

National Transportation Safety Board

Performance and Accountability Report Fiscal Year 2022



NTSB

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Message from the Chair



I am pleased to present the National Transportation Safety Board's (NTSB) Fiscal Year (FY) 2022 Performance and Accountability Report. This report summarizes our goals and accomplishments and presents key financial data about our operations for FY 2022.

We are in a time of dynamic change and growth within transportation—from the advancement of automated vehicles to that of commercial space travel. This means that the Board's mission to prevent fatalities and injuries and to save lives is even more critical. I am proud and honored to lead the 415 NTSB professionals who every day make it their mission to improve transportation safety by conducting independent accident investigations, advocating safety improvements, and assisting victims of transportation accidents and their families. During FY 2022, investigative staff across all the modal offices completed more than 1,791 investigations of domestic transportation accidents and incidents and supported more than 420 foreign investigations. These are remarkable achievements, given our limited resources and challenging environmental conditions encountered, and shines a light on the engagement and dedication of all our employees.

An unfortunate trend we are currently experiencing is an increase in highway fatalities and injuries from vehicle crashes. Accordingly, a critical area we are focusing on and advocating for is the Safe System approach to eliminating fatalities and injuries on our roadways. This approach takes a holistic view to address road users, road infrastructure, speed limits, vehicle design and technology, and post-crash care with the ultimate goal of zero fatalities. The Safe System approach along with other life-saving targets for all the transportation modes are included in the latest Most Wanted List ([MWWL](#)) of transportation safety improvements published by the NTSB.

The FY 2022 Performance and Accountability Report includes the results of the independent audit of our FY 2022 financial statements. I am pleased to announce that, for the 20th consecutive year, the agency received an unmodified opinion. I am also pleased to report that, based on our internal processes and controls, the NTSB provides reasonable assurance that the agency complies with the Federal Managers Financial Integrity Act and that internal control over financial

Message from the Chair

reporting is operating effectively to produce reliable and complete financial reporting as required by Office of Management and Budget Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

The NTSB will tirelessly strive to improve transportation safety for America and the world as the preeminent global transportation safety organization. The NTSB will continue to partner with the president, Congress, and the American people to investigate, research and advocate for improved transportation safety.

A handwritten signature in black ink, appearing to read 'JH', with a long horizontal flourish extending to the right.

Jennifer Homendy
Chair
November 6, 2022

About the Agency

OUR MISSION STATEMENT

Making transportation safer by conducting independent accident investigations, advocating safety improvements, and deciding pilots' and mariners' certification appeals.

OUR CORE VALUES

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

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



Integrity

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



Transparency

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



Independence

We are impartial and objective.



Excellence

We are thorough, rigorous, and accurate.



Diversity and Inclusion

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

The Cover

From top left, clockwise:

The derailment of an ethanol unit train in Oklaunion, Texas, on January 8, 2022. (Courtesy of Wichita West Fire Department)

The aft section of the fuselage of a TransAir B-737 being recovered from the Pacific Ocean about 2 miles from Ewa Beach near Honolulu, Hawaii. The cargo jet was ditched after the flight crew reported engine anomalies shortly after departing Daniel K. Inouye International Airport on July 2, 2021.

The March 17, 2021, engine room fire aboard the towing vessel *Miss Dorothy*. The starboard side of the vessel is pictured during firefighting efforts from the Good Samaritan towing vessel *Christopher Wilson*. (Courtesy of Western Rivers Boat Management Inc.)

The January 28, 2022, collapse of the Fern Hollow Bridge in Pittsburgh, Pennsylvania.

An aerospace engineer in the NTSB's Vehicle Recorder Division of the Office of Research and Engineering, downloading the cockpit voice recorder from a United Airlines Boeing 777 that experienced an engine failure shortly after takeoff from Denver International Airport on February 20, 2021.

History

The National Transportation Safety Board (NTSB) was created in 1967 as an accident investigation agency within the newly created US Department of Transportation (DOT). Our authority currently extends to these types of accidents:

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

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

- Evaluate the effectiveness of government agencies involved in transportation safety.
- Evaluate the safeguards used in the transportation of hazardous materials.
- Evaluate the effectiveness of emergency responses to hazardous material accidents.
- Conduct special studies on transportation safety problems.
- Maintain an official US census of aviation accidents and incidents.
- Review appeals from individuals and entities who have been assessed civil penalties by the Federal Aviation Administration (FAA).
- Review appeals from airmen and merchant seamen whose certificates have been revoked or suspended by the FAA and the US Coast Guard, respectively.

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

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

Headquarters

The NTSB is headquartered in Washington, DC. We also have investigators located in offices in Ashburn, Virginia; Denver, Colorado; Anchorage, Alaska; and Federal Way, Washington; as well as additional investigators located throughout the country who telework. NTSB will vacate the NTSB Training Center facility in Ashburn, Va., by December 2022, before the termination of the lease in 2023.

About this Report

Our Performance and Accountability Report (PAR) for fiscal year (FY) 2022 provides financial and performance information for the NTSB and compares performance results to the agency's strategic and performance goals. This information enables the president, Congress, and the American people to assess the agency's performance as mandated by the following:

- Federal Managers' Financial Integrity Act (FMFIA) of 1982
- Chief Financial Officers Act of 1990
- Government Performance and Results Act (GPRA) of 1993
- Government Management Reform Act of 1994
- Federal Financial Management Improvement Act of 1996
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Government Performance and Results Modernization Act (GPRAMA) of 2010
- Digital Accountability and Transparency Act (DATA) of 2014
- Payment Integrity Information Act of 2019

The NTSB strives to keep the public informed of its activities. This report shows the tremendous effort and challenges involved in each of our modal office investigations and demonstrates how we are a major voice in promoting safety for the traveling public in the United States and globally. To learn more about the NTSB, visit our website at <http://www.nts.gov>. The NTSB's FY 2022-2026 Strategic Plan and annual PARs are available on our website at <http://www.nts.gov/about/reports>.

How this Report is Organized

The NTSB PAR is organized into three primary sections as required in Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements.

Management’s Discussion and Analysis

This section provides an overview of the financial operations of the agency, the performance overview of the agency, highlights of the agency’s performance goals and results, the status of systems and internal control weaknesses, and other pertinent information. It summarizes the NTSB’s strategic goals and related objectives; provides annual performance information as required by OMB Circular A-11, GPRA, and GPRAMA; and includes a detailed discussion and analysis of the agency’s performance in FY 2022. It also includes information about past results of key performance measures and provides a discussion of future challenges.

Financial Section

This section contains a message from the NTSB’s Chief Financial Officer; details of the agency’s FY 2022 finances; and the Department of Transportation Office of the Inspector General Quality Control Report, the Independent Auditors’ Report, the NTSB Chief Financial Officer’s Response to the Auditors’ Report, and the agency’s audited financial statements and notes.

Other Accompanying Information

This section includes our summary of financial statement audit and management assurances, information about our compliance with the Payment Integrity Information Act of 2019 and Fraud Reduction and Data Analytics Act of 2015 reporting, our reporting of assessment and recapture of improper payments, our fraud reduction efforts, and our reporting of civil monetary penalties.



Acronyms, Initialisms, and Abbreviations

ADA	Anti-Deficiency Act
ASPP	Annual Strategic Performance Plan
Budget	budget of the United States Government
COVID-19	coronavirus disease of 2019
CSRS	Civil Service Retirement Systems
DATA	Digital Accountability and Transparency Act of 2014
DOL	US Department of Labor
DOT	US Department of Transportation
EEO	equal employment opportunity
ERM	Enterprise Risk Management program
FAA	Federal Aviation Administration
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FPPS	Federal Personnel/Payroll System
FY	fiscal year
GAAP	generally accepted accounting principles

GPRA	Government Performance and Results Act
GPRAMA	Government Performance and Results Modernization Act
GSA	General Services Administration
IBC	Interior Business Center
IT	information technology
NTSB	National Transportation Safety Board
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P&E	property and equipment
PAR	Performance and Accountability Report
SFFAS	Statement of Federal Financial Accounting Standards
SMOC	Senior Management Oversight Council
Treasury	US Department of the Treasury
TSP	Thrift Savings Plan

Mission

Since its creation in 1967 as an accident investigation agency within the newly created US Department of Transportation (DOT), the NTSB's mission has been to determine the probable cause of transportation accidents and incidents and to formulate safety recommendations to improve transportation safety. Over the years, we have issued 15,354 safety recommendations to more than 2,400 recipients resulting from NTSB investigations and studies in all transportation modes. Since 1990, we have published a Most Wanted List of Transportation Safety Improvements, which highlights safety-critical actions that all the DOT modal administrations, the US Coast Guard, all the states, and other entities should take to help prevent accidents and save lives.

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

Organizational Structure

Our organizational structure is designed around sound business and management principles. The NTSB chair serves as the chief executive officer and chief administrative officer for the agency.

