

# NTSB

National  
Transportation  
Safety Board

# Performance and Accountability Report



FISCAL YEAR 2023

## About the Cover

**Upper left:** National Transportation Safety Board railroad investigator operates a drone at the scene of the Norfolk Southern Railway train derailment in East Palestine, Ohio.

**Right:** Site of the February 3, 2023, derailment of 38 cars of the eastbound freight train on main track 1 in East Palestine. Eleven of the derailed cars were tank cars carrying hazardous materials that subsequently ignited, fueling fires that damaged an additional 12 railcars that had not derailed (NTSB Preliminary Report RRD23MR005). The NTSB's ongoing safety investigation will determine the probable cause of the derailment and may include safety recommendations to prevent future derailments.

## About this Report

The NTSB's Performance and Accountability Report (PAR) for fiscal year (FY) 2023 provides financial and performance information for the agency and compares performance results to our strategic and performance goals. This information enables the president, Congress, and the American people to assess the agency's performance as mandated by the following:

- Federal Managers' Financial Integrity Act (FMFIA) of 1982
- Chief Financial Officers Act of 1990
- Government Performance and Results Act 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
- Government Performance and Results Modernization Act of 2010
- Digital Accountability and Transparency Act of 2014
- Payment Integrity Information Act of 2019

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 FY 2022-2026 Strategic Plan and annual PARs are available on our website at <http://www.nts.gov/about/reports>

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## Message from the Chair



On behalf of the dedicated professionals who work to fulfill our mission, I am pleased to present the National Transportation Safety Board's Performance and Accountability Report for FY 2023. This report presents our financial data and demonstrates our commitment to make transportation safer as reflected in our goals and accomplishments.

This PAR includes the results of the independent audit of our FY 2023 financial statements. I am proud to announce that, for the 21st consecutive year, the agency received an unmodified ("clean") 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 Federal Managers Financial Integrity Act (FMFIA) and that internal control over financial reporting is operating effectively to produce reliable and complete financial reporting as required by Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. The FY 2023 PAR reflects the NTSB's dedication to our mission and our accountability for the resources entrusted to us.

The NTSB has 434 talented and highly skilled professionals who conduct independent accident investigations, recommend and advocate for safety improvements, and assist victims and the families of victims involved in transportation accidents. During FY 2023, the NTSB has completed more than 1334 investigations of domestic transportation accidents and incidents and has supported more than 447 foreign investigations. We are committed to making transportation safer despite the challenges of limited resources and the evolving transportation environment.

The transportation industry continues to transform, with emerging technologies, increasing commercial space travel, transitions in the transportation workforce, and changing trends among the traveling public. The work of the NTSB is critical, as we focus on the safety of the traveling public in our investigations, research studies, and advocacy.

Our ultimate goal is zero fatalities in all modes of transportation. This is why we advocate for the Safe System approach and other life-saving recommendations in our 2021-2023 Most Wanted List of Transportation Safety Improvements. This year we have continued to see advances in implementing NTSB recommendations. For example—

- Since the East Palestine derailment with hazardous material release and fires, the FRA has begun to implement the NTSB's 2005 recommendation to require emergency escape breathing apparatuses for crew members on freight trains carrying hazardous materials.
- The FAA has taken steps to advance two NTSB recommendations from 2016: adopting new medical rules for hot air balloon pilots and requiring safety management systems for all Part 135 operators. Following our advocacy

efforts, the FAA also indicated it would reconsider its position on the NTSB's 2018 recommendations on 25-hour cockpit voice recorders.

- The NTSB has supported collision-avoidance technology on roadway vehicles for nearly 30 years. We made progress in advancing this life-saving recommendation in FY 2023 when the National Highway Traffic Safety Administration (NHTSA) proposed a rule requiring that all new passenger cars and light trucks be installed with automatic emergency braking (AEB) systems that would detect other vehicles and pedestrians.
- The NTSB continually looks for ways to make our skies safer, and in FY 2023 we opened investigations into seven incursion events—defined as the incorrect presence of an aircraft, vehicle, or person on a runway. We hosted a roundtable that brought together safety experts from the aviation industry, labor, and government to discuss the current state of runway incursions, possible solutions, and next steps.
- The NTSB has a long history of advocating for Vehicle-To-Everything (V2X) technologies. V2X technology relies on direct communication between vehicles, and among vehicles, infrastructure, and other road users such as motorcycles, bicyclists, and pedestrians, to prevent crashes. We made a significant step forward this fiscal year when the Federal Communications Commission (FCC) granted waivers for Cellular Vehicle-To-Everything (C-V2X) development, which newly empowers auto manufacturers, infrastructure owner-operators, and others to get this life-saving technology onto our roads sooner.
- The NTSB has been concerned about the safety of DUKW (“duck”) boats for more than 20 years. We welcome the maritime safety improvements included in the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023. This congressional legislation advances NTSB recommendations for amphibious vessels and implements reporting requirements that increase transparency and ensure accountability.

The NTSB works vigorously to establish and maintain high standards in transportation safety. We will continue to partner with the president, Congress, transportation stakeholders, and the American people to make transportation safer now and for future generations.



Jennifer Homendy  
Chair

November 6, 2023

## Agency Overview

### Mission and Core Values

The National Transportation Safety Board (NTSB) is an independent federal agency charged by Congress with investigating every civil aviation accident in the United States and significant events in the other modes of transportation—railroad, transit, highway, marine, pipeline, and commercial space. We determine the probable causes of the accidents and events we investigate and issue safety recommendations aimed at preventing future occurrences. In addition, we conduct transportation safety research studies and offer information and other assistance to family members and survivors for each accident or event we investigate. We also serve as the appellate authority for enforcement actions involving aviation and mariner certificates issued by the FAA and US Coast Guard, and we adjudicate appeals of civil penalty actions taken by the FAA.

#### Our Core Values

Integrity  
Transparency  
Independence  
Excellence  
Diversity and Inclusion

Since its inception in 1967, the NTSB has investigated more than 154,000 aviation accidents and thousands of surface transportation accidents. On call 24 hours a day, 365 days a year, our investigators have traveled throughout the United States and to every corner of the world in response to transportation disasters.



#### Our Mission

Making transportation safer. We carry out our mission by—

- Maintaining our congressionally mandated independence.
- Conducting objective, thorough investigations and safety studies.
- Deciding fairly and objectively appeals of enforcement actions by the FAA and US Coast Guard and certificate denials by the FAA.
- Advocating for implementation of safety recommendations.
- Assisting victims and survivors of transportation disasters and their families.

## Historical Overview

The 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 crashes.
- 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, including select commercial space transportation accidents.

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 FAA.
- Decide on appeals of enforcement actions by the FAA and US Coast Guard and certificate denials by the FAA.

The NTSB also leads US teams assisting in international aviation accident investigations conducted by foreign authorities under the provisions of ICAO agreements. In 1996, the Aviation Disaster Family Assistance Act assigned the NTSB the additional 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 have occurred in the United States or its territories resulting in a loss of life (Title 49 *United States Code* [U.S.C.] § 1136). The provisions of the Rail Safety Improvement Act of 2008 addressing family assistance for rail passenger disasters assigned the NTSB similar responsibilities for these disasters resulting in a loss of life (Title 49 U.S.C. § 1139). In 2018, our reauthorization further expanded our family assistance responsibilities, obligating the agency, to the maximum extent practicable, to provide information regarding NTSB investigative processes and products to the families of individuals involved in any accidents we investigate before we provide this information to the media (Title 49 U.S.C. § 1140). Currently, the primary focus of agency efforts is to ensure compliance for accidents involving fatalities.



**Figure 1** NTSB Chair Jennifer Homendy moderates the NTSB roundtable *State of Runway Incursions* held in the NTSB Board room on May 23, 2023.

# Management Discussion & Analysis



## Organization

### Structure

Our organizational structure is designed around sound business and management principles.

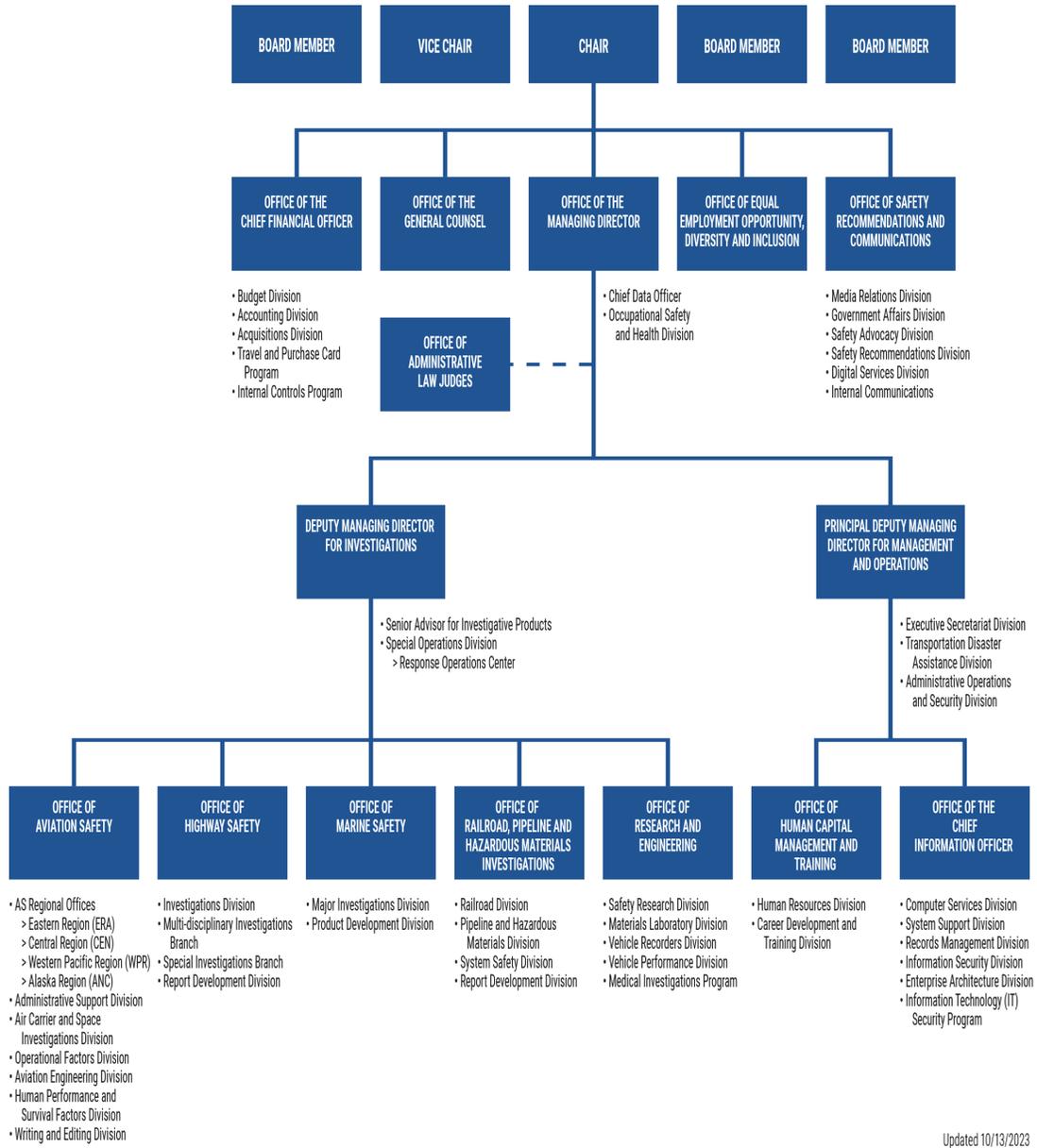


Figure 2 NTSB Organization and Program Structure Chart

## Headquarters

The NTSB is headquartered in Washington, DC. We also have investigators stationed at offices in Aurora, Colorado; Anchorage, Alaska; and Federal Way, Washington; as well as staff working at locations throughout the country.

