

National Credit Union Administration



Operating Fund

***Financial Highlights
August 31, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
August 31, 2010

Balance Sheet

Overnight Investments decreased \$5.7 million primarily for payment of operating expenses.

The Home Purchase Program increased \$1.0 million due to the purchase of employee residences.

Accrued Employee Compensation increased due to the accrual for 7 days at the end of August versus 5 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$7.3 million. This decrease is due to recognizing deferred operating fee income. Deferred operating fee income is recognized evenly over the calendar period.

Statement of Cash Flow

Cash decreased by \$5.7 million for the month, reflecting payments for operating expenses, Home Purchase Program, 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 \$8.5 million or 6.3 percent, compared to \$9.1 million and 7.7 percent in August 2009. Pay, benefits, and travel were under budget by \$6.0 million or 6.2 percent. The remaining variance of \$2.5 million was derived mainly from travel and contracted services.

Vacancies

The agency had 74 vacancies as of August 28 -- down 6 from July 31. Of the 74 vacancies, 36 were in the central office, 32 in the regional offices and AMAC and 6 in the field staff. The 74 vacancies represent 6.5 percent of total authorized staff of 1,130.85.

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

	August 2009	July 2010	August 2010
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 100,070.49	\$ 500,767.78	\$ 500,892.57
Overnight Investments	50,694,000.00	65,887,000.00	60,184,000.00
Accounts Receivable	2,434,300.42	716,124.82	404,824.00
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	2,694,425.80	2,984,683.97	2,463,428.86
Home Purchase Program	1,447,990.31	351,992.49	1,312,467.82
Other	0.00	0.00	0.00
<i>Total Current Assets</i>	57,370,787.02	70,440,569.06	64,865,613.25
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,066,127.00	24,333,038.76	24,314,463.32
Capital Lease	46,053.00	18,991.83	4,943.64
Equipment	2,054,305.00	6,942,112.56	6,698,008.35
Assets Under Construction	2,220,604.15	978,926.69	978,926.69
<i>Total Property, Plant, and Equipment</i>	33,333,353.10	36,219,333.79	35,942,605.95
TOTAL ASSETS	\$ 90,704,140.12	\$ 106,659,902.85	\$ 100,808,219.20
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,388,834.47	\$ 1,134,463.06	\$ 1,546,424.77
Accrued Employee Compensation	15,582,465.26	17,297,537.13	18,415,327.72
Other Current Liabilities	28,166,316.85	38,855,707.74	31,514,342.07
<i>Total Current Liabilities</i>	45,137,616.58	57,287,707.93	51,476,094.56
Non-Current Liabilities			
Notes Payable	18,884,870.65	17,655,677.96	17,543,933.17
Other	180,904.65	159,196.24	159,196.24
<i>Total Non-Current Liabilities</i>	19,065,775.30	17,814,874.20	17,703,129.41
TOTAL LIABILITIES	64,203,391.88	75,102,582.13	69,179,223.97
FUND BALANCE:			
Unappropriated	25,500,748.24	30,557,320.72	30,628,995.23
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	26,500,748.24	31,557,320.72	31,628,995.23
TOTAL LIABILITIES AND FUND BALANCE	\$ 90,704,140.12	\$ 106,659,902.85	\$ 100,808,219.20

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

	August 2010 Monthly Actual	August 2010 Monthly Budget	August 2010 Year-To-Date Actual	August 2010 Year-To-Date Budget	August 2009 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 9,324.64	\$ 4,166.67	\$ 40,766.80	\$ 53,333.33	\$ 34,441.58
Program-related Income	7,117,500.00	7,117,500.00	56,945,016.00	92,527,500.00	53,646,057.00
Other Income	6,894.50	25,000.00	60,856.35	323,333.33	211,532.30
Total Revenue	7,133,719.14	7,146,666.67	57,046,639.15	92,904,166.67	53,892,030.88
EXPENSES:					
Employee Pay	3,808,348.21	4,089,297.40	30,222,598.48	32,156,747.75	30,007,712.90
Employee Benefits	1,047,738.80	1,182,442.66	8,303,385.68	9,298,299.12	8,074,497.65
Employee Travel	657,508.67	829,597.11	5,675,221.05	6,636,776.88	5,015,169.99
Rent/Communications/Utilities	179,771.28	167,561.25	1,047,960.14	1,340,490.00	1,184,786.26
Administrative Costs	660,073.09	417,603.74	4,190,209.80	3,340,829.92	3,174,676.32
Contracted Services	708,604.58	539,675.86	3,280,629.48	4,317,406.88	2,468,607.20
Total Expenses	7,062,044.63	7,226,178.02	52,720,004.63	57,090,550.55	49,925,450.32
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 71,674.51	\$ (79,511.35)	\$ 4,326,634.52	\$ 35,813,616.12	\$ 3,966,580.56