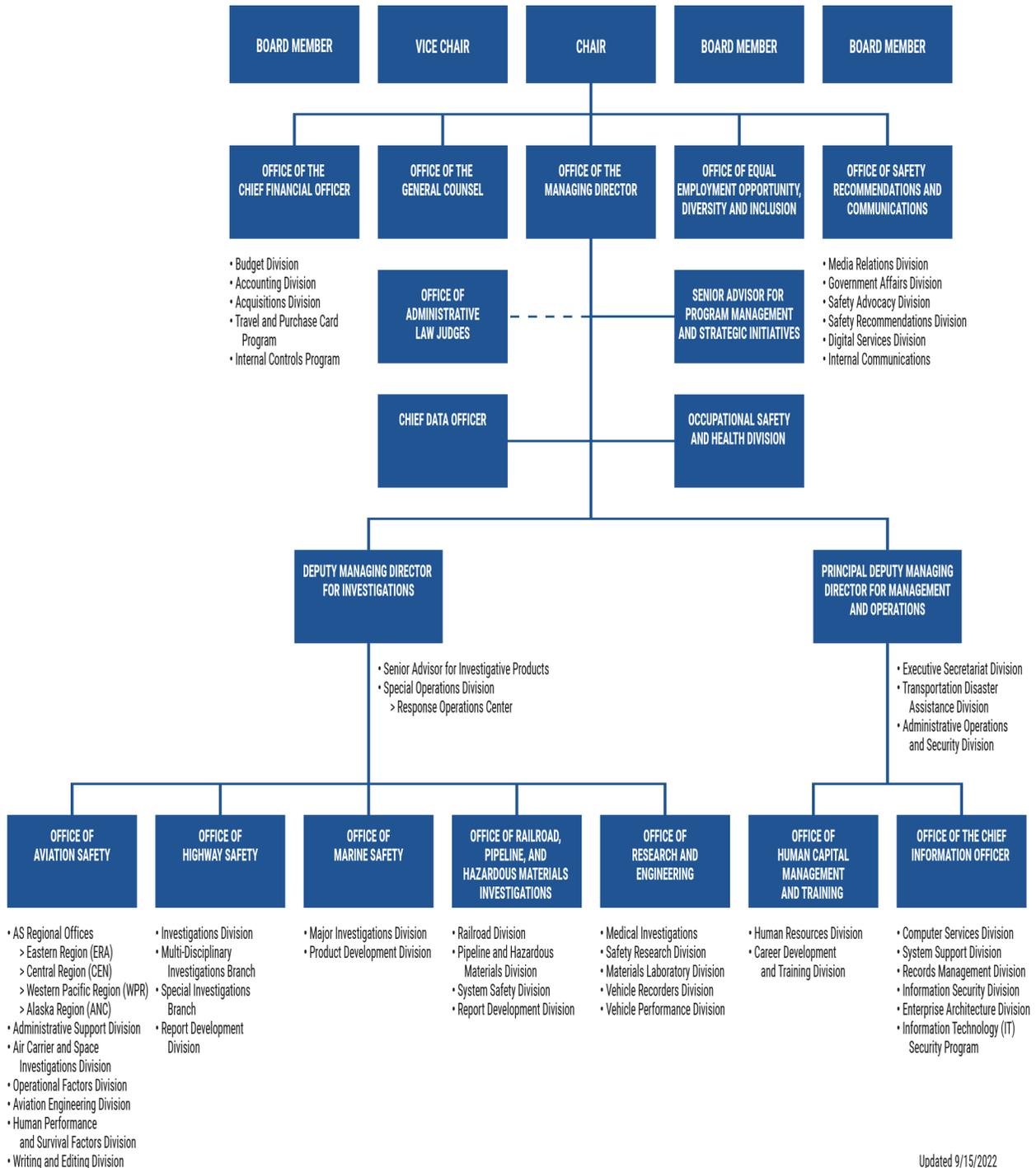


Figure 1. NTSB Organization and Program Structure Chart

Updated 9/15/2022

Chair, Vice Chair, and Board Members

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

The chair, vice chair, and Board members preside at agency Board meetings; review and approve NTSB reports, safety studies, and safety recommendations; provide appellate review of FAA certificate and certain civil penalty actions, as well as US Coast Guard license actions; and act as spokespersons at accident scenes. They also advocate for specific safety recommendations with the transportation community, other federal agencies, state and local governments, and the public.



Figure 2. National Transportation Safety Board members during meeting on the December 26, 2019, air tour helicopter crash near Kekaha, Hawaii, which killed six people. Washington, DC (May 10, 2022).

Program Description

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

Office of the Managing Director

The Office of the Managing Director assists the chair in the discharge of the executive, investigative, and administrative functions of the agency. The office coordinates the activities of the entire staff, manages the day-to-day operation of the agency, develops policies, and recommends plans to achieve program objectives. The managing director is responsible for the overall leadership, direction, and performance of the agency. In this capacity the managing director oversees two deputy managing directors and the senior advisor for policy and strategic initiatives. The Office of the Managing Director comprises the Office of Aviation Safety, the Office of Highway Safety, the Office of Marine Safety, the Office of Railroad, Pipeline and Hazardous Materials, the Office of Research and Engineering, the Office of Administrative Law Judges, the Office of Human Capital Management and Training, and the Office of the Chief Information Officer.

The *Office of Aviation Safety*-

- Investigates all air carrier, commuter, and air taxi accidents and certain serious incidents; fatal and nonfatal general aviation accidents and serious incidents; unmanned aircraft systems (UAS) and public aircraft accidents and serious incidents; and commercial space launch/reentry accidents.
- Participates in the investigation of aircraft accidents that occur in foreign countries involving US carriers, US-manufactured or -designed equipment, or US-registered aircraft to fulfill US obligations under ICAO agreements.



Figure 3. The forward section of the fuselage of a TransAir B-737 as it is recovered onto a barge from the Pacific Ocean about 2 miles from Ewa Beach near Honolulu, Hawaii. The cargo jet was ditched after the flight crew reported engine anomalies shortly after departing Daniel K. Inouye International Airport on July 2, 2021.

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

The Office of Aviation Safety conducts investigative activities through five specialty divisions based in Washington, DC, and a regional investigation management structure consisting of four regions. Investigators are located throughout the country. International aviation activities are coordinated from the Washington, DC, office. The Office of Aviation Safety comprises the Air Carrier and Space Investigations Division, the Operational Factors Division, the Aviation Engineering Division, the Human Performance/Survival Factors Division, the Writing and Editing Division, and the Administrative Support Division.

The *Office of Highway Safety* investigates crashes that have significant safety implications nationwide, highlight national safety issues, involve the loss of numerous lives, or generate high interest because of emerging technologies or their circumstances. Such investigations may focus on collapses of bridges spanning roadways or tunnel structures, mass casualties and injuries on public transportation vehicles (such as motorcoaches and school buses), and collisions at highway-railroad grade crossings. This office also investigates crashes that involve new safety issues or technologies (such as automated vehicles and alternatively fueled vehicles), and develops special reports based on trends emerging from NTSB investigations and from research and data that identify common risks or underlying causes of crashes, injuries, and fatalities.

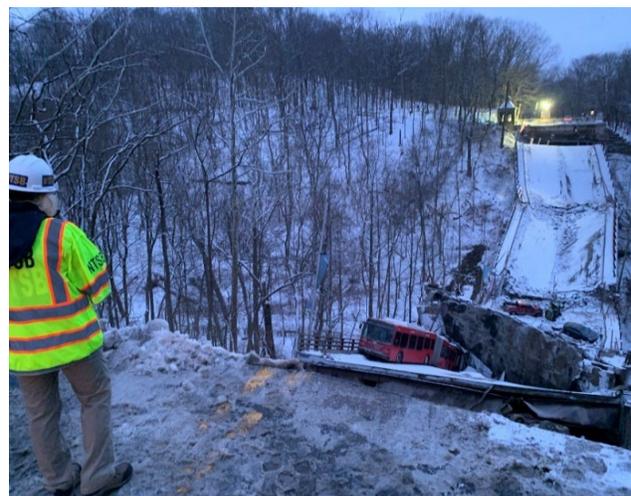


Figure 4. Chair Homendy on-scene on January 29, 2022, as the NTSB investigates the collapse of the Fern Hollow Bridge in Pittsburgh, Pennsylvania. Several vehicles were on the bridge when it collapsed, resulting in injuries to 10 vehicle occupants.

The NTSB is the only organization that performs independent, comprehensive, and transparent multidisciplinary investigations to determine the probable causes of highway crashes, with the goal of making recommendations to prevent similar events and to reduce injuries and fatalities. Our investigations result in recommendations that, if implemented, reduce, or eliminate the risks identified in the investigations and provide policymakers with unbiased analysis. The Office of Highway Safety comprises the Investigations Division and the Report Development Division.

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

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

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

The office is also responsible for the overall management of the NTSB's international marine safety program, under which the office investigates major marine casualties involving foreign-flagged vessels in US territorial waters and those involving US-flagged vessels anywhere in the world. Accidents involving foreign-flagged vessels accounted for 29 percent of NTSB marine casualty investigations over the past 5 years. Under the International Maritime Organization (IMO) *Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident*, the office also participates with the US Coast Guard as a substantially interested State (SIS) in investigations of serious marine casualties involving foreign-flagged vessels in international waters. The international program involves reviewing US administration position papers related to marine accident investigations and participating in select IMO sub-committee meetings.



Figure 5. Engine room fire aboard the yacht *La Dolce Vita* while anchored near Marquesas Keys in the Gulf of Mexico. The NTSB released Marine Investigation Report 22/16 on May 26, 2022, detailing our investigation of the fire. (Source: Captain of *La Dolce Vita*).

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

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

The Office of Marine Safety comprises the Marine Investigations Division and the Product Development Division.

The *Office of Railroad, Pipeline and Hazardous Materials* comprises four divisions: Railroad, Pipeline and Hazardous Materials, System Safety, and Report



Figure 6. NTSB investigator documenting damage to the train involved in the grade crossing collision between a Metra train and truck near Clarendon Hills, Illinois.

Development. The office investigates accidents involving railroads, pipelines, and hazardous materials, and evaluates the associated emergency response. Based on the findings of these investigations, the NTSB may issue safety recommendations to federal and state regulatory agencies, unions, industry and safety standards organizations, carriers and pipeline operators, equipment and container manufacturers, producers and shippers of hazardous materials, and emergency response organizations. The office may also issue safety alerts to industry.

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

The NTSB serves as the court of appeals for airmen, aircraft mechanics, air traffic controllers, air carriers, repair facilities, and any other individual or entity against whom the FAA has taken a certificate action, and for mariners against whom the US Coast Guard has taken a certificate action.

The agency's **Administrative Law Judges** hear, consider, and issue initial decisions on administrative appeals regarding FAA aviation enforcement actions. Included are appeals of—

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

The judges also adjudicate claims under the Equal Access to Justice Act for fees and expenses stemming from FAA certificate and civil penalty actions.

The Office of Administration, which provides administrative support to NTSB programs, was renamed the **Office of Human Capital Management and Training** in FY 2022. The office, under the leadership of a Chief Human Capital Officer, is responsible for setting the NTSB's workforce development strategy and aligning human resources policies with the agency's mission, strategic goals, training, and performance outcomes. Two divisions carry out the office's work: the Human Resources Division, and the Career Development and Training Division.

The **Office of the Chief Information Officer** provides strategic direction and operational support for NTSB information systems and develops and distributes programs and products for use by the agency and the public. The office consists of four divisions (the Computer Services Division, the Systems Support Division, the Records Management Division, and the Enterprise Architect Division) and two program areas (the Chief Technology Officer Program, and the Information Technology (IT) Security Program).

