



**NASA** Langley Research Center Exchange  
NASA

**FY10 LaRC Exchange focus was on Innovation Improvements!**

Your First Choice – LaRC Exchange

Visit us at <http://larc-exchange.larc.nasa.gov/>



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# LaRC Exchange Operations Overview

## Mission & Vision



- The Exchange Mission is to provide products, services, and activities that promote and enhance the well-being of the LaRC Community.
- Vision: A customer-focused team providing “First Choice” quality of life programs and services for the LaRC community.
- **Your First Choice--Langley Exchange**



# LaRC EXCHANGE OPERATIONS

## Consolidated Financial Statement



September 30,

2010

2009

### Assets

#### Current assets

Cash and cash equivalents	\$ 388,884	\$ 371,785
Accounts receivable	17,074	35,104
Due from club accounts	4,686	8,487
Inventories	45,410	42,078
Prepaid expenses	30,777	13,495
Investments	15,604	25,712

#### Total current assets

502,435 496,661

#### Property and equipment - net

309,203 333,517

\$ 811,638 \$ 830,178

### Liabilities and Net Assets

#### Current liabilities

Accounts payable	\$ 41,237	\$ 44,269
Accrued expenses	97,119	90,592
Unearned revenue	5,543	3,406
Security deposits	10,780	11,110

#### Total current liabilities

154,679 149,377

#### Net assets

Unrestricted	656,959	680,801
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\$ 811,638 \$ 830,178



# LaRC EXCHANGE STANDARDS ASSESSMENT

(\$ THOUSANDS)

YTD Sept. 30, 2010



Financial Indicators and Business Indicators	STANDARD	BUDGET/TARGET AMOUNT	PREVIOUS YTD Sept 09	ASSESSMENT ACTUAL YTD ACHIEVED	(PROFIT) (VARIANCE)	REMARKS/COMMENTS
EAA/Admin. Office NI& BUDGET VAR	> 0   ±15%	-28.4	-41.2   +14.8	-35.1   23.6%	R A	Comments: Fitness Center income \$10,920 Randolph-Sheppard pay-out \$3,785 in FY10
CHILD DEV. CENTER NI & BUDGET VAR	> 0   ±15%	19.1	-.001   -5130%	-51.3   -270%	R R	Comments: Total revenues slightly decreased from FY09 by \$6.1K . Labor increased 31K over FY09.
FOOD AND BEVERAGE NI & BUDGET VAR	> 0   ±15%	13.3	49.9   +6.2%	53   +298%	G +R	Comments: Cafeteria revenues exceed FY09 by 56.3K resulting in largest revenues ever with 908K
EXCHANGE SHOP NI & BUDGET VAR	> 0   ±15%	3.5	6.1   +100%	9.6   +174%	G +R	Comments: The revenues were \$15K higher than FY09.
Exchange Fund Net Income & Budget Variance	> 0   ±15%	7.5	14.7   -262%	-23.8   -362%	R R	Comments: Net loss results due to substantial loss in CDC tuition income while salaries increased.
ACID TEST RATIO Ability to pay bill in 30 Days	>1:1	2.1:1	2.9:1	2.5:1	G	Comments: Quick cash is \$388,884, AR \$17,074 current assets \$502,435 Total liabilities \$154,679
CASH TO DEBT RATIO Cash + Current & L. RANGE Investments / total liabilities	>1:1   <2:1	2:1	3.2:1	2.9:1	G	Comments: Manageable Cash Assets on hand \$451,368
CI EXECUTION RATE 70 % OF BUDGET	70%	\$12.7	51.1 %	41.9 %	A	Comments: Capital Improvements budgeted at 18.1K. \$7.6K execution as of Sept 30, 2010.