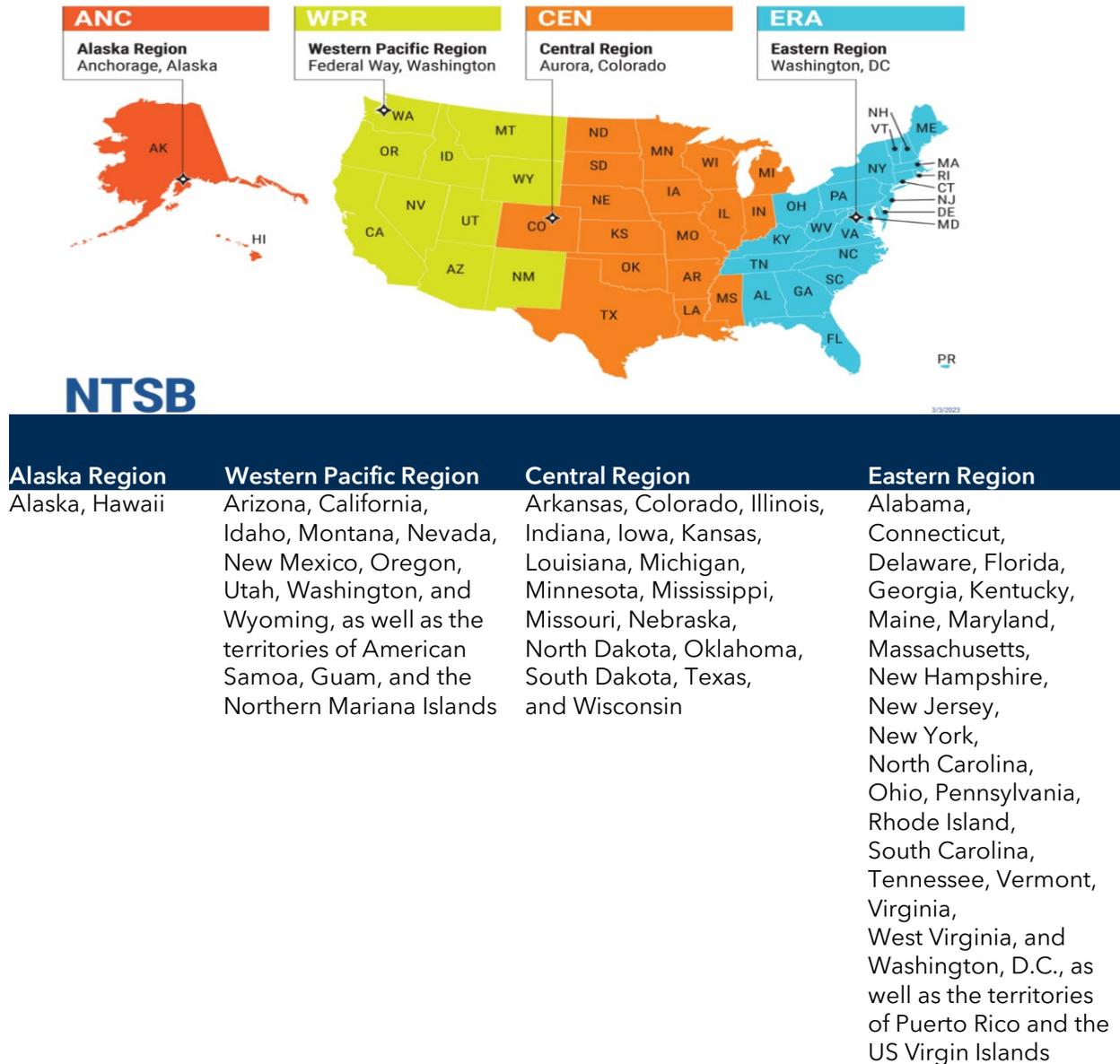


Figure 3 NTSB Regional Offices

## Organizational Structure

The NTSB comprises the executive-level Offices of the Chair, Vice Chair, and Members of the Board, as well as the Offices of the Managing Director; General Counsel; Chief Financial Officer; Equal Employment Opportunity, Diversity, and Inclusion; and Safety Recommendations and Communications.

### Chair, Vice Chair, and Board Members

The authority of the NTSB is vested in a Board of five members, with each member nominated by the president and confirmed by the US Senate to serve a 5-year term. One member is separately nominated by the president and confirmed by the Senate to serve as chair and another is designated by the president as vice chair, each for a 3-year term. When there is no designated chair, the vice chair serves as acting chair. The NTSB currently has one vacant Board member seat.



**Figure 4** National Transportation Safety Board members at the East Palestine Investigative Hearing, June 22-23, 2023. During the 2-day hearing, the NTSB gathered sworn testimony about the February 3, 2023, Norfolk Southern Railway train derailment that led to a hazardous material release and fires in East Palestine, Ohio.

The chair serves as the chief executive officer and chief administrative officer for the agency. The chair, vice chair, and Board members preside at NTSB 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 US Coast Guard license actions; and act as spokespersons at accident scenes. They also advocate for safety recommendations with the transportation community, other federal agencies, state and local governments, and the public.

### Office of the Managing Director

The Office of the Managing Director assists the chair 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



**Figure 5** The NTSB Response Operations Center (ROC) is staffed by watch officers 24 hours a day, 7 days a week to support the agency's mission.

responsible for the overall leadership, direction, and performance of the agency, and oversees two deputy managing directors.

The Office of the Managing Director oversees eight other offices: the Office of Aviation Safety, the Office of Highway Safety, the Office of Marine Safety, the Office of Railroad, Pipeline and Hazardous Materials, the Office of Research and Engineering, the Office of the Chief Information Officer, the Office of Human Capital Management and Training, and the Office of Administrative Law Judges.

The mission of the **Office of Aviation Safety** includes the following:

- Investigate all air carrier, commuter, and air taxi accidents and certain serious incidents; fatal and nonfatal general aviation accidents and serious incidents; UAS, advanced air mobility, and public aircraft accidents and serious incidents; and commercial space launch/reentry accidents.
- Participate 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 ICAO agreements.
- Investigate safety issues that extend beyond a single accident to examine specific aviation safety problems from a broader perspective.



**Figure 6** NTSB investigators document wreckage of a Pilatus PC-12 airplane at the crash site in Dayton, Nevada. The medical air transport flight, operated by Guardian Flight, crashed on February 24, 2023, while enroute from Reno, Nevada, to Salt Lake City, Utah.

The Office of Aviation Safety conducts investigative activities through five specialty divisions based in Washington, DC, and a regional investigation management structure comprising four regions. Investigators are located throughout the country. International aviation activities are coordinated from the Washington, DC, office.

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 the circumstance of the crash. Such investigations may focus on mass casualties and injuries on public transportation vehicles (such as motorcoaches and school buses), collapses of bridges spanning roadways or tunnel structures, or collisions at highway-railroad grade crossings.



**Figure 7** At-rest position of the multivehicle crash that occurred in Phoenix, Arizona, June 9, 2021. A commercial truck traveling eastbound on SR-202 crashed into a queue of passenger vehicles that were stopped because of road closure. The NTSB issued Highway Investigation Report 23/04 on March 28, 2023, detailing our investigation of the crash. (Source: Arizona Department of Public Safety, with annotations by the NTSB).



**Figure 8** NTSB investigators at the site of the Fern Hollow Bridge collapse in Pittsburgh, Pennsylvania on January 28, 2022. The NTSB provided an update on the investigation on January 26, 2023.

This office also investigates crashes that involve new safety issues or technologies (such as automated vehicles and alternatively fueled vehicles) and develops reports based on trends emerging from NTSB investigations and from research and data that identify common risks or underlying causes of crashes, injuries, and fatalities.

The NTSB is the only US organization that performs independent, comprehensive, and transparent multidisciplinary investigations to determine the probable causes of highway crashes, with the goal of making recommendations to prevent similar events and to reduce injuries and fatalities. Our investigations result in recommendations that provide

policymakers and stakeholders with unbiased analysis so that, if implemented, would reduce or eliminate the safety risks identified in the investigations.

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 US 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 US Coast Guard with the concurrence of the NTSB chair, to life, property, or the environment by hazardous materials.



**Figure 9** Engine room fire aboard the vessel *Natchez* that occurred in New Orleans, Louisiana, May 3, 2022. The NTSB issued Marine Investigation Report 23/02 on February 1, 2023, detailing our investigation of the fire. (Source: Unidentified witness via US Coast Guard).

The office is also responsible for the overall management of the NTSB's international marine safety program, under which the office investigates major marine casualties involving foreign-flagged vessels in US territorial waters and those involving US-flagged vessels anywhere in the world. Accidents involving foreign-flagged vessels accounted for 32 percent of NTSB marine casualty investigations over the past 5 years. Under the International Maritime Organization (IMO) *Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident*, the office also participates with the US Coast Guard as a substantially interested State in investigations of serious marine casualties involving foreign-flagged vessels in international waters. The international program involves reviewing US administration position papers related to marine accident investigations and participating in select IMO subcommittee meetings.



**Figure 10** Damage to the Route 182 bridge, which was struck by towing vessel *Miss Mollye D* between Morgan City and Amelia, Louisiana, on December 23, 2021. The NTSB issued Marine Investigation Report 23/04 on February 9, 2023, detailing our investigation of the collision. (Source: US Coast Guard).

As part of the international program, the office coordinates with other US and foreign agencies to ensure consistency with IMO conventions. We also cooperate with other accident investigation organizations worldwide at annual meetings, such as the Marine Accident Investigators' International Forum (MAIIF), which has status as a nongovernmental organization with IMO. The MAIIF organizations, which include Europe MAIIF and MAIIF Americas, track developments related to marine casualty investigations and prevention.

The NTSB is the only federal organization that performs independent, comprehensive, and transparent multidisciplinary investigations to determine the probable cause of marine accidents, with the goal of making safety recommendations to prevent similar events from occurring in the future. The thoroughness and independence of these investigations maintain public confidence in marine transportation systems and provide policymakers with unbiased analysis.



**Figure 11** NTSB investigators at the scene of a train conductor fatality on March 3, 2021, in La Mirada, California. The NTSB issued Railroad Investigation Report 23/01 on February 10, 2023, detailing our investigation.

### The Office of Railroad, Pipeline and Hazardous Materials Investigations

comprises four divisions: Railroad; Pipeline and 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 the findings of 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 may also issue safety alerts to industry.

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 and one program area, also conducts safety research, generates periodic statistical reviews of aviation accidents, and provides medical and toxicology expertise for investigations in all modes.



**Figure 12** An NTSB hazardous materials investigator oversees the function testing of a tank car pressure relief device that was removed from one of the tank cars in the East Palestine, Ohio derailment on February 3, 2023.



**Figure 13** An NTSB materials engineer cuts a section of pipe for the investigation of a crude oil leak from a subsea pipeline crack that occurred in Newport Beach, California, on October 1, 2021. The NTSB released DCA22FM001 for the public docket on March 31, 2023.

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 provides computer and network services for headquarters and regional offices and is also responsible for securing the network and defending against outside threats. To support the agency, the office develops, distributes, and maintains agency-specific applications, provides web design and content management and database administration services.

The **Office of Human Capital Management and Training** provides oversight, guidance, and support in setting the NTSB's workforce development strategy and aligns human resources policies with the agency's mission. The office develops goals and objectives and provides leadership in human capital planning and development, employment and staffing, compensation, benefits, executive resources, succession planning, labor and employee relations, agencywide training programs, career management, and other human capital and training functions. Two divisions carry out the office's work: Human Resources, and Career Development and Training. Both divisions support the chief human capital officer in developing and administering policies to achieve program objectives and provide the full range of human resources and training services for the agency.

