

National Credit Union Administration



Operating Fund

***Financial Highlights
October 31, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
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Balance Sheet

Overnight Investments decreased \$10.6 million for payment of operating expenses.

Accounts Payable decreased \$2.7 million due to payment of employee payables (e.g., travel reimbursement claims) and vendor invoices.

Other Current Liabilities decreased \$7.2 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 \$2.3 million higher than planned primarily due to all expense categories being under budget.

Contracted Services had a negative expense of \$102,000 for the month due to reversals of September fiscal year-end accruals.

Statement of Cash Flow

Cash decreased by \$10.9 million for the month, reflecting payments for operating expenses and notes payable in excess of receipts from interest and other income.

Budget (Year-to-Date)

Agency spending was under budget by \$7.9 million or 4.8 percent compared to \$9.4 million or 6.3 percent in October 2009. Pay, benefits and travel were under budget by \$6.0 million or 4.3 percent. The remaining variance of \$1.9 million was derived from rent, communications & utilities and contracted services.

Vacancies

The agency had 53 vacancies as of October 23, 2010. Of the 53 vacancies, 21 were in the central office and 32 were in the regional offices and AMAC. The 53 vacancies represent 4.7 percent of total authorized staff of 1,130.85.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
October 31, 2010

	October 2009	September 2010	October 2010
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 100,842.71	\$ 765,431.46	\$ 500,092.31
Overnight Investments	32,633,000.00	53,963,000.00	43,329,000.00
Accounts Receivable	2,798,986.30	4,446,576.76	3,924,146.24
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	2,991,861.80	1,794,679.85	1,784,301.05
Home Purchase Program	915,570.00	1,444,002.00	1,034,502.00
Other	165,709.55	0.00	0.00
<i>Total Current Assets</i>	39,605,970.36	62,413,690.07	50,572,041.60
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,007,223.89	24,992,986.10	24,889,302.15
Capital Lease	43,306.00	26,334.33	24,952.33
Equipment	3,994,515.00	6,531,954.53	6,054,876.67
Assets Under Construction	3,159,726.62	2,488,962.57	2,154,113.57
<i>Total Property, Plant, and Equipment</i>	36,151,035.46	37,986,501.48	37,069,508.67
TOTAL ASSETS	\$ 75,757,005.82	\$ 100,400,191.55	\$ 87,641,550.27
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,315,203.62	\$ 7,170,536.77	\$ 4,451,804.92
Accrued Employee Compensation	14,282,381.69	22,719,968.96	17,589,072.50
Other Current Liabilities	14,041,971.12	21,743,346.90	14,512,231.27
<i>Total Current Liabilities</i>	29,639,556.43	51,633,852.63	36,553,108.69
Non-Current Liabilities			
Notes Payable	18,661,381.07	17,432,188.38	17,320,443.59
Other	176,092.42	225,995.70	234,425.46
<i>Total Non-Current Liabilities</i>	18,837,473.49	17,658,184.08	17,554,869.05
TOTAL LIABILITIES	48,477,029.92	69,292,036.71	54,107,977.74
FUND BALANCE:			
Unappropriated	26,279,975.90	30,108,154.84	32,533,572.53
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	27,279,975.90	31,108,154.84	33,533,572.53
TOTAL LIABILITIES AND FUND BALANCE	\$ 75,757,005.82	\$ 100,400,191.55	\$ 87,641,550.27

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
October 31, 2010

	October 2010 Monthly Actual	October 2010 Monthly Budget	October 2010 Year-To-Date Actual	October 2010 Year-To-Date Budget	October 2009 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 6,235.48	\$ 4,166.67	\$ 53,305.90	\$ 70,000.00	\$ 38,679.19
Program-related Income	7,231,115.63	7,117,500.00	72,316,172.32	120,997,500.00	67,420,433.10
Other Income	38,525.58	25,000.00	909,367.82	423,333.33	260,229.88
Total Revenue	7,275,876.69	7,146,666.67	73,278,846.04	121,490,833.33	67,719,342.17
EXPENSES:					
Employee Pay	3,707,624.41	3,903,420.25	38,814,459.27	40,149,465.40	38,438,260.93
Employee Benefits	811,845.99	1,128,695.27	10,374,524.09	11,609,437.05	9,881,648.83
Employee Travel	146,855.39	829,597.11	7,321,905.32	8,295,971.10	6,584,313.62
Rent/Communications/Utilities	19,583.82	167,561.25	1,330,965.43	1,675,612.50	1,451,848.60
Administrative Costs	202,355.15	417,603.74	4,704,838.72	4,176,037.40	3,800,849.17
Contracted Services	(102,047.24)	539,675.86	4,436,469.91	5,396,758.60	2,816,612.80
Total Expenses	4,786,217.52	6,986,553.48	66,983,162.74	71,303,282.05	62,973,533.95
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,489,659.17	\$ 160,113.19	\$ 6,295,683.30	\$ 50,187,551.28	\$ 4,745,808.22

