

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
May 31, 2010***

**Mary Ann Woodson  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Financial Highlights**  
**May 31, 2010**

**Balance Sheet**

Overnight Investments decreased \$7.5 million primarily for payment of operating expenses.

Accounts Receivable decreased \$2.2 million primarily due to the collection of operating fees. There are \$2.1 million in operating fees remaining to be collected.

Equipment increased by \$3.3 million reflecting system implementation projects being transferred from Assets Under Construction.

Accrued Employee Compensation increased \$2.6 million primarily due to recording a change in estimate on the worker's compensation liabilities.

Other Current Liabilities decreased \$12.0 million. This decrease is due to recognizing deferred operating fee income and payment of a liability owed to the NCUA Share Insurance Fund. Deferred operating fee income is recognized evenly over the calendar period.

**Statement of Cash Flow**

Cash decreased by \$6.5 million for the month, reflecting payments for operating expenses, fixed assets and notes payable in excess of receipts for operating fee assessments.

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

Agency spending was under budget by \$8.8 million or 10.7 percent. Pay and benefits were under budget by 6.7 percent. The remaining variance of \$4.9 million was derived mainly from travel and contracted services being under budget.

**Vacancies**

The agency had 88 vacancies as of May 22 -- down 15 from April 25. Of the vacancies, there were 33 in the central office, 18 in the regional offices and AMAC, and 37 in the field staff. The 88 vacancies represent 7.9 percent of total authorized staff of 1,113.85.

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

	May 2009	April 2010	May 2010
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 100,228.12	\$ 748,905.34	\$ 708,965.14
Overnight Investments	68,198,000.00	81,128,000.00	73,649,000.00
Accounts Receivable	1,292,091.05	4,271,105.60	2,078,187.46
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	2,291,909.14	3,611,618.62	2,929,685.80
Home Purchase Program	1,048,900.87	260,910.00	260,910.00
Other	35,966.74	0.00	0.00
<i>Total Current Assets</i>	72,967,095.92	90,020,539.56	79,626,748.40
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,303,885.00	24,621,832.08	24,722,274.66
Capital Lease	52,750.00	23,021.76	21,678.45
Equipment	2,331,061.00	3,489,981.33	6,804,791.28
Assets Under Construction	2,220,604.15	4,942,688.26	1,463,343.29
<i>Total Property, Plant, and Equipment</i>	33,854,564.10	37,023,787.38	36,958,351.63
<b>TOTAL ASSETS</b>	<b>\$ 106,821,660.02</b>	<b>\$ 127,044,326.94</b>	<b>\$ 116,585,100.03</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,109,123.82	\$ 649,513.99	\$ 1,065,496.00
Accrued Employee Compensation	12,404,550.02	12,577,821.24	15,190,360.93
Other Current Liabilities	48,300,021.42	65,189,931.49	53,140,299.91
<i>Total Current Liabilities</i>	61,813,695.26	78,417,266.72	69,396,156.84
Non-Current Liabilities			
Notes Payable	19,220,105.02	17,990,912.33	17,879,167.54
Other	192,831.53	159,196.24	159,196.24
<i>Total Non-Current Liabilities</i>	19,412,936.55	18,150,108.57	18,038,363.78
<b>TOTAL LIABILITIES</b>	<b>81,226,631.81</b>	<b>96,567,375.29</b>	<b>87,434,520.62</b>
<b>FUND BALANCE:</b>			
Unappropriated	24,595,028.21	29,476,951.65	28,150,579.41
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>25,595,028.21</b>	<b>30,476,951.65</b>	<b>29,150,579.41</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 106,821,660.02</b>	<b>\$ 127,044,326.94</b>	<b>\$ 116,585,100.03</b>

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

	May 2010 Monthly Actual	May 2010 Monthly Budget	May 2010 Year-To-Date Actual	May 2010 Year-To-Date Budget	May 2009 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 9,013.77	\$ 4,166.67	\$ 15,661.15	\$ 28,333.33	\$ 14,312.45
Program-related Income	7,117,500.00	7,117,500.00	35,587,500.00	49,822,500.00	33,542,301.00
Other Income	4,467.80	25,000.00	39,300.85	173,333.33	153,997.50
Total Revenue	7,130,981.57	7,146,666.67	35,642,462.00	50,024,166.67	33,710,610.95
<b>EXPENSES:</b>					
Employee Pay	4,009,278.99	3,899,976.58	20,244,045.80	19,871,309.25	18,699,294.17
Employee Benefits	1,168,033.49	1,128,695.28	5,570,808.49	5,750,971.18	5,009,025.89
Employee Travel	839,019.52	829,597.12	3,359,194.75	4,147,985.58	2,916,803.57
Rent/Communications/Utilities	184,501.36	167,561.25	545,951.08	837,806.26	715,226.09
Administrative Costs	540,697.61	417,603.74	2,263,408.54	2,088,018.72	2,023,770.46
Contracted Services	658,822.84	543,242.52	1,810,834.64	2,716,212.61	1,285,630.24
Total Expenses	7,400,353.81	6,986,676.49	33,794,243.30	35,412,303.60	30,649,750.42
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (269,372.24)</b>	<b>\$ 159,990.17</b>	<b>\$ 1,848,218.70</b>	<b>\$ 14,611,863.07</b>	<b>\$ 3,060,860.53</b>