The NTSB serves as the court of appeals for pilots, 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 US 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, including 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 general counsel serves as the chief legal officer of the agency, ensures the proper implementation of the NTSB's statutory responsibilities relating to transportation safety and serves as the Designated Agency Ethics Official. Specifically, the **Office of the General Counsel** advises NTSB officials on legal and policy issues arising under the

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

The **Office of the Chief Financial Officer** manages NTSB financial resources, develops the agency's budget requests for submission to 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 and oversees property and inventory control programs and the NTSB's travel and charge card programs. 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. Additionally, the office manages the NTSB acquisition program, awards and administers contracts and agreements, manages the purchase card program, awards real property leases for both the NTSB headquarters and regional offices, and provides customers with acquisition guidance and training.



The **Office of Equal Employment Opportunity, Diversity, and Inclusion** (EEO/EDI) advises and assists the chair and NTSB office directors in carrying out their responsibilities related to Title VII of the Civil Rights Act of 1964, as amended, and other laws, executive orders, and regulatory guidelines affecting diversity development and the processing of EEO complaints and reasonable accommodation requests. 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 the agency's alternative dispute

resolution and American Sign Language interpretation programs. Office services include providing required educational compliance training to NTSB staff; raising diversity, equity, inclusion, and accessibility (DEIA) awareness at the agency; engaging in targeted outreach; helping with internal recruitment initiatives; and providing career enhancement advisory services.

The **Office of Safety Recommendations and Communications** comprises five divisions: Media Relations, Government and Industry Affairs, Safety Advocacy, Safety Recommendations, and Digital Services. The office ensures that information regarding NTSB investigations, activities, advocacy, and safety recommendations is accurately and effectively communicated to a range of stakeholders, including elected officials and their staffs at the federal, state, and local levels; industry representatives; media; and the public. 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. The office uses various communication channels, such as print, television, digital, and social media to facilitate robust public and stakeholder engagement.

## Sources of Funds

As provided for in 5 U.S.C. 3109, the NTSB receives an annual Salaries and Expenses appropriation. For 2023, the NTSB's enacted appropriation was \$129,300,000. In addition, the NTSB received \$87,764 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.

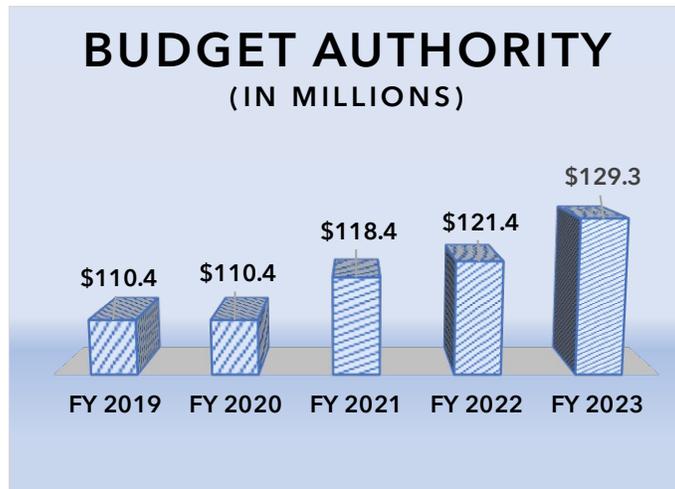


Figure 14 Budget Authority

The NTSB's FY 2023 obligations by personnel and non-personnel costs are represented by the chart below. Personnel costs, which primarily comprise salaries and employee benefits, accounted for 69 percent of NTSB costs. The remaining 31 percent was spent on non-personnel items such as equipment and infrastructure, software, hardware, office rent, building security, travel, and other related costs.

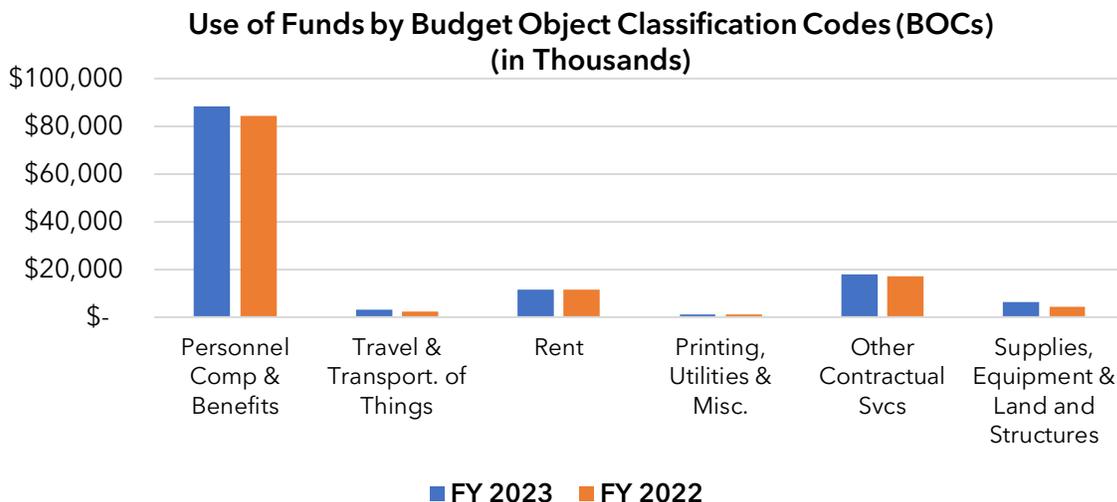


Figure 15 Salaries and Expenses Appropriation Fund by Budget Object Classification

## Performance Goals, Objectives, and Results

### Strategic Goals Overview

The NTSB’s FY 2023 Annual Strategic Performance Plan (ASPP) outlines our strategies to achieve agency priorities, promote organizational change, and improve agency performance. The FY 2023 ASPP 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 ASPP draws a clear line from our mission through performance metrics and targets to our goals, objectives, and key performance indicators. The ASPP is guided by our FY 2022–2026 Strategic Plan and complies with the Government Performance and Results Modernization Act of 2010 and the OMB’s Circular A-11, Part 6, Preparation, Submission, and Execution of the Budget.

The following strategic goals and objectives were designed to improve the agency’s operations, from investigative to support offices.

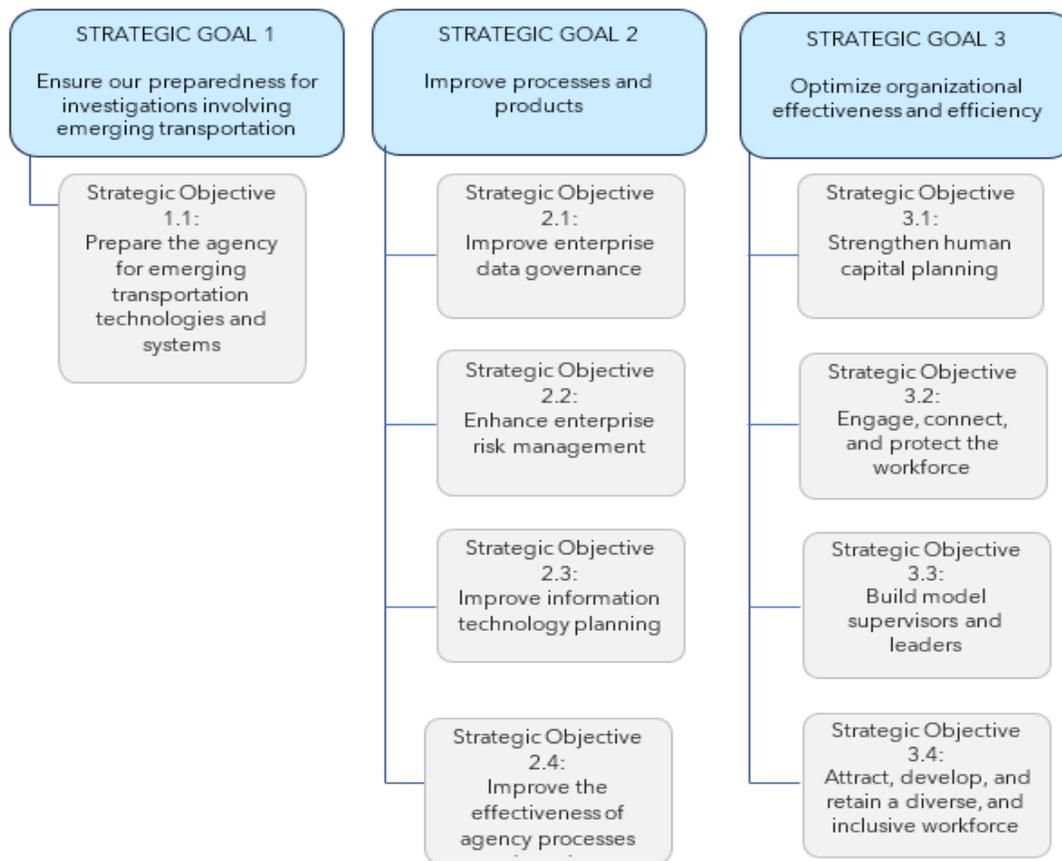


Figure 16 NTSB Strategic Goals and Objectives

### Strategic Performance Management

In accordance with the Government Performance and Results Modernization Act of 2010 and OMB [Circular A-11, Part 6](#), our strategic management process and performance framework started with our previous [FY 2020-2024 Strategic Plan](#). The yearly ASPP establishes long-term priorities and develops the performance goals, objectives, and metrics that gauge our success based on our new FY 2022-2026 Strategic Plan.

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.

### NTSB Strategic Management Process Map

#### 5-Phase Cyclical Process



Figure 17 Strategic Management Process Map

### Management Review

We use a quarterly, data-driven, strategic review process. The Office of the Managing Director coordinates these quarterly reviews, analyzes the data, and reports to senior leadership at various intervals throughout the year. Currently, performance data are reviewed, verified, and finalized by the managing director.

### Measuring our Success

We define our performance goals annually and evaluate our progress toward achieving them through performance metrics. We 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 continuously improve this process as well as mature the agency's data program, we will be 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 may be influenced by the global pandemic's changes to the balance of industry; other federal, state, and local government activities; national priorities; and resource availability to—

- Ensure that we understand new technologies in all modes of transportation and hire and train accordingly.
- Recruit, retain, and develop a highly skilled and diverse staff, particularly when competing against the private sector.

### Addressing Our Challenges

We will use effective long-range planning, open communication with lawmakers and industry, a talent-management process that is responsive to the needs of agency human capital trends, and improved employee engagement to address the challenges noted above. Long-range planning for acquisition requirements, human capital management, and core operations ensures that we are properly staffed and ready to deal with future investigative needs. Effective communication with lawmakers and industry helps us keep these stakeholders informed of our challenges. Thinking strategically, promoting employee engagement, and encouraging staff development will allow these strategic goals and priorities to be successful.

### 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 were developed using available data to determine whether our

goals and objectives were met, and targets kept us on track toward achievement. The performance results for FY 2023 are highlighted in the chart below.

## Performance Highlights

### Goal 1: Ensure our Preparedness for Investigations Involving Emerging Transportation Technologies and Systems

Strategic Objective	Performance Metric	Metric Results*
1.1: Prepare the agency for new transportation technologies and systems	1.1.1: Implement proposed emerging transportation technologies recommendations identified by the multimodal team	Exceeded

### Goal 2: Improve Processes and Products

Strategic Objective	Performance Metric	Metric Results
2.1: Improve enterprise data governance	2.1.1: Develop a new system of records notice for agency data analytics	Exceeded
	2.1.2: Develop and publish an approved data strategy document	Exceeded
	2.1.3: Develop agency strategic and operational key performance indicators to assess progress	Exceeded
2.3: Improve information technology planning	2.3.1: Establish a Capital Planning & Investment Control Process	Exceeded
2.4: Improve the effectiveness of agency processes and products	2.4.1: Establish a digital services customer experience improvement strategy	Exceeded
	2.4.2: Fifty percent of selected Product Management Application reviews completed on time	Exceeded

### Goal 3: Optimize Organizational Effectiveness and Efficiency

Strategic Objective	Performance Metric	Metric Results
3.1: Strengthen human capital planning	3.1.1: Develop a draft workforce development plan	Reassessed
	3.1.2: Structure and Grow the Workforce to Align with the Agency's Strategic Direction	Exceeded
3.2: Engage, connect, and protect the workforce	3.2.1: Develop and pilot an enhanced Accident Investigation Risk Management Worksheet for Regional AS to improve on-scene risk identification and mitigation (metric title updated mid-year)	Met
3.3: Build model supervisors and leaders	3.3.1: Implement two career development roadmap enhancements	Exceeded
3.4: Attract, develop, and retain a diverse, and inclusive workforce	3.4.1: Support and implement three diversity, equity, inclusion, and accessibility (DEIA) strategic plan strategies and actions	Exceeded

Figure 18 Strategic Goals and Results

## Looking Forward

The agency's strategic goals are an integral part of fulfilling our mission of making transportation safer. We encounter challenges in achieving these goals as they relate to workforce dynamics, new transportation technologies and systems, and resource availability.



