

National Credit Union Administration



Operating Fund

***Final Financial Highlights
September 30, 2009***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
September 30, 2009

Balance Sheet

Cash had a month-end balance of \$830,000 in order to accommodate federal interagency fiscal year-end disbursements. The balance will decline back to its normal level of \$100,000 on October 1.

Overnight Investments decreased \$6.5 million for payment of operating expenses.

Equipment increased by \$1.3 million due to the transfer of equipment previously categorized as Assets Under Construction to real asset (equipment), in addition to newly purchased equipment during the month.

Accrued Employee Compensation had a net increase of \$2.8 million. This is largely due to the increase of employee annual leave liability and accrued employee payroll.

Other Current Liabilities decreased \$7.1 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 Expense

Net income was \$1.0 million lower than planned. This is largely explained by a \$2.0 million increase in accrued annual leave.

Statement of Cash Flow

Cash decreased by \$5.8 million for the month, reflecting payments for operating expenses, fixed assets, notes payable, and capital leases in excess of receipts from interest and other income.

Budget (Year-to-Date)

Agency spending was under its year-to-date budget by \$5.9 million or 4.4 percent, compared to \$2.7 million and 2.3 percent in September 2008. Pay and benefits were effected by recognition of \$2.0 million in accrued annual leave. This is a temporary expense recognition for fiscal year-end that will reverse on October 1. The remaining variance of \$3.9 million was derived mainly from administrative and contracted services.

Vacancies

The agency had 14 vacancies as of September 26 -- down 5 from August 29. Of the 14 vacancies, 24 were in the central office and a net over-hire of 10 vacancies in the regional offices and AMAC. The 14 vacancies represent 1.4 percent of total authorized staff of 1,023.92.

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

	September 2008	August 2009	September 2009
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 500,931.82	\$ 100,070.49	\$ 830,124.88
Overnight Investments	43,891,000.00	50,694,000.00	44,202,000.00
Accounts Receivable	2,255,957.02	2,434,300.42	3,405,937.41
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	847,144.31	2,694,425.80	2,891,710.68
Home Purchase Program	733,500.00	1,447,990.31	915,570.00
Other	0.00	0.00	0.00
<i>Total Current Assets</i>	48,228,533.15	57,370,787.02	52,245,342.97
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,924,209.00	25,066,127.00	25,086,888.89
Capital Lease	485,916.54	46,053.00	44,681.00
Equipment	1,544,596.00	2,054,305.00	4,097,510.00
Assets Under Construction	1,111,412.45	2,220,604.15	3,159,726.62
<i>Total Property, Plant, and Equipment</i>	33,012,397.94	33,333,353.10	36,335,070.46
TOTAL ASSETS	\$ 81,240,931.09	\$ 90,704,140.12	\$ 88,580,413.43
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 4,375,202.81	\$ 1,388,834.47	\$ 4,603,298.33
Accrued Employee Compensation	16,141,315.07	15,582,465.26	18,385,118.81
Other Current Liabilities	17,735,170.36	28,166,316.85	21,110,067.89
<i>Total Current Liabilities</i>	38,251,688.24	45,137,616.58	44,098,485.03
Non-Current Liabilities			
Notes Payable	20,114,063.34	18,884,870.65	18,773,125.86
Other	687,391.07	180,904.65	176,262.44
<i>Total Non-Current Liabilities</i>	20,801,454.41	19,065,775.30	18,949,388.30
TOTAL LIABILITIES	59,053,142.65	64,203,391.88	63,047,873.33
FUND BALANCE:			
Unappropriated	21,187,788.44	25,500,748.24	24,532,540.10
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	22,187,788.44	26,500,748.24	25,532,540.10
TOTAL LIABILITIES AND FUND BALANCE	\$ 81,240,931.09	\$ 90,704,140.12	\$ 88,580,413.43

