

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
August 31, 2009***

**Mary Ann Woodson  
Chief Financial Officer**

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

**Balance Sheet**

Overnight Investments decreased \$6.4 million primarily for payment of operating expenses.

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 Expense**

Net income for the month was \$653,000 higher than planned due to overall expenses being under budget.

**Statement of Cash Flow**

Cash decreased by \$6.3 million for the month, reflecting payments for operating expenses, notes payable, and capital leases in excess of receipts from interest income and other income.

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

Agency spending was under budget by \$9.1 million or 7.7 percent, compared to \$6.4 million and 6.1 percent in August 2008. Pay, benefits, and travel were under budget by 3.7%. The remaining variance of \$5.9 million was derived mainly from travel, administrative and contracted services.

**Vacancies**

The agency had 19 vacancies as of August 29 -- up 2 from July 31. Of the 19 vacancies, 21 were in the central office and a net over-hire of 2 vacancies in the regional offices and AMAC. The 19 vacancies represent 1.8 percent of total authorized staff of 1,023.05.

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

	August 2008	July 2009	August 2009
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 100,583.66	\$ 100,878.54	\$ 100,070.49
Overnight Investments	49,517,000.00	57,090,000.00	50,694,000.00
Accounts Receivable	211,642.03	1,703,857.31	2,434,300.42
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	881,977.17	2,795,365.60	2,694,425.80
Home Purchase Program	1,122,345.49	1,447,990.31	1,447,990.31
Other	106.89	0.00	0.00
<i>Total Current Assets</i>	51,833,655.24	63,138,091.76	57,370,787.02
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,003,255.00	25,145,380.00	25,066,127.00
Capital Lease	557,641.91	48,295.00	46,053.00
Equipment	1,311,717.00	2,149,691.00	2,054,305.00
Assets Under Construction	815,268.33	2,220,604.15	2,220,604.15
<i>Total Property, Plant, and Equipment</i>	32,634,146.19	33,510,234.10	33,333,353.10
<b>TOTAL ASSETS</b>	<b>\$ 84,467,801.43</b>	<b>\$ 96,648,325.86</b>	<b>\$ 90,704,140.12</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,724,769.93	\$ 1,552,473.39	\$ 1,388,834.47
Accrued Employee Compensation	14,032,848.16	15,222,334.85	15,582,465.26
Other Current Liabilities	23,645,663.27	34,882,289.22	28,166,316.85
<i>Total Current Liabilities</i>	39,403,281.36	51,657,097.46	45,137,616.58
Non-Current Liabilities			
Notes Payable	20,225,808.13	18,996,615.44	18,884,870.65
Other	690,762.01	183,909.68	180,904.65
<i>Total Non-Current Liabilities</i>	20,916,570.14	19,180,525.12	19,065,775.30
<b>TOTAL LIABILITIES</b>	<b>60,319,851.50</b>	<b>70,837,622.58</b>	<b>64,203,391.88</b>
<b>FUND BALANCE:</b>			
Unappropriated	23,147,949.93	24,810,703.28	25,500,748.24
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>24,147,949.93</b>	<b>25,810,703.28</b>	<b>26,500,748.24</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 84,467,801.43</b>	<b>\$ 96,648,325.86</b>	<b>\$ 90,704,140.12</b>

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

	August 2009 Monthly Actual	August 2009 Monthly Budget	August 2009 Year-To-Date Actual	August 2009 Year-To-Date Budget	August 2008 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 6,005.25	\$ 83,333.33	\$ 34,441.58	\$ 666,666.67	\$ 684,903.44
Program-related Income	6,705,757.00	6,773,333.33	53,646,057.00	54,186,666.67	48,788,852.86
Other Income	21,409.60	25,000.00	211,532.30	200,000.00	141,298.21
Total Revenue	6,733,171.85	6,881,666.67	53,892,030.88	55,053,333.33	49,615,054.51
<b>EXPENSES:</b>					
Employee Pay	3,568,265.72	3,889,761.02	30,007,712.90	31,113,761.71	29,179,497.32
Employee Benefits	967,447.79	1,119,359.48	8,074,497.65	8,919,036.93	7,803,327.41
Employee Travel	664,003.95	773,844.39	5,015,169.99	6,414,994.84	4,664,689.71
Rent/Communications/Utilities	153,980.46	162,388.43	1,184,786.26	1,345,168.95	1,099,485.21
Administrative Costs	231,528.23	493,477.26	3,174,676.32	3,534,627.25	2,982,881.45
Contracted Services	457,900.74	406,156.36	2,468,607.20	3,463,460.61	2,121,528.70
Total Expenses	6,043,126.89	6,844,986.93	49,925,450.32	54,791,050.29	47,851,409.80
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 690,044.96</b>	<b>\$ 36,679.73</b>	<b>\$ 3,966,580.56</b>	<b>\$ 262,283.04</b>	<b>\$ 1,763,644.71</b>

