

National Credit Union Administration



Operating Fund

***Financial Highlights
March 31, 2009***

**Mary Ann Woodson
Chief Financial Officer**

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

Balance Sheet

Cash has a balance of \$500,000 due to the quarterly reporting requirements to the Treasury Department for cash outlays and disbursements. The cash balance will return to a normal balance of \$100,000 on April 1.

Overnight Investments decreased \$1.9 million primarily for payment of operating expenses.

Accounts Receivable increased \$77.6 million due to establishing the operating fee receivable. Operating fees of \$7.6 million have been collected year-to-date with \$68.7 million remaining to be collected.

Accrued Employee Compensation increased \$1.4 million due to the accrual for 11 days at the end of March versus 10 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities increased \$76.7 million. This increase is the result of deferred operating fee income that will be recognized evenly over the remaining calendar period.

Statement of Revenue and Expenses

Net income for the month was \$330,000 lower than planned primarily due to employee merit pay which was effective this month.

Statement of Cash Flow

Cash decreased by \$1.5 million for the month. Operating fees of \$7.6 million were collected against \$9.1 million of operating expenses largely attributable to merit pay.

Budget (Year-to-Date)

Agency spending was under budget by \$5.8 million or 13 percent. Pay and benefits were under budget by \$1.9 million or 6 percent. The remaining variance of \$3.9 million was derived mainly from travel and contracted services. Contracted services are usually lower at the start of the year because the agency is in the process of planning, implementing, and contracting for services.

Vacancies

The agency had 52 vacancies as of March 28, -- down 2 from February 28. Of the 52 vacancies, there were 21 in the central office, 2 in the regional offices and AMAC, and 29 in the field staff. The 52 vacancies represent 5.2 percent of total authorized staff of 1,018.05.

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

	March 2008	February 2009	March 2009
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 500,103.67	\$ 100,685.39	\$ 500,054.72
Overnight Investments	9,679,000.00	10,097,000.00	8,239,000.00
Accounts Receivable	72,555,118.28	357,498.42	77,908,309.98
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	818,464.51	3,514,308.03	3,484,540.45
Home Purchase Program	1,045,646.46	517,500.00	517,500.00
Other	(889.35)	13,465,575.00	14,724,752.82
<i>Total Current Assets</i>	84,597,443.57	28,052,566.84	105,374,157.97
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,398,496.00	25,528,969.00	25,449,922.00
Capital Lease	920,732.08	98,611.66	57,158.00
Equipment	1,807,802.00	2,454,662.00	2,409,155.00
Assets Under Construction	320,209.00	1,001,743.24	1,002,544.23
<i>Total Property, Plant, and Equipment</i>	33,393,503.03	33,030,249.85	32,865,043.18
TOTAL ASSETS	\$ 117,990,946.60	\$ 61,082,816.69	\$ 138,239,201.15
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 2,631,906.10	\$ 1,859,703.50	\$ 1,226,194.67
Accrued Employee Compensation	15,524,996.85	14,181,145.73	15,551,878.25
Other Current Liabilities	54,301,895.89	14,296.02	76,724,532.04
<i>Total Current Liabilities</i>	72,458,798.84	16,055,145.25	93,502,604.96
Non-Current Liabilities			
Notes Payable	20,784,532.08	19,555,339.39	19,443,594.60
Other	1,163,084.72	208,330.04	202,897.84
<i>Total Non-Current Liabilities</i>	21,947,616.80	19,763,669.43	19,646,492.44
TOTAL LIABILITIES	94,406,415.64	35,818,814.68	113,149,097.40
FUND BALANCE:			
Unappropriated	22,584,530.96	24,264,002.01	24,090,103.75
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	23,584,530.96	25,264,002.01	25,090,103.75
TOTAL LIABILITIES AND FUND BALANCE	\$ 117,990,946.60	\$ 61,082,816.69	\$ 138,239,201.15

