

Fiscal Year 2026 Performance and Accountability Report

National Transportation Safety Board

ON THE COVER

A United Parcel Service cargo plane, flight 2976, crashed shortly after takeoff on November 4, 2025, in Louisville, Kentucky.

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INTRODUCTION

The National Transportation Safety Board (NTSB) Performance and Accountability Report (PAR) for Fiscal Year (FY) 2026 provides an integrated overview of our financial position in direct relationship to our vital safety mission and the public resources entrusted to us. This information enables the president, Congress, and the American people to assess the agency's performance for the reporting period October 1, 2025, through September 30, 2026, 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 (ATDA) of 2002
- Government Performance and Results Modernization Act of 2010
- Digital Accountability and Transparency Act of 2014
- Payment Integrity Information Act of 2019

The agency's PAR begins with a message from NTSB Chairwoman Jennifer Homendy, followed by three primary sections as required in Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements.

Management Discussion and Analysis

This section provides an overview of the NTSB and its program offices and organizational structure, financial performance, and management assurances letter related to NTSB internal controls.

Financial Information

This section contains a message from the NTSB's chief financial officer, the Department of Transportation (DOT) Office of the Inspector General quality control report, the independent auditors' report, the NTSB chief financial officer's response to the independent auditors' report, and the agency's audited financial statements and notes.

Other Accompanying Information

This section includes the agency's summary of the financial statement audit and management assurances; reporting of civil monetary penalties; and a list of acronyms, initialisms, and abbreviations.

The NTSB's FY 2026–2030 Strategic Plan and previously issued annual PARs are available on our website at https://www.ntsb.gov/about/reports.

MESSAGE FROM THE CHAIRWOMAN



It is my distinct honor to present the National Transportation Safety Board (NTSB) Performance and Accountability Report Fiscal Year 2026. This report reflects our continued commitment to fulfilling the NTSB's vital safety mission while promoting transparency, one of our agency's core values.

The NTSB is widely recognized as the world's leading accident investigation agency. That reputation has been built over decades through objective, thorough investigations and safety studies that identify the causes of transportation accidents and opportunities to improve safety. Behind this work is a team of highly skilled professionals whose expertise, integrity, and commitment to public safety drive our mission every day.

This report highlights the critical work of the NTSB and the extraordinary people who dedicate their careers to improving transportation safety and helping prevent future tragedies. Through our investigations and safety studies, we identify the factors that contribute to accidents, incidents, and crashes, and we develop recommendations designed to address safety risks and prevent similar events from occurring. Among the significant investigations during this reporting period were:

- **Midair Collision Near Ronald Reagan Washington National Airport:** On January 29, 2025, a US Army Black Hawk helicopter and American Airlines Flight 5342 collided over the Potomac River approximately one-half mile southeast of Ronald Reagan Washington National Airport, claiming the lives of all 67 people on board both aircraft. In January 2026, the NTSB held a public Board meeting on this tragic accident, the nation's deadliest aviation accident since November 2001. The Board approved 74 findings, 50 safety recommendations, and two urgent safety recommendations to help prevent similar accidents in the future.

- **Bering Air Flight 445:** On February 6, 2025, Bering Air Flight 445 crashed onto pack ice approximately 12 miles offshore of Norton Sound near Nome, Alaska. Inadequate airspeed management during severe icing conditions, combined with the airplane operating above its maximum gross weight, contributed to the crash, which claimed the lives of the pilot and all nine passengers.

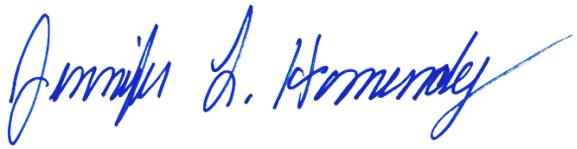
- **Francis Scott Key Bridge**: On March 26, 2024, the containership *Dali* struck the Francis Scott Key Bridge, which killed six construction workers who were on the bridge when it subsequently collapsed. In November 2025, the NTSB held a public Board meeting on this complex, multimodal investigation and approved safety recommendations focused on marine safety and protecting bridges across the country from catastrophic vessel strikes.

- **United Parcel Service Flight 2976**: On November 4, 2025, UPS Flight 2976, a Boeing MD-11F cargo aircraft, crashed shortly after takeoff from Louisville Muhammad Ali International Airport in Louisville, Kentucky. Three crewmembers and 12 people on the ground were killed in the accident, while 23 others were injured. The NTSB held a two-day investigative hearing in May 2026 to advance the ongoing investigation.

Real safety change occurs only when our recommendations are implemented; otherwise, they are simply words on a page. That is why our mission does not end when we issue a final investigative report. We vigorously pursue meaningful safety improvements so that the tragedies we investigate today become the lives we save tomorrow.

The NTSB remains committed to working collaboratively with the President, Congress, transportation stakeholders, and the American people to advance our safety recommendations and strengthen transportation safety.

Sincerely,



Jennifer L. Homendy
Chairwoman
November 6, 2026

Management Discussion and Analysis



MISSION AND STRATEGIC OVERVIEW

The National Transportation Safety Board (NTSB) is an independent federal agency charged with improving transportation safety across the United States. The agency fulfills its mission by conducting objective and independent investigations of civil aviation accidents and significant transportation events; determining probable causes; issuing safety recommendations designed to prevent future accidents; conducting transportation safety research; assisting accident victims, survivors, and their families; and adjudicating appeals involving aviation and mariner certification and enforcement actions.

During FY 2026, the NTSB continued its commitment to advancing transportation safety in an environment characterized by evolving technologies, increasing system complexity, and emerging transportation risks. The agency remained focused on conducting timely, high-quality investigations, identifying safety issues, and promoting corrective actions through evidence-based safety recommendations.



Figure 1. NTSB investigator examining the cockpit voice recorder from 21 Air LLC flight 7598 in the NTSB Recorder Laboratory following the runway overrun accident at Miami International Airport (MIA) on September 6, 2026.

To support these priorities, the NTSB continued investments in workforce development, technical expertise, engineering capabilities, and analytical tools. These efforts strengthen the agency's ability to investigate increasingly complex accidents, evaluate evolving transportation technologies, and identify risks that may affect public safety. The agency provides effective stewardship of public resources by aligning investments with mission priorities and implementing strategies that enhance operational efficiency and organizational effectiveness. Through a continued focus on operational excellence, workforce readiness, and data-driven analysis, the agency is

well positioned to carry out its mission and contribute to long-term improvements in transportation safety while maintaining public trust and accountability.

More information regarding the NTSB's mission, Board members, history, and employment opportunities is available on the NTSB website.

ORGANIZATION AND PROGRAMS

The NTSB carries out its mission through several program areas that are reported in the Statement of Net Cost. These major programs include Aviation Safety, Surface Transportation Safety, and Research and Engineering. These major programs are supported by several policy and direction offices.

Aviation Safety. The Aviation Safety program investigates civil aviation accidents and selected incidents, identifies probable causes, and develops recommendations intended to improve aviation safety and prevent future occurrences.



Figure 2. Three NTSB investigators observe the scene following the collision of the Mexican Navy training ship ARM Cuauhtémoc with the Brooklyn Bridge in New York City on May 17, 2025. The accident damaged all three of the vessel's masts shortly after it departed Pier 17 on the East River.

Surface Transportation Safety. The Surface Transportation Safety program investigates accidents involving highway, railroad, transit, pipeline, hazardous materials, and marine transportation systems. Through these investigations, the program identifies safety deficiencies and recommends actions to reduce transportation-related risks.

Research and Engineering. The Research and Engineering program provides the scientific, technical, and analytical expertise necessary to support investigations across all transportation modes. Its activities include laboratory testing, engineering analyses, vehicle and equipment examinations, data analysis, and other technical evaluations that support investigative findings and safety recommendations.

Executive Management and Direction. Executive management and direction offices provide agency leadership, legal counsel, safety recommendation development and communication, certificate appeal adjudication, information technology, financial

management, human capital management, facilities management, and other agency-wide support services. Because these activities support all mission programs, related costs are allocated among Aviation Safety, Surface Transportation Safety, and Research and Engineering and included in each program's costs reported in the Statement of Net Cost. More information on the agency's program offices and organizational structure is available on the NTSB website at https://www.ntsb.gov/about/organization.

