National Credit Union Administration

Operating Fund

Financial Highlights

November 30, 2010

Mary Ann Woodson
Chief Financial Officer
Balance Sheet

Overnight Investments decreased $4.6 million for payment of operating expenses.

Accounts Payable decreased $2.5 million primarily for payment of employee payables (e.g., travel and reimbursement claims) and vendor invoices.

Other Current Liabilities decreased $7.2 million as a result of deferred operating fee income that will be recognized evenly over the remaining calendar period.

Statement of Revenue and Expenses

Net income for the month was $641,000 higher than planned due to all expense categories except travel being under budget.

Statement of Cash Flow

Cash decreased by $4.6 million for the month, reflecting payments for operating expenses, fixed assets, home purchase program and notes payable in excess of receipts from interest and other income.

Budget (Year-to-Date)

Agency spending was under budget by $8.4 million or 4.6 percent. Pay, benefits and travel were under budget by $6.2 million or 4.0 percent. The remaining variance of $2.2 million was derived mainly from rent, communications & utilities and contracted services.

Vacancies

The agency had 41 vacancies as of November 20, 2010. Of the 41 vacancies, there were 14 in the central office and 27 in the regional offices and AMAC. The vacancies represent 3.6 percent of total authorized staff of 1,130.85.
### National Credit Union Administration Operating Fund

**Balance Sheets & Changes in Fund Balance**  
**November 30, 2010**

#### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>November 2009</th>
<th>October 2010</th>
<th>November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 102,683.54</td>
<td>$ 500,092.31</td>
<td>$ 500,152.27</td>
</tr>
<tr>
<td>Overnight Investments</td>
<td>$ 26,506,000.00</td>
<td>$ 43,329,000.00</td>
<td>$ 38,720,000.00</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 4,484,614.71</td>
<td>$ 3,924,146.24</td>
<td>$ 347,679.84</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$ 2,991,861.80</td>
<td>$ 1,784,301.05</td>
<td>$ 1,790,256.85</td>
</tr>
<tr>
<td>Home Purchase Program</td>
<td>$ 915,570.00</td>
<td>$ 1,034,502.00</td>
<td>$ 1,067,924.78</td>
</tr>
<tr>
<td>Other</td>
<td>$ 645,993.50</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>$ 35,646,723.55</td>
<td>$ 50,572,041.60</td>
<td>$ 42,426,013.74</td>
</tr>
<tr>
<td><strong>Property, Plant, and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 3,946,263.95</td>
<td>$ 3,946,263.95</td>
<td>$ 3,946,263.95</td>
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<tr>
<td>Buildings</td>
<td>$ 24,931,984.15</td>
<td>$ 24,889,302.15</td>
<td>$ 24,946,976.84</td>
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<tr>
<td>Capital Lease</td>
<td>$ 41,928.00</td>
<td>$ 24,952.33</td>
<td>$ 23,570.33</td>
</tr>
<tr>
<td>Equipment</td>
<td>$ 3,858,655.00</td>
<td>$ 6,054,876.67</td>
<td>$ 5,813,479.99</td>
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<tr>
<td>Assets Under Construction</td>
<td>$ 3,159,726.62</td>
<td>$ 2,154,113.57</td>
<td>$ 2,238,158.99</td>
</tr>
<tr>
<td><strong>Total Property, Plant, and Equipment</strong></td>
<td>$ 35,938,557.72</td>
<td>$ 37,069,508.67</td>
<td>$ 36,968,450.10</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 71,585,281.27</td>
<td>$ 87,641,550.27</td>
<td>$ 79,394,463.84</td>
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</tbody>
</table>