### Workforce Dynamics

The NTSB staff is our most valuable resource. Highly specialized technical staff conduct thorough investigations and develop recommendations that advance our mission of making transportation safer. However, recruiting and retaining top talent is difficult in a highly competitive job market. To address this challenge, we utilize human capital solutions in workforce development and training to ensure that we maintain a high-performing, diverse, and engaged workforce equipped for transportation accident investigations and future leadership.

### New Transportation Technologies

Innovations in transportation, such as automated vehicles, commercial space transportation, un-crewed aircraft systems, supersonic aircraft, high-speed ground transportation, and electric and other clean energy solutions will continually challenge the agency to stay abreast of these constantly evolving technologies. To develop effective recommendations that can prevent future occurrences of transportation accidents, we must have the staff, tools, and equipment in place to understand and investigate accidents associated with these advanced systems and technologies.

### Resource Availability

The NTSB faces the rising challenge of continuing to set the standard around the world in accident investigation and prevention in an ever more complex transportation environment while facing limited resources. If the NTSB is going to continue to be successful and thrive, sufficient funding will have to be made available to allow us to effectively advocate for safety improvements such as the Safe System approach to eliminate fatalities and injuries on our roadways, the avoidance of runway near misses and incursions, and the much-needed improvement in railroad safety to prevent catastrophic train events.

The agency welcomes opportunities to secure funding for mission focused investments in our products, processes, and people. The Technology Modernization Fund (TMF) was authorized by the Modernizing Government Technology Act of 2017, as an innovative program that gives agencies funding for technology investments. The NTSB has been approved for a \$16.2 million TMF loan over a 3-year period. These funds will enable the NTSB to build a unified digital experience to find, understand, and use information related to investigations and safety recommendations. As Chair Homendy said, "By helping modernize our agency's legacy IT systems, the TMF will transform how

we investigate transportation disasters and deliver critical safety information to the public. The funding will pay dividends in terms of lives saved and injuries prevented.”

## Financial Highlights

### Analysis of Financial Statements

#### Balance Sheet

The balance sheet presents the amounts available for use by NTSB (assets) against the amounts owed (liabilities) and the amounts that comprise the difference (net position).

(in thousands)	FY 2023	FY 2022	Change	% Change
<b>Assets:</b>				
Fund balance with Treasury	\$ 49,140	\$ 43,942	\$ 5,198	12%
Accounts receivable, net	3	9	(6)	-67%
General property, equipment, and software, net	3,834	6,420	(2,586)	-40%
<b>Total Assets</b>	<b>\$ 52,977</b>	<b>\$ 50,371</b>	<b>\$ 2,606</b>	<b>5%</b>
<b>Liabilities:</b>				
Accounts payable	4,798	6,472	(1,674)	-26%
Federal employee benefits	20,255	18,595	1,660	9%
Capital lease liability	-	1,567	(1,567)	-100%
Other liabilities	9	114	(105)	-92%
TMF loan	1,565	-	1,565	100%
<b>Total Liabilities</b>	<b>\$ 26,627</b>	<b>\$ 26,748</b>	<b>\$ (121)</b>	<b>0%</b>
Unexpended appropriations	30,171	25,082	5,089	20%
Cumulative results of operations	(3,821)	(1,459)	(2,362)	162%
<b>Net position</b>	<b>\$ 26,350</b>	<b>\$ 23,623</b>	<b>\$ 2,727</b>	<b>12%</b>

Figure 19 Analysis and Key Changes for the Balance Sheet

#### Assets

Fund balance with Treasury represents 93 percent of the NTSB's current period assets. The increase of \$5,198 thousand is primarily the result of the \$6,262 thousand non-expenditure transfer for the TMF.

General property, equipment, and software, net, at \$3,834 thousand, which represents 7% of the NTSB's assets, is primarily capitalized personal property. There was a decrease of \$2,586 thousand as retirements, disposal and depreciation exceed purchases of equipment and additions to construction in progress through the normal course of business.

#### Liabilities

The NTSB's liabilities were \$26,627 thousand as of September 30, 2023. The liabilities consisted of amounts owed to vendors, federal government trading partners, and Agency employees.

**Net Position**

The NTSB ended FY 2023 with a net position total of \$26,350 thousand. This represents a change of \$2,727 thousand, or 12 percent. The net position is affected by changes in two components: Unexpended Appropriations and Cumulative Results of Operations. Unexpended Appropriations includes the portion of the entity’s appropriations represented by undelivered orders and unobligated balances. Unexpended Appropriations increased \$5,089 thousand (20 percent) due primarily to the appropriation transfer for TMF.

Cumulative Results of Operations reflects the net results of operations since inception. The NTSB’s Cumulative Results of Operations decreased \$2,362 thousand for the fiscal year ended September 30, 2023, due to net increases in cost associated with NTSB’s mission.

**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 - Aviation Safety; Surface Transportation (Marine Safety, Highway Safety, and Railroad, Pipeline, and Hazardous Materials); and Research & Engineering. The NTSB’s FY 2023 net cost of operations was \$133,530 thousand: \$133,644 thousand in gross costs less \$114 thousand in earned revenues. The closure of the Ashburn Training Center contributed to the marked decline in earned revenue for the fiscal year ended September 30, 2023.

<b>(in thousands)</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Change</b>	<b>% Change</b>
Gross Costs:				
Aviation Safety	\$ 62,865	\$ 56,439	\$ 6,426	11%
Surface Transportation Safety	45,274	41,019	4,255	10%
Research & Engineering	25,505	26,014	(509)	-2%
Less: Earned Revenue	(114)	(303)	189	-62%
<b>Net Cost of Operations</b>	<b>\$133,530</b>	<b>\$123,169</b>	<b>\$10,361</b>	<b>8%</b>

**Figure 20** Key Changes for the Statement of Net Cost

### 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 2023 budgetary resources totaled \$156,788 thousand and consisted of current year budget authority funds of \$129,300 thousand and an unobligated balance from prior year budget authority, net (discretionary and mandatory) of \$27,488 thousand.

(in thousands)	FY 2023	FY 2022	Change	% Change
Unobligated balance from prior year budget authority, net	\$ 27,488	\$ 21,871	\$ 5,617	26%
Appropriations	129,300	121,400	7,900	7%
Spending authority from offsetting collections	-	336	(336)	-100%
<b>Total Budgetary Resources</b>	<b>\$156,788</b>	<b>\$143,607</b>	<b>\$13,181</b>	<b>9%</b>

Figure 21 Key Changes for the Statement of Budgetary Resources

## Management Assurances

The Chair of the National Transportation Safety Board’s Fiscal Year 2023 Statement of Assurance, provided below, is the final report produced by the agency’s annual assurance process.

## National Transportation Safety Board

Office of the Chair

Washington, DC 20594



September 30, 2023

The Honorable Joseph R. 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) 2023. This report is based on our compliance with the Federal Manager’s Financial Integrity Act of 1982, the Federal Financial Management Improvement Act of 1996, the Government Charge Card Abuse Prevention Act of 2012, the Government Accountability Office’s (GAO) *Standards for Internal Control in the Federal Government*, and Office of Management and Budget (OMB) Circular A-123, “Management’s Responsibility for Enterprise Risk Management and Internal Control.”

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 GAO’s standards and OMB guidance provided in Circular A-123. As of September 30, 2023, 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 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 fiscal year 2022, 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 21st consecutive unmodified opinion (clean audit) on the audited consolidated financial statements for FY 2023.

We would like to acknowledge the constructive work performed by the GAO, DOT/IG, and Allmond 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

## Analysis of Systems, Controls, and Legal Compliance

### Internal Control Framework

The FMFIA of 1982 requires federal agencies to establish, maintain and annually assess their systems of internal controls. The NTSB's management accountability and controls program conducts an annual review of the adequacy of the agency's system of internal controls in accordance with the FMFIA and revised OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control. The NTSB provides reasonable assurance over the effectiveness and efficiency of internal controls covering operations, reliable reporting, and compliance with relevant laws and regulations and, accordingly, reasonable assurance that our programs and resources are protected from waste, fraud, abuse, and mismanagement. This assurance includes certification that the appropriate policies and procedures are in place to mitigate the risk of fraud and misuse of government charge cards. The results of this review are included in the chair's Statement of Assurance sent to the president on September 30, 2023.

As discussed in the Statement of Assurance, the NTSB has no material weaknesses or non-conformances to report for FY 2023. No new material weaknesses or significant non-conformances have been identified for the past 8 years, nor have there been any existing unresolved weaknesses requiring corrective actions. The NTSB has achieved the intent of the FMFIA to prevent problems through systematic review and evaluation of the agency's programs and operations, and through the implementation of management and financial controls.

The chair's assurance is based on the NTSB Office Directors' Management Control Assurance Memorandums and Risk Assessments for each assessable unit, conducted in accordance with the guidance contained in OMB Circular A-123.

The NTSB Senior Management Oversight Council (SMOC) addresses management accountability issues within agency operations. The SMOC provides input to the chair for use in preparing the annual assessment of, and report on, management controls as required by the FMFIA; the council also assists with coordinating internal control assessments as needed.

The Office of the Chief Financial Officer (OCFO) provides guidance on internal control assessments, including identifying scope and methodology, reviewing assessable unit risk assessments, and verifying that corrective action plans are first developed for identified weaknesses, and then monitored for completion.

In addition to its other duties, the SMOC 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 the 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 Government Accountability Office; independent audits of service providers' operations and financial systems performed in accordance with Statement on Standards for Attestation Engagements (SSAE) 18; and the results of our financial statement audit conducted in accordance with the Chief Financial Officers Act, as amended by the Accountability of Tax Dollars Act of 2002, and OMB Circular A-136.

The NTSB continues to focus on our IT security program and compliance with the Federal Information Security Management Act (FISMA). The agency also continues to maintain an information security program to manage IT risks 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 Circulars A-127 and A-130 and FISMA. In FY 2023, an independent audit found the NTSB in compliance with FISMA requirements.

### Accountability of Tax Dollars

The Accountability of Tax Dollars Act of 2002 (ATDA) requires the preparation of financial statements by the federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular A-136, *Financial Reporting Requirements*, permits agencies to consolidate their audited financial statements and other financial and performance reports into a single report, the Performance and Accountability Report. This report meets the requirements of the ATDA.

### Government Performance and Results Act Modernization Act

The Government Performance and Results Act of 1993, as amended, by the Government Performance and Results Modernization Act of 2010, mandates agencies to make available on their public website a 5-year strategic plan, an Annual Performance Plan, and an Annual Performance Report. NTSB'S Strategic Plan for FY 2022-2026 includes its annual performance plans. NTSB's annual performance report is included in the Performance Highlights section of the PAR. The annual report is also published and is available on the agency's website.

