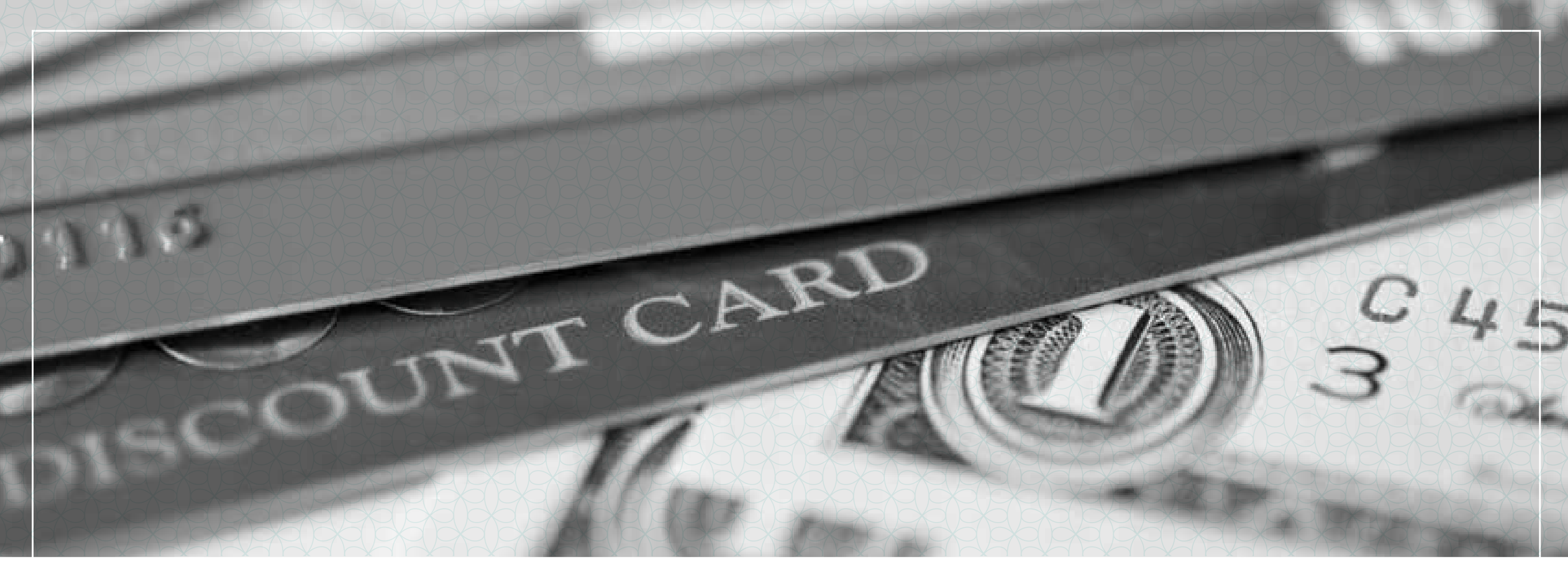

FINANCIAL SECTION

MESSAGE FROM THE ACTING CHIEF FINANCIAL OFFICER

During Fiscal Year (FY) 2010, the Federal Trade Commission (FTC) upheld its commitment to protect consumers and promote competition in a fiscally responsible manner. I am pleased to report that FY 2010 marks the 14th consecutive year that the FTC has received an unqualified opinion on our financial statements. This achievement, along with other notable successes, demonstrates our commitment to effective financial management and to upholding high standards of accountability. Other key accomplishments this past fiscal year included:

- Returning more than $48 million in redress funds to victims of fraud and scams following successful prosecution of defendants resulting in court-ordered judgments or settlements.
- Receiving, for the third consecutive year, the Association of Government Accountants' Certificate of Excellence in Accountability Reporting.
- Paying 98 percent of all invoices received from vendors on time.
- Reinforcing administrative control of funds by developing and delivering an agency-wide fund manager program.
- Exceeding the government-wide goal to allocate three percent of total contract dollars to companies owned by service-disabled veterans.
- Enhancing internal control by executing a plan to conduct internal control reviews of agency bureaus and offices, and by completing a limited independent review of the processes in place to report reliable and accurate performance measures results.
- Continuing our record of no material weaknesses, significant control deficiencies, or nonconformances with the Federal Managers' Financial Integrity Act and other applicable laws and regulations.

The Financial Section of this report explains our financial position as of September 30, 2010, and shows how financial resources were expended to protect consumers and maintain competition, as shown in our performance results. These achievements and goals can only be accomplished by the dedicated efforts of our talented and committed employees. We look forward to the future with confidence as we continue to achieve results for the American consumer.

James Baker

James D. Baker
Acting Chief Financial Officer
November 12, 2010

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

OFFICE OF
INSPECTOR GENERAL

November 12, 2010

The Honorable Jon Leibowitz
Chairman
Federal Trade Commission

I am pleased to provide you with the attached audit report required by the Accountability of Tax Dollars Act of 2002, which presents an unqualified opinion on the Federal Trade Commission (FTC)'s FY 2010 financial statements. We commend the FTC for the noteworthy accomplishment of attaining an unqualified (clean) opinion for the 14th consecutive year.

The Office of Inspector General (OIG) engaged the independent certified public accounting firm of Dembo, Jones, Healy, Pennington & Marshall, P.C. (DJHPM) to perform the audit of the FTC's financial statement for fiscal year 2010 in accordance with U.S. generally accepted government auditing standards, and Office of Management and Budget Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

DJHPM's reports include (1) an opinion on FTC's financial statements; (2) a report on internal control over financial reporting; and (3) a report on compliance and other matters. In summary, DJHPM found that

- the financial statements were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- there were no material weaknesses in internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations, and
- there was no reportable noncompliance with laws and regulations tested.

