



# National Transportation Safety Board

Fiscal Year **2021**

## Performance and Accountability Report



# NTSB

## NTSB AT A GLANCE

### History

The **National Transportation Safety Board (NTSB)** was created in 1967 as an accident investigation agency within the newly created US Department of Transportation (DOT). 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, the 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 Federal Aviation Administration (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- Review appeals from airmen and merchant seamen whose certificates have been revoked or suspended by the FAA and the US Coast Guard, respectively.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.

## NTSB AT A GLANCE

### 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 FAA and US Coast Guard, as well as the appeals of civil penalty actions taken by the FAA.

## ABOUT THIS REPORT

Our Performance and Accountability Report (PAR) for fiscal year (FY) 2021 provides financial and performance information for the NTSB and compares performance results to the agency's strategic and performance goals. This information enables the president, 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

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 <http://www.nts.gov>. The NTSB's Strategic Plan and annual PARs are available on our website at <http://www.nts.gov/about/reports>.

## HOW THIS REPORT IS ORGANIZED

The NTSB PAR is organized into three primary sections 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 2021. 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 2021 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.

### 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.

### Appendix

Appendix A provides contact information and acknowledgements.



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## ACRONYMNS, INITIALISMS, and ABBREVIATIONS

ADA	Anti-Deficiency Act
ASPP	Annual Strategic Performance Plan
Budget	Budget of the United States Government
COVID-19	Coronavirus Disease of 2019
CSRS	Civil Service Retirement Systems
DATA	Digital Accountability and Transparency Act of 2014
DOL	US Department of Labor
DOT	US Department of Transportation
EEO	Equal Employment Opportunity
ERM	Enterprise Risk Management program
FAA	Federal Aviation Administration
FECA	Federal Employees' Compensation Act
FEHB	Federal Employees Health Benefits program
FERS	Federal Employees Retirement System
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FOIA	Freedom of Information Act
FPPS	Federal Personnel/Payroll System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GPRA	Government Performance and Results Act
GPRAMA	Government Performance and Results Modernization Act
GSA	General Services Administration
IBC	Interior Business Center
NTSB	National Transportation Safety Board
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P&E	Property and Equipment
PAR	Performance and Accountability Report
SFFAS	Statement of Federal Financial Accounting Standards
SMOC	Senior Management Oversight Council
Treasury	US Department of the Treasury
TSP	Thrift Savings Plan
<i>U.S.C.</i>	<i>United States Code</i>

## MESSAGE FROM THE CHAIR

I am pleased to present the National Transportation Safety Board's Fiscal Year 2021 PAR. This report summarizes our goals and accomplishments as well as presenting key financial data about our operations for FY 2021.

Serving the American public as the newly confirmed chair of the National Transportation Safety Board is truly an honor and a privilege, and I am fortunate to be able to lead such incredibly talented and dedicated professionals. My passion for improving safety and for supporting the critical safety mission of the NTSB spans nearly two decades. Due to the agency's hard work, professionalism, and dedication, we are highly regarded as the world's preeminent safety agency. I am so proud to represent the NTSB as chair, and I want to thank each of the overall 400 individuals who make up this agency for all that they do. I recognize how truly fortunate I am to lead them.



Seemingly overnight, and with great agility, the NTSB transitioned to a virtual work environment without a loss in productivity nor a decline in the quality of our work. Shortly after the start of the pandemic, we put together a COVID Reintegration Team and implemented a comprehensive risk assessment to help guide our on-scene investigative work, with the goal of prioritizing the safety and health of our employees. Even with the challenges presented by the pandemic, the NTSB continued its mission of making transportation safer by conducting independent accident investigations, advocating safety improvements, and assisting victims of transportation accidents and their families. During FY 2021, investigative staff across all the modal offices completed more than 1450 investigations of domestic transportation accidents and incidents and supported more than 330 foreign investigations. Our entire agency demonstrated amazing resilience in the face of the pandemic to continue to serve the American public. I am extremely proud of the sacrifices made and the outstanding effort put forth by our entire gifted workforce.

The FY 2021 Performance and Accountability Report also includes the results of the independent audit of our FY 2021 financial statements. I am pleased to announce that, for the 19th consecutive year, the agency received an unmodified opinion. I am also pleased to report that, based on our internal processes and controls, the NTSB provides reasonable assurance that the agency complies with the FMFIA and that internal control over financial reporting is operating effectively to produce reliable and complete financial reporting as required by *OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control*.

The United States must continue to set the standard and lead the rest of the world in continually improving transportation safety, and the NTSB is a vital component in accomplishing this mission. The NTSB will continue to work with the president, Congress, and the American people to further the cause for transportation safety.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Homendy". The signature is fluid and cursive.

Jennifer Homendy  
Chair

November 5, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Mission

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. Over the years, the NTSB has issued over 15,200 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 all the DOT modal administrations, the Coast Guard, all the states, and other entities should follow 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.

### 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. Board members also participate in accident or other transportation safety hearings, testify before congressional committees, and often serve as the on-scene agency spokesperson during accident investigations.

### MISSION STATEMENT

Determine the probable cause of transportation accidents and incidents and to formulate safety recommendations to improve transportation safety.

### 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Chairman, Vice Chairman, and Board Members

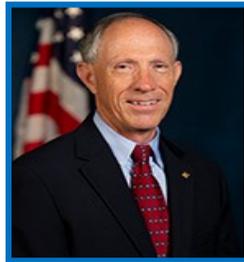
The authority of the National Transportation Safety Board is vested in a Board of five members, with each member nominated by the president and confirmed by the Senate to serve 5-year terms. One member is separately nominated by the president and confirmed by the US Senate to serve as chairman and another 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. NTSB currently has one vacant board member seat.

The chairman serves as the chief executive officer for the agency. The chairman, vice chairman, and Board members preside at agency Board meetings; 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 specific safety recommendations with the transportation community, other federal agencies, state and local governments, and the public.



Honorable Jennifer Homendy

**Chair**



Honorable Bruce Landsberg

**Vice Chairman**



Honorable Michael Graham

**Member**



Honorable Thomas Chapman

**Member**

### Policy and Direction

Policy and Direction program resources fund the Offices of the Chairman, Vice Chairman, and Members of the Board, as well as the Offices of the Managing Director; General Counsel; Chief Financial Officer; and Equal Employment Opportunity, Diversity, and Inclusion. Collectively, these offices provide overall leadership, management, and direction for the NTSB.

### Office of the Managing Director

The Office of the Managing Director assists the chairman in the discharge of the executive, investigative, and administrative functions of the agency. The office coordinates the 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 NTSB Training Center is an organizational component of the Office of the Managing Director. The Training Center is responsible for training NTSB staff and our partners in investigations, developing training plans, and overseeing the development and implementation of workforce development programs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### The *Office of Aviation Safety* —

- 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.
- 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.
- Investigates safety issues that extend beyond a single accident to examine specific aviation safety problems from a broader perspective.



Figure 2

**WASHINGTON (July 9, 2021)** —The forward fuselage of Transair flight 810 is seen as it rests on the ocean floor about 2 miles from Ewa Beach. Rhoades Aviation Inc., dba Transair, flight 810, a Boeing 737-200, ditched in the waters of Mamala Bay near Honolulu, shortly after takeoff from Daniel K. Inouye International Airport, Hawaii, July 2, 2021. (Image courtesy of Sea Engineering, Inc.)

The Office of Aviation Safety 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

**Greenville, Alabama** —NTSB investigators examining vehicle crash location and damage to the guardrail at the site of June 19, 2021, multi-vehicle collision and fire involving commercial vehicle and passenger vehicles. (Photo source: Unknown)

The *Office of Highway Safety* investigates crashes that have significant safety implications nationwide, highlight national safety issues, involve the loss of numerous lives, 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 motorcoaches and school buses), and collisions at highway–railroad grade crossings. This office 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The **Office of Marine Safety** 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 concurred with by the NTSB Chair, to life, property, or the environment by hazardous materials.



Figure 4

**Port Fourchon, Louisiana** — Pre-accident photo of the *Seacor Power*, left, in the lifted configuration alongside an offshore platform before capsizing 7 miles off the coast of Port Fourchon, Louisiana, on April 13, 2021. (Photo Source: Seacor Marine)



Figure 5

**Boston, Massachusetts** —The rear of the trailing car of the Green Line Massachusetts Bay Transport Authority (MBTA) train struck by another Green Line train. The NTSB is investigating. Image taken July 31, 2021, by Joe Gordon. (NTSB photo)

The **Office of Railroad, Pipeline, and Hazardous Materials** investigations comprises four divisions: Railroad, Pipeline & Hazardous Materials, System Safety, and Report Development. The office investigates accidents involving railroads, pipelines, and hazardous materials, and evaluates the associated emergency response. Based on these investigations, the NTSB may issue safety recommendations to federal and state regulatory agencies, unions, industry and safety standards organizations, carriers and pipeline operators, equipment and container manufacturers, producers and shippers of hazardous materials, and emergency response organizations. The office also issues NTSB Safety Alerts to industry.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

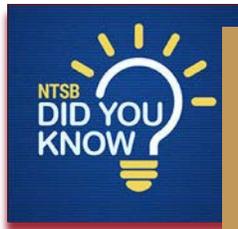
The **Office of Research and Engineering** is an investigative office providing scientific and technical expertise for NTSB accident investigations in all modes of transportation. The office, which includes four divisions (Safety Research Division; Materials Laboratory Division; Vehicle Recorder Division; Vehicle Performance Division) and two program areas (*Medical Investigations and Chief Data Scientist*) also conducts safety research, generates periodic statistical reviews of aviation accidents, and provides medical and toxicology expertise for investigations in all modes.