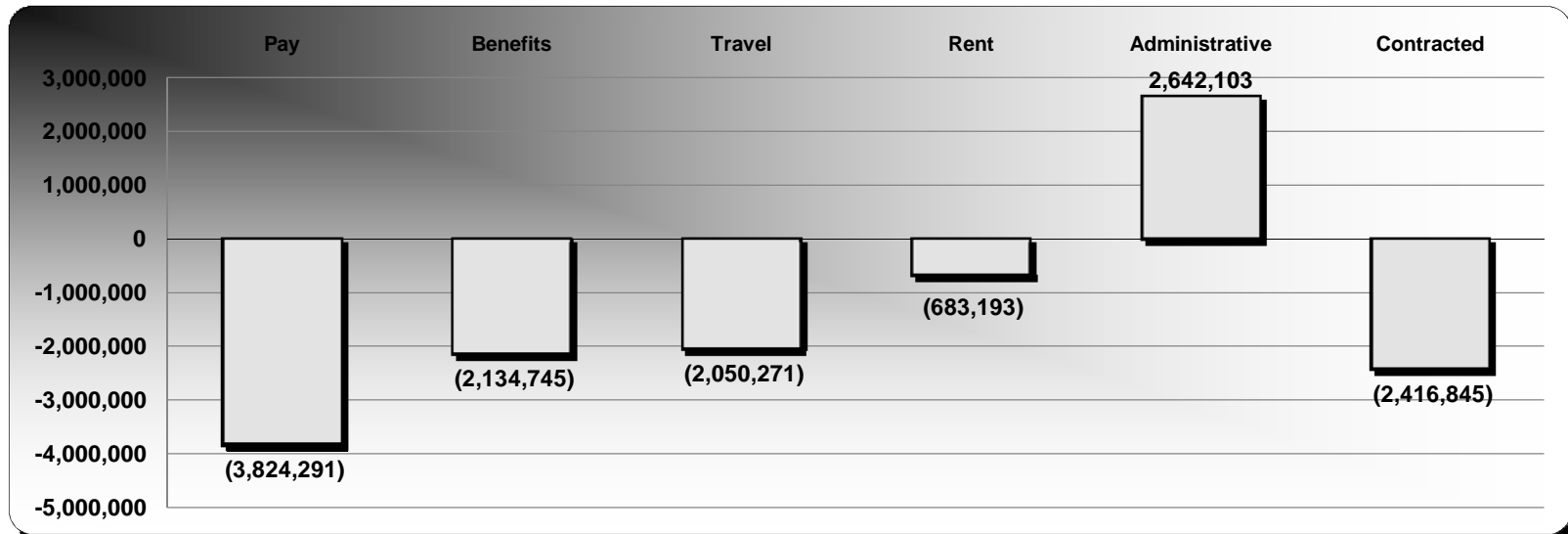
National Credit Union Administration Operating Fund
Statement of Cash Flow
August 31, 2010

