

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
February 28, 2009***

**Mary Ann Woodson  
Chief Financial Officer**

***National Credit Union Administration Operating Fund***  
***Financial Highlights***  
***February 28, 2009***

**Balance Sheet**

Overnight Investments decreased \$6.7 million primarily for payment of operating expenses.

Other assets increased \$6.5 million to represent recognizing 1/12th of the 2009 operating fee income that is due April 15, 2009.

**Statement of Revenue and Expenses**

Net income for the month was \$659,000 higher than planned due all expense categories except administrative costs and contracted services being under budget.

**Statement of Cash Flow**

Cash decreased by \$6.7 million for the month, reflecting payments for operating expenses, fixed assets and notes payable.

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

Agency spending was under budget by \$6.1 million or 20.7 percent. Pay, benefits, and travel were under budget by 18.4 percent. The remaining variance of \$1.5 million was derived mainly from contracted services. Contracted services are cyclical and usually lower at the start of the year.

**Vacancies**

The agency had 54 vacancies as of February 28, -- down 15 from January 31, 2008. Of the 54 vacancies, 20 were in the central office and 34 were in the regional offices and AMAC. The 54 vacancies represent 5.3 percent of total authorized staff of 1,016.05.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**February 28, 2009**

	February 2008	January 2009	February 2009
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 5,288.76	\$ 100,440.64	\$ 100,685.39
Overnight Investments	14,846,000.00	16,806,000.00	10,097,000.00
Accounts Receivable	316,956.82	278,767.16	357,498.42
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	805,834.86	3,514,308.03	3,514,308.03
Home Purchase Program	1,045,646.46	517,500.00	517,500.00
Other	12,372,276.86	6,928,303.88	13,465,575.00
<i>Total Current Assets</i>	29,392,003.76	28,145,319.71	28,052,566.84
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,477,543.00	25,608,018.00	25,528,969.00
Capital Lease	993,375.70	198,616.66	98,611.66
Equipment	1,939,536.00	2,403,238.00	2,454,662.00
Assets Under Construction	320,209.00	999,969.63	1,001,743.24
<i>Total Property, Plant, and Equipment</i>	33,676,927.65	33,156,106.24	33,030,249.85
<b>TOTAL ASSETS</b>	<b>\$ 63,068,931.41</b>	<b>\$ 61,301,425.95</b>	<b>\$ 61,082,816.69</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,960,303.41	\$ 2,418,326.10	\$ 1,859,703.50
Accrued Employee Compensation	15,037,989.25	14,509,532.58	14,181,145.73
Other Current Liabilities	273,418.89	170,987.90	14,296.02
<i>Total Current Liabilities</i>	17,271,711.55	17,098,846.58	16,055,145.25
Non-Current Liabilities			
Notes Payable	20,896,276.87	19,667,084.18	19,555,339.39
Other	1,167,516.80	213,739.87	208,330.04
<i>Total Non-Current Liabilities</i>	22,063,793.67	19,880,824.05	19,763,669.43
<b>TOTAL LIABILITIES</b>	<b>39,335,505.22</b>	<b>36,979,670.63</b>	<b>35,818,814.68</b>
<b>FUND BALANCE:</b>			
Unappropriated	22,733,426.19	23,321,755.32	24,264,002.01
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>23,733,426.19</b>	<b>24,321,755.32</b>	<b>25,264,002.01</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 63,068,931.41</b>	<b>\$ 61,301,425.95</b>	<b>\$ 61,082,816.69</b>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**February 28, 2009**

	February 2009 Monthly Actual	February 2009 Monthly Budget	February 2009 Year-To-Date Actual	February 2009 Year-To-Date Budget	February 2008 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 2,785.00	\$ 83,333.33	\$ 3,752.84	\$ 166,666.67	\$ 126,497.08
Program-related Income	6,692,242.00	6,773,333.33	13,465,575.00	13,546,666.67	12,118,575.81
Other Income	59,700.10	25,000.00	90,538.05	50,000.00	32,705.86
Total Revenue	6,754,727.10	6,881,666.67	13,559,865.89	13,763,333.33	12,277,778.75
<b>EXPENSES:</b>					
Employee Pay	3,265,310.98	3,692,118.62	6,868,621.91	7,745,650.75	7,045,479.23
Employee Benefits	936,789.70	1,060,566.64	1,876,123.36	2,218,009.00	1,875,163.06
Employee Travel	575,119.75	805,878.65	697,473.36	1,611,757.33	707,979.53
Rent/Communications/Utilities	154,894.19	168,968.58	203,107.66	337,937.26	231,384.68
Administrative Costs	440,206.11	434,450.07	724,243.83	868,900.04	842,065.82
Contracted Services	440,159.68	436,757.74	460,461.44	873,515.50	226,585.46
Total Expenses	5,812,480.41	6,598,740.30	10,830,031.56	13,655,769.88	10,928,657.78
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 942,246.69</b>	<b>\$ 282,926.36</b>	<b>\$ 2,729,834.33</b>	<b>\$ 107,563.45</b>	<b>\$ 1,349,120.97</b>

