         |
| Total Assets                                      | \$   | 46.3  | \$ | 48.9  | \$ | (2.6) | -5%         |
| Liabilities:                                      |      |       |    |       |    |       |             |
| Accounts Payable                                  |      | 3.2   |    | 5.7   |    | (2.5) | -44%        |
| Federal Employee Benefits                         |      | 20.9  |    | 19.3  |    | 1.6   | 8%          |
| Capital Lease Liability                           |      | 5.1   |    | 6.7   |    | (1.6) | -24%        |
| Other Liabilities                                 |      | 0.2   |    | 0.2   |    | -     | 0%          |
| Total Liabilities                                 | \$   | 29.4  | \$ | 31.9  | \$ | (2.5) | -8%         |
| Unexpended Appropriations                         |      | 22.0  |    | 23.3  |    | (1.3) | -6%         |
| Cumulative Results of Operations                  |      | (5.1) |    | (6.3) |    | 1.2   | -19%        |
| Net Position                                      | \$   | 16.9  | \$ | 17.0  | \$ | (0.1) | -1%         |
| Total Liabilities and Net Position                | \$   | 46.3  | \$ | 48.9  | \$ | (2.6) | -5%         |

Figure 15: Analysis and Significant Changes for the Balance Sheet

## **Analysis of Financial Statements**

We present the following analysis of the Statement of Net Cost, the Combined Statement of Budgetary Resources, and significant changes:

| COST BY PROGRAMS              | FY 2020  | FY 2019  | Change   | % Change |
|-------------------------------|----------|----------|----------|----------|
| Aviation Safety               | \$ 52.6  | \$ 53.6  | \$ (1.0) | -2%      |
| Surface Transportation Safety | 36.4     | 37.0     | (0.6)    | -2%      |
| Research & Engineering        | 23.0     | 21.4     | 1.6      | 7%       |
| Less: Earned Revenue          | (0.7)    | (1.1)    | 0.4      | -36%     |
| Net Cost of Operations        | \$ 111.3 | \$ 110.9 | \$ 0.4   | 1%       |

| BUDGETARY RESOURCES                            | FY 2020  | FY 2019  | Change | % Change |
|--|----------|----------|--------|----------|
| Unobligated Balance from Prior Year Budget     |          |          |        | 2%       |
| Authority, Net                                 | \$ 17.1  | \$ 16.7  | \$ 0.4 | 2 /0     |
| Appropriations                                 | 110.4    | 110.4    | =      | 0%       |
| Spending Authority from Offsetting Collections | 0.6      | 1.0      | (0.4)  | -40%     |
| Total Budgetary Resources                      | \$ 128.1 | \$ 128.1 | \$ -   | 0%       |

Figure 16: Analysis and Significant Changes for the Statement of Net Cost and the Statement of Budgetary Resources

#### Consolidated Statement of Net Cost

The Consolidated Statement of Net Cost represents the net cost to operate the agency. Net costs are composed of gross costs less earned revenues and are reported by the NTSB's major programs. The NTSB's FY 2020 net cost of operations was \$111.3 million: \$112.0 million in gross costs less \$0.7 million in earned revenues.

#### Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position reports the changes in net position during the reporting period. The NTSB ended FY 2020 with a net position total of \$17.0 million.

#### Combined Statement of Budgetary Resources

The Combined Statement of Budgetary Resources focuses on how budgetary resources (appropriated and reimbursable) were made available, the status of those resources (obligated or unobligated) at the end of the reporting period, and the relationship between the budgetary resources and outlays (collections and disbursements). The NTSB's FY 2020 budgetary resources totaled \$128.1 million and primarily consisted of budget authority funds of \$111.0 million and an unobligated balance of \$17.1 million.

# Management Assurances, Systems, Controls, and Legal Compliance

#### Internal Control Framework

As discussed in the Chairman's FMFIA Statement of Assurance, the NTSB has no material weaknesses or non-conformances to report for FY 2020. No new material weaknesses or significant non-conformances were identified for the past 5 years nor were there any existing unresolved weaknesses requiring corrective action. The NTSB has achieved the intent of the Act to prevent problems through systematic review and evaluation of the agency's programs and operations and through management and financial controls.

The NTSB conducts an annual review of the adequacy of our management accountability and controls program in accordance with the FMFIA and revised OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control. The NTSB provides reasonable assurance that internal controls over the effectiveness and efficiency of operations, reliable financial reporting, and compliance with applicable laws and regulations were operating effectively and that, accordingly, our programs and resources are protected from waste, fraud, abuse, and mismanagement. This assurance includes certification that the appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices. The results of this review are included in the Chairman's Statement of Assurance sent to the President on September 30, 2020. The Chairman's assurance is based on NTSB Office Director Management Control Assurance Memoranda and NTSB responses to Office Directors' Risk Assessments for an accountability unit, conducted in accordance with the guidance in OMB Circular A-123.

The Senior Management Oversight Council (SMOC) addresses management accountability issues within NTSB operations. The SMOC provides input to the Chairman for use in preparing the annual assessment of, and report on, management controls as required by FMFIA and assists with coordinating internal control assessments as needed. The CFO provides guidance on internal control assessments, including identification of scope and methodology, reviewing assessable unit risk assessments, and validating that corrective action plans are developed for all weaknesses identified and monitored for completion.

The SMOC also serves as the NTSB's governing body for Enterprise Risk Management (ERM) activities. The SMOC determines the NTSB's risk priorities using the ERM framework, which helps the agency to implement strategies to ensure effective use of resources, enable an optimized approach to the identification and remediation of compliance issues, and promote reliable reporting and monitoring agency-wide. A Chief Risk Officer leads the implementation of the ERM program.

The NTSB also relies on the findings and results of audits and studies conducted by the DOT Office of the Inspector General; the US Government Accountability Office; independent audits of service providers' operations and financial systems performed in accordance with Statement on Standards for Attestation Engagements 18: and the results of our financial statement audit conducted under the Chief Financial Officers Act of 1990, the Accountability of Tax Dollars Act of 2002, and OMB Circular A-136. The NTSB continues to focus on our information technology security program and compliance with the Federal Information Security Management Act (FISMA). The agency continues to maintain an information security program to manage information technology in accordance with National Institute of Standards and Technology requirements and has and implemented developed. documented. agency-wide information security program as required by OMB Circular A-136 and FISMA. In FY 2020, an independent audit found the NTSB in compliance with FISMA requirements.

#### Anti-Deficiency Act (ADA)

The ADA prohibits federal employees from obligating more funds than are available under an appropriation, or before funds are available, or from accepting voluntary services. The NTSB did not identify and report any ADA violations in FY 2020. As required by the ADA, the agency would notify all appropriate authorities of any ADA violations if one occurred.

# Digital Accountability and Transparency Act of 2014

The DATA of 2014 increased accountability and transparency in federal spending, making federal expenditure data more accessible to the public. It directs federal government entities to utilize government-wide data standards for developing and publishing reports, and to make supplementary information, including award-related data, available. Additionally, the DATA of 2014 accelerated the referral of delinquent debt owed to the federal government to the Treasury's Offset Program after 120 days of delinquency.

The NTSB successfully submitted quality financial and award data for publication on USASpending.gov that was complete, timely and accurate. The NTSB aligned the Financial Management, Acquisition and Budget business lines that are operationally responsible for generating and validating submissions to ensure transparency, consistency, and compliance.

#### NTSB Financial Management Systems

The NTSB financial management systems framework is driven by the objectives of Strategic Goal No. 1, Strategic Objective 1.2 of improving the timeliness of agency operations through data analysis which is designed to support decision-making by developing an operational and management strategy to inform decision-making. The systems framework is designed to provide outstanding mission support by efficiently utilizing and managing agency resources, and it emphasizes the agency's challenge to provide accurate, timely, and useful financial information to agency managers and staff to support effective decision-making.

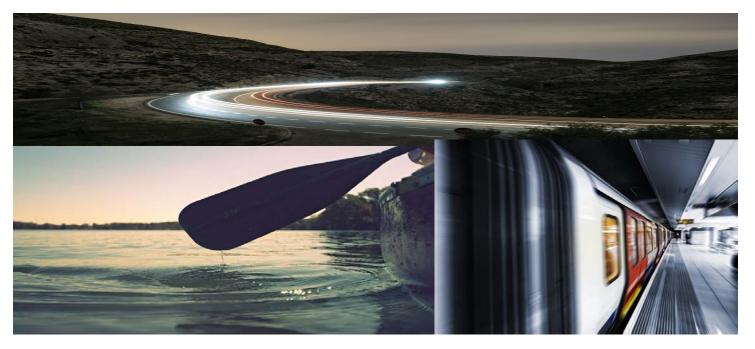
The NTSB obtains hosting and application management services for its core financial system from the Department of the Interior, Interior Business Center (IBC), a federal shared-service provider. The core financial management system is based on Oracle U.S. Federal Financials, Release 12.1.3; the agency uses the general ledger, accounts payable, budget execution, acquisition, and reporting capability modules of the system.

The NTSB uses IBC's Federal Personnel/Payroll System (FPPS) services to process our payroll and personnel applications. The FPPS is a mainframe-based, portable, integrated, on-line, and real-time personnel and payroll system. The system is customer-driven, creating and generating the complete cycle of personnel and payroll

transactions delivered in compliance with the Financial Systems Integration Office, the Office of Personnel Management's Enterprise Human Resources Integration, and human resources and payroll systems requirements for payroll management activities. Financial data from FPPS is interfaced into the core financial management system on a biweekly basis.

The NTSB also uses the web-based travel management system E2 Solutions. The IBC provides operations and maintenance support for E2 Solutions, including a daily interface of financial data into the core financial management system.