The OIG reviewed DJHPM's reports and related documentation and made necessary inquires of its representatives. Our review disclosed no instances where DJHPM did not comply, in all material respects, with U.S. generally accepted government auditing standards. However, our review cannot be construed as an audit in accordance with U.S. generally accepted government auditing standards. It was not intended to enable us to express, and we do not express, any opinion on the FTC's financial statements, conclusions about the effectiveness of internal control, or conclusions on compliance with laws and regulations. DJHPM is solely responsible for the attached auditor's report dated November 12, 2010 and the conclusions expressed in the report.

We appreciate the cooperation and courtesies extended to both DJHPM and my staff during the audit.

Sincerely,

John M. Seeba
Inspector General

Attachment

cc: All Commissioners
Executive Director
Bureau Directors
Acting Chief Financial Officer

DJHPM
Dembo, Jones, Healy, Pennington & Marshall, P.C.
Certified Public Accountants and Consultants

Chairman Leibowitz:

We have audited the accompanying balance sheet of the Federal Trade Commission (FTC) as of September 30, 2010 and 2009, and the related statements of net cost, changes in net position, budgetary resources, and custodial activity for the years then ended. In our audits of the Federal Trade Commission for the fiscal years September 30, 2010 and 2009, we found

- the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses or significant deficiencies in internal control over financial reporting (including safeguarding assets),
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management's Discussion and Analysis (MD&A) and other accompanying information, and (3) our audit objectives, scope, and methodology.

Opinion on Financial Statements

In our opinion, the financial statements including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the Federal Trade Commission's assets, liabilities, and net position as of September 30, 2010 and 2009; and net costs; changes in net position; budgetary resources; and custodial activity for the years then ended.

Consideration of Internal Control

In planning and performing our audit, we considered the Federal Trade Commission's internal control over financial reporting as a basis for designing our auditing procedures and to comply with the Office of Management and Budget (OMB) audit guidance for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on internal control and compliance or on management's assertion on internal control included in MD&A. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on the effectiveness of the entity's internal control over financial reporting or on management's assertion on internal control included in the MD&A.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

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A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies, as defined above.

We noted other non-reportable matters involving internal control and its operation that we will communicate in a separate management letter to FTC management.

Compliance With Laws and Regulations

Our tests of the Federal Trade Commission's compliance with selected provisions of laws and regulations for fiscal year 2010 disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards or OMB audit guidance. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

Consistency of Other Information

The information in the Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it

The information in the Chairman's Message, Performance Section, and Other Accompanying Information are presented for purposes of additional analysis and are not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

Dembo, Jones, Healy, Pennington & Marshall, P.C.
Certified Public Accountants and Consultants

Objectives, Scope, and Methodology

The Federal Trade Commission's management is responsible for (1) preparing the financial statements in conformity with U.S. generally accepted accounting principles, (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met, and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We are also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing with the Annual Financial Statements.

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the FTC and its operations, including its internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act;
- tested compliance with selected provisions of laws and regulations.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree

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Certified Public Accountants and Consultants

of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to the Federal Trade Commission. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the Federal Trade Commission's financial statements for the fiscal year ended September 30, 2010. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance auditing standards generally accepted in the United States; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB guidance.

Dembo, Jones, Healy, Pennington & Marshall, P.C.

Rockville, Maryland
November 12, 2010

Dembo, Jones, Healy, Pennington & Marshall, P.C.
Certified Public Accountants and Consultants

PRINCIPAL FINANCIAL STATEMENTS

FEDERAL TRADE COMMISSION

BALANCE SHEET

AS OF SEPTEMBER 30, 2010 AND 2009
(Dollars shown in thousands)

	2010	2009
Assets (Note 2):		
Intragovernmental:		
Fund balance with Treasury (Note 3)	$109,486	$ 81,307
Investments (Note 5)	199,105	94,848
Accounts receivable, net (Note 6)	71	141
Total intragovernmental	308,662	176,296
Cash and other monetary assets (Note 4)	21,473	18,141
Accounts receivable, net (Note 6)	48,189	55,564
General property and equipment, net (Note 7)	18,060	15,473
Total Assets	$396,384	$265,474
Liabilities:		
Intragovernmental:		
Accounts payable	$ 188	$ 371
Other (Note 9)	12,574	2,265
Total intragovernmental	12,762	2,636
Accounts payable	11,112	12,879
Accrued redress receivables due to claimants	38,170	55,496
Redress collected but not yet disbursed	180,526	69,746
Divestiture fund due	45,523	45,542
Other (Note 9)	20,641	18,784
Total Liabilities (Note 8 and 9)	$308,734	$205,083
Net Position (Note 1(o)):		
Cumulative results of operations - other funds	87,650	60,391
Total Net Position	$ 87,650	$ 60,391
Total Liabilities and Net Position	$396,384	$265,474

The accompanying notes are an integral part of these statements.

FEDERAL TRADE COMMISSION

STATEMENT OF NET COST

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(Dollars shown in thousands)

	2010	2009
Costs by Strategic Goal:		
Protect Consumers (PC) Strategic Goal:		
Gross costs (Note 12)	$158,458	$147,232
Less: Earned revenue (Note 13)	(14,426)	(15,947)
Net PC strategic goal costs	144,032	131,285
Maintain Competition (MC) Strategic Goal:		
Gross costs (Note 12)	116,642	109,718
Less: Earned revenue (Note 13)	(73,554)	(42,309)
Net MC strategic goal costs	43,088	67,409
Net Cost of Operations	$187,120	$198,694

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(Dollars shown in thousands)

	2010	2009
Cumulative Results of Operations:		
Beginning balance, adjusted	$ 60,391	$ 50,076
Budgetary financing sources:		
Appropriations used	204,673	201,359
Other financing sources (non-exchange):		
Imputed financing	9,706	7,650
Total financing sources	214,379	209,009
Less: Net cost of operations	(187,120)	(198,694)
Net Change	27,259	10,315
Total Cumulative Results of Operations	$ 87,650	$ 60,391
Unexpended Appropriations:		
Beginning balance, adjusted	$ -	$ -
Budgetary financing sources:		
Appropriations received	204,673	201,359
Less: Appropriations used	(204,673)	(201,359)
Total Budgetary Financing Sources	-	-
Total Unexpended Appropriations	$ -	$ -
Net Position (Note 1(o))	$ 87,650	$ 60,391

The accompanying notes are an integral part of these statements.