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

	September 2009 Monthly Actual	September 2009 Monthly Budget	September 2009 Year-To-Date Actual	September 2009 Year-To-Date Budget	September 2008 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 2,709.88	\$ 83,333.33	\$ 37,151.46	\$ 750,000.00	\$ 755,622.41
Program-related Income	7,039,653.64	6,773,333.33	60,685,710.64	60,960,000.00	54,707,985.66
Other Income	30,072.38	25,000.00	241,604.68	225,000.00	152,632.29
Total Revenue	7,072,435.90	6,881,666.67	60,964,466.78	61,935,000.00	55,616,240.36
EXPENSES:					
Employee Pay	4,683,477.12	3,889,761.09	34,691,190.02	35,003,522.80	33,526,438.36
Employee Benefits	981,412.31	1,119,360.05	9,055,909.96	10,038,396.98	8,865,974.91
Employee Travel	1,404,486.27	773,844.35	6,419,656.26	7,188,839.19	5,960,407.97
Rent/Communications/Utilities	214,974.18	162,388.54	1,399,760.44	1,507,557.49	1,474,429.14
Administrative Costs	357,849.80	493,477.24	3,532,526.12	4,028,104.49	3,338,555.71
Contracted Services	398,444.36	406,156.38	2,867,051.56	3,869,616.99	2,646,951.05
Total Expenses	8,040,644.04	6,844,987.65	57,966,094.36	61,636,037.94	55,812,757.14
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (968,208.14)	\$ 36,679.02	\$ 2,998,372.42	\$ 298,962.06	\$ (196,516.78)

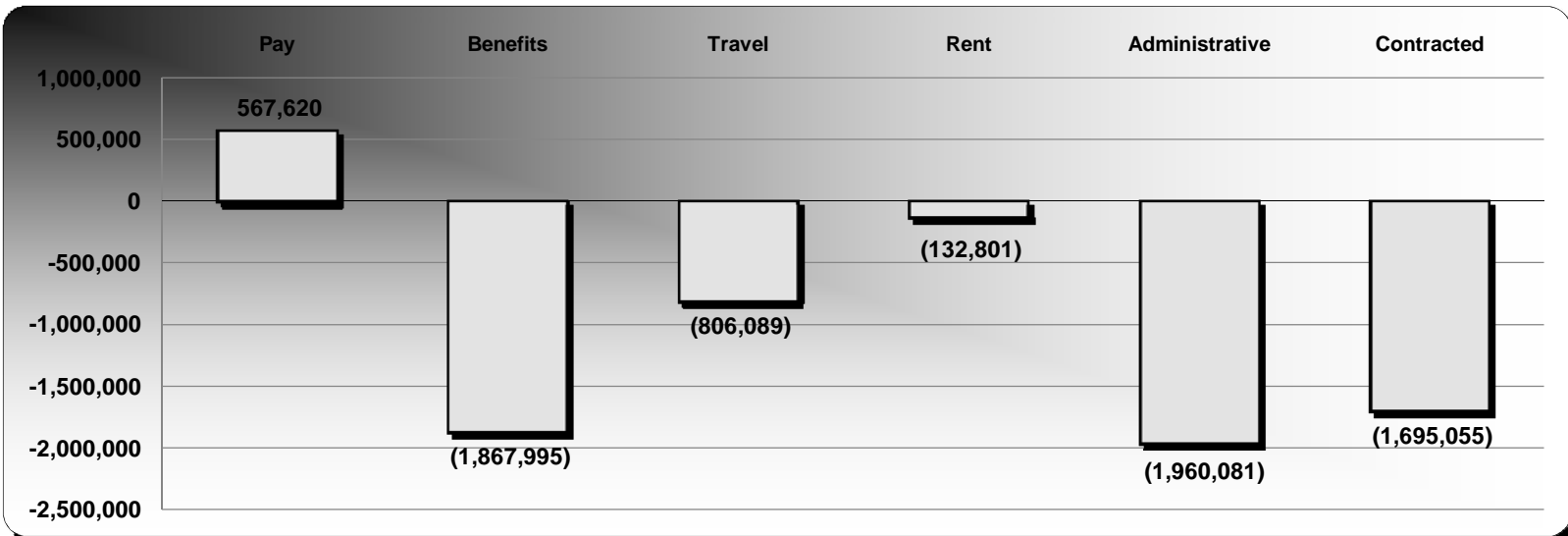
National Credit Union Administration Operating Fund
Statement of Cash Flow
September 30, 2009