# **SECTION II FINANCIAL SECTION**



# Message from the CFO

# Inspector General's Letter Transmitting Independent Auditors' Report

# **Report of Independent Auditors**

# Management's Response to the Independent Auditors' Report

#### **Financial Statements**

#### **Balance Sheets**

Each balance sheet presents, as of a specific time, the amount of resources that embody economic benefits or services owned or managed by the NTSB (assets); amounts owed by the NTSB (liabilities); and amounts that compose the difference (net position).

#### Statement of Net Cost

This statement presents the gross cost incurred by the NTSB less exchange revenue earned from its activities. The NTSB presents cost of operations by program to provide cost information at the program level and

recognizes collections as exchange revenue on the Statement of Net Cost.

#### Statement of Changes in Net Position

This statement reports the change in net position during the reporting period, including changes to Cumulative Results of Operations and Unexpended Appropriations.

#### Statement of Budgetary Resources

This statement provides information about how budgetary resources were made available and reports their status at year end.

# **Accompanying Notes to the Financial Statements**

These notes provide a description of significant accounting policies and detailed information on select statement line items.

# Message from the Chief Financial Officer



I am proud to join Chairman Sumwalt in presenting the FY 2020 PAR. For the 18th consecutive year, the NTSB received an unmodified (clean) opinion on our financial statements from our independent auditors. No material weakness or significant deficiencies were identified and reported by the auditors.

The financial statements that follow were prepared, audited, and made publicly available as an integral part of this PAR. These financial statements present the NTSB's financial position fairly and were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and according to the guidance provided by the OMB.

Looking forward, we remain steadfast in our commitment to sustaining progress in our financial statement audits, strengthening internal controls, reducing manual processes, and improving data quality and reporting. We are committed to maintaining a robust internal controls program that allows us to identify and mitigate financial, operational, and compliance risks early, and

continue to mature our Enterprise Risk Management program to provide agency leadership with a portfolio view of risk that can inform decision-making and allocation of resources to achieve the agency's mission of determining the probable cause of transportation accidents and incidents and to formulating safety recommendations to improve transportation safety.

The PAR documents our agency results and demonstrates our commitment to fulfill the requirements of the Government Performance and Accountability Act, the Government Management Reform Act, and the FMFIA. The report provides the NTSB's most important financial and performance information. It is also our principal publication and report to Congress and the American people on our program leadership and on our stewardship and management of the public funds entrusted to us.

I greatly appreciate the efforts of the talented NTSB professionals who plan, execute, and account for the agency's resources. Their commitment to ensuring sound financial management provides the foundation for our strong stewardship and ensures the availability of reliable financial data. The attainment of the independent auditor's unmodified opinion of our financial statement demonstrates the OCFO team's commitment to fiscal responsibility, transparency, and a continuous focus on minimizing risks at every level.

Looking forward to FY 2021 and beyond, we will continue to make every effort to build upon our progress of refining processes and procedures to optimize the effectiveness and efficiency of our financial operations.

Sincerely.

Cdward Benthall Edward Benthall Chief Financial Officer November 6, 2020

Office of Inspector General's Letter Transmitting Independent Auditors' Report



Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2020 and 2019

Report No. QC2021004 November 10, 2020

Office of Inspector General's Letter Transmitting Independent Auditors' Report



Highlights

Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2020 and 2019

Required by the Accountability of Tax Dollars Act of 2002 QC2021004 | November 10, 2020

#### What We Looked At

We contracted with the independent public accounting firm Allmond & Company, LLC, to audit the National Transportation Safety Board's (NTSB) financial statements as of and for the fiscal years ended September 30, 2020, and September 30, 2019, provide an opinion on those financial statements, and report on internal control over financial reporting, compliance with laws, and other matters. The contract requires the audit to be performed in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's Financial Audit Manual. We performed a quality control review of Allmond's report dated November 6, 2020, and related documentation, and inquired of its representatives.

#### **What We Found**

Our quality control review disclosed no instances in which Allmond did not comply, in all material respects, with U.S. generally accepted Government auditing standards.

#### Recommendations

Allmond made no recommendations.

All OIG audit reports are available on our website at www.oig.dot.gov.

For inquiries about this report, please contact our Office of Government and Public Affairs at (202) 366-8751.

# Office of Inspector General's Letter Transmitting Independent Auditors' Report



U.S. Department of Transportation Office of Inspector General Washington, DC

November 10, 2020

The Honorable Robert L. Sumwalt Chairman, National Transportation Safety Board 490 L'Enfant Plaza, SW Washington, DC 20594

Dear Chairman Sumwalt:

I respectfully submit the results of our quality control review (QCR) of the independent auditor's report on the National Transportation Safety Board's (NTSB) audited financial statements for fiscal years 2020 and 2019.

We contracted with the independent public accounting firm of Allmond & Company, LLC, to audit NTSB's financial statements as of and for the fiscal years ended September 30, 2020, and September 30, 2019, provide an opinion on those financial statements, and report on internal control over financial reporting, compliance with laws, and other matters. The contract requires the audit to be performed in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's Financial Audit Manual.<sup>1</sup>

# Allmond's Report

In its audit of NTSB's financial statements for fiscal years 2020 and 2019, Allmond reported that

 NTSB's financial statements<sup>2</sup> were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;

QC2021004 1

<sup>&</sup>lt;sup>1</sup> Financial Audit Manual, volumes 1, 2, and 3, GAO-18-601G and GAO-18-625G, updated April 2020, and GAO-18-626G, June 2018.

<sup>&</sup>lt;sup>2</sup> The financial statements are included in the Agency's Performance and Accountability Report (see attachment 3).

# Office of Inspector General's Letter Transmitting Independent Auditors' Report

- it found no material weakness<sup>3</sup> in internal control over financial reporting based on the limited procedures performed; and
- there were no instances of reportable noncompliance with provisions of laws tested, or reportable other matters.

Allmond made no recommendations (see attachment 1).

# Quality Control Review

We performed a QCR of Allmond's report dated November 6, 2020, and related documentation, and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted Government auditing standards, was not intended to enable us to express, and we do not express, an opinion on NTSB's financial statements or conclusions about the effectiveness of internal control over financial reporting, compliance with laws, or other matters. Allmond is responsible for its report and the conclusions expressed therein.

Our QCR disclosed no instances in which Allmond did not comply, in all material respects, with U.S. generally accepted Government auditing standards.

# **Agency Comments**

Allmond provided NTSB with its draft report on November 3, 2020, and received NTSB's response dated November 6, 2020 (see attachment 2).

# **Actions Required**

Because Allmond made no recommendations, a response to this report is not required.

QC2021004 2

<sup>&</sup>lt;sup>3</sup> A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A 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.

# Office of Inspector General's Letter Transmitting Independent Auditors' Report

We appreciate the cooperation and assistance of NTSB's representatives and Allmond. If you have any questions about this report, please call me at (202) 366-1407, or George Banks, Program Director, at (202) 420-1116.

Sincerely,

Louis C. King

Runker

Assistant Inspector General for Financial Audits

cc: NTSB Chief Financial Officer

QC2021004 3

# **Report of the Independent Auditors**

# NATIONAL TRANSPORTATION SAFETY BOARD AUDIT REPORT SEPTEMBER 30, 2020



ALLMOND & COMPANY, LLC Certified Public Accountants 7501 Forbes Blvd., Suite 200 Lanham, Maryland 20706 (301) 918-8200

## **Report of the Independent Auditors**



CERTIFIED PUBLIC ACCOUNTANTS

7501 Forbes Boulevard, Suite 200 Lanham, Maryland 20706 (301) 918-8200 FACSIMILE (301) 918-8201

#### Independent Auditors' Report

Chairman, National Transportation Safety Board Inspector General, U.S. Department of Transportation:

#### Report on the Financial Statements

We have audited the accompanying financial statements of the National Transportation Safety Board (NTSB), which comprise the balance sheets as of September 30, 2020 and 2019, the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended, and the related notes to the financial statements (hereinafter referred to as the financial statements).

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the fiscal year 2020 and 2019 financial statements of NTSB based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

# **Report of the Independent Auditors**

Independent Auditors' Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Transportation Safety Board as of September 30, 2020 and 2019, and its net costs, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Message from the Chairman, Message from the Chief Financial Officer, Management and Discussion Analysis, and Other Accompanying Information sections of this report is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of NTSB's financial statements. However, we did not audit this information and, accordingly, we express no opinion on it.

#### Other Reporting Required by Government Auditing Standards

#### Internal Control over Financial Reporting

In planning and performing our audit of NTSB's financial statements as of and for the year ended September 30, 2020, in accordance with generally accepted government auditing standards, we considered NTSB's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of NTSB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NTSB's internal control over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 19-03. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose as described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our fiscal year 2020 audit we did not identify any deficiencies in internal control over financial reporting

# **Report of the Independent Auditors**

Independent Auditors' Report

that we considered to be a material weakness, as defined above. However, material weaknesses may exist that have not been identified.

During our 2020 audit, we identified deficiencies in NTSB's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant management's attention and have been communicated to NTSB management in a separate letter.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether NTSB's fiscal year 2020 financial statements are free of material misstatements, we performed tests of NTSB's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, with which noncompliance could have a direct and material effect on the determination of material amounts and disclosures in NTSB's financial statements, and certain provisions of other laws specified in OMB Bulletin No. 19-03. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance as described in the preceding paragraph, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 19-03.

#### Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of NTSB's internal control or on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal controls and compliance with laws, regulations, contracts, and grant agreements which could have a material effect on NTSB's financial statements. Accordingly, this communication is not suitable for any other purpose.

allmond & Company, LLC

Lanham, MD November 6, 2020

# Management's Response(s) to the Independent Auditors' Report



# **National Transportation Safety Board**

Washington, D.C. 20594

November 6, 2020

To: Jason L. Allmond, CPA, CGFM

Allmond & Company, LLC

From: Edward Benthall, Chief Financial Officer

National Transportation Safety Board

Subject: Response to the Draft Fiscal Year 2020 Financial Statement Audit Report

The National Transportation Safety Board (NTSB) has reviewed the draft *Fiscal Year 2020 Financial Statement Audit Report*, and we concur with the facts and conclusions stated in the report. We will share the final audit report with senior officials, other interested program managers, and staff.