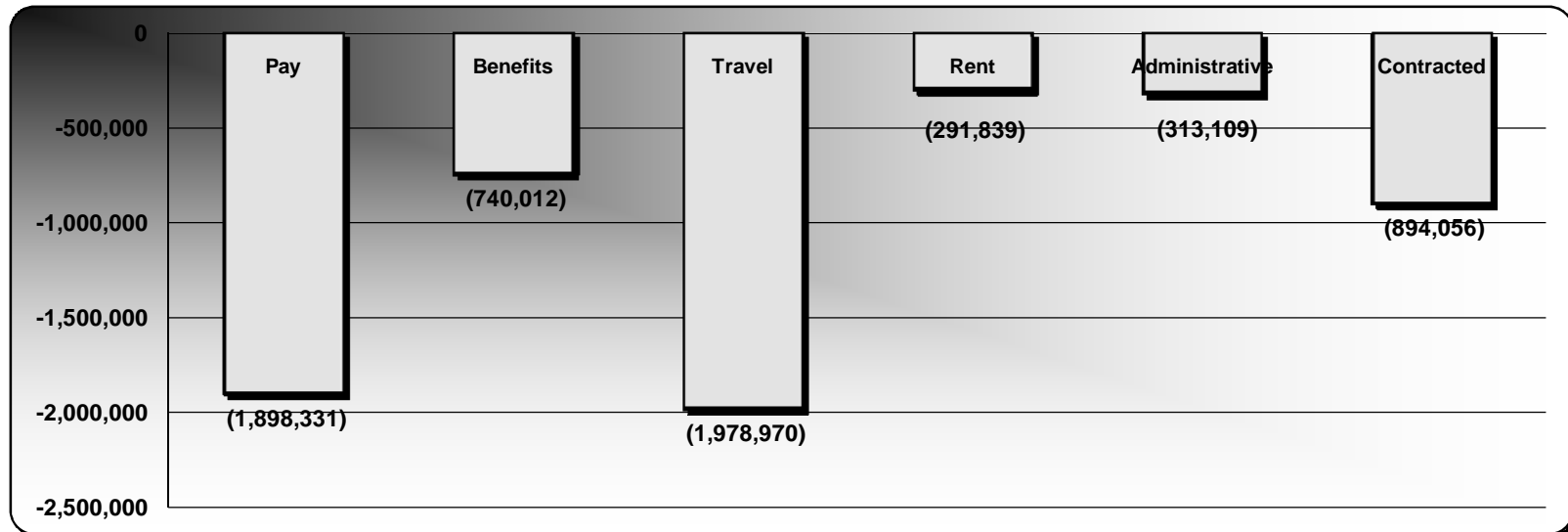
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**February 28, 2009**