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

	March 2009 Monthly Actual	March 2009 Monthly Budget	March 2009 Year-To-Date Actual	March 2009 Year-To-Date Budget	March 2008 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 953.41	\$ 83,333.33	\$ 4,706.25	\$ 250,000.00	\$ 155,053.12
Program-related Income	6,692,242.00	6,773,333.33	20,157,817.00	20,320,000.00	18,149,075.81
Other Income	24,438.45	25,000.00	114,976.50	75,000.00	52,391.02
Total Revenue	6,717,633.86	6,881,666.67	20,277,499.75	20,645,000.00	18,356,519.95
EXPENSES:					
Employee Pay	4,189,892.30	3,790,428.56	11,058,514.21	11,536,079.32	10,622,559.23
Employee Benefits	1,024,479.10	1,088,927.89	2,900,602.46	3,306,936.89	2,810,756.26
Employee Travel	771,946.28	805,878.70	1,469,419.64	2,417,636.03	1,399,324.78
Rent/Communications/Utilities	135,920.74	168,968.67	339,028.40	506,905.93	407,998.00
Administrative Costs	599,492.17	434,449.98	1,323,736.00	1,303,350.02	1,403,999.75
Contracted Services	169,801.53	436,757.76	630,262.97	1,310,273.25	511,656.19
Total Expenses	6,891,532.12	6,725,411.56	17,721,563.68	20,381,181.44	17,156,294.21
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (173,898.26)	\$ 156,255.11	\$ 2,555,936.07	\$ 263,818.56	\$ 1,200,225.74

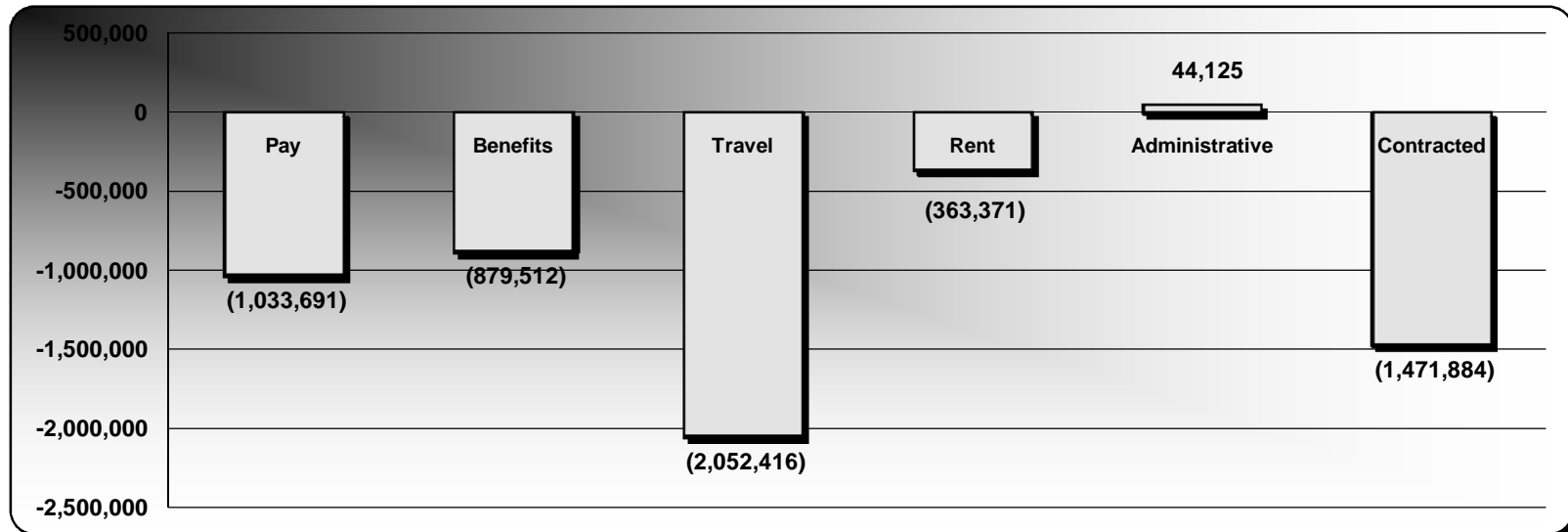
National Credit Union Administration Operating Fund
Statement of Cash Flow
March 31, 2009