The NTSB serves as the court of appeals 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 agency's **Administrative Law Judges** hear, consider, and issue initial decisions on administrative appeals regarding FAA aviation enforcement actions. Included are appeals of the following:

- Orders issued by the FAA Administrator amending, modifying, suspending, or revoking, in whole or in part, certificates of airmen, air agencies, and air carriers for alleged violations of the *Federal Aviation Regulations* or for lack of qualifications.
- FAA actions denying applications for the issuance or renewal of airman certificates, including airman medical certificates.
- Certain FAA civil penalty orders issued against individuals, pilots, flight engineers, mechanics, or repairmen where the amount in dispute is less than \$50,000.

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 **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. Four divisions carry out the office's work: Administrative Operations and Security, Acquisition and Lease Management, Human Resources, and Safety.

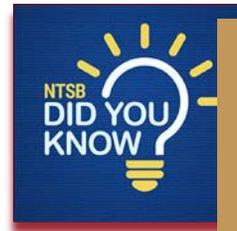


The NTSB ranked in the top 10 as one of the best places to work in the federal government. We ranked ninth among 29 small agencies.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Office of the Chief Information Officer* 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 consists of four divisions: Computer Services Division, Systems Support Division, Records Management Division, and the Enterprise Architect Division, and two program areas, the Chief Technology Officer Program, and the Information Technology Security Program.

The *Office of the General Counsel* serves as the chief legal officer of the agency and ensures the proper implementation of the NTSB's statutory responsibilities relating to transportation safety. Specifically, the office advises agency officials on legal and policy issues arising under the NTSB's governing legislation and regulations, and on other administrative law matters. Office staff provide an 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. The Office of the General Counsel also administers the agency's ethics program, provides legal reviews of contracts and acquisition documents, and makes release determinations of official information for use in litigation not involving the United States. In addition, the office ensures compliance with statutes concerning public access to information through publication of NTSB decisions and releases under the Freedom of Information Act (FOIA); drafts all rulemaking and interpretive guidance; and 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. Finally, the Office of the General Counsel 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.



The NTSB's FOIA office processes hundreds of FOIA requests every year. The NTSB FOIA Requester Service Center can be reached at (202) 314-6540 or (800) 877-6799.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The **Office of Equal Employment Opportunity (EEO), Diversity, and Inclusion** advises and assists the NTSB chairman and 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 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. The office's 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.



More than a quarter of agency staff have degrees in engineering, representing more than 28 engineering specialties including aerospace engineering, metallurgical engineering, and nuclear engineering.



NTSB's Transportation Assistance Division provides—

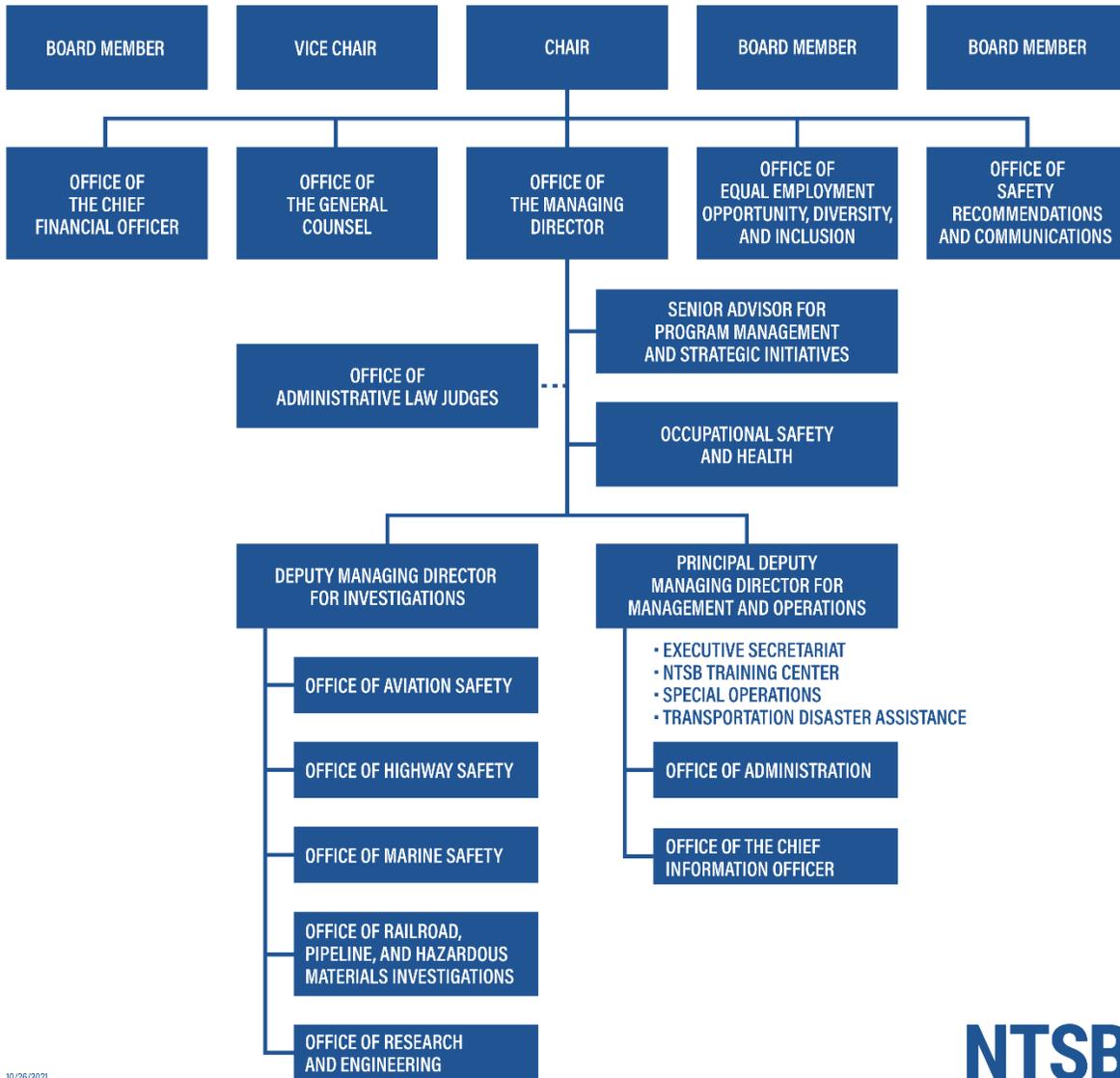
- access to support services and information about the accident investigation.
- coordination of local, state, and federal assets for transportation disaster family assistance response.
- advice on family assistance planning for all transportation modes.

### The **Office of Safety Recommendations and Communications**

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 staff at the federal, state, and local levels; industry representatives; media; and the public. The office'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. The office comprises five divisions: Media Relations, Government and Industry Affairs, Safety Advocacy, Safety Recommendations, and Digital Services.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Organization and Program Structure

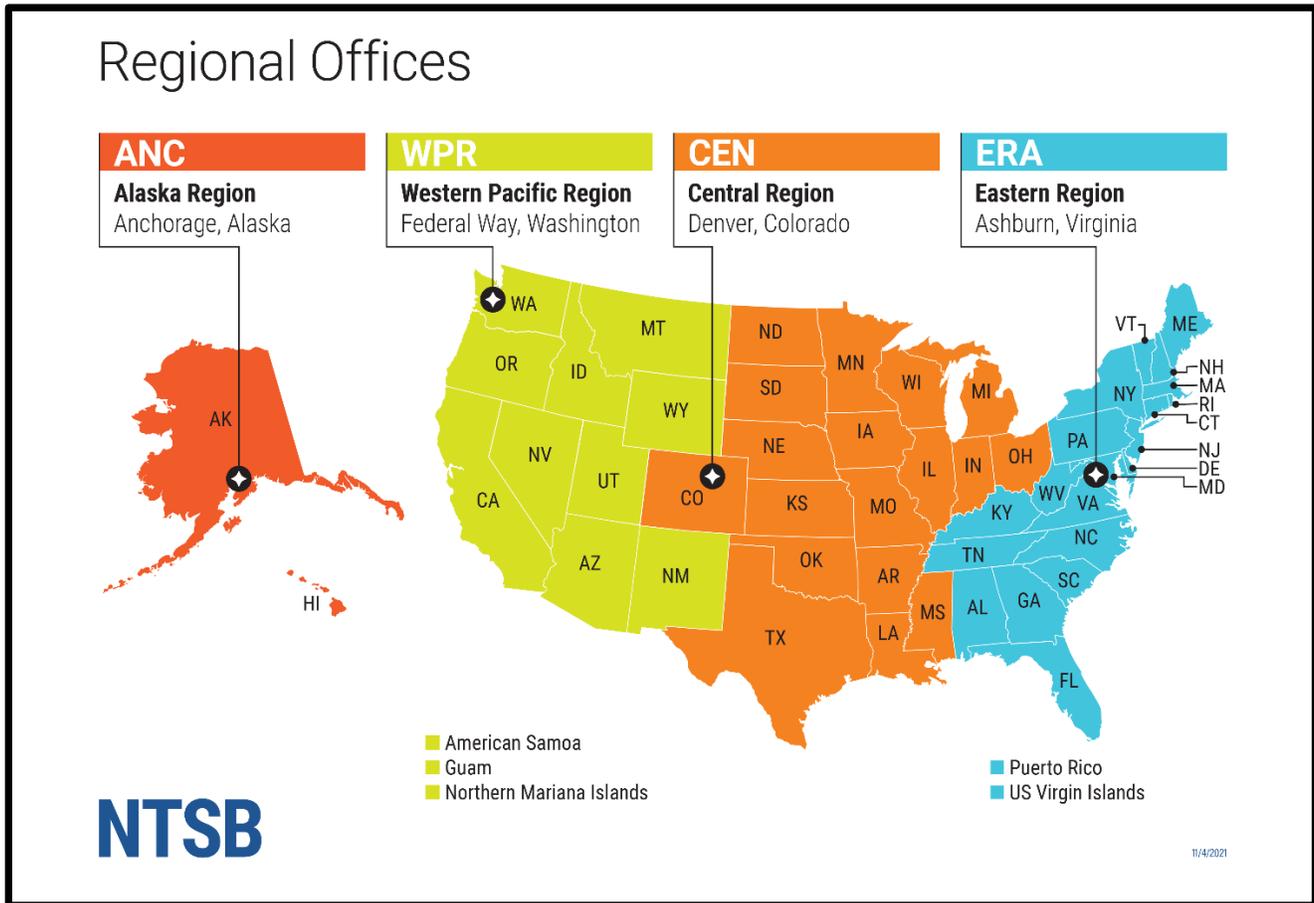


10/26/2021

Figure 6: NTSB Organization and Program Structure Chart

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Location of Regional Offices



