

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
January 31, 2009***

**Mary Ann Woodson  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Financial Highlights**  
**January 31, 2009**

**Balance Sheet**

Overnight Investments decreased \$1.5 million for payment of operating expenses.

Other assets increased \$6.9 million in order to recognize income of 1/12th of the 2009 operating fee assessment that is due April 2009.

**Statement of Revenue and Expenses**

Net income for the month was \$2.0 million higher than planned primarily due to all expense categories being under budget. Contracted services and travel are normally under budget at the start of the year because the agency is in the process of planning and implementing its operations.

**Statement of Cash Flow**

Cash decreased by \$4.7 million for the month, reflecting payments for operating expenses, leases, and notes payable.

**Budget (Year-to-Date)**

Agency spending was under budget by \$4.4 million or 28.9 percent. Pay and benefits were under budget by 12.8 percent. Travel was under budget by 84.8 percent; travel is usually low at the start of the year as the regions begin their exam programs. The remaining variance of \$1.5 million was derived mainly from contracted services.

**Vacancies**

The agency had 69 vacancies as of January 31 -- up 32 from December 31, 2008. Of the 69 vacancies, 20 were in the central office and 49 were in the regional offices and AMAC. The vacancies represent 6.8 percent of total authorized staff of 1,016.50.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**January 31, 2009**

	January 2008	December 2008	January 2009
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 5,663.24	\$ 1,249,338.82	\$ 100,440.64
Overnight Investments	20,075,000.00	20,343,000.00	16,806,000.00
Accounts Receivable	325,213.62	544,600.00	278,767.16
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	812,486.66	3,655,042.07	3,514,308.03
Home Purchase Program	1,164,221.76	517,500.00	517,500.00
Other	6,206,391.42	100.00	6,928,303.88
<i>Total Current Assets</i>	28,588,976.70	26,309,580.89	28,145,319.71
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,556,592.00	25,687,064.00	25,608,018.00
Capital Lease	1,067,260.32	270,413.90	198,616.66
Equipment	2,059,625.00	2,495,556.00	2,403,238.00
Assets Under Construction	320,209.00	999,969.63	999,969.63
<i>Total Property, Plant, and Equipment</i>	33,949,950.27	33,399,267.48	33,156,106.24
<b>TOTAL ASSETS</b>	<b>\$ 62,538,926.97</b>	<b>\$ 59,708,848.37</b>	<b>\$ 61,301,425.95</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 2,527,327.07	\$ 3,381,202.32	\$ 2,418,326.10
Accrued Employee Compensation	14,414,854.17	13,490,080.06	14,509,532.58
Other Current Liabilities	171,548.32	76,551.39	170,987.90
<i>Total Current Liabilities</i>	17,113,729.56	16,947,833.77	17,098,846.58
Non-Current Liabilities			
Notes Payable	21,008,021.66	19,778,828.97	19,667,084.18
Other	1,171,049.10	448,017.95	213,739.87
<i>Total Non-Current Liabilities</i>	22,179,070.76	20,226,846.92	19,880,824.05
<b>TOTAL LIABILITIES</b>	<b>39,292,800.32</b>	<b>37,174,680.69</b>	<b>36,979,670.63</b>
<b>FUND BALANCE:</b>			
Unappropriated	22,246,126.65	21,534,167.68	23,321,755.32
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>23,246,126.65</b>	<b>22,534,167.68</b>	<b>24,321,755.32</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 62,538,926.97</b>	<b>\$ 59,708,848.37</b>	<b>\$ 61,301,425.95</b>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**January 31, 2009**

	January 2009 Monthly Actual	January 2009 Monthly Budget	January 2009 Year-To-Date Actual	January 2009 Year-To-Date Budget	January 2008 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 967.84	\$ 83,333.33	\$ 967.84	\$ 83,333.33	\$ 79,076.13
Program-related Income	6,773,333.00	6,773,333.33	6,773,333.00	6,773,333.33	6,088,075.81
Other Income	30,837.95	25,000.00	30,837.95	25,000.00	4,166.15
Total Revenue	6,805,138.79	6,881,666.67	6,805,138.79	6,881,666.67	6,171,318.09
<b>EXPENSES:</b>					
Employee Pay	3,603,310.93	4,053,532.13	3,603,310.93	4,053,532.13	3,723,533.87
Employee Benefits	939,333.66	1,157,442.36	939,333.66	1,157,442.36	950,654.19
Employee Travel	122,353.61	805,878.68	122,353.61	805,878.68	131,835.91
Rent/Communications/Utilities	48,213.47	168,968.68	48,213.47	168,968.68	53,263.83
Administrative Costs	284,037.72	434,449.97	284,037.72	434,449.97	422,960.94
Contracted Services	20,301.76	436,757.76	20,301.76	436,757.76	27,247.92
Total Expenses	5,017,551.15	7,057,029.58	5,017,551.15	7,057,029.58	5,309,496.66
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 1,787,587.64</b>	<b>\$ (175,362.91)</b>	<b>\$ 1,787,587.64</b>	<b>\$ (175,362.91)</b>	<b>\$ 861,821.43</b>