FINANCIAL POSITION AND CONDITION

Over the past five fiscal years, the NTSB's annual appropriation increased by $23.6 million, from $121.4 million to $145.0 million, providing additional resources to support investigative operations, technical capabilities, and other mission-critical activities (figure 3). Funding remained stable at $145.0 million between FY 2025 and FY 2026, allowing the agency to sustain core operations and continue addressing transportation safety priorities while managing ongoing workload demands.

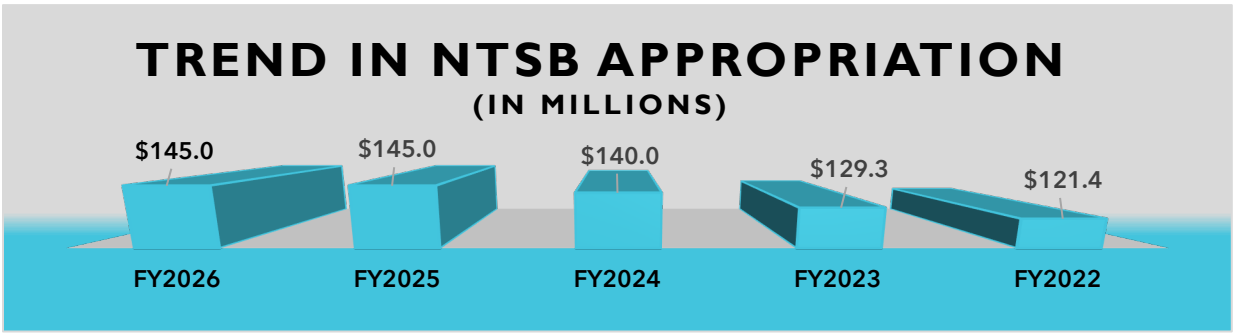


Figure 3. Trend in NTSB appropriation (dollars in millions) from FY 2022 to FY 2026

Total budgetary resources were $167.9 million in FY 2026, consisting primarily of $145.0 million in current-year appropriations and $22.9 million in unobligated balances carried forward from prior years (table 1). Total budgetary resources decreased by $10.1 million from FY 2025, primarily due to a lower amount of unobligated balances available for carryover into FY 2026.

Table 1. Key Changes to Budgetary Resources in 2026 (dollars in thousands)

Budgetary Resources	2026	2025	Increase/ (Decrease)	Percentage Change
Unobligated balance from prior year budget authority, net	$ 22,945	$ 32,776	$ (9,831)	-30%
Appropriations	145,000	145,000	-	0%
Spending authority from offsetting collections	-	253	(253)	-100%
Total Budgetary Resources	**$ 167,945**	**$ 178,029**	**$ (10,084)**	**-6%**

These resources supported the agency's investigative activities, technical operations, and mission support functions. The availability of prior-year balances continued to provide flexibility in addressing operational requirements and emerging transportation safety needs. While stable funding supports continuity in operations, it may limit the agency's flexibility to address rising costs, evolving transportation technologies, and workforce challenges that could increase resource requirements over time.

FINANCIAL PERFORMANCE

Table 2 summarizes the NTSB's financial position and results of operations for FY 2026 and FY 2025. Comparative balances provide insight into significant changes in the agency's assets, liabilities, net cost of operations, and budgetary resources. The sections that follow provide additional discussion of these changes.

Table 2. 2026 Financial Performance Summary (dollars in thousands)

Balance Sheet	2026	2025	Increase or (Decrease)	Percentage Change
Assets				
Fund balance with Treasury	$ 56,700	$ 56,217	$ 483	1%
Accounts receivable, net	3	75	(72)	-96%
General property, plant, and equipment (net)	7,815	5,585	2,230	40%
Advances and prepayments	4,329	4,060	269	7%
Total Assets	**$ 68,847**	**$ 65,937**	**$ 2,910**	**4%**
Liabilities				
Accounts payable	$ 7,663	$5,134	$2,529	49%
Federal employee benefits	24,609	21,429	3,180	15%
Other liabilities	7	-	7	100%
Technology Modernization Fund (TMF) Loan	-	1,865	(1,865)	-100%
Total Liabilities	**$ 32,279**	**$ 28,428**	**$ 3,851**	**14%**
Net Position				
Unexpended appropriations	$ 36,791	$ 41,922	$ (5,131)	-12%
Cumulative results of operations	(223)	(4,413)	4,190	-95%
Total Net Position	**$ 36,568**	**$ 37,509**	**(941)**	**-3%**

Table 3. 2026 Statement of Net Cost

Statement of Net Cost	2026	2025	Increase or (Decrease)	Percentage Change
Gross Costs:				
Aviation Safety	$ 67,406	$ 65,840	$ 1,566	2.4%
Surface Transportation Safety	54,775	54,667	108	0.2%
Research and Engineering	28,598	28,569	29	0.1%
Less: Earned revenue	-	(253)	253	-100.0%
Net Cost of Operations	**$ 150,779**	**$ 148,823**	**$ 1,956**	**1.3%**

Significant Changes in Financial Position and Condition

Accounts Receivable, Net

Accounts receivable, net of any applicable allowances, decreased by 96 percent, primarily due to the collection of a vendor overpayment recognized in the prior year. Remaining balances primarily consist of employee debt collections processed through payroll deductions and other routine recovery activities. Because these receivables are generally immaterial, fluctuations between reporting periods are expected based on the timing and volume of collection activity. Management monitors receivables for collectability and has not identified any significant collection risks as of September 30, 2026.



Figure 4. An NTSB Investigator-in-Charge conducts the initial on-scene examination of the Eurocopter AS350 B2 helicopter following its crash during a news-gathering operation in Chatsworth, California, on September 16, 2026

General Property, Plant, and Equipment

General Property, Plant, and Equipment (PP&E), net of accumulated depreciation, increased by 40 percent, or $2.2 million, in FY 2026, largely due to investments in software development projects. Total PP&E reached $7.8 million, with a significant portion funded through the Technology Modernization Fund.

These investments support the NTSB's efforts to modernize its investigative processes, improve data management, and strengthen collaboration with stakeholders. Key improvements include automating accident reporting, enhancing the secure collection and management of investigative data, accelerating information sharing with partner agencies, and improving public access to investigative information. These modernization efforts are expected to increase operational efficiency, support more timely investigations, and enhance the agency's ability to carry out its transportation safety mission.

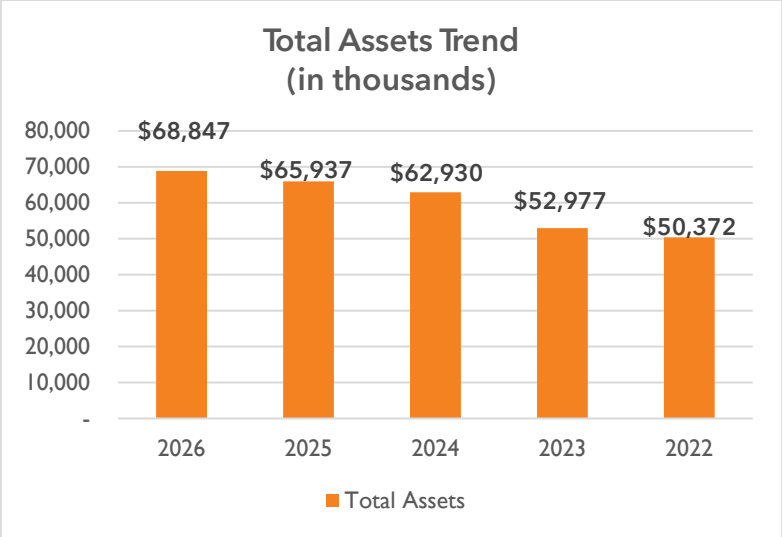


Figure 5. Total assets (in thousands) by fiscal year, 2022–26

This fiscal year's growth aligns with a five-year upward trend in total assets, reflecting sustained, long-term investment in capitalized equipment and software. As of FY 2026, internal-use software development remains the primary focus, accounting for over 72 percent of total PP&E assets.