	Month March 2008	Month March 2009	Y-T-D March 2008	Y-T-D March 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 221,422.79	\$ 7,597,910.43	\$ 221,422.79	\$ 7,597,910.43
Interest received from cash and cash equivalents	28,556.04	953.41	155,053.12	4,706.25
Other income received	19,685.16	24,438.45	52,391.02	114,976.50
(Cash paid for operating expenses)	(4,830,104.29)	(8,902,570.49)	(13,674,791.13)	(19,670,937.90)
Net cash (used) in operating activities	(4,560,440.30)	(1,279,268.20)	(13,245,924.20)	(11,953,344.72)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	(65,847.68)	(37,374.36)	(232,835.18)
Proceeds (purchases) home purchase program	0.00	0.00	(47,557.93)	0.00
Net cash (used) in investing activities	0.00	(65,847.68)	(84,932.29)	(232,835.18)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(335,234.37)	(335,234.37)
(Capital lease payments)	0.00	(1,770.00)	(330,294.02)	(331,869.83)
Net cash (used) in financing activities	(111,744.79)	(113,514.79)	(665,528.39)	(667,104.20)
NET INCREASE (DECREASE) IN CASH	(4,672,185.09)	(1,458,630.67)	(13,996,384.88)	(12,853,284.10)
Cash and cash equivalents at beginning of period	14,851,288.76	10,197,685.39	24,175,488.55	21,592,338.82
Cash and cash equivalents at end of period	\$ 10,179,103.67	\$ 8,739,054.72	\$ 10,179,103.67	\$ 8,739,054.72
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ (148,895.23)	\$ (173,898.26)	\$ 1,200,225.74	\$ 2,555,936.07
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	283,424.62	231,054.35	856,553.84	767,059.48
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	2,745.54	0.00
Interest expense on leases	2,412.62	0.00	7,218.97	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	90,058.97	90,058.97
Accounts receivable	(72,238,161.46)	(77,550,811.56)	(71,974,037.98)	(77,363,709.98)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(12,629.65)	29,767.58	(20,401.27)	170,501.62
Other assets	12,373,166.21	(1,259,177.82)	889.35	(14,724,652.82)
Increase (decrease) in liabilities:				
Accounts payable	671,602.69	(633,508.83)	(299,697.86)	(2,155,007.65)
Accrued employee compensation	487,007.60	1,370,732.52	2,627,223.62	2,061,798.19
Other non current liabilities	(6,844.70)	(3,662.20)	(3,016.63)	(3,309.25)
Other current liabilities	54,028,477.00	76,710,236.02	54,266,313.51	76,647,980.65
Total adjustments	(4,411,545.07)	(1,105,369.94)	(14,446,149.94)	(14,509,280.79)
Net cash (used) in operating activities	\$ (4,560,440.30)	\$ (1,279,268.20)	\$ (13,245,924.20)	\$ (11,953,344.72)