Please convey my appreciation to everyone on your staff who worked diligently on our fiscal year 2020 financial statement audit.

If you have any questions or comments, please contact me, or Mr. Bill Mills at (202) 314-6265.

cc: George Banks, Program Director

Financial Audits, Department of Transportation, Office of Inspector General

# NATIONAL TRANSPORTATION SAFETY BOARD Balance Sheet As of September 30, 2020 and 2019 (in dollars)

| Intragovernmental:   Fund balance with Treasury (Note 2)   |  | FY 2020 |            | FY 2019 |            |  |
|--|--|---------|------------|---------|------------|--|
| Fund balance with Treasury (Note 2)         \$ 38,985,944         \$ 41,407,458           Accounts receivable (Note 3)         -         24,797           Total Intragovernmental Assets         38,985,944         41,432,255           Accounts receivable, net (Note 3)         12,422         3,116           General property, equipment, and software, net (Note 4)         7,347,389         7,441,477           Total Assets         46,345,755         48,876,848           Liabilities         Intragovernmental:         Accounts payable         \$ 1,008,677         681,313           Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         2,252,917         5,020,427           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 8)         110,00  | Assets                                   |         |            |         |            |  |
| Accounts receivable (Note 3)         —         24,797           Total Intragovernmental Assets         38,985,944         41,432,255           Accounts receivable, net (Note 3)         12,422         3,116           General property, equipment, and software, net (Note 4)         7,347,389         7,441,477           Total Assets         46,345,755         48,876,848           Liabilities           Intragovernmental:         Standard, 10,008,677         681,313           Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,73   | Intragovernmental:                       |         |            |         |            |  |
| Total Intragovernmental Assets         38,985,944         41,432,255           Accounts receivable, net (Note 3)         12,422         3,116           General property, equipment, and software, net (Note 4)         7,347,389         7,441,477           Total Assets         46,345,755         \$48,876,848           Liabilities         Intragovernmental:           Accounts payable         \$1,008,677         \$681,313           Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 8)         110,000         -           Total Liabilities         \$29,411,735         \$31,888,113           Net Position         (5,103,58   | Fund balance with Treasury (Note 2)      | \$      | 38,985,944 | \$      | 41,407,458 |  |
| Accounts receivable, net (Note 3) 12,422 3,116 General property, equipment, and software, net (Note 4) 7,347,389 7,441,477 Total Assets 7,46,345,755 48,876,848  Liabilities Intragovernmental: Accounts payable \$1,008,677 \$681,313 Employer contributions and payroll taxes 836,436 624,597 Unfunded FECA liability (Note 5) 1,532,320 1,608,868 Total Intragovernmental 3,377,433 2,914,778  Accounts payable \$2,252,917 5,020,427 Actuarial FECA liability (Note 5) 8,697,448 8,856,125 Employer contributions and payroll taxes 130,250 107,445 Accrued funded payroll & leave 2,922,297 2,422,396 Unfunded leave (Note 5) 6,734,364 5,716,314 Advances from others 113,742 160,224 Capital lease liability (Note 7) 5,073,284 6,690,404 Contingent liability (Note 8) 110,000 Total Liabilities \$29,411,735 \$31,888,113   Net Position Unexpended appropriations \$2,037,603 \$23,258,798 Cumulative results of operations (5,103,583) (6,270,063) Total Net Position 16,000 \$16,988,735   | Accounts receivable (Note 3)             |         | -          |         | 24,797     |  |
| General property, equipment, and software, net (Note 4)         7,347,389         7,441,477           Total Assets         \$ 46,345,755         \$ 48,876,848           Liabilities           Intragovernmental:           Accounts payable         \$ 1,008,677         \$ 681,313           Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         2,252,917         5,020,427           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 7)         5,073,284         6,690,404           Contingent liability (Note 8)         110,000         -           Total Liabilities         \$ 29,411,735         \$ 31,888,113           Net Position           Unexpended appropriations         (5,103,583)   | Total Intragovernmental Assets           |         | 38,985,944 |         | 41,432,255 |  |
| General property, equipment, and software, net (Note 4)         7,347,389         7,441,477           Total Assets         46,345,755         48,876,848           Liabilities           Intragovernmental:         3,1008,677         681,313           Accounts payable         1,008,677         681,313           Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 7)         5,073,284         6,690,404           Contingent liability (Note 8)         110,000         -           Total Liabilities         \$29,411,735         \$31,888,113           Net Position           Unexpended appropriations <td>Accounts receivable, net (Note 3)</td> <td></td> <td>12,422</td> <td></td> <td>3,116</td>  | Accounts receivable, net (Note 3)        |         | 12,422     |         | 3,116      |  |
| Liabilities         \$ 46,345,755         \$ 48,876,848           Intragovernmental:         Standard Standar | ,  |         | 7,347,389  |         | 7,441,477  |  |
| Intragovernmental:   Accounts payable   \$ 1,008,677   \$ 681,313     Employer contributions and payroll taxes   836,436   624,597     Unfunded FECA liability (Note 5)   1,532,320   1,608,868     Total Intragovernmental   3,377,433   2,914,778      Accounts payable   2,252,917   5,020,427     Actuarial FECA liability (Note 5)   8,697,448   8,856,125     Employer contributions and payroll taxes   130,250   107,445     Accrued funded payroll & leave   2,922,297   2,422,396     Unfunded leave (Note 5)   6,734,364   5,716,314     Advances from others   113,742   160,224     Capital lease liability (Note 7)   5,073,284   6,690,404     Contingent liability (Note 8)   110,000   -   Total Liabilities   \$ 29,411,735   \$ 31,888,113      Net Position  |  | \$      |            | \$      |            |  |
| Accounts payable       \$ 1,008,677       \$ 681,313         Employer contributions and payroll taxes       836,436       624,597         Unfunded FECA liability (Note 5)       1,532,320       1,608,868         Total Intragovernmental       3,377,433       2,914,778         Accounts payable       2,252,917       5,020,427         Actuarial FECA liability (Note 5)       8,697,448       8,856,125         Employer contributions and payroll taxes       130,250       107,445         Accrued funded payroll & leave       2,922,297       2,422,396         Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 29,411,735       \$ 31,888,113         Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,988,735  | Liabilities                              |         |            |         |            |  |
| Employer contributions and payroll taxes         836,436         624,597           Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 7)         5,073,284         6,690,404           Contingent liability (Note 8)         110,000         -           Total Liabilities         \$ 29,411,735         \$ 31,888,113           Net Position         \$ 22,037,603         \$ 23,258,798           Cumulative results of operations         (5,103,583)         (6,270,063)           Total Net Position         \$ 16,988,735  | Intragovernmental:                       |         |            |         |            |  |
| Unfunded FECA liability (Note 5)         1,532,320         1,608,868           Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 7)         5,073,284         6,690,404           Contingent liability (Note 8)         110,000         -           Total Liabilities         \$29,411,735         \$31,888,113           Net Position         \$22,037,603         \$23,258,798           Cumulative results of operations         (5,103,583)         (6,270,063)           Total Net Position         \$16,934,020         \$16,988,735   | Accounts payable                         | \$      | 1,008,677  | \$      | 681,313    |  |
| Total Intragovernmental         3,377,433         2,914,778           Accounts payable         2,252,917         5,020,427           Actuarial FECA liability (Note 5)         8,697,448         8,856,125           Employer contributions and payroll taxes         130,250         107,445           Accrued funded payroll & leave         2,922,297         2,422,396           Unfunded leave (Note 5)         6,734,364         5,716,314           Advances from others         113,742         160,224           Capital lease liability (Note 7)         5,073,284         6,690,404           Contingent liability (Note 8)         110,000         -           Total Liabilities         \$ 29,411,735         \$ 31,888,113           Net Position         \$ 22,037,603         \$ 23,258,798           Cumulative results of operations         (5,103,583)         (6,270,063)           Total Net Position         \$ 16,934,020         \$ 16,988,735  | Employer contributions and payroll taxes |         | 836,436    |         | 624,597    |  |
| Accounts payable 2,252,917 5,020,427 Actuarial FECA liability (Note 5) 8,697,448 8,856,125 Employer contributions and payroll taxes 130,250 107,445 Accrued funded payroll & leave 2,922,297 2,422,396 Unfunded leave (Note 5) 6,734,364 5,716,314 Advances from others 113,742 160,224 Capital lease liability (Note 7) 5,073,284 6,690,404 Contingent liability (Note 8) 110,000 - Total Liabilities \$29,411,735 \$31,888,113   Net Position Unexpended appropriations \$22,037,603 \$23,258,798 Cumulative results of operations (5,103,583) (6,270,063) Total Net Position \$16,934,020 \$16,988,735  | Unfunded FECA liability (Note 5)         |         | 1,532,320  |         | 1,608,868  |  |
| Actuarial FECA liability (Note 5)       8,697,448       8,856,125         Employer contributions and payroll taxes       130,250       107,445         Accrued funded payroll & leave       2,922,297       2,422,396         Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position         Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   | Total Intragovernmental                  |         | 3,377,433  |         | 2,914,778  |  |
| Actuarial FECA liability (Note 5)       8,697,448       8,856,125         Employer contributions and payroll taxes       130,250       107,445         Accrued funded payroll & leave       2,922,297       2,422,396         Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position         Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   | Accounts navable                         |         | 2 252 917  |         | 5 020 427  |  |
| Employer contributions and payroll taxes       130,250       107,445         Accrued funded payroll & leave       2,922,297       2,422,396         Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   |  |         |            |         | •          |  |
| Accrued funded payroll & leave       2,922,297       2,422,396         Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735  | • ` ` ,                                  |         | •          |         |            |  |
| Unfunded leave (Note 5)       6,734,364       5,716,314         Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   |  |         | •          |         | •          |  |
| Advances from others       113,742       160,224         Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   |  |         |            |         | •          |  |
| Capital lease liability (Note 7)       5,073,284       6,690,404         Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735  | · · ·                                    |         |            |         |            |  |
| Contingent liability (Note 8)       110,000       -         Total Liabilities       \$ 29,411,735       \$ 31,888,113         Net Position       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735   |  |         | •          |         | -          |  |
| Total Liabilities         \$ 29,411,735         \$ 31,888,113           Net Position         Unexpended appropriations         \$ 22,037,603         \$ 23,258,798           Cumulative results of operations         (5,103,583)         (6,270,063)           Total Net Position         \$ 16,934,020         \$ 16,988,735   | •  |         | •          |         | -          |  |
| Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735  | · ,                                      | \$      |            | \$      | 31,888,113 |  |
| Unexpended appropriations       \$ 22,037,603       \$ 23,258,798         Cumulative results of operations       (5,103,583)       (6,270,063)         Total Net Position       \$ 16,934,020       \$ 16,988,735  | Net Position                             |         |            |         |            |  |
| Cumulative results of operations         (5,103,583)         (6,270,063)           Total Net Position         \$ 16,934,020         \$ 16,988,735  |  | \$      | 22 037 603 | \$      | 23 258 798 |  |
| Total Net Position \$ 16,934,020 \$ 16,988,735   | ·  | Ψ       |            | Ψ       |            |  |
|  | •  | \$      |            | \$      |            |  |
|  |  | \$      |            |         |            |  |