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

Figure 7: NTSB Regional Field Offices

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Sources of Funds

As provided for in U.S.C. 3109, the NTSB receives an annual Salaries and Expenses appropriation. For 2021, the NTSB's enacted appropriation was \$118,400,000. In addition, the NTSB received \$992,121 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.

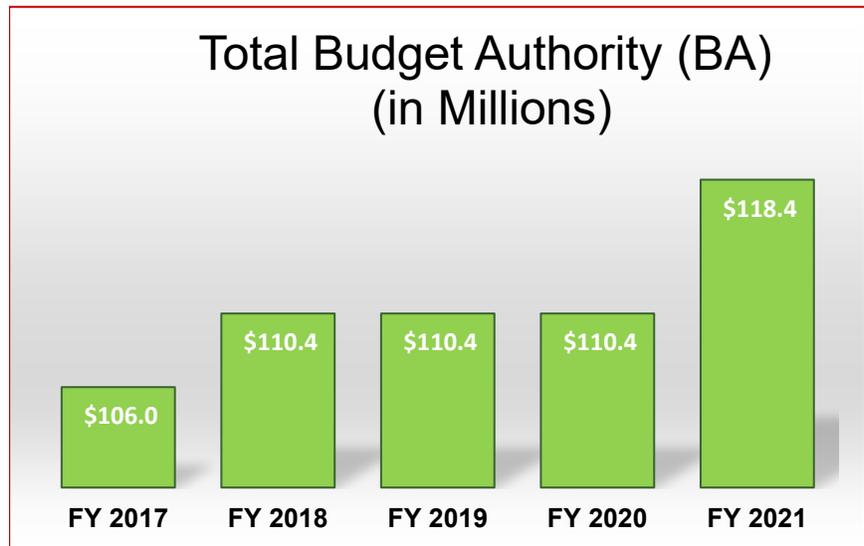


Figure 8: Total Budgetary Authority for Last 5 Years

The NTSB's FY 2021 obligations by personnel and non-personnel costs are represented by the chart below. Personnel costs, which primarily comprise salaries and employee benefits, counted for 68 percent of NTSB costs. The remaining 32 percent was spent on non-personnel items such as equipment and infrastructure, software, hardware, office rent, building security, travel, and other related costs.

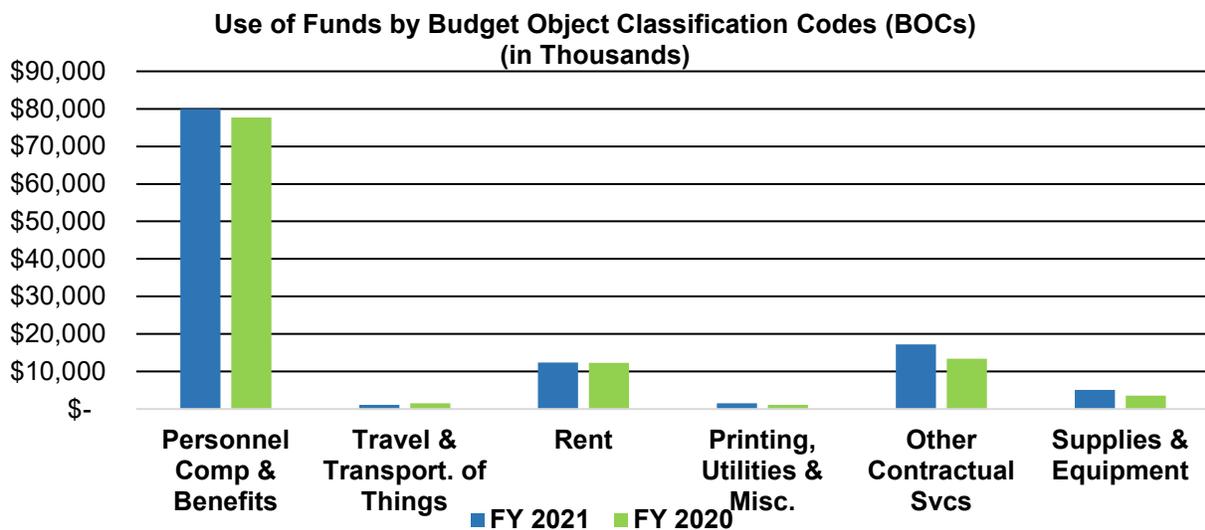


Figure 9: Salaries and Expenses Appropriation Fund by Budget Object Classification (000s)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Performance Goals, Objectives, and Results

#### Strategic Goals Overview

The NTSB's Annual Strategic Performance Plan (ASPP) outlined our strategies to achieve agency priorities, promote organizational change, and improve agency performance. The FY 2021 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. In addition, the plan draws a clear line from our mission through performance metrics and targets to our goals, objectives, and key performance indicators guided by our FY 2020–2024 Strategic Plan and complies with the [Government Performance and Results Modernization Act of 2010](#) and the Office of Management and Budget's [Circular A-11, Part 6](#).

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

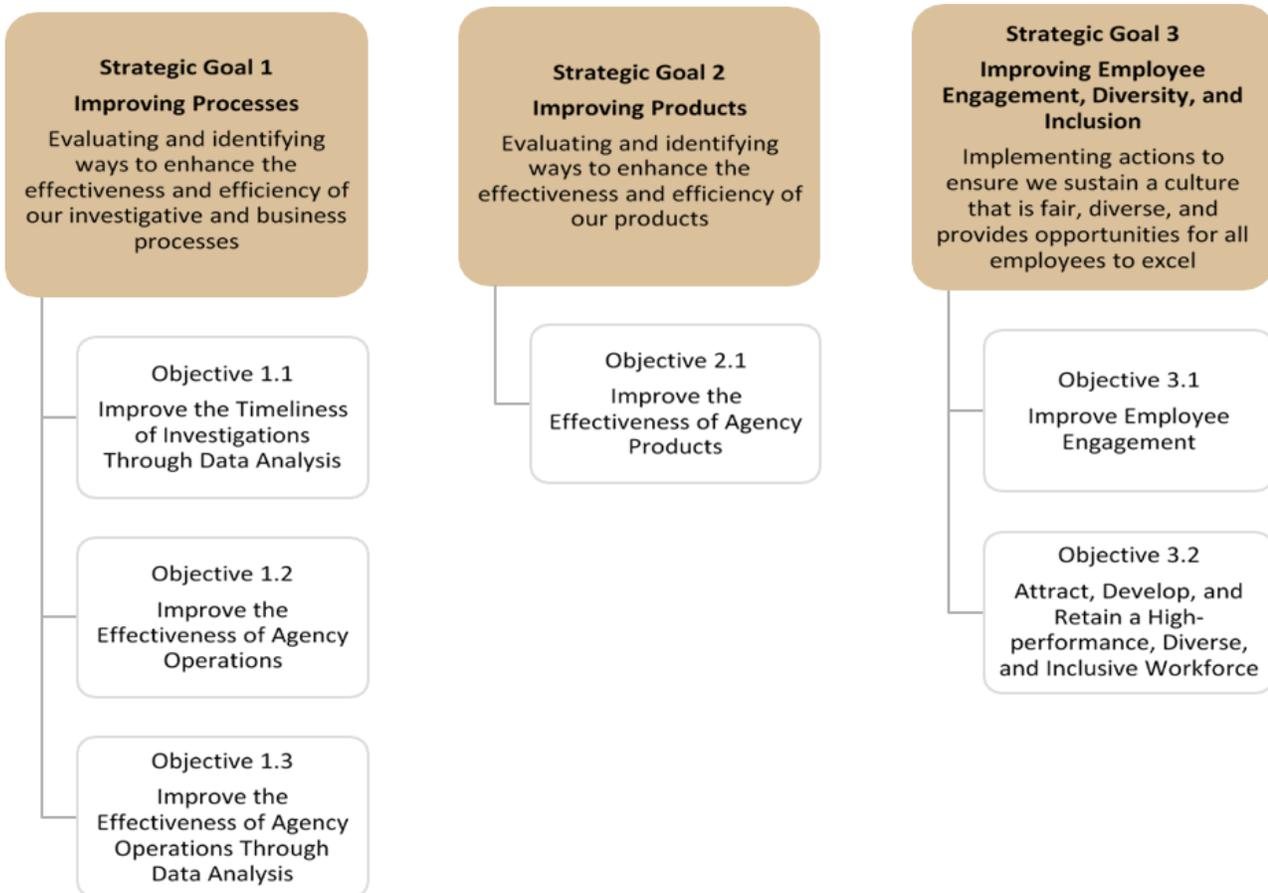


Figure 10: NTSB Strategic Goals and Objectives

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Strategic Performance Management

In accordance with the GPRA Modernization Act and [Circular A-11, Part 6](#), our strategic management process and performance framework started with our new [FY 2020-2024 Strategic Plan](#). 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.

