

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
October 31, 2009***

**Mary Ann Woodson  
Chief Financial Officer**

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

**Balance Sheet**

Overnight Investments decreased \$11.6 million for payment of operating expenses.

Accounts Payable decreased \$3.3 million due to payment of employee payables (e.g., travel reimbursement claims) and vendor invoices.

Accrued Employee Compensation decreased \$4.1 million due to the accrual for 5 days at the end of October versus 13 days in the previous month. On the first working day of the month, accruals are reversed.

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 \$1.7 million higher than planned primarily due to all expense categories being under budget.

Contracted Services had a negative expense of \$50,000 due to reversals of September 2009 fiscal year-end accruals in excess of actual expense postings in October 2009.

**Statement of Cash Flow**

Cash decreased by \$12.3 million for the month, reflecting payments for operating expenses, fixed assets, and notes payable in excess of receipts from interest and other income.

Operating expenses had a significant increase from October 2008 due to three pay periods in the current month.

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

Agency spending was under budget by \$9.4 million or 6.3 percent compared to \$5.1 million or 3.8 percent in October 2008. Benefits and travel were under budget by 11.0 percent. The remaining variance of \$5.5 million was derived mainly from administrative and contracted services.

**Vacancies**

The agency had 13 vacancies as of October 24, 2009. Of the 13 vacancies, 21 were in the central offices and a net over-hire of 8 vacancies in the regional offices and AMAC. The 13 vacancies represent 1.3 percent of total authorized staff of 1,023.05.

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

	October 2008	September 2009	October 2009
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 100,618.57	\$ 830,124.88	\$ 100,842.71
Overnight Investments	35,875,000.00	44,202,000.00	32,633,000.00
Accounts Receivable	177,647.05	3,405,937.41	2,798,986.30
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	750,648.99	2,891,710.68	2,991,861.80
Home Purchase Program	774,766.61	915,570.00	915,570.00
Other	118,683.00	0.00	165,709.55
<i>Total Current Assets</i>	37,797,364.22	52,245,342.97	39,605,970.36
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,845,159.00	25,086,888.89	25,007,223.89
Capital Lease	414,152.30	44,681.00	43,306.00
Equipment	1,482,990.00	4,097,510.00	3,994,515.00
Assets Under Construction	1,111,412.45	3,159,726.62	3,159,726.62
<i>Total Property, Plant, and Equipment</i>	32,799,977.70	36,335,070.46	36,151,035.46
<b>TOTAL ASSETS</b>	<b>\$ 70,597,341.92</b>	<b>\$ 88,580,413.43</b>	<b>\$ 75,757,005.82</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 2,726,260.43	\$ 4,603,298.33	\$ 1,315,203.62
Accrued Employee Compensation	12,541,529.22	18,385,118.81	14,282,381.69
Other Current Liabilities	11,964,851.64	21,110,067.89	14,041,971.12
<i>Total Current Liabilities</i>	27,232,641.29	44,098,485.03	29,639,556.43
Non-Current Liabilities			
Notes Payable	20,002,318.55	18,773,125.86	18,661,381.07
Other	455,798.87	176,262.44	176,092.42
<i>Total Non-Current Liabilities</i>	20,458,117.42	18,949,388.30	18,837,473.49
<b>TOTAL LIABILITIES</b>	<b>47,690,758.71</b>	<b>63,047,873.33</b>	<b>48,477,029.92</b>
<b>FUND BALANCE:</b>			
Unappropriated	21,906,583.21	24,532,540.10	26,279,975.90
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>22,906,583.21</b>	<b>25,532,540.10</b>	<b>27,279,975.90</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 70,597,341.92</b>	<b>\$ 88,580,413.43</b>	<b>\$ 75,757,005.82</b>

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

	October 2009 Monthly Actual	October 2009 Monthly Budget	October 2009 Year-To-Date Actual	October 2009 Year-To-Date Budget	October 2008 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 1,527.73	\$ 83,333.33	\$ 38,679.19	\$ 833,333.33	\$ 769,269.11
Program-related Income	6,734,722.46	6,773,333.33	67,420,433.10	67,733,333.33	60,617,035.72
Other Income	18,625.20	25,000.00	260,229.88	250,000.00	159,553.19
Total Revenue	6,754,875.39	6,881,666.67	67,719,342.17	68,816,666.67	61,545,858.02
<b>EXPENSES:</b>					
Employee Pay	3,747,070.91	3,889,760.98	38,438,260.93	38,893,283.78	37,226,423.64
Employee Benefits	825,738.87	1,119,359.47	9,881,648.83	11,157,756.45	9,816,747.06
Employee Travel	164,657.36	773,844.23	6,584,313.62	7,962,683.43	6,137,664.90
Rent/Communications/Utilities	52,088.16	162,388.51	1,451,848.60	1,669,946.00	1,501,255.22
Administrative Costs	268,323.05	493,477.22	3,800,849.17	4,521,581.71	3,611,284.76
Contracted Services	(50,438.76)	406,156.38	2,816,612.80	4,275,773.37	2,730,204.45
Total Expenses	5,007,439.59	6,844,986.79	62,973,533.95	68,481,024.73	61,023,580.03
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 1,747,435.80</b>	<b>\$ 36,679.88</b>	<b>\$ 4,745,808.22</b>	<b>\$ 335,641.94</b>	<b>\$ 522,277.99</b>