The accompanying notes are an integral part of these statements

# NATIONAL TRANSPORTATION SAFETY BOARD Statement of Net Cost For the Period Ending September 30, 2020 and 2019 (in dollars)

|                               | FY 2020        | FY 2019        |  |
|-------------------------------|----------------|----------------|--|
| Gross Program Costs (Note 9)  |                |                |  |
| Aviation Safety               |                |                |  |
| Gross costs                   | \$ 52,605,690  | \$ 53,616,325  |  |
| Less: earned revenue          | (320,360)      | (565,089)      |  |
| Net program costs             | 52,285,330     | 53,051,236     |  |
| Surface Transportation Safety |                |                |  |
| Gross costs                   | \$ 36,367,788  | \$ 37,032,019  |  |
| Less: earned revenue          | (221,447)      | (379,235)      |  |
| Net program costs             | 36,146,341     | 36,652,784     |  |
| Research & Engineering        |                |                |  |
| Gross costs                   | \$ 22,997,583  | \$ 21,397,596  |  |
| Less: earned revenue          | (139,752)      | (222,792)      |  |
| Net program costs             | 22,857,831     | 21,174,804     |  |
| Net Cost of Operations        | \$ 111,289,502 | \$ 110,878,824 |  |

The accompanying notes are an integral part of these statements

# NATIONAL TRANSPORTATION SAFETY BOARD Statement of Changes in Net Position For the Period Ending September 30, 2020 and 2019 (in dollars)

|   | FY 2020       | FY 2019       |
|---|---------------|---------------|
| Unexpended Appropriations               |               |               |
| Beginning balances                      | \$ 23,258,798 | \$ 25,192,645 |
| Adjustments: Correction of Errors       | <u> </u>      |               |
| Beginning balances, as adjusted         | 23,258,798    | 25,192,645    |
| Budgetary Financing Sources:            |               |               |
| Appropriations received                 | 110,400,000   | 110,400,000   |
| Other adjustments                       | (2,239,326)   | (4,472,716)   |
| Appropriations used                     | (109,381,869) | (107,861,131) |
| Total Budgetary Financing Sources       | (1,221,195)   | (1,933,847)   |
| Total Unexpended Appropriations         | 22,037,603    | 23,258,798    |
| Cumulative Results of Operations:       |               |               |
| Beginning balances                      | (6,270,063)   | (7,507,397)   |
| Adjustments: Correction of Errors       |               |               |
| Beginning balances, as adjusted         | (6,270,063)   | (7,507,397)   |
| Budgetary Financing Sources:            |               |               |
| Appropriations used                     | 109,381,869   | 107,861,131   |
| Other Financing Sources:                |               |               |
| Imputed financing                       | 3,074,113     | 4,255,027     |
| Total Financing Sources                 | 112,455,982   | 112,116,158   |
| Net Cost of Operations                  | (111,289,502) | (110,878,824) |
| Net Change                              | 1,166,480     | 1,237,334     |
| <b>Cumulative Results of Operations</b> | (5,103,583)   | (6,270,063)   |
| Net Position                            | \$ 16,934,020 | \$ 16,988,735 |

The accompanying notes are an integral part of these statements

FY

# NATIONAL TRANSPORTATION SAFETY BOARD Statement of Budgetary Resources For the Period Ending September 30, 2020 and 2019 (in dollars)

|   | FY 2020        | FY 2019        |
|---|----------------|----------------|
| Budgetary Resources   |                |                |
| Unobligated balance from prior year budget authority, net (discretionary and mandatory)     | \$ 17,100,222  | \$ 16,675,115  |
| Appropriations (discretionary and mandatory) Spending authority from offsetting collections | 110,400,000    | 110,400,000    |
| (discretionary and mandatory)   | 635,078        | 1,061,206      |
| Total Budgetary Resources   | \$ 128,135,300 | \$ 128,136,321 |
| Status of Budgetary Resources   |                |                |
| New Obligations and upward adjustments  | \$ 110,111,902 | \$ 109,947,033 |
| Unobligated balance, end of period:   |                |                |
| Apportioned, unexpired accounts   | 12,274,599     | 12,499,266     |
| Expired unobligated balance, end of year  | 5,748,799      | 5,690,022      |
| Unobligated balance, end of year  | 18,023,398     | 18,189,288     |
| Total Budgetary Resources   | \$ 128,135,300 | \$ 128,136,321 |
| Outlays, Net  |                |                |
| Outlays, Net  | 110,582,187    | 105,202,905    |
| Agency Outlays, Net (discretionary and mandatory)   | \$ 110,582,187 | \$ 105,202,905 |

The accompanying notes are an integral part of these statements.

#### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

# **Note 1 Summary of Significant Accounting Policies**

#### A. Reporting Entity

The accompanying financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of the NTSB. The NTSB is not part of the DOT nor affiliated with any of the DOT's modal agencies. The agency is identified as a consolidated entity for purposes of reporting in compliance with the Statement of Federal Financial Accounting Standards (SFFAS) 47, Reporting Entity.

#### **B. Classified Activities**

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

# C. Basis of Accounting and Presentation

As required by the Accountability of Tax Dollars Act of 2002, the accompanying financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of the NTSB. These financial statements reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized as incurred, without regard to receipt or payment of cash. Budgetary accounting is designed to recognize the obligation of funds according to legal requirements. Budgetary accounting is essential for compliance with legal constraints and controls over the use of federal funds.

The NTSB's financial statements are prepared from the books and reports of the NTSB in accordance with US GAAP for the federal government and OMB Circular A-136. Throughout these financial statements, assets, liabilities, revenue, and costs have been classified according to the type of entity with which the transactions are associated. For example, assets and liabilities resulting from transactions with other federal entities are

classified as intragovernmental assets and liabilities. Intragovernmental costs are payments or accrual to other federal entities, and intragovernmental earned revenues are collections or accruals of revenue from other federal entities. The NTSB's statements are to be read with the understanding that they are produced for a component of the federal government, a sovereign entity.

#### D. Use of Estimates

The preparation of financial statements in accordance with the accounting principles described above requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

#### E. Assets

Entity assets are available for use by the entity in its operations; nonentity assets are assets held by the entity but not available for use by the entity in its operations. Intragovernmental assets are those assets that arise from transactions with other federal entities.

## Fund Balance with Treasury

The NTSB does not maintain cash in commercial bank accounts. The Department of the Treasury processes cash receipts and disbursements. Funds with the Treasury consist of appropriated and deposited funds that are available to pay current liabilities and finance authorized purchase commitments.

#### Accounts Receivable

NTSB accounts receivable represents amounts due for services rendered or from overpayments to current and non-current employees and from vendors. The agency maintains an allowance for doubtful accounts for public and intragovernmental receivables based on past collection experience. The allowance for doubtful accounts is reviewed and adjusted quarterly.

#### F. Property and Equipment

#### General Property and Equipment

The CFO has established a capitalization policy for general property, equipment, and software (P&E). General P&E is reported at acquisition cost. The capitalization threshold is established at \$25,000. General P&E consists of items that are used by the NTSB to support our mission. Depreciation on these assets is calculated using the straight-line method with a useful life of 3 to 5 years.

In addition to operating on land and in buildings owned by commercial entities, the NTSB leases office space from the General Services Administration. The lease costs approximate commercial lease rates for similar properties.

#### **Bulk Purchases**

The CFO has established the capitalization minimum threshold for bulk purchases at \$250,000.

#### Aggregate Purchases

The CFO has established a capitalization threshold of \$250,000 for aggregate purchases. If such a purchase does not meet that threshold but includes a single item or multiple items that meet the \$25,000 P&E minimum for capitalization, then that item or those items would be

#### capitalized.

#### Leasehold Improvements

The CFO has established a capitalization threshold of \$100,000 for leasehold improvements. A leasehold improvement is an improvement of a leased asset that increases the asset's value. Depreciation on these assets is calculated using the straight-line method, with 10 years as the estimated useful life of the improvements or the remaining term of the lease, whichever is less.