Liabilities and Other Obligations

The NTSB's total liabilities were $32.3 million as of September 30, 2026. These liabilities consisted primarily of amounts owed to vendors, federal government trading partners, and agency employees.

Accounts payable increased by $2.5 million (49 percent) compared with FY 2025. The increase was primarily driven by a higher volume of accident investigations across multiple transportation modes that required specialized engineering, salvage, and

data recovery services. Because some of these services were received near the end of the fiscal year, the related costs were recorded as liabilities but had not yet been paid as of September 30, 2026. As a result, accounts payable increased at year-end.

The NTSB also previously reported a liability related to funding received through the Technology Modernization Fund (TMF) administered by the General Services Administration (GSA). Under the agreement, the agency was required to repay the funding over time. The remaining balance of $1.9 million reported in FY 2025 was fully repaid during FY 2026. As a result, no TMF liability remained at year-end, reducing the agency's future financial obligations.

Over the past five fiscal periods, NTSB's total liabilities have experienced fluctuations. This is a direct reflection of NTSB's agile operational framework and does not indicate fiscal instability. Because the NTSB must respond immediately to unpredictable, large-scale transportation disasters, our financial obligations naturally trace the life cycle of major investigations and agency modernizations.

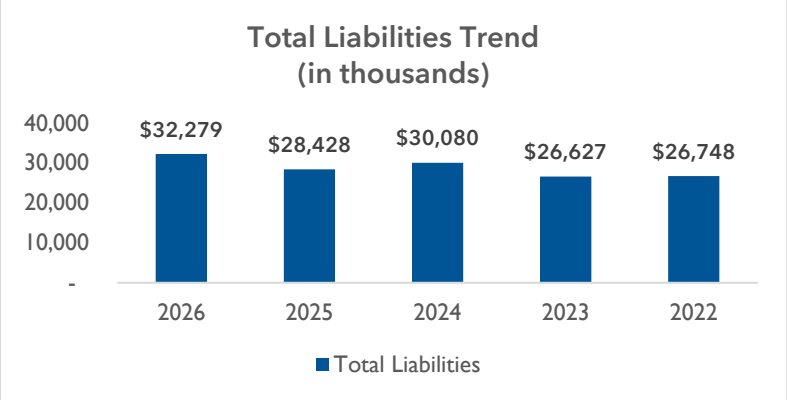


Figure 6. Total liabilities (in thousands) by fiscal year, 2022–26

Net Cost of Operations

The statement of net cost represents the net cost for operating the agency. Net costs are composed of gross costs, less earned revenues, and are reported by the NTSB's major programs. For the fiscal years that ended September 30, 2026 and 2025, Personnel Compensation and Benefits represented the primary cost driver within the Statement of Net Cost, accounting for approximately 70 percent of total gross operating expenses. Consequently, structural shifts in staffing levels directly dictate the overall financial footprint of the NTSB's primary programs: Aviation Safety, Surface Transportation Safety, and Research and Engineering.

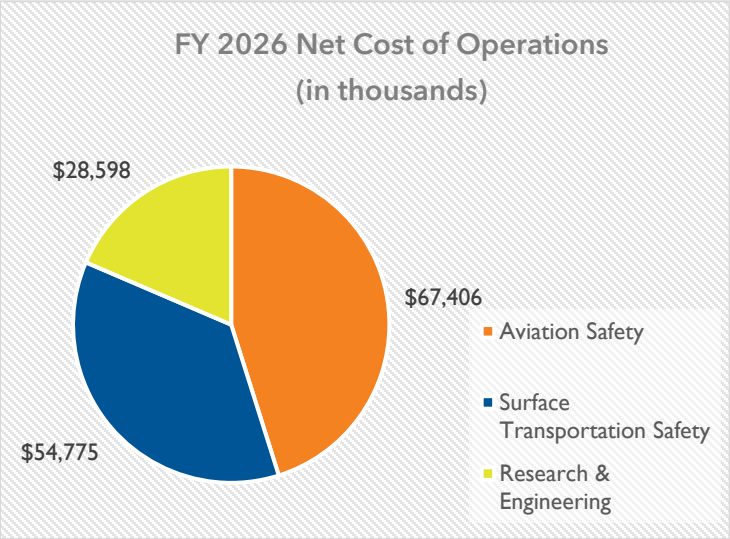


Figure 7. Net cost of operations by programs (dollars in thousands)

Aviation Safety program costs increased from $65.8 million in FY 2025 to $67.4 million in FY 2026, an increase of $1.6 million (2.4 percent). The increase was primarily attributable to higher personnel-related costs, including year-end payroll and other accrued compensation expenses, as well as operational costs supporting the Aviation Safety program. Although the program experienced employee retirements and a reduction in full-time equivalent (FTE) staffing during FY 2026, these decreases were more than offset by increases in accrued compensation and other costs incurred in support of the NTSB's aviation accident investigation and safety mission.

Surface Transportation Safety program costs increased from $54.7 million in FY 2025 to $54.8 million in FY 2026, an increase of $0.1 million (0.2 percent). The increase was primarily attributable to higher personnel-related expenses and accrued compensation costs incurred in support of the program's investigative and safety activities. Although the program experienced employee retirements and a reduction in full-time equivalent (FTE) staffing during FY 2026, these reductions were largely offset by increases in personnel costs, resulting in relatively stable program costs compared to the prior year. The program continued to fulfill its investigative responsibilities; however, workforce constraints may affect investigation timeliness and response capacity. To mitigate these challenges, the NTSB continued recruitment, cross-training, and workload management initiatives to support mission performance and operational effectiveness.

Research and Engineering program costs remained relatively unchanged at approximately $28.6 million in both FY 2025 and FY 2026. The program continued to provide technical, engineering, and analytical support for accident investigations and transportation safety initiatives during the fiscal year.

Performance Overview

Strategic Priorities and Objectives

Throughout FY 2026, the NTSB remained committed to ensuring the safety of the traveling public by focusing on evolving technologies and regulatory requirements, new and persistent threats, aging infrastructure, and constrained resources. As transportation systems become more complex, we must continue to adapt our investigative and operational approaches while aligning with broader administration priorities related to efficiency, workforce capacity, technology modernization, and resilient infrastructure.

The FY 2026–2030 NTSB Strategic Plan outlines both strategic and performance goals and measures, designed to achieve the administration's priorities (as reflected in Congressional mandates, executive orders, memoranda, and proclamations) and the NTSB's top operational goals. The FY 2026 performance results will be published in the FY 2028 Annual Performance Plan to be submitted alongside the President's Budget for FY 2028 and made available to the public on the NTSB Budget and Performance Reports web page at https://www.ntsb.gov/about/reports.

Key Performance Results

The NTSB's key performance measures include the average age of open investigations and the number of investigations over two years old. The following is a summary of performance for NTSB safety modes of transportation and the Office of Research and Engineering, highlighting measures that are key to mission success.

The Office of Aviation Safety investigates civil aviation accidents. Aviation safety represents the agency's largest investigative workload because the NTSB is required to investigate civil aviation accidents and has limited control over caseload volume. The surface modes investigate highway, railroad, pipeline, hazardous materials, and marine accidents when they meet the specific launch criteria established for each mode. The Office of Research and Engineering provides laboratory analysis, recorder readout, and engineering support for investigations in all modes.

See Significant Risks below for more information.

Average Age of Open Investigations

This measure tracks the agency's ability to close investigations in a timely manner, helping accelerate the release of facts, findings, and safety recommendations to stakeholders and the public.

In FY 2026, the agency exceeded its target, ending the year with an average open-investigation age of 282 days, which was 68 days below the 350-day target. Average investigation ages by mode ranged from 249 days for hazardous materials investigations to 409 days for marine investigations.