Financial Section

FEDERAL TRADE COMMISSION

STATEMENT OF BUDGETARY RESOURCES

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(Dollars shown in thousands)

	2010	2009
Budgetary Resources:		
Unobligated balance, brought forward, October 1:	$ 9,783	$ 13,063
Recoveries of prior year unpaid obligations		
Actual	3,325	3,067
Budget authority		
Appropriation	204,673	201,359
Spending authority from offsetting collections		
Earned		
Collected	88,050	58,162
Change in receivables from Federal sources	(70)	94
Change in unfilled customer orders		
Without advance from Federal sources	96	(24)
Previously unavailable	-	15,357
Subtotal budget authority	292,749	274,948
Total Budgetary Resources	$ 305,857	$ 291,078
Status of Budgetary Resources:		
Obligations incurred (Note 14)		
Direct	$ 291,742	$ 280,905
Reimbursable	987	390
Subtotal	292,729	281,295
Unobligated balance		
Apportioned	10,845	8,126
Not available	2,283	1,657
Total Status of Budgetary Resources	$ 305,857	$ 291,078
Change in Obligated Balance:		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	$ 69,086	$ 56,088
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(293)	(224)
Total unpaid obligated balance, net	68,793	55,864
Obligations incurred, net (Note 14)	292,729	281,295
Less: Gross outlays	(267,869)	(265,229)
Less: Recoveries of prior year unpaid obligations, actual	(3,325)	(3,067)
Change in uncollected customer payments from Federal sources	(26)	(70)
Obligated balance, net, end of period		
Unpaid obligations	90,622	69,086
Uncollected customer payments from Federal sources	(320)	(293)
Total, unpaid obligated balance, net, end of period	$ 90,302	$ 68,793
Net Outlays:		
Gross outlays	$ 267,869	$ 265,229
Less: Offsetting collections	(88,050)	(58,162)
Less: Distributed offsetting receipts	(6,986)	(14,869)
Net Outlays	$ 172,833	$ 192,198

The accompanying notes are an integral part of these statements.

STATEMENT OF CUSTODIAL ACTIVITY

FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009

(Dollars shown in thousands)

	PC	MC	2010	2009
Revenue Activity (Note 17):				
Sources of collections:				
Premerger filing fees (net of refunds)	$ -	$72,858	$72,858	$42,148
Civil penalties and fines	2,097	-	2,097	12,756
Redress (Note 18)	6,659	-	6,659	14,698
Other miscellaneous receipts	327	-	327	172
Total cash collections	9,083	72,858	81,941	69,774
Accrual adjustments	9,950	-	9,950	(123)
Total Custodial Revenue	$19,033	$72,858	$91,891	$69,651
Disposition of Collections (Note 17):				
Transferred to others:				
Treasury general fund	$ 9,083	$ -	$ 9,083	$27,626
Department of Justice	-	72,858	72,858	57,072
Increase / (decrease) in amounts yet to be transferred	9,950	-	9,950	(15,047)
Total Disposition of Collections	$19,033	$72,858	$91,891	$69,651
Net Custodial Activity	$ -	$ -	$ -	$ -

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 Federal Trade Commission (FTC) is an independent United States Government agency, established by the Federal Trade Commission Act of 1914. The FTC enforces a variety of federal antitrust and consumer protection laws. The agency is headed by five Commissioners, nominated by the President and confirmed by the Senate, each serving a seven-year term. The President chooses one Commissioner to act as Chairman. No more than three Commissioners can be of the same political party.

The FTC has three major bureaus: The Bureau of Consumer Protection (BCP), which supports the strategic goal of protecting consumers, the Bureau of Competition (BC), which supports the strategic goal of maintaining competition, and the Bureau of Economics (BE), which supports both bureaus and strategic goals. Additionally, various Offices provide mission support functions and services.

The majority of FTC staff is located in Washington DC; however, the FTC's regions cover seven geographic areas. The regional offices work with the BCP and BC to conduct investigations and litigation; provide advice to state and local officials on the competitive implications of proposed actions; recommend cases; provide local outreach services to consumers and business persons; and coordinate activities with local, state, and regional authorities. The regional offices frequently sponsor conferences for small businesses, local authorities, and consumer groups.

The financial statements and notes include the accounts of all funds under the FTC's control. As further described throughout these notes, in addition to appropriations received for salaries and necessary expenses, the FTC maintains control over funds that are primarily comprised of proceeds derived from court ordered judgments and settlements held for subsequent distribution to approved claimants. These funds are considered non-entity and are reported as such on the Balance Sheet.

(b) FUND ACCOUNTING STRUCTURE

The FTC's financial activities are accounted for using various funds (i.e., Treasury Account Symbols (TAS)). They include the following for which the FTC maintains financial records:

GENERAL FUND

TAS 29X0100 consists of a salaries and expense appropriation used to fund agency operations and capital expenditures. Offsetting collections received during the year are also recorded in the general fund. (See Note 13 Exchange Revenues.)

DEPOSIT FUND

TAS 29X6013 consists of monies held temporarily by the FTC as an agent for others (e.g., redress funds) prior to distribution through the consumer redress program.

SUSPENSE FUND

TAS 29F3875 consists of premerger filing fees collected by the FTC under the Hart-Scott-Rodino (HSR) Antitrust Improvement Act of 1976 that are distributed equally to the FTC as a funding source and to the Department of Justice (DOJ). (See Note 1(p) Revenues and Other Financing Sources).

MISCELLANEOUS RECEIPT ACCOUNTS

TAS 29 1040 and TAS 29 3220 consist of civil penalties, redress disgorgements to the Department of the Treasury (Treasury) and other miscellaneous receipts that by law are not retained by the FTC. Cash balances are automatically transferred to the general fund of the Treasury at the end of each fiscal year.