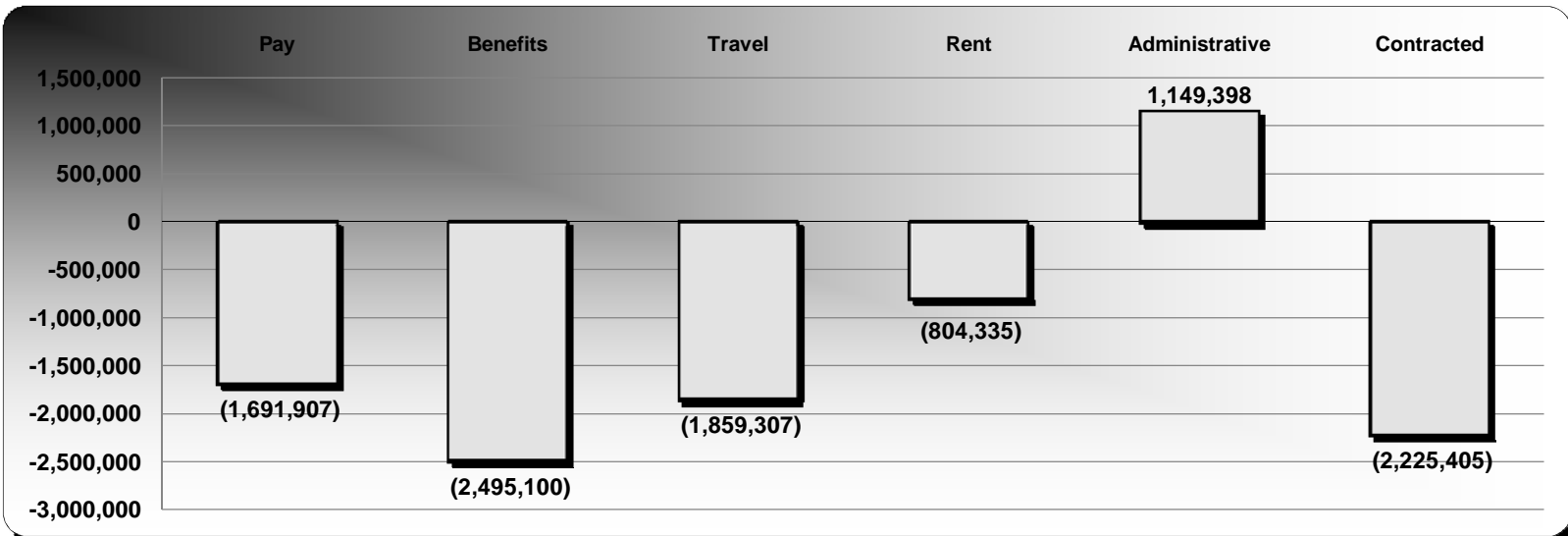
National Credit Union Administration Operating Fund
Statement of Cash Flow
October 31, 2010