#### Liabilities and Fund Balance

<table>
<thead>
<tr>
<th>Category</th>
<th>November 2009</th>
<th>October 2010</th>
<th>November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 786,935.65</td>
<td>$ 4,451,804.92</td>
<td>$ 1,998,090.25</td>
</tr>
<tr>
<td>Accrued Employee Compensation</td>
<td>$ 17,133,921.60</td>
<td>$ 17,589,072.50</td>
<td>$ 18,452,846.67</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>$ 7,803,058.36</td>
<td>$ 14,512,231.27</td>
<td>$ 7,281,115.64</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$ 25,723,915.61</td>
<td>$ 36,553,108.69</td>
<td>$ 27,732,052.56</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable</td>
<td>$ 18,549,636.28</td>
<td>$ 17,320,443.59</td>
<td>$ 17,208,698.80</td>
</tr>
<tr>
<td>Other</td>
<td>$ 174,517.81</td>
<td>$ 234,425.46</td>
<td>$ 230,892.74</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>$ 18,724,154.09</td>
<td>$ 17,554,869.05</td>
<td>$ 17,439,591.54</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ 44,448,069.70</td>
<td>$ 54,107,977.74</td>
<td>$ 45,171,644.10</td>
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</table>

#### Fund Balance

<table>
<thead>
<tr>
<th>Category</th>
<th>November 2009</th>
<th>October 2010</th>
<th>November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unappropriated</strong></td>
<td>$ 26,137,211.57</td>
<td>$ 32,533,572.53</td>
<td>$ 33,222,819.74</td>
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<tr>
<td>Appropriated</td>
<td>$ 1,000,000.00</td>
<td>$ 1,000,000.00</td>
<td>$ 1,000,000.00</td>
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<tr>
<td><strong>TOTAL FUND BALANCE</strong></td>
<td>$ 27,137,211.57</td>
<td>$ 33,533,572.53</td>
<td>$ 34,222,819.74</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCE</strong></td>
<td>$ 71,585,281.27</td>
<td>$ 87,641,550.27</td>
<td>$ 79,394,463.84</td>
</tr>
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</table>
### National Credit Union Administration Operating Fund

**Statement of Revenue & Expenses**

**November 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>November 2010 Monthly Actual</th>
<th>November 2010 Monthly Budget</th>
<th>November 2010 Year-To-Date Actual</th>
<th>November 2010 Year-To-Date Budget</th>
<th>November 2009 Year-To-Date Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>$ 5,862.70</td>
<td>$ 4,166.67</td>
<td>$ 59,168.60</td>
<td>$ 78,333.33</td>
<td>$ 40,108.83</td>
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<tr>
<td>Program-related Income</td>
<td>7,231,115.63</td>
<td>7,117,500.00</td>
<td>79,547,287.95</td>
<td>135,232,500.00</td>
<td>74,154,357.10</td>
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<tr>
<td>Other Income</td>
<td>98,061.04</td>
<td>25,000.00</td>
<td>1,007,428.86</td>
<td>473,333.33</td>
<td>277,411.26</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>7,335,039.37</td>
<td>7,146,666.67</td>
<td>80,613,885.41</td>
<td>135,784,166.67</td>
<td>74,471,877.19</td>
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<tr>
<td><strong>EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Pay</td>
<td>3,870,158.31</td>
<td>4,089,297.40</td>
<td>42,684,617.58</td>
<td>44,238,762.80</td>
<td>42,833,918.17</td>
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<tr>
<td>Employee Benefits</td>
<td>1,014,996.83</td>
<td>1,182,442.66</td>
<td>11,389,520.92</td>
<td>12,791,879.71</td>
<td>11,005,965.34</td>
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<tr>
<td>Employee Travel</td>
<td>909,973.92</td>
<td>829,597.11</td>
<td>8,231,879.24</td>
<td>9,125,568.21</td>
<td>7,388,686.55</td>
</tr>
<tr>
<td>Rent/Communications/Utilities</td>
<td>123,774.14</td>
<td>167,561.25</td>
<td>1,454,739.57</td>
<td>1,843,173.75</td>
<td>1,618,716.02</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>355,880.39</td>
<td>417,603.74</td>
<td>5,060,719.11</td>
<td>4,593,641.14</td>
<td>3,940,689.14</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>498,767.23</td>
<td>539,675.86</td>
<td>4,935,237.14</td>
<td>5,936,434.46</td>
<td>3,080,858.08</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>6,773,550.82</td>
<td>7,226,178.02</td>
<td>73,756,713.56</td>
<td>78,529,460.07</td>
<td>69,868,833.30</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</strong></td>
<td>$ 561,488.55</td>
<td>$ (79,511.35)</td>
<td>$ 6,857,171.85</td>
<td>$ 57,254,706.60</td>
<td>$ 4,603,043.89</td>
</tr>
</tbody>
</table>
### National Credit Union Administration Operating Fund