Investigations Over Two Years Old

This measure tracks the agency's ability to complete investigations in a timely manner and provide safety information to the public without unnecessary delay. At the end of FY 2026, the agency had 36 investigations that were two years old or older. Of these, 34 were in Aviation and two were in Marine, while Highway, Pipeline, and Railroad ended the fiscal year with no investigations over two years old.

Significant Risks

Fluctuations in Accident Volume

- **Risk:** The number of aviation accidents requiring investigation can vary significantly and is not fully within the agency's control. Accident volume often increases during periods of increased flying activity, particularly in the spring and summer. When multiple investigations begin around the same time, they may also reach key processing or aging milestones at the same time, creating workload pressure and potential delays.

- **Mitigation:** The agency manages this risk by monitoring accident trends, tracking cases nearing key aging thresholds, and adjusting staffing and workloads when accident volume increases. The agency also provides clear public information explaining that investigation timelines may vary based on accident volume, case complexity, evidence availability, and safety priorities.

Investigation Timeliness

- **Risk:** Investigation timelines may be affected by factors both within and outside the agency's control. These include the most recent federal government shutdowns, seasonal increases in accident volume, mandatory intake requirements, staffing shortages, loss of specialized expertise, petitions for

reconsideration, case complexity, evidence availability, and planned publication timing for Board meetings, stakeholder briefings, or family communications. As a result, some investigations may take longer than two years to complete.

- **Mitigation:** The agency manages this risk by monitoring caseloads, aged investigations, staffing capacity, and key timeline milestones. The agency prioritizes work based on safety impact, statutory requirements, case complexity, and available resources. It also redistributes work when possible, updates public reporting to explain known data limitations, and reviews the two-year timeliness measure to determine whether future targets or definitions should be adjusted.

Loss of Specialized Modal Experience

- **Risk:** Loss of specialized expertise in transportation modes, engineering, science, and laboratory functions may reduce the agency's ability to respond quickly to accidents, complete technical analyses, and issue investigative products on time. Staffing shortages, vacancies, overextended shared resources, and aging laboratory equipment may also contribute to delays.

- **Mitigation:** The agency manages this risk through targeted recruitment and retention, succession planning, cross-training, cross-modal support, workload prioritization, and planned maintenance and replacement of critical laboratory equipment.

  For more information on agency staffing, see the Financial Position and Condition section.

MANAGEMENT ASSURANCES

National Transportation Safety Board

Office of the Chairwoman

Washington, DC 20594

September 30, 2026

The Honorable Donald J. Trump
President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Let me begin by again thanking you and your administration for your steadfast support of the National Transportation Safety Board (NTSB). It is with your support that the NTSB is able to fulfill our critical safety mission and protect the American traveling public.

I am pleased to report on the effectiveness of the NTSB's internal controls and financial management systems for Fiscal Year (FY) 2026. This report is based on our compliance with the Federal Managers' 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 Internal Control."

The NTSB can provide reasonable assurance that its programs and resources are protected from fraud, waste, and mismanagement and that its internal controls are operating effectively. In my judgment, the NTSB has achieved the intent of the

above-listed laws and guidance through the systematic review and evaluation of agency programs and operations and the effective application of management and financial controls. This assurance is based on office directors' management control assurance memoranda, program office strategic and operating plans, agencywide assessments, and management's responses to internal control self-assessments conducted in accordance with GAO standards and OMB Circular A-123. As of September 30, 2026, the NTSB has no material weaknesses to report.

The NTSB's efforts to maintain effective internal controls and protect its programs and resources from fraud, waste, and mismanagement are also informed by the findings and results of audits and reviews conducted by the Department of Transportation Office of Inspector General (DOT OIG) and GAO, as well as financial statement audits conducted pursuant to applicable federal financial management requirements. In FY 2025, the NTSB received an unmodified opinion ("clean audit") on its audited consolidated financial statements, which included consideration of internal control over financial reporting and compliance with applicable laws and regulations. These results demonstrate 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 24th consecutive unmodified opinion ("clean audit") on its audited consolidated financial statements for FY 2026, continuing the agency's longstanding record of sound financial management.

We acknowledge the constructive work performed by GAO, DOT OIG, and Allmond & Company, our independent public accounting firm, in supporting the NTSB's efforts to maintain effective internal controls and ensure that our programs and resources are protected from fraud, waste, and mismanagement.

Sincerely,



Jennifer L. Homendy
Chairwoman

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

Internal Control Framework

The Federal Managers' Financial Integrity Act (FMFIA) requires federal agencies to establish, maintain, and annually assess their systems of internal controls. The NTSB's management accountability and controls program annually reviews 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 as to 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 chairwoman's Statement of Assurance sent to the president on September 30, 2026.

As discussed in that statement, the NTSB has no material weaknesses or nonconformances to report for FY 2026. No new material weaknesses or significant nonconformances have been identified for the past 11 years, nor have there been any existing unresolved weaknesses requiring corrective actions. The NTSB has achieved the intent of the FMFIA to prevent problems by systematically reviewing and evaluating the agency's programs and operations and by implementing management and financial controls.

The chairwoman's assurance is based on the NTSB Office Directors' management control assurance memoranda 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 chairman or chairwoman 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 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 identifying and remediating compliance issues, and promote reliable reporting and monitoring agencywide. A chief risk officer leads the implementation of the ERM program.

We continue to focus on our IT security program and compliance with the Federal Information Security Modernization 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 agencywide information security program as required by FISMA and OMB Circulars A-127 and A-130. In FY 2026, an independent audit found the NTSB in compliance with FISMA requirements.

Antideficiency Act

The Antideficiency Act and Title 31 *United States Code* (*U.S.C.*) section 1517 state 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 2026, 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.* sections 1351 and 1517(b).

Digital Accountability and Transparency Act

The Digital Accountability and Transparency Act of 2014 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 act accelerated the referral of delinquent debt owed to the federal government to the Treasury's 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 Digital Accountability and Transparency Act of 2014 reporting requirement in FY 2026 with the publishing of complete, timely, and accurate financial and award data on USAspending.gov.

Financial Management Systems

The NTSB 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 12.2.15, meets all of the requirements of section 803(a) of the Federal Financial Management Improvement Act. 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, online, and real-time personnel and payroll system. It is customer-driven, generating the complete cycle of personnel and payroll transactions delivered in compliance with OPM and human resources and payroll systems requirements for federal payroll management activities.

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 NTSB's financial management system complies substantially with federal financial management system requirements, applicable federal accounting standards, and the US 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 of receipt and acceptance of goods or services, or after receipt of a proper invoice, whichever is later. Interest must be paid when payments are not made on time. The NTSB made late payments resulting in interest penalties of $25,553.97 in FY 2026.

Payment Integrity Information Act

The Payment Integrity Information Act of 2019 (PIIA) 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. The PIIA 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 2026 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 at paymentaccuracy.gov.

Financial Information



MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am proud to join Chairwoman Homendy in presenting the NTSB Performance and Accountability Report for FY 2026. This report highlights the NTSB's financial position, results of operations, and use of budgetary resources during FY 2026. It also provides insight into our financial performance and demonstrates how we responsibly manage public funds to support the NTSB's work to determine the probable causes of the accidents and events we investigate and issue safety recommendations aimed at preventing future occurrences.

For the 24th consecutive year, the NTSB's independent auditors issued an unmodified (clean) opinion on our financial statements. The audit identified no material weaknesses, significant deficiencies, or instances of noncompliance with laws and regulations that would have a direct effect on the determination of material amounts reported in the NTSB's financial statements. This achievement reflects our continued commitment to sound financial management, effective internal controls, and reliable financial reporting.

Accurate, timely, and reliable financial information is essential to informed decision-making and to achieving the agency's goals and objectives. Throughout FY 2026, the NTSB demonstrated strong fiscal leadership and made meaningful progress in accomplishing key milestones in support of the NTSB FY 2022–2026 Strategic Plan. These accomplishments reflect the collective efforts of employees across the agency who work each day to ensure that our resources are effectively managed in support of our safety mission.