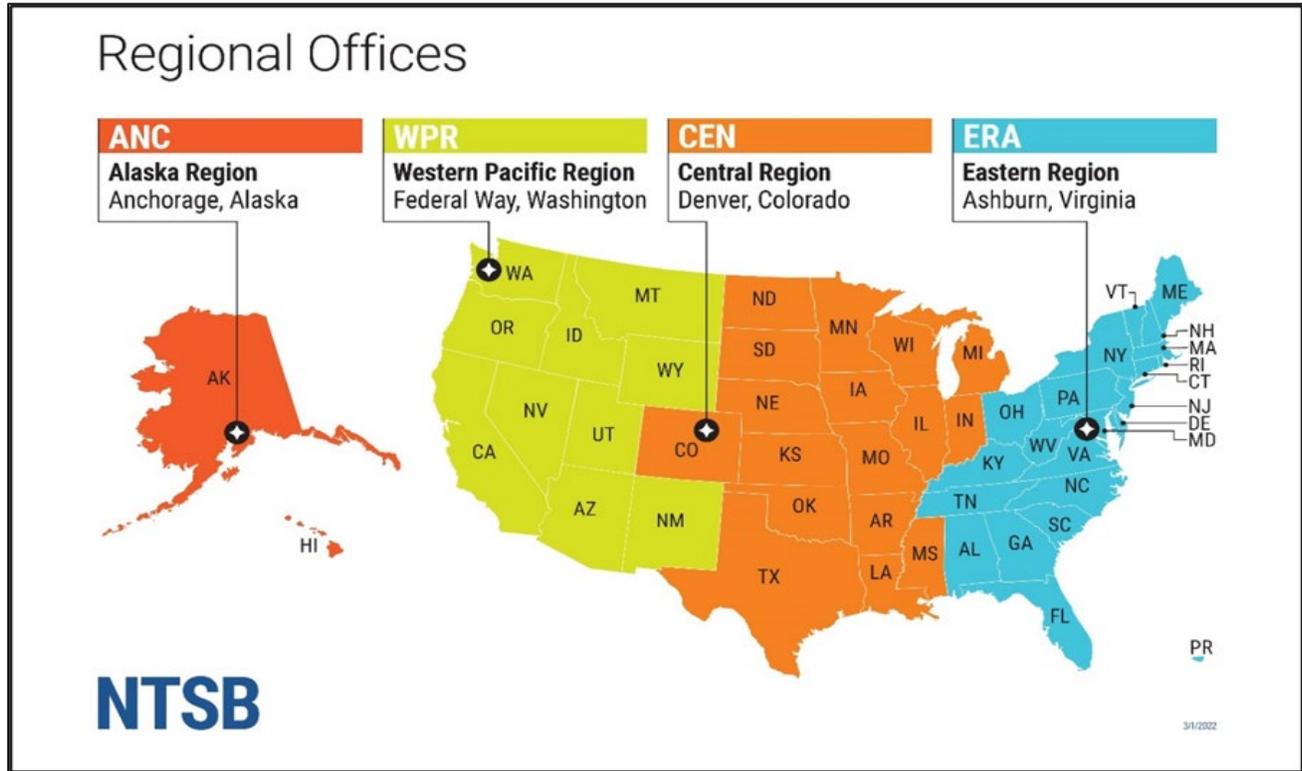
The ***Office of the General Counsel*** serves as the chief legal officer of the agency and ensures the proper implementation of the NTSB's statutory responsibilities relating to transportation safety. Specifically, the office advises agency officials on legal and policy issues arising under the NTSB's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

The ***Office of the Chief Financial Officer*** manages the agency's financial resources, develops NTSB budget requests for submission to the OMB and Congress, executes the budget for resources appropriated to the NTSB by Congress, prepares the agency's financial statements as required by the Accountability of Tax Dollars Act, and oversees the property and inventory control programs and the agency's travel and purchase card programs. The office is also responsible for agency accounting and financial policy and for overseeing internal controls to comply with the requirements of FMFIA. Additionally, the office directs the NTSB acquisition program, awards, and administers contracts and agreements, awards, and manages real property leases for NTSB headquarters and regional offices, and provides customers with acquisition guidance and training. The Office of the Chief Financial Officer is comprised of the Budget Division, the Acquisitions Division, the Accounting Operations Division, and the Internal Controls and Compliance Division.

The ***Office of Equal Employment Opportunity (EEO), Diversity, and Inclusion*** advises and assists the NTSB chair and office directors in carrying out their responsibilities related to Title VII of the Civil Rights Act of 1964, as amended, and other laws, executive orders, and regulatory guidelines affecting diversity development, and the processing of EEO complaints. These services are provided to managers, employees, and job applicants through a combination of full-time staff, collateral-duty employees, and volunteer managers of our special emphasis programs. To maintain the integrity and impartiality of the agency's EEO complaints resolution program, external EEO counselors and investigators are contracted to help employees and job applicants who file formal or informal complaints of alleged discrimination. In addition, the office manages an alternative dispute resolution program. The office's services also include providing required educational training to NTSB staff, raising diversity awareness at the agency, engaging in targeted outreach, helping with internal recruitment initiatives, and providing career enhancement advisory services.

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

Location of Aviation Safety Regional Offices



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

Figure 7. NTSB’s Aviation Safety Regional Field Offices

Sources of Funds

As provided for in 5 U.S.C. 3109, the NTSB receives an annual Salaries and Expenses appropriation. For 2022, the NTSB’s enacted appropriation was \$121,400,000. In addition, the NTSB received \$505,528 in discretionary reimbursable spending authority for reimbursable activities with other federal agencies, state, and local governments and the public, for services determined to be

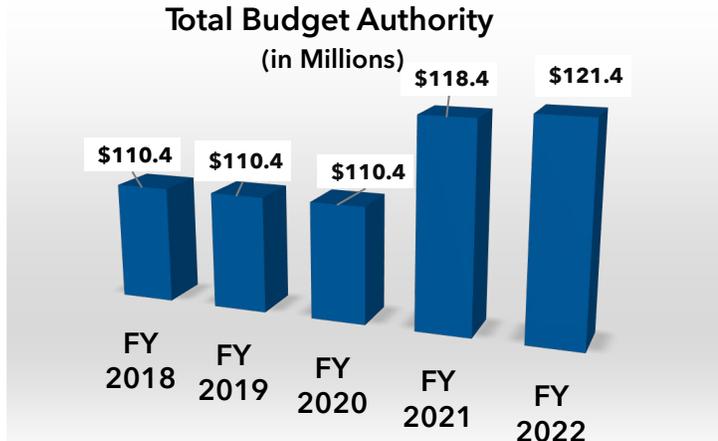


Figure 8. Budget Authority

appropriately provided by the NTSB. All fees imposed for services are to be credited as offsetting collections to the account that financed the activities and services. Fees collected are available only to pay the costs of activities and services for the fees imposed and remain available until expended.

The NTSB’s FY 2022 obligations by personnel and non-personnel costs are represented by the chart below. Personnel costs, which primarily comprise salaries and employee benefits, counted for 70 percent of NTSB costs. The remaining 30 percent was spent on non-personnel items such as equipment and infrastructure, software, hardware, office rent, building security, travel, and other related costs.

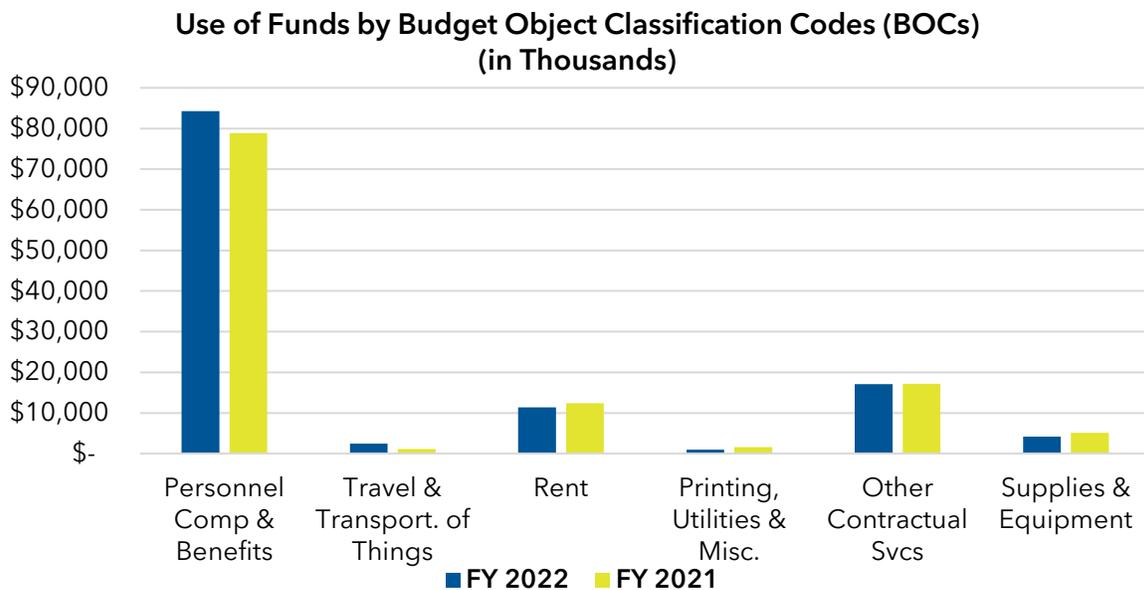


Figure 9. Salaries and Expenses Appropriation Fund by Budget Object Classification

Performance Goals, Objectives, and Results

Strategic Goals Overview

The NTSB’s Annual Strategic Performance Plan outlines our strategies to achieve agency priorities, promote organizational change, and improve agency performance. The FY 2022 plan provides stakeholders—the traveling public, the transportation industry, government agencies, and Congress—with a comprehensive view of our goals and objectives for the fiscal year. In addition, the plan draws a clear line from our mission through performance metrics and targets to our goals, objectives, and key performance indicators guided by our FY 2022–2026 Strategic Plan and complies with the Government Performance and Results Act Modernization Act (GPRAMA) of 2010 and [OMB Circular A-11, Part 6](#).

