

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
June 30, 2009***

**Mary Ann Woodson  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Financial Highlights**  
**June 30, 2009**

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**Balance Sheet**

Cash has a balance of \$500,000 due to quarterly scheduled disbursements by the Treasury Department. The cash balance will return to a normal balance of \$100,000 on July 1.

Overnight Investments decreased \$6.0 million primarily for payment of operating expenses.

Operating fees of \$80.7 million have been collected year-to-date with \$6,000 remaining to be collected.

The Home Purchase Program increased \$399,000 due to the purchase of one residence.

Accrued Employee Compensation increased \$1.1 million due to the accrual for 7 days at the end of June versus 5 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$6.7 million. This decrease is due to recognizing deferred operating fee income. Deferred operating fee income is recognized evenly over the calendar period.

**Statement of Revenue and Expenses**

Net income for the month was \$49,000 higher than planned primarily due employee benefits, employee travel, rent/communications/utilities, and contracted services being under budget.

**Statement of Cash Flow**

Cash decreased by \$5.6 million for the month, reflecting payments for operating expenses, fixed assets, home purchase program and notes payable in excess of receipts for operating fee assessments and interest income.

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

Agency spending was under budget by \$7.6 million or 8.6 percent, compared to \$5.3 million or 6.7 percent in June 2008. Pay and benefits were under budget by 3.7 percent. The remaining variance of \$5.3 million was derived mainly from travel and contracted services.

**Vacancies**

The agency had 22 vacancies as of June 20 -- down 14 from May 23. Of the 22 vacancies, there were 20 in the central office, 5 in the regional offices and AMAC and 3 net over-hires in the field staff. The vacancies represent 2.1 percent of total authorized staff of 1,018.05.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**June 30, 2009**

	June 2008	May 2009	June 2009
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 500,341.29	\$ 100,228.12	\$ 500,392.11
Overnight Investments	60,702,000.00	68,198,000.00	62,157,000.00
Accounts Receivable	767,667.97	1,292,091.05	1,076,117.79
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	1,055,108.43	2,291,909.14	2,735,479.38
Home Purchase Program	277,446.38	1,048,900.87	1,447,990.31
Other	0.00	35,966.74	5,155.00
<i>Total Current Assets</i>	63,302,564.07	72,967,095.92	67,922,134.59
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,161,350.00	25,303,885.00	25,224,629.00
Capital Lease	702,084.16	52,750.00	50,529.00
Equipment	1,524,472.00	2,331,061.00	2,247,132.00
Assets Under Construction	815,268.33	2,220,604.15	2,220,604.15
<i>Total Property, Plant, and Equipment</i>	33,149,438.44	33,854,564.10	33,689,158.10
<b>TOTAL ASSETS</b>	<b>\$ 96,452,002.51</b>	<b>\$ 106,821,660.02</b>	<b>\$ 101,611,292.69</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 2,286,172.88	\$ 1,109,123.82	\$ 1,400,525.84
Accrued Employee Compensation	12,808,200.40	12,404,550.02	13,539,846.90
Other Current Liabilities	35,773,935.80	48,300,021.42	41,573,447.32
<i>Total Current Liabilities</i>	50,868,309.08	61,813,695.26	56,513,820.06
Non-Current Liabilities			
Notes Payable	20,449,297.71	19,220,105.02	19,108,360.23
Other	925,137.80	192,831.53	188,651.70
<i>Total Non-Current Liabilities</i>	21,374,435.51	19,412,936.55	19,297,011.93
<b>TOTAL LIABILITIES</b>	<b>72,242,744.59</b>	<b>81,226,631.81</b>	<b>75,810,831.99</b>
<b>FUND BALANCE:</b>			
Unappropriated	23,209,257.92	24,595,028.21	24,800,460.70
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>24,209,257.92</b>	<b>25,595,028.21</b>	<b>25,800,460.70</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 96,452,002.51</b>	<b>\$ 106,821,660.02</b>	<b>\$ 101,611,292.69</b>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**June 30, 2009**