## Antideficiency Act

Title 31 U.S.C. § 1517 states that an officer or an employee of the United States government is prohibited from—

- making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law.
- involving the government in any obligation to pay money before funds have been appropriated for that purpose unless otherwise allowed by law.
- accepting voluntary services for the United States, or employing personal services not authorized by law, except in cases of emergency involving the safety of human life or the protection of property.
- making obligations or expenditures in excess of an apportionment or reapportionment, or in excess of the amount permitted by Agency regulations.

For FY 2023, the NTSB did not identify any potential Antideficiency Act violations. Any identified violations would be reported to the president and Congress, and a copy of the report transmitted at the same time to the Comptroller General, as specified in 31 U.S.C. §§ 1351, 1517(b).

## Digital Accountability and Transparency Act

The Digital Accountability and Transparency Act of 2014 (DATA) increased accountability and transparency in federal spending, making federal expenditure data more accessible to the public. It directs federal government entities to use government-wide data standards for developing and publishing reports, and to make supplementary information, including award-related data, available. Additionally, the DATA 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's financial management, acquisition, and budget business lines are operationally aligned and responsible for generating and validating submissions to ensure transparency, consistency, and compliance. The NTSB met the government-wide DATA reporting requirement in FY 2023 with the publishing of complete, timely, and accurate financial and award data on [USAspending.gov](https://USAspending.gov).

## Financial Management Systems

The NTSB's financial management systems framework is driven by the objectives of Strategic Goal 2, Objective 2.1, of improving enterprise data governance. 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 using 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, based on Oracle Federal Financials, Release 12.2.12, meets all of the requirements of Section 803 (a) of the FMFIA. The Oracle E-business Suite includes the following modules: federal administrator, purchasing, iProcurement, procurement contracts, accounts payable, project costing and billing, assets, receivables, and general ledger modules.

The NTSB uses the 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. It is customer-driven, creating, and generating the complete cycle of personnel and payroll transactions delivered in compliance with the Office of Personnel Management's (OPM), and human resources and payroll systems requirements for federal 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.

The results of the SSAE 18 reports for Oracle Federal Financials and FPPS, in conjunction with NTSB user controls, provide reasonable assurance that the NTSB's financial management system complies substantially with federal financial management system requirements, applicable federal accounting standards, and the US Government Standard General Ledger at the transaction level.

### Prompt Payment Act

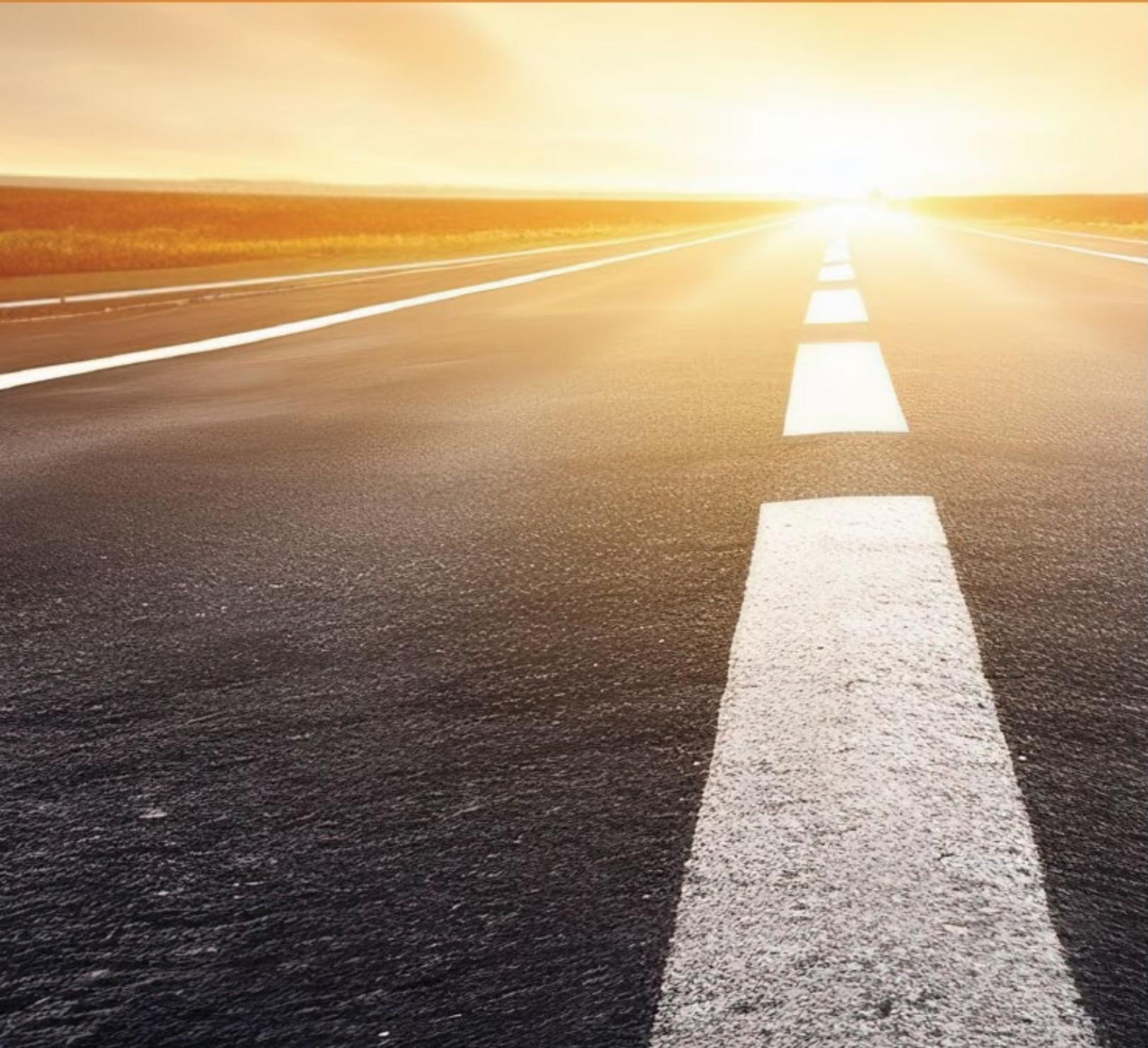
The Prompt Payment Act, enacted in 1982, requires federal agencies to make timely payments. Invoices are to be paid within 30 days after receipt and acceptance of goods and/or services, or after receipt of a proper invoice, whichever is later. When payments are not made on time, interest must be paid. The NTSB made late payments resulting in interest penalties of \$1,060.20 in FY 2023.

### Payment Integrity Information Act

The Payment Integrity Information Act of 2019 (PIIA), which repealed and replaced the Improper Payments Information Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, the Improper Payments Elimination and Recovery Act of 2012, and the Fraud Reduction and Data Analytics Act of 2015, 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 in FY 2023 as part of its annual internal control assessment cycle, which includes agency programs or activities that are susceptible to significant improper payments. This annual assessment also included a review of fraud risks, as required under PIIA. No additional reporting was deemed necessary. More detailed information on the federal government's progress towards improving improper payments is available on <https://paymentaccuracy.gov/>.

# Financial Information



## Message from the Chief Financial Officer



I am honored to join Chair Homendy in presenting the NTSB's PAR for FY 2023.

For the 21st consecutive year, our independent auditors have issued an unmodified (clean) audit opinion on the NTSB's financial statements, which identified no material weakness, significant deficiencies, nor instances of noncompliance with laws and regulations that would have a direct effect on the determination of material amounts in NTSB's financial statements.

We recognize the importance of accurate and timely financial information for decision-making to achieve our goals and objectives. During FY 2023, the NTSB demonstrated high-caliber fiscal stewardship by accomplishing key milestones in support of the FY 2022-2026 Strategic Performance Plan.

I appreciate the efforts and collaboration of the NTSB community who plan, execute, and account for the agency's resources. Their commitment to ensuring sound financial statements provides the foundation for our strong management and ensures the availability of reliable financial data. The accomplishment of the unmodified opinion is the result of the efforts of our high-performing OCFO team, their commitment to effective operational standards, and the agency's focus on fiscal responsibility, transparency, and risk management at all levels.

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 and the guidance provided by the OMB.

The PAR documents our agency results and demonstrates our commitment to fulfilling the requirements of the Government Performance and Accountability Act, the Government Management Reform Act, and the FMFIA. This report provides the NTSB's financial and performance information and is our principal report to Congress and the American people regarding our program leadership and our stewardship of the public funds entrusted to us.

In FY 2024, we will continue to focus on improving our use of data analytics, implementing fiscally responsible strategies, and overseeing the general financial performance of the agency to support the NTSB's goals.

Sincerely,

*Edward Benthall*

Edward Benthall  
November 6, 2023

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



Report QC2024003  
November 13, 2023

### Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2023 and 2022

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



U.S. Department of Transportation  
Office of Inspector General

*Highlights*

### Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2023 and 2022

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

QC2024003 | November 13, 2023

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#### **What We Looked At**

We contracted with the independent public accounting firm Allmond & Company, LLC (Allmond), to audit the National Transportation Safety Board's (NTSB) financial statements as of and for the fiscal years ended September 30, 2023, and September 30, 2022; provide an opinion on those financial statements; report on internal control over financial reporting, and report on 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 Allmond's report dated November 6, 2023, and related documentation, and inquired of its representatives.

#### **What We Found**

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

#### **Our Recommendations**

Allmond 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 13, 2023

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 2023 and 2022.

We contracted with the independent public accounting firm Allmond & Company, LLC, (Allmond), to audit NTSB's financial statements as of and for the fiscal years ended September 30, 2023, and September 30, 2022; provide an opinion on those financial statements; report on internal control over financial reporting, and report on 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>

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## Independent Auditor's Report

Allmond's report on its audit of NTSB's financial statements for fiscal year 2023, dated November 6, 2023, states that

- NTSB's financial statements<sup>2</sup> (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;

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<sup>1</sup> GAO, *Financial Audit Manual*, volume 1 (GAO-22-105894), May 2023; volume 2 (GAO-22-105895), May 2023; and volume 3 (GAO-21-105127), June 2023.

<sup>2</sup> The financial statements are included in NTSB's Performance and Accountability Report. 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>.

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

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

Allmond made no recommendations (see attachment 1).

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### Quality Control Review

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

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

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### Agency Comments

Allmond provided NTSB with its draft report on November 2, 2023, and received NTSB's response dated November 6, 2023 (see attachment 2).

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### Actions Required

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

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<sup>3</sup> A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

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

We appreciate the cooperation and assistance of NTSB's representatives and Allmond. If you have any questions about this report, please contact me or Ingrid Harris, Program Director.

Sincerely,



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

cc: NTSB Chief Financial Officer

## Independent Auditors' Report

**NATIONAL TRANSPORTATION SAFETY BOARD  
AUDIT REPORT  
SEPTEMBER 30, 2023**



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

## Independent Auditors' Report



ALLMOND & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

7501 FORBES BOULEVARD, SUITE 200  
LANHAM, MARYLAND 20706

(301) 918-8200  
FACSIMILE (301) 918-8201

### Independent Auditor's Report

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

#### Report on the Financial Statements

##### Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the accompanying financial statements of the National Transportation Safety Board (NTSB), which comprise the balance sheets as of September 30, 2023 and 2022; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the National Transportation Safety Board as of September 30, 2023 and 2022 and its net costs, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NTSB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Responsibilities of Management for the Financial Statements

Management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in NTSB's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditors' Report

### Independent Auditor's Report

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-01 will always detect a material misstatement or material weakness when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-01, we exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit 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 NTSB's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements, and performing other procedures we consider necessary in the circumstances. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

#### Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it 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 U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of NTSB's 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

## Independent Auditors' Report

### Independent Auditor's Report

assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

#### Other Information

NTSB's other information 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. Management is responsible for the other information included in NTSB's Performance and Accountability Report. The other information comprises the *Message from the Chair*, *Performance Highlights*, *Looking Forward*, *Message from the Chief Financial Officer*, and *Other Accompanying Information* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Report on Internal Control over Financial Reporting**

In connection with our audits of NTSB's financial statements, we considered NTSB's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

#### Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies<sup>1</sup> or to express an opinion on the effectiveness of NTSB's internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to NTSB's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

<sup>1</sup> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control 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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

## Independent Auditors' Report

### Independent Auditor's Report

#### Responsibilities of Management for Internal Control over Financial Reporting

NTSB management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of NTSB's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered NTSB's internal control relevant to the financial statement audit 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 NTSB's internal control over financial reporting. Accordingly, we do not express an opinion on NTSB's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

#### Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

#### Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of NTSB's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of NTSB's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

#### **Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements**

In connection with our audits of NTSB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

#### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under

## Independent Auditors' Report

### Independent Auditor's Report

U.S. generally accepted government auditing standards. 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.

#### Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

#### Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

NTSB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to NTSB.

#### Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

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

#### Intended Purpose for Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

#### Agency Comments

We provided NTSB with a draft of our report on November 2, 2023, and received NTSB's response on November 6, 2023. NTSB's response to our report was not subjected to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

*Allmond & Company, LLC*

Lanham, MD  
November 6, 2023

## Chief Financial Officer's Response to the Independent Auditors' Report

### National Transportation Safety Board

Office of the Chief Financial Officer

Washington, DC 20594



November 6, 2023

Mr. Jason Allmond  
Managing Member  
Allmond & Company, LLC  
7501 Forbes Blvd., Ste. 200  
Lanham, MD 20706

Dear Mr. Allmond:

The National Transportation Safety Board (NTSB) has reviewed the draft fiscal years 2023 and 2022 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 are pleased that the NTSB's FY 2023 financial statements received an unmodified opinion, the NTSB's 21<sup>st</sup> consecutive unqualified/unmodified opinion since its FY 2002 financial statements were initially audited, pursuant to the Accountability of Tax Dollars Act of 2002. The audit results are reflective of the agency's continued commitment to strong internal controls and effective financial management.

The NTSB is dedicated to delivering accurate, transparent, and timely financial information to our stakeholders— Congress and the American public.

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 Mrs. Gwendolyn House, Accounting Officer at (202) 314-6028.

Sincerely,

*Edward Benthall*

Edward Benthall  
Chief Financial  
Officer

cc: Dormayne "Dory" Dillard-Christian  
Assistant Inspector General for Financial Audits, DOT OIG

U.S. Department of Transportation  
Office of Inspector General

# Fraud & Safety Hotline

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(800) 424-9071

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OIG enhances DOT's programs and operations by conducting objective investigations and audits on behalf of the American public.



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## Financial Statements

**Balance Sheet**  
**As of September 30, 2023 and 2022**  
(in thousands)

	FY2023	FY2022
<b>Assets</b>		
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 49,140	\$ 43,942
Total Intragovernmental	<u>49,140</u>	<u>43,942</u>
With the public:		
Accounts receivable, net (Note 3)	3	9
General property, equipment, and software, net (Note 4)	3,834	6,420
Total with the Public	<u>3,837</u>	<u>6,429</u>
<b>Total Assets</b>	<b>\$ 52,977</b>	<b>\$ 50,371</b>
<b>Liabilities</b>		
Intragovernmental:		
Accounts payable	\$ 138	\$ 47
Employer contributions and payroll taxes	452	370
Unfunded FECA liability	1,912	1,459
Unfunded unemployment insurance liability	9	-
TMF Loan	1,565	-
Total Intragovernmental (Note 5)	<u>4,076</u>	<u>1,876</u>
With the public:		
Accounts payable	4,660	6,425
Actuarial FECA liability	9,782	8,833
Employer contributions and payroll taxes	63	54
Accrued funded payroll & leave	1,454	1,291
Unfunded leave	6,592	6,588
Advances from others	-	114
Capital lease liability (Note 6)	-	1,567
Total with the Public (Note 5)	<u>22,551</u>	<u>24,872</u>
<b>Total Liabilities</b>	<b>\$ 26,627</b>	<b>\$ 26,748</b>
Commitments and contingencies (Note 7)		
<b>Net Position</b>		
Unexpended Appropriations	\$ 30,171	\$ 25,082
Cumulative Results of Operations	(3,821)	(1,459)
<b>Total Net Position</b>	<b>\$ 26,350</b>	<b>\$ 23,623</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 52,977</b>	<b>\$ 50,371</b>

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

## Financial Statements

**Statement of Net Cost**  
**For the Years Ended September 30, 2023 and 2022**  
(in thousands)

	FY2023	FY2022
<b>Gross Program Costs</b> (Note 8)		
<b>Aviation Safety</b>		
Gross costs	\$ 62,865	\$ 56,439
Less: earned revenue	(52)	(138)
Net program costs	<u>62,813</u>	<u>56,301</u>
<b>Surface Transportation Safety</b>		
Gross costs	\$ 45,274	\$ 41,019
Less: earned revenue	(40)	(101)
Net program costs	<u>45,234</u>	<u>40,918</u>
<b>Research &amp; Engineering</b>		
Gross costs	\$ 25,505	\$ 26,014
Less: earned revenue	(22)	(64)
Net program costs	<u>25,483</u>	<u>25,950</u>
<b>Net Cost of Operations</b>	<b><u>\$ 133,530</u></b>	<b><u>\$ 123,169</u></b>

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

## Financial Statements

### Statement of Changes in Net Position For the Years Ended September 30, 2023 and 2022 (in thousands)

	FY2023	FY2022
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ 25,082	\$ 26,240
Beginning Balance, as adjusted	25,082	26,240
Appropriations transferred-in/out	4,696	-
Appropriations received	129,300	121,400
Other Adjustments	(3,244)	(1,437)
Appropriations used	(125,663)	(121,121)
Net Change in Unexpended Appropriations	5,089	(1,158)
<b>Total Unexpended Appropriations: Ending</b>	<b>30,171</b>	<b>25,082</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balances	(1,459)	(3,059) <sup>1</sup>
Beginning Balances, as adjusted	(1,459)	(3,059)
Appropriations used	125,663	121,121
Transfers-in/out without reimbursement	-	3
Imputed financing (Note 9)	5,505	3,645
Net Cost of Operations	(133,530)	(123,169)
Net Change in Cumulative Results of	(2,362)	1,600
<b>Cumulative Results of Operations: Ending</b>	<b>(3,821)</b>	<b>(1,459)</b>
<b>Net Position</b>	<b>\$ 26,350</b>	<b>\$ 23,623</b>

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

## Financial Statements

### Statement of Budgetary Resources For the Years Ended September 30, 2023 and 2022 (in thousands)

	FY2023	FY2022
<b>Budgetary Resources</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 10)	\$ 27,488	\$ 21,871
Appropriations (discretionary and mandatory)	129,300	121,400
Spending authority from offsetting collections (discretionary and mandatory)	-	336
<b>Total Budgetary Resources</b>	<b>\$ 156,788</b>	<b>\$ 143,607</b>
<b>Status of Budgetary Resources</b>		
New Obligations and upward adjustments (total)	128,713	120,961
Unobligated balance, end of year:		
Apportioned, unexpired accounts	9,681	13,581
Unapportioned, unexpired accounts	10,301	-
Unexpired Unobligated Balance, end of year	19,982	13,581
Expired unobligated balance, end of year	8,093	9,065
Unobligated balance, end of year (total)	28,075	22,646
<b>Total Budgetary Resources</b>	<b>\$ 156,788</b>	<b>\$ 143,607</b>
<b>Outlays, Net</b>		
Outlays, Net	127,120	121,436
<b>Agency Outlays, Net (discretionary and mandatory)</b>	<b>\$ 127,120</b>	<b>\$ 121,436</b>

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

## Notes to the Financial Statements

For the Years Ended September 30, 2023 and 2022

### 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 the 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 ATDA, 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 following budget terms are commonly used:

- *Appropriations* is a provision of law authorizing the expenditure of funds for a given purpose.
- *Budgetary resources* are amounts available to incur obligations in a given year.
- *Offsetting collections* are payments to the government that are authorized to be spent for the purposes of the account without further action by Congress. They usually result from business-like transactions with the public.
- *Obligations* are binding agreements that will result in outlays, immediately or in the future.
- *Gross outlays* are payments to liquidate an obligation and are the measure of government spending.

- *Net outlays* equal gross outlays minus certain kinds of receipts or collections that are reported as negative amounts on the outlay side of the budget.

The NTSB's financial statements are prepared from the books and reports of the NTSB in accordance with the federal government's generally accepted accounting principles 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. CHANGE IN PRESENTATION

The NTSB's financial statements are presented in US dollars. All amounts have been rounded to the nearest thousand, unless otherwise indicated. This is a change from the FY 2022 presentation when all rounded amounts were presented as whole dollars.

#### E. 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.

#### F. 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.

##### *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.

## **G. PROPERTY AND EQUIPMENT**

### ***General Property, Equipment, and Software***

The OCFO 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 the General Services Administration (GSA). The GSA charges the NTSB a standard level user charge that approximates the commercial rental rates for similar properties.

### ***Bulk Purchases***

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

### ***Aggregate Purchases***

The OCFO 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 OCFO 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.

### ***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 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.

## H. LIABILITIES

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

### *Accounts Payable*

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

### *Accrued Payroll and Benefits*

Accrued payroll and benefits represent salaries, wages, and benefits earned by employees but not disbursed as of September 30, 2023. 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. The employer's contributions and payroll taxes payable represent the employer's portion of payroll taxes and contributions for health benefits, retirement, life insurance, non-foreign cost-of-living allowances for employees stationed outside the continental United States or in Alaska, and recruitment incentive payments.

### *Annual, Sick, and Other Leave*

Annual leave is recognized as an expense and 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.

### *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 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 Department of Labor 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 Department of Labor. 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 Department of Labor but not yet billed to the NTSB.

## I. EMPLOYEE RETIREMENT PLANS

### *Civil Service Retirement System and Federal Employees Retirement System*

NTSB employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. 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 2023 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 \$5,504,792 and \$3,645,377 for September 30, 2023, and September 30, 2022, respectively.

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. The NTSB made contributions for employees in FERS, FERS-Revised Annuity Employees (FERS-RAE), and FERS-Further Revised Annuity Employees (FERS-FRAE). The agency made contributions of 18.4 percent of basic pay for FERS for FY 2023. For both FERS-RAE and FERS-FRAE covered employees, the NTSB made contributions of 16.6 percent of basic pay for FY 2023. FERS-RAE employees, hired

in 2013, are required to contribute 3.1 percent of gross earnings. FERS-FRAE employees, hired in 2014 or later, are required to contribute 4.4 percent of gross earnings.

### *Thrift Savings Plan*

Employees covered by CSRS and FERS are eligible to contribute to the US government's Thrift Savings Plan (TSP), administered by the Federal Retirement Thrift Investment Board. The NTSB makes a mandatory contribution to the TSP of 1 percent of basic pay for FERS-covered employees. In addition, the NTSB matches any employee contribution up to an additional 4 percent of basic pay. 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 2023 is \$22,500. Those who are of age 50 and older may contribute an additional \$7,500 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.

## **J. 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.

## **K. 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 Appropriations*

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 Appropriations*

Congress provides supplemental appropriations to fund extraordinary investigations.

### *No-Year Emergency Fund Appropriations*

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

### *Imputed Financing Sources*

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

## **L. 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 revenue collected by the NTSB includes amounts collected for training programs, rental of conference room space, subleasing of office space, and investigative-related services.