	Month October 2009	Month October 2010	Y-T-D October 2009	Y-T-D October 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ -	\$ 83,811,547.13	\$ 86,769,141.37
Interest received from cash and cash equivalents	1,527.73	6,235.48	38,679.19	53,305.90
Other income received	18,625.20	38,525.58	260,229.88	909,367.82
(Cash paid for operating expenses)	(12,152,732.31)	(11,671,634.94)	(65,454,183.56)	(62,909,155.85)
Net cash (used) in operating activities	(12,132,579.38)	(11,626,873.88)	18,656,272.64	24,822,659.24
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(53,958.00)	429,779.52	(4,951,285.84)	(3,658,062.66)
Proceeds (purchases) home purchase program	0.00	409,500.00	(703,513.31)	(539,682.00)
Net cash (used) in investing activities	(53,958.00)	839,279.52	(5,654,799.15)	(4,197,744.66)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,117,447.90)	(1,117,447.90)
(Capital lease payments)	0.00	0.00	(742,521.70)	0.00
Net cash (used) in financing activities	(111,744.79)	(111,744.79)	(1,859,969.60)	(1,117,447.90)
NET INCREASE (DECREASE) IN CASH	(12,298,282.17)	(10,899,339.15)	11,141,503.89	19,507,466.68
Cash and cash equivalents at beginning of period	45,032,124.88	54,728,431.46	21,592,338.82	24,321,625.63
Cash and cash equivalents at end of period	\$ 32,733,842.71	\$ 43,829,092.31	\$ 32,733,842.71	\$ 43,829,092.31
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ 1,747,435.80	\$ 2,489,659.17	\$ 4,745,808.22	\$ 6,295,683.30
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	237,993.00	422,971.81	2,199,517.86	4,299,848.90
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	305,443.31	0.00
Interest expense on leases	0.00	0.00	0.00	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	0.00
Accounts receivable	606,951.11	522,430.52	(2,254,386.30)	(2,617,549.67)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(100,151.12)	10,378.80	663,180.27	264,631.86
Other assets	(165,709.55)	0.00	(165,609.55)	0.00
Increase (decrease) in liabilities:				
Accounts payable	(3,288,094.71)	(2,718,731.85)	(2,065,998.70)	2,051,737.06
Accrued employee compensation	(4,102,737.12)	(5,130,896.46)	792,301.63	1,261,825.26
Other non current liabilities	(170.02)	8,429.76	380,537.20	70,898.56
Other current liabilities	(7,068,096.77)	(7,231,115.63)	13,965,419.73	14,452,813.97
Total adjustments	(13,880,015.18)	(14,116,533.05)	13,910,464.42	19,784,205.94
Net cash (used) in operating activities	\$ (12,132,579.38)	\$ (11,626,873.88)	\$ 18,656,272.64	\$ 26,079,889.24

**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
October 31, 2010**

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	93,807,162	92,115,255	(1,691,907)	-1.8%	84,193,962	84,794,620	600,659	0.7%
Benefits	27,124,853	24,629,753	(2,495,100)	-9.2%	24,228,565	21,813,903	(2,414,661)	-10.0%
Travel	19,383,110	17,523,803	(1,859,307)	-9.6%	16,749,877	14,687,018	(2,062,859)	-12.3%
Rent, Communications, & Utilities	3,914,983	3,110,648	(804,335)	-20.5%	3,514,902	3,143,578	(371,324)	-10.6%
Administrative	9,757,097	10,906,494	1,149,398	11.8%	10,681,326	8,241,380	(2,439,946)	-22.8%
Contracted Services	12,609,249	10,383,844	(2,225,405)	-17.6%	8,791,263	6,107,035	(2,684,228)	-30.5%
TOTAL	166,596,454	158,669,797	(7,926,657)	-4.8%	148,159,895	138,787,535	(9,372,360)	-6.3%