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

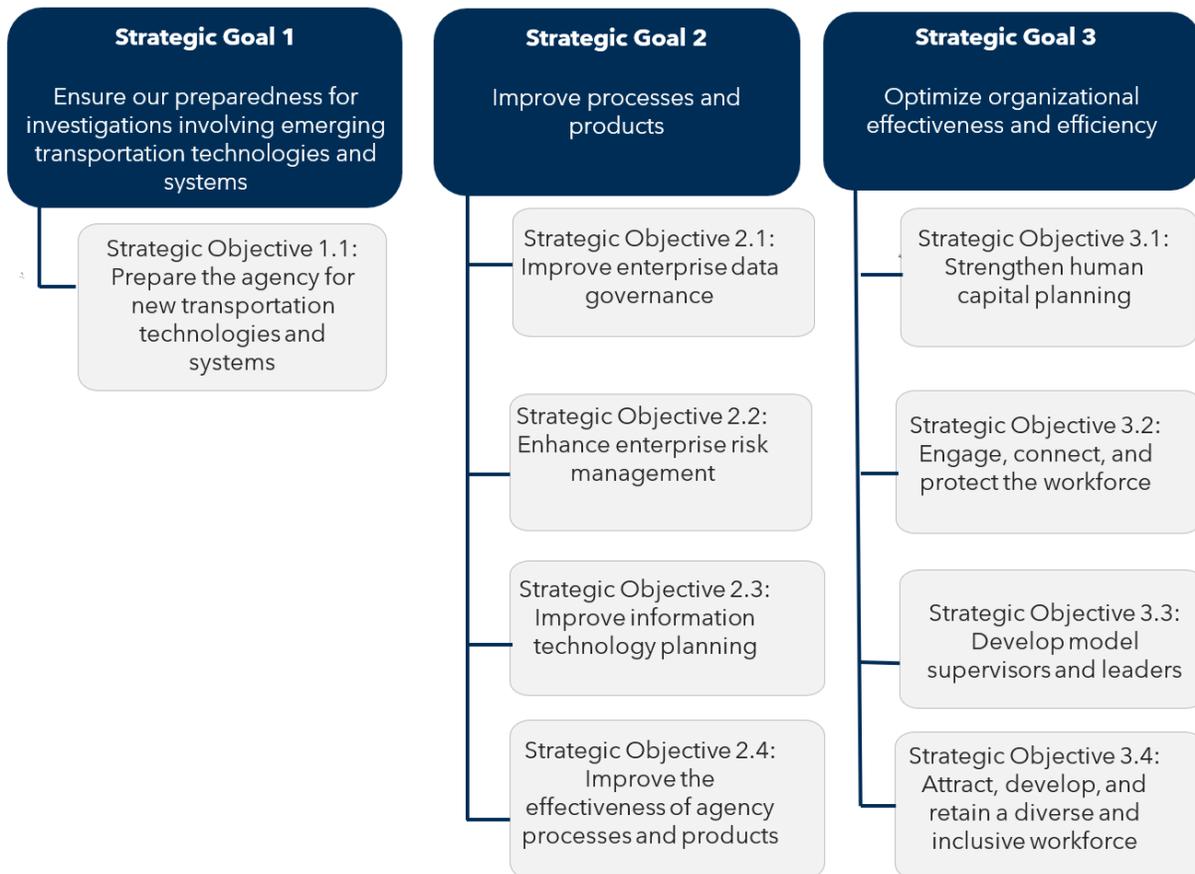


Figure 10. NTSB Strategic Goals and Objectives

Strategic Performance Management

In accordance with the GPRA Modernization Act and OMB [Circular A-11, Part 6](#), our current strategic management process and performance framework started with our new [FY 2022-2026 Strategic Plan](#). The yearly plan serves as the foundation for establishing long-term priorities and developing performance goals, objectives, and metrics that gauge our success. This strategic management process demonstrates progress toward our performance goals and priorities and was measured using quarterly reviews and data analysis. We are optimistic that our results-oriented culture will continue to evolve and promote better governance in the future, leading to further improvements in transportation safety. The figure below depicts the cyclical process map of how we measure success.

NTSB Strategic Management Process Map

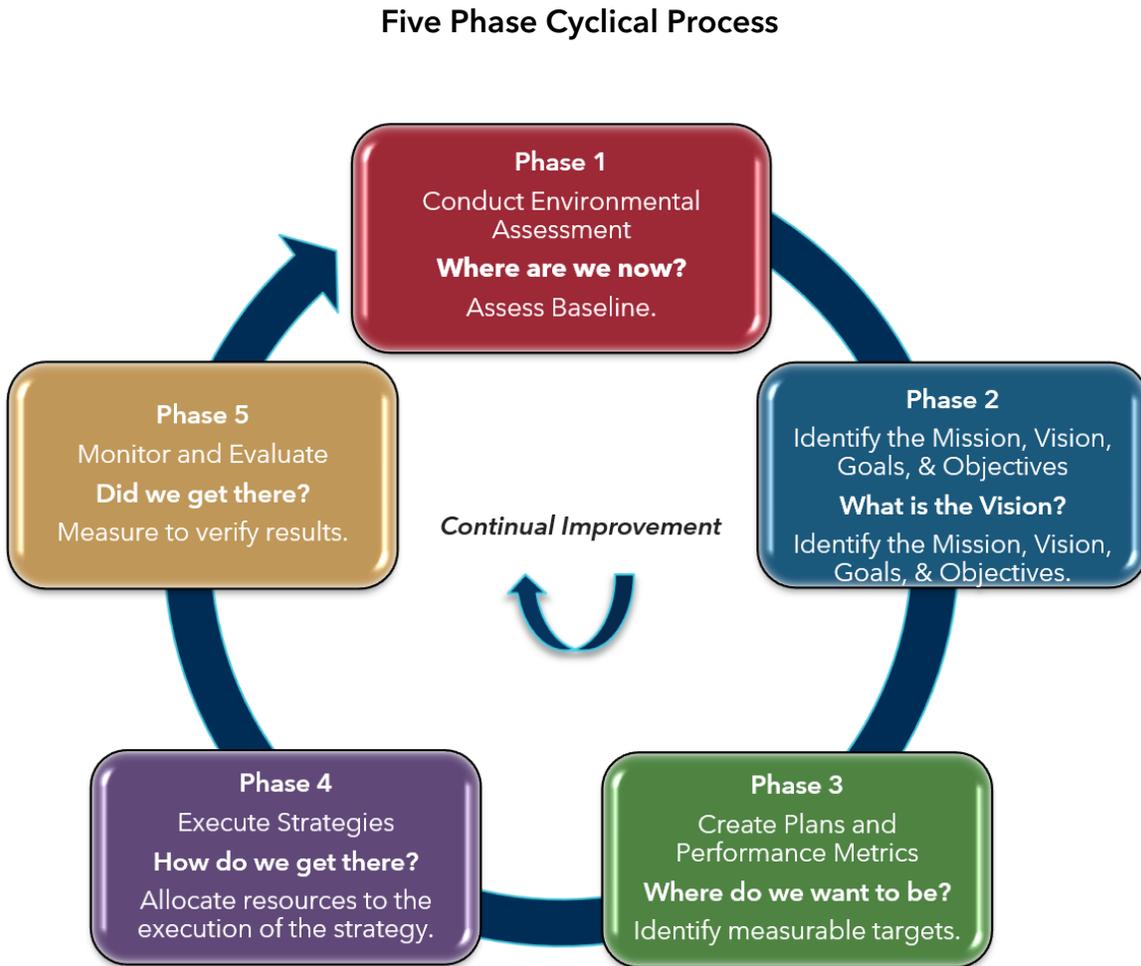


Figure 11. Strategic Management Process Map

Management Review

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

Data Management

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

Measuring our Success

The FY 2022 Annual Strategic Performance Plan served as the foundation for establishing long-term and outcome-related priorities and for developing performance goals, objectives, and metrics by which we gauged our success. We developed a performance-based culture on which agency management and staff have focused for several years.

We defined our performance goals annually and evaluated our progress toward achieving them through performance metrics. We regularly collected and analyzed performance metric data to inform decisions through quarterly reviews with senior leadership and staff. Such focus promoted active management and staff engagement across the organization. As we continually improve our processes, we demonstrate more outcome-related performance results and effectively used the resources entrusted to the agency. Our results-oriented culture will continue to evolve and promote better governance in the future, leading to further improvements in transportation safety.

Key Challenges Affecting Achievement of Strategic Goals

Our ability to achieve our strategic goals was influenced by the changing balance of the transportation industry; by the activities of other federal, state, and local government; by shifts in national priorities; and by the availability of resources. Our challenges included the COVID-19 pandemic and recruiting, retaining, and developing a highly skilled and diverse staff, particularly when competing with the private sector.

Addressing Our Challenges

We addressed the challenges described above through effective long-range planning, open communication, and improved employee engagement. Long-range planning in human capital management and core operations ensures that we are

ready to deal with future investigative needs. Effective communication at all levels of the organization improves planning and process. We devoted time and resources to thinking strategically, promoting employee engagement, and encouraging staff development. With the creation of our internal agency website, InsideNTSB, we have established a broader communication tool for employees to stay informed and provide feedback to the agency.

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

Performance Management and Reporting

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

FY 2022 Performance Metrics Results at A Glance

Strategic Goal	Strategic Objective	Performance Metric	Exceeded, Met, Not Met, Reassessed
Goal 1: Ensure our preparedness for investigations involving emerging transportation technologies and systems	1.1: Prepare the agency for new transportation technologies and systems	1.1.1 Establish a multimodal team to study emerging transportation technologies	Met
Goal 2: Improve processes and products	2.1 Improve enterprise data governance	2.1.1 Capture expanded labor cost accounting data from new time-and-attendance platform	Exceeded
		2.1.2 Publish agency-wide records program	Met
		2.1.3 Complete agency-wide data maturity assessment	Exceeded
	2.2 Enhance enterprise risk management	2.2.1 Submit agency risk profile to OMB	Reassessed
	2.3 Improve information technology planning	2.3.1 Establish a Capital Planning Investment Control Council	Met
	2.4 Improve the effectiveness of agency processes and products	2.4.1 Document new Board meeting format process	Met
		2.4.2 Examine administrative law	Reassessed

Figure 12. Strategic Goals and Results

Strategic Goal	Strategic Objective	Performance Metric	Exceeded, Met, Not Met, Reassessed
		judge hearing venues	
		2.4.3 Conduct NTSB safety summits	Met
Goal 3: Optimize organizational effectiveness and efficiency	3.1 Strengthen human capital planning	3.1.1 Establish chief human capital officer hiring strategy	Exceeded
		3.1.2 Create a data system to support the tracking and analysis of staffing levels and hiring actions	Exceeded
		3.1.3 Establish human resources customer service feedback improvements	Met
	3.3: Build model supervisors and leaders	3.3.1 Implement strategic career development roadmaps	Met
	3.4 Attract, develop, and retain a diverse and inclusive workforce	3.4.1 Implement diversity, equity, inclusion, and accessibility educational training series	Exceeded

Looking Forward

The NTSB is committed to its mission of making transportation safer and remains steadfast in its advocacy for safety improvements. The delivery of the mission is influenced by the fast pace of technological advances that present transformative opportunities and challenges in the transportation industry. The agency's strategic plan identifies these challenges and sets the agency on a course to address them.



Workforce for the Future of Transportation Safety

Emerging transportation technologies and systems present opportunities and challenges for the future of transportation safety. One challenge is to remain up to date with evolving technologies and continually prepare the agency workforce with advanced investigative techniques.

Talented professionals are the cornerstone of the work performed by the NTSB. The agency relies on the expertise of its highly skilled, knowledgeable, and dedicated workforce to make recommendations to improve transportation safety. Preparing for future investigative needs by enhancing employee training and development is essential to the mission.

The agency's strategic plan reflects a forward-looking vision toward workforce development and training that ensures workforce skills are relevant and remain aligned with changing trends. To meet workforce needs, the agency has established the Office of Human Capital Management and Training, which includes the Career Development and Training Division; this division focuses on employee training and development opportunities that highlight transportation and leadership challenges of the future.