I extend my sincere appreciation to the entire NTSB community for its continued dedication and collaboration in planning, executing, and accounting for the agency's resources. Our clean audit opinion is a direct reflection of the commitment and professionalism of our high-performing Office of the Chief Financial Officer team, as well as the agencywide focus on fiscal responsibility, transparency, effective risk management, and sound financial practices. I am particularly grateful to the Board members and their staffs for their continued leadership, dedication, and support of the NTSB's mission.

The financial statements presented in this report were prepared, audited, and made publicly available as an integral part of the PAR. These statements fairly present the

NTSB's financial position and were prepared in accordance with generally accepted accounting principles (GAAP) and the requirements of the Office of Management and Budget Circular A-136.

The PAR documents the results of our programs and operations and demonstrates our commitment to fulfilling the requirements of the Government Performance and Results Act, the Government Management Reform Act, and the Federal Financial Management Improvement Act of 1996. As the NTSB's principal financial report to the president, Congress, and the American people, the PAR provides important information about our financial performance, program accomplishments, and continued commitment to the responsible management of public funds.

Looking ahead to FY 2027, we will continue to build on this strong foundation by applying financial management best practices and process improvement principles to strengthen compliance with applicable laws, regulations, statutes, and financial management requirements. Through these efforts, we will continue to improve the effectiveness, efficiency, and integrity of our financial operations while ensuring that the NTSB's resources remain aligned with our mission and strategic goals.

Sincerely,

Edward Benthall

Edward Benthall
Chief Financial Officer
November 6, 2026

OFFICE OF THE INSPECTOR GENERAL LETTER TRANSMITTING INDEPENDENT AUDITORS' REPORT



Report QC2027001
November 13, 2026

Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2026 and 2025

Highlights

National Transportation Safety Board (NTSB)
QC2027001 | November 13, 2026

Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2026 and 2025

Mandated by the Accountability of Tax Dollars Act of 2002

Our Objective(s)

To perform a quality control review (QCR) of Allmond & Company, LLC's audit of NTSB's financial statements as of and for the fiscal years ended September 30, 2026, and September 30, 2025. We reviewed Allmond's report dated November 6, 2026, and related documentation.

What We Found

The independent auditor, Allmond, found no material weaknesses in internal control over financial reporting.

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

About This Report

We contracted with the independent public accounting firm Allmond & Company, LLC, to audit NTSB's financial statements, provide an opinion on those financial statements, report on internal control over financial reporting, and report on compliance with laws and other matters.



0 Allmond made no recommendations.

U.S. Department of Transportation
Office of Inspector General

November 13, 2026

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

Dear Chairwoman 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 2026 and 2025 as mandated by the Accountability of Tax Dollars Act of 2002.[1]

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, 2026, and September 30, 2025; 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 (GAO) and Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*.[2]

[1] The Accountability of Tax Dollars Act of 2002 mandates that certain agencies not otherwise covered by law prepare audited financial statements annually. Although our office is not the Inspector General for NTSB, under 49 U.S. Code § 1137, we have the authority to review NTSB's financial management, property management, and business operations—including internal accounting and administrative control systems. Accordingly, we are authorized, but not legally obligated, to perform this review.

[2] *Financial Audit Manual*, volume 1 (GAO-26-108577), dated June 2026; volume 2 (GAO-26-107706), dated June 2026; and volume 3 (GAO-26-108632), dated July 2026.

Independent Auditor's Report

In its audit report dated November 6, 2026, Allmond states that:

- NTSB's financial statements[3] (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- it did not identify any deficiencies in internal control over financial reporting that it considered to be significant deficiencies[4] or material weaknesses,[5] and
- there were no instances of reportable noncompliance with provisions of laws tested or reportable other matters.

Allmond made no recommendations (see attachment 1).

Quality Control Review

We performed a QCR of Allmond's report, dated November 6, 2026, 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.

[3] 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.ntsb.gov/about/reports/Pages/default.aspx.
[4] 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 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 attention by those charged with governance.
[5] 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.

Agency Comments

Allmond provided NTSB with its draft report on November 4, 2026, and received NTSB's response dated November 6, 2026 (see attachment 2).

Actions Required

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

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, IT, and Procurement Audits

cc: NTSB Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

NATIONAL TRANSPORTATION SAFETY BOARD
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2026

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

A/C 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

Chairwoman, National Transportation Safety Board
Deputy Inspector General, performing the duties of the Inspector General, U.S. Department of Transportation

Report on the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the National Transportation Safety Board (NTSB) financial statements. NTSB's financial statements comprise the balance sheets as of September 30, 2026, and 2025; 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.

In our opinion, NTSB's financial statements present fairly, in all material respects, NTSB's financial position as of September 30, 2026, and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 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 audit. We believe that the audit evidence 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

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- 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

- 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.

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. 24-02 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. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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.
- 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform 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 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 under standards issued 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 the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

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 following sections: *Message from the Chairwoman; Performance Overview; Message from the Chief Financial Officer,* and *Other Accompanying Information.* Other information 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 audit 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[1] or to express an opinion on the effectiveness of NTSB's internal control over financial reporting. Given these

[1] 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.

limitations, during our 2026 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.

During our 2026 audit, we identified deficiencies in NTSB's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant NTSB management's attention. We have communicated these matters to NTSB management and, where appropriate, will report on them separately.

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.

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 the Consideration of 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, 2026, 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

- 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
- 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 audit 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 2026 that would be reportable under 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 and OMB audit guidance.

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 provisions 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 4, 2026, and received NTSB's response on November 5, 2026. 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, 2026

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, 2026

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

Dear Mr. Allmond:

The National Transportation Safety Board (NTSB) has reviewed the draft Fiscal Years 2026 and 2025 Financial Statement Audit Report and concurs with the audit opinion, as well as the reports on internal controls and compliance with applicable laws and regulations.

We are pleased that the NTSB's FY 2026 financial statements received an unmodified opinion. This represents the agency's 24th consecutive unqualified or unmodified opinion since the audit of its FY 2002 financial statements pursuant to the Accountability of Tax Dollars Act of 2002. This achievement reflects the NTSB's continued commitment to maintaining strong internal controls, sound financial management, and responsible stewardship of taxpayer resources.

The NTSB remains committed to providing accurate, transparent, and timely financial information to the President, Congress, and the American public. We will also share the final audit report with senior officials, and other interested staff.

I would like to extend my sincere appreciation to you and your entire team for your professionalism, diligence, and hard work throughout the audit process. Your efforts were instrumental in completing another successful financial statement audit.

If you have any questions or comments, please contact me at (202) 314-6241.

Sincerely,

Edward Benthall

Edward Benthall,
Chief Financial Officer

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

FINANCIAL STATEMENTS

Balance Sheet
As of September 30, 2026 and 2025

In thousands	FY 2026	FY 2025
Assets		
Fund balance with Treasury (Note 2)	$ 56,700	$ 56,217
Intragovernmental:		
Advances and Prepayments (Note 5)	4,329	4,060
Total Intragovernmental	61,029	60,277
With the Public:		
Accounts receivable, net (Note 3)	3	75
General property, equipment, and software, net (Note 4)	7,815	5,585
Total with the Public	7,818	5,660
Total Assets	**$ 68,847**	**$ 65,937**
Liabilities		
Intragovernmental:		
Accounts payable	$ 335	$ 46
Employer contributions and payroll taxes	683	573
Unfunded FECA liability	2,173	2,079
Unfunded unemployment insurance liability	7	-
TMF Loan	-	1,865
Total Intragovernmental (Note 6)	3,198	4,563
With the Public:		
Accounts payable	$ 7,328	$ 5,088
Actuarial FECA liability	9,913	10,469
Employer contributions and payroll taxes	101	108
Accrued funded payroll & leave	5,153	1,901
Unfunded leave	6,586	6,299
Total with the Public (Note 6)	29,081	23,865
Total Liabilities	**$ 32,279**	**$ 28,428**
Commitments and contingencies (Note 8)		
Net Position		
Unexpended Appropriations	$ 36,791	$ 41,922
Cumulative Results of Operations	(223)	(4,413)
Total Net Position	**$ 36,568**	**$ 37,509**
Total Liabilities and Net Position	**$ 68,847**	**$ 65,937**

Note: The accompanying notes are an integral part of these statements.