	Month August 2009	Month August 2010	Y-T-D August 2009	Y-T-D August 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ 3,251.83	\$ 83,811,547.13	\$ 86,769,141.37
Interest received from cash and cash equivalents	6,005.25	9,324.64	34,441.58	40,766.80
Other income received	21,409.60	6,894.50	211,532.30	60,856.35
(Cash paid for operating expenses)	(6,311,772.09)	(4,547,588.99)	(50,681,165.51)	(47,548,435.92)
Net cash (used) in operating activities	(6,284,357.24)	(4,528,118.02)	33,376,355.50	39,322,328.60
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	(102,537.07)	(1,612,442.71)	(1,247,455.52)
Proceeds (purchases) home purchase program	0.00	(960,475.33)	(930,490.31)	(817,647.82)
Net cash (used) in investing activities	0.00	(1,063,012.40)	(2,542,933.02)	(2,065,103.34)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(893,958.32)	(893,958.32)
(Capital lease payments)	(706.02)	0.00	(737,732.49)	0.00
Net cash (used) in financing activities	(112,450.81)	(111,744.79)	(1,631,690.81)	(893,958.32)
NET INCREASE (DECREASE) IN CASH	(6,396,808.05)	(5,702,875.21)	29,201,731.67	36,363,266.94
Cash and cash equivalents at beginning of period	57,190,878.54	66,387,767.78	21,592,338.82	24,321,625.63
Cash and cash equivalents at end of period	\$ 50,794,070.49	\$ 60,684,892.57	\$ 50,794,070.49	\$ 60,684,892.57
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ 690,044.96	\$ 71,674.51	\$ 3,966,580.56	\$ 4,326,634.52
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	176,881.00	379,264.91	1,678,357.09	3,080,385.96
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	0.00	0.00
Interest expense on leases	0.00	0.00	0.00	0.00
Miscellaneous allowances	0.00	0.00	(0.00)	857,000.00
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	(730,443.11)	311,300.82	(1,889,700.42)	901,772.57
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	100,939.80	521,255.11	960,616.27	(414,495.95)
Other assets	0.00	0.00	100.00	0.00
Increase (decrease) in liabilities:				
Accounts payable	(163,638.92)	411,961.71	(1,992,367.85)	(853,643.09)
Accrued employee compensation	360,130.41	1,117,790.59	2,092,385.20	2,088,080.48
Other non current liabilities	(2,299.01)	0.00	380,560.22	(4,330.66)
Other current liabilities	(6,715,972.37)	(7,341,365.67)	28,089,765.46	31,454,924.77
Total adjustments	(6,974,402.20)	(4,599,792.53)	29,409,774.94	37,109,694.08
Net cash (used) in operating activities	\$ (6,284,357.24)	\$ (4,528,118.02)	\$ 33,376,355.50	\$ 41,436,328.60

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

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	75,132,588	71,308,298	(3,824,291)	-5.1%	67,355,169	65,819,283	(1,535,886)	-2.3%
Benefits	21,724,998	19,590,253	(2,134,745)	-9.8%	19,382,851	17,706,077	(1,676,774)	-8.7%
Travel	15,506,488	13,456,217	(2,050,271)	-13.2%	13,399,902	11,094,973	(2,304,929)	-17.2%
Rent, Communications, & Utilities	3,131,986	2,448,793	(683,193)	-21.8%	2,811,922	2,564,963	(246,959)	-8.8%
Administrative	7,805,677	10,447,780	2,642,103	33.8%	8,545,060	6,877,085	(1,667,975)	-19.5%
Contracted Services	10,087,399	7,670,555	(2,416,845)	-24.0%	7,033,011	5,347,984	(1,685,027)	-24.0%
TOTAL	133,389,137	124,921,896	(8,467,240)	-6.3%	118,527,915	109,410,365	(9,117,551)	-7.7%