**Statement of Cash Flow**

**November 30, 2010**

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>Month November 2009</th>
<th>Month November 2010</th>
<th>Y-T-D November 2009</th>
<th>Y-T-D November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operating fees</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 83,811,547.13</td>
<td>$ 86,769,141.37</td>
</tr>
<tr>
<td>Interest received from cash and cash equivalents</td>
<td>1,429.64</td>
<td>5,862.70</td>
<td>40,108.83</td>
<td>59,168.60</td>
</tr>
<tr>
<td>Other income received</td>
<td>17,181.38</td>
<td>98,061.04</td>
<td>277,411.26</td>
<td>1,007,428.86</td>
</tr>
<tr>
<td>(Cash paid for operating expenses)</td>
<td>(6,003,448.53)</td>
<td>(4,369,021.61)</td>
<td>(71,457,632.09)</td>
<td>(67,278,177.46)</td>
</tr>
<tr>
<td>Net cash (used) in operating activities</td>
<td>(5,984,837.51)</td>
<td>(4,265,097.87)</td>
<td>12,671,435.13</td>
<td>20,557,561.37</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
|--------------------------------------| | | | |
| Proceeds (purchases) of fixed assets  | (26,862.26) | (198,674.60) | (4,978,148.10) | (3,856,737.26) |
| Proceeds (purchases) home purchase program | 0.00 | (33,422.78) | (703,513.31) | (573,104.78) |
| Net cash (used) in investing activities| (26,862.26) | (232,097.38) | (5,681,661.41) | (4,429,842.04) |

| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
|--------------------------------------| | | | |
| (Repayments) of notes payable        | (111,744.79) | (111,744.79) | (1,229,192.69) | (1,229,192.69) |
| (Capital lease payments)             | (1,714.61) | 0.00 | (744,236.31) | 0.00 |
| Net cash (used) in financing activities| (113,459.40) | (111,744.79) | (1,973,429.00) | (1,229,192.69) |

NET INCREASE (DECREASE) IN CASH

<table>
<thead>
<tr>
<th></th>
<th>November 2009</th>
<th>November 2010</th>
<th>November 2009</th>
<th>November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>$32,733,842.71</td>
<td>$43,829,092.31</td>
<td>$21,592,338.82</td>
<td>$24,321,625.63</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$26,608,683.54</td>
<td>$39,220,152.27</td>
<td>$26,608,683.54</td>
<td>$39,220,152.27</td>
</tr>
</tbody>
</table>

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>November 2009</th>
<th>November 2010</th>
<th>November 2009</th>
<th>November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$(142,764.33)</td>
<td>$561,488.55</td>
<td>$4,603,043.89</td>
<td>$6,857,171.85</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>239,340.00</td>
<td>427,491.83</td>
<td>2,438,857.86</td>
<td>4,727,340.73</td>
</tr>
<tr>
<td>Unrealized (gain) loss</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(Gain) loss on disposal of fixed assets</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(Gain) loss on disposal of homes</td>
<td>0.00</td>
<td>0.00</td>
<td>305,443.31</td>
<td>0.00</td>
</tr>
<tr>
<td>Interest expense on leases</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Miscellaneous allowances</td>
<td>0.00</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Change in current assets and liabilities (Increase) decrease in assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIF repayment of Operating Fund for leases</td>
<td>0.00</td>
<td>0.00</td>
<td>90,058.97</td>
<td>0.00</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(1,685,628.41)</td>
<td>3,576,466.40</td>
<td>(3,940,014.71)</td>
<td>958,916.73</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>0.00</td>
<td>(5,955.80)</td>
<td>663,180.27</td>
<td>258,676.06</td>
</tr>
<tr>
<td>Other assets</td>
<td>(480,283.95)</td>
<td>0.00</td>
<td>(645,893.50)</td>
<td>0.00</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(528,267.97)</td>
<td>(2,453,714.67)</td>
<td>(2,594,266.67)</td>
<td>(401,977.61)</td>
</tr>
<tr>
<td>Accrued employee compensation</td>
<td>2,851,539.91</td>
<td>863,774.17</td>
<td>3,643,841.54</td>
<td>2,125,599.43</td>
</tr>
<tr>
<td>Other non current liabilities</td>
<td>140.00</td>
<td>(3,532.72)</td>
<td>380,677.20</td>
<td>67,365.84</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(6,238,912.76)</td>
<td>(7,231,115.63)</td>
<td>7,726,506.97</td>
<td>7,221,698.34</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(5,842,073.18)</td>
<td>(4,826,586.42)</td>
<td>8,068,391.24</td>
<td>14,957,619.52</td>
</tr>
<tr>
<td>Net cash (used) in operating activities</td>
<td>$(5,984,837.51)</td>
<td>$(4,265,097.87)</td>
<td>$12,671,435.13</td>
<td>$21,814,791.37</td>
</tr>
</tbody>
</table>
### National Credit Union Administration Operating Fund