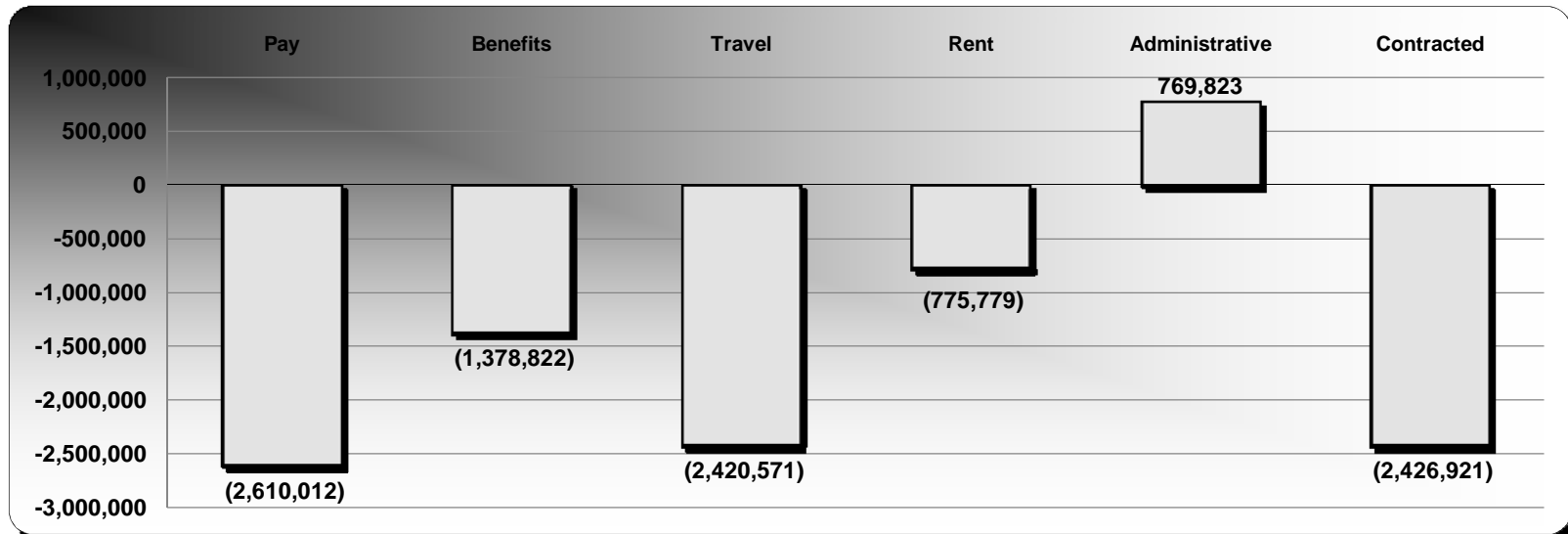
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**May 31, 2010**