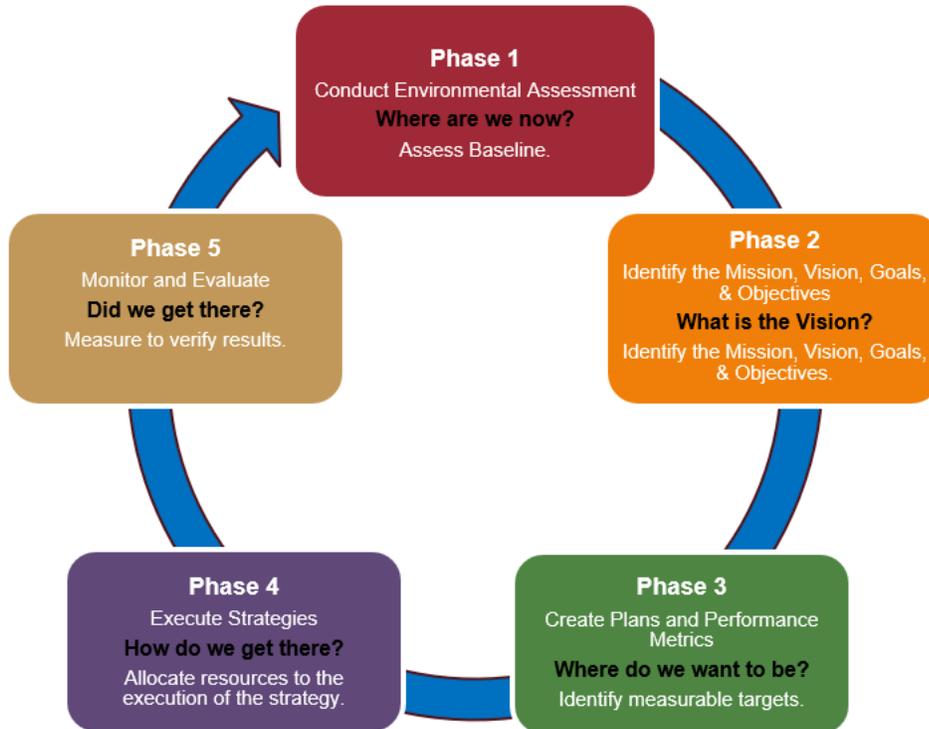


Figure 11: Strategic Management Process Map

### Management Review

We used a quarterly, data-driven, strategic review process. The Office of the Managing Director coordinated quarterly reviews, analyzed the data, and reported to senior leadership at various intervals throughout the year.

### Data Management

Data management was key to determining performance outcomes. Currently, the data is reviewed and verified by the Office of Strategic Initiatives and finalized with the managing director.

### Measuring our Success

The FY 2021 ASPP serves as the foundation for establishing long-term and outcome-related priorities and for developing performance goals, objectives, and metrics by which we can gauge our success. We have developed a performance-based culture on which agency management and staff have focused for

# MANAGEMENT'S DISCUSSION AND ANALYSIS

the past several years.

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 focus promotes active management and staff engagement across the agency. As we continually improve this process, we are able to demonstrate more outcome-related performance results and make the best use of the resources entrusted to the agency. We believe 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 was influenced by the changing balance of the transportation industry; by the activities of other federal, state, and local government; by shifts in national priorities; and by the availability of resources. Our challenges include the COVID-19 pandemic and recruiting, retaining, and developing a highly skilled and diverse staff, particularly when competing with the private sector.

### ***Addressing Our Challenges***

We addressed the challenges described above 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 devoted time and resources to thinking strategically, promoting employee engagement, and encouraging staff development. With the creation of our new internal agency website, InsideNTSB, we've established a broader communication tool for employees to stay informed and provide feedback to the agency.

To achieve our long-term vision, we must effectively plan and communicate while maintaining our primary commitment to improving transportation safety.

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

Our strategic objectives support and complement our strategic goals. Each strategic objective has performance goals and measurable metrics and targets. Performance metrics use available data to determine whether our goals and objectives are met in the proposed timeframe. Targets keep us on track toward achievement. We reviewed performance metrics and targets to assess program effectiveness and considered how risks and opportunities impacted achieving our goals and objectives. This assessment allowed the agency to adjust and improve performance throughout the year, as well as to re-evaluate the objectives and metrics when necessary.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FY 2021 Performance Metrics Results at A Glance

Strategic Goal 1: Improving Processes	
Performance Metric	FY 2021 Results
1.1.1 Study and Implement an Improved Investigation Timeliness Process	Met
1.2.1 Study the Effectiveness of the Hiring Process; Identify and Implement Improvements	Met
1.3.1 Study the Collection and Use of Labor Hours Data as a Tool in Managing Investigations; Identify and Implement Improvements	Met
Strategic Goal 2: Improve Products	
Performance Metric	FY 2021 Results
2.1.1 Update Board Meeting Format	Met
2.1.2 Complete Phase 2 of the External Website Update	Met
2.1.3 Implement New Most Wanted List Methodology and Study Its Effectiveness	Met
Strategic Goal 3: Improve Employee Engagement, Diversity, and Inclusion	
Performance Metric	FY 2021 Results
3.1.1 Improve Employee Engagement as Measured by Employee Surveys	Met
3.2.1 Complete Phase 2 of the Strategic Human Capital Plan	Reassessing
3.2.2 Improve Agency New IQ Index and Selected Diversity and Inclusion Survey Question Scores	Met

Figure 12: Strategic Goals and Results

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Looking Forward

The NTSB operates in a dynamic environment that requires agility and constant innovation. The agency's pivot to a virtual work environment during the COVID-19 pandemic is a recent example of the agency's flexibility and determination to continue operations. To overcome future challenges, the NTSB will endeavor to employ pioneering solutions to achieve its mission and advance safety recommendations.



### Evolving Transportation Industry

The NTSB is committed to making transportation safer amid the challenges of an evolving transportation industry. New trends present unique challenges to transportation safety. For example, emerging technologies in unmanned aircraft systems, such as drones, constitute a flourishing segment in the transportation industry. The transportation landscape is rapidly changing due to innovative technology in autonomous vehicles and advances in alternatively fueled vehicles. Growth in commercial space ventures also impact transportation and safety.

Short-term and long-range strategic planning prepares the agency for future investigative needs in these emerging technologies. The agency places a high priority on robust training to ensure technical proficiency in all areas of transportation. We continue to emphasize refining processes to support diverse and complex investigations in evolving areas. The agency utilizes state-of-the-art equipment and information technology resources to support investigative activities in emerging and evolving transportation trends. The NTSB is dedicated to investing in resources to meet the challenges posed by these trends.

### Human Capital Management

The NTSB's mission drives our need for a knowledgeable, high-performing, diverse staff. The agency is challenged with recruiting and retaining staff with the specialized skills and expertise in prevailing and emergent transportation technologies.

Human capital management becomes more challenging as the workforce and workplace change. Workforce planning is impacted by an increasingly retirement-eligible workforce, employee attrition, leadership development and succession planning, and competition with other federal agencies and private sector for high-performing talent. Changes in employee priorities and preferences are also factors in human capital management. The workplace is evolving as new workplace models emerge, especially given the strides in virtual workplace necessitated by the COVID-19 pandemic. These challenges present a unique opportunity to redefine human capital management.

The NTSB is steadfast in its on-going efforts to recruit, retain, and train talented, dedicated professionals with specialized skills and expertise to achieve our mission. We employ accomplished professionals across all transportation modes, in safety advocacy and communication, and such support

### MANAGEMENT'S DISCUSSION AND ANALYSIS

functions as finance and information technology. The agency values a diverse and inclusive environment in which everyone has equal opportunity to contribute to the successful achievement of our mission, and we strive to provide an array of tools and resources to promote an inclusive workplace. We continue to promote a human capital management strategy that supports its transportation safety mission.

#### Cybersecurity

The NTSB invests in technology tools that support its mission and operations. Information technology products and processes that improve investigative data and advocacy efforts are a priority in the agency's strategic plan. Although technological advances present unique opportunities for enhancing systems, communicating data, and improving collaboration, it also presents cybersecurity challenges. The NTSB leveraged innovative technology to maintain operations during the COVID-19 pandemic, expanding remote work, virtual communication on video platforms, virtual course offerings at the training center, and virtual advocacy efforts to accomplish this. Each of these technologies presents an opportunity to expand further the agency's presence and safety advocacy mission.