	June 2009 Monthly Actual	June 2009 Monthly Budget	June 2009 Year-To-Date Actual	June 2009 Year-To-Date Budget	June 2008 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 6,007.47	\$ 83,333.33	\$ 20,319.92	\$ 500,000.00	\$ 485,047.37
Program-related Income	6,692,242.00	6,773,333.33	40,234,543.00	40,640,000.00	36,696,391.69
Other Income	17,835.20	25,000.00	171,832.70	150,000.00	79,396.31
Total Revenue	6,716,084.67	6,881,666.67	40,426,695.62	41,290,000.00	37,260,835.37
<b>EXPENSES:</b>					
Employee Pay	3,804,568.28	3,790,428.60	22,503,862.45	23,121,313.62	21,742,675.02
Employee Benefits	1,023,249.85	1,088,927.89	6,032,275.74	6,628,054.46	5,794,326.37
Employee Travel	772,292.72	805,878.68	3,689,096.29	4,835,271.92	3,436,973.96
Rent/Communications/Utilities	109,859.00	168,968.66	825,085.09	1,013,811.86	812,450.68
Administrative Costs	484,598.77	434,449.97	2,508,369.23	2,606,700.02	2,267,100.37
Contracted Services	316,083.56	436,757.76	1,601,713.80	2,620,546.50	1,382,356.27
Total Expenses	6,510,652.18	6,725,411.56	37,160,402.60	40,825,698.38	35,435,882.67
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 205,432.49</b>	<b>\$ 156,255.11</b>	<b>\$ 3,266,293.02</b>	<b>\$ 464,301.63</b>	<b>\$ 1,824,952.70</b>

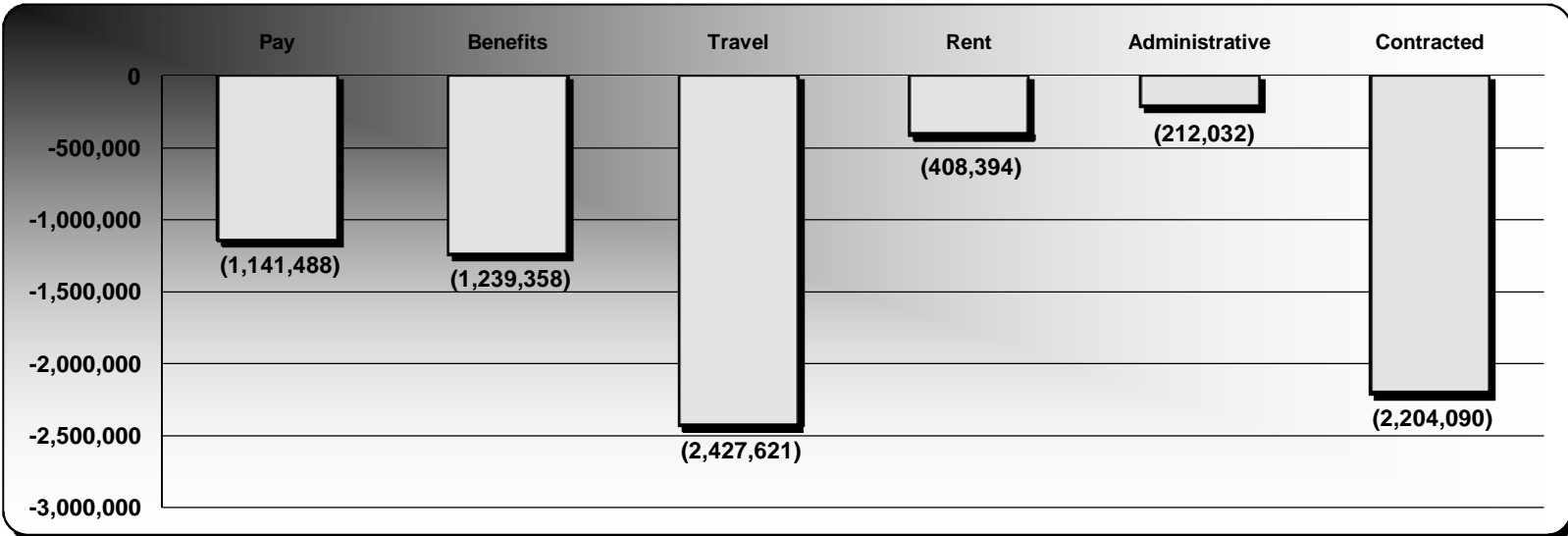
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**June 30, 2009**