(c) BASIS OF ACCOUNTING AND PRESENTATION

The accompanying financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities of the FTC. As noted above, the FTC maintains a single fund to account for salaries and all necessary expenses. Further, there are no intra-entity transactions with any other fund (e.g., deposit fund) that would require eliminating entries to present consolidated statements. Accordingly, the statements are not labeled consolidated nor is the Statement of Budgetary Resources (SBR) presented as combined. The financial statements have been prepared from the accounting records of the FTC on an accrual basis, in conformity with generally accepted accounting principles (GAAP) of the United States of America and with the form and content of financial statements specified by the Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements (as revised September 2010). GAAP for federal entities incorporate the standards prescribed by the Federal Accounting Standards Advisory Board.

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) BUDGET AUTHORITY

Congress passes appropriations annually that provide the FTC with authority to obligate funds for necessary expenses to carry out mandated program activities. These funds are available until expended, subject to OMB apportionment and to Congressional restrictions on the expenditure of funds. Also, the FTC places internal restrictions on fund expenditures to ensure the efficient and proper use of all funds. Appropriated funding is derived from various revenues and financing sources. The SBR reflects the single general fund (i.e. TAS 29X0100) for which the FTC has budget authority.

(f) ENTITY/NON-ENTITY ASSETS

Assets that an agency is authorized to use in its operations are entity assets. Assets that an agency holds on behalf of another federal agency or a third party and are not available for the agency's use are non-entity assets.

(g) FUND BALANCE WITH TREASURY

The FTC's Fund Balance with Treasury (FBWT) includes appropriated funds, deposit funds for subsequent disbursement to claimants, and premerger filing fees awaiting disbursement to the DOJ. Funds are carried forward until such time as goods or services are received and payment is made. All cash receipts are deposited with the Treasury and all disbursements for payroll and vendor invoices are disbursed by the Treasury.

(h) CASH AND OTHER MONETARY ASSETS

The FTC's consumer redress agents process claims and disburse redress proceeds to approved claimants. Upon approval of the redress office, amounts necessary to cover current disbursement schedules are held as cash in interest bearing accounts. These funds are considered non-entity assets and are reported on the Balance Sheet along with an offsetting non-entity liability.

(i) INVESTMENTS

In protecting consumers, the FTC collects proceeds from defendants in accordance with court ordered judgments and settlement agreements for consumer redress and holds these proceeds in the deposit fund (TAS 29X6013) established with the Treasury. The FTC also holds monies in its deposit fund in connection with a judgment that stipulates the divestiture of assets by the defendant. Under an agreement with the Treasury, the portion of such judgments and settlements that are not immediately needed for cash disbursements are invested in Treasury securities. These investments are considered non-entity assets and are reported on the Balance Sheet along with an offsetting non-entity liability.

(j) ACCOUNTS RECEIVABLE

Entity accounts receivable consist of amounts due from other federal entities and from current and former employees and vendors. Non-entity accounts receivable include uncollected civil monetary penalties imposed as a result of the FTC's enforcement activities and uncollected redress judgments. These non-entity accounts receivable are reported on the Balance Sheet along with an offsetting non-entity liability. Gross receivables are reduced to net realizable value by an allowance for uncollectible accounts. (See Note 6 Accounts Receivable.)

(k) ACCRUED LIABILITIES AND ACCOUNTS PAYABLE

Accrued liabilities and accounts payable represent a probable future outflow or other sacrifices of resources as a result of past transactions or events. Liabilities are recognized when they are incurred, regardless of whether they are covered by budgetary resources. Liabilities cannot be liquidated without legislation that provides the resources to do so. Also, the government, acting in its sovereign capacity, can abrogate FTC liabilities (other than contracts). (See Note 8 Liabilities Not Covered by Budgetary Resources and Note 9 Other Liabilities.)

(l) EMPLOYEE HEALTH BENEFITS AND LIFE INSURANCE

FTC employees are eligible to participate in the contributory Federal Employees Health Benefit Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGLIP). The FTC contributes a percentage to each program to pay for current benefits.

(m) EMPLOYEE RETIREMENT BENEFITS

FTC employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Employees hired after December 31, 1983, are covered by FERS and Social Security, while employees hired prior to January 1, 1984, may elect to either join FERS or remain in CSRS. For employees participating in CSRS, the FTC contributes seven percent of the employee's gross earnings to the CSRS Retirement and Disability Fund. For employees participating in FERS, the FTC contributes 11.2 percent to the Federal Employees' Retirement Fund. Employees participating in FERS are covered under the Federal Insurance Contributions Act (FICA) for which the FTC contributes a matching amount to the Social Security Administration. FTC contributions are recognized as current operating expenses.

The Thrift Savings Plan (TSP) is a defined contribution retirement savings and investment plan for employees covered by either CSRS or FERS. Participating employees may contribute any dollar amount or percentage of basic salary to TSP, not to exceed an annual dollar amount of $16,500 for 2010. CSRS participating employees do not receive a matching contribution from the FTC. FERS employees receive an agency automatic one percent contribution of gross pay to the TSP. The FTC also matches 100 percent of the first three percent contributed and 50 percent of the next two percent contributed. Such FTC contributions are recognized as current operating expenses.

Although the FTC contributes a portion for pension benefits and makes the necessary payroll withholdings, it is not responsible for managing contribution refunds, employee's retirement benefits, or the retirement plan assets. Therefore, the FTC financial statements do not report CSRS and FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). However, the FTC recognizes the full cost of providing future pension benefits to covered employees at the time the employees' services are rendered. OPM has provided the FTC with certain cost factors that estimate the true service cost of providing the pension benefits to covered employees. During FYs 2010 and 2009, the cost factors used to arrive at the service cost for CSRS covered employees were 30.1 percent and 25.8 percent of basic pay, respectively. During FYs 2010 and 2009, the cost factors for FERS covered employees were 13.8 and 12.3 percent of basic pay, respectively. The pension expense recognized in the financial statements equals this service cost to covered employees less amounts contributed by these employees. If the pension expense exceeds the amount contributed by the FTC as employer, the excess is recognized as an imputed financing cost. The excess total pension expense over the amount contributed by the agency must be financed by OPM and is recognized as an imputed financing source on the records of the FTC.