In addition to strengthening current staff, an expanded workforce is needed to meet demands of mission critical work and new duties in the most recent reauthorization. The agency's human capital planning is engaged in comprehensive strategic workforce planning and analysis to refine future workforce needs. The agency's selection of an experienced chief human capital officer will lead the human capital vision, particularly for recruiting high-performing, diverse personnel.

People are the NTSB's primary resource, and the agency is committed to investing in initiatives designed to support the future needs of its workforce.

Technological Modernization for the Future

The accomplishment of the agency's safety transportation mission is supported by the integrity, relevance, and availability of data. Evolving IT also presents the agency with opportunities and challenges in support of the mission.

The processing of agency data impacts everything from investigations to management and business operations. Advances in software development, modern IT systems, and robust cybersecurity are critical. The agency's strategic plan approaches IT investments with a long-term view of the future. Furnishing advanced software tools facilitates analysis of increasingly complex safety data and improves investigative processes. The agency is looking forward to technology resources that can fully optimize software, enhance data analytics capabilities, and upgrade and consolidate systems. We are also leveraging gains made to IT systems, connectivity, and productivity during the COVID-19 pandemic.

A strong cybersecurity program is also necessary to protect agency data, systems, and proprietary information. We continue to pursue cybersecurity resources that mitigate threats, protect against malware, and improve the security capability of the cybersecurity team.

Highlights and Analysis of Financial Statements and Results

The NTSB's FY 2022 and FY 2021 financial statements report the agency's financial position and the results of operations on an accrual basis. These annual financial statements comprise a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources, along with related notes that provide a clear description of the agency, our mission, and the significant accounting policies used to develop the statements.

Limitations of the Financial Statements

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

Analysis of Financial Statements

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

In Millions of Dollars	FY 2022	FY 2021	Change	% Change
Assets:				
Fund Balance with Treasury	\$ 43.9	\$ 45.4	\$ (1.5)	-3%
Accounts Receivable, Net	0.1	0.1	-	0%
Property, Plant, and Equipment, Net	6.4	7.2	(0.8)	-11%
Total Assets	\$ 50.4	\$ 52.7	\$ (2.3)	-4%
Liabilities:				
Accounts Payable	6.5	4.4	2.1	48%
Federal Employee Benefits	18.6	21.7	(3.1)	-14%
Capital Lease Liability	1.6	3.4	(1.8)	-53%
Other Liabilities	0.1	0.1	-	0%
Total Liabilities	\$ 26.8	\$ 29.6	\$ (2.8)	-9%
Unexpended Appropriations	25.1	26.2	(1.1)	-4%
Cumulative Results of Operations	(1.5)	(3.1)	1.6	-52%
Net Position	\$ 23.6	\$ 23.1	\$ 0.5	2%
Total Liabilities and Net Position	\$ 50.4	\$ 52.7	\$ (2.3)	-4%

Figure 13. Analysis and Key Changes for the Balance Sheet

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

Statement of Net Cost

The Statement of Net Cost represents the net cost to operate the agency. Net costs are composed of gross costs less earned revenues and are reported by the NTSB’s major programs. The NTSB’s FY 2022 net cost of operations was \$123.1 million: \$123.4 million in gross costs less \$0.3 million in earned revenues.

In Millions of Dollars	FY 2022	FY 2021	Change	% Change
Cost by Programs:				
Aviation Safety	\$ 56.4	\$ 53.0	\$ 3.4	6%
Surface Transportation Safety	41.0	38.2	2.8	7%
Research & Engineering	26.0	23.7	2.3	10%
Less: Earned Revenue	(0.3)	(0.7)	0.4	-57%
Net Cost of Operations	\$123.1	\$114.2	\$ 8.9	8%

Figure14. Key Changes for the Statement of Net Cost

Statement of Changes in Net Position

The Statement of Changes in Net Position reports the changes in net position during the reporting period. Net position is the sum of the agency’s Unexpended Appropriations and Cumulative Results of Operations. The NTSB ended FY 2022 with a net position total of \$23.6 million. This represents a change of \$0.5 million or 2%.

Statement of Budgetary Resources

The Statement of Budgetary Resources focuses on how budgetary resources (appropriated and reimbursable) were made available, the status of those resources (obligated or unobligated) at the end of the reporting period, and the relationship between the budgetary resources and outlays (collections and disbursements). The NTSB’s FY 2022 budgetary resources totaled \$143.6 million and consisted of current year budget authority funds of \$121.7 million and an unobligated balance from prior year budget authority, net (discretionary and mandatory) of \$21.9 million.

In Millions of Dollars	FY 2022	FY 2021	Change	% Change
Unobligated Balance from Prior Year Budget Authority, Net	\$ 21.9	\$ 18.0	\$ 3.9	22%
Appropriations	121.4	118.4	3.0	3%
Spending Authority from Offsetting Collections	0.3	0.7	(0.4)	-57%
Total Budgetary Resources	\$143.6	\$137.1	\$ 6.5	5%

Figure15. Key Changes for the Statement of Budgetary Resources

Management Assurances

The Chair of the National Transportation Safety Board's Fiscal Year 2022 Statement of Assurance, provided below, is the final report produced by the agency's annual assurance process.

National Transportation Safety Board

Office of the Chair
Washington, DC 20594



October 3, 2022

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

Dear Mr. President:

I am pleased to report on the effectiveness of the National Transportation Safety Board's (NTSB) internal controls and financial management systems for Fiscal Year (FY) 2022. This report is based on our compliance with the Federal Manager's Financial Integrity Act, Federal Financial Management Improvement Act, Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," and the Government Charge Card Abuse Prevention Act.

The NTSB can provide reasonable assurance that its programs and resources are protected from waste and mismanagement. In my judgment, the NTSB has achieved the intent of the above-listed laws to manage risks and prevent problems through systematic review and evaluation of our agency's programs and operations and through management and financial controls. This assurance is based on our office directors' management control assurance memoranda, program office strategic and operating plans, agency-wide surveys, and management's responses to risk assessments prepared in accordance with OMB guidance provided in Circular A-123. As of September 30, 2022, we have no material weaknesses to report.

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

Management Assurances

2

which the NTSB bases critical decisions. I am proud to report that the NTSB anticipates achieving its 20th unmodified opinion ("clean audit") on the audited consolidated financial statements for fiscal year 2022.

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

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Homendy". The signature is written in a cursive style.

Jennifer Homendy
Chair

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

Internal Control Framework

As discussed in the Chair's FMFIA Statement of Assurance, the NTSB has no material weaknesses or non-conformances to report for FY 2022. No new material weaknesses or significant non-conformances were identified for the past 7 years, nor were there any existing unresolved weaknesses requiring corrective action. The NTSB has achieved the intent of the act to prevent problems through systematic review and evaluation of the agency's programs and operations, and through management and financial controls.

The NTSB conducts an annual review of the adequacy of our management accountability and controls program in accordance with the FMFIA and revised OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control. The agency provides reasonable assurance that internal controls over the effectiveness and efficiency of operations, reliable financial reporting, and compliance with applicable laws and regulations were effective and that, accordingly, our programs and resources are protected from waste, fraud, abuse, and mismanagement. This assurance includes certification that the appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge-card practices. The results of this review are included in the chair's Statement of Assurance sent to the president on September 30, 2022.

The chair's assurance is based on NTSB Office Director Management Control Assurance Memoranda and NTSB responses to Office Directors' Risk Assessments for an accountability unit, conducted in accordance with the guidance contained in OMB Circular A-123.

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

The CFO provides guidance on internal control assessments, including identifying scope and methodology, reviewing assessable unit risk assessments, and validating that corrective action plans are developed for all weaknesses identified and are monitored for completion.

The SMOC also serves as the NTSB's governing body for Enterprise Risk Management (ERM) activities. The SMOC determines the NTSB's risk priorities using the ERM framework, which guides the agency to implement strategies to ensure

effective use of resources, enable an optimized approach to the identification and remediation of compliance issues, and promote reliable reporting and monitoring agency wide. A chief risk officer leads the implementation of the ERM program.

The NTSB also relies on the findings and results of audits and studies conducted by the DOT Office of the Inspector General; the US Government Accountability Office; independent audits of service providers' operations and financial systems performed in accordance with Statement on Standards for Attestation Engagements 18; and the results of our financial statement audit conducted under the auspices of the Chief Financial Officers Act, as amended by the Accountability of Tax Dollars Act of 2002, and OMB Circular A-136.

The NTSB continues to focus on our IT security program and compliance with the Federal Information Security Management Act (FISMA). The agency also continues to maintain an information security program to manage IT in accordance with National Institute of Standards and Technology requirements and has developed, documented, and implemented an agency-wide information security program as required by OMB Circulars A-127 and A-130 and FISMA. In FY 2022, an independent audit found the NTSB in compliance with FISMA requirements.

Anti-Deficiency Act (ADA)

The ADA prohibits federal employees from obligating more funds than are available under an appropriation, or before funds are available, or from accepting voluntary services. The NTSB did not identify and report any ADA violations in FY 2022. As required by the ADA, the agency would notify all appropriate authorities of any ADA violations if one occurred.

Digital Accountability and Transparency Act (DATA) of 2014

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

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

NTSB Financial Management Systems

The NTSB's financial management systems framework is driven by the objectives of Strategic Goal 2, Strategic Objective 2.1, of improving enterprise data governance. The use of data analytics allows for the development of an operational and management strategy to inform decision-making. The system framework is designed to provide outstanding mission support by efficiently using and managing agency resources, and it emphasizes the agency's challenge to provide accurate, timely, and useful financial information to agency managers and staff to support effective decision-making.

The NTSB obtains hosting and application management services for its core financial system from the Department of the Interior, Interior Business Center (IBC), a federal shared-service provider. The core financial management system is based on Oracle U.S. Federal Financials, Release 12.2.7; the agency uses the general ledger, accounts payable, budget execution, acquisition, and reporting capability modules of the system.

The NTSB uses the IBC's Federal Personnel/Payroll System (FPPS) services to process our payroll and personnel applications. The FPPS is a mainframe-based, portable, integrated, on-line, and real-time personnel and payroll system. It is customer-driven, creating, and generating the complete cycle of personnel and payroll transactions delivered in compliance with the Financial Systems Integration Office, the Office of Personnel Management's (OPM) Enterprise Human Resources Integration, and human resources and payroll systems requirements for payroll management activities. Financial data from FPPS is interfaced into the core financial management system on a biweekly basis.

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

Message from the Chief Financial Officer



I am proud to join Chair Homendy in presenting the NTSB's Performance and Accountability Report (PAR) for FY 2022. For the 20th consecutive year, the NTSB received an unmodified opinion on our financial statements from our independent auditors. No material weakness or significant deficiencies were identified or reported by the auditors.