	Month June 2008	Month June 2009	Y-T-D June 2008	Y-T-D June 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 329,028.47	\$ 1,160,880.37	\$ 72,371,016.34	\$ 83,805,200.62
Interest received from cash and cash equivalents	123,078.19	6,007.47	485,047.37	20,319.92
Other income received	2,995.30	17,835.20	79,396.31	171,832.70
(Cash paid for operating expenses)	(5,041,738.81)	(5,901,305.38)	(34,535,329.84)	(38,981,871.72)
<b>Net cash (used) in operating activities</b>	<b>(4,586,636.85)</b>	<b>(4,716,582.34)</b>	<b>38,400,130.18</b>	<b>45,015,481.52</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(532,284.33)	(14,330.00)	(623,152.59)	(1,612,442.71)
Proceeds (purchases) home purchase program	95,241.18	(399,089.44)	584,107.72	(930,490.31)
<b>Net cash (used) in investing activities</b>	<b>(437,043.15)</b>	<b>(413,419.44)</b>	<b>(39,044.87)</b>	<b>(2,542,933.02)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(670,468.74)	(670,468.74)
(Capital lease payments)	(3,336.61)	(399,089.44)	(663,763.83)	(737,026.47)
<b>Net cash (used) in financing activities</b>	<b>(115,081.40)</b>	<b>(510,834.23)</b>	<b>(1,334,232.57)</b>	<b>(1,407,495.21)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(5,138,761.40)</b>	<b>(5,640,836.01)</b>	<b>37,026,852.74</b>	<b>41,065,053.29</b>
Cash and cash equivalents at beginning of period	66,341,102.69	68,298,228.12	24,175,488.55	21,592,338.82
<b>Cash and cash equivalents at end of period</b>	<b>\$ 61,202,341.29</b>	<b>\$ 62,657,392.11</b>	<b>\$ 61,202,341.29</b>	<b>\$ 62,657,392.11</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 551,946.76</b>	<b>\$ 205,432.49</b>	<b>\$ 1,824,952.70</b>	<b>\$ 3,266,293.02</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	273,178.24	179,736.00	1,686,396.66	1,322,552.09
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	12,657.82	0.00	139,279.97	0.00
Interest expense on leases	1,816.55	0.00	12,654.39	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	0.00	0.00	180,117.94	90,058.97
Accounts receivable	277,049.06	215,973.26	(186,587.67)	(531,517.79)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(38,330.07)	(443,570.24)	(257,045.19)	919,562.69
Other assets	82,465.40	30,811.74	0.00	(5,055.00)
Increase (decrease) in liabilities:				
Accounts payable	155,640.72	291,402.02	(645,431.08)	(1,980,676.48)
Accrued employee compensation	338,430.49	1,135,296.88	(89,572.83)	49,766.84
Other non current liabilities	(2,590.54)	394,909.61	(2,988.13)	387,601.25
Other current liabilities	(6,238,901.28)	(6,726,574.10)	35,738,353.42	41,496,895.93
<b>Total adjustments</b>	<b>(5,138,583.61)</b>	<b>(4,922,014.83)</b>	<b>36,575,177.48</b>	<b>41,749,188.50</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (4,586,636.85)</b>	<b>\$ (4,716,582.34)</b>	<b>\$ 38,400,130.18</b>	<b>\$ 45,015,481.52</b>

