

National Credit Union Administration



Operating Fund

***Financial Highlights
July 31, 2009***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
July 31, 2009

Balance Sheet

Overnight Investments decreased \$5.1 million primarily for payment of operating expenses.

Accounts Receivable: Operating fees of \$81.8 million have been collected year-to-date with no outstanding fees to be collected.

Accrued Employee Compensation increased \$1.7 million due to the accrual for 10 days at the end of July versus 7 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$6.7 million. This decrease is due to recognizing deferred operating fee income. Deferred operating fee income is recognized evenly over the calendar period.

Statement of Revenue and Expenses

Net income for the month was \$249,000 higher than planned primarily due to employee pay, employee benefits, employee travel, rent/communications/utilities and contracted services being under budget.

Statement of Cash Flow

Cash decreased by \$5.5 million for the month, reflecting payments for operating expenses and notes payable.

Budget (Year-to-Date)

Agency spending was under budget by \$8.0 million or 7.7 percent, compared to \$5.5 million or 5.9 percent in July 2008. Pay and benefits were under budget by percent. The remaining variance of \$5.4 million was derived mainly from travel and contracted services.

Vacancies

The agency had 17 vacancies as of July 31 -- down 5 from June 20. Of the 17 vacancies, 22 were in the central office and a net over-hire of 5 vacancies in the regional offices and AMAC. The 17 vacancies represent 1.6 percent of total authorized staff of 1,023.05.

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

	July 2008	June 2009	July 2009
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,354.39	\$ 500,392.11	\$ 100,878.54
Overnight Investments	54,072,000.00	62,157,000.00	57,090,000.00
Accounts Receivable	630,587.72	1,076,117.79	1,703,857.31
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	988,128.44	2,735,479.38	2,795,365.60
Home Purchase Program	1,122,345.49	1,447,990.31	1,447,990.31
Other	(2,756.92)	5,155.00	0.00
<i>Total Current Assets</i>	56,815,659.12	67,922,134.59	63,138,091.76
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,082,305.00	25,224,629.00	25,145,380.00
Capital Lease	630,381.79	50,529.00	48,295.00
Equipment	1,415,006.00	2,247,132.00	2,149,691.00
Assets Under Construction	815,268.33	2,220,604.15	2,220,604.15
<i>Total Property, Plant, and Equipment</i>	32,889,225.07	33,689,158.10	33,510,234.10
TOTAL ASSETS	\$ 89,704,884.19	\$ 101,611,292.69	\$ 96,648,325.86
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,293,611.14	\$ 1,400,525.84	\$ 1,552,473.39
Accrued Employee Compensation	13,625,799.73	13,539,846.90	15,222,334.85
Other Current Liabilities	29,592,475.13	41,573,447.32	34,882,289.22
<i>Total Current Liabilities</i>	44,511,886.00	56,513,820.06	51,657,097.46
Non-Current Liabilities			
Notes Payable	20,337,552.92	19,108,360.23	18,996,615.44
Other	693,982.01	188,651.70	183,909.68
<i>Total Non-Current Liabilities</i>	21,031,534.93	19,297,011.93	19,180,525.12
TOTAL LIABILITIES	65,543,420.93	75,810,831.99	70,837,622.58
FUND BALANCE:			
Unappropriated	23,161,463.26	24,800,460.70	24,810,703.28
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	24,161,463.26	25,800,460.70	25,810,703.28
TOTAL LIABILITIES AND FUND BALANCE	\$ 89,704,884.19	\$ 101,611,292.69	\$ 96,648,325.86

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

	July 2009 Monthly Actual	July 2009 Monthly Budget	July 2009 Year-To-Date Actual	July 2009 Year-To-Date Budget	July 2008 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 8,116.41	\$ 83,333.33	\$ 28,436.33	\$ 583,333.33	\$ 591,882.26
Program-related Income	6,705,757.00	6,773,333.33	46,940,300.00	47,413,333.33	42,878,941.69
Other Income	18,290.00	25,000.00	190,122.70	175,000.00	100,563.81
Total Revenue	6,732,163.41	6,881,666.67	47,158,859.03	48,171,666.67	43,571,387.76
EXPENSES:					
Employee Pay	3,935,584.73	4,102,687.07	26,439,447.18	27,224,000.69	25,470,802.63
Employee Benefits	1,074,774.12	1,171,622.99	7,107,049.86	7,799,677.45	6,800,054.18
Employee Travel	662,069.75	805,878.53	4,351,166.04	5,641,150.45	4,059,358.96
Rent/Communications/Utilities	205,720.71	168,968.66	1,030,805.80	1,182,780.52	931,946.69
Administrative Costs	434,778.86	434,449.97	2,943,148.09	3,041,149.99	2,820,555.73
Contracted Services	408,992.66	436,757.76	2,010,706.46	3,057,304.26	1,711,511.53
Total Expenses	6,721,920.83	7,120,364.98	43,882,323.43	47,946,063.36	41,794,229.72
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 10,242.58	\$ (238,698.32)	\$ 3,276,535.60	\$ 225,603.31	\$ 1,777,158.04