## PROFIT/LOSS

R=LOSING MONEY

G=MAKING MONEY

A=CONTROLLED LOSS

## BUDGET VARIANCE

R=NEGATIVE OR VARIANCE >25%

G=POSITIVE NIBD & VARIANCE <16%

A=POSITIVE NIBD & VARIANCE 16-25% OR CONTROLLED LOSS & VARIANCE 0-25%



# LaRC EXCHANGE OPERATIONS

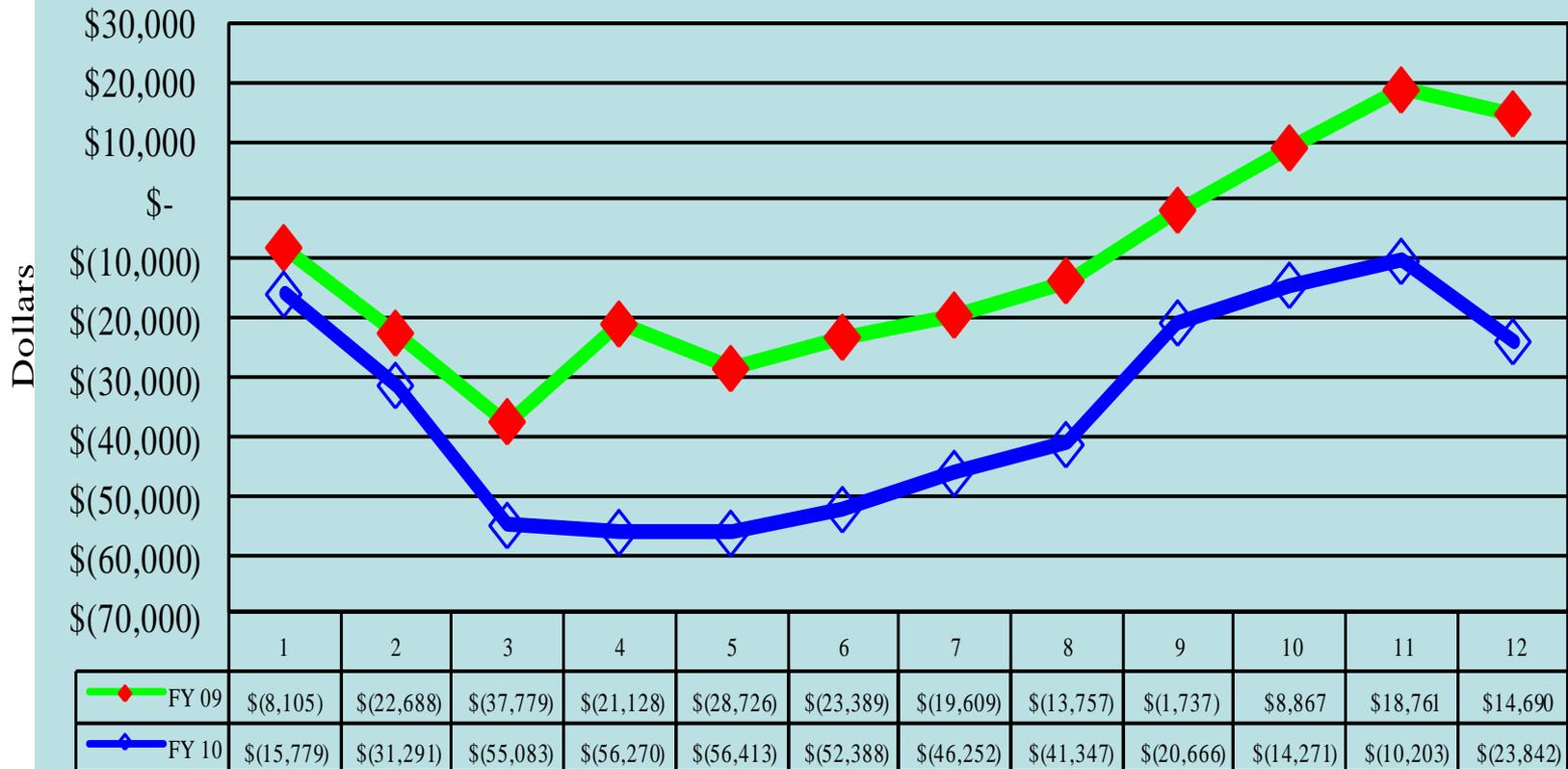
## FY 2010 Financial Statements by Activity