(Before Overhead Transfer)

Year-To-Date Budget Report Analysis

November 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th></th>
<th></th>
<th>2009</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>DIFFERENCE</td>
<td>% DIFF</td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Employee Pay</td>
<td>103,361,595</td>
<td>101,523,712</td>
<td>(1,837,883)</td>
<td>-1.8%</td>
<td>92,613,358</td>
<td>94,714,838</td>
</tr>
<tr>
<td>Benefits</td>
<td>29,887,569</td>
<td>27,097,480</td>
<td>(2,790,089)</td>
<td>-9.3%</td>
<td>26,651,421</td>
<td>24,350,503</td>
</tr>
<tr>
<td>Travel</td>
<td>21,321,421</td>
<td>19,773,917</td>
<td>(1,547,504)</td>
<td>-7.3%</td>
<td>18,425,782</td>
<td>16,528,170</td>
</tr>
<tr>
<td>Rent, Comm., &amp; Utilities</td>
<td>4,306,481</td>
<td>3,401,049</td>
<td>(905,432)</td>
<td>-21.0%</td>
<td>3,866,393</td>
<td>3,504,962</td>
</tr>
<tr>
<td>Administrative</td>
<td>10,732,806</td>
<td>11,741,994</td>
<td>1,009,187</td>
<td>9.4%</td>
<td>11,731,125</td>
<td>8,539,120</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>13,870,174</td>
<td>11,551,777</td>
<td>(2,318,398)</td>
<td>-16.7%</td>
<td>9,688,723</td>
<td>6,682,978</td>
</tr>
<tr>
<td>TOTAL</td>
<td>183,480,047</td>
<td>175,089,929</td>
<td>(8,390,118)</td>
<td>-4.6%</td>
<td>162,976,801</td>
<td>154,320,571</td>
</tr>
</tbody>
</table>

#### Amount Over (Under) Budget

November 30, 2010

- **Pay**: (1,837,883)
- **Benefits**: (2,790,089)
- **Travel**: (1,547,504)
- **Rent**: (905,432)
- **Administrative**: 1,009,187
- **Contracted Services**: (2,318,398)
National Credit Union Administration Operating Fund
Graphs and Ratios
November 30, 2010

Actual & Projected Cash Balance

Year-To-Date Budget Variance

Vacancies

<table>
<thead>
<tr>
<th>Month</th>
<th>2010 Vacancies</th>
<th>2009 Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN</td>
<td>104</td>
<td>109</td>
</tr>
<tr>
<td>FEB</td>
<td>69</td>
<td>54</td>
</tr>
<tr>
<td>MAR</td>
<td>103</td>
<td>52</td>
</tr>
<tr>
<td>APR</td>
<td>103</td>
<td>47</td>
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Retained earnings / Total assets
November 2009: 37.91%
November 2010: 43.10%

Monthly interest income to average investments (annualized)
November 2009: 0.05%
November 2010: 0.13%

YTD Travel per full-time equivalent, before overhead transfer, (annualized)
November 2009: $18,323
November 2010: $18,468

Net year to date cash inflow (outflow) in millions of dollars
November 2009: $5.0
November 2010: $15.6

Cash and Overnight investments / Total assets
November 2009: 37.2%
November 2010: 49.4%

Overhead Transfer Rate
November 2009: 53.80%
November 2010: 57.20%