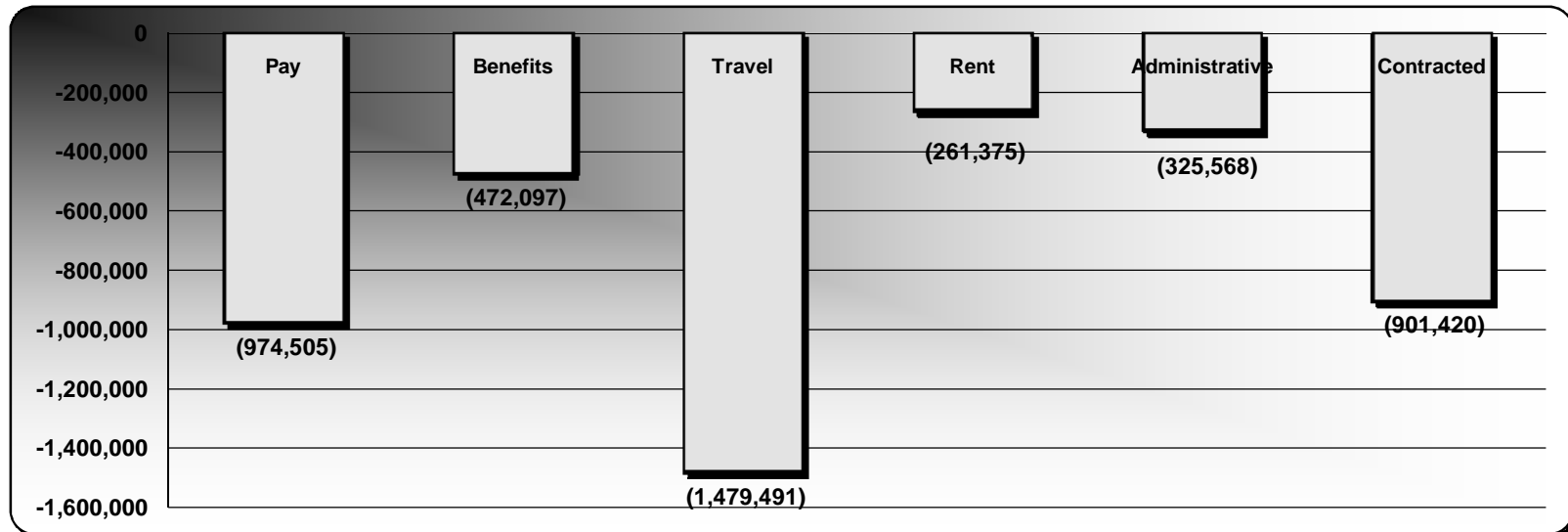
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**January 31, 2009**