#### Capital Lease Assets

Any Lease-to-Ownership Plan leases are classified as capital leases. The NTSB has one capital lease, for a period of 20 years, for rental of the space that houses the NTSB Ashburn facility. Depreciation on the capital lease is calculated using the straight-line method, with 20 years, the term of the lease, as the estimated useful life of the capital lease.

#### Internal Use Software

The capitalization threshold of internal-use software is established at \$1,000,000. Only the costs associated with the software development phase, including labor, are subject to capitalization. Software development phase activities generally include the design of the chosen path, including software configuration and software interfaces, coding, installation to hardware, and testing, including the parallel processing phase. Internal use software includes software to operate NTSB programs and software used to produce NTSB goods and services. Depreciation on these assets is calculated using the straight-line method with 3 years as the estimated useful life of the asset.

#### **G. LIABILITIES**

Liabilities represent amounts that are likely to be paid by the NTSB as the result of transactions or events that have already occurred; however, no liabilities are paid by the NTSB without an appropriation. Intragovernmental liabilities arise from transactions with other federal entities.

#### Accounts Payable

Accounts payable consist of amounts owed for goods, services and other expenses received but not yet paid.

#### Accrued Payroll and Benefits

Accrued payroll and benefits represent salaries, wages, and benefits earned by employees but not disbursed as of September 30, 2020. Accrued payroll and benefits are payable to employees and are therefore not classified as intragovernmental. Employer contributions and payroll taxes payable are classified as both intragovernmental and with the public.

#### Annual, Sick, and Other Leave

Annual leave is recognized as an expense and as a liability as it is earned; the liability is reduced as leave is taken. Each year, the balance in the accrued annual, restored, and compensatory leave account is adjusted to reflect current leave balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken. Accrued annual leave is paid from future funding sources and is reflected as a liability not covered by budgetary resources. Sick leave and other types of non-vested leave are expensed as taken.

# Accrued Federal Employee's Compensation Act Liability

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for NTSB employees under FECA are administered by the Department of Labor (DOL) and are ultimately paid by the NTSB.

FECA liability includes two components: (1) the accrued liability, which represents money owed for claims paid by the DOL through the current fiscal year, for which billing to and payment by the NTSB will occur in a subsequent fiscal year and (2) the liability for future costs, which represents the expected liability for approved compensation cases beyond the current fiscal year. Estimated future costs have been actuarially determined and are regarded as a liability to the public because neither the costs nor reimbursement have been recognized by the DOL. The FECA liability is included in liabilities not covered by budgetary resources, as referenced in Note 5.

The NTSB accrues liabilities based on estimates of funds owed to other federal government entities for services provided but not yet billed. The accruals for Workers Compensation and Unemployment Compensation represent the estimated liability for the current fiscal year; for money owed, but not billed; and for claims that were paid by the DOL but not yet billed to the NTSB.

## H. Employee Retirement Plans

# Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS)

NTSB employees participate in one of two retirement programs, either CSRS or FERS, which became effective on January 1, 1987. Most NTSB employees hired after December 31, 1983, are automatically covered by FERS and Social Security.

For CSRS-covered employees, the NTSB withholds 7.0 percent of gross earnings. The NTSB matches the withholding, and the sum of the withholding, and the matching funds are transferred to the CSRS.

For each fiscal year, the Office of Personnel Management (OPM) calculates the US government's service costs for covered employees, which is an estimate of the amount of funds that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the US government's estimated FY 2020 service cost exceeds contributions made by employer agencies and covered employees, the plan is not fully funded by the NTSB and our employees. The NTSB recognized imputed cost and imputed financing of \$3,074,113 and \$4,255,027 for September 30, 2020, and September 30, 2019, respectively.

The FERS contributions made by employer agencies and covered employees exceeds the US government's estimated FY 2020 service cost. The NTSB made contributions of 16.0 percent of basic pay for FERS for FY 2020. For both FERS Revised Annuity Employees and FERS Further Revised Annuity Employees, the NTSB made contributions of 14.2 percent of basic pay for FY 2020. New employees hired in 2013 or later were required to contribute 3.1 percent of gross earnings. New employees hired in 2014 or later are required to contribute 4.4 percent of gross earnings, dependent on their categorization as Revised Annuity Employees, or Further Revised Annuity Employees. Employees participating in FERS are covered under the Federal Insurance Contribution Act, for which the NTSB contributes a matching amount to the Social Security Administration.

## Thrift Savings Plan (TSP)

Employees covered by CSRS and FERS are eligible to contribute to the US government's TSP, administered by the Federal Retirement Thrift Investment Board, The NTSB makes a mandatory contribution of 1 percent of basic pay for FERS-covered employees. In addition, the NTSB makes matching contributions, of up to 5 percent of basic pay for employees who contribute to the TSP. Contributions are matched dollar for dollar for the first 3 percent of pay contributed each pay period, and 50 cents on the dollar for the next 2 percent of pay. There are no percentage limits on contributions to the TSP for FERS participants. There are no percentage limits on contributions to the TSP for CSRS participants, but there is no governmental matching contribution. The maximum amounts that either FERS or CSRS employees may contribute to the plan in calendar year 2020 is \$19,500. Those who are of age 50 and older may contribute an additional \$6,500 in catch up contributions.

Consistent with reporting under multi-employer pension plans, the NTSB does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to NTSB employees and funded by the NTSB. This data is reported for plan participants by OPM.

### I. Contingencies

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. A contingent liability is recognized when a past event or exchange transaction has occurred, and a future outflow or other sacrifice of resources is measurable and probable. A contingency is disclosed in the Notes to the Financial Statements when any of the conditions for liability recognition are not met and the chance of the future confirming event or events occurring is more than remote but less than probable.

#### J. Revenues and Other Financing Sources

#### **Appropriations**

Most of the NTSB's operating funds are provided by congressional appropriations of budget authority. The agency receives appropriations on annual, and no-year basis from the following appropriations:

#### Annual Salaries and Expenses Appropriation

Annual appropriations are provided by Congress and are available for obligation in the fiscal year for which they were provided to fund the overall operation of the agency.

# Supplemental Salaries and Expenses Appropriation

Supplemental appropriations are provided by Congress to fund extraordinary investigations.

#### No-Year Emergency Fund Appropriation

A no-year emergency fund appropriation was provided by Congress to fund extraordinary accident investigation costs. Emergency fund disbursements are made at the discretion of the NTSB but must be reported to Congress. A no-year appropriation is available for obligation without fiscal year limitation. The NTSB's emergency fund currently is appropriated at \$1,997,884.

#### Imputed Financing Sources

In accordance with OMB Circular A-136, all expenses should be reported by agencies whether or not these expenses would be paid by the agency that incurs the expense. The amounts for certain expenses of the NTSB that will be paid by other federal agencies are recorded in the Statement of Net Cost. A corresponding amount is recognized in the Statement of Changes in Net Position as an "Imputed Financing Source." These imputed financing sources represent the unfunded pension costs, Federal Employees' Health Benefits program costs, and Federal Employees Group Life Insurance program costs of NTSB employees; claims to be settled by the Treasury Judgment Fund; and imputed cost for services received from other federal agencies without reimbursement, as required by SFFAS No. 4, Managerial Cost Accounting Standards and Concepts. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

#### K. Statement of Net Cost

#### **Sub-Organization Program Costs**

The NTSB Statement of Net Cost is presented by responsibility segment. These responsibility segments are based on the NTSB's mission and funding sources. The major programs that comprise the Responsibility Segments are Aviation Safety, Surface Transportation Safety, and Research and Engineering.

#### **Earned Revenue**

Earned revenues collected by the NTSB include amounts collected for training programs, rental of conference room space, subleasing of office space, and for services related to accident investigations.

#### L. Net Position

Net position is the residual difference between assets and liabilities and comprises unexpended appropriations and cumulative results of operations.

Unexpended appropriations include those appropriations not yet obligated or expended, represented by the unobligated balances and undelivered orders of the agency's appropriated funds. Unobligated balances associated with appropriations that expire at the end of the fiscal year remain available for obligation adjustments—but not for new obligations—until that account is closed, 5 years after the appropriations expire. Cumulative results of operations are the net result of the NTSB's operations since inception.

#### Note 2 Fund Balance with Treasury

The Department of the Treasury (Treasury) performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the NTSB to draw down funds from Treasury for expenses and liabilities. The Fund Balance with Treasury as of September 30, 2020, and September 30, 2019, consists of the following:

|  | FY 2020          | FY 2019          |  |  |  |
|--|------------------|------------------|--|--|--|
| Status of Fund Balance with Treasury     |                  |                  |  |  |  |
| Unobligated Balance                      |                  |                  |  |  |  |
| Available                                | \$<br>12,274,599 | \$<br>12,499,266 |  |  |  |
| Unavailable                              | <br>5,748,799    | <br>5,690,022    |  |  |  |
| Total Unobligated Balance                | 18,023,398       | 18,189,288       |  |  |  |
| Obligated Balance not yet Disbursed      | 20,962,546       | 23,218,170       |  |  |  |
| Non-Budgetary Fund Balance with Treasury | <br>             | <br>             |  |  |  |
| Total                                    | \$<br>38,985,944 | \$<br>41,407,458 |  |  |  |

The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated available funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be re-apportioned, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

#### Note 3 Accounts Receivable, Net

The NTSB's accounts receivable represents amounts due from overpayments to current and non-current employees and from vendors. The NTSB maintains an allowance for doubtful accounts for public receivables based on past collection experience. The agency's methodology for establishing an allowance for doubtful accounts is that receivables aged 120 days or less are 100 percent collectible; receivables greater than 120 days are treated as 100 percent doubtful for collection.