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

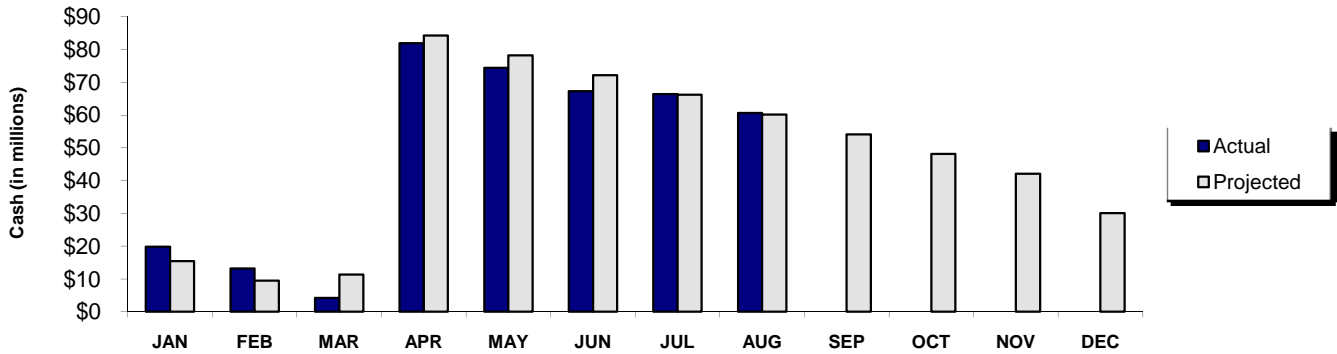


National Credit Union Administration Operating Fund

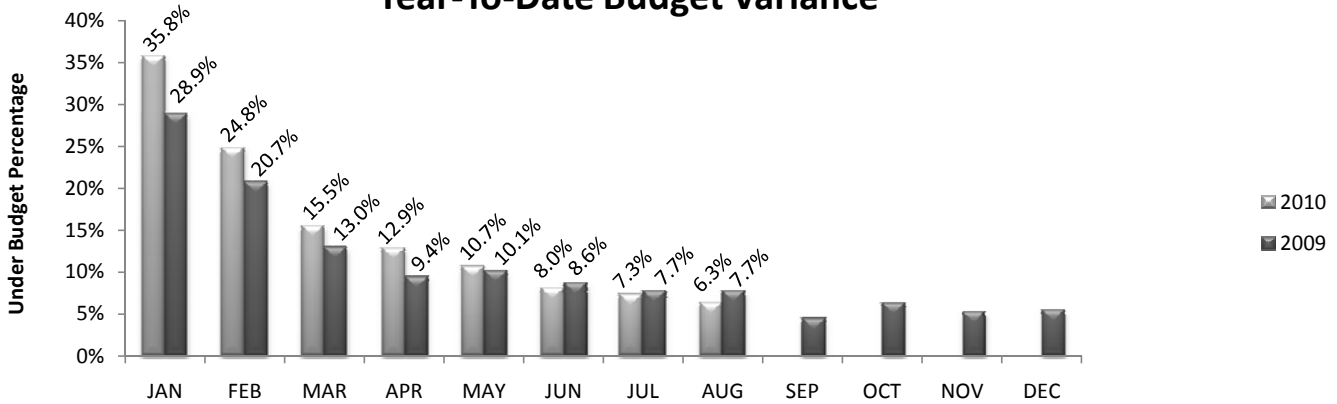
Graphs and Ratios

August 31, 2010

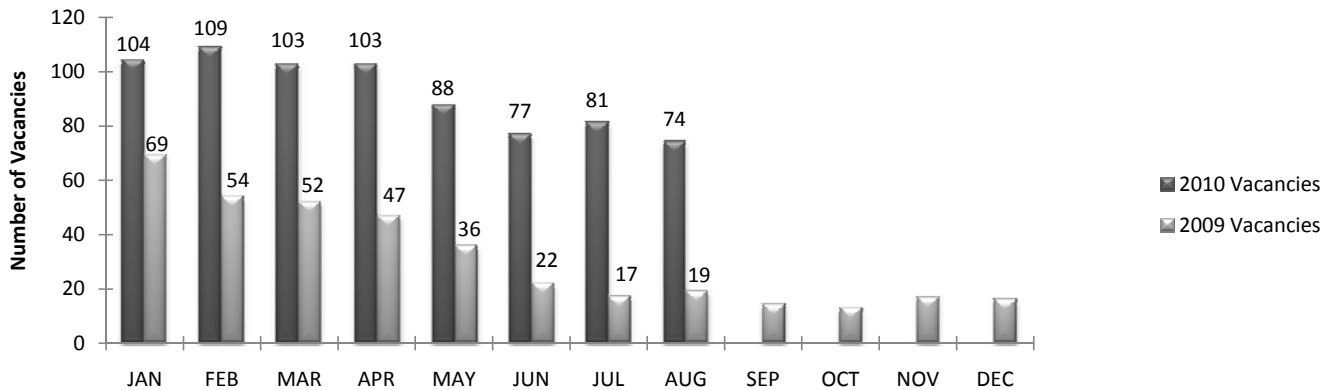
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



	August 2009	August 2010
Retained earnings / Total assets	29.22%	31.38%
Monthly interest income to average investments (annualized)	0.16%	0.15%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$17,101	\$17,507
Net year to date cash inflow (outflow) in millions of dollars	\$29.2	\$37.0
Cash and Overnight investments / Total assets	56.0%	60.2%
Overhead Transfer Rate	53.80%	57.20%