(n) OTHER POST-EMPLOYMENT BENEFITS

FTC employees eligible to participate in the FEHBP and the FEGLIP may continue to participate in these programs after their retirement. The OPM has provided the FTC with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The FTC recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the FTC through the recognition of an imputed financing source. During FYs ended 2010 and 2009, the cost factors relating to FEHBP were $5,906 and $5,756, respectively, per employee enrolled. During FYs 2010 and 2009, the cost factor relating to FEGLIP was 0.02 percent of basic pay per employee enrolled.

(o) NET POSITION

Cumulative results of operations represent the net results of operations since inception, the cumulative amount of prior period adjustments, the remaining book value of capitalized assets, and future funding requirements.

The portion of FTC's budget authority that is funded by a direct appropriation is fully expended during the year. Therefore, there is no unexpended appropriation balance in net position at the end of the year. (See Statement of Changes to Net Position.)

(p) REVENUES AND OTHER FINANCING SOURCES

The FTC's funding is derived from spending authority from offsetting collections revenue and from direct appropriation. Spending authority from offsetting collections is comprised of collections of premerger fees under the authority of the HSR Act, collection of fees related to the Do-Not-Call (DNC) Implementation Act, and amounts received for services performed under reimbursable agreements with other federal agencies. All of the FTC's offsetting collections are exchange revenues. (See Note 13 Exchange Revenues.)

In addition to exchange revenue, the FTC receives funding through a direct appropriation from the general fund of the Treasury to support its operations. The direct appropriation represented approximately 67 percent of total budgetary resources in FY 2010 and 69 percent in FY 2009.

(q) METHODOLOGY FOR ASSIGNING COSTS AND EXCHANGE REVENUES

Total net costs are allocated to the protect consumers strategic goal and the maintain competition strategic goal. (See Statement of Net Costs.) Costs and exchange revenues that are identified specifically with each of these two strategic goals are charged or credited directly. Other costs not directly attributable to these two goals are allocated based on the percentage of direct full-time equivalents used by each of these two goals. These other indirect costs include costs related to the advance performance strategic goal.

Note 2—Non-entity Assets

Non-entity Fund Balance with Treasury is comprised of undisbursed premerger filing fees and deposits held for the consumer redress program. Investments represent funds not required for current distribution for consumer redress. Cash and other Monetary Assets consist of amounts on deposit with FTC distribution agents. Accounts receivable represent amounts due from consumer redress judgments and civil penalties.

Non-entity assets consisted of the following as of September 30, 2010 and 2009 (in thousands):

	2010	2009
Intragovernmental:		
Fund balance with Treasury	$ 6,056	$ 2,731
Investments	199,105	94,848
Total intragovernmental	205,161	97,579
Cash and other monetary assets	21,473	18,141
Accounts receivable, net	48,170	55,546
Total non-entity assets	274,804	171,266
Total entity assets	121,580	94,208
Total assets	$ 396,384	$ 265,474

Note 3—Fund Balance with Treasury

Fund balance includes appropriated funds, which are either unobligated, or obligated as an account payable or undelivered order and not yet disbursed. Fund balance also includes non-entity funds arising from undisbursed HSR filing fees due to the DOJ and collections of redress judgments not yet disbursed to claimants.

Fund Balance with Treasury consisted of the following as of September 30, 2010 and 2009 (in thousands):

	2010	2009
Fund Balances:		
Appropriated funds	$ 103,430	$ 78,576
Suspense fund - undisbursed HSR filing fees	585	433
Deposit funds - redress	5,471	2,298
Total	$ 109,486	$ 81,307
Status of Fund Balance with Treasury		
Unobligated balance		
Apportioned	$ 10,845	$ 8,126
Unavailable	2,283	1,657
Obligated balance not yet disbursed	90,302	68,793
Non-Budgetary fund balance with Treasury:		
Suspense fund - undisbursed HSR filing fees	585	433
Deposit funds - redress	5,471	2,298
Total	$ 109,486	$ 81,307

Note 4—Cash and Other Monetary Assets

In connection with the consumer redress program, cash amounts necessary to cover current disbursement schedules are held at financial institutions in interest bearing accounts pursuant to court orders and are reported as non-entity assets. A corresponding liability is recorded for these assets. The FTC's consumer redress agents process claims and disburse redress proceeds to claimants upon approval of the redress office. (See Note 18 Redress and Divestiture Activities.)

Cash and other monetary assets consisted of the following as of September 30, 2010 and 2009 (in thousands):

	2010	2009
Cash and other monetary assets:		
Redress contractors	$21,473	$18,141
Total cash and other monetary assets	$21,473	$18,141

Note 5—Investments

Funds not needed to cover immediate disbursements for consumer redress are invested in Government Account Series (GAS) securities under an agreement with the Bureau of Public Debt. GAS securities are non-marketable, market-based Treasury securities that are not traded on any securities exchange but mirror the prices of particular Treasury securities trading in the government securities market. Additionally, funds from one judgment where divesting of assets was required to maintain competition have also been invested. (See Note 18 Redress and Divestiture Activities.)

As of September 30, 2010, investments consisted of the following (in thousands):

	Cost	Amortization Method	Amortized (Premium) Discount	Interest Receivable	Investment Net	Other Adjustments	Market Value Disclosure
Intragovernmental Securities:							
Non-Marketable:							
Market-Based	$199,105	n/a	-	-	$199,105	-	$199,105
Total	$199,105	n/a	-	-	$199,105	-	$199,105

As of September 30, 2009, investments consisted of the following (in thousands):

	Cost	Amortization Method	Amortized (Premium) Discount	Interest Receivable	Investment Net	Other Adjustments	Market Value Disclosure
Intragovernmental Securities:							
Non-Marketable:							
Market-Based	$94,848	n/a	-	-	$94,848	-	$94,848
Total	$94,848	n/a	-	-	$94,848	-	$94,848

Note 6—Accounts Receivable

Opening accounts receivable balances reflect the Federal Accounting Standards Advisory Board (FASAB) standard for the recognition of losses using the collection criterion of "more likely than not." This criterion results in receivable balances that are more conservatively stated than those valued by the private sector under generally accepted accounting principles. FASAB states that it is appropriate to recognize the nature of federal receivables, which, unlike trade accounts of private firms or loans made by banks, are not created through credit screening procedures. Rather, these receivables arise because of the assessment of fines from regulatory violations. In these circumstances, historical experience and economic realities indicate that these types of claims are frequently not fully collectible.