	Month September 2008	Month September 2009	Y-T-D September 2008	Y-T-D September 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 6,655.76	\$ -	\$ 72,420,825.52	\$ 83,811,547.13
Interest received from cash and cash equivalents	70,718.97	2,709.88	755,622.41	37,151.46
Other income received	11,334.08	30,072.38	152,632.29	241,604.68
(Cash paid for operating expenses)	(4,823,282.92)	(2,620,285.74)	(49,851,625.89)	(53,301,451.25)
Net cash (used) in operating activities	(4,734,574.11)	(2,587,503.48)	23,477,454.33	30,788,852.02
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(615,951.02)	(3,284,885.13)	(1,239,103.61)	(4,897,327.84)
Proceeds (purchases) home purchase program	238,890.03	226,977.00	(21,901.36)	(703,513.31)
Net cash (used) in investing activities	(377,060.99)	(3,057,908.13)	(1,261,004.97)	(5,600,841.15)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,005,703.11)	(1,005,703.11)
(Capital lease payments)	(2,271.95)	(4,789.21)	(994,302.98)	(742,521.70)
Net cash (used) in financing activities	(114,016.74)	(116,534.00)	(2,000,006.09)	(1,748,224.81)
NET INCREASE (DECREASE) IN CASH	(5,225,651.84)	(5,761,945.61)	20,216,443.27	23,439,786.06
Cash and cash equivalents at beginning of period	49,617,583.66	50,794,070.49	24,175,488.55	21,592,338.82
Cash and cash equivalents at end of period	\$ 44,391,931.82	\$ 45,032,124.88	\$ 44,391,931.82	\$ 45,032,124.88
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ (1,960,161.49)	\$ (968,208.14)	\$ (196,516.78)	\$ 2,998,372.42
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	237,699.27	283,167.77	2,439,388.18	1,961,524.86
Unrealized (gain) loss	141,345.49	0.00	141,345.49	0.00
(Gain) loss on disposal of fixed assets	0.00	0.00	0.00	0.00
(Gain) loss on disposal of homes	8,609.97	305,443.31	147,889.94	305,443.31
Interest expense on leases	1,215.78	0.00	16,292.21	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	270,176.91	90,058.97
Accounts receivable	(2,044,314.99)	(971,636.99)	(1,674,876.72)	(2,861,337.41)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	34,832.86	(197,284.88)	(49,081.07)	763,331.39
Other assets	106.89	0.00	0.00	100.00
Increase (decrease) in liabilities:				
Accounts payable	2,650,432.88	3,214,463.86	1,443,598.85	1,222,096.01
Accrued employee compensation	2,108,466.91	2,802,653.55	2,877,241.84	4,895,038.75
Other non current liabilities	(2,314.77)	147.00	(3,892.50)	380,707.22
Other current liabilities	(5,910,492.91)	(7,056,248.96)	17,699,587.98	21,033,516.50
Total adjustments	(2,774,412.62)	(1,619,295.34)	23,307,671.11	27,790,479.60
Net cash (used) in operating activities	\$ (4,734,574.11)	\$ (2,587,503.48)	\$ 23,111,154.33	\$ 30,788,852.02