Statement of Net Cost
For the Years Ended September 30, 2026 and 2025

In thousands		FY 2026		FY 2025
Gross Program Costs (Note 10)				
Aviation Safety				
Gross costs	$	67,406	$	65,840
Less: earned revenue		-		(112)
Net Program Costs		67,406		65,728
Surface Transportation Safety				
Gross costs	$	54,775	$	54,667
Less: earned revenue		-		(93)
Net Program Costs		54,775		54,574
Research and Engineering				
Gross costs	$	28,598	$	28,569
Less: earned revenue		-		(48)
Net Program Costs		28,598		28,521
Net Cost of Operations	**$**	**150,779**	**$**	**148,823**

Note: The accompanying notes are an integral part of these statements.

Statement of Changes in Net Position
For the Years Ended September 30, 2026 and 2025

In thousands	FY 2026	FY 2025
Unexpended Appropriations:		
Beginning balances	$ 41,922	$ 36,369
Beginning balance, as adjusted	41,922	36,369
Appropriations transferred-in/out	-	1,820
Appropriations received	145,000	145,000
Other Adjustments	(2,570)	(2,060)
Appropriations used	(147,561)	(139,207)
Net Change in Unexpended Appropriations	(5,131)	5,553
Total Unexpended Appropriations: Ending	**36,791**	**41,922**
Cumulative Results of Operations:		
Beginning balances	(4,413)	(3,519)
Beginning balance, as adjusted	(4,413)	(3,519)
Appropriations used	147,561	139,207
Imputed financing (Note 9)	7,408	8,722
Net Cost of Operations	(150,779)	(148,823)
Net Change in Cumulative Results of Operations	4,190	(894)
Cumulative Results of Operations: Ending	**(223)**	**(4,413)**
Net Position	**$ 36,568**	**$ 37,509**

Note: The accompanying notes are an integral part of these statements.

Statement of Budgetary Resources
For the Years Ended September 30, 2026 and 2025

In thousands	FY 2026	FY 2025
Budgetary Resources		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 11)	$ 22,945	$ 32,776
Appropriations (discretionary and mandatory)	145,000	145,000
Spending authority from offsetting collections (discretionary and mandatory)	-	253
Total Budgetary Resources	**$ 167,945**	**$ 178,029**
Status of Budgetary Resources		
New obligations and upward adjustments (total)	145,500	154,274
Unobligated Balance, End of Year:		
Apportioned, unexpired accounts	5,424	6,341
Unapportioned, unexpired accounts	10,620	10,597
Unexpired Unobligated Balance, end of year	16,044	16,938
Expired unobligated balance, end of year	6,401	6,817
Unobligated balance, end of year (total)	22,445	23,755
Total Budgetary Resources	**$ 167,945**	**$ 178,029**
Outlays, Net	141,946	147,092
Agency Outlays, Net (discretionary and mandatory)	**$ 141,946**	**$ 147,092**

Note: The accompanying notes are an integral part of these statements.

NOTES TO PRINCIPAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of the NTSB. The NTSB is neither part of the DOT nor affiliated with any of the DOT's modal agencies. The agency is identified as a consolidated entity for purposes of reporting in compliance with the Statement of Federal Financial Accounting Standards (SFFAS) 47, Reporting Entity.

B. Classified Activities

Accounting standards require all reporting entities to disclose that 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 Accountability of Tax Dollars Act, 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 budgetary terms are commonly used:

- **Appropriation.** An appropriation is a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a specific purpose. Usually, but not always, an appropriation provides budget authority.
- **Budgetary resources.** Budgetary resources are amounts available to incur obligations in a specific year. Budgetary resources consist of new budget

authority and unobligated balances of budgetary authority provided in previous years.

- **Offsetting collections.** 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. The authority to spend offsetting collections is a form of budget authority.

- **Obligation.** An obligation is a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

- **Gross outlays.** Gross outlays are the sum of all payments to liquidate an obligation and are the measure of government spending.

- **Net outlay.** The net outlay is equal to 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 agency's books and reports 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 that the transactions are associated with. For example, assets and liabilities resulting from transactions with other federal entities are classified as intragovernmental assets and liabilities. Such costs are payments or accruals to other federal entities, and intragovernmental earned revenues are collections or accruals of revenue from other federal entities. The NTSB's statements are to be read with the understanding that they are produced for a component of the federal government, a sovereign entity.

D. Change in Presentation

In FY 2026, the NTSB updated the presentation of its principal financial statements and footnote disclosures from a single-year presentation to a comparative two-year format. This structural change follows the revised guidance issued in OMB Circular A-136.

E. Use of Estimates

To prepare the financial statements in accordance with the accounting principles described above, management must 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 US Department of the Treasury processes cash receipts and disbursements. Funds with the Treasury consist of appropriated and deposited funds that are available to pay current liabilities and finance authorized purchase obligations.

Accounts Receivable

The NTSB accounts receivable represent 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.

Advances and Prepayments

Payments made in advance of the receipt of goods and services are recorded as advances or prepayments and recognized as expenses when the related goods and services are received. Prepayments are made principally to other federal entities.

G. Property, Plant, and Equipment

General Property, Plant, and Equipment

The Office of the Chief Financial Officer (OCFO) has established a capitalization policy for general property, plant, and equipment (PP&E). General PP&E is reported at acquisition cost. The capitalization threshold is established at $25,000. General PP&E consists of items that are used by the NTSB to support the agency's 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), which 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 PP&E minimum for capitalization, then that item or items are capitalized.

Leasehold Improvements

The OCFO has established a capitalization threshold of $100,000 for leasehold improvements, which 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, 2026. 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 Employees' 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 6.

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, 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 2026 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 $7,408,088 and $8,721,753 for the fiscal years ending September 30, 2026, and September 30, 2025, respectively.

Employees participating in FERS are covered under the Federal Insurance Contributions 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 to date for FY 2026. For both FERS-RAE and FERS-FRAE covered employees, the NTSB made contributions of 16.5 percent of basic pay to date for FY 2026. FERS employees hired prior to 2013 are required to contribute 0.8 percent. 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 or CSRS participants, and no governmental matching contribution for CSRS participants. The maximum amount that either FERS or CSRS employees may contribute to the plan in calendar year 2026 is $24,500.

Those who are age 50 and older may contribute an additional $8,000 in catch-up contributions, for a total limit of $32,500. (Note: Employees who are ages 60 to 63 qualify for a higher catch-up limit of $11,250, allowing a total contribution of $35,750.)

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. These data are 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 Principal 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. Revenue 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 an 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 these expenses would be paid by the agency that incurs the expense or not. 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 the imputed costs for services received from other federal agencies without reimbursement, as required by SFFAS 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 segments are based on the NTSB's mission and funding sources. The major programs that make up 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 reimbursable agreements with the public and investigative-related services.

M. Net Position

Net position is the residual difference between assets and liabilities and makes up 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, five 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 the Treasury for expenses and liabilities.

Table 4. Fund Balance with Treasury as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Status of Fund Balance with Treasury	2026	2025
Unobligated Balance	$ 22,445	$ 23,755
Obligated Balance not yet Disbursed	34,255	32,462
Total Fund Balance with Treasury	**$ 56,700**	**$ 56,217**

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 receivables.

Note 3. Accounts Receivable, Net

The NTSB's accounts receivable are amounts due from overpayments to current and noncurrent 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.

Table 5. Accounts Receivable as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Accounts Receivable	**2026**	**2025**
With the Public		
Accounts Receivable	$ 3	$ 75
Allowance for Doubtful Accounts	-	-
Total Accounts Receivable, Net	**$ 3**	**$ 75**

Note 4. General Property, Plant, and Equipment, Net

General property, plant, and equipment consisted of that property that is used in operations and consumed over time. Tables 6 and 7 below summarize the cost and accumulated depreciation for general property, plant, and equipment as of September 30, 2026, and September 30, 2025, respectively.