The method used to estimate the allowance for uncollectible receivables consists of individual case analysis by the attorney case manager with respect to the debtor's ability and willingness to pay, the defendant's payment record, and the probable recovery amount including the value of the sale of assets. Based on the aforementioned, cases are referred to the Treasury Offset Program for collection activities after the receivable becomes six months delinquent in payment.

Accounts receivable consisted of the following as of September 30, 2010 and 2009 (in thousands):

	Gross Receivables	Allowance for Uncollectible Accounts	2010 Net	2009 Net
Entity accounts receivable:				
Intragovernmental	$ 71	$ -	$ 71	$ 141
With the Public	19	-	19	18
Total entity acounts receivable	$ 90	$ -	$ 90	$ 159
Non-entity accounts receivable:				
Consumer redress	$ 651,174	$613,004	$38,170	$55,496
Civil penalties	20,322	10,322	10,000	50
Total non-entity accounts receivable	$671,496	$623,326	$48,170	$55,546

Note 7—General Property and Equipment, Net

FTC capitalizes property and equipment with an initial cost of $100 thousand or greater and a useful life over two years. Such assets are depreciated using the straight-line method of depreciation with service lives ranging from five to twenty years. Leasehold improvements that cost $100 thousand or greater are capitalized and amortized over the remaining life of the lease. Additionally, internal use software development and acquisition costs of $100 thousand or greater are capitalized as software development-in-progress until the development stage has been completed and the software successfully tested. Upon completion and testing, software development-in-progress costs are reclassified as internal use software costs and amortized using the straight-line method over the estimated useful life of three to five years. Purchased commercial software that does not meet the capitalization criteria is expensed.

Amounts reported as equipment are comprised mostly of computer hardware and other building equipment. The FTC does not own buildings, but rather, in partnership with General Services Administration (GSA) leases both federally owned (by GSA) and commercial space. (See Note 10 Leases.) The leasehold improvements above consist of improvements made to the FTC headquarters building located in Washington DC (which is owned by the GSA), and to FTC commercially leased space also located in Washington DC.

Depreciation expense was $3,073 and $2,416 thousand for fiscal years ending September 30, 2010 and 2009, respectively, and is contained in the accumulated depreciation.

As of September 30, 2010, general property and equipment, net consisted of the following (in thousands):

Asset Class	Service Life	Acquisition Value	Accumulated Depreciation	Net Book Value
Equipment	5-20 yrs.	$ 9,975	$ 7,814	$ 2,161
Leasehold improvements	lease term	14,080	3,824	10,256
Software	3-5 yrs.	13,796	8,153	5,643
Total		$37,851	$19,791	$18,060

As of September 30, 2009, general property and equipment, net consisted of the following (in thousands):

Asset Class	Service Life	Acquisition Value	Accumulated Depreciation	Net Book Value
Equipment	5-20 yrs.	$8,089	$7,026	$1,063
Leasehold improvements	lease term	13,419	2,872	10,547
Software	3-5 yrs.	10,683	6,820	3,863
Total		$32,191	$16,718	$15,473

Note 8—Liabilities Not Covered by Budgetary Resources

Intragovernmental liabilities and liabilities with the public not covered by budgetary resources as of September 30, 2010 and 2009 are shown below (in thousands):

	2010	2009
Intragovernmental:		
Undisbursed premerger fees liability	$ 585	$ 433
Civil penalty collections due to Treasury	10,000	50
FECA liability	439	436
Other Unfunded Employment Related Liability	16	12
Total intragovernmental liabilities not covered by budgetary resources	11,040	931
With the public :		
Accrued redress receivables due to claimants	38,170	55,496
Redress collected not yet disbursed	180,526	69,746
Divestiture fund due	45,523	45,542
Unfunded leave	10,683	9,787
Actuarial FECA	2,162	2,173
Total liabilities not covered by budgetary resources	$288,104	$183,675
Total liabilities covered by budgetary resources	20,630	21,408
Total liabilities	$308,734	$205,083

Undisbursed Premerger Fees Liability represents undisbursed filing fees collected under the HSR Act, which are due to the DOJ in a subsequent period.

Civil Penalty Collections Due to Treasury represents the corresponding liability relative to accounts receivable due for civil monetary penalties, which will be transferred to the general fund of the Treasury upon receipt.

Federal Employee's Compensation Act (FECA) Liability represents the unfunded liability for workers compensation claims payable to the Department of Labor (DOL) and an actuarial liability for future workers' compensation claims. The actuarial liability is based on the liability to benefits paid ratio provided by DOL multiplied by the average of benefits paid over three years.

Accrued Redress Receivables Due to Claimants represents the contra account for accounts receivable due from judgments obtained as a result of the agency's consumer redress litigation.

Redress Collected Not Yet Disbursed represents a non-entity liability corresponding to amounts reported as non-entity assets (including Fund Balance with Treasury, Cash and Other Monetary Assets and Investments for TAS 29X6013). These funds are held until distributed to consumers or returned to Treasury through disgorgement.

Divestiture Fund Due represents the corresponding liability offsetting the amount reported as non-entity assets (investments) held by the FTC pending divesture of assets pursuant to a court ordered judgment. These funds are currently invested in Treasury securities. (See Note 5 Investments.)

Unfunded Leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

Actuarial FECA represents the present value of future workers' compensation claims.