	Month May 2009	Month May 2010	Y-T-D May 2009	Y-T-D May 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 1,714,772.47	\$ 3,640,022.60	\$ 82,644,320.25	\$ 86,193,221.88
Interest received from cash and cash equivalents	7,212.80	9,013.77	14,312.45	15,661.15
Other income received	13,386.80	4,467.80	153,997.50	39,300.85
(Cash paid for operating expenses)	(4,879,534.67)	(9,704,689.33)	(33,080,566.34)	(34,010,899.07)
<b>Net cash (used) in operating activities</b>	<b>(3,144,162.60)</b>	<b>(6,051,185.16)</b>	<b>49,732,063.86</b>	<b>52,237,284.81</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(1,230,322.03)	(299,010.25)	(1,598,112.71)	(819,131.35)
Proceeds (purchases) home purchase program	0.00	0.00	(531,400.87)	233,910.00
<b>Net cash (used) in investing activities</b>	<b>(1,230,322.03)</b>	<b>(299,010.25)</b>	<b>(2,129,513.58)</b>	<b>(585,221.35)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(893,958.32)	(558,723.95)
(Capital lease payments)	(2,655.00)	0.00	(337,937.03)	0.00
<b>Net cash (used) in financing activities</b>	<b>(114,399.79)</b>	<b>(111,744.79)</b>	<b>(1,231,895.35)</b>	<b>(558,723.95)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(4,488,884.42)</b>	<b>(6,461,940.20)</b>	<b>46,370,654.93</b>	<b>51,093,339.51</b>
Cash and cash equivalents at beginning of period	72,787,112.54	81,876,905.34	21,592,338.82	24,321,625.63
<b>Cash and cash equivalents at end of period</b>	<b>\$ 68,298,228.12</b>	<b>\$ 75,414,965.14</b>	<b>\$ 67,962,993.75</b>	<b>\$ 75,414,965.14</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 775,966.27</b>	<b>\$ (269,372.24)</b>	<b>\$ 3,060,860.53</b>	<b>\$ 1,848,218.70</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	183,631.11	364,446.00	1,142,816.09	1,436,316.11
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	0.00
<b>Change in current assets and liabilities</b>				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	0.00	0.00	90,058.97	0.00
Accounts receivable	4,850,497.55	2,192,918.14	(747,491.05)	(771,590.89)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	1,316,195.22	681,932.82	1,363,132.93	(880,752.89)
Other assets	(35,966.74)	0.00	(35,866.74)	0.00
Increase (decrease) in liabilities:				
Accounts payable	(182,241.43)	415,982.01	(2,272,078.50)	(1,334,571.86)
Accrued employee compensation	(4,392,769.68)	2,612,539.69	(1,085,530.04)	(1,136,886.31)
Other non current liabilities	(2,263.01)	0.00	(7,308.36)	(4,330.66)
Other current liabilities	(5,657,211.89)	(12,049,631.58)	48,223,470.03	53,080,882.61
<b>Total adjustments</b>	<b>(3,920,128.87)</b>	<b>(5,781,812.92)</b>	<b>46,671,203.33</b>	<b>50,389,066.11</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (3,144,162.60)</b>	<b>\$ (6,051,185.16)</b>	<b>\$ 49,732,063.86</b>	<b>\$ 52,237,284.81</b>

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

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	46,428,293	43,818,281	(2,610,012)	-5.6%	41,841,742	40,474,663	(1,367,080)	-3.3%
<b>Benefits</b>	13,436,849	12,058,027	(1,378,822)	-10.3%	11,989,451	10,842,047	(1,147,404)	-9.6%
<b>Travel</b>	9,691,555	7,270,984	(2,420,571)	-25.0%	8,721,630	6,313,428	(2,408,203)	-27.6%
<b>Rent, Communications, &amp; Utilities</b>	1,957,491	1,181,712	(775,779)	-39.6%	1,828,665	1,548,108	(280,557)	-15.3%
<b>Administrative</b>	4,878,548	5,648,372	769,823	15.8%	4,701,840	4,380,456	(321,384)	-6.8%
<b>Contracted Services</b>	6,346,291	3,919,370	(2,426,921)	-38.2%	4,726,815	2,782,749	(1,944,066)	-41.1%
<b>TOTAL</b>	82,739,027	73,896,746	(8,842,281)	-10.7%	73,810,145	66,341,451	(7,468,693)	-10.1%