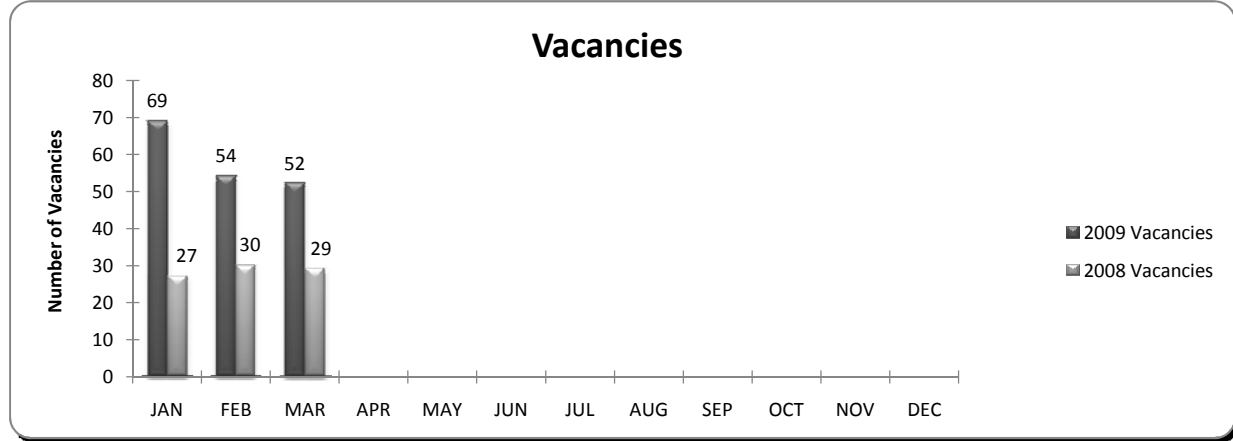
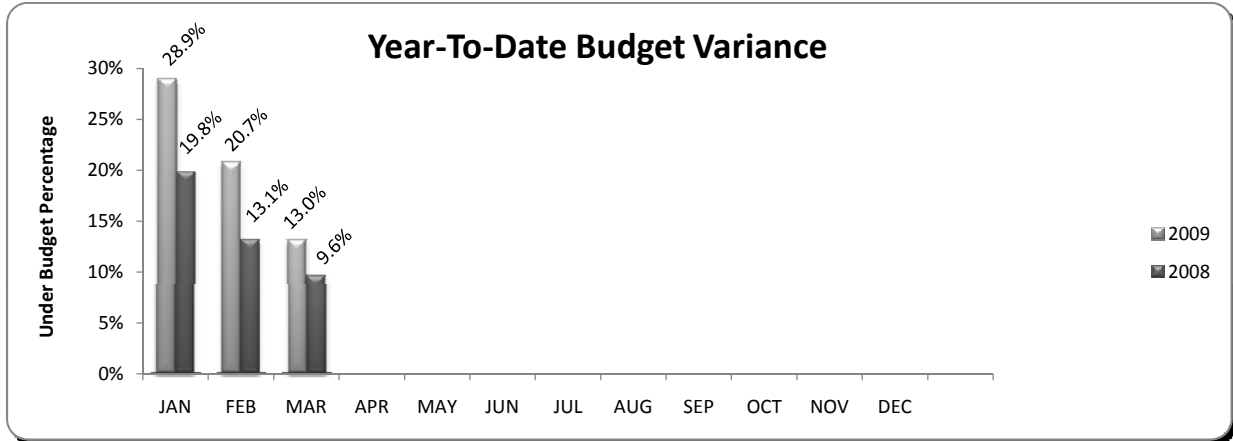
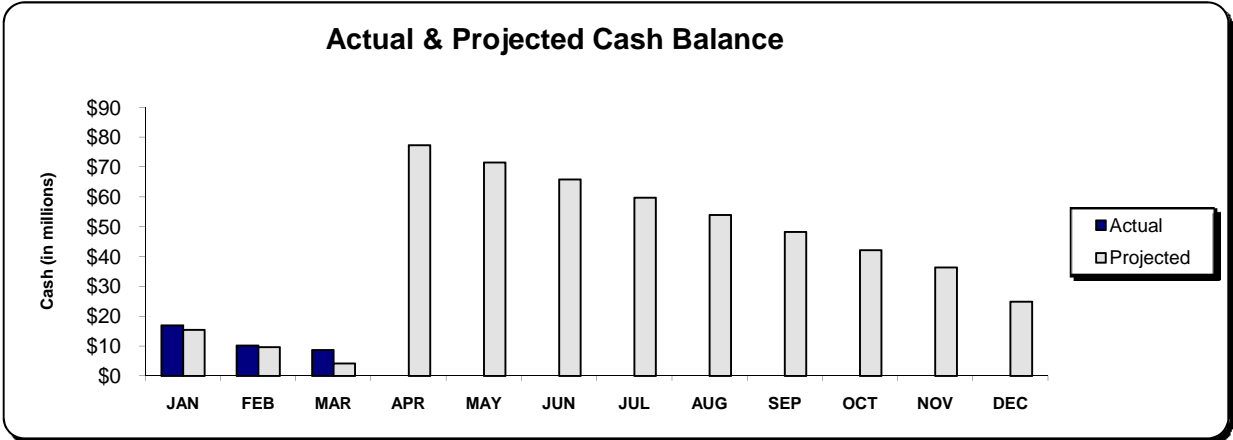
National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
March 31, 2009

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	24,969,869	23,936,178	(1,033,691)	-4.1%	23,155,167	22,130,332	(1,024,836)	-4.4%
Benefits	7,157,872	6,278,360	(879,512)	-12.3%	6,337,590	5,855,742	(481,848)	-7.6%
Travel	5,232,978	3,180,562	(2,052,416)	-39.2%	3,854,051	2,915,260	(938,791)	-24.4%
Rent, Communications, & Utilities	1,097,199	733,828	(363,371)	-33.1%	1,041,894	849,996	(191,898)	-18.4%
Administrative	2,821,104	2,865,229	44,125	1.6%	2,959,734	2,924,999	(34,735)	-1.2%
Contracted Services	2,836,089	1,364,206	(1,471,884)	-51.9%	2,195,153	1,065,950	(1,129,202)	-51.4%
TOTAL	44,115,111	38,358,363	(5,756,748)	-13.0%	39,543,589	35,742,280	(3,801,309)	-9.6%

Percent Over (Under) Budget
March 31, 2009



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



Ratios

	March 2008	March 2009
Retained earnings / Total assets	19.99%	18.15%
Monthly interest income to average investments (annualized)	1.77%	0.10%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 13,490	\$ 13,427
Net year to date cash inflow (outflow) in millions of dollars	\$ (14.0)	\$ (12.9)
Cash and Overnight investments / Total assets	8.6%	6.3%