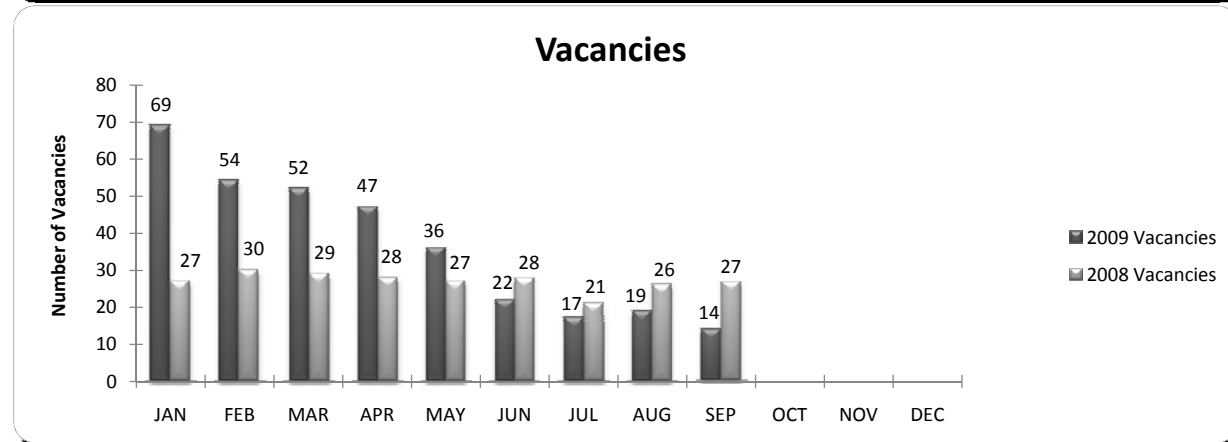
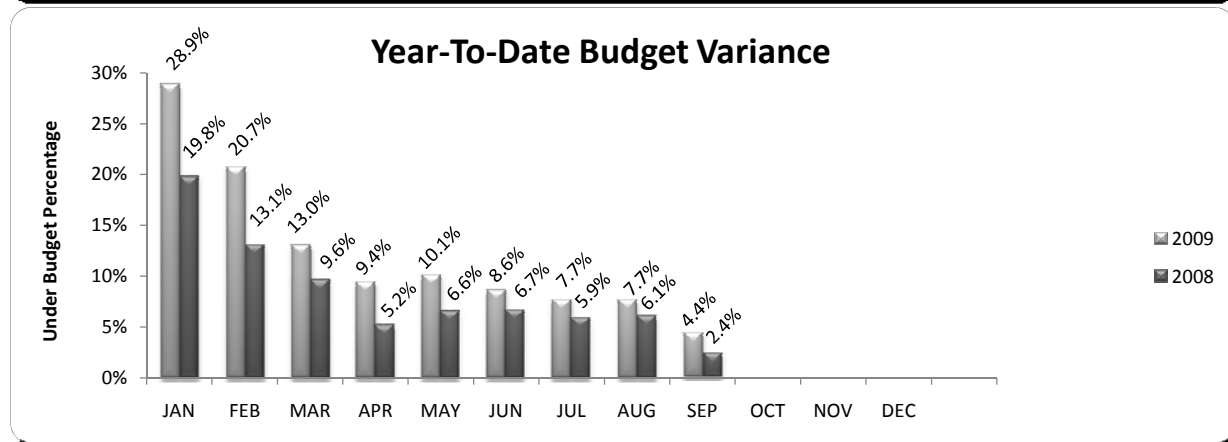
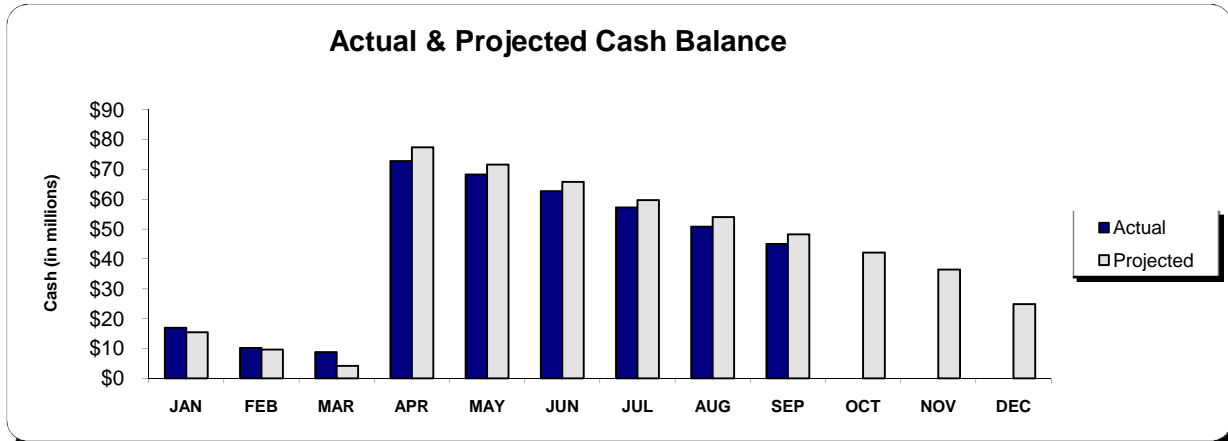
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
September 30, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	75,774,565	76,342,186	567,620	0.7%	68,733,005	69,846,747	1,113,741	1.6%
Benefits	21,805,709	19,937,714	(1,867,995)	-8.6%	19,561,991	18,470,781	(1,091,210)	-5.6%
Travel	15,074,890	14,268,800	(806,089)	-5.3%	12,425,845	12,417,517	(8,328)	-0.1%
Rent, Communications, & Utilities	3,163,412	3,030,611	(132,801)	-4.2%	3,066,365	3,071,727	5,363	0.2%
Administrative	9,613,193	7,653,112	(1,960,081)	-20.4%	8,337,468	6,955,324	(1,382,144)	-16.6%
Contracted Services	7,912,137	6,217,082	(1,695,055)	-21.4%	6,850,845	5,514,481	(1,336,364)	-19.5%
TOTAL	133,343,906	127,449,506	(5,894,401)	-4.4%	118,975,519	116,276,577	(2,698,942)	-2.3%

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



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



Ratios

	September 2008	September 2009
Retained earnings / Total assets	27.31%	28.82%
Monthly interest income to average investments (annualized)	2.14%	0.06%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 19,154	\$ 19,457
Net year to date cash inflow (outflow) in millions of dollars	\$ 20.2	\$ 23.4
Cash and Overnight investments / Total assets	54.6%	50.8%