

National Credit Union Administration



Operating Fund

***Financial Highlights
May 31, 2009***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
May 31, 2009

Balance Sheet

Overnight Investments decreased \$4.5 million primarily for payment of operating expenses.

Accounts Receivable decreased \$4.9 million primarily due to the collection of operating fees; operating fees of \$80.6 million have been collected year-to-date with \$1.2 million remaining to be collected.

Prepaid Expenses decreased by \$1.3 million reflecting system implementation projects being transferred to Assets Under Construction.

Accrued Employee Compensation decreased \$4.4 million due to the accrual for 5 days at the end of May versus 14 days in the previous month. This reduction in the accrual results in an increase in cash paid for operating expenses on the Statement of Cash Flow. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$5.7 million. This decrease is primarily 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 \$722,000 higher than planned primarily due to increased revenue as well as all expense categories being under budget.

Statement of Cash Flow

Cash decreased by \$4.5 million for the month, reflecting payments primarily for operating expenses and fixed assets in excess of receipts for operating fee assessments.

Budget (Year-to-Date)

Agency spending was under budget by \$7.5 million or 10.1 percent. Pay and benefits were under budget by \$2.5 million (or 4.7 percent). The remaining variance of \$5.0 million was derived mainly from travel, administrative, and contracted services being under budget.

Vacancies

The agency had 36 vacancies as of May 23 -- down 11 from April 25. Of the 36 vacancies, there were 17 in the central office, 6 in the regional offices and AMAC, and 13 in the field staff. The 36 vacancies represent 3.6 percent of total authorized staff of 1,018.05.

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

	May 2008	April 2009	May 2009
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,102.69	\$ 100,112.54	\$ 100,228.12
Overnight Investments	66,336,000.00	72,687,000.00	68,198,000.00
Accounts Receivable	1,044,717.03	6,142,588.60	1,292,091.05
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	1,016,778.36	3,608,104.36	2,291,909.14
Home Purchase Program	385,345.38	1,048,900.87	1,048,900.87
Other	82,465.40	0.00	35,966.74
<i>Total Current Assets</i>	68,870,408.86	83,586,706.37	72,967,095.92
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,240,401.00	25,370,871.00	25,303,885.00
Capital Lease	774,926.40	54,959.00	52,750.00
Equipment	1,608,532.00	2,433,235.00	2,331,061.00
Assets Under Construction	320,209.00	1,002,544.23	2,220,604.15
<i>Total Property, Plant, and Equipment</i>	32,890,332.35	32,807,873.18	33,854,564.10
TOTAL ASSETS	\$ 101,760,741.21	\$ 116,394,579.55	\$ 106,821,660.02
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 2,130,532.16	\$ 1,291,365.25	\$ 1,109,123.82
Accrued Employee Compensation	12,469,769.91	16,797,319.70	12,404,550.02
Other Current Liabilities	42,012,837.08	53,957,233.31	48,300,021.42
<i>Total Current Liabilities</i>	56,613,139.15	72,045,918.26	61,813,695.26
Non-Current Liabilities			
Notes Payable	20,561,042.50	19,331,849.81	19,220,105.02
Other	929,248.40	197,749.54	192,831.53
<i>Total Non-Current Liabilities</i>	21,490,290.90	19,529,599.35	19,412,936.55
TOTAL LIABILITIES	78,103,430.05	91,575,517.61	81,226,631.81
FUND BALANCE:			
Unappropriated	22,657,311.16	23,819,061.94	24,595,028.21
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	23,657,311.16	24,819,061.94	25,595,028.21
TOTAL LIABILITIES AND FUND BALANCE	\$ 101,760,741.21	\$ 116,394,579.55	\$ 106,821,660.02

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

	May 2009 Monthly Actual	May 2009 Monthly Budget	May 2009 Year-To-Date Actual	May 2009 Year-To-Date Budget	May 2008 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 7,212.80	\$ 83,333.33	\$ 14,312.45	\$ 416,666.67	\$ 361,969.18
Program-related Income	6,692,242.00	6,773,333.33	33,542,301.00	33,866,666.67	30,513,841.69
Other Income	13,386.80	25,000.00	153,997.50	125,000.00	76,401.01
Total Revenue	6,712,841.60	6,881,666.67	33,710,610.95	34,408,333.33	30,952,211.88
EXPENSES:					
Employee Pay	3,670,305.15	3,872,825.32	18,699,294.17	19,330,885.02	18,190,331.69
Employee Benefits	1,034,657.66	1,109,004.50	5,009,025.89	5,539,126.57	4,903,311.54
Employee Travel	702,124.84	805,878.74	2,916,803.57	4,029,393.24	2,729,221.17
Rent/Communications/Utilities	172,387.62	168,968.60	715,226.09	844,843.19	668,666.90
Administrative Costs	167,737.53	434,450.08	2,023,770.46	2,172,250.05	1,970,166.38
Contracted Services	189,662.53	436,757.74	1,285,630.24	2,183,788.74	1,217,508.26
Total Expenses	5,936,875.33	6,827,884.97	30,649,750.42	34,100,286.81	29,679,205.94
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 775,966.27	\$ 53,781.70	\$ 3,060,860.53	\$ 308,046.52	\$ 1,273,005.94