### M. NET POSITION

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

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

#### Note 2. Fund Balance with Treasury

The Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury, which gives the NTSB authority to draw down funds from Treasury for expenses and liabilities. The Fund Balance with Treasury as of September 30, 2023, and September 30, 2022, consists of the following:

	<u>FY 2023</u>	<u>FY 2022</u>
	(in thousands)	
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$ 19,982	\$ 13,581
Unavailable	8,093	9,065
Total Unobligated Balance	<u>28,075</u>	<u>22,646</u>
Obligated Balance not yet Disbursed	<u>21,065</u>	<u>21,296</u>
<b>Total</b>	<u><u>\$ 49,140</u></u>	<u><u>\$ 43,942</u></u>

Available unobligated balances are amounts that were apportioned and/or allotted for obligation in the current fiscal year. Unavailable unobligated balances are 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 are 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, 2023, and September 30, 2022:

	<u>FY 2023</u>	<u>FY 2022</u>
	(in thousands)	
With the Public:		
Accounts Receivable	\$ 3	\$ 9
Allowance for Doubtful Accounts	-	-
<b>Accounts Receivable, Net</b>	<b><u>\$ 3</u></b>	<b><u>\$ 9</u></b>

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

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

Schedule of Property, Equipment, and Software as of September 30, 2023 (in thousands)

<u>Asset Category</u>	<u>Acquisition Cost</u>	<u>Accumulated Amortization/ Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 11,971	\$ 9,570	\$ 2,401
Leasehold Improvements	404	90	314
Internal-Use Software	3,120	2,296	824
Software-in-Development	295	-	295
<b>Total</b>	<b><u>\$ 15,790</u></b>	<b><u>\$ 11,956</u></b>	<b><u>\$ 3,834</u></b>

Schedule of Property, Equipment, and Software as of September 30, 2022 (in thousands)

<u>Asset Category</u>	<u>Acquisition Cost</u>	<u>Accumulated Amortization/ Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 12,872	\$ 9,598	\$ 3,274
Assets Under Capital Lease	23,732	22,645	\$ 1,087
Leasehold Improvements	251	105	\$ 146
Internal-Use Software	1,884	1,884	\$ -
Software-in-Development	1,247	-	\$ 1,247
Construction-in-Progress	666	-	\$ 666
<b>Total</b>	<b>\$ 40,652</b>	<b>\$ 34,232</b>	<b>\$ 6,420</b>

#### 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 \$1.9 million.

Liabilities Covered and Not Covered by Budgetary Resources as of September 30, 2023 consist of the following (in thousands):

	<u>Liabilities Covered by Budgetary Resources</u>	<u>Liabilities Not Covered by Budgetary Resources</u>	<u>Total</u>
<b>Intragovernmental:</b>			
Accounts payable	\$ 138	\$ -	\$ 138
Employer contributions and payroll taxes	452	-	452
Unfunded FECA liability	-	1,912	1,912
Unfunded unemployment insurance	-	9	9
TMF Loan	-	1,565	1,565
<b>Total Intragovernmental</b>	<b>590</b>	<b>3,486</b>	<b>4,076</b>

<b>With the public:</b>			
Accounts payable	4,660	-	4,660
Actuarial FECA liability	-	9,782	9,782
Employer contributions and payroll taxes	63	-	63
Accrued funded payroll & leave	1,454	-	1,454
Unfunded leave	-	6,592	6,592
Advances from others	-	-	-
Liability for undeposited collections	-	-	-
<b>Total with the Public</b>	<b>6,177</b>	<b>16,374</b>	<b>22,551</b>
<b>Total Liabilities</b>	<b>\$ 6,767</b>	<b>\$ 19,860</b>	<b>\$ 26,627</b>

Liabilities Covered and Not Covered by Budgetary Resources as of September 30, 2022 consist of the following (in thousands):

	<b>Liabilities Covered by Budgetary Resources</b>	<b>Liabilities Not Covered by Budgetary Resources</b>	<b>Total</b>
<b>Intragovernmental:</b>			
Accounts payable	\$ 47	\$ -	\$ 47
Employer contributions and payroll taxes	370	-	370
Unfunded FECA liability	-	1,459	1,459
<b>Total Intragovernmental</b>	<b>417</b>	<b>1,459</b>	<b>1,876</b>
<b>With the public:</b>			
Accounts payable	6,425	-	6,425
Actuarial FECA liability	-	8,833	8,833
Employer contributions and payroll taxes	54	-	54
Accrued funded payroll & leave	1,291	-	1,291
Unfunded leave	-	6,588	6,588
Advances from others	114	-	114
Capital lease liability (Note 6)	-	1,567	1,567
<b>Total with the Public</b>	<b>7,884</b>	<b>16,988</b>	<b>24,872</b>
<b>Total Liabilities</b>	<b>\$ 8,301</b>	<b>\$ 18,447</b>	<b>\$ 26,748</b>

## Note 6. Leases

The NTSB has operating leases in both privately owned and federal buildings for its locations in Washington, DC; Denver, Colorado; Seattle, Washington; and Anchorage, Alaska. The NTSB owns no real property. Future estimated minimum operating lease payments are not accrued as liabilities; they 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 to carry out the agency's mission.

### Capital Leases

The NTSB signed a 20-year capital lease in 2001 to rent the Ashburn, Virginia, training facility space. The lease period expired on July 31, 2023.

	FY 2023	FY 2022
	(in thousands)	
Land and Buildings (Training Center)	\$ -	\$ 23,732
Accumulated Depreciation	-	(22,645)
<b>Net Book Value</b>	<b>\$ -</b>	<b>\$ 1,087</b>

### Operating Leases

The 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 (in thousands)

Fiscal Year	Federal
2024	\$ 858
2025	865
2026	143
2027 and beyond	-
<b>Total Future Payments Due</b>	<b>\$ 1,866</b>

## Future Payments Due for Operating Leases: Cancelable (in thousands)

<b>Fiscal Year</b>	<b>Federal</b>
2024	\$ 9,298
2025	9,343
2026	1,796
2027	330
2028	334
2029 and beyond	2,804
<b>Total Future Payments Due</b>	<b>\$ 23,905</b>
<b>Total Future Payments Due for Operating Leases</b>	<b>\$ 25,771</b>

## Summary of Lease Arrangements

## Buildings

<b>Location</b>	<b>Federal/Non-Federal</b>	<b>Description of Lease 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.
Central Region Denver, Colorado	Federal	Lease of regional office space from February 1, 2023, through December 16, 2037.
Western Pacific Region Federal Way, Washington	Federal	Lease of regional office space from September 1, 2020, through August 31, 2035.
Alaska Region Anchorage, Alaska	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 meter 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 the Future Payments Due for Operating Leases information presented above.

## Note 7. Commitments and Contingencies

The NTSB is involved in certain claims, suits, and complaints that have been filed or are pending. These matters are in the ordinary course of agency operations and are not expected to have a material adverse effect on the agency's financial operations. An accrued liability is recognized for legal claims where the loss is probable, and the amount can be reasonably estimated. For pending legal claims where the loss is reasonably possible, a liability is not recognized, however, the estimated range of loss is disclosed.

The schedule below details the number of contingent losses, any accrued liabilities, and the estimated range of loss for pending legal cases as of September 30, 2023, and September 30, 2022 (in thousands).

### FY 2023

Legal Contingencies	<u>Number of Contingent Losses</u>	<u>Accrued Liabilities</u>	<u>Estimated Range of Loss</u>	
			Lower End	Upper End
Probable	-	\$ -		
Reasonably Possible	2	\$ -	Estimated amount or range of potential loss is unknown	

### FY 2022

Legal Contingencies	<u>Number of Contingent Losses</u>	<u>Accrued Liabilities</u>	<u>Estimated Range of Loss</u>	
			Lower End	Upper End
Probable	-	\$ -		
Reasonably Possible	3	\$ -	Estimated amount or range of potential loss is unknown	

### Note 8. Suborganization Program Costs/Program Costs by Segment

#### Intragovernmental and Public Costs Supporting Schedule by Program Segment (in thousands)

FY 2023	<u>Aviation Safety</u>	<u>Surface Safety</u>	<u>Research &amp; Engineering</u>	<u>Consolidated Totals</u>
Intragovernmental Gross Costs	\$ 21,223	\$ 13,332	\$ 7,430	\$ 41,985
Less: Intragovernmental Earned Revenue	-	-	-	-
<b>Intragovernmental Net Costs</b>	<b>21,223</b>	<b>13,332</b>	<b>7,430</b>	<b>41,985</b>
Gross Costs with the Public	41,642	31,942	18,075	91,659
Less: Earned Revenues from the Public	(52)	(40)	(22)	(114)
<b>Net Costs with the Public</b>	<b>41,590</b>	<b>31,902</b>	<b>18,053</b>	<b>91,545</b>
<b>Net Cost of Operations</b>	<b>\$ 62,813</b>	<b>\$ 45,234</b>	<b>\$ 25,483</b>	<b>\$ 133,530</b>

FY 2022	<u>Aviation Safety</u>	<u>Surface Safety</u>	<u>Research &amp; Engineering</u>	<u>Consolidated Totals</u>
Intragovernmental Gross Costs	\$ 16,253	\$ 11,959	\$ 7,803	\$ 36,015
Less: Intragovernmental Earned Revenue	<u>(63)</u>	<u>(47)</u>	<u>(30)</u>	<u>(140)</u>
<b>Intragovernmental Net Costs</b>	<b>16,190</b>	<b>11,912</b>	<b>7,773</b>	<b>35,875</b>
Gross Costs with the Public	40,186	29,060	18,211	87,457
Less: Earned Revenues from the Public	<u>(75)</u>	<u>(54)</u>	<u>(34)</u>	<u>(163)</u>
<b>Net Costs with the Public</b>	<b>40,111</b>	<b>29,006</b>	<b>18,177</b>	<b>87,294</b>
<b>Net Cost of Operations</b>	<b><u>\$ 56,301</u></b>	<b><u>\$ 40,918</u></b>	<b><u>\$ 25,950</u></b>	<b><u>\$ 123,169</u></b>

### Note 9. 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, 2023 and September 30, 2022, consisted of the following:

	<u>FY 2023</u>	<u>FY 2022</u>
	(in thousands)	
Pension expenses	\$ 2,170	\$ 680
Federal employees group life insurance (FEGLI)	9	8
Federal employee health benefits (FEHB)	<u>3,326</u>	<u>2,957</u>
<b>Total Imputed Financing</b>	<b><u>\$ 5,505</u></b>	<b><u>\$ 3,645</u></b>

## Note 10. Statement of Budgetary Resources Disclosures

The Statement of Budgetary Resources compares budgetary resources with the status of those resources. As of September 30, 2023, budgetary resources were \$156.8 million and net agency outlays were \$127.1 million. As of September 30, 2022, budgetary resources were \$143.6 million and net agency outlays were \$121.4 million.

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

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

	<u>FY 2023</u>	<u>FY 2022</u>
	(in thousands)	
Unobligated Balance Brought Forward, October 1	\$ 22,646	\$ 19,211
Transfers - Prior-Year Balances (TMF)	6,262	-
Recoveries of Prior Year Obligations (Unpaid)	1,690	3,978
Other Changes in Unobligated Balance	134	119
Canceled Authority	<u>(3,244)</u>	<u>(1,437)</u>
<b>Unobligated Balance from Prior Year Budget Authority, Net</b>	<b><u>\$ 27,488</u></b>	<b><u>\$ 21,871</u></b>

During the periods ended September 30, 2023, and September 30, 2022, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2022, and October 1, 2021. These adjustments included, among other things, recoveries of prior year unpaid obligations that result from downward adjustments of undelivered orders that were obligated in a prior fiscal year.

### Undelivered Orders at the End of the Period

Undelivered orders are purchase orders issued by the NTSB during FY 2023 and the 5 expiring fiscal years that have not had delivery of the required product or service as of September 30, 2023, and September 30, 2022, respectively.

It is anticipated that these undelivered items will be provided in future periods and will require resources obligated during the respective fiscal years.