Accounts receivable consisted of the following as of September 30, 2020, and September 30, 2019:

|   | FY 2020 |        |    | FY 2019 |  |  |
|---|---------|--------|----|---------|--|--|
| Intragovernmental: Accounts receivable Loss Allowance for Intragovernmental Receivables | \$      | -<br>- | \$ | 24,797  |  |  |
| Total Intragovernmental   | \$      |        | \$ | 24,797  |  |  |
| With the Public: Accounts receivable Allowance for Doubtful Accounts                    | \$      | 12,422 | \$ | 3,116   |  |  |
| Total With the Public   | \$      | 12,422 | \$ | 3,116   |  |  |
| Total Accounts Receivable   | \$      | 12,422 | \$ | 27,913  |  |  |

Amounts due from various federal agencies are for accounts receivable as of September 30, 2020, and September 30, 2019. These are related to registered participants' training fees due to the reimbursable fund, and interagency agreements.

#### Note 4 General Property, Equipment, and Software, Net

General property, equipment, and software consisted of that property that is used in operations and consumed over time. The following schedules summarizes cost and accumulated depreciation of property, equipment, and software as of September 30, 2020, and September 30, 2019:

Schedule of Property, Equipment, and Software, Net as of September 30, 2020 (in Dollars)

|                            |      |              | <br>ccumulated<br>mortization/ |     |            |
|----------------------------|------|--------------|--------------------------------|-----|------------|
| Asset Category             | Acqu | isition Cost | <br>epreciation                | Net | Book Value |
| Equipment                  | \$   | 11,593,645   | \$<br>9,866,579                | \$  | 1,727,066  |
| Assets Under Capital Lease |      | 23,731,941   | 20,272,038                     |     | 3,459,903  |
| Leasehold Improvements     |      | 414,914      | -                              |     | 414,914    |
| Internal-Use Software      |      | 1,879,272    | 936,988                        |     | 942,284    |
| Software-in-Development    |      | 88,802       | -                              |     | 88,802     |
| Construction-in-Progress   |      | 714,420      | <br>-                          |     | 714,420    |
| Total                      | \$   | 38,422,994   | \$<br>31,075,605               | \$  | 7,347,389  |

Schedule of Property, Equipment, and Software, Net as of September 30, 2019 (in Dollars)

| Accest October             | <b>A</b> | dallian O. H | Ar | ccumulated<br>mortization/ | Ned | D la Walan |
|----------------------------|----------|--------------|----|----------------------------|-----|------------|
| Asset Category             | Acqu     | isition Cost | ט  | epreciation                | Net | Book Value |
| Equipment                  | \$       | 10,575,552   | \$ | 9,881,045                  | \$  | 694,507    |
| Assets Under Capital Lease |          | 23,731,941   |    | 19,085,441                 |     | 4,646,500  |
| Leasehold Improvements     |          | -            |    | -                          |     | -          |
| Internal-Use Software      |          | 564,707      |    | 564,707                    |     | -          |
| Software-in-Development    |          | 902,298      |    | -                          |     | 902,298    |
| Construction-in-Progress   |          | 1,198,172    |    | -                          |     | 1,198,172  |
| Total                      | \$       | 36,972,670   | \$ | 29,531,193                 | \$  | 7,441,477  |

#### Note 5 Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources result from the receipt of goods and services or the occurrence of events for which appropriations, revenues, or other financing sources necessary to pay the liabilities have not yet been made available through congressional appropriation. Unfunded Intragovernmental Liabilities consist of Accrued FECA in the amount of approximately \$1.5 million.

Capitalization of the full net present value of the Ashburn facility lease created a deficiency in 2001 funding, which was reported to OMB and Congress. OMB subsequently provided guidance on future funding and reporting of this liability, and with the cancellation of the FY 2001 appropriation as of September 30, 2006, the budgetary account no longer reflected a deficiency. The annual Appropriation Acts include language to provide funds to make lease payments due in the current fiscal year. Consistent with GAAP, the remaining liability will remain on the general ledger until the lease is fully liquidated. The lease liability not covered by budgetary resources as of September 30, 2020, is \$5,073,284.

| Intragovernmental:                                  | FY 2020          | FY 2019         |
|---|------------------|-----------------|
| FECA Liability                                      | \$<br>1,532,320  | \$<br>1,608,868 |
| Total Intragovernmental                             | <br>1,532,320    | <br>1,608,868   |
| Capital Lease Liability                             | 5,073,284        | 6,690,404       |
| Unfunded Annual Leave                               | 6,734,364        | 5,716,314       |
| Actuarial FECA Liability                            | <br>8,697,448    | <br>8,856,125   |
| Total Not Covered by Budgetary Resources            | <br>22,037,416   | <br>22,871,711  |
|   |                  |                 |
| Total Liabilities Covered by Budgetary Resources    | 7,374,319        | 9,016,402       |
|   |                  |                 |
| Total Liabilities Not Requiring Budgetary Resources | -                | -               |
|   |                  |                 |
| Total Liabilities                                   | \$<br>29,411,735 | <br>31,888,113  |

#### Note 6 Inter-Entity Costs (Imputed Financing)

The cost of pension and other future retirement benefits are paid by OPM on behalf of the NTSB. OPM provides the rates for recording the estimated cost of pension and other future retirement benefits. These costs are reflected as imputed financing in the consolidated financial statements. Expenses of the NTSB paid or to be paid by other federal agencies on September 30, 2020, and September 30, 2019 consisted of the following:

|  | FY 2020 |           |   | FY 2019 |           |  |
|--|---------|-----------|---|---------|-----------|--|
|  |         |           |   |         |           |  |
| Office of Personnel Management:                |         |           |   |         |           |  |
| Pension expenses                               | \$      | 399,532   |   | \$      | 1,842,799 |  |
| Federal employee health benefits (FEHB)        |         | 2,666,606 |   |         | 2,404,720 |  |
| Federal employees group life insurance (FEGLI) |         | 7,975     | _ |         | 7,508     |  |
| Total Imputed Financing                        | \$      | 3,074,113 |   | \$      | 4,255,027 |  |

#### Note 7 Leases

The NTSB has capital and operating leases in both privately owned and federal buildings for its locations in Washington, DC; Ashburn, Virginia; Denver, Colorado; Seattle, Washington; and Anchorage, Alaska. The NTSB owns no real property. Future estimated minimum operating lease payments are not accrued as liabilities and are expensed on a straight-line basis. The agency recognizes lease expenses on a straight-line basis because the agency's lease payment amounts vary at negotiated dates and reflect increases in rental costs, and in some cases, allowances, or credits from landlords. The NTSB has the legislative authority to enter into lease agreements in order to carry out its mission.

#### **Capital Leases**

The NTSB signed a 20-year capital lease in 2001 to rent the Ashburn, Virginia, training facility space. Total future payments disclosed for the Ashburn facility include estimates for services and utilities.

|                                       | FY 2020          |   | FY 2019          |
|---------------------------------------|------------------|---|------------------|
| Summary of Assets under Capital Lease |                  |   |                  |
| Land and Buildings (Training Center)  | \$<br>23,731,941 |   | \$<br>23,731,941 |
| Accumulated Depreciation              | (20,272,038)     | _ | (19,085,441)     |
| Net Book Value                        | \$<br>3,459,903  |   | \$<br>4,646,500  |

#### **Description of Lease Arrangements**

In 2003, the NTSB determined that the Ashburn facility lease should be recorded as a capital lease. Capitalizing the full net present value of the Ashburn facility lease created a deficiency in 2001 funds. This deficiency was reported to the OMB and Congress. The OMB has provided guidance on future funding and reporting of this liability. With the cancellation of the FY 2001 appropriation on September 30, 2006, the budgetary accounts no longer reflect a deficiency situation. The related asset, liability, and amortization will remain on the general ledger until the lease is fully liquidated. Annual Appropriation acts now include language to provide funds to make lease payments due in the current fiscal year.

#### **Future Payments Due for Capital Lease**

| Fiscal Year  |    | Buildings   |
|--|----|-------------|
| 2021   | \$ | 2,521,440   |
| 2022   |    | 2,521,440   |
| 2023   |    | 2,101,200   |
| Total Future Payments Due for Capital Lease  | \$ | 7,144,080   |
| Less: Imputed Interest   |    | (412,225)   |
| Less: Executory Costs  |    | (1,658,571) |
| Net Capital Lease Liability  | \$ | 5,073,284   |
| Capital lease liabilities not covered by budgetary resources as of September 30, 2020: | \$ | 5,073,284   |

#### **Operating Leases**

NTSB has several operating leases with the General Services Administration (GSA) for office and meeting space that do not have a stated expiration date. The GSA charges rent that is intended to approximate commercial rental rates.