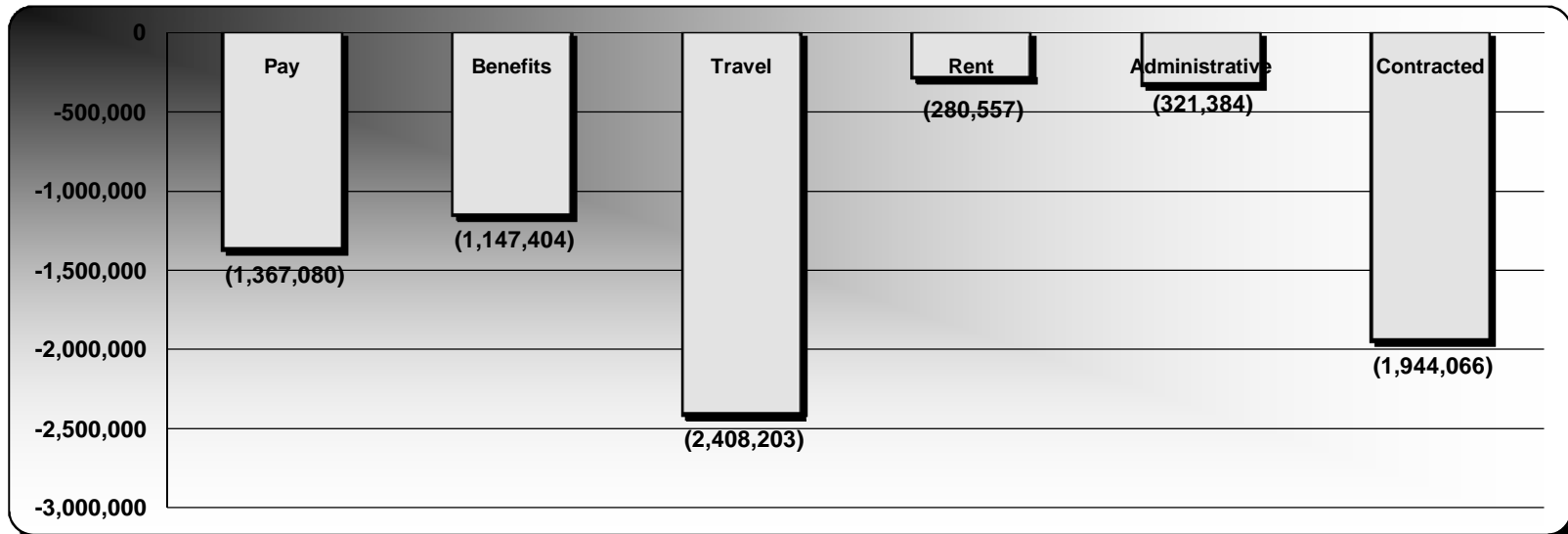
National Credit Union Administration Operating Fund
Statement of Cash Flow
May 31, 2009