<b>Revenues</b>	EAA - Admin	CDC	Food & Bev	Exc. Shop	Consol. Exchange
Sales & Commissions	\$64,040	\$906,971	\$908,033	\$80,288	\$1,959,334
COGS			\$459,360	\$49,192	\$508,554
Gross Inc from Sales			\$448,673	\$31,096	\$1,450,780
Gross Income from operations	\$64,040	\$906,971	\$448,673	\$31,096	\$1,450,780
<b>Expenses</b>					
Labor	\$51,858	\$793,768	\$333,559	\$15,753	\$1,194,938
Operating Expenses	\$29,520	\$176,846	\$57,819	\$5,070	\$269,255
Total Expenses	\$81,378	\$970,614	\$391,378	\$20,823	\$1,464,193
Total other revenues	(\$1,793)	\$21,005	\$2,259	\$-	\$21,471
Net Income(loss) Before Depreciation	\$19,131	\$42,638	\$59,554	\$10,273	\$8,058
Depreciation	\$16,006	\$8,679	\$6,528	\$687	\$31,900
Net Income(loss)	(\$35,137)	(\$51,317)	\$53,026	\$9,586	(\$23,842)
Percentage of Total Revenue	-56%	-5.5%	5.8%	10.18%	-.012%
Total Revenue	\$62,247	\$927,976	\$910,292	\$65,297	\$1,980,805



## Exchange Cumulative Net Income October-September 2009 and 2010





# LaRC EXCHANGE OPERATIONS

## Cash Flow FY09 & 10



Years Ended September 30,	2010	2009
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (23,842)	\$ 14,690
Adjustments to reconcile to net cash from operating activities:		
Depreciation	31,900	30,262
Realized and unrealized losses on investments	-	7
Change in:		
Accounts receivable	18,030	1,521
Due to/from club accounts	3,801	(8,682)
Inventories	(3,332)	2,215
Prepaid expenses	(17,282)	12,550
Accounts payable	(3,032)	(6,754)
Accrued expenses	6,527	5,090
Unearned revenue	2,137	2,461
Security deposits	(330)	(330)
<b>Net cash from operating activities</b>	<u>14,577</u>	<u>53,030</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(7,584)	(13,991)
Proceeds from sale of investments	-	70,000
Proceeds from maturities of investments	10,106	-
Purchases and reinvestments of investments	-	(60,863)
<b>Net cash from investing activities</b>	<u>2,522</u>	<u>(4,854)</u>
<b>Net change in cash and cash equivalents</b>	17,099	48,176
<b>Cash and cash equivalents - beginning of year</b>	<u>371,785</u>	<u>323,609</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 388,884</u>	<u>\$ 371,785</u>



# LaRC EXCHANGE

## Fiscal Year 2010

### Capital Improvements



	ROI				
PRIORITY	Years	Activity	Cost	Projected Purchase	Description
3	4	LaRC CDC	\$8,100	4th qtr	Training computer, washing machine, dryer, refrigerator, curriculum software, Executed \$7.6K
2	3	LaRC CDC	\$5000	3rd qtr	Playground age appropriate replacements and upgrades= Not executed
1	8	Food & Beverage	\$5,000	4 <sup>th</sup> qtr	Emergency replacement/repair equipment as required- Not executed due to no requirement
		<b>TOTAL</b>	<b>\$18,100</b>		