#### **Future Payments Due for Operating Leases: Non-Cancelable**

| Fiscal Year               | Federal |           | Non-Federal | Total           |
|---------------------------|---------|-----------|-------------|-----------------|
| 2021                      | \$      | 635,655   |             | \$<br>635,655   |
| 2022                      |         | 843,632   |             | 843,632         |
| 2023                      |         | 850,639   |             | 850,639         |
| 2024                      |         | 857,855   |             | 857,855         |
| 2025                      |         | 865,288   |             | 865,288         |
| 2026 and beyond           |         | 143,250   |             | 143,250         |
| Total Future Payments Due | \$      | 4,196,319 | \$ -        | \$<br>4,196,319 |

#### **Future Payments Due for Operating Leases: Cancelable**

| Fiscal Year                   | Federal          | Non-F | ederal   | Total            |
|-------------------------------|------------------|-------|----------|------------------|
| 2021                          | \$<br>8,739,245  |       |          | \$<br>8,739,245  |
| 2022                          | 8,931,838        |       |          | 8,931,838        |
| 2023                          | 9,019,732        |       |          | 9,019,732        |
| 2024                          | 9,071,302        |       |          | 9,071,302        |
| 2025                          | 9,124,655        |       |          | 9,124,655        |
| 2026 and beyond               | 2,687,752        |       |          | <br>2,687,752    |
| Total Future Payments Due     | \$<br>47,574,524 | \$    |          | \$<br>47,574,524 |
| Total Future Payments Due for |                  |       |          |                  |
| Operating Leases              | \$<br>51,770,843 | \$    | <u> </u> | \$<br>51,770,843 |

#### **Summary of Lease Arrangements**

|   |                     | Buildings   |
|---|---------------------|---|
| Location                                  | Federal/Non-Federal | Description of Operating Leases Arrangements  |
| Headquarters<br>Washington, DC            | Federal             | Headquarters and conference center leases, both of which commenced on December 1, 2010 and end November 30, 2020, subject to anticipated tax escalation in excess of the occupancy agreement (OA). Both lease renewals commence December 1, 2020 and end November 30, 2025. |
|   |                     |   |
| Eastern Region<br>Ashburn, VA             | Non-Federal         | 20-year capital lease of training and meeting space from August 1, 2003 through July 31, 2023, subject to an increase in the annual operating expense base rate (base year utility cost rate, and cost of living index adjustment).   |
|   |                     |   |
| Central Region<br>Denver, CO              | Federal             | Lease of regional office space from May 4, 2015 through December 16, 2021.  |
|   |                     |   |
| Western Pacific Region<br>Federal Way, WA | Federal             | Lease of regional office space from September 1, 2020 through August 31, 2035.  |
|   |                     |   |
| Alaska Region<br>Anchorage, AK            | Federal             | Lease of regional office space from June 1, 2016 through March 31, 2024.  |

The NTSB has operating leases for postage meters and vehicles. Postage meters are leases that are cancelable or renewable on an annual basis at the option of the NTSB. They do not impose binding commitments on the agency for future rental payments on leases with terms longer than 1 year. GSA vehicle leases are cancelable at any time without penalty and are not included in the Future Payments Due for Operating Leases information presented above.

#### Note 8 Commitments and Contingencies

As of September 30, 2020, the NTSB is a party to a legal action that will likely result in a loss. Accordingly, a provision for this loss is included in the financial statements. Moreover, as of September 30, 2020, the NTSB has one pending matter for which there is a probable likelihood of an adverse outcome, and five pending matters for which there is at least a reasonable possibility of an adverse outcome. The potential loss for these matters cannot be estimated at this time. These actions are disclosed in accordance with SFFAS No. 5, Accounting for Liabilities of the Federal Government, as amended by SFFAS No. 2, Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS No. 5, Accounting for Liabilities of the Federal Government.

|                                 | Accrue | d Liabilities | Estimated Ra  | ange of Loss                              |
|---------------------------------|--------|---------------|---------------|---|
|                                 |        |               | Lower End     | Upper End                                 |
| FY 2020<br>Legal Contingencies: |        |               |               |   |
| Probable                        | 1      | \$ 110,000    | \$ 110,000    | \$ 200,000                                |
|                                 | 1      | -             | Estimated amo | unt or range of potential loss is unknown |
| Reasonably Possible             | 5      | -             | Estimated amo | unt or range of potential loss is unknown |
| FY 2019 Legal Contingencies:    |        |               |               |   |
| Probable Probable               | 1      | -             | Estimated amo | unt or range of potential loss is unknown |
| Reasonably Possible             | 4      | -             | Estimated amo | unt or range of potential loss is unknown |

Note 9 Suborganization Program Costs/Program Costs by Segment

**Intragovernmental and Public Costs** 

**Supporting Schedule by Program Segment (in Dollars)** 

| FY 2020   | Avia | tion Safety             | Surf | ace Safety              | Research &<br>Ingineering   | C  | Consolidated<br>Totals  |
|---|------|-------------------------|------|-------------------------|-----------------------------|----|-------------------------|
| Intragovernmental Gross Costs<br>Less: Intragovernmental Earned Revenue | \$   | 15,790,746<br>(102,892) | \$   | 10,873,214<br>(70,849)  | \$<br>6,411,030<br>(41,774) | \$ | 33,074,990<br>(215,515) |
| Intragovernmental Net Costs   |      | 15,687,854              |      | 10,802,365              | 6,369,256                   |    | 32,859,475              |
| Gross Costs with the Public Less: Earned Revenues from the Public       |      | 36,814,944<br>(217,468) |      | 25,494,574<br>(150,598) | 16,586,553<br>(97,978)      |    | 78,896,071<br>(466,044) |
| Net Costs with the Public   |      | 36,597,476              |      | 25,343,976              | <br>16,488,575              |    | 78,430,027              |
| Net Cost of Operations  | \$   | 52,285,330              | \$   | 36,146,341              | \$<br>22,857,831            | \$ | 111,289,502             |

| FY 2019  | Avia | ntion Safety                                 | Surf | ace Safety                                   | Research & ngineering                           | (  | Consolidated<br>Totals                       |
|--|------|--|------|--|---|----|--|
| Intragovernmental Gross Costs Less: Intragovernmental Earned Revenue Intragovernmental Net Costs | \$   | 15,630,949<br>(115,662)<br><b>15,515,287</b> | \$   | 11,250,080<br>(74,194)<br>11,175,886         | \$<br>5,800,643<br>(38,255)<br><b>5,762,388</b> | \$ | 32,681,672<br>(228,111)<br><b>32,453,561</b> |
| Gross Costs with the Public Less: Earned Revenues from the Public Net Costs with the Public      |      | 37,985,376<br>(449,427)<br><b>37,535,949</b> |      | 25,781,939<br>(305,041)<br><b>25,476,898</b> | 15,596,953<br>(184,537)<br><b>15,412,416</b>    |    | 79,364,268<br>(939,005)<br><b>78,425,263</b> |
| Net Cost of Operations   | \$   | 53,051,236                                   | \$   | 36,652,784                                   | \$<br>21,174,804                                | \$ | 110,878,824                                  |

#### Note 10 Undelivered Orders at the End of the Period

Undelivered orders are purchase orders issued by the NTSB during FY 2020 and the 5 expiring fiscal years, which have not had delivery of the required product or service as of September 30, 2020 and 2019, respectively. It is anticipated that these undelivered items will be provided in future periods and will require resources obligated during the respective fiscal years.

| For Fiscal Years Ending September 30, (in Dollars) | FY 2020 |            |  | FY 2019          |
|--|---------|------------|--|------------------|
| Intragovernmental Undelivered Orders, Unpaid:      | \$      | 2,003,693  |  | \$<br>2,128,264  |
| Public Undelivered Orders, Unpaid:                 |         | 11,808,277 |  | 12,258,525       |
| Total Undelivered Orders, Unpaid                   | \$      | 13,811,970 |  | \$<br>14,386,789 |

# Note 11 Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the US Government

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources, and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2020 actual budgetary execution information is scheduled for publication in February 2021 and will be available through the OMB's website at <a href="http://www.whitehouse.gov/omb">http://www.whitehouse.gov/omb</a>. Accordingly, information required for FY 2020 disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2019 Statement of Budgetary Resources and the related President's Budget reflected the following:

| In Millions                               | Budgetary<br>Resources | Obligations | Ne | t Outlays |
|---|------------------------|-------------|----|-----------|
| Combined Statement of Budgetary Resources | \$<br>128              | \$<br>110   | \$ | 105       |
| Unobligated Balance - expired             | (6)                    | -           |    | -         |
| Emergency Fund                            | (2)                    | -           |    | -         |
| Differences Due to Rounding               | 1                      | (1)         |    | -         |
| Budget of the U.S. Government             | \$<br>121              | \$<br>109   | \$ | 105       |

# Note 12 Reconciliation of Net Cost and Budget Outlays

SFFAS No. 53, Budget and Accrual Reconciliation, amended SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting and 24, Selected Standards for the Consolidated Financial Report of the United States Government, and rescinded SFFAS 22, Change in Certain Requirements for Reconciling Obligations and Net Cost of Operations. SFFAS No. 53, Budget and Accrual Reconciliation, explains the relationship between the NTSB's net outlays on a budgetary basis and the net cost of operations during the reporting period.

|  |    | Intra-<br>vernmental | Wi | th the Public | Total             |
|--|----|----------------------|----|---------------|-------------------|
| Net Cost of Operations                                   | \$ | 32,859,476           | \$ | 78,430,026    | \$<br>111,289,502 |
| Components of Net Cost That Are Not Part of Net Outlays: |    |                      |    |               |                   |
| Property, plant, and equipment depreciation              |    | -                    |    | (2,257,982)   | (2,257,982)       |
| Increase/(decrease) in assets:                           |    |                      |    |               |                   |
| Accounts receivable                                      |    | (24,797)             |    | 9,306         | (15,491)          |
| (Increase)/decrease in liabilities:                      |    |                      |    |               |                   |
| Accounts Payable   |    | (327,364)            |    | 2,813,993     | 2,486,629         |
| Salaries and benefits                                    |    | (211,840)            |    | (522,706)     | (734,546)         |
| Other liabilities  |    | 76,548               |    | 647,746       | 724,294           |
| Other financing sources:                                 |    |                      |    |               |                   |
| Federal employee retirement benefit costs                |    |                      |    |               |                   |
| paid by OPM and imputed to the agency                    |    | (3,074,113)          |    |               | <br>(3,074,113)   |
| Total Components of Net Cost That Are Not                |    | _                    |    | _             | <br>_             |
| Part of Net Outlays                                      |    | (3,561,566)          |    | 690,357       | (2,871,209)       |
| Components of Net Outlays That Are Not Part of Net Cost: |    |                      |    |               |                   |
| Acquisition of capital assets                            |    | 414,914              |    | 1,748,980     | 2,163,894         |
| Total Components of Net Outlays That Are                 |    |                      |    |               |                   |
| Not Part of Net Cost                                     |    | 414,914              |    | 1,748,980     | 2,163,894         |
| Other Temporary Timing Differences                       |    | -                    |    | -             | -                 |
| Outlays, Net   | \$ | 29,712,824           | \$ | 80,869,363    | \$<br>110,582,187 |