Table 6. Property, Equipment, and Software, Net as of September 30, 2026 (dollars in thousands)

Asset Class	Cost	Accumulated Amortization/ Depreciation	Net Value
Real Property			
Leasehold Improvements	$ 405	$ (211)	$ 194
Total - Real Property	**405**	**(211)**	**194**
Personal Property			
Equipment	13,851	(12,408)	1,443
Internal-Use Software	4,741	(4,156)	585
Software-in-Development	5,593	-	5,593
Total - Personal Property	**24,185**	**(16,564)**	**7,621**
Total General Property, Plant, and Equipment, Net	**$ 24,590**	**$ (16,775)**	**$ 7,815**

Table 7. General Property, Plant, and Equipment, Net as of September 30, 2025 (dollars in thousands)

Asset Class	Cost	Accumulated Amortization/ Depreciation	Net Value
Real Property			
Leasehold Improvements	$ 405	$ (171)	$ 234
Total - Real Property	**405**	**(171)**	**234**
Personal Property			
Equipment	14,187	(11,824)	2,363
Internal-Use Software	4,742	(3,616)	1,126
Software-in-Development	1,862	-	1,862
Total - Personal Property	**20,791**	**(15,440)**	**5,351**
Total General Property, Plant, and Equipment, Net	**$ 21,196**	**$ (15,611)**	**$ 5,585**

Note 5. Advances

Intragovernmental advances to others and prepayments are made up of advance payments to other federal government entities for agency expenses not yet incurred and for goods and services not yet received.

Table 8. Advances and Prepayments as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Advances to Others and Prepayments	2026	2025
Intragovernmental		
Advances to Others and Prepayments	$ 4,329	$ 4,060
Total Intragovernmental Advances to Others and Prepayments	**4,329**	**4,060**
Total With the Public Advances to Others and Prepayments	**$ -**	**$ -**

Note 6. 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 $2.2 million.

Table 9. Liabilities Covered and Not Covered by Budgetary Resources as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Liabilities	**2026**	**2025**
Not Covered by Budgetary Resources		
Intragovernmental:		
Unfunded FECA liability	$ 2,173	$ 2,079
TMF Loan	-	1,865
Unfunded unemployment insurance liability	7	-
Total Intragovernmental	**$ 2,180**	**$ 3,944**
With the Public:		
Unfunded Annual Leave	6,586	6,299
Actuarial FECA Liability	9,913	10,469
Total with the Public	**$ 16,499**	**$ 16,768**
Total Not Covered by Budgetary Resources	**$ 18,679**	**$ 20,712**
Total Liabilities Covered by Budgetary Resources	**$ 13,600**	**$ 7,716**
Total Liabilities Not Requiring Budgetary Resources	-	-
Total Liabilities	**$ 32,279**	**$ 28,428**

Note 7. Leases

The NTSB has six leases with its federal lessor, the GSA. The GSA charges rent that is intended to approximate commercial rental rates. The NTSB has the legislative authority to enter into lease agreements to carry out the agency's mission. The leases are primarily for office space (buildings) with terms ranging from September 1, 2020, through April 30, 2040.

The office space lease expense as of September 30, 2026, was $9,457,069.

Table 10. Summary of Lease Arrangements for NTSB Office Space/Buildings

Location	Period of Use	Description of Lease Arrangements
Western Pacific Region Federal Way, Washington	Cancelable	September 1, 2020, through August 31, 2035.
Headquarters (470/490 L'Enfant Plaza)	Cancelable	December 1, 2020, through November 30, 2028, subject to anticipated tax escalation in excess of the occupancy agreement.
Headquarters Conference Center (429 L'Enfant Plaza)	Noncancelable	December 1, 2020, through November 30, 2028, subject to anticipated tax escalation in excess of the occupancy agreement.
Central Region Denver, Colorado	Cancelable	December 17, 2022, through December 16, 2037.
Alaska Region Anchorage, Alaska	Cancelable	August 1, 2023, through March 31, 2029.
High Bay Upper Marlboro, Maryland	Cancelable	May 1, 2025, through April 30, 2040.

The NTSB annually leases fleet vehicles from the GSA. The vehicle lease expense as of September 30, 2026, was $7,765.

Note 8. 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.

Table 11. Contingent Losses, Accrued Liabilities, and Estimated Range of Loss for Pending Legal Cases as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Legal Contingencies	Number of Contingent Losses	Accrued Liabilities	Estimated Range of Loss (Lower End)	Estimated Range of Loss (Upper End)
As of September 30, 2026				
Reasonably Possible	12	$ -	Estimated amount or range of potential loss is unknown	Estimated amount or range of potential loss is unknown
As of September 30, 2025				
Reasonably Possible	9	$ -	Estimated amount or range of potential loss is unknown	Estimated amount or range of potential loss is unknown

Note 9. Inter-Entity Costs (Imputed Financing)

The costs 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.

Table 12. Expenses of the NTSB Paid or to Be Paid by Other Federal Agencies as of September 30, 2026, and September 30, 2025 (dollars in thousands)

Other Post-Employment Benefits	**2026**	**2025**
Civil Service Retirement Program	$ 3,485	$ 4,787
Federal Employees Group Life Insurance (FEGLI)	9	9
Federal Employees Health Benefits (FEHB)	3,914	3,926
Total Imputed Financing Source	7,408	8,722
Judgment Fund	-	-
Total Inter-Entity Costs	**$ 7,408**	**$ 8,722**

Note 10. Suborganization Program Costs / Program Costs by Segment

The NTSB has the authority to provide services to other federal and public entities. The revenue earned consists of the reimbursable costs from other federal and public entities.

Tables 13 and 14 provide the intragovernmental and public costs and revenue by program segment as of September 30, 2026, and September 30, 2025.

Table 13. Intragovernmental and Public Costs and Revenue by Program Segment as of September 30, 2026 (dollars in thousands)

Net Costs and Revenue	Aviation Safety	Surface Trans. Safety	Research and Engineering	Consolidated Totals
Intragovernmental				
Intragovernmental Gross Costs	$ 20,805	$ 16,745	$ 8,914	$ 46,464
Less: Intragovernmental Earned Revenue	-	-	-	-
Intragovernmental Net Costs	**20,805**	**16,745**	**8,914**	**46,464**
Public				
Gross Costs with the Public	46,601	38,030	19,684	104,315
Less: Earned Revenues from the Public	-	-	-	-
Net Costs with the Public	**46,601**	**38,030**	**19,684**	**104,315**
Total Net Cost of Operations	**$ 67,406**	**$ 54,775**	**$ 28,598**	**$ 150,779**

Table 14. Intragovernmental and Public Costs and Revenue by Program Segment as of September 30, 2025 (dollars in thousands)

Net Costs and Revenue	Aviation Safety	Surface Trans. Safety	Research and Engineering	Consolidated Totals
Intragovernmental				
Intragovernmental Gross Costs	$ 20,525	$ 17,081	$ 9,296	$ 46,902
Less: Intragovernmental Earned Revenue	-	-	-	-
Intragovernmental Net Costs	**$ 20,525**	**$ 17,081**	**$ 9,296**	**$ 46,902**
Public				
Gross Costs with the Public	45,314	37,586	19,274	102,174
Less: Earned Revenues from the Public	(112)	(93)	(48)	(253)
Net Costs with the Public	**45,202**	**37,493**	**19,226**	**101,921**
Net Cost of Operations	**$ 65,727**	**$ 54,574**	**$ 28,522**	**$ 148,823**

Note 11. Statement of Budgetary Resources Disclosures

The Statement of Budgetary Resources compares budgetary resources with the status of those resources. As of September 30, 2026, budgetary resources were $167.9 million and net agency outlays were $141.9 million. As of September 30, 2025, budgetary resources were $178.0 million and net agency outlays were $147.1 million.

In accordance with SFFAS 7, paragraph 79, the reconciliation of the unobligated balance brought forward October 1, to the unobligated balance from prior-year budget authority, net, is presented in table 15 (dollars in thousands).

During the periods ending September 30, 2026 and 2025, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1. 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.