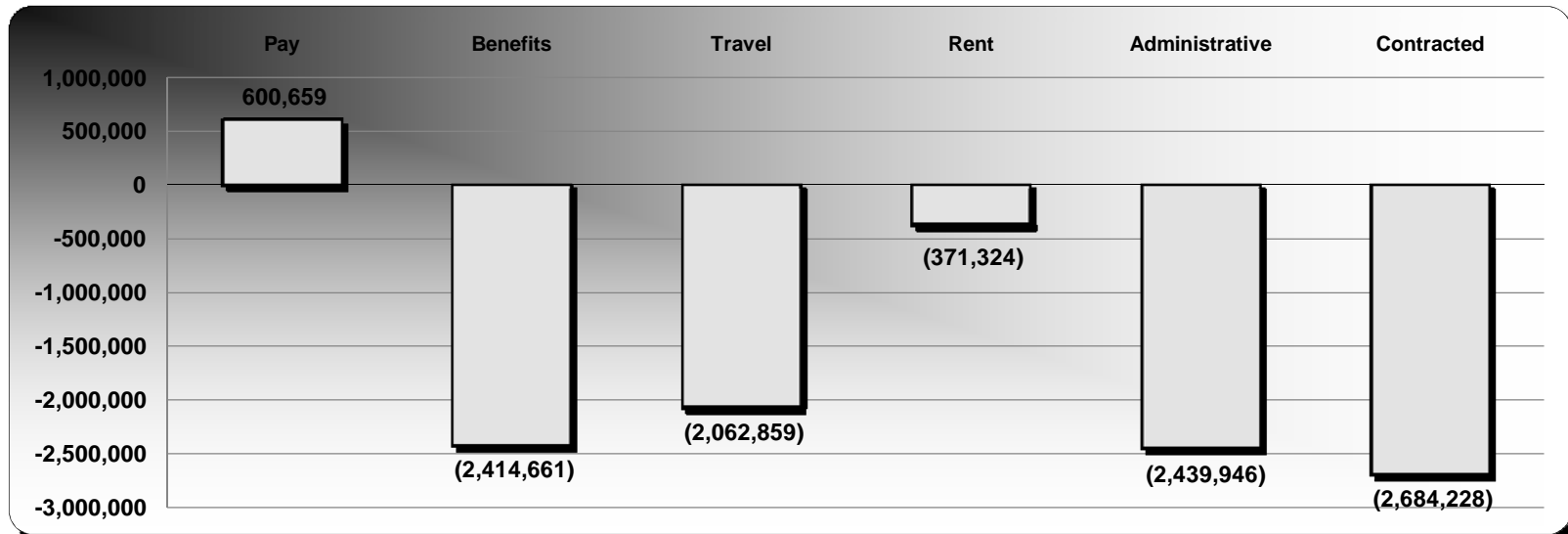
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**October 31, 2009**