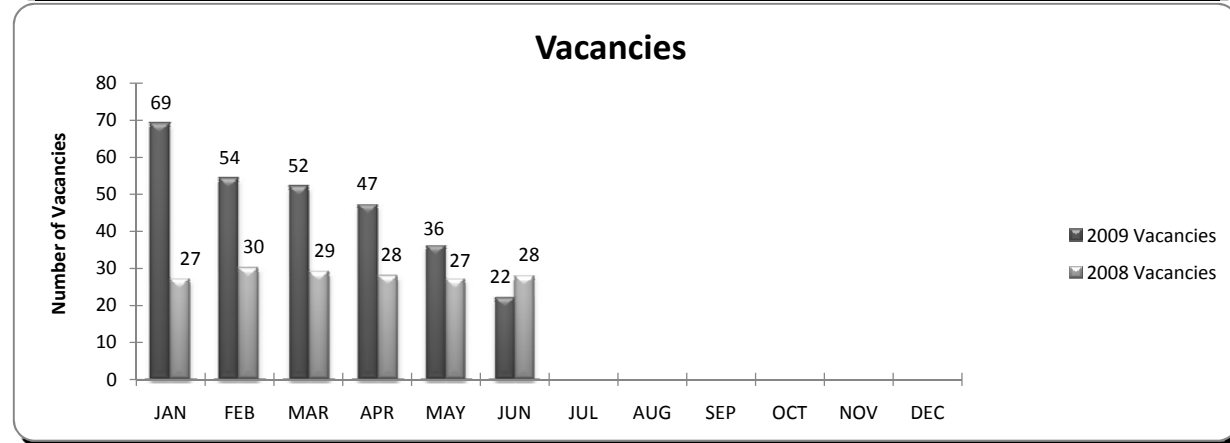
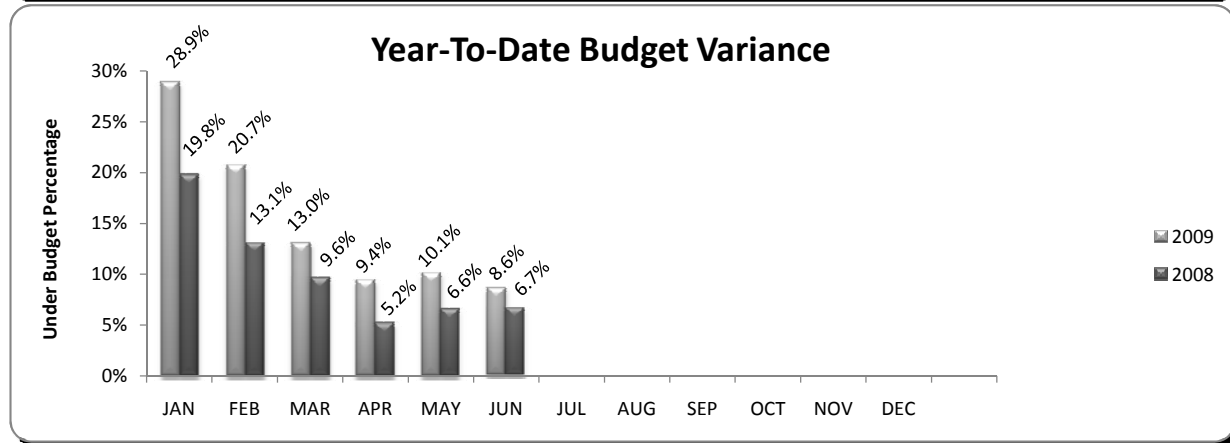
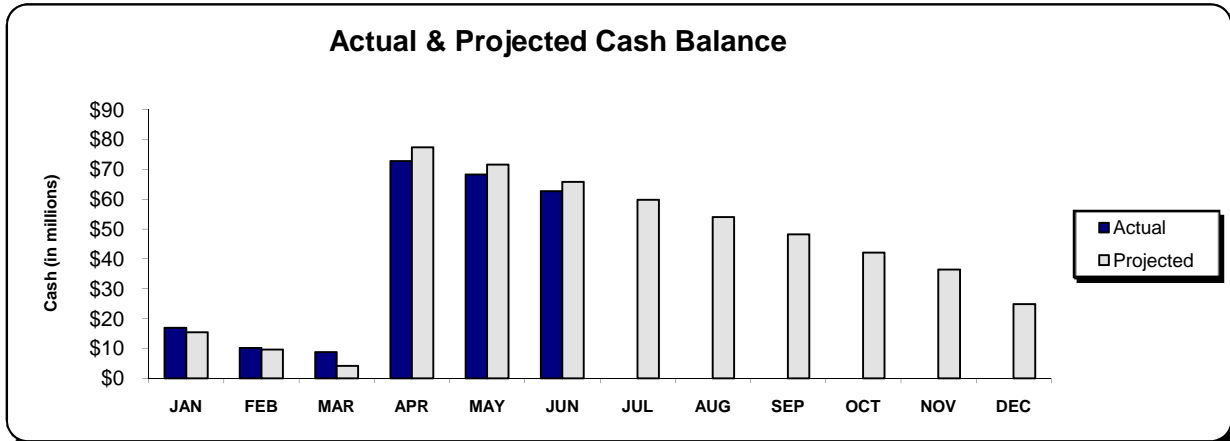
**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
June 30, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	50,046,133	48,904,646	(1,141,488)	-2.3%	46,310,335	45,297,240	(1,013,095)	-2.2%
<b>Benefits</b>	14,346,438	13,107,080	(1,239,358)	-8.6%	12,675,180	12,071,513	(603,666)	-4.8%
<b>Travel</b>	10,465,957	8,038,336	(2,427,621)	-23.2%	7,708,102	7,160,362	(547,739)	-7.1%
<b>Rent, Communications, &amp; Utilities</b>	2,194,398	1,786,004	(408,394)	-18.6%	2,083,788	1,692,606	(391,183)	-18.8%
<b>Administrative</b>	5,642,208	5,430,176	(212,032)	-3.8%	5,919,468	4,723,126	(1,196,342)	-20.2%
<b>Contracted Services</b>	5,672,179	3,468,088	(2,204,090)	-38.9%	4,390,305	2,879,909	(1,510,396)	-34.4%
<b>TOTAL</b>	88,367,313	80,734,330	(7,632,983)	-8.6%	79,087,178	73,824,756	(5,262,422)	-6.7%

**Amount Over (Under) Budget  
June 30, 2009**



**National Credit Union Administration Operating Fund**  
**Graphs and Ratios**  
**June 30, 2009**



**Ratios**

	<b>June 2008</b>	<b>June 2009</b>
Retained earnings / Total assets	25.10%	25.39%
Monthly interest income to average investments (annualized)	2.03%	0.09%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 16,567	\$ 16,854
Net year to date cash inflow (outflow) in millions of dollars	\$ 37.0	\$ 41.1
Cash and Overnight investments / Total assets	63.5%	61.7%