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

Looking forward, we remain steadfast in our commitment to sustaining progress in our financial statement audits, strengthening internal controls, reducing manual processes, and improving data quality and reporting. We are committed to maintaining a robust internal controls program that allows us to identify and mitigate financial, operational, and compliance risks early; we are also committed to continuing to mature our ERM program to provide agency leadership with a portfolio view of risk that can inform decision-making and allocation of resources to achieve the agency's mission.

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

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

Looking forward to FY 2023 and beyond, we will continue to make every effort to build upon our progress of refining processes and procedures to optimize the effectiveness and efficiency of our financial operations.

Sincerely,

Edward Benthall

Edward Benthall

November 6, 2022

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



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



U.S. Department of Transportation
Office of Inspector General

Highlights

Quality Control Review of the Independent Auditor's Report on the National Transportation Safety Board's Audited Financial Statements for Fiscal Years 2022 and 2021

Required by the Accountability of Tax Dollars Act of 2002

QC2023004 | November 8, 2022

What We Looked At

We contracted with the independent public accounting firm Allmond & Company, LLC (Allmond), to audit the National Transportation Safety Board's (NTSB) financial statements as of and for the fiscal year ended September 30, 2022; provide an opinion on those financial statements; and report on internal control over financial reporting, compliance with laws, and other matters. The contract required the audit to be performed in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*. We performed a quality control review (QCR) of Allmond's report dated November 6, 2022, and related documentation, and inquired of its representatives.

What We Found

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

Our Recommendations

Allmond made no recommendations.

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

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

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



November 8, 2022

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

Dear Chair Homendy:

I respectfully submit the results of our quality control review (QCR) of the independent auditor's report on the National Transportation Safety Board's (NTSB) audited financial statements for fiscal year 2022.

We contracted with the independent public accounting firm Allmond & Company, LLC, (Allmond) to audit NTSB's financial statements as of and for the fiscal year ended September 30, 2022; provide an opinion on those financial statements; and report on internal control over financial reporting, compliance with laws, and other matters. The contract required the audit to be performed in accordance with U.S. generally accepted Government auditing standards; Office of Management and Budget audit guidance; and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*.¹ Harper Rains Knight and Company, P.A., under contract to the Office of the Inspector General, audited NTSB's fiscal year 2021 financial statements and expressed an unmodified opinion on those statements.²

Allmond's Report

In its report on the audit of NTSB's financial statements for fiscal year 2022, dated November 6, 2022, Allmond states that:

- NTSB's financial statements³ (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;

¹ *Financial Audit Manual*, volume 1 (GAO-18-601G), dated April 2020; volume 2 (GAO-18-625G), dated March 2021; and volume 3 (GAO-21-105127), dated September 2021.

² *Quality Control Review of the Independent Auditor's Report on NTSB's Audited Financial Statements for Fiscal Years 2021 and 2020* (OIG Report No. QC2022012), November 12, 2021. Our report can be found on our website, www.oig.dot.gov.

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.nts.gov/about/reports/Pages/default.aspx>.

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

- it found no material weakness⁴ in internal control over financial reporting based on the limited procedures performed; and
- there were no instances of reportable noncompliance with provisions of laws tested, or reportable other matters.

Allmond made no recommendations (see attachment 1).

Quality Control Review

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

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

Agency Comments

Allmond provided NTSB with its draft report on November 4, 2022, and received NTSB's response dated November 6, 2022 (see attachment 2).

Actions Required

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

⁴ A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

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

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

Sincerely,



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

cc: NTSB Chief Financial Officer

Report of the Independent Auditors

**NATIONAL TRANSPORTATION SAFETY BOARD
AUDIT REPORT
SEPTEMBER 30, 2022**



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

Report of the Independent Auditors



ALLMOND & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

7501 FORBES BOULEVARD, SUITE 200
LANHAM, MARYLAND 20706

(301) 918-8200
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Independent Auditors' Report

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

Report on the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NTSB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of NTSB as of and for the fiscal year ended September 30, 2021 were audited by another auditor, who expressed an unmodified opinion on those statements on November 5, 2021. These statements were not audited, reviewed, or compiled by us; accordingly, we do not express an opinion or provide any other form of assurance on them.

Report of the Independent Auditors

Independent Auditors' Report

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to 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 conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 22-01 will always detect a material misstatement 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. 22-01, our responsibilities are to exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In addition, in making those risk assessments, we obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NTSB's internal control. Accordingly, we express no such opinion.

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

Report of the Independent Auditors

Independent Auditors' Report

Required Supplementary Information (RSI)

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

Other Information

NTSB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in NTSB's Performance and Accountability Report. The other information comprises the *Message from the Chair* and *Other Accompanying Information* sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Internal Control over Financial Reporting

In connection with our audits of NTSB's financial statements as of and for the year ended September 30, 2022, we considered NTSB's internal control over financial reporting, consistent with the 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 deficiencies¹ or

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.

Report of the Independent Auditors

Independent Auditors' Report

to express an opinion on the effectiveness of NTSB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NTSB's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2022 audit, we identified a deficiency in NTSB's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency that, nonetheless, warrants management's attention. We have communicated this matter to NTSB management and, where appropriate, will report on it 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.

Responsibilities of Management for Internal Control over Financial Reporting

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

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of NTSB's financial statements as of and for the fiscal year ended September 30, 2022, 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 which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Report of the Independent Auditors

Independent Auditors' Report

Intended Purpose of Report on Internal Control over Financial Reporting

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

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

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2022 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

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 applicable 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 laws, regulations, contracts, and grant agreements applicable to NTSB. We caution that noncompliance may occur and not be detected by these tests.

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

The purpose of this report is solely to describe the scope of our testing of compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with

Report of the Independent Auditors

Independent Auditors' Report

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.

Allmond & Company, LLC

Lanham, MD
November 6, 2022

CFO's Response to the Independent Auditors' Report

National Transportation Safety Board

Office of the Chief Financial Officer

Washington, DC 20594



November 6, 2022

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

Dear Mr. Allmond:

The National Transportation Safety Board (NTSB) has reviewed the draft Fiscal Year 2022 Financial Statement Audit Report, and we concur with the audit opinion and reports on internal controls and compliance with applicable provisions of laws and regulations. We will share the final audit report with senior officials, other interested program managers and staff.

We are pleased that the NTSB's FY 2022 financial statements received an unmodified opinion, the NTSB's 20th consecutive unqualified/unmodified opinion since its FY 2002 financial statements were initially audited, pursuant to the Accountability of Tax Dollar Act of 2002. The NTSB's unmodified opinion was rendered this fiscal year with no material weaknesses or significant deficiencies identified, and no instances of non-compliance with laws and regulations.

Please convey my appreciation to everyone on your staff who worked diligently on our financial statement audit. If you have any questions or comments, please contact me or Mr. Timothy Grimsby at (202) 314-6575.

Sincerely,

Edward Benthall

Edward Benthall
Chief Financial Officer

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

Financial Statements

Balance Sheet
As of September 30, 2022 and 2021
(in dollars)

	FY2022	FY2021
Assets		
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 43,942,144	\$ 45,415,820
Total Intragovernmental	<u>43,942,144</u>	<u>45,415,820</u>
With the public:		
Accounts receivable, net (Note 3)	9,240	45,623
General property, equipment, and software, net (Note 4)	6,420,166	7,213,948
Total with the Public	<u>6,429,406</u>	<u>7,259,571</u>
Total Assets	\$ 50,371,550	\$ 52,675,391
Liabilities		
Intragovernmental:		
Accounts payable	\$ 47,215	\$ 660,350
Employer contributions and payroll taxes	370,225	949,849
Unfunded FECA liability (Note 5)	1,459,057	1,528,369
Total Intragovernmental	<u>1,876,497</u>	<u>3,138,568</u>
With the public:		
Accounts payable	6,425,323	3,767,277
Actuarial FECA liability (Note 5)	8,832,566	8,865,853
Employer contributions and payroll taxes	53,606	143,275
Accrued funded payroll & leave	1,291,091	3,269,593
Unfunded leave (Note 5)	6,587,793	6,838,921
Advances from others	113,575	103,315
Capital lease liability (Note 6)	1,567,725	3,367,348
Total with the Public	<u>24,871,679</u>	<u>26,355,582</u>
Total Liabilities	\$ 26,748,176	\$ 29,494,150
Commitments and contingencies (Note 7)		
Net Position		
Unexpended Appropriations	\$ 25,081,923	\$ 26,239,891
Cumulative Results of Operations	(1,458,549)	(3,058,650)
Total Net Position	\$ 23,623,374	\$ 23,181,241
Total Liabilities and Net Position	\$ 50,371,550	\$ 52,675,391

The accompanying notes are an integral part of these statements

Financial Statements

Statement of Net Cost
For the Years Ended September 30, 2022 and 2021
(in dollars)

	FY2022	FY2021
Gross Program Costs (Note 8)		
Aviation Safety		
Gross costs	\$ 56,438,614	\$ 52,974,498
Less: earned revenue	(138,191)	(303,379)
Net program costs	<u>56,300,423</u>	<u>52,671,119</u>
Surface Transportation Safety		
Gross costs	\$ 41,019,169	\$ 38,160,898
Less: earned revenue	(100,731)	(220,655)
Net program costs	<u>40,918,438</u>	<u>37,940,243</u>
Research & Engineering		
Gross costs	\$ 26,014,118	\$ 23,737,135
Less: earned revenue	(64,327)	(133,644)
Net program costs	<u>25,949,791</u>	<u>23,603,491</u>
Net Cost of Operations	<u>\$ 123,168,652</u>	<u>\$ 114,214,853</u>

The accompanying notes are an integral part of these statements

Financial Statements

Statement of Changes in Net Position
For the Years Ended September 30, 2022 and 2021
(in dollars)

	FY2022	FY2021
Unexpended Appropriations:		
Beginning Balances	\$ 26,239,891	\$ 22,037,603
Beginning Balance, as adjusted	26,239,891	22,037,603
Appropriations received	121,400,000	118,400,000
Other Adjustments	(1,437,381)	(1,466,896)
Appropriations used	(121,120,587)	(112,730,816)
Net Change in Unexpended Appropriations	(1,157,968)	4,202,288
Total Unexpended Appropriations: Ending	25,081,923	26,239,891
Cumulative Results of Operations:		
Beginning Balances	(3,058,650)	(5,103,583)
Beginning Balances, as adjusted	(3,058,650)	(5,103,583)
Appropriations used	121,120,587	112,730,816
Transfers-in/out without reimbursement	2,789	26,040
Imputed financing (Note 9)	3,645,377	3,502,930
Net Cost of Operations	(123,168,652)	(114,214,853)
Net Change in Cumulative Results of Operations	1,600,101	2,044,933
Cumulative Results of Operations: Ending	(1,458,549)	(3,058,650)
Net Position	\$ 23,623,374	\$ 23,181,241