Despite cybersecurity challenges, management remains committed to investing in technological updates and upgrades to achieve its mission. Safeguarding and protecting agency data, systems, and proprietary information is a priority. The agency's information technology security program mitigates cybersecurity risks through detection and correction of security weaknesses. The program also prioritizes protection against future vulnerabilities and threats. The NTSB continues to evaluate cybersecurity efforts to address the challenge of providing a safe, secure virtual environment for conducting agency work.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Highlights

The NTSB's FY 2021 and FY 2020 financial statements report the agency's financial position and the results of operations on an accrual basis. These annual financial statements comprise a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a 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 U.S.C. 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 (In Millions of Dollars)	FY 2021	FY 2020	Change	% Change
<b>Assets:</b>				
Fund Balance with Treasury	\$ 45.4	\$ 39.0	\$ 6.4	16%
Accounts Receivable, Net	0.1	-	0.1	0%
General property, equipment, and software, Net	7.2	7.3	(0.1)	-1%
<b>Total Assets</b>	<b>\$ 52.7</b>	<b>\$ 46.3</b>	<b>\$ 6.4</b>	<b>13%</b>
<b>Liabilities:</b>				
Accounts Payable	4.4	3.2	1.2	38%
Federal Employee Benefits	21.7	20.9	0.8	4%
Capital Lease Liability	3.4	5.1	(1.7)	-33%
Other Liabilities	0.1	0.2	(0.1)	-50%
<b>Total Liabilities</b>	<b>\$ 29.6</b>	<b>\$ 29.4</b>	<b>\$ 0.2</b>	<b>1%</b>
Unexpended Appropriations	26.2	22.0	4.2	19%
Cumulative Results of Operations	(3.1)	(5.1)	2.0	-39%
<b>Net Position</b>	<b>\$ 23.1</b>	<b>\$ 16.9</b>	<b>\$ 6.2</b>	<b>37%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 52.7</b>	<b>\$ 46.3</b>	<b>\$ 6.4</b>	<b>14%</b>

Figure 13: Analysis and Key Changes for the Balance Sheet

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Analysis of Financial Statements

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

<b>COST BY PROGRAMS (In Millions of Dollars)</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>	<b>% Change</b>
Aviation Safety	\$ 53.0	\$ 52.6	\$ 0.4	1%
Surface Transportation Safety	38.2	36.4	1.8	5%
Research & Engineering	23.7	23.0	0.7	3%
Less: Earned Revenue	(0.7)	(0.7)	-	0%
<b>Net Cost of Operations</b>	<b>\$ 114.2</b>	<b>\$ 111.3</b>	<b>\$ 2.9</b>	<b>3%</b>

<b>BUDGETARY RESOURCES (In Millions of Dollars)</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>	<b>% Change</b>
Unobligated Balance from Prior Year Budget Authority, Net	\$ 18.0	\$ 17.1	\$ 0.9	5%
Appropriations	118.4	110.4	8.0	7%
Spending Authority from Offsetting Collections	0.7	0.6	0.1	17%
<b>Total Budgetary Resources</b>	<b>\$ 137.1</b>	<b>\$ 128.1</b>	<b>\$ 9.0</b>	<b>7%</b>

Figure 14: Key Changes for the Statement of Net Cost and the Statement of Budgetary Resources

### Statement of Net Cost

The 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 2021 net cost of operations was \$114.2 million: \$114.9 million in gross costs less \$0.7 million in earned revenues.

### Statement of Changes in Net Position

The Statement of Changes in Net Position reports the changes in net position during the reporting period. The NTSB ended FY 2021 with a net position total of \$23.1 million.

### Statement of Budgetary Resources

The 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 2021 budgetary resources totaled \$137.1 million and consisted of current year budget authority funds of \$119.1 million and an unobligated balance from prior year budget authority, net (discretionary and mandatory) of \$18.0 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Management Assurances

The Chair of the National Transportation Safety Board's Fiscal Year 2021 Statement of Assurance, provided below, is the final report produced by the agency's annual assurance process.



Office of the Chair

### National Transportation Safety Board

Washington, D.C. 20594

September 30, 2021

The Honorable Joseph Biden  
President  
The White House  
1600 Pennsylvania Ave.  
Washington, DC 20500

Dear Mr. President:

I am pleased to report on the effectiveness of the National Transportation Safety Board's (NTSB) internal controls and financial management systems for fiscal year (FY) 2021. This report is based on our compliance with the Federal Manager's Financial Integrity Act, Federal Financial Management Improvement Act, Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," and the Government Charge Card Abuse Prevention Act.

The NTSB can provide reasonable assurance that its programs and resources are protected from waste and mismanagement. In my judgment, the NTSB has achieved the intent of the above-listed laws to manage risks and prevent problems through systematic review and evaluation of our agency's programs and operations and through management and financial controls. This assurance is based on our office directors' management control assurance memoranda, program office strategic and operating plans, agency-wide surveys, and management's responses to risk assessments prepared in accordance with OMB guidance provided in Circular A-123. As of September 30, 2021, we have no material weaknesses to report.

The NTSB's efforts to prevent organizational waste and mismanagement have also relied on prior findings and results of audits and studies conducted by the Department of Transportation Office of Inspector General (DOT/IG) and the Government Accountability Office (GAO), as well as the results from financial statement audits conducted under the Chief Financial Officers Act of 1990, the Accountability of Tax Dollars Act of 2002, and OMB Circular A-136, "Financial Reporting Requirements." In FY 2020, the NTSB received an unmodified opinion ("clean audit") on our audited consolidated financial statements, which was based on standard reviews of internal controls and compliance with laws and regulations. This achievement demonstrates the NTSB's continued dedication to sound financial management controls and the reliability of the financial data upon which the NTSB bases critical decisions. I am proud to report that the NTSB anticipates achieving its 19th consecutive clean audit on the audited consolidated financial statements for FY 2021.

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We would like to acknowledge the constructive work performed by the GAO, DOT/IG, and Harper, Raines, Knight and Company, our independent public accounting firm, in assisting the NTSB with ensuring that our programs and resources are protected from waste and mismanagement.

Sincerely,



Jennifer Homendy  
Chair

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Analysis of Entity's Systems, Controls, and Legal Compliance

#### *Internal Control Framework*

As discussed in the Chair's FMFIA Statement of Assurance, the NTSB has no material weaknesses or non-conformances to report for FY 2021. No new material weaknesses or significant non-conformances were identified for the past 6 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 agency provides reasonable assurance that internal controls over the effectiveness and efficiency of operations, reliable financial reporting, and compliance with applicable laws and regulations were effective 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 chair's Statement of Assurance sent to the president on September 30, 2021.

The chair'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 contained in OMB Circular A-123.

The Senior Management Oversight Council (SMOC) addresses management accountability issues within NTSB operations. The SMOC provides input to the chair for use in preparing the annual assessment of, and report on, management controls as required by FMFIA; it also 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 guides 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 also continues to maintain an information security program to manage information technology in accordance with National Institute of Standards and Technology requirements and has developed, documented, and implemented an agency-wide information security program as required by OMB Circular A-136 and FISMA. In FY 2021, 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 2021. As required by the ADA, the agency would notify all appropriate authorities of any ADA violations if one occurred.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### *Digital Accountability and Transparency Act (DATA) 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 US Department of the Treasury's (Treasury) 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's financial management systems framework is driven by the objectives of Strategic Goal No. 1, Strategic Objective 1.3, of improving the timeliness of agency operations through data analysis. The use of data analytics allows for the development of an operational and management strategy to inform decision-making. The system 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 12.2.7; 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.

## FINANCIAL SECTION

### Message from the Chief Financial Officer



I am proud to join Chair Homendy in presenting the NTSB's Performance and Accountability Report PAR for FY 2021. For the 19th consecutive year, the NTSB received an unmodified 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 fairly present the NTSB's financial position 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 ERM 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.

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 Federal Managers' Financial Integrity Act. 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 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 chief financial officer team's commitment to fiscal responsibility, transparency, and a continuous focus on minimizing risks at every level.

Looking forward to FY 2022 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,

*Edward Benthall*

Edward Benthall  
Chief Financial Officer

November 5, 2021

FINANCIAL SECTION

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



Report QC2022012  
November 12, 2021

Quality Control Review of the Independent Auditor's Report  
on the National Transportation Safety Board's Audited  
Financial Statements for Fiscal Years 2021 and 2020



## Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2021 and 2020

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*Required by the Accountability of Tax Dollars Act of 2002*

QC2022012 | November 12, 2021

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### What We Looked At

We contracted with the independent public accounting firm Harper Rains Knight & Company, PA (HRK), to audit the National Transportation Safety Board's (NTSB) financial statements as of and for the fiscal year ended September 30, 2021; provide an opinion on those financial statements; and report on internal control over financial reporting, compliance with laws, and other matters. The contract required 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 (QCR) of HRK's report dated November 5, 2021, and related documentation, and inquired of its representatives.

### What We Found

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

### Our Recommendations

HRK made no recommendations.

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All OIG audit reports are available on our website at [www.oig.dot.gov](http://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



November 12, 2021

The Honorable Jennifer Homendy  
Chair, National Transportation Safety Board  
490 L'Enfant Plaza, SW  
Washington, DC 20594

Dear Chair Homendy:

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 2021 and 2020.

We contracted with the independent public accounting firm of Harper Rains Knight & Company, PA (HRK), to audit NTSB's financial statements as of and for the fiscal year ended September 30, 2021; provide an opinion on those financial statements; and report on internal control over financial reporting, compliance with laws, and other matters. The contract required 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> We contracted with Allmond & Company, LLC, to audit NTSB's fiscal year 2020 financial statements under our oversight. In its report,<sup>2</sup> Allmond expressed an unmodified opinion on those statements.

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## HRK's Report

In its report on the audit of NTSB's financial statements for fiscal year 2021, dated November 5, 2021, HRK states that

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<sup>1</sup> *Financial Audit Manual*, volume 1 (GAO-18-601G) updated April 2020; volume 2 (GAO-18-625G), updated March 2021; volume 3 (GAO-21-105127), updated September 2021.

<sup>2</sup> *Quality Control Review of Audited Financial Statements for Fiscal Years 2020 and 2019, National Transportation Safety Board* (OIG Report No. QC2021004), November 10, 2020. Our report can be found on our website, [www.oig.dot.gov](http://www.oig.dot.gov).

## FINANCIAL SECTION

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

- NTSB's financial statements<sup>3</sup> were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- it found no material weakness<sup>4</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.

HRK made no recommendations (see attachment 1).