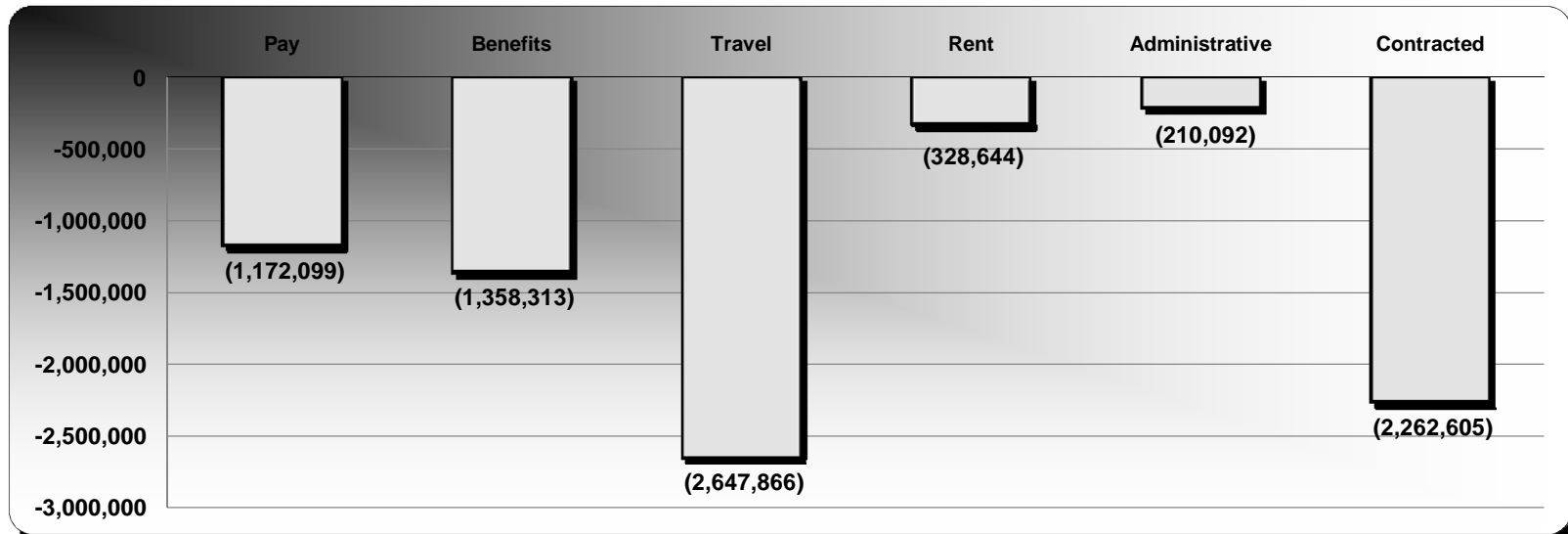
National Credit Union Administration Operating Fund
Statement of Cash Flow
July 31, 2009