The accompanying notes are an integral part of these statements

Financial Statements

Statement of Budgetary Resources
For the Years Ended September 30, 2022 and 2021
(in dollars)

	FY2022	FY2021
Budgetary Resources		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 10)	\$ 21,871,251	\$ 18,011,444
Appropriations (discretionary and mandatory)	121,400,000	118,400,000
Spending authority from offsetting collections (discretionary and mandatory)	335,299	654,292
Total Budgetary Resources	\$ 143,606,550	\$ 137,065,736
Status of Budgetary Resources		
New Obligations and upward adjustments (total)	120,960,490	117,854,299
Unobligated balance, end of year:		
Apportioned, unexpired accounts	13,581,126	13,258,021
Expired unobligated balance, end of year	9,064,934	5,953,416
Unobligated balance, end of year (total)	22,646,060	19,211,437
Total Budgetary Resources	\$ 143,606,550	\$ 137,065,736
Outlays, Net		
Outlays, Net	121,436,294	110,503,228
Agency Outlays, Net (discretionary and mandatory)	\$ 121,436,294	\$ 110,503,228

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Classified Activities

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

C. Basis of Accounting and Presentation

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

The following budget terms are commonly used:

- Appropriations is a provision of law authorizing the expenditure of funds for a given purpose.
- Budgetary resources are amounts available to incur obligations in a given year.
- Offsetting collections are payments to the Government that are authorized to be spent for the purposes of the account without further action by Congress. They usually result from businesslike transactions with the public.
- Obligations are binding agreements that will result in outlays, either immediately or in the future.

- Gross outlays are payments to liquidate an obligation and are the measure of Government spending.
- Net outlays equal gross outlays minus certain kinds of receipts or collections that are reported as negative amounts on the outlay side of the budget.

The NTSB's financial statements are prepared from the books and reports of the NTSB in accordance with US GAAP for the federal government and OMB Circular A-136. Throughout these financial statements, assets, liabilities, revenue, and costs have been classified according to the type of entity with which the transactions are associated. For example, assets and liabilities resulting from transactions with other federal entities are classified as intragovernmental assets and liabilities. Intragovernmental costs are payments or accrual to other federal entities, and intragovernmental earned revenues are collections or accrual of revenue from other federal entities. The NTSB's statements are to be read with the understanding that they are produced for a component of the federal government, a sovereign entity.

D. Use of Estimates

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

E. Assets

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

Fund Balance with Treasury

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

Accounts Receivable

NTSB accounts receivable represents amounts due for services rendered or from overpayments to current and non-current employees and from vendors. The agency maintains an allowance for doubtful accounts for public receivables based on

past collection experience. The allowance for doubtful accounts is reviewed and adjusted quarterly.

F. Property and Equipment

General Property and Equipment

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

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

Bulk Purchases

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

Aggregate Purchases

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

Leasehold Improvements

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

Capital Lease Assets

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

Internal Use Software

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

G. Liabilities

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

Accounts Payable

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

Accrued Payroll and Benefits

Accrued payroll and benefits represent salaries, wages, and benefits earned by employees but not disbursed as of September 30, 2022. Accrued payroll and benefits are payable to employees and are therefore not classified as intragovernmental. Employer contributions and payroll taxes payable are classified as both intragovernmental and with the public.

Annual, Sick, and Other Leave

Annual leave is recognized as an expense and as a liability as it is earned; the liability is reduced as leave is taken.

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

Accrued Federal Employee's Compensation Act Liability

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

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

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

H. Employee Retirement Plans

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

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

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

For each fiscal year, 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 2022 service cost exceeds contributions made by employer agencies and covered employees, the plan is not fully funded by the NTSB and our employees. The NTSB recognized imputed cost and imputed financing of \$3,645,377 and \$3,502,930 for September

30, 2022, and September 30, 2021, respectively. The NTSB made contributions of 18.4 percent of basic pay for FERS for FY 2022. For both FERS-RAE and FERS-FRAE covered employees, the NTSB made contributions of 16.6 percent of basic pay for FY 2022. New employees hired in 2013 or later were required to contribute 3.1 percent of gross earnings. New employees hired in 2014 or later are required to contribute 4.4 percent of gross earnings, dependent on their categorization as Revised Annuity Employees, or Further Revised Annuity Employees. Employees participating in FERS are covered under the Federal Insurance Contribution Act for which the NTSB contributes a matching amount to the Social Security Administration.

Thrift Savings Plan (TSP)

Employees covered by CSRS and FERS are eligible to contribute to the US government's TSP, administered by the Federal Retirement Thrift Investment Board. The NTSB makes a mandatory contribution of 1 percent of basic pay for FERS-covered employees. In addition, the NTSB makes matching contributions, of up to 5 percent of basic pay for employees who contribute to the TSP. Contributions are matched dollar for dollar for the first 3 percent of pay contributed each pay period and 50 cents on the dollar for the next 2 percent of pay. There are no percentage limits on contributions to the TSP for FERS participants. There are no percentage limits on contributions to the TSP for CSRS participants, but there is no governmental matching contribution. The maximum amounts that either FERS or CSRS employees may contribute to the plan in calendar year 2022 is \$20,500. Those who are of age 50 and older may contribute an additional \$6,500 in catch up contributions.

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

I. Contingencies

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

J. Revenues and Other Financing Sources

Appropriations

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

Annual Salaries and Expenses Appropriation

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

Supplemental Salaries and Expenses Appropriation

Congress provides supplemental appropriations to fund extraordinary investigations.

No-Year Emergency Fund Appropriation

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

Imputed Financing Sources

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

K. Statement of Net Cost

Sub-Organization Program Costs

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

Earned Revenue

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

L. Net Position

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

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

Note 2 Fund Balance with Treasury

The Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the NTSB to draw down funds from Treasury for expenses and liabilities. The Fund Balance with Treasury as of September 30, 2022, and September 30, 2021, consists of the following:

	<u>FY 2022</u>	<u>FY 2021</u>
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$ 13,581,126	\$ 13,258,021
Unavailable	9,064,934	5,953,416
Total Unobligated Balance	<u>\$ 22,646,060</u>	<u>\$ 19,211,437</u>
Obligated Balance not yet Disbursed	\$ 21,296,084	\$ 26,204,383
Total	<u>\$ 43,942,144</u>	<u>\$ 45,415,820</u>

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

Note 3 Accounts Receivable, Net

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

Accounts receivable consisted of the following as of September 30, 2022, and September 30, 2021:

	<u>FY 2022</u>	<u>FY 2021</u>
With the Public:		
Accounts Receivable	\$ 9,240	\$ 45,623
Allowance for Doubtful Accounts	-	-
Total With the Public	<u><u>\$ 9,240</u></u>	<u><u>\$ 45,623</u></u>
Total Accounts Receivable	<u><u>\$ 9,240</u></u>	<u><u>\$ 45,623</u></u>

Note 4 General Property, Equipment, and Software, Net

General property, equipment, and software consisted of that property that is used in operations and consumed over time. The following schedules summarizes cost and accumulated depreciation of property, equipment, and software as of September 30, 2022, and September 30, 2021:

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

Asset Category	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Equipment	\$ 12,872,451	\$ 9,598,170	\$ 3,274,281
Assets Under Capital Lease	23,731,941	22,645,232	1,086,709
Leasehold Improvements	250,905	104,544	146,361
Internal-Use Software	1,883,602	1,883,602	-
Software-in-Development	1,246,664	-	1,246,664
Construction-in-Progress	666,151	-	666,151
Total	<u><u>\$ 40,651,714</u></u>	<u><u>\$ 34,231,548</u></u>	<u><u>\$ 6,420,166</u></u>

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

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

Note 5 Liabilities Not Covered by Budgetary Resources

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

	FY 2022	FY 2021
Intragovernmental:		
FECA Liability	\$ 1,459,057	\$ 1,528,369
Unemployment Insurance Liability	-	-
Total Intragovernmental	\$ 1,459,057	\$ 1,528,369
With the Public:		
Capital Lease Liability	\$ 1,567,725	\$ 3,367,348
Unfunded Annual Leave	6,587,793	6,838,921
Actuarial FECA Liability	8,832,566	8,865,853
Contingent Liability (Note 8)	-	-
Total With the Public	\$ 16,988,084	\$ 19,072,122
Total Not Covered by Budgetary Resources	\$ 18,447,141	\$ 20,600,491
Total Liabilities Covered by Budgetary Resources	8,301,035	8,893,659
Total Liabilities	\$ 26,748,176	\$ 29,494,150

Capitalization of the full net present value of the Ashburn facility lease created a deficiency in 2001 funding, which was reported to OMB and Congress. OMB

subsequently provided guidance on future funding and reporting of this liability, and with the cancellation of the FY 2001 appropriation as of September 30, 2006, the budgetary account no longer reflected a deficiency. The annual Appropriation Acts include language to provide funds to make lease payments due in the current fiscal year. Consistent with GAAP, the remaining liability will remain on the general ledger until the lease is fully liquidated. The lease liability not covered by budgetary resources as of September 30, 2022, is \$1,567,725.

Note 6 Leases

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

Capital Leases

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

Summary of Assets under Capital Lease

	FY 2022	FY 2021
Land and Buildings (Training Center)	\$ 23,731,941	\$ 23,731,941
Accumulated Depreciation	(22,645,232)	(21,458,635)
Net Book Value	\$ 1,086,709	\$ 2,273,306

Description of Lease Arrangements

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

Future Payments Due for Capital Lease

Fiscal Year	Buildings
2023	\$ 2,101,200
Total Future Payments Due for Capital Lease	\$ 2,101,200
Less: Imputed Interest	(45,780)
Less: Executory Costs	(487,695)
Net Capital Lease Liability	\$ 1,567,725

Capital lease liability not covered by budgetary resources as of September 30, 2022: \$1,567,725.

Operating Leases

The NTSB has several operating leases with the GSA for office and meeting space. The GSA charges rent that is intended to approximate commercial rental rates.