Note 9—Other Liabilities

The following summarizes Other Liabilities as of September 30, 2010 and 2009 (in thousands):

	2010 Non-Current	2010 Current	2010 Total
Intragovernmental:			
Accrued benefits	$ -	$ 1,550	$ 1,550
Undisbursed premerger liability	-	585	585
Civil penalty collection due to Treasury	-	10,000	10,000
FECA liability	439	-	439
Total Intragovernmental	439	12,135	12,574
Accrued salary	-	7,796	7,796
Accrued leave	-	10,683	10,683
Actuarial FECA	2,162	-	2,162
Total Other Liabilities	$2,601	$ 30,614	$33,215

	2009 Non-Current	2009 Current	2009 Total
Intragovernmental:			
Accrued benefits	$ -	$ 1,346	$ 1,346
Undisbursed premerger liability	-	433	433
FECA liability	436	-	436
Civil penalty collection due to Treasury	-	50	50
Total Intragovernmental	436	1,829	2,265
Accrued salary	-	6,824	6,824
Accrued leave	-	9,787	9,787
Actuarial FECA	2,173	-	2,173
Total Other Liabilities	$2,609	$ 18,440	$21,049

Note 10—Leases

Leases of commercial property are made through and managed by GSA. The FTC has leases on three government-owned properties and eight commercial properties. The FTC's current leases expire at various dates through 2019. Four leases provide for tenant improvement allowances totaling approximately $3,811 thousand and provide that these costs be amortized over the length of the leases. Under the terms of the leases, the FTC agrees to reimburse the landlord for the principal balance of the unamortized portion of the tenant improvement allowance in the event the agency vacates the space before lease expiration. The FTC rents approximately 630,661 square feet of space in both commercial and government-owned properties for use as offices, storage and parking. All FTC leases are operating leases. Rent expenditures for the years ended September 30, 2010 and 2009, were approximately $20,714 and $19,126 thousand respectively.

Future minimum lease payments due under leases of government-owned property as of September 30, 2010, are as follows (in thousands):

Fiscal Year	
2011	$ 6,920
2012	6,857
2013	6,810
2014	6,523
2015	224
Thereafter	881
Total Future Minimum Lease Payments	$28,215

Future minimum lease payments under leases of commercial property due as of September 30, 2009 are as follows (in thousands):

Fiscal Year	
2011	$ 15,347
2012	13,421
2013	3,963
2014	3,919
2015	1,662
Thereafter	2,988
Total Future Minimum Lease Payments	$41,300

Note 11—Commitments and Contingencies

The FTC is a party in various administrative proceedings, legal actions, and claims brought by or against it. In the opinion of FTC management and legal counsel, the ultimate resolution of these proceedings, actions, and claims, will not materially affect the financial position or the results of operations of the FTC.

Note 12—Intragovernmental Costs and Exchange Revenues

For 'exchange revenue with the public,' the buyer of the goods or services is a non-federal entity. For 'intragovernmental costs' the buyer and seller are both federal entities. If a federal entity purchases goods or services from another federal entity and sells them to the public, the exchange revenue would be classified as 'with the public,' but the related costs would be classified as 'intragovernmental.' The purpose of this classification is to enable the federal government to provide consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue.

For the FYs ended September 30, intragovernmental and public costs and exchange revenues are as follows (in thousands):

	2010	2009
Protect Consumers (PC) Strategic Goal:		
Intragovernmental gross costs	$ 40,985	$ 36,121
Public costs	117,473	111,111
Total PC strategic goal costs	158,458	147,232
Intragovernmental earned revenue	(257)	(253)
Public earned revenue	(14,169)	(15,694)
Total PC strategic goal earned revenue	(14,426)	(15,947)
Total PC strategic goal net costs	144,032	131,285
Maintain Competition (MC) Strategic Goal:		
Intragovernmental gross costs	30,169	26,917
Public costs	86,473	82,801
Total MC strategic goal costs	116,642	109,718
Intragovernmental earned revenue	(696)	(161)
Public earned revenue	(72,858)	(42,148)
Total MC strategic goal earned revenue	(73,554)	(42,309)
Total MC strategic goal net costs	43,088	67,409
Net cost of operations	$187,120	$198,694

Note 13—Exchange Revenues

Exchange revenues are earned through the collection of fees under the HSR Act. This Act, in part, requires the filing of premerger notifications with the FTC and the Antitrust Division of the DOJ and establishes a waiting period before certain acquisitions may be consummated. Mergers with transaction valuation above $63.4 million require the acquiring party to pay a filing fee. The filing fees are based on the transaction amount and follow a three-tiered structure: $45, $125 and $280 thousand. The FTC collects all HSR premerger fees, retains one-half, and remits 50 percent to the DOJ Antitrust Division pursuant to public law. Revenue is recognized upon collection of the appropriate fee and verification of proper documentation.

Exchange revenues are also earned through the collection of fees for the National DNC Registry. This Registry operates under Section 5 of the FTC Act, which enforces the Telemarketing Sales Rule. The Do-Not-Call Implementation Act, Public Law No. 108-010, gives the FTC authority to establish fees sufficient to offset enforcement of the provisions related to the Registry. Telemarketers are required to pay an annual subscription fee and download from the DNC Registry database a list of telephone numbers of consumers who do not wish to receive calls. Fees are based on the number of area codes downloaded. Data for up to five area codes is free. Effective October 1, 2009, the annual fee per area code download increased from $54 to $55. The maximum annual fee increased from $14,850 to $15,058. Revenue is recognized when collected and the telemarketer is given access to the requested data.

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Exchange revenue is also earned for services provided to other government agencies through reimbursable agreements. The FTC recovers the full cost of services, primarily salaries and related expenses. Revenue is earned at the time the expenditures are incurred against the reimbursable order. All exchange revenues are deducted from the full cost of the FTC's programs to arrive at net program cost.