	Month February 2008	Month February 2009	Y-T-D February 2008	Y-T-D February 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ -	\$ -	\$ -	\$ -
Interest received from cash and cash equivalents	47,420.95	2,785.00	126,497.08	3,752.84
Other income received	28,539.71	59,700.10	32,705.86	90,538.05
(Cash paid for operating expenses)	(5,292,694.88)	(6,496,440.38)	(8,844,686.84)	(10,768,367.41)
<b>Net cash (used) in operating activities</b>	<b>(5,216,734.22)</b>	<b>(6,433,955.28)</b>	<b>(8,685,483.90)</b>	<b>(10,674,076.52)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(13,381.00)	(157,418.35)	(37,374.36)	(166,987.50)
Proceeds (purchases) home purchase program	115,829.76	0.00	(47,557.93)	0.00
<b>Net cash (used) in investing activities</b>	<b>102,448.76</b>	<b>(157,418.35)</b>	<b>(84,932.29)</b>	<b>(166,987.50)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(223,489.58)	(223,489.58)
(Capital lease payments)	(3,344.23)	(5,636.83)	(330,294.02)	(330,099.83)
<b>Net cash (used) in financing activities</b>	<b>(115,089.02)</b>	<b>(117,381.62)</b>	<b>(553,783.60)</b>	<b>(553,589.41)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(5,229,374.48)</b>	<b>(6,708,755.25)</b>	<b>(9,324,199.79)</b>	<b>(11,394,653.43)</b>
Cash and cash equivalents at beginning of period	20,080,663.24	16,906,440.64	24,175,488.55	21,592,338.82
<b>Cash and cash equivalents at end of period</b>	<b>\$ 14,851,288.76</b>	<b>\$ 10,197,685.39</b>	<b>\$ 14,851,288.76</b>	<b>\$ 10,197,685.39</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 487,299.54</b>	<b>\$ 942,246.69</b>	<b>\$ 1,349,120.97</b>	<b>\$ 2,729,834.33</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	286,403.62	283,274.74	573,129.22	536,005.13
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	2,745.54	0.00	2,745.54	0.00
Interest expense on leases	2,406.32	0.00	4,806.35	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	90,058.97	90,058.97
Accounts receivable	8,256.80	(78,731.26)	264,123.48	187,101.58
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	6,651.80	0.00	(7,771.62)	140,734.04
Other assets	(6,165,885.44)	(6,537,271.12)	(12,372,276.86)	(13,465,475.00)
Increase (decrease) in liabilities:				
Accounts payable	(567,023.66)	(558,622.60)	(971,300.55)	(1,521,498.82)
Accrued employee compensation	623,135.08	(328,386.85)	2,140,216.02	691,065.67
Other non current liabilities	(2,594.39)	227.00	3,828.07	352.95
Other current liabilities	101,870.57	(156,691.88)	237,836.51	(62,255.37)
<b>Total adjustments</b>	<b>(5,704,033.76)</b>	<b>(7,376,201.97)</b>	<b>(10,034,604.87)</b>	<b>(13,403,910.85)</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (5,216,734.22)</b>	<b>\$ (6,433,955.28)</b>	<b>\$ (8,685,483.90)</b>	<b>\$ (10,674,076.52)</b>