Table 15. Net Adjustments to Unobligated Balance Brought Forward, October 1, for the Periods Ending September 30, 2026 and 2025 (dollars in thousands)

For the Periods Ending September 30	2026	2025
Unobligated Balance Brought Forward, October 1	$23,755	$30,665
Transfers - Prior-Year Balances (TMF)	-	2,428
Recoveries of Prior Year Obligations (Unpaid)	1,587	1,663
Other Changes in Unobligated Balance	173	80
Canceled Authority	(2,570)	(2,060)
Unobligated Balance from Prior Year Budget Authority, Net	**$22,945**	**$32,776**

Undelivered orders are purchase orders issued by the NTSB during FY 2026 and the five expiring fiscal years that have not had delivery of the required product or service as of September 30, 2026, and September 30, 2025 (dollars in thousands).

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

Table 16. Undelivered Orders at the End of the Periods Ending September 30, 2026 and 2025 (dollars in thousands)

For the Periods Ending September 30	2026	2025
Unpaid		
Intragovernmental undelivered orders	$ 2,113	$ 2,210
Public undelivered orders	18,541	22,536
Paid		
Intragovernmental undelivered orders	4,329	4,060
Total Undelivered Orders	**$ 24,983**	**$ 28,806**

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 2026 actual budgetary execution information is scheduled for publication in February 2027; it will be available on the OMB website at https://www.whitehouse.gov/omb/information-resources/budget/.

Accordingly, information required for FY 2026 disclosure is not available at the time of publication of these financial statements.

Table 17. Balances Reported in the FY 2025 Statement of Budgetary Resources and the Related President's Budget (dollars in millions)

For the Period Ending September 30, 2025	Budgetary Resources	Obligations	Net Outlays
Combined statement of budgetary resources	$ 178	$ 154	$ 147
Unobligated balance – expired accounts	(7)	-	-
Emergency fund	(2)	-	-
Differences due to rounding	(1)	-	1
Budget of the US Government	**$ 168**	**$ 154**	**$ 148**

Note 12. 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.** These reflect the budgetary resources used to finance the 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**. These include 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 expenses. 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.

Table 18. Reconciliation of Net Cost and Budgetary Outlays for the Period Ending September 30, 2026 (dollars in thousands)

Net Costs and Budgetary Outlays, 2026	Intra-governmental	With the Public	Total
Net Cost of Operations	**$ 46,464**	**$104,315**	**$ 150,779**
Components of Net Cost That Are Not Part of Net Outlays:			
Property, plant, and equipment depreciation	-	(1,708)	(1,708)
Property, plant, and equipment gain/(loss) on disposal and revaluation		(36)	(36)
Increase/(Decrease) in Assets:			
Accounts receivable	-	(71)	(71)
Advances and Prepayments	268	-	268
(Increase)/Decrease in Liabilities:			
Accounts payable	(289)	(2,239)	(2,528)
Salaries and benefits	(110)	(3,245)	(3,355)
Other liabilities	1,764	269	2,033
Other Financing Sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(7,408)	-	(7,408)
Total Components of Net Cost That Are Not Part of Net Outlays	**(5,775)**	**(7,030)**	**(12,805)**
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	-	3,972	3,972
Total Components of Net Outlays That Are Not Part of Net Cost	**-**	**3,972**	**3,972**
Outlays, Net	**$ 40,689**	**$ 101,257**	**$ 141,946**

Table 19. Reconciliation of Net Cost and Budgetary Outlays for the Period Ending September 30, 2025 (dollars in thousands)

Net Costs and Budgetary Outlays, 2025	Intra-governmental	With the Public	Total
Net Cost of Operations	**$46,902**	**$101,921**	**$148,823**
Components of Net Cost That Are Not Part of Net Outlays:			
Property, plant, and equipment depreciation	-	(2,191)	(2,191)
Property, plant, and equipment gain/(loss) on disposal and revaluation		(2)	(2)
Increase/(Decrease) in Assets:			
Accounts receivable	-	65	65
Other assets	3,992	-	3,992
(Increase)/Decrease in Liabilities:			
Accounts payable	(46)	1,745	1,699
Salaries and benefits	(69)	(223)	(292)
Other liabilities	762	90	852
Other Financing Sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(8,722)	-	(8,722)
Total Components of Net Cost That Are Not Part of Net Outlays	**(4,083)**	**(516)**	**(4,599)**
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of capital assets	-	2,868	2,868
Total Components of Net Outlays That Are Not Part of Net Cost	**-**	**2,868**	**2,868**
Outlays, Net	**$42,819**	**$104,273**	**$147,092**

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 2026. Table 20 relates to the NTSB's FY 2026 financial statement audit, which resulted in an unmodified opinion with no material weaknesses. Tables 21 through 23 present 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.

Summary of FY 2026 Financial Statement Audit

Table 20. Summary of FY 2026 Financial Statement Audit

Audit Opinion: Unmodified

Restatement: No

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Internal Control over Financial Reporting	0	0	0	0	0

Summary of FY 2026 Management Assurances

Table 21. Effectiveness of Internal Control Over Financial Reporting (FMFIA Section 2)

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Internal Control over Financial Reporting	0	0	0	0	0	0

Table 22. Effectiveness of Internal Control Over Operations (FMFIA Section 2)

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Internal Control over Operations	0	0	0	0	0	0

Table 23. Conformance with Federal Financial Management System Requirements (FMFIA Section 4)

Statement of Assurance: System conforms to financial management system requirements.

Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Federal Financial Management System Requirements	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act: Not Applicable

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. 599 (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.

As required by the 2015 Inflation Adjustment Act and OMB Memorandum M-26-11, civil monetary penalties were not adjusted for inflation in calendar year 2026. Due to the late-2025 lapse in federal appropriations, the Bureau of Labor Statistics was unable to issue the mandatory October 2025 Consumer Price Index for All Urban Consumers (CPI-U) data. Lacking an alternative legal calculation mechanism, 2025 penalty metrics remain in effect to ensure continuity of enforcement.

Table 24. Federal Civil Penalties Inflation Adjustment Act

Statutory Authority	49 *U.S.C.* 20103, 20106-20107, 20118-20119, 20156, 21301, 21304, 21311; 28 *U.S.C.* 2461, note; and 49 *Code of Federal Regulations* (*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	2025
Current Penalty Level ($)	$2,111 per violation, per day
Location for Penalty Update Details	Federal Register: Civil Monetary Penalty Annual Inflation Adjustment

Appendix: Acronyms, Initialisms, and Abbreviations

Table 25. List of Acronyms, Initialisms, and Abbreviations

Acronym	Full Name
ATDA	Accountability of Tax Dollars Act of 2002
CFR	*Code of Federal Regulations*
CSRS	Civil Service Retirement System
DOT	US Department of Transportation
ERM	Enterprise Risk Management
FAA	Federal Aviation Administration
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FERS-FRAE	FERS-Further Revised Annuity Employees
FERS-RAE	FERS-Revised Annuity Employees
FISMA	Federal Information Security Modernization Act
FMFIA	Federal Managers' Financial Integrity Act of 1982
FPPS	Federal Personnel/Payroll System
FY	fiscal year
GSA	General Services Administration
IBC	Interior Business Center
IMO	International Maritime Organization
MAIIF	Marine Accident Investigators' International Forum
NTSB	National Transportation Safety Board
OCFO	NTSB Office of the Chief Financial Officer
OMB	Office of Management and Budget
OPM	Office of Personnel Management

Acronym	Full Name
PP&E	property, plant, and equipment (including software)
PAR	Performance and Accountability Report
PIIA	Payment Integrity Information Act of 2019
SFFAS	Statement of Federal Financial Accounting Standards
SMOC	Senior Management Oversight Council
TMF	Technology Modernization Fund
Treasury	US Department of the Treasury
TSP	Thrift Savings Plan
U.S.C.	*United States Code*



Acknowledgement

The NTSB could not have reached its milestones without the hard work and collaborative spirit of our employees. Dedication and teamwork are key to our success.

Headquarters

National Transportation Safety Board
490 L'Enfant Plaza, SW
Washington, DC 20594
(202) 314-6000
www.ntsb.gov

Connect with us on

Media Inquiries

For information about NTSB investigations, contact our **Media Relations Division** at media@ntsb.gov.