	Month May 2008	Month May 2009	Y-T-D May 2008	Y-T-D May 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 1,965,063.00	\$ 1,714,772.47	\$ 72,041,987.87	\$ 82,644,320.25
Interest received from cash and cash equivalents	127,410.14	7,212.80	361,969.18	14,312.45
Other income received	14,004.45	13,386.80	76,401.01	153,997.50
(Cash paid for operating expenses)	(8,765,794.42)	(4,879,534.67)	(29,493,591.03)	(33,080,566.34)
Net cash (used) in operating activities	(6,659,316.83)	(3,144,162.60)	42,986,767.03	49,732,063.86
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	(1,230,322.03)	(90,868.26)	(1,598,112.71)
Proceeds (purchases) home purchase program	(29,175.95)	0.00	488,866.54	(531,400.87)
Net cash (used) in investing activities	(29,175.95)	(1,230,322.03)	397,998.28	(2,129,513.58)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(558,723.95)	(558,723.95)
(Capital lease payments)	(3,532.61)	(2,655.00)	(660,427.22)	(337,937.03)
Net cash (used) in financing activities	(115,277.40)	(114,399.79)	(1,219,151.17)	(896,660.98)
NET INCREASE (DECREASE) IN CASH	(6,803,770.18)	(4,488,884.42)	42,165,614.14	46,705,889.30
Cash and cash equivalents at beginning of period	73,144,872.87	72,787,112.54	24,175,488.55	21,592,338.82
Cash and cash equivalents at end of period	\$ 66,341,102.69	\$ 68,298,228.12	\$ 66,341,102.69	\$ 68,298,228.12
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ 491,289.71	\$ 775,966.27	\$ 1,273,005.94	\$ 3,060,860.53
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	276,131.77	183,631.11	1,413,218.42	1,142,816.09
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	17,409.34	0.00	126,622.15	0.00
Interest expense on leases	1,811.80	0.00	10,837.84	0.00
Miscellaneous allowances	0.00	0.00	0.00	0.00
Change in current assets and liabilities				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	0.00	0.00	180,117.94	90,058.97
Accounts receivable	1,788,870.28	4,850,497.55	(463,636.73)	(747,491.05)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	89,302.54	1,316,195.22	(218,715.12)	1,363,132.93
Other assets	114,408.81	(35,966.74)	(82,465.40)	(35,866.74)
Increase (decrease) in liabilities:				
Accounts payable	998,225.17	(182,241.43)	(801,071.80)	(2,272,078.50)
Accrued employee compensation	(4,144,754.31)	(4,392,769.68)	(428,003.32)	(1,085,530.04)
Other non current liabilities	(2,571.79)	(2,263.01)	(397.59)	(7,308.36)
Other current liabilities	(6,289,440.15)	(5,657,211.89)	41,977,254.70	48,223,470.03
Total adjustments	(7,150,606.54)	(3,920,128.87)	41,713,761.09	46,671,203.33
Net cash (used) in operating activities	\$ (6,659,316.83)	\$ (3,144,162.60)	\$ 42,986,767.03	\$ 49,732,063.86