**Amount Over (Under) Budget
October 31, 2010**

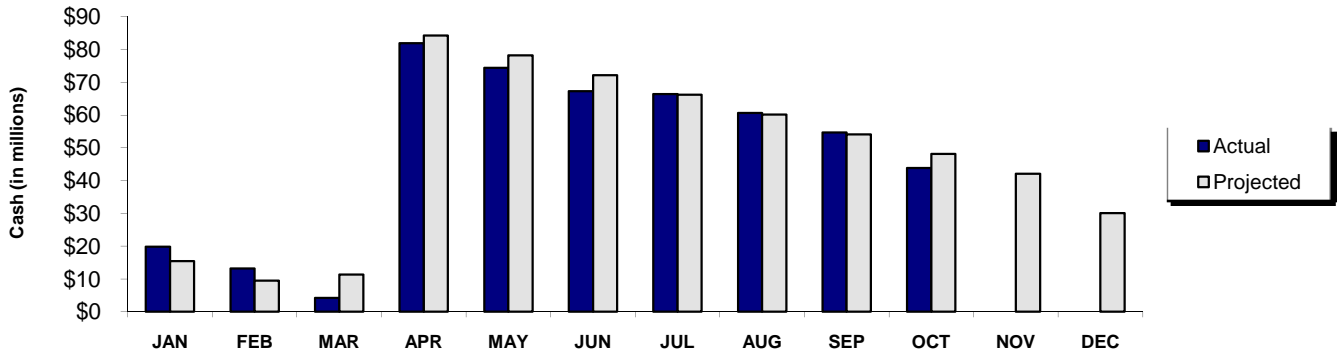


National Credit Union Administration Operating Fund

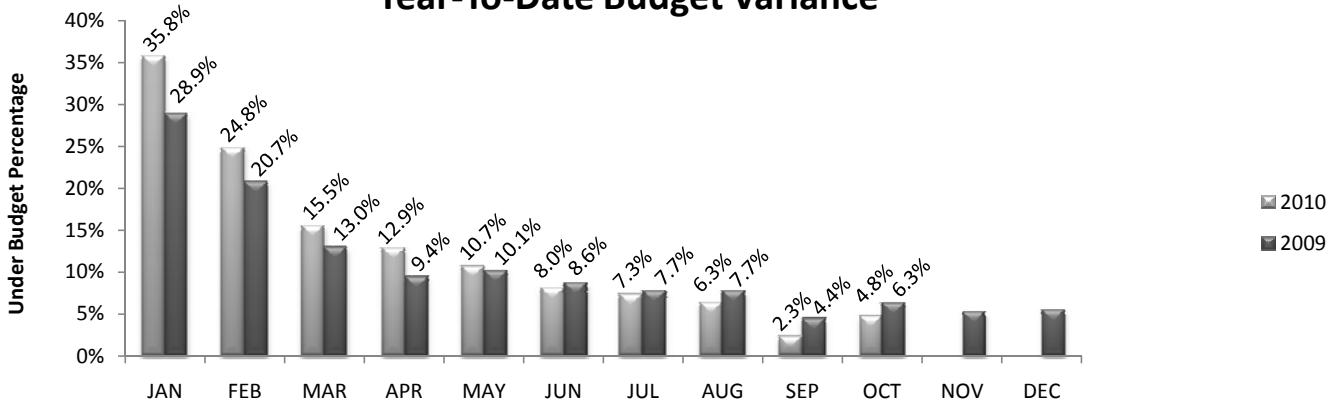
Graphs and Ratios

October 31, 2010

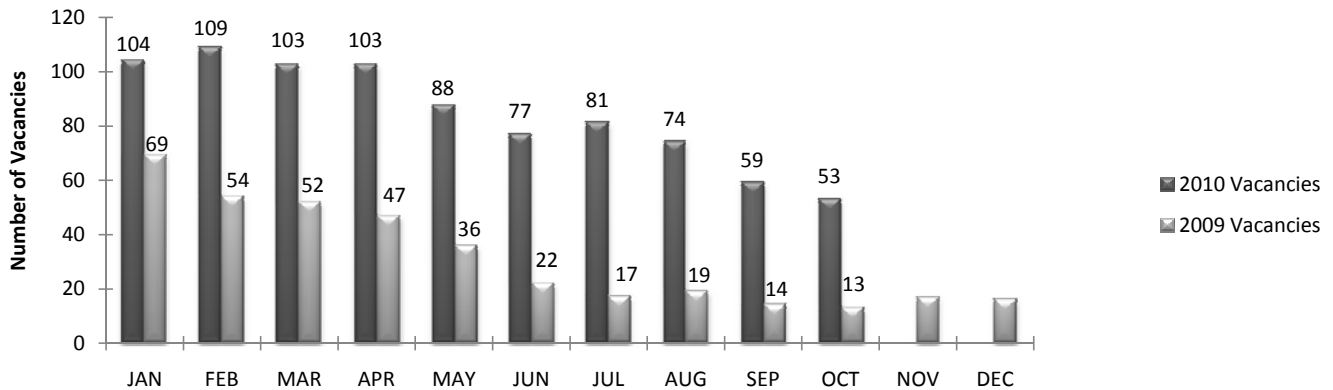
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



	October 2009	October 2010
Retained earnings / Total assets	36.01%	38.26%
Monthly interest income to average investments (annualized)	0.04%	0.14%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$17,961	\$18,069
Net year to date cash inflow (outflow) in millions of dollars	\$11.1	\$20.2
Cash and Overnight investments / Total assets	43.2%	50.0%
Overhead Transfer Rate	53.80%	57.20%