# LaRC Exchange Operations Overview



## 2010 Major Accomplishments

- FY 2010 – Replaced Heating, Ventilation, and Air Conditioning in gym and fitness center.
- FY 2010 – Completed design for new kitchen
- NASA HQ accepted COF for demolition of CDC infant B1231 and replace with expansion of 1231C Main building and building of new kitchen for out years.
- Revamped Exchange Council for a more LaRC Corporate Executive Board of Directors approach for policy and leadership with addition of OUMs and OUM Deputies as members of the council.
- The Cafeteria had another excellent year with a profit of \$53K.
- Face lift of Old LCDC building 1231 to include new floor and ceiling tiles, painting of rooms.
- Repaired CDC playground fence and established two new gates to enhance evacuation and maintenance needs.
- New washer and refrigerators for CDC.



# LaRC Exchange Operations Overview



## 2010 Major Accomplishments

- Exchange shop began a contracted auto detailing service.
- New contractor for laundry/dry cleaning pick-up point in Exchange shop to include alterations and shoe repair.
- 2010 upgrade to Peachtree Quantum Accounting.
- Implemented new web-base child care curriculum.
- Refurbished gym locker room floor.
- Provided \$11,711 in Morale Welfare Funds for office parties, picnics, and Director's holiday reception.
- Vending operations provided \$3,785 for Randolph-Sheppard.
- Provided \$7,009 in support of employees' 401K retirement plan.
- Provided \$14,900 in performance awards to employees.
- Two new employee clubs established: Indoor Soccer Club and Emerging Professional Social Club
- The following charts provide photo highlights of some of these 2010 accomplishments:



# LaRC Exchange Operations Overview



## 2010 Major Accomplishments



The Exchange Shop opened a pick up and drop off point for Laundry, Dry Cleaning, Alterations, and Shoe Repair during FY2010.



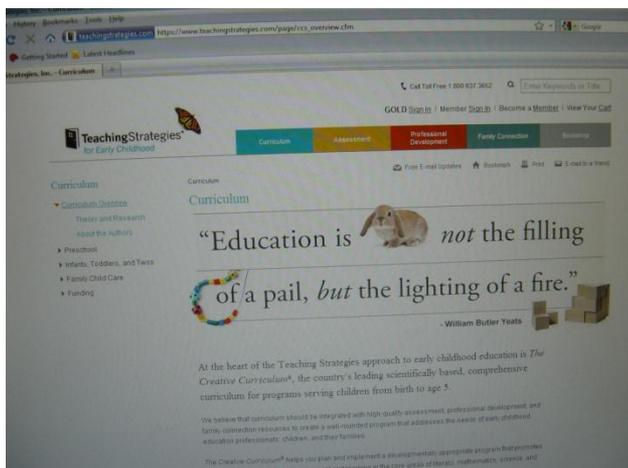
The Exchange partnered with Strategic Relation Office to provide the LaRC Navigation Center with a new concept in exercising with an Office Treadmill Desk.



The Exchange open a new auto detailing service for employees on center by the Cafeteria/Exchange Shop building 1213. Customers stop by the Exchange Shop to make appointments and pay for services.



# LaRC Exchange Operations Overview 2010 Major Accomplishments



**Innovating the LCDC Classroom - The LaRC Child Development Center now accomplishes real time assessments for each child in the center as well as plans their classroom curriculum and activities on the new web based Creative Curriculum program.**