	Month January 2008	Month January 2009	Y-T-D January 2008	Y-T-D January 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ -	\$ -	\$ -	\$ -
Interest received from cash and cash equivalents	79,076.13	967.84	79,076.13	967.84
Other income received	4,166.15	30,837.95	4,166.15	30,837.95
(Cash paid for operating expenses)	(3,551,991.96)	(4,271,927.03)	(3,551,991.96)	(4,271,927.03)
<b>Net cash (used) in operating activities</b>	<b>(3,468,749.68)</b>	<b>(4,240,121.24)</b>	<b>(3,468,749.68)</b>	<b>(4,240,121.24)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(23,993.36)	(9,569.15)	(23,993.36)	(9,569.15)
Proceeds (purchases) home purchase program	(163,387.69)	0.00	(163,387.69)	0.00
<b>Net cash (used) in investing activities</b>	<b>(187,381.05)</b>	<b>(9,569.15)</b>	<b>(187,381.05)</b>	<b>(9,569.15)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(111,744.79)	(111,744.79)
(Capital lease payments)	(326,949.79)	(324,463.00)	(326,949.79)	(324,463.00)
<b>Net cash (used) in financing activities</b>	<b>(438,694.58)</b>	<b>(436,207.79)</b>	<b>(438,694.58)</b>	<b>(436,207.79)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(4,094,825.31)</b>	<b>(4,685,898.18)</b>	<b>(4,094,825.31)</b>	<b>(4,685,898.18)</b>
Cash and cash equivalents at beginning of period	24,175,488.55	21,592,338.82	24,175,488.55	21,592,338.82
<b>Cash and cash equivalents at end of period</b>	<b>\$ 20,080,663.24</b>	<b>\$ 16,906,440.64</b>	<b>\$ 20,080,663.24</b>	<b>\$ 16,906,440.64</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 861,821.43</b>	<b>\$ 1,787,587.64</b>	<b>\$ 861,821.43</b>	<b>\$ 1,787,587.64</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	286,725.60	252,730.39	286,725.60	252,730.39
Unrealized (gain) loss	0.00	0.00	0.00	0.00
(Gain) loss on disposal of fixed assets	0.00	0.00	0.00	0.00
(Gain) loss on disposal of homes	0.00	0.00	0.00	0.00
Interest expense on leases	2,400.03	0.00	2,400.03	0.00
Miscellaneous allowances	0.00	0.00	0.00	0.00
<b>Change in current assets and liabilities</b>				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	90,058.97	90,058.97	90,058.97	90,058.97
Accounts receivable	255,866.68	265,832.84	255,866.68	265,832.84
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(14,423.42)	140,734.04	(14,423.42)	140,734.04
Other assets	(6,206,391.42)	(6,928,203.88)	(6,206,391.42)	(6,928,203.88)
Increase (decrease) in liabilities:				
Accounts payable	(404,276.89)	(962,876.22)	(404,276.89)	(962,876.22)
Accrued employee compensation	1,517,080.94	1,019,452.52	1,517,080.94	1,019,452.52
Other non current liabilities	6,422.46	125.95	6,422.46	125.95
Other current liabilities	135,965.94	94,436.51	135,965.94	94,436.51
<b>Total adjustments</b>	<b>(4,330,571.11)</b>	<b>(6,027,708.88)</b>	<b>(4,330,571.11)</b>	<b>(6,027,708.88)</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (3,468,749.68)</b>	<b>\$ (4,240,121.24)</b>	<b>\$ (3,468,749.68)</b>	<b>\$ (4,240,121.24)</b>