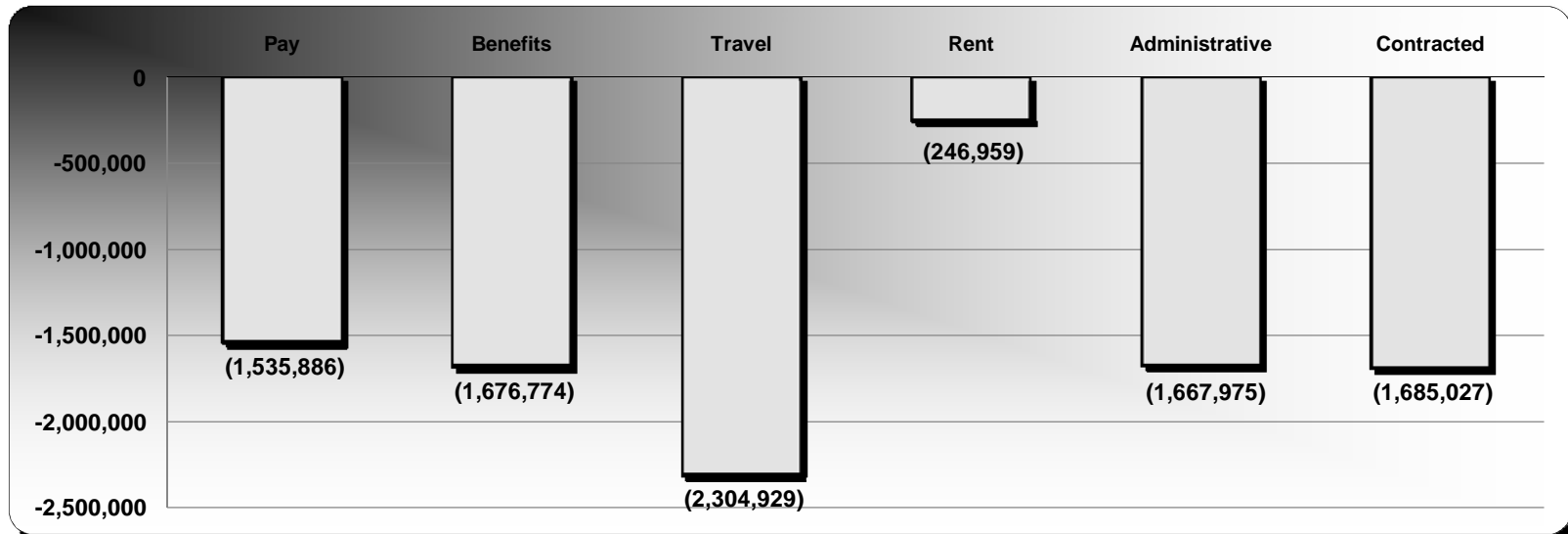
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**August 31, 2009**