For the FYs ended September 30, exchange revenue consisted of the following (in thousands):

	2010	2009
HSR premerger filing fees	$72,858	$42,148
Do Not Call registry fees	14,169	15,694
Reimbursable agreements	953	414
Total	$87,980	$58,256

Note 14—Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Obligations incurred reported on the Statement of Budgetary Resources in FY 2010 and FY 2009 consisted of the following (in thousands):

	2010	2009
Direct Obligations:		
Category A	$291,742	$265,548
Expenditures transferred to DOJ of HSR fees	-	15,357
	291,742	280,905
Reimbursable Obligations:		
Category B	987	390
Total	$292,729	$281,295

Note 15—Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

There are no material differences between amounts reported in the FY 2009 Statement of Budgetary Resources and the FY 2009 actual amounts as reported in the FY 2011 Budget of the United States Government. The FY 2012 Budget of the United States is not available to compare FY 2010 actual amounts to the FY 2010 Statement of Budgetary Resources.

Note 16—Undelivered Orders at the End of the Period

The amount of budgetary resources obligated for undelivered orders as of September 30, 2010 and 2009 is $69,991 and $47,677 thousand respectively.

Note 17—Custodial Activities

The primary custodial activities of the FTC are:

PREMERGER FILING FEES

All HSR premerger filing fees are collected by the FTC pursuant to 15 U.S.C. 18a notes, as amended, and are divided evenly between the FTC and the DOJ. During FY 2010 and FY 2009, the FTC collected $145,716 and $84,295 thousand respectively, in HSR premerger filing fees. The amounts designated for the DOJ as reported on the SCA were $72,858 thousand for FY 2010 and $42,148 thousand for FY 2009. Undistributed fees to the DOJ at September 30, 2010 and 2009 were $585 and $433 thousand, respectively.

CIVIL PENALTIES AND FINES

Civil penalties collected in connection with the settlement or litigation of the FTC's administrative or federal court cases are collected by either the FTC or the DOJ as provided for by law. The FTC deposits these collections into the Treasury. Civil penalties collected also include amounts collected for undecided civil penalty cases that are held until final disposition of the case. All civil penalties collected are disgorged to the general fund of the Treasury at the end of the year.

REDRESS

Collections for redress reported on the SCA are limited to those collections that have been disgorged to the Treasury. Collections for redress that are distributed to claimants are disclosed in Note 18 Redress and Divestiture Activities. Collections disgorged to the Treasury were $6,659 thousand for FY 2010 and $14,698 thousand for FY 2009.

Other line items on the SCA include:

ACCRUAL ADJUSTMENTS

The accrual adjustment for FY 2010 represents the difference between the FTC's opening and closing accounts receivable, net balances for civil penalties.

(INCREASE) IN AMOUNTS YET TO BE TRANSFERRED

An offsetting liability is established for custodial funds due to be collected (receivable).

Note 18—Redress and Divestiture Activities

REDRESS

The FTC obtains consumer redress in connection with the settlement or litigation of both its administrative proceedings and its federal court cases. The FTC attempts to distribute funds thus obtained to consumers whenever possible. If consumer redress is not practical, the funds are paid (disgorged) to the Treasury, or on occasion, other alternatives, such as consumer education, are permitted. Major components of the program include eligibility determination, disbursing redress to claimants, and accounting for the disposition of these funds. Collections made against court-ordered judgments totaled $170,270 and $75,301 thousand during FYs 2010 and 2009, respectively.

DIVESTITURE FUND

One judgment (obtained by the FTC in support of its strategic goal to maintain competition) stipulates the divestiture of assets by the defendants into an interest-bearing account to be monitored by the agency. The account balance represents principal and related interest held in the Treasury's Bureau of Public Debt. A corresponding liability is recorded.

Financial Section

Redress and divestiture fund activities for FY's 2010 and 2009 consist of (in thousands):

	2010	2009
Redress		
Fund Balance with Treasury		
Beginning balance	$ 2,298	$ 2,507
Collections	170,270	75,301
Disbursements to claimants	(483)	(261)
Disgorgements to Treasury	(6,659)	(14,698)
Transfers, expenses, refunds	(159,955)	(60,551)
Ending balance	$ 5,471	$ 2,298
Cash and Other Monetary Assets		
Beginning balance	$18,141	$ 10,485
Disbursements to claimants	(47,683)	(68,910)
Transfers, expenses, interest income	51,015	76,566
Ending balance	$ 21,473	$ 18,141
Investments		
Beginning balance	$ 49,306	$72,028
Transfers, expenses, interest income	104,276	(22,722)
Ending balance	$ 153,582	$49,306
Accounts Receivable, Net		
Beginning balance	$ 55,496	$ 87,800
Net Activity	(17,326)	(32,304)
Ending balance	$ 38,170	$ 55,496
Divestiture Fund:		
Investments		
Beginning balance	$ 45,542	$45,485
Interest, net of expenses	(19)	57
Ending balance	$ 45,523	$45,542

Note 19 – Reconciliation of Net Cost of Operations to Budget

	2010	2009
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations incurred	$292,729	$281,295
Less: Spending authority from offsetting collections and recoveries	(91,401)	(76,656)
Obligations net of offsetting collections and recoveries	201,328	204,639
Other Resources		
Imputed financing from costs absorbed by others	9,706	7,650
Net other resources used to finance activities	9,706	7,650
Total resources used to finance activities	211,034	212,289
Resources Used to Finance Items not Part of the Net Cost of Operations:		
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	(22,218)	(14,274)
Resources that finance the acquisition of assets	(5,660)	(2,791)
Total resources used to finance items not part of the net cost of operations	(27,878)	(17,065)
Total resources used to finance the net cost of operations	183,156	195,224
Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:		
Components Requiring or Generating Resources in Future Periods:		
Increase in annual leave liability	896	729
Other	(5)	325
Total components of Net Cost of Operations that will require or generate resources in future periods	891	1,054
Components not Requiring or Generating Resources:		
Depreciation and amortization	3,073	2,416
Total Components of Net Cost of Operations that will not require or generate resources	3,073	2,416
Total components of net cost of operations that will not require or generate resources in the current period	3,964	3,470
Net Cost of Operations	$ 187,120	$198,694