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

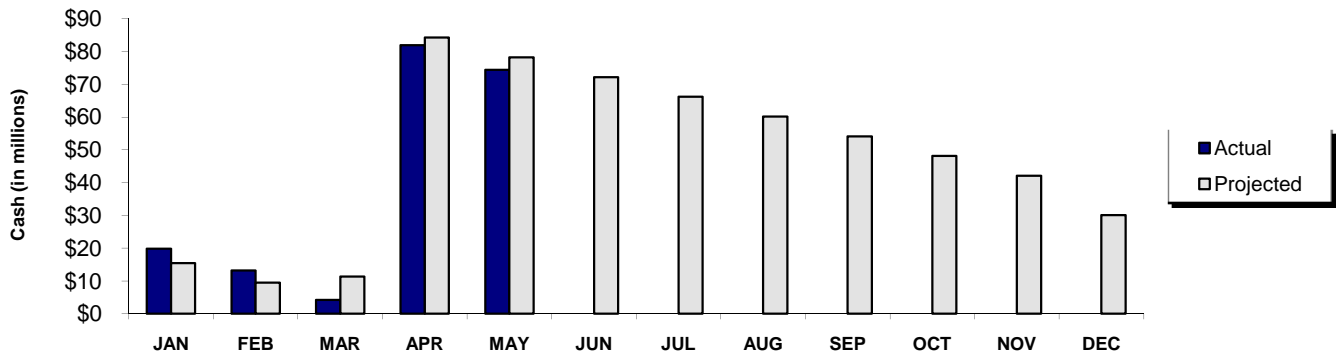


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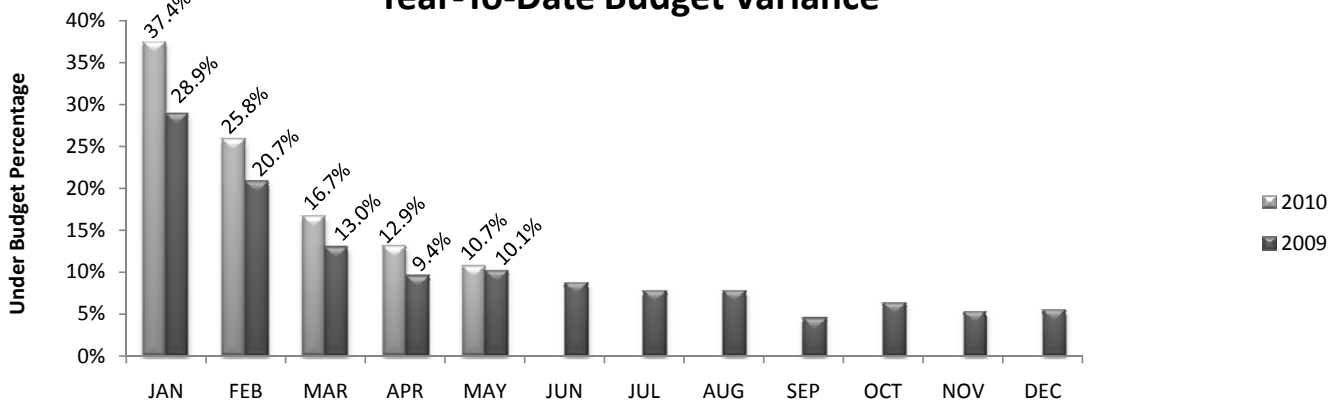
## Graphs and Ratios

May 31, 2010

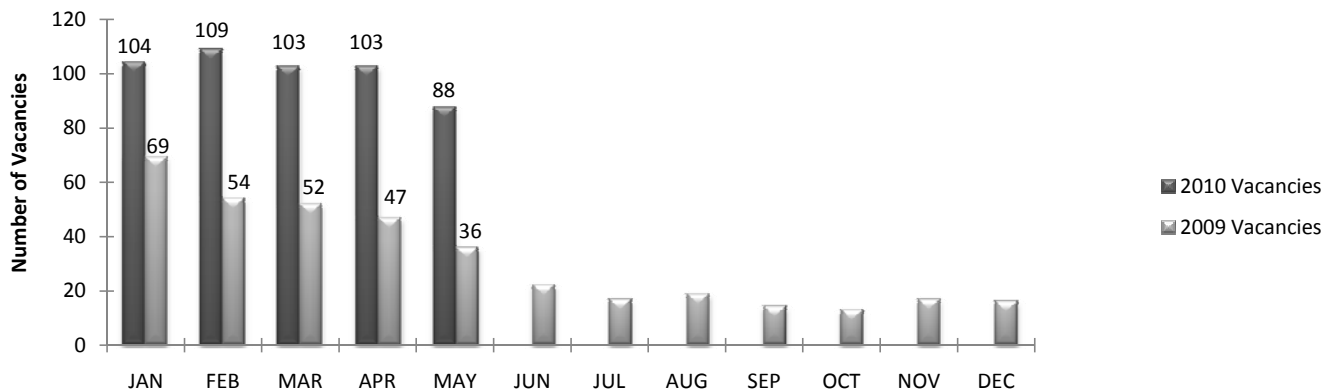
### Actual & Projected Cash Balance



### Year-To-Date Budget Variance



### Vacancies



	May 2009	May 2010
Retained earnings / Total assets	23.96%	25.00%
Monthly interest income to average investments (annualized)	0.13%	0.15%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$15,991	\$16,833
Net year to date cash inflow (outflow) in millions of dollars	\$46.4	\$51.9
Cash and Overnight investments / Total assets	63.9%	63.8%
Overhead Transfer Rate	53.80%	57.20%