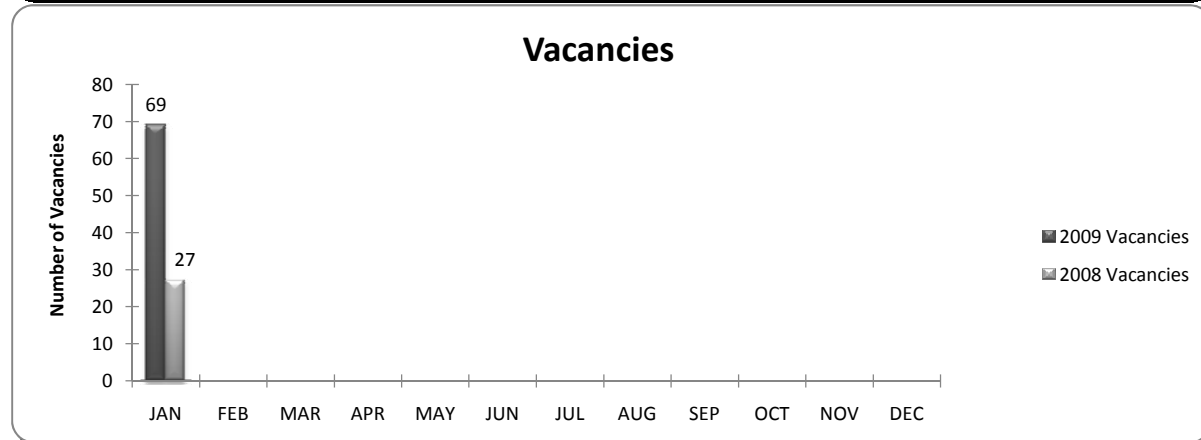
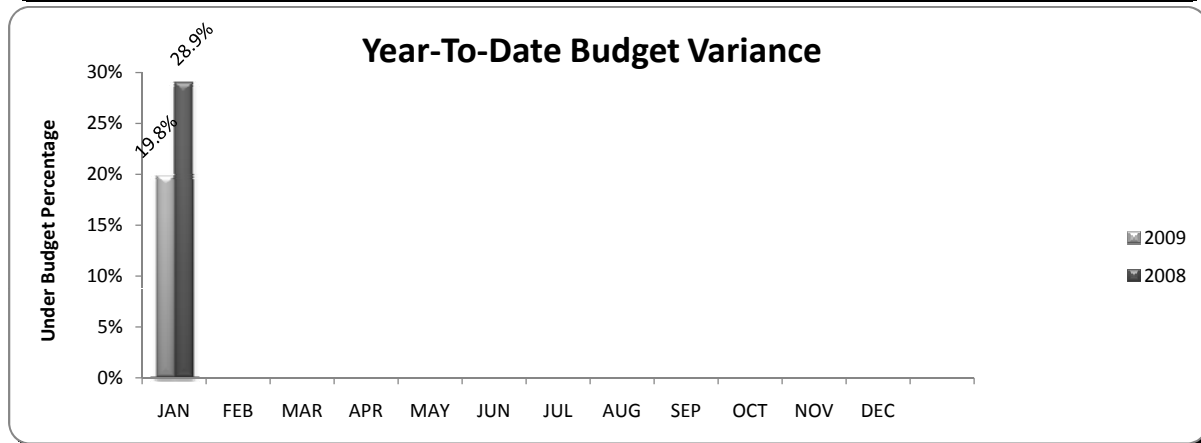
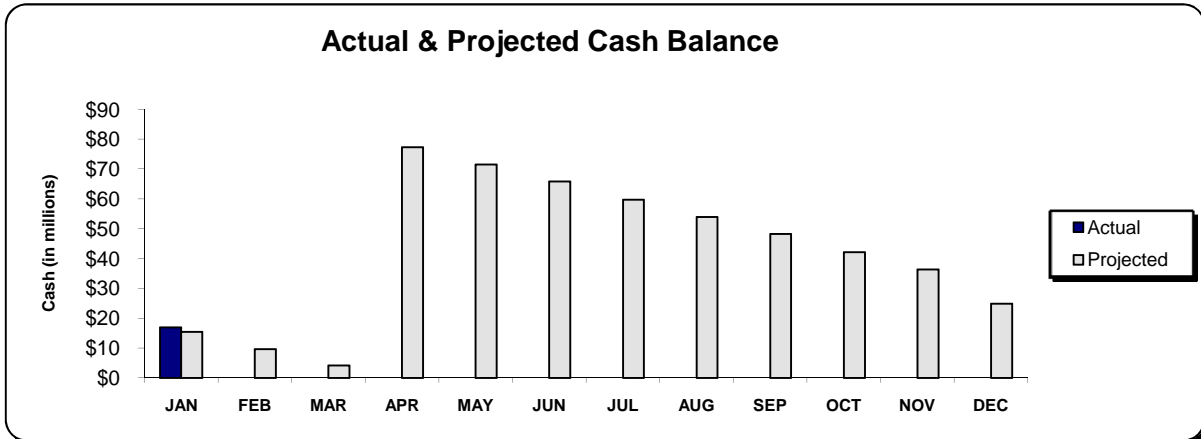
**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
January 31, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	8,773,879	7,799,374	(974,505)	-11.1%	8,197,679	7,757,362	(440,317)	-5.4%
<b>Benefits</b>	2,505,287	2,033,190	(472,097)	-18.8%	2,240,356	1,980,530	(259,826)	-11.6%
<b>Travel</b>	1,744,326	264,835	(1,479,491)	-84.8%	1,284,684	274,658	(1,010,025)	-78.6%
<b>Rent, Communications, &amp; Utilities</b>	365,733	104,358	(261,375)	-71.5%	347,298	110,966	(236,332)	-68.0%
<b>Administrative</b>	940,368	614,800	(325,568)	-34.6%	986,578	881,169	(105,409)	-10.7%
<b>Contracted Services</b>	945,363	43,943	(901,420)	-95.4%	731,718	56,767	(674,951)	-92.2%
<b>TOTAL</b>	15,274,956	10,860,500	(4,414,455)	-28.9%	13,788,312	11,061,451	(2,726,860)	-19.8%

**Percent Over (Under) Budget  
January 31, 2009**



**National Credit Union Administration Operating Fund**  
**Graphs and Ratios**  
**January 31, 2009**



**Ratios**

	January 2008	January 2009
Retained earnings / Total assets	37.17%	39.68%
Monthly interest income to average investments (annualized)	3.28%	0.05%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 3,813	\$ 3,361
Net year to date cash inflow (outflow) in millions of dollars	\$ (4.1)	\$ (4.7)
Cash and Overnight investments / Total assets	32.1%	27.6%