Future Payments Due for Operating Leases: Non-Cancelable

Fiscal Year	Federal	Non-Federal	Total
2023	\$ 850,639	\$ -	\$ 850,639
2024	857,855	-	857,855
2025	865,288	-	865,288
2026	143,250	-	143,250
2027 and beyond	-	-	-
Total Future Payments Due	\$ 2,717,032	\$ -	\$ 2,717,032

Future Payments Due for Operating Leases: Cancelable

Fiscal Year	Federal	Non-Federal	Total
2023	\$ 9,180,056	\$ -	\$ 9,180,056
2024	9,293,958	-	9,293,958
2025	9,343,301	-	9,343,301
2026	1,795,778	-	1,795,778
2027 and beyond	3,477,683	-	3,477,683
Total Future Payments Due	\$ 33,090,776	\$ -	\$ 33,090,776

Total Future Payments Due for Operating Leases	\$ 35,807,808	\$ -	\$ 35,807,808
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Summary of Lease Arrangements

Buildings

Location	Federal/Non-Federal	Description of Operating Leases Arrangements
Headquarters Washington, DC	Federal	Headquarters and conference center leases, both of which began on December 1, 2020, and will end on November 30, 2025, subject to anticipated tax escalation in excess of the occupancy agreement.
Eastern Region Ashburn, Virginia	Non-Federal	20-year capital lease of training and meeting space beginning on August 1, 2003, and ending on July 31, 2023, subject to an increase in the annual operating expense base rate (base year utility cost rate and cost of living index adjustment). The NTSB will be exiting the facility upon lease termination and will not be renewing the lease. Training activities will be transferred to headquarters.
Central Region Denver, Colorado	Federal	Lease extension beginning December 17, 2021, and anticipated to end on January 31, 2023, after which the Central Region will move to a new facility in the Denver area. The new lease is anticipated to begin on February 1, 2023, and to end on December 16, 2037.
Western Pacific Region Federal Way, Washington	Federal	Lease of regional office space beginning September 1, 2020, and ending on August 31, 2035.
Alaska Region Anchorage, Alaska	Federal	Lease of regional office space beginning on June 1, 2016, and ending March 31, 2024.

Note 7 Commitments and Contingencies

The NTSB is involved in certain claims, suits, and complaints that have been filed or are pending. These matters are in the ordinary course of agency operations

and are not expected to have a material adverse effect on the agency’s financial operations. An accrued liability is recognized for legal claims where the loss is probable, and the amount can be reasonably estimated. For pending legal claims where the loss is reasonably possible, a liability is not recognized, however, the estimated range of loss is disclosed.

The schedule below details the number of contingent losses, any accrued liabilities, and the estimated range of loss for pending legal cases as of September 30, 2022, and September 30, 2021 (in dollars).

FY 2022

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

FY 2021

Legal Contingencies	Number of Contingent Losses	Accrued Liabilities	Estimated Range of Loss	
			Lower End	Upper End
Probable	-	\$ -	\$ -	\$ -
Reasonably Possible	4	\$ -	Estimated amount or range of potential loss is unknown	

Note 8 Suborganization Program Costs/Program Costs by Segment

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

FY 2022	Aviation Safety	Surface Safety	Research & Engineering	Consolidated Totals
Intragovernmental Gross Costs	\$16,253,000	\$ 11,958,738	\$ 7,803,549	\$ 36,015,287
Less: Intragovernmental Earned Revenue	(63,179)	(46,486)	(30,334)	(139,999)
Intragovernmental Net Costs	16,189,821	11,912,252	7,773,215	35,875,288
Gross Costs with the Public	40,185,614	29,060,431	18,210,569	87,456,614
Less: Earned Revenues from the Public	(75,012)	(54,245)	(33,993)	(163,250)
Net Costs with the Public	40,110,602	29,006,186	18,176,576	87,293,364
Net Cost of Operations	\$56,300,423	\$ 40,918,438	\$ 25,949,791	\$ 123,168,652
FY 2021	Aviation Safety	Surface Safety	Research & Engineering	Consolidated Totals
Intragovernmental Gross Costs	\$16,311,673	\$ 12,321,288	\$ 6,688,340	\$ 35,321,301
Less: Intragovernmental Earned Revenue	(135,171)	(102,104)	(55,425)	(292,700)
Intragovernmental Net Costs	16,176,502	12,219,184	6,632,915	35,028,601
Gross Costs with the Public	36,662,825	25,839,610	17,048,795	79,551,230
Less: Earned Revenues from the Public	(168,208)	(118,551)	(78,219)	(364,978)
Net Costs with the Public	36,494,617	25,721,059	16,970,576	79,186,252
Net Cost of Operations	\$52,671,119	\$ 37,940,243	\$ 23,603,491	\$ 114,214,853

Note 9 Inter-Entity Costs (Imputed Financing)

The cost of pension and other future retirement benefits are paid by OPM on behalf of the NTSB. OPM provides the rates for recording the estimated cost of pension and other future retirement benefits. These costs are reflected as imputed financing in the consolidated financial statements. Expenses of the NTSB paid or to be paid by other federal agencies on September 30, 2022, and September 30, 2021, consisted of the following:

	<u>FY 2022</u>	<u>FY 2021</u>
Office of Personnel Management:		
Pension expenses	\$ 679,869	\$ 672,454
Federal employees group life insurance (FEGLI)	8,333	7,968
Federal employee health benefits (FEHB)	2,957,175	2,822,508
Total Imputed Financing	<u>\$ 3,645,377</u>	<u>\$ 3,502,930</u>

Note 10 Statement of Budgetary Resources Disclosures

The Statement of Budgetary Resources compares budgetary resources with the status of those resources. As of September 30, 2022, budgetary resources were \$143.6 million and net agency outlays were \$121.4 million. As of September 30, 2021, budgetary resources were \$137.1 million and net agency outlays were \$110.5 million.

Net Adjustments to Unobligated Balance Brought Forward, October 1

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

	<u>FY 2022</u>	<u>FY 2021</u>
Unobligated Balance Brought Forward, October 1	\$ 19,211,437	\$ 18,023,398
Recoveries of Prior Year Obligations (Unpaid)	3,978,435	1,286,497
Other Changes in Unobligated Balance	118,760	168,445
Canceled Authority	(1,437,381)	(1,466,896)
Unobligated Balance from Prior Year Budget Authority, Net	<u>\$21,871,251</u>	<u>\$18,011,444</u>

During the years ended September 30, 2022 and September 30, 2021, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2021 and October 1, 2020. These adjustments included, among other things, recoveries of prior year unpaid obligations that result from downward adjustments of undelivered orders that were obligated in a prior fiscal year.

Undelivered Orders at the End of the Period

Undelivered orders are purchase orders issued by the NTSB during FY 2022 and the 5 expiring fiscal years that have not had delivery of the required product or service as of September 30, 2022, and 2021, respectively.

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

Period Ending September 30 (in Dollars)

	<u>FY 2022</u>	<u>FY 2021</u>
Intragovernmental Undelivered Orders, Unpaid:	\$ 4,032,593	\$ 2,181,308
Public Undelivered Orders, Unpaid:	9,076,030	15,232,733
Total Undelivered Orders, Unpaid	<u>\$ 13,108,623</u>	<u>\$ 17,414,041</u>

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 2022 actual budgetary execution information is scheduled for publication in February 2023, which will be available through the OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for FY 2022 disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2021 Statement of Budgetary Resources and the related President's Budget reflected the following:

In Millions	Budgetary	Obligations	Net Outlays
Combined Statement of Budgetary	\$ 137	\$ 118	\$ 111
Unobligated Balance - expired	(6)	-	-
Emergency Fund	(2)	-	-
Differences Due to Rounding		(1)	
Budget of the U.S. Government	<u>\$ 129</u>	<u>\$ 117</u>	<u>\$ 111</u>

Note 11 Reconciliation of Net Cost and Budget Outlays

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

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

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

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

The reconciliation as of September 30, 2022, and September 30, 2021, is presented as follows:

At September 30, 2022 (in Dollars)

	Intra- governmental	With the Public	Total
Net Cost of Operations	\$ 35,875,288	\$ 87,293,364	\$ 123,168,652
Components of Net Cost That Are Not Part of Net Outlays:			
Property, Plant, and Equipment Depreciation	-	(3,020,140)	(3,020,140)
Property, plant, and equipment disposal & revaluation	-	(12,392)	(12,392)
Increase/(Decrease) in Assets:			
Accounts Receivable	-	(36,383)	(36,383)
(Increase)/decrease in Liabilities:			
Accounts Payable	613,136	(2,668,307)	(2,055,171)
Salaries and Benefits	579,623	2,068,170	2,647,793
Other Liabilities	69,313	2,084,037	2,153,350
Other Financing Sources:			
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(3,645,377)	-	(3,645,377)
Transfers out (in) without reimbursement	(2,789)	-	(2,789)
Total Components of Net Cost That Are Not Part of Net Outlays	\$ (2,386,094)	\$ (1,585,015)	\$ (3,971,109)
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Capital Assets	-	2,238,751	2,238,751
Total Components of Net Outlays That Are Not Part of Net Cost	\$ -	\$ 2,238,751	\$ 2,238,751
Outlays, Net	<u>\$ 33,489,194</u>	<u>\$ 87,947,100</u>	<u>\$ 121,436,294</u>

At September 30, 2021 (in Dollars)

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

Summary of Financial Statement Audit and Management Assurances

Table 1: Summary of Financial Statement Audit for FY 2022

Audit Opinion: Unmodified

Restatement: No

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

Table 2: Summary of Management Assurances for FY 2022

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

Statement of Assurance: Unmodified

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

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

Statement of Assurance: Unmodified

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

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

Statement of Assurance: Systems conform to financial management system requirements

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

Fraud Reduction Efforts

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

Payment Integrity

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

Civil Monetary Penalty Adjustment for Inflation

The Federal Civil Penalties Inflation Adjustment Act of 1990, Public Law 101-410, 104 Stat. 890 as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114-74, sec. 701, 129 Stat. 584 (codified at 28 U.S.C. 2461 note), requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties to improve their effectiveness and to maintain their deterrent effect.

Statutory Authority	49 U.S.C. 20103, 20106-2017, 20118-20119, 20156, 21301, 21304, 21311; 28 U.S.C. 2461, note; and 49 CFR 1.89
Aviation Penalty	A person violating 49 U.S.C. 1132 (Civil aircraft accident investigations), 1134(b) (Inspection, testing, preservation, and moving of aircraft and parts), 1134(f)(1) (Autopsies), or 1136(g) (Prohibited actions when assisting families of passengers involved in aircraft accidents). 49 CFR 831.15.
Year Enacted	1994
Latest Year of Adjustment	2022
Current Penalty Level (\$)	\$1,850 per violation, per day
Location for Penalty Update Details	Federal Register; 87 FR 2352 (January 14, 2022)

Contact Information and Acknowledgments

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Acknowledgements

The NTSB's FY 2022 PAR is the result of a collaborative effort on the part of many NTSB employees. We would like to acknowledge and thank them for their hard work and commitment. We would also like to acknowledge the DOT Office of the Inspector General and the public accounting firm, Almond & Company, for the professional manner in which they conducted the audit of the agency's FY 2022 financial statements.

Above: NTSB investigators at the site of an MD-87 crash near Brookshire, Texas, on October 19, 2021.

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