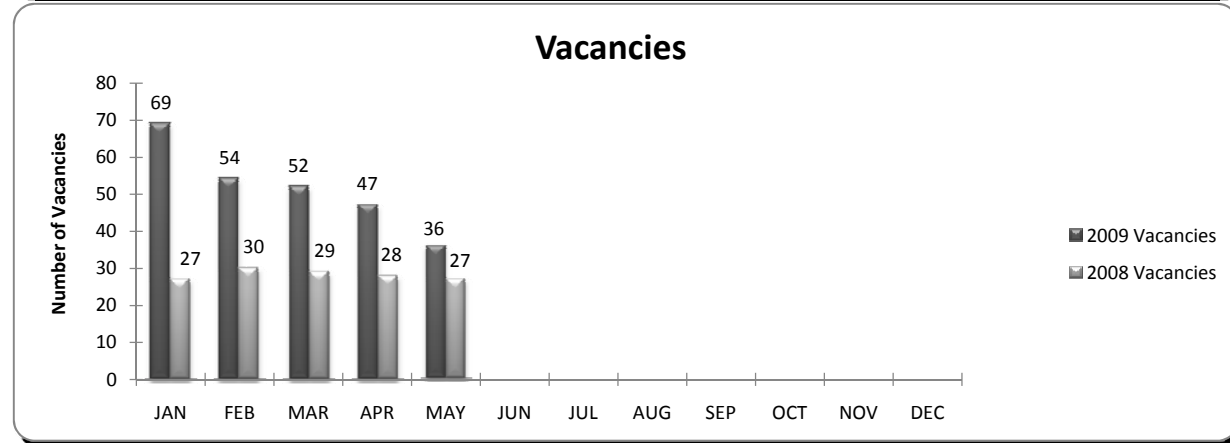
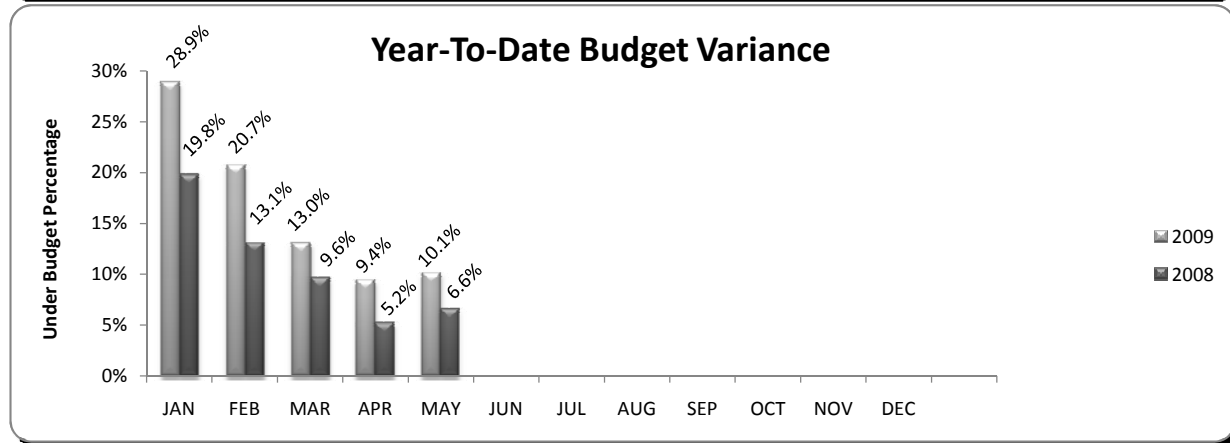
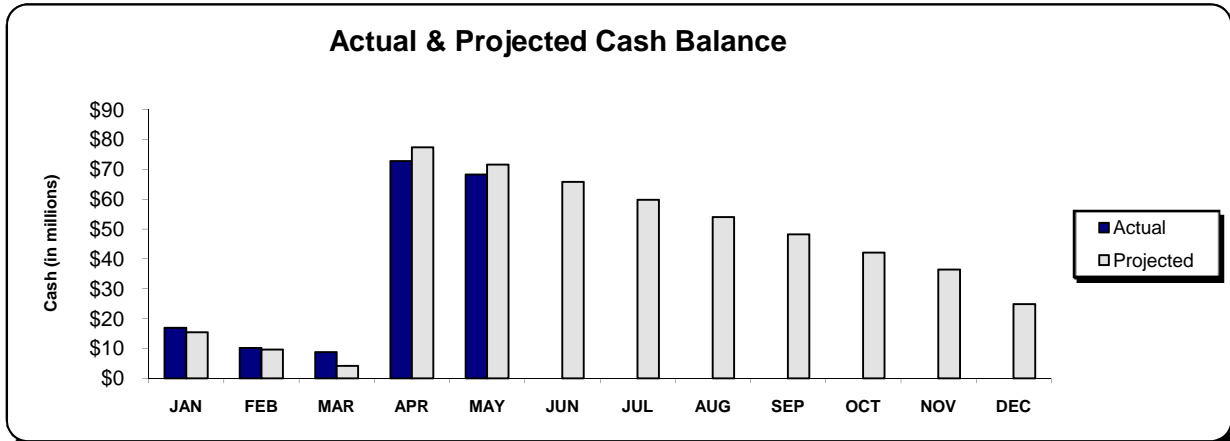
National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
May 31, 2009

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	41,841,742	40,474,663	(1,367,080)	-3.3%	38,831,591	37,896,524	(935,066)	-2.4%
Benefits	11,989,451	10,842,047	(1,147,404)	-9.6%	10,626,563	10,215,232	(411,330)	-3.9%
Travel	8,721,630	6,313,428	(2,408,203)	-27.6%	6,423,418	5,685,877	(737,541)	-11.5%
Rent, Communications, & Utilities	1,828,665	1,548,108	(280,557)	-15.3%	1,736,490	1,393,056	(343,434)	-19.8%
Administrative	4,701,840	4,380,456	(321,384)	-6.8%	4,932,890	4,104,513	(828,377)	-16.8%
Contracted Services	4,726,815	2,782,749	(1,944,066)	-41.1%	3,658,588	2,536,476	(1,122,112)	-30.7%
TOTAL	73,810,145	66,341,451	(7,468,693)	-10.1%	66,209,540	61,831,679	(4,377,861)	-6.6%

Amount Over (Under) Budget
May 31, 2009



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



Ratios

	May 2008	May 2009
Retained earnings / Total assets	23.25%	23.96%
Monthly interest income to average investments (annualized)	2.04%	0.13%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 15,787	\$ 15,991
Net year to date cash inflow (outflow) in millions of dollars	\$ 42.2	\$ 46.7
Cash and Overnight investments / Total assets	65.2%	63.9%