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## Quality Control Review

We performed a QCR of HRK's report 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. HRK is responsible for its report and the conclusions expressed therein.

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

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## Agency Comments

HRK provided NTSB with its draft report on November 3, 2021, and received NTSB's response dated November 4, 2021 (see attachment 2).

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<sup>3</sup>The financial statements are included in the Agency's Performance and Accountability Report (see attachment 3). For NTSB's full Performance and Accountability Report, which includes these statements, related notes, and required supplementary information, go to: <https://www.nts.gov/about/reports/Pages/default.aspx>

<sup>4</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.

## FINANCIAL SECTION

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

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#### Actions Required

Because HRK made no recommendations, no further actions are required.

We appreciate the cooperation and assistance of NTSB's representatives and HRK. If you have any questions about this report, please call me at (202) 570-6381, or Ingrid Harris, Program Director, at (202) 450-7637.

Sincerely,



Dormayne "Dory" Dillard-Christian  
Acting Assistant Inspector General for Financial Audits

cc: NTSB Chief Financial Officer

FINANCIAL SECTION

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

U.S. Department of Transportation  
Office of Inspector General

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## FINANCIAL SECTION

### Report of the Independent Auditors



#### 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 sheet as of September 30, 2021, and the related statements of net cost, changes in net position, and budgetary resources, for the fiscal year then ended; and the related notes to the financial statements.

#### *Management's Responsibility*

NTSB's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; (3) preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements 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 auditors' assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal

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## FINANCIAL SECTION

### Report of the Independent Auditors

Chairman  
National Transportation Safety Board  
Inspector General  
U.S. Department of Transportation (continued)

#### *Auditors' Responsibility (continued)*

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 of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit also included performing such other procedures as we considered necessary in the circumstances.

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

#### *Opinion on the Financial Statements*

In our opinion, NTSB's financial statements present fairly, in all material respects, NTSB's financial position as of September 30, 2021, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Other Matters*

The financial statements of NTSB for the year ended September 30, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on November 6, 2020.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

## FINANCIAL SECTION

## Report of the Independent Auditors

**Chairman**

National Transportation Safety Board

**Inspector General**

U.S. Department of Transportation (continued)

*Other Information*

Our audit was conducted for the purpose of forming an opinion on NTSB's financial statements. The information in the Message from the Chairman, Message from the Chief Financial Officer, Management's Discussion and Analysis and Other Accompanying Information sections contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements.

The Message from the Chairman, Message from the Chief Financial Officer, Management's Discussion and Analysis and Other Accompanying Information sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance 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, 2021, in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 21-04, *Audit Requirements for Federal Financial Statements*, we considered the entity'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 on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the entity's internal control over financial reporting. We did not consider all internal controls relevant to operating objectives as broadly established by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to preparing performance information and ensuring efficient operations. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, 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 attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## FINANCIAL SECTION

### Report of the Independent Auditors

Chairman

National Transportation Safety Board

Inspector General

U.S. Department of Transportation (continued)

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether NTSB's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the financial statements. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 21-04, *Audit Requirements for Federal Financial Statements*. We caution that noncompliance may occur and not be detected by these tests.

Management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to the entity that have a direct effect on the determination of material amounts and disclosures in the entity's financial statements and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to NTSB.

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2021 that would be reportable under U.S. generally accepted government auditing standards or OMB Bulletin 21-04, *Audit Requirements for Federal Financial Statements*. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to NTSB. Accordingly, we do not express such an opinion.

#### *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 and the result of that testing, and not to provide an opinion on the effectiveness of NTSB's internal control or compliance. These reports are an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harper, Raino, Knight & Company, P.A.*

November 5, 2021

Washington, DC

FINANCIAL SECTION

CFO's Response to the Independent Auditors' Report



**National Transportation Safety Board**  
Washington, D.C. 20594

November 4, 2021

To: Matthew N. Farage, CPA, CITP, CISA, CGFM  
Vice President  
Harper, Rains, Knight & Company, P.A.

From: Edward Benthall, Chief Financial Officer *Edward Benthall*  
National Transportation Safety Board

Subject: Response to the Draft Fiscal Year 2021 Financial Statement Audit Report

The National Transportation Safety Board (NTSB) has reviewed the draft Fiscal Year 2021 Financial Statement Audit Report, and we concur with the audit opinion and reports on internal controls and compliance with applicable provisions of laws and regulations. We will share the final audit report with senior officials, other interested program managers and staff.

We are pleased that the NTSB's FY 2021 financial statements received an unmodified opinion, the NTSB's 19<sup>th</sup> consecutive unqualified/unmodified opinion since its FY 2002 financial statements were initially audited, pursuant to the Accountability of Tax Dollar Act of 2002. The NTSB's unmodified opinion was rendered this fiscal year with no material weaknesses or significant deficiencies identified, and no instances of non-compliance with laws and regulations.

Please convey my appreciation to everyone on your staff who worked diligently on our financial statement audit. If you have any questions or comments, please contact me or Mr. Bill Mills at (202) 314-6265.

cc: Ingrid Harris, Program Director,  
Financial Statement Audits and the Data Act, DOT OIG

## FINANCIAL SECTION

## Financial Statements

**Balance Sheet**  
As of September 30, 2021, and 2020 (in Dollars)

	FY2021	FY2020
<b>Assets</b>		
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 45,415,820	\$ 38,985,944
Total Intragovernmental	45,415,820	38,985,944
With the public:		
Accounts receivable, net (Note 3)	45,623	12,422
General property, equipment, and software, net (Note 4)	7,213,948	7,347,389
Total with the Public	7,259,571	7,359,811
<b>Total Assets</b>	<b>\$ 52,675,391</b>	<b>\$ 46,345,755</b>
<b>Liabilities</b>		
Intragovernmental:		
Accounts payable	\$ 660,350	\$ 1,008,677
Employer contributions and payroll taxes	949,849	836,436
Unfunded FECA liability (Note 5)	1,528,369	1,532,320
Total Intragovernmental	3,138,568	3,377,433
With the public:		
Accounts payable	3,767,277	2,252,917
Actuarial FECA liability (Note 5)	8,865,853	8,697,448
Employer contributions and payroll taxes	143,275	130,250
Accrued funded payroll & leave	3,269,593	2,922,297
Unfunded leave (Note 5)	6,838,921	6,734,364
Advances from others	103,315	113,742
Capital lease liability (Note 7)	3,367,348	5,073,284
Contingent Liability (Note 8 )	-	110,000
Total with the Public	26,355,582	26,034,302
<b>Total Liabilities</b>	<b>\$ 29,494,150</b>	<b>\$ 29,411,735</b>
Commitments and contingencies (Note 8 )		
<b>Net Position</b>		
Unexpended Appropriations	\$ 26,239,891	\$ 22,037,603
Cumulative Results of Operations	(3,058,650)	(5,103,583)
<b>Total Net Position</b>	<b>\$ 23,181,241</b>	<b>\$ 16,934,020</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 52,675,391</b>	<b>\$ 46,345,755</b>

*The accompanying notes are an integral part of these statements*

## FINANCIAL SECTION

## Financial Statements

**Statement of Net Cost**  
**For the Years Ending September 30, 2021, and 2020 (in Dollars)**

	FY2021	FY2020
<b>Gross Program Costs (Note 9)</b>		
<b>Aviation Safety</b>		
Gross costs	\$ 52,974,498	\$ 52,605,690
Less: earned revenue	(303,379)	(320,360)
Net program costs	<u>52,671,119</u>	<u>52,285,330</u>
<b>Surface Transportation Safety</b>		
Gross costs	\$ 38,160,898	\$ 36,367,788
Less: earned revenue	(220,655)	(221,447)
Net program costs	<u>37,940,243</u>	<u>36,146,341</u>
<b>Research &amp; Engineering</b>		
Gross costs	\$ 23,737,135	\$ 22,997,583
Less: earned revenue	(133,644)	(139,752)
Net program costs	<u>23,603,491</u>	<u>22,857,831</u>
<b>Net Cost of Operations</b>	<b><u>\$ 114,214,853</u></b>	<b><u>\$ 111,289,502</u></b>

*The accompanying notes are an integral part of these statements*

## FINANCIAL SECTION

## Financial Statements

**Statement of Changes in Net Position**  
**For the Years Ending September 30, 2021, and 2020 (in Dollars)**

	FY2021	FY2020
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ 22,037,603	\$ 23,258,798
Beginning Balance, as adjusted	22,037,603	23,258,798
Appropriations received	118,400,000	110,400,000
Other Adjustments	(1,466,896)	(2,239,326)
Appropriations used	(112,730,816)	(109,381,869)
Net Change in Unexpended Appropriations	4,202,288	(1,221,195)
<b>Total Unexpended Appropriations: Ending</b>	<b>26,239,891</b>	<b>22,037,603</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balances	(5,103,583)	(6,270,063)
Beginning Balances, as adjusted	(5,103,583)	(6,270,063)
Appropriations used	112,730,816	109,381,869
Transfers-in/out without reimbursement	26,040	-
Imputed financing (Note 6)	3,502,930	3,074,113
Net Cost of Operations	(114,214,853)	(111,289,502)
Net Change in Cumulative Results of Operations	2,044,933	1,166,480
<b>Cumulative Results of Operations: Ending</b>	<b>(3,058,650)</b>	<b>(5,103,583)</b>
<b>Net Position</b>	<b>\$ 23,181,241</b>	<b>\$ 16,934,020</b>

*The accompanying notes are an integral part of these statements*

## FINANCIAL SECTION

## Financial Statements

**Statement of Budgetary Resources**  
**For the Years Ending September 30, 2021, and 2020 (in Dollars)**

	FY2021	FY2020
<b>Budgetary Resources</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 13)	\$ 18,011,444	\$ 17,100,222
Appropriations (discretionary and mandatory)	118,400,000	110,400,000
Spending authority from offsetting collections	654,292	635,078
<b>Total Budgetary Resources</b>	<b>\$ 137,065,736</b>	<b>\$ 128,135,300</b>
<b>Status of Budgetary Resources</b>		
New Obligations and upward adjustments (total)	\$ 117,854,299	\$ 110,111,902
Unobligated balance, end of year:		
Apportioned, unexpired accounts	13,258,021	12,274,599
Expired unobligated balance, end of year	5,953,416	5,748,799
Unobligated balance, end of year (total)	19,211,437	18,023,398
<b>Total Budgetary Resources</b>	<b>\$ 137,065,736</b>	<b>\$ 128,135,300</b>
<b>Outlays, Net</b>		
Outlays, Net	110,503,228	110,582,187
<b>Agency Outlays, Net (discretionary and mandatory)</b>	<b>\$ 110,503,228</b>	<b>\$ 110,582,187</b>

*The accompanying notes are an integral part of these statements.*

## FINANCIAL SECTION

### 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 neither 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 accrual 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 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.