	Month July 2008	Month July 2009	Y-T-D July 2008	Y-T-D July 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 25,324.71	\$ 6,346.51	\$ 72,396,341.05	\$ 83,811,547.13
Interest received from cash and cash equivalents	106,834.89	8,116.41	591,882.26	28,436.33
Other income received	21,167.50	18,290.00	100,563.81	190,122.70
(Cash paid for operating expenses)	(5,995,815.91)	(5,387,521.70)	(40,531,145.75)	(44,369,393.42)
Net cash (used) in operating activities	(5,842,488.81)	(5,354,768.78)	32,557,641.37	39,660,712.74
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	0.00	(623,152.59)	(1,612,442.71)
Proceeds (purchases) home purchase program	(844,899.11)	0.00	(260,791.39)	(930,490.31)
Net cash (used) in investing activities	(844,899.11)	0.00	(883,943.98)	(2,542,933.02)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(782,213.53)	(782,213.53)
(Capital lease payments)	(325,854.19)	0.00	(989,618.02)	(737,026.47)
Net cash (used) in financing activities	(437,598.98)	(111,744.79)	(1,771,831.55)	(1,519,240.00)
NET INCREASE (DECREASE) IN CASH	(7,124,986.90)	(5,466,513.57)	29,901,865.84	35,598,539.72
Cash and cash equivalents at beginning of period	61,202,341.29	62,657,392.11	24,175,488.55	21,592,338.82
Cash and cash equivalents at end of period	\$ 54,077,354.39	\$ 57,190,878.54	\$ 54,077,354.39	\$ 57,190,878.54
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ (47,794.66)	\$ 10,242.58	\$ 1,777,158.04	\$ 3,276,535.60
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	260,213.37	178,924.00	1,946,610.03	1,501,476.09
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	139,279.97	0.00
Interest expense on leases	1,209.44	0.00	13,863.83	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	90,058.97	0.00	270,176.91	90,058.97
Accounts receivable	137,080.25	(627,739.52)	(49,507.42)	(1,159,257.31)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	66,979.99	(59,886.22)	(190,065.20)	859,676.47
Other assets	2,756.92	5,155.00	2,756.92	100.00
Increase (decrease) in liabilities:				
Accounts payable	(992,561.74)	151,947.55	(1,637,992.82)	(1,828,728.93)
Accrued employee compensation	817,599.33	1,682,487.95	728,026.50	1,732,254.79
Other non current liabilities	3,429.99	(4,742.02)	441.86	382,859.23
Other current liabilities	(6,181,460.67)	(6,691,158.10)	29,556,892.75	34,805,737.83
Total adjustments	(5,794,694.15)	(5,365,011.36)	30,780,483.33	36,384,177.14
Net cash (used) in operating activities	\$ (5,842,488.81)	\$ (5,354,768.78)	\$ 32,557,641.37	\$ 39,660,712.74