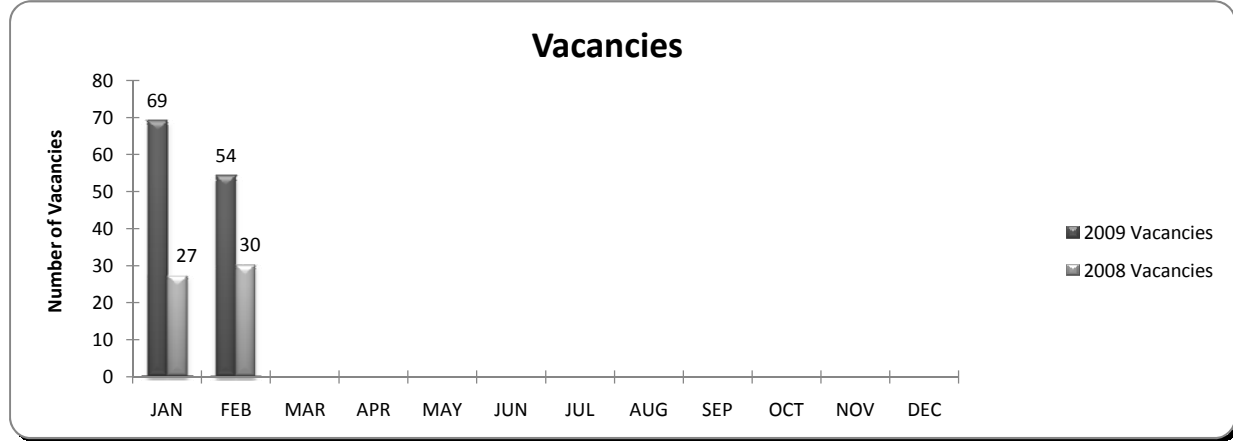
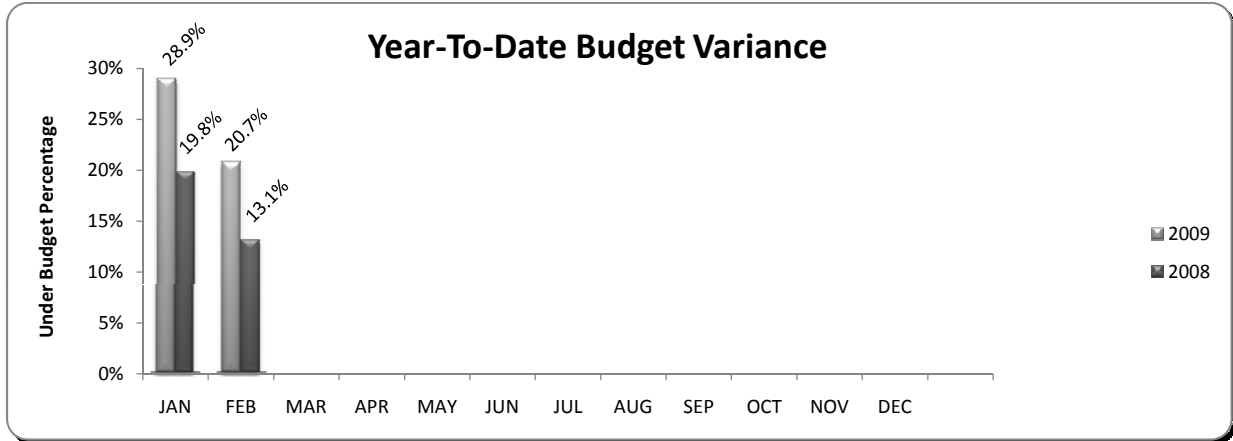
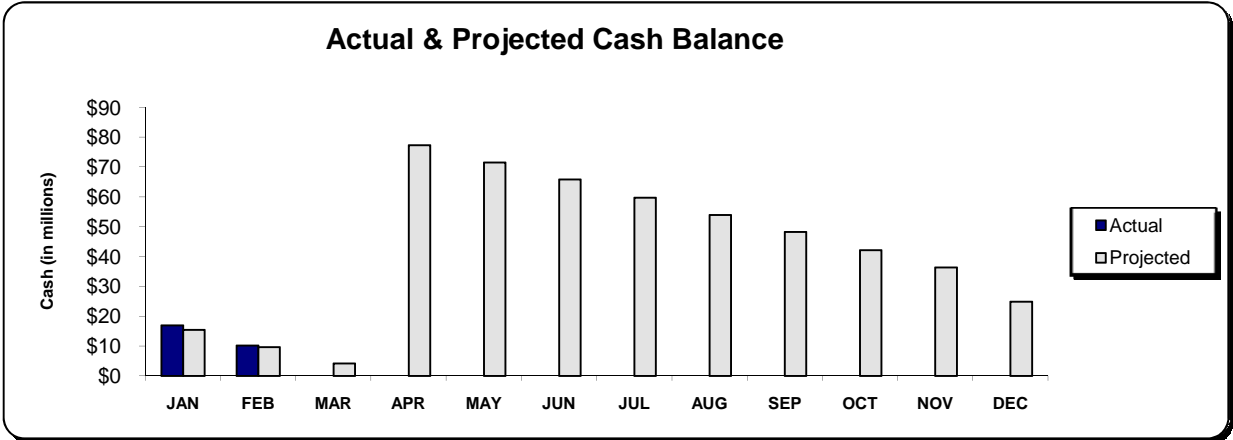
**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
February 28, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	16,765,478	14,867,147	(1,898,331)	-11.3%	15,316,956	14,678,082	(638,874)	-4.2%
<b>Benefits</b>	4,800,885	4,060,873	(740,012)	-15.4%	4,194,858	3,906,590	(288,268)	-6.9%
<b>Travel</b>	3,488,652	1,509,683	(1,978,970)	-56.7%	2,569,367	1,474,957	(1,094,410)	-42.6%
<b>Rent, Communications, &amp; Utilities</b>	731,466	439,627	(291,839)	-39.9%	694,596	482,051	(212,545)	-30.6%
<b>Administrative</b>	1,880,736	1,567,627	(313,109)	-16.6%	1,973,156	1,754,304	(218,852)	-11.1%
<b>Contracted Services</b>	1,890,726	996,670	(894,056)	-47.3%	1,463,435	472,053	(991,382)	-67.7%
<b>TOTAL</b>	29,557,943	23,441,627	(6,116,317)	-20.7%	26,212,368	22,768,037	(3,444,331)	-13.1%

**Percent Over (Under) Budget  
February 28, 2009**



**National Credit Union Administration Operating Fund**  
**Graphs and Ratios**  
**February 28, 2009**



**Ratios**

	February 2008	February 2009
Retained earnings / Total assets	37.63%	41.36%
Monthly interest income to average investments (annualized)	2.62%	0.22%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 10,238	\$ 9,578
Net year to date cash inflow (outflow) in millions of dollars	\$ (9.3)	\$ (11.4)
Cash and Overnight investments / Total assets	23.5%	16.7%