	<u>FY 2023</u>	<u>FY 2022</u>
	(in thousands)	
Intragovernmental Undelivered Orders, Unpaid	\$ 2,122	\$ 4,033
Public Undelivered Orders, Unpaid	12,178	9,076
<b>Total Undelivered Orders, Unpaid</b>	<b><u>\$ 14,300</u></b>	<b><u>\$ 13,109</u></b>

### 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 2023 actual budgetary execution information is scheduled for publication in February 2024; it will be available on the OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for FY 2023 disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2022 Statement of Budgetary Resources and the related President's Budget reflected the following:

(in millions)	<u>Budgetary Resources</u>	<u>Obligations</u>	<u>Net Outlays</u>
Combined Statement of Budgetary Resources	\$ 144	\$ 121	\$ 121
Unobligated Balance - expired	(9)	-	-
Emergency Fund	(2)	-	-
Differences Due to Rounding	(2)	(1)	1
<b>Budget of the U.S. Government</b>	<b><u>\$ 131</u></b>	<b><u>\$ 120</u></b>	<b><u>\$ 122</u></b>

**Note 11. Reconciliation of Net Cost and Budget Outlays**

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities.

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to ensure integrity between budgetary and financial accounting.

The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

- Components of Net Cost That Are Not Part of Net Outlays reflects the budgetary resources used to finance NTSB's activities, but not paid. Net Cost of Operations is reported net of any earned revenue and other financing sources (for example, imputed costs, transfers-in/out without reimbursement).
- Components of Net Outlays That Are Not Part of Net Cost includes resources used to finance the activities of the entity to account for items that were included in net outlays but were not part of the Statement of Net Cost. This item includes outlays recognized in the current period that do not affect the net cost of operations (for example, an acquisition of assets reflected in net obligations but not in the Statement of Net Cost). The acquisition of capital assets results in outlays but does not result in costs. Rather, the costs are recognized over the useful lives of the assets as depreciation expense. To reconcile this difference, depreciation is a component of net cost of operations, but not part of net outlays; and the acquisition of capital assets is a component of net outlays, but not part of net cost.

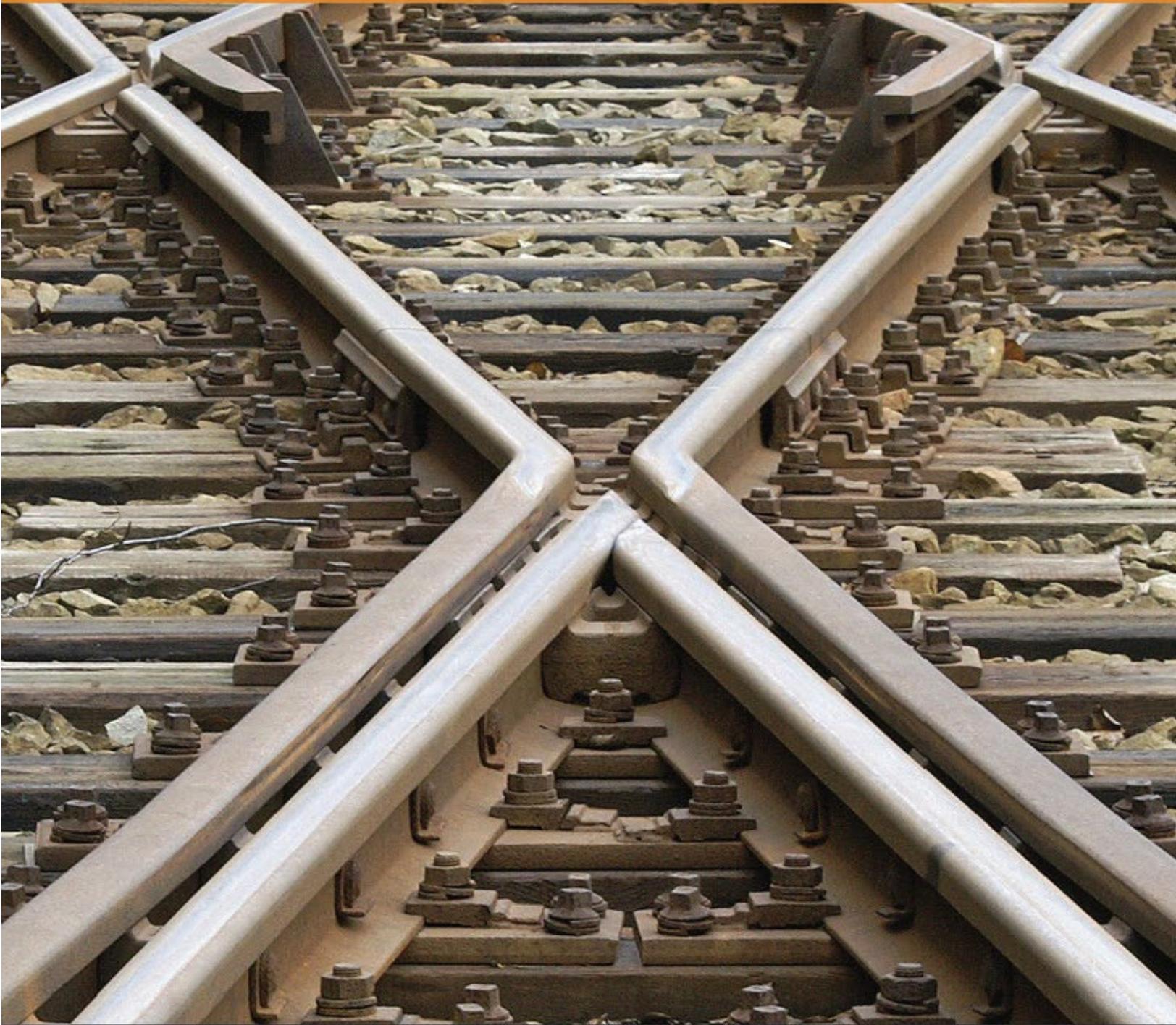
The reconciliation as of September 30, 2023 is presented as follows:

(in thousands)	Intra-governmental	With the Public	Total
<b>Net Cost of Operations</b>	<b>\$ 41,985</b>	<b>\$ 91,545</b>	<b>\$ 133,530</b>
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, equipment, and software depreciation	-	(2,954)	(2,954)
Property, equipment, and software disposal & revaluation	-	(129)	(129)
<b>Increase/(decrease) in Assets:</b>			
Accounts receivable	-	(7)	(7)
<b>(Increase)/decrease in Liabilities:</b>			
Accounts payable	(91)	1,880	1,789
Salaries and benefits	(81)	(172)	(253)
Other liabilities	(462)	614	152
<b>Other financing sources:</b>			
Imputed cost	(5,505)	-	(5,505)
<b>That Are Not Part of Net Outlays</b>	<b>\$ (6,139)</b>	<b>\$ (768)</b>	<b>\$ (6,907)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of capital assets	154	343	497
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	<b>\$ 154</b>	<b>\$ 343</b>	<b>\$ 497</b>
<b>Outlays, Net</b>	<b>\$ 36,000</b>	<b>\$ 91,120</b>	<b>\$ 127,120</b>

The reconciliation as of September 30, 2022 is presented as follows:

(in thousands)	<u>Intra-governmental</u>	<u>With the Public</u>	<u>Total</u>
<b>Net Cost of Operations</b>	<b>\$ 35,876</b>	<b>\$ 87,293</b>	<b>\$ 123,169</b>
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, equipment, and software depreciation	-	(3,020)	(3,020)
Property, equipment, and software disposal & revaluation	-	(12)	(12)
<b>Increase/(decrease) in assets:</b>			
Accounts Receivable	-	(36)	(36)
<b>(Increase)/decrease in liabilities:</b>			
Accounts payable	613	(2,669)	(2,056)
Salaries and benefits	579	2,068	2,647
Other liabilities	69	2,084	2,153
<b>Other Financing Sources:</b>			
Imputed Cost	(3,645)	-	(3,645)
Transfers out (in) without reimbursement	(3)	-	(3)
<b>That Are Not Part of Net Outlays</b>	<b>\$ (2,387)</b>	<b>\$ (1,585)</b>	<b>\$ (3,972)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost:</b>			
Acquisition of capital assets	-	2,239	2,239
<b>Outlays That Are Not Part of Net Cost</b>	<b>\$ -</b>	<b>\$ 2,239</b>	<b>\$ 2,239</b>
<b>Outlays, Net Calculated</b>	<b>\$ 33,489</b>	<b>\$ 87,947</b>	<b>\$ 121,436</b>

# Other Accompanying Information



## Summary of Financial Statement Audit and Management Assurances

Presented below is a summary of the financial statement audit and management assurances for FY 2023. Table 1 relates to the NTSB’s FY 2023 financial statement audit, which resulted in an unmodified opinion with no material weakness. Table 2 presents the number of material weaknesses reported by the NTSB under Section 2 of the FMFIA—either those related to internal controls over operations or financial reporting—and Section 4, which relates to internal controls over financial management systems.

**Table 1: Summary of Financial Statement Audit for FY 2023**

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

**Table 2: Summary of Management Assurances for FY 2023**

### 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>Reassessed</b>
Internal Control Over Financial Reporting	0	0	0	0	0

### 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>Reassessed</b>
Internal Control Over Operations	0	0	0	0	0

### 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>Reassessed</b>
Federal Financial Management System Requirements	0	0	0	0	0

### Conformance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)

Not Applicable to NTSB

## 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.

Statutory Authority	49 U.S.C. 20103, 20106-20107, 20118-20119, 20156, 21301, 21304, 21311; 28 U.S.C. 2461, note; and 49 CFR 1.89
Aviation Penalty	A person violating 49 U.S.C.1132 (Civil aircraft accident investigations), 1134(b) (Inspection, testing, preservation, and moving of aircraft and parts), 1134(f)(1) (Autopsies), or 1136(g) (Prohibited actions when assisting families of passengers involved in aircraft accidents). 49 CFR 831.15.
Year Enacted	1994
Latest Year of Adjustment	2023
Current Penalty Level (\$)	\$1,993 per violation, per day
Location for Penalty Update Details	<a href="#">Federal Register: Civil Monetary Penalty Annual Inflation Adjustment</a>

## Acronyms, Initialisms, and Abbreviations

ASPP	NTSB Annual Strategic Performance Plan
ATDA	Accountability of Tax Dollars Act of 2002
budget	budget of the United States government
CFO	chief financial officer
COVID-19	coronavirus disease of 2019
CSRS	Civil Service Retirement Systems
C-V2X	Cellular-Vehicle-to-Everything
DATA	Digital Accountability and Transparency Act of 2014
DOT	US Department of Transportation
DUKW	D=1942; U=utility; K=all-wheel drive; W=dual-powered rear axles; pronounced "duck"; an amphibious vehicle
EEO	equal employment opportunity
ERM	Enterprise Risk Management program
FAA	Federal Aviation Administration
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FISMA	Federal Information Security Management Act
FFMIA	Federal Financial Management Improvement Act of 1996
FMFIA	Federal Managers' Financial Integrity Act
FPPS	Federal Personnel/Payroll System
FTE	full-time equivalent
FY	fiscal year
GSA	General Services Administration
IBC	Interior Business Center
ICAO	International Civil Aviation Organization
IT	information technology
IMO	International Maritime Organization
MAIIF	Marine Accident Investigators' International Forum
OCFO	NTSB Office of Chief Financial Officer
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P&E	property and equipment
PAR	Performance and Accountability Report
PIIA	Payment Integrity Information Act of 2019
SFFAS	Statement of Federal Financial Accounting Standards
SMOC	Senior Management Oversight Council
SSAE	Statement on Standards for Attestation Engagements
TMF	Technology Modernization Fund
Treasury	US Department of the Treasury
TSP	Thrift Savings Plan
V2X	Vehicle-to-Everything

## Acknowledgements

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### Media Inquiries

Members of the media should contact the Board's Office of Media Relations for information about covering NTSB investigations:

### Media Relations

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NTSB team examining the Greyhound motorcoach involved in the July 12, 2023 multivehicle crash that occurred on Interstate 70 (I-70) near Highland, Illinois.

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