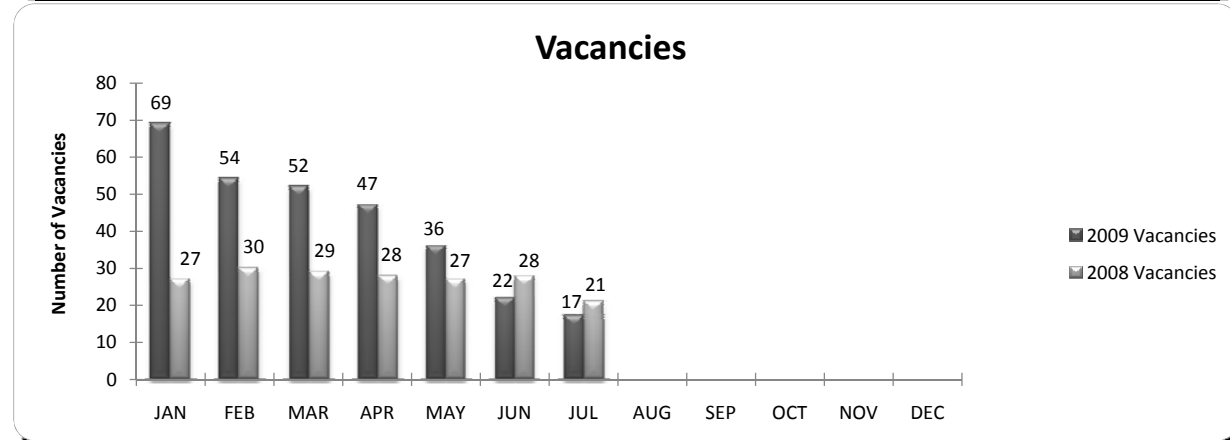
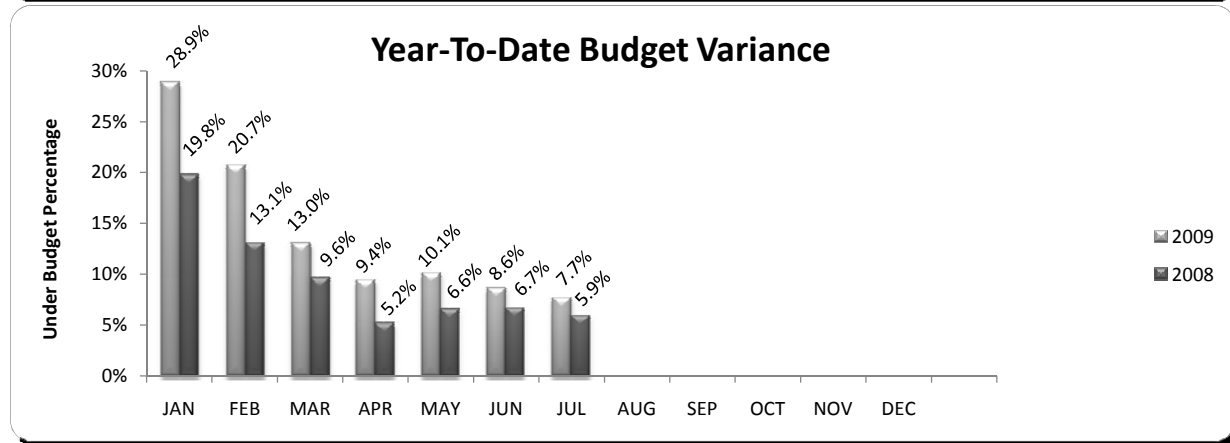
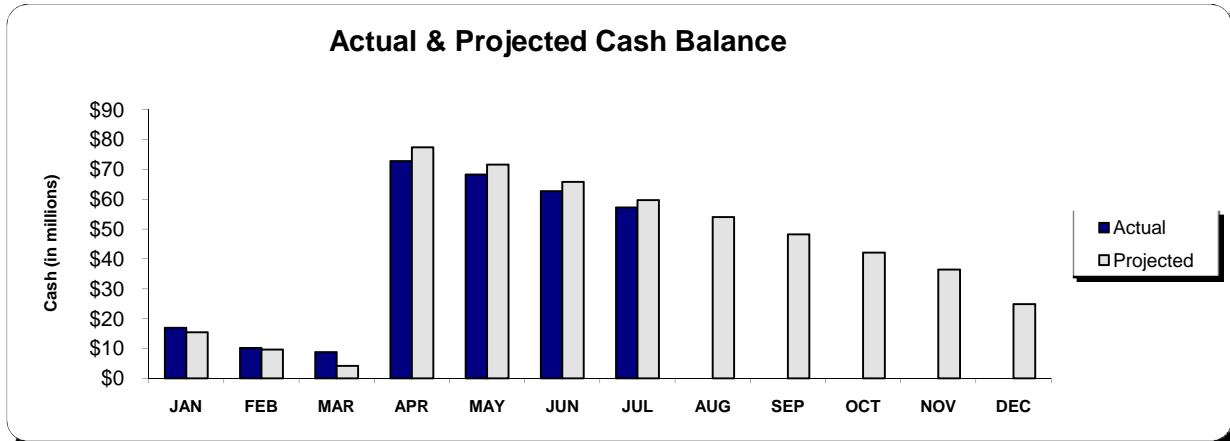
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
July 31, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	58,926,408	57,754,309	(1,172,099)	-2.0%	53,491,017	53,064,172	(426,845)	-0.8%
Benefits	16,882,419	15,524,106	(1,358,313)	-8.0%	15,214,881	14,166,780	(1,048,102)	-6.9%
Travel	12,210,282	9,562,416	(2,647,866)	-21.7%	9,663,042	8,456,998	(1,206,045)	-12.5%
Rent, Communications, & Utilities	2,560,131	2,231,487	(328,644)	-12.8%	2,384,950	1,941,556	(443,395)	-18.6%
Administrative	6,582,576	6,372,484	(210,092)	-3.2%	6,484,697	5,876,158	(608,540)	-9.4%
Contracted Services	6,617,542	4,354,937	(2,262,605)	-34.2%	5,296,423	3,565,649	(1,730,774)	-32.7%
TOTAL	103,779,358	95,799,738	(7,979,620)	-7.7%	92,535,011	87,071,312	(5,463,699)	-5.9%

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



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



Ratios

	July 2008	July 2009
Retained earnings / Total assets	26.93%	26.71%
Monthly interest income to average investments (annualized)	2.02%	0.15%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 16,772	\$ 16,956
Net year to date cash inflow (outflow) in millions of dollars	\$ 29.9	\$ 35.6
Cash and Overnight investments / Total assets	60.3%	59.2%