# Note 13 Net Adjustments to Unobligated Balance Brought Forward, October 1

In accordance with SFFAS No.7, paragraph 79, the reconciliation of the unobligated balance brought forward, October 1 to the unobligated balance from prior year budget authority, net (dollars) is presented as follows:

|   | FY 2020          | FY 2019          |  |
|---|------------------|------------------|--|
| Judgment Fund   | \$<br>-          | \$<br>-          |  |
| Unobligated Balance Brought Forward, October 1            | \$<br>18,189,289 | \$<br>19,570,107 |  |
| Recoveries of Prior Year Obligations                      | 1,141,540        | 1,573,025        |  |
| Other Changes in Unobligated Balance                      | 8,719            | 4,698            |  |
| Canceled Authority  | (2,239,326)      | (4,472,715)      |  |
| Unobligated Balance From Prior Year Budget Authority, Net | \$<br>17,100,222 | \$<br>16,675,115 |  |

# SECTION III OTHER ACCOMPANYING INFORMATION



# **Summary of Financial Statement Audit and Management Assurances**

Reveals each material weakness and non-conformance found and/or resolved during the audit, as well as those found by management during the evaluation of internal control and financial systems, as required by the FMFIA.

# **Payment Integrity Reporting Details**

Provides information about the NTSB's compliance with the Payment Integrity Information Act of 2019.

#### **Fraud Reduction**

Details the agency's approach to managing fraud in accordance with the Government Accountability Office's *A Framework to Managing Fraud Risks in Federal Programs*, as required by the Fraud Reduction and Data Analytics Act of 2015.

# **Civil Monetary Penalty Adjustment for Inflation**

Provides inflation adjustments to civil monetary penalties, as required by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

# OTHER ACCOMPANYING INFORMATION

## Summary of Financial Statement Audit and Management Assurances

Table 1: Summary of Financial Statement Audit for FY 2020

Audit Opinion: Unmodified

Restatement: No

| Material Weaknesses                       | Beginning<br>Balance | New | Resolved | Consolidated | Ending Balance |
|---|----------------------|-----|----------|--------------|----------------|
| Internal Control Over Financial Reporting | 0                    | 0   | 0        | 0            | 0              |
| Total Material Weaknesses                 | 0                    | 0   | 0        | 0            | 0              |

Table 2: Summary of Management Assurances for FY2020

| Effectiveness of | Internal Central | Over Financial  | Donorting /EME    | A\ Daragraph 2   |
|------------------|------------------|-----------------|-------------------|------------------|
| Effectiveness of | Internal Control | Over Fillandiai | Reporting (Fivir) | A). Palaulauli Z |

Statement of Assurance: Unmodified

| Material Weaknesses                       | Beginning<br>Balance | New | Resolved | Consolidated | Ending Balance |
|---|----------------------|-----|----------|--------------|----------------|
| Internal Control Over Financial Reporting | 0                    | 0   | 0        | 0            | 0              |
| Total Material Weaknesses                 | 0                    | 0   | 0        | 0            | 0              |

#### Effectiveness of Internal Control Over Operations (FMFIA), Paragraph 2

Statement of Assurance: Unmodified

| Material Weaknesses                       | Beginning<br>Balance | New | Resolved | Consolidated | Ending Balance |
|---|----------------------|-----|----------|--------------|----------------|
| Internal Control Over Financial Reporting | 0                    | 0   | 0        | 0            | 0              |
| Total Material Weaknesses                 | 0                    | 0   | 0        | 0            | 0              |

#### Conformance with Financial Management System Requirements (FMFIA), Paragraph 4

Statement of Assurance: Systems conform to financial management system

requirements

| Non-Conformances                                 | Beginning<br>Balance | New | Resolved | Consolidated | Ending Balance |
|--|----------------------|-----|----------|--------------|----------------|
| Federal Financial Management System Requirements | 0                    | 0   | 0        | 0            | 0              |
| Total Non-Conformances                           | 0                    | 0   | 0        | 0            | 0              |

# OTHER ACCOMPANYING INFORMATION

# **Payment Integrity**

The Payment Integrity Information Act of 2019 requires agencies to review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in susceptible programs and activities, and report their results of improper payment activities. In accordance with OMB guidance, the NTSB performed a risk assessment and determined that none of the agency's programs or activities are susceptible to significant improper payments. More detailed information on the federal government's progress towards improving improper payments is available on <a href="https://paymentaccuracy.gov/">https://paymentaccuracy.gov/</a>.

#### Fraud Reduction Efforts

The Fraud Reduction and Data Analytics Act of 2015 requires agencies to implement the Government Accountability Office's *A Framework to Managing Fraud Risks in Federal Program.* The Act also requires agencies to report on efforts to reduce fraud. The NTSB's approach to fraud prevention and detection starts with the agency's leadership. The NTSB has a leadership culture that fosters integrity; training to increase awareness and to identify and report fraud; strong internal controls, appropriate segregation of duties, and risk and internal control assessments. In addition, the SMOC evaluates fraud risk as part of the enterprise risk management program. The NTSB understands that a fraud risk management program is a continuous process that requires on-going assessment and evaluation to build and improve an overall anti-fraud environment. The NTSB will continue to strengthen the agency's fraud risk management processes.

#### Civil Monetary Penalty Adjustment for Inflation

The Federal Civil Penalties Inflation Adjustment Act of 1990, Public Law 101-410, 104 Stat. 890 as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114-74, sec. 701, 129 Stat. 584 (codified at 28 U.S.C. 2461 note), requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties to improve their effectiveness and to maintain their deterrent effect. To improve compliance with the Act, and in response to multiple audits and recommendations, agencies should report annually in the Other Information section the most recent inflationary adjustments to civil monetary penalties to ensure that penalty adjustments are both timely and accurate.

| Statutory Authority                 | 49 U.S.C. 20103, 20106-2017, 20118-20119, 20156, 21301, 21304, 21311; 28 U.S.C. 2461, note; and 49 Code of Federal Regulations 1.89  |
|-------------------------------------|--|
| Aviation Penalty                    | A person violating 49 U.S.C.1132 (Civil aircraft accident investigations), 1134(b) (Inspection, testing, preservation, and moving of aircraft and parts), 1134(f)(1) (Autopsies), or 1136(g) (Prohibited actions when providing assistance to families of passengers involved in aircraft accidents). 49 Code of Federal Regulations 831.15. |
| Year Enacted                        | 1994   |
| Latest Year of Adjustment           | 2020   |
| Current Penalty Level (\$)          | \$1722 per violation, per day  |
| Location for Penalty Update Details | Federal Register, 85 FR 10 (January 15, 2020)  |

# **APPENDICES**

**Appendix A: Abbreviations/Acronyms** 

**Appendix B: Contact Information and Acknowledgments** 

### **APPENDICES**

# Appendix A: Abbreviations, Acronyms, and Initialisms

ADA Anti-Deficiency Act

AS NTSB Office of Aviation Safety

ALJ NTSB Office of Administrative Law Judges
CIO NTSB Office of the Chief Information Officer

CSRS Civil Service Retirement Systems

DATA of 2014 Digital Accountability and Transparency Act of 2014

DOL US Department of Labor

DOT US Department of Transportation EEO Equal Employment Opportunity

EEODI NTSB Office of Equal Employment Opportunity, Diversity, and Inclusion

ERM Enterprise Risk Management FAA Federal Aviation Administration

FECA Federal Employees' Compensation Act
FERS Federal Employees Retirement System
FISMA Federal Information Security Management Act
FMFIA Federal Managers' Financial Integrity Act

FPPS Federal Personnel/Payroll System

FY Fiscal Year

GAAP Generally Accepted Accounting Principles
GC NTSB Office of the General Counsel
GPRA Government Performance and Results Act

GPRAMA Government Performance and Results Modernization Act

GSA General Services Administration
HS NTSB Office of Highway Safety
IBC Interior Business Center

IPERIA Improper Payments Elimination and Recovery Act of 2010

IT Information Technology

MD NTSB Office of the Managing Director

MS NTSB Office of Marine Safety

NTSB National Transportation Safety Board
OMB Office of Management and Budget
OPM Office of Personnel Management
P&E Property, Equipment, and Software
PAR Performance and Accountability Report
RE NTSB Office of Research and Engineering

RPH NTSB Office of Railroad, Pipeline, and Hazardous Materials Investigations

SFFAS Statement of Federal Financial Accounting Standards

SMOC Senior Management Oversight Council

SRC NTSB Office of Safety Recommendations and Communications

TSP Thrift Savings Plan U.S.C. United States Code

## **APPENDICES**

# **Appendix B: Contact Information and Acknowledgments**

#### NATIONAL TRANSPORTATION SAFETY BOARD

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#### We Welcome Your Comments

Thank you for your interest in the NTSB's *Fiscal Year 2020 Performance and Accountability Report*. We welcome your comments on how we can make this report more informative for our readers. To comment on this report, please e-mail us at cfofeed@ntsb.gov.

# **Acknowledgements**

The NTSB's FY 2020 PAR is the result of a collaborative effort on the part of many NTSB employees. We would like to acknowledge and thank them for their hard work and commitment. We would also like to acknowledge the DOT Office of the Inspector General and the public accounting firm, Allmond and Company LLC, for the professional manner in which they conducted the audit of the agency's FY 2020 financial statements.