

117167



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION

B-202052

DECEMBER 28, 1981

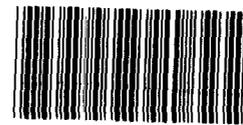
To the National Credit Union
Administration Board

We have examined the balance sheet of the operating fund of the National Credit Union Administration as of December 31, 1980, and the related statements of income and expense and changes in financial position for the year then ended. Our examination was made pursuant to the Federal Credit Union Act, as amended (12 U.S.C. 1752a(f) and 1789 (1976 and Supp. III, 1979)) and in accordance with generally accepted government auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described more fully in the summary of significant accounting policies, the financial statements presented are only for the operating fund and are not intended to present the overall financial position of the National Credit Union Administration.

In our opinion, the accompanying financial statements present fairly the financial position of the operating fund of the National Credit Union Administration as of December 31, 1980, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles.

W. D. Campbell
Acting Director



117167

AFMD-82-20

019816

NATIONAL CREDIT UNION ADMINISTRATION

OPERATING FUND

COMPARATIVE BALANCE SHEET

DECEMBER 31, 1980 AND 1979

ASSETS

	December 31, <u>1980</u>	Unaudited December 31, <u>1979</u>
Cash	\$ 363,377.34	\$(1,291,674.05)
Due from insurance fund	717,489.71	2,756,484.55
Accounts receivable	171,016.89	109,181.18
Prepaid charges (note 1)	1,405,810.24	2,515.93
Fixed assets (note 2)	<u>1,031,271.23</u>	<u>832,896.44</u>
Total assets	<u>\$3,688,965.41</u>	<u>\$ 2,409,404.05</u>

LIABILITIES AND EQUITY

Accounts payable	\$ 474,204.24	\$ 455,601.21
Deposits and advances	500.00	500.00
Accrued liabilities	2,391,480.41	1,984,768.74
Deferred income	<u>4,487.80</u>	<u>-</u>
Total liabilities	<u>2,870,672.45</u>	<u>2,440,869.95</u>
Fund balances:		
Beginning balance	(31,465.90)	4,019,936.86
Income	<u>783,849.41</u>	<u>302,597.24</u>
Adjustments (note 3)	65,909.45	(4,354,000.00)
Net income	<u>849,758.86</u>	<u>(4,051,402.76)</u>
Ending balance	<u>818,292.96</u>	<u>(31,465.90)</u>
Total liabilities and equity	<u>\$3,688,965.41</u>	<u>\$ 2,409,404.05</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

NATIONAL CREDIT UNION ADMINISTRATION
 OPERATING FUND
 COMPARATIVE STATEMENT OF INCOME AND EXPENSE
 CALENDAR YEARS 1980 AND 1979

	<u>1980</u>	<u>Unaudited</u> <u>1979</u>
INCOME		
Operating fees	\$ <u>18,695,590.86</u>	\$ <u>16,545,002.89</u>
Total income	<u>18,695,590.86</u>	<u>16,545,002.89</u>
EXPENSE		
Personal services	11,634,209.66	10,365,868.36
Employee benefits	1,237,624.01	1,102,022.86
Employee travel	1,333,366.42	1,645,609.01
Rent, communica- tions, utilities	1,888,713.39	1,383,382.33
Administrative	987,450.13	836,843.53
Contracted services	<u>830,377.84</u>	<u>908,679.56</u>
Total expense	<u>17,911,741.45</u>	<u>16,242,405.65</u>
Income	783,849.41	302,597.24
Adjustment (note 3)	<u>65,909.45</u>	<u>(4,354,000.00)</u>
Net income	<u>\$ 849,758.86</u>	<u>\$(4,051,402.76)</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

NATIONAL CREDIT UNION ADMINISTRATION
 OPERATING FUND
 COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION
 CALENDAR YEARS 1980 AND 1979

	<u>1980</u>	Unaudited <u>1979</u>
FUNDS WERE PROVIDED BY:		
Operating fees	\$18,695,590.86	\$16,545,002.89
Decrease in working capital	<u>-</u>	<u>78,082.26</u>
Total funds provided	<u>\$18,695,590.86</u>	<u>\$16,623,085.15</u>
FUNDS WERE APPLIED TO:		
Operating costs	\$17,911,741.45	\$16,242,405.65
Increase fixed assets	198,374.79	241,938.95
Increase in annual leave liability	172,289.62	138,740.55
Increase in working capital	<u>413,185.00</u>	<u>-</u>
Total funds applied	<u>\$18,695,590.86</u>	<u>\$16,623,085.15</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AND

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies:

The National Credit Union Administration (NCUA) has established two funds to account for its assets, liabilities, revenues, expenditures, and retained earnings.

The operating fund is a revolving fund used to account for NCUA's chartering, supervising, and examining functions. The share insurance fund not included in the examination represented by the accompanying financial statements is a revolving fund used to account for NCUA's insurance payment and financial assistance activities carried out in connection with the liquidation or threatened liquidation of insured credit unions.

Costs are allocated between the operating fund and the share insurance fund based on the actual resources spent on their respective activities.

Fixed assets are depreciated on a straight-line basis using a useful life of 3 to 10 years.

Notes to Financial Statements:

1. Prepaid charges include \$1.2 million paid toward the purchase of computer equipment which will be capitalized in 1981 when title passes to NCUA. Depreciation will be taken over a 7-year useful life.

2. Fixed assets consist of the following:

Furniture and equipment	\$1,425,163.50
Accumulated depreciation	<u>871,123.03</u>
	554,040.47
Leasehold improvements	<u>477,230.76</u>
Total fixed assets	<u>\$1,031,271.23</u>

3. Adjustments for calendar 1979 are the result of a charge of \$4,654,000 against the fund balance due to a change from separate examination, supervision, and charter fees to a single annual operation fee, and a credit of \$300,000 due to the writeoff of the reserve for claims account during the year.