**Playground fencing was upgraded with two new gates and reinforced to withstand hurricane winds.**



**New lights, flooring, ceiling tiles, fresh paint and new area rugs brighten up the 5 classrooms.**



**Newly refurbished nursing area for the Center.**



# LaRC Exchange Operations Annual Operating Plan FY 2011



Revenues	EAA- Admin	CDC	Food & Bev	Exc. Shop	Consol. Exchange
Sales Revenues			\$ 866,925	\$ 73,750	\$ 940,675.00
COGS			\$ 411,728	\$ 49,115	\$ 460,843.00
<b>Gross Inc from Sales</b>			\$ 455,197	\$ 24,635	\$ 479,832.00
Other Income	\$ 60,970	\$ 931,880			\$ 992,850.00
Total Revenue	\$ 60,970	\$ 931,880	\$ 866,925	\$ 73,750	\$ 1,933,525.00
<b>Gross Income</b>	\$ 60,970	\$ 931,880	\$ 455,197	\$ 24,635	\$ 1,472,682.00
<b>Expenses</b>					
Labor	\$ 56,500	738,295	\$ 339,610	\$ 14,000	\$ 1,148,405.00
Operating Expenses	\$ 24,054	180,869	\$ 81,720	\$ 3,914	\$ 290,557.00
Total Expenses	\$ 80,554	919,164	\$ 421,330	\$ 17,914	\$ 1,438,962.00
Net Income(loss)Before Dep.	\$ (19,584)	\$ 12,716	\$ 33,867	\$ 6,721	\$ 33,720.00
Depreciation	\$ 12,480	\$ 9,000	\$ 6,480	\$ 720	\$ 28,680.00
<b>Net Income(loss)</b>	\$ (32,064)	\$ 3,716	\$ 27,387	\$ 6,001	\$ 5,040.00
Percentage Goals	-52.6%	0.4%	3.2%	8.1%	0.3%

**FY11 LaRC Exchange Focus will be on self sufficient operations !**



# LaRC EXCHANGE 2011

## Major Budget Impacts



- **Implementation of CDC Get Well Plan with execution of both business based and non- business based actions.**
  - Reduces 5 floater positions from full time to flexible on call.
  - Transfer the CDC kitchen operations to Food and Beverage Manger.
  - Better management of sick leave usage.
  - Offer voluntary reduction of lunch from 1 hour to 30 minutes.
- **2% increase in liability insurance anticipated with renewal due in March.**
- **Health Insurance rate increase approximately 12% for the year.**
- **Exchange Shop budget for full year with income from auto detailing and Laundry dry cleaning.**

**FY11 LaRC Exchange Focus will be on self sufficient operations !**



# LaRC EXCHANGE Fiscal Year 2011 Capital Improvements



	ROI				
PRIORITY	Years	Activity	Cost	Projected Purchase	Description
3	10	<b>LaRC CDC</b>	\$10,000	4th qtr	Playground age appropriate replacements and upgrades
2	5	<b>LaRC CDC</b>	\$5,000	3rd qtr	Furnishing/area rugs for building 1231
1	5	<b>Food &amp; Beverage</b>	\$5,000	4 <sup>th</sup> qtr	Upgrade lounge/Emergency replacement/repair equipment as required
		<b>TOTAL</b>	<b>\$20,000</b>		

**FY11 LaRC Exchange Focus will be on self sufficient operations !**



# LaRC EXCHANGE

## Years 2011-2016

### Future Projects Plans



- FY 2011 - Pursue establishing of vehicle resale and storage lot for center employee
- FY 2011 - Pursue re-establishment of catering packages for employee special occasion such as weddings, promotions, retirements, etc.
- FY 2012 - Refurbishing of the gym floor \$100K
- FY 2012 - Resurface/repair tennis/basketball court \$120K
- FY 2013 - COF projected for construction of new Cafeteria/Exchange Shop/Exchange Administrative Offices in New Town Integrated Services Facility  
Cost TBD
- FY 2014 - Repair through replacement - Demolition of CDC infant building 1231 and expand new Child Development Center 1231c for infant rooms and kitchen operations \$500K
- FY 2015 - COF projected to relocate/expand fitness center in B 1222 Reid Employee Wellness Center, rehab. locker rooms, new floor, mirrors, covered walkway to gym.  
\$1.5M
- FY 2016 - Upgrade gym and athletic fields with fencing and drainage, new racquetball court, divider curtain -\$3.5 M

**FY11 LaRC Exchange Focus will be on self sufficient operations !**