	Month August 2008	Month August 2009	Y-T-D August 2008	Y-T-D August 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 17,828.71	\$ -	\$ 72,414,169.76	\$ 83,811,547.13
Interest received from cash and cash equivalents	93,021.18	6,005.25	684,903.44	34,441.58
Other income received	40,734.40	21,409.60	141,298.21	211,532.30
(Cash paid for operating expenses)	(4,497,197.22)	(6,311,772.09)	(45,028,342.97)	(50,681,165.51)
<b>Net cash (used) in operating activities</b>	<b>(4,345,612.93)</b>	<b>(6,284,357.24)</b>	<b>28,212,028.44</b>	<b>33,376,355.50</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	0.00	0.00	(623,152.59)	(1,612,442.71)
Proceeds (purchases) home purchase program	0.00	0.00	(260,791.39)	(930,490.31)
<b>Net cash (used) in investing activities</b>	<b>0.00</b>	<b>0.00</b>	<b>(883,943.98)</b>	<b>(2,542,933.02)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(893,958.32)	(893,958.32)
(Capital lease payments)	(2,413.01)	(706.02)	(992,031.03)	(737,732.49)
<b>Net cash (used) in financing activities</b>	<b>(114,157.80)</b>	<b>(112,450.81)</b>	<b>(1,885,989.35)</b>	<b>(1,631,690.81)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(4,459,770.73)</b>	<b>(6,396,808.05)</b>	<b>25,442,095.11</b>	<b>29,201,731.67</b>
Cash and cash equivalents at beginning of period	54,077,354.39	57,190,878.54	24,175,488.55	21,592,338.82
<b>Cash and cash equivalents at end of period</b>	<b>\$ 49,617,583.66</b>	<b>\$ 50,794,070.49</b>	<b>\$ 49,617,583.66</b>	<b>\$ 50,794,070.49</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ (13,513.33)</b>	<b>\$ 690,044.96</b>	<b>\$ 1,763,644.71</b>	<b>\$ 3,966,580.56</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	255,078.88	176,881.00	2,201,688.91	1,678,357.09
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	0.00	0.00	139,279.97	0.00
Interest expense on leases	1,212.60	0.00	15,076.43	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	270,176.91	90,058.97
Accounts receivable	418,945.69	(730,443.11)	369,438.27	(1,889,700.42)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	106,151.27	100,939.80	(83,913.93)	960,616.27
Other assets	(2,863.81)	0.00	(106.89)	100.00
Increase (decrease) in liabilities:				
Accounts payable	431,158.79	(163,638.92)	(1,206,834.03)	(1,992,367.85)
Accrued employee compensation	40,748.43	360,130.41	768,774.93	2,092,385.20
Other non current liabilities	(2,019.59)	(2,299.01)	(1,577.73)	380,560.22
Other current liabilities	(5,946,811.86)	(6,715,972.37)	23,610,080.89	28,089,765.46
<b>Total adjustments</b>	<b>(4,698,399.60)</b>	<b>(6,974,402.20)</b>	<b>26,082,083.73</b>	<b>29,409,774.94</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (4,711,912.93)</b>	<b>\$ (6,284,357.24)</b>	<b>\$ 27,845,728.44</b>	<b>\$ 33,376,355.50</b>