	Month October 2008	Month October 2009	Y-T-D October 2008	Y-T-D October 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 814.74	\$ -	\$ 72,421,640.26	\$ 83,811,547.13
Interest received from cash and cash equivalents	13,646.70	1,527.73	769,269.11	38,679.19
Other income received	6,920.90	18,625.20	159,553.19	260,229.88
(Cash paid for operating expenses)	(7,935,761.19)	(12,152,732.31)	(57,787,387.08)	(65,454,183.56)
<b>Net cash (used) in operating activities</b>	<b>(7,914,378.85)</b>	<b>(12,132,579.38)</b>	<b>15,563,075.48</b>	<b>18,656,272.64</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(24,460.00)	(53,958.00)	(1,263,563.61)	(4,951,285.84)
Proceeds (purchases) home purchase program	(41,266.61)	0.00	(63,167.97)	(703,513.31)
<b>Net cash (used) in investing activities</b>	<b>(65,726.61)</b>	<b>(53,958.00)</b>	<b>(1,326,731.58)</b>	<b>(5,654,799.15)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,117,447.90)	(1,117,447.90)
(Capital lease payments)	(324,463.00)	0.00	(1,318,765.98)	(742,521.70)
<b>Net cash (used) in financing activities</b>	<b>(436,207.79)</b>	<b>(111,744.79)</b>	<b>(2,436,213.88)</b>	<b>(1,859,969.60)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(8,416,313.25)</b>	<b>(12,298,282.17)</b>	<b>11,800,130.02</b>	<b>11,141,503.89</b>
Cash and cash equivalents at beginning of period	44,391,931.82	45,032,124.88	24,175,488.55	21,592,338.82
<b>Cash and cash equivalents at end of period</b>	<b>\$ 35,975,618.57</b>	<b>\$ 32,733,842.71</b>	<b>\$ 35,975,618.57</b>	<b>\$ 32,733,842.71</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 718,794.77</b>	<b>\$ 1,747,435.80</b>	<b>\$ 522,277.99</b>	<b>\$ 4,745,808.22</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	236,880.24	237,993.00	2,676,268.42	2,199,517.86
Unrealized (gain) loss	0.00	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	0.00	0.00	147,889.94	305,443.31
Interest expense on leases	0.00	0.00	16,292.21	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	90,058.97	0.00	360,235.88	90,058.97
Accounts receivable	2,078,309.97	606,951.11	403,433.25	(2,254,386.30)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	96,495.32	(100,151.12)	47,414.25	663,180.27
Other assets	(118,683.00)	(165,709.55)	(118,683.00)	(165,609.55)
Increase (decrease) in liabilities:				
Accounts payable	(1,648,942.38)	(3,288,094.71)	(205,343.53)	(2,065,998.70)
Accrued employee compensation	(3,599,785.85)	(4,102,737.12)	(722,544.01)	792,301.63
Other non current liabilities	2,811.83	(170.02)	(1,080.67)	380,537.20
Other current liabilities	(5,770,318.72)	(7,068,096.77)	11,929,269.26	13,965,419.73
<b>Total adjustments</b>	<b>(8,633,173.62)</b>	<b>(13,880,015.18)</b>	<b>14,674,497.49</b>	<b>13,910,464.42</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (7,914,378.85)</b>	<b>\$ (12,132,579.38)</b>	<b>\$ 15,196,775.48</b>	<b>\$ 18,656,272.64</b>