## FINANCIAL SECTION

### **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 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 and equipment (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.

The land and buildings in which the agency operates are leased primarily from commercial entities. The General Services Administration (GSA) provides some of the facilities occupied by the NTSB. The GSA charges the NTSB a standard level user charge that approximates the commercial rental 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 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

## FINANCIAL SECTION

### ***Accrued Payroll and Benefits***

Accrued payroll and benefits represent salaries, wages, and benefits earned by employees but not disbursed as of September 30, 2021. 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 2021 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 \$3,502,930 and \$3,074,113 for September 30, 2021, and September 30, 2020, respectively.

## FINANCIAL SECTION

The NTSB made contributions of 17.3 percent of basic pay for FERS for FY 2021. For both FERS-RAE and FERS-FRAE covered employees, the NTSB made contributions of 15.5 percent of basic pay for FY 2021. 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 2021 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.

## FINANCIAL SECTION

### *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 Concepts and Standards for the Federal Government. 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 investigative-related services.

### **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.

**FINANCIAL SECTION**

**Note 2 Fund Balance with Treasury**

The 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, 2021, and September 30, 2020, consists of the following:

	FY 2021	FY 2020
<b>Status of Fund Balance with Treasury</b>		
Unobligated Balance		
Available	\$ 13,258,021	\$ 12,274,599
Unavailable	5,953,416	5,748,799
<b>Total Unobligated Balance</b>	<b>19,211,437</b>	<b>18,023,398</b>
Obligated Balance not yet Disbursed	26,204,383	20,962,546
<b>Total</b>	<b>\$ 45,415,820</b>	<b>\$ 38,985,944</b>

Available unobligated balances represent amounts that were apportioned and/or allotted for obligation in the current fiscal year. Unavailable unobligated balances represent amounts that are not apportioned for obligation during the current fiscal year and expired appropriations that are no longer available to incur new obligations. Obligated balances not yet disbursed include unpaid delivered and undelivered, orders reduced by budgetary receivables.

**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 intragovernmental and 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, 2021, and September 30, 2020:

	FY 2021	FY 2020
<b>Intragovernmental:</b>		
Accounts Receivable	\$ -	\$ -
Loss Allowance for Intragovernmental Receivables	-	-
<b>Total Intragovernmental</b>	<b>\$ -</b>	<b>\$ -</b>
<b>With the Public:</b>		
Accounts Receivable	\$45,623	\$12,422
Allowance for Doubtful Accounts	-	-
<b>Total with the Public</b>	<b>\$45,623</b>	<b>\$12,422</b>
<b>Total Accounts Receivable</b>	<b>\$45,623</b>	<b>\$12,422</b>

**FINANCIAL SECTION**

**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 summarize cost and accumulated depreciation of property, equipment, and software as of September 30, 2021, and September 30, 2020:

**Schedule of Property, Equipment, and Software as of September 30, 2021 (in Dollars)**

<b>Asset Category</b>	<b>Acquisition Cost</b>	<b>Accumulated Amortization/ Depreciation</b>	<b>Net Book Value</b>
Equipment	\$ 12,081,299	\$ 8,933,292	\$ 3,148,007
Assets Under Capital Lease	23,731,941	21,458,635	2,273,306
Leasehold Improvements	250,906	54,363	196,543
Internal-Use Software	1,883,602	1,443,970	439,632
Software-in-Development	474,045	-	474,045
Construction-in-Progress	682,415	-	682,415
<b>Total</b>	<b>\$ 39,104,208</b>	<b>\$ 31,890,260</b>	<b>\$ 7,213,948</b>

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

<b>Asset Category</b>	<b>Acquisition Cost</b>	<b>Accumulated Amortization/ Depreciation</b>	<b>Net Book Value</b>
Equipment	\$ 11,593,645	\$ 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	-	714,420
<b>Total</b>	<b>\$ 38,422,994</b>	<b>\$ 31,075,605</b>	<b>\$ 7,347,389</b>

**FINANCIAL SECTION**

**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, 2021, is \$3,367,348.

	FY 2021	FY 2020
<b>Intragovernmental:</b>		
FECA Liability	\$ 1,528,369	\$ 1,532,320
<b>Total Intragovernmental</b>	<b>1,528,369</b>	<b>1,532,320</b>
Capital Lease Liability	3,367,348	5,073,284
Unfunded Annual Leave	6,838,921	6,734,364
Actuarial FECA Liability	8,865,853	8,697,448
<b>Total with the Public</b>	<b>19,072,122</b>	<b>20,505,096</b>
<b>Total Not Covered by Budgetary Resources</b>	<b>20,600,491</b>	<b>22,037,416</b>
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>8,893,659</b>	<b>7,374,319</b>
<b>Total Liabilities</b>	<b>\$ 29,494,150</b>	<b>\$ 29,411,735</b>

**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, 2021, and September 30, 2020, consisted of the following:

	FY 2021	FY 2020
<b>Office of Personnel Management:</b>		
Pension expenses	\$ 672,454	\$ 399,532
Federal employees group life insurance	7,968	7,975
Federal employee health benefits	2,822,508	2,666,606
<b>Total Imputed Financing</b>	<b>\$3,502,930</b>	<b>\$ 3,074,113</b>

## FINANCIAL SECTION

**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 2021	FY 2020
<b>Summary of Assets under Capital Lease</b>		
Land and Buildings (Training Center)	\$ 23,731,941	\$ 23,731,941
Accumulated Depreciation	(21,458,635)	(20,272,038)
<b>Net Book Value</b>	<b>\$ 2,273,306</b>	<b>\$ 3,459,903</b>

**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
2022	\$ 2,521,440
2023	2,101,200
<b>Total Future Payments Due for Capital Lease</b>	<b>\$ 4,622,640</b>
Less: Imputed Interest	(182,231)
Less: Executory Costs	(1,073,061)
<b>Net Capital Lease Liability</b>	<b>\$ 3,367,348</b>

Capital lease liability not covered by budgetary resources as of September 30, 2021: \$3,367,348

**FINANCIAL SECTION**

**Operating Leases**

NTSB has several operating leases with the GSA for office and meeting space. 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
2022	\$ 843,632	\$ -	\$ 843,632
2023	850,639		850,639
2024	857,855		857,855
2025	865,288		865,288
2026	143,250		143,250
2027 and beyond	-		-
<b>Total Future Payments Due</b>	<b>\$ 3,560,664</b>	<b>\$ -</b>	<b>\$ 3,560,664</b>

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

Fiscal Year	Federal	Non-Federal	Total
2022	\$ 9,024,794	\$ -	\$ 9,024,794
2023	9,183,340		9,183,340
2024	9,297,091		9,297,091
2025	9,343,300		9,343,300
2026	1,795,778		1,795,778
2027 and beyond	3,428,215		3,428,215
<b>Total Future Payments Due</b>	<b>\$ 42,072,518</b>	<b>\$ -</b>	<b>\$ 42,072,518</b>
<b>Total Future Payments Due for Operating Leases</b>	<b>\$ 45,633,182</b>	<b>\$ -</b>	<b>\$ 45,633,182</b>

**FINANCIAL SECTION**

**Summary of Lease Arrangements**

<b>Buildings</b>		
<b>Location</b>	<b>Federal/Non-Federal</b>	<b>Description of Operating Leases Arrangements</b>
Headquarters Washington, DC	Federal	Headquarters and conference center leases, both of which commenced on December 1, 2020, and end November 30, 2025, subject to anticipated tax escalation in excess of the occupancy agreement (OA).
Eastern Region 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 Denver, CO	Federal	Lease of regional office space from May 4, 2015 through December 16, 2021. Lease extension December 17, 2021 through December 16, 2022, after which a new lease will commence on December 17, 2022 through December 16, 2037.
Western Pacific Region Federal Way, WA	Federal	Lease of regional office space from September 1, 2020, through August 31, 2035.
Alaska Region 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 leases 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 Future Payments Due for Operating Leases information presented above.

**FINANCIAL SECTION**

**Note 8 Commitments and Contingencies**

As of September 30, 2021, 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, 2021, there were zero pending matters for which there is a probable likelihood of an adverse outcome, and four 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*.