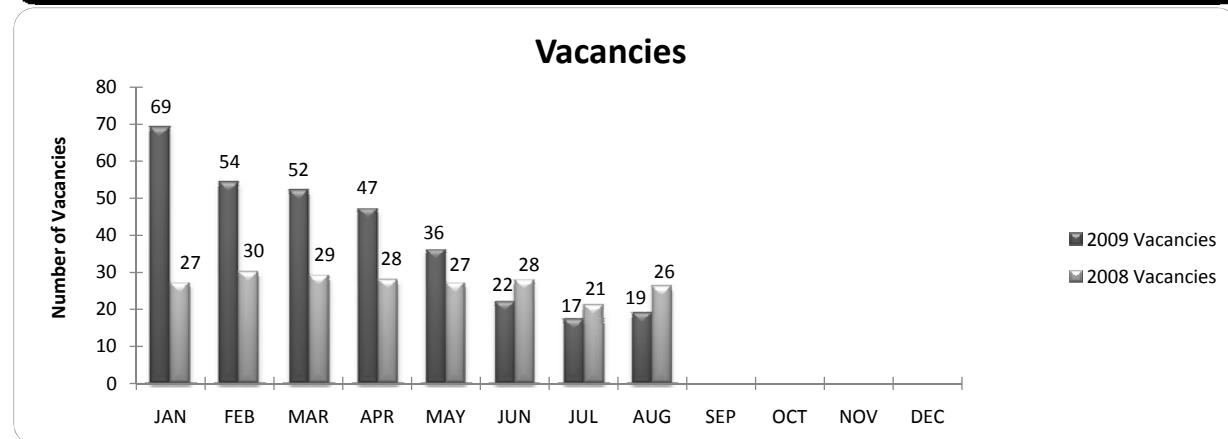
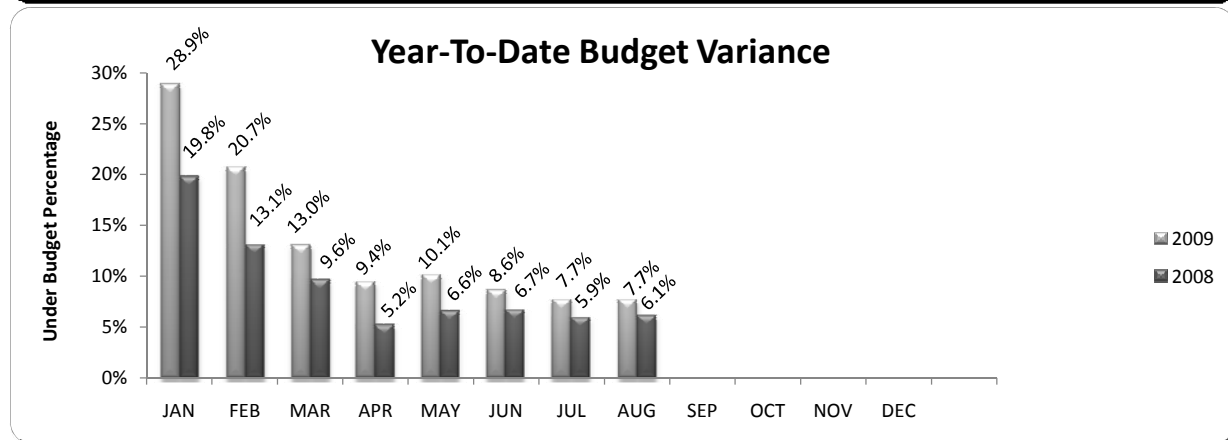
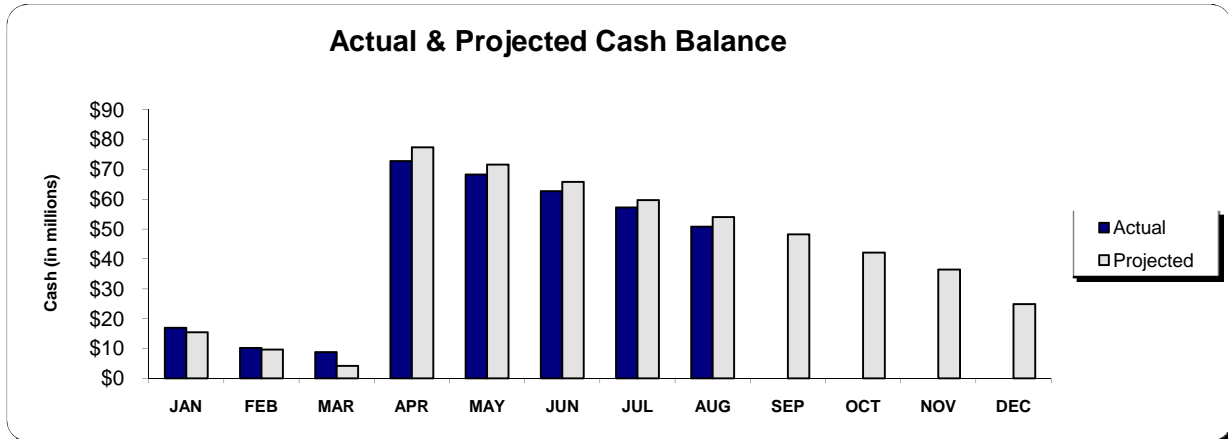
**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
August 31, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	67,355,169	65,819,283	(1,535,886)	-2.3%	61,096,005	60,790,619	(305,385)	-0.5%
<b>Benefits</b>	19,382,851	17,706,077	(1,676,774)	-8.7%	17,388,436	16,256,932	(1,131,503)	-6.5%
<b>Travel</b>	13,399,902	11,094,973	(2,304,929)	-17.2%	11,045,195	9,718,104	(1,327,091)	-12.0%
<b>Rent, Communications, &amp; Utilities</b>	2,811,922	2,564,963	(246,959)	-8.8%	2,725,658	2,290,594	(435,063)	-16.0%
<b>Administrative</b>	8,545,060	6,877,085	(1,667,975)	-19.5%	7,411,083	5,871,074	(1,540,009)	-20.8%
<b>Contracted Services</b>	7,033,011	5,347,984	(1,685,027)	-24.0%	6,089,640	4,419,851	(1,669,789)	-27.4%
<b>TOTAL</b>	118,527,915	109,410,365	(9,117,551)	-7.7%	105,756,016	99,347,175	(6,408,842)	-6.1%

**Amount Over (Under) Budget  
August 31, 2009**



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



**Ratios**

	August 2008	August 2009
Retained earnings / Total assets	28.59%	29.22%
Monthly interest income to average investments (annualized)	2.14%	0.16%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 16,864	\$ 17,101
Net year to date cash inflow (outflow) in millions of dollars	\$ 25.4	\$ 29.2
Cash and Overnight investments / Total assets	58.7%	56.0%