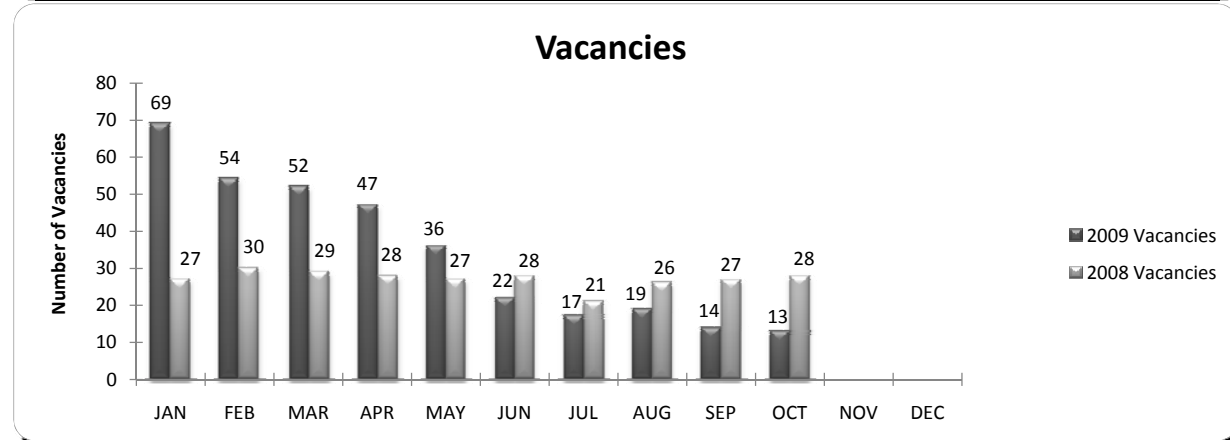
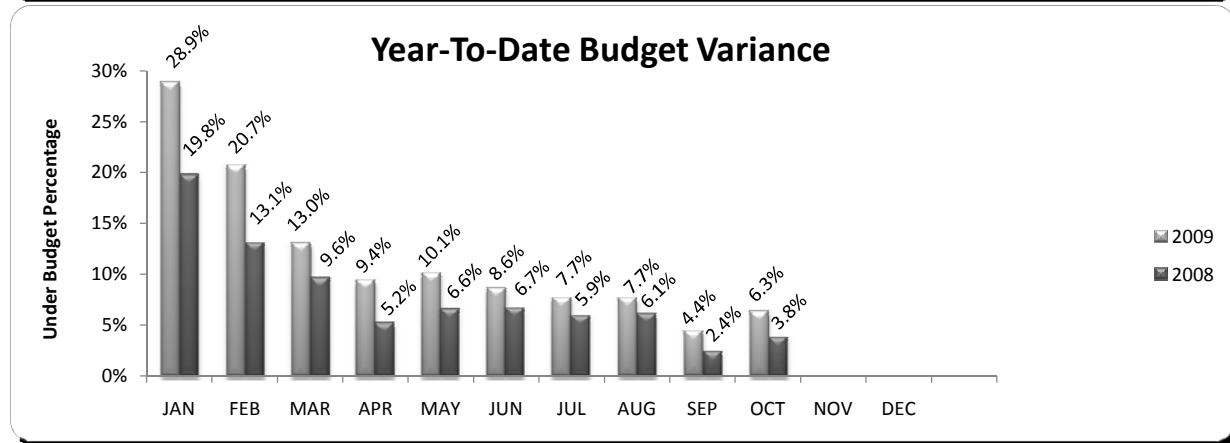
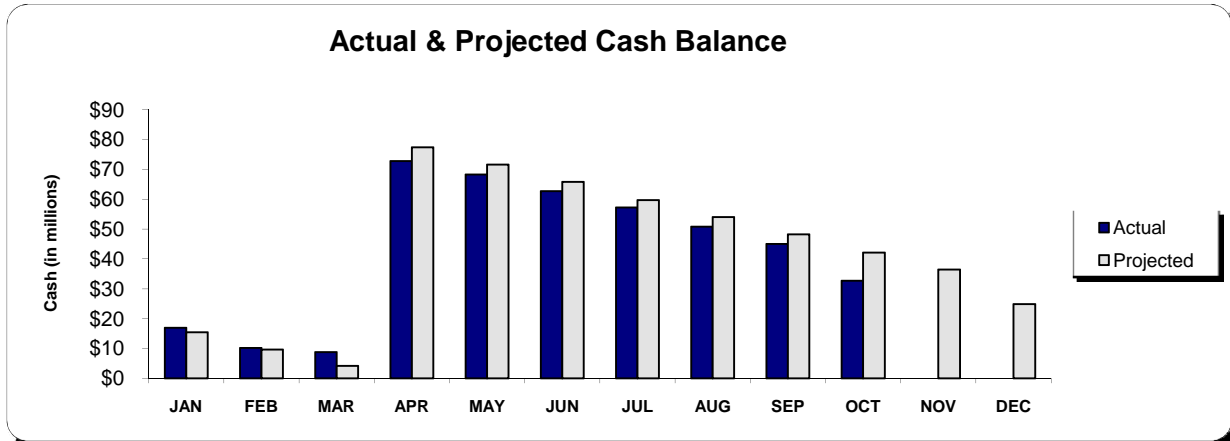
**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
October 31, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	84,193,962	84,794,620	600,659	0.7%	76,370,006	77,555,049	1,185,043	1.6%
<b>Benefits</b>	24,228,565	21,813,903	(2,414,661)	-10.0%	21,735,545	20,451,556	(1,283,988)	-5.9%
<b>Travel</b>	16,749,877	14,687,018	(2,062,859)	-12.3%	13,806,494	12,786,802	(1,019,692)	-7.4%
<b>Rent, Communications, &amp; Utilities</b>	3,514,902	3,143,578	(371,324)	-10.6%	3,407,072	3,127,615	(279,457)	-8.2%
<b>Administrative</b>	10,681,326	8,241,380	(2,439,946)	-22.8%	9,263,853	7,523,510	(1,740,344)	-18.8%
<b>Contracted Services</b>	8,791,263	6,107,035	(2,684,228)	-30.5%	7,612,051	5,687,926	(1,924,125)	-25.3%
<b>TOTAL</b>	148,159,895	138,787,535	(9,372,360)	-6.3%	132,195,020	127,132,458	(5,062,562)	-3.8%

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



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



**Ratios**

	October 2008	October 2009
Retained earnings / Total assets	32.45%	36.01%
Monthly interest income to average investments (annualized)	0.37%	0.04%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 17,751	\$ 17,961
Net year to date cash inflow (outflow) in millions of dollars	\$ 11.8	\$ 11.1
Cash and Overnight investments / Total assets	51.0%	43.2%