	Accrued Liabilities		Estimated Range of Loss	
			Lower End	Upper End
<b>FY 2021</b>	<b>Number</b>	<b>Amount</b>		
<b>Legal Contingencies:</b>				
Probable	0	\$ -	\$ -	\$ -
Reasonably Possible	4	\$ -	Estimated amount or range of potential loss is unknown.	
<b>FY 2020</b>				
<b>Legal Contingencies:</b>				
Probable	1	\$ 110,000	\$ 110,000	\$ 200,000
	1	-	Estimated amount or range of potential loss is unknown	
Reasonably Possible	5	-	Estimated amount or range of potential loss is unknown	

**FINANCIAL SECTION**

**Note 9 Suborganization Program Costs/Program Costs by Segment**

Intragovernmental and Public Costs

Supporting Schedule by Program Segment (in Dollars)

<b>FY 2021</b>	<b>Aviation Safety</b>	<b>Surface Safety</b>	<b>Research &amp; Engineering</b>	<b>Consolidated Totals</b>
Intragovernmental Gross Costs	\$16,311,673	\$12,321,288	\$ 6,688,340	\$ 35,321,301
Less: Intragovernmental Earned Revenue	(135,171)	(102,104)	(55,425)	(292,700)
<b>Intragovernmental Net Costs</b>	<b>16,176,502</b>	<b>12,219,184</b>	<b>6,632,915</b>	<b>35,028,601</b>
Gross Costs with the Public	36,662,825	25,839,610	17,048,795	79,551,230
Less: Earned Revenues from the Public	(168,208)	(118,551)	(78,219)	(364,978)
<b>Net Costs with the Public</b>	<b>36,494,617</b>	<b>25,721,059</b>	<b>16,970,576</b>	<b>79,186,252</b>
<b>Net Cost of Operations</b>	<b>\$52,671,119</b>	<b>\$37,940,243</b>	<b>\$23,603,491</b>	<b>\$114,214,853</b>
<b>FY 2020</b>	<b>Aviation Safety</b>	<b>Surface Safety</b>	<b>Research &amp; Engineering</b>	<b>Consolidated Totals</b>
Intragovernmental Gross Costs	\$15,790,746	\$10,873,214	\$ 6,411,030	\$ 33,074,990
Less: Intragovernmental Earned Revenue	(102,892)	(70,849)	(41,774)	\$ (215,515)
<b>Intragovernmental Net Costs</b>	<b>15,687,854</b>	<b>10,802,365</b>	<b>6,369,256</b>	<b>32,859,475</b>
Gross Costs with the Public	36,814,944	25,494,574	16,586,553	78,896,071
Less: Earned Revenues from the Public	(217,468)	(150,598)	(97,978)	(466,044)
<b>Net Costs with the Public</b>	<b>36,597,476</b>	<b>25,343,976</b>	<b>16,488,575</b>	<b>78,430,027</b>
<b>Net Cost of Operations</b>	<b>\$52,285,330</b>	<b>\$36,146,341</b>	<b>\$22,857,831</b>	<b>\$111,289,502</b>

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

Undelivered orders are purchase orders issued by the NTSB during FY 2021 and the 5 expiring fiscal years, which have not had delivery of the required product or service as of September 30, 2021, and 2020, respectively. It is anticipated that these undelivered items will be provided in future periods and will require resources obligated during the respective fiscal years.

<b>For the Period Ending September 30, (in Dollars)</b>	<b>FY 2021</b>	<b>FY 2020</b>
Intragovernmental Undelivered Orders, Unpaid:	\$ 2,181,308	\$ 2,003,693
Public Undelivered Orders, Unpaid:	15,232,733	11,808,277
<b>Total Undelivered Orders, Unpaid</b>	<b>\$17,414,041</b>	<b>\$13,811,970</b>

**FINANCIAL SECTION**

**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 2021 actual budgetary execution information is scheduled for publication in February 2022, which will be available through the OMB’s website at <http://www.whitehouse.gov/omb>. Accordingly, information required for FY 2021 disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2020 Statement of Budgetary Resources and the related President’s Budget reflected the following:

In Millions	Budgetary Resources	Obligations	Net Outlays
Combined Statement of Budgetary Resources	\$ 128	\$ 110	\$ 111
Unobligated Balance - expired	(6)	-	-
Emergency Fund	(2)	-	-
Differences Due to Rounding	-	-	-
<b>Budget of the U.S. Government</b>	<b>\$ 120</b>	<b>\$ 110</b>	<b>\$ 111</b>

**FINANCIAL SECTION**

**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 explains the relationship between the NTSB’s net outlays on a budgetary basis and the net cost of operations during the reporting period.

The Reconciliation as of September 30, 2021, and September 30, 2020, is presented as follows:

For the Period Ending, September 30, 2021	Intra- governmental	With the Public	Total
<b>Net Cost of Operations</b>	<b>\$ 35,028,602</b>	<b>\$ 79,186,251</b>	<b>\$ 114,214,853</b>
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, Plant, and Equipment Depreciation	-	(2,531,579)	(2,531,579)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable	-	33,201	33,201
Other Assets			
<b>(Increase)/decrease in liabilities:</b>			
Accounts Payable	348,326	(1,503,933)	(1,155,607)
Salaries and Benefits	(113,412)	(360,320)	(473,732)
Other Liabilities	3,950	1,542,975	1,546,925
<b>Other Financing Sources:</b>			
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(3,502,930)	-	(3,502,930)
Transfers out (in) without reimbursement	(26,040)	-	(26,040)
<b>Total Components of Net Cost That Are Not Part of Net Outlays</b>	<b>(3,290,106)</b>	<b>(2,819,656)</b>	<b>(6,109,762)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of Capital Assets	(414,914)	2,813,051	2,398,137
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	<b>(414,914)</b>	<b>2,813,051</b>	<b>2,398,137</b>
<b>Outlays, Net</b>	<b>\$ 31,323,582</b>	<b>\$ 79,179,646</b>	<b>\$ 110,503,228</b>

**FINANCIAL SECTION**

For the Period Ending, September 30, 2020	Intra-governmental	With the Public	Total
<b>Net Cost of Operations</b>	<b>\$ 32,859,476</b>	<b>\$ 78,430,026</b>	<b>\$ 111,289,502</b>
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, Plant, and Equipment Depreciation	-	(2,257,982)	(2,257,982)
<b>Increase/(decrease) in Assets:</b>			
Accounts Receivable	(24,797)	9,306	(15,491)
<b>(Increase)/decrease in Liabilities:</b>			
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
<b>Other Financing Sources:</b>			
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(3,074,113)	-	(3,074,113)
<b>Total Components of Net Cost That Are Not Part of Net Outlays</b>	<b>(3,561,566)</b>	<b>690,357</b>	<b>(2,871,209)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of Capital Assets	414,914	1,748,980	2,163,894
Other	-	-	-
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	<b>414,914</b>	<b>1,748,980</b>	<b>2,163,894</b>
<b>Outlays, Net</b>	<b>\$ 29,712,824</b>	<b>\$ 80,869,363</b>	<b>\$ 110,582,187</b>

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

In accordance with *SFFAS 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:

Net Adjustments to Unobligated Balance, Brought Forward, October 1	FY 2021	FY 2020
Unobligated Balance Brought Forward, October 1	\$ 18,023,398	\$ 18,189,289
Recoveries of Prior Year Obligations	1,286,497	1,141,540
Other Changes in Unobligated Balance	168,445	8,719
Canceled Authority	(1,466,896)	(2,239,326)
<b>Unobligated Balance from Prior Year Budget Authority, Net</b>	<b>\$ 18,011,444</b>	<b>\$ 17,100,222</b>

**OTHER ACCOMPANYING INFORMATION**

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

**Table 1: Summary of Financial Statement Audit for FY2021**

Audit Opinion: Unmodified

Restatement: No

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Internal Control Over Financial Reporting	0	0	0	0	0
<b>Total Material Weaknesses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 2: Summary of Management Assurances for FY2021**

**Effectiveness of Internal Control Over Financial Reporting (Federal Managers' Financial Integrity Act (FMFIA)), Paragraph 2**

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Internal Control Over Financial Reporting	0	0	0	0	0
<b>Total Material Weaknesses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Effectiveness of Internal Control Over Operations (Federal Managers' Financial Integrity Act (FMFIA)), Paragraph 2**

Statement of Assurance: Unmodified

<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Internal Control Over Financial Reporting	0	0	0	0	0
<b>Total Material Weaknesses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Conformance with Financial Management System Requirements (Federal Managers' Financial Integrity Act (FMFIA)), Paragraph 4**

Statement of Assurance: Systems conform to financial management system requirements

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

**OTHER ACCOMPANYING INFORMATION**

***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 SMOG 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.

***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 <https://paymentaccuracy.gov/>.

***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.

<b>Statutory Authority</b>	49 U.S.C. 20103, 20106-2017, 20118-20119, 20156, 21301, 21304, 21311; 28 U.S.C. 2461, note; and 49 CFR 1.89
<b>Aviation Penalty</b>	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 CFR 831.15.
<b>Year Enacted</b>	1994
<b>Latest Year of Adjustment</b>	2021
<b>Current Penalty Level (\$)</b>	\$1742 per violation, per day
<b>Location for Penalty Update Details</b>	Federal Register; 86 FR 1809 (January 11, 2021)

## APPENDIX

### Appendix A: Contact Information and Acknowledgments

#### NATIONAL TRANSPORTATION SAFETY BOARD

##### Headquarters

490 L' Enfant Plaza SW Washington, DC 20594  
Telephone (202) 314-6000

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### We Welcome Your Comments

Thank you for your interest in the NTSB's *Fiscal Year 2021 Performance and Accountability Report*. We welcome your comments on how we can make this report more informative for our readers.

### Acknowledgements

The NTSB's FY 2021 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, Harper, Rains, Knight & Company, for the professional manner in which they conducted the audit of the agency's FY 2021 financial statements.