

National Credit Union Administration



Operating Fund

***Unaudited Financial Highlights
December 31, 2009***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Unaudited Financial Highlights
December 31, 2009

Balance Sheet

Cash had a month-end balance of \$514,000 in order to accommodate federal interagency calendar year-end disbursements. The balance will decline back to its normal level on January 1, 2010.

Overnight Investments decreased \$2.7 million for payment of operating expenses.

Accounts Receivable decreased \$3.2 million due to the repayment of the overhead transfer from the National Credit Union Share Insurance Fund.

Accounts Payable increased \$1.6 million due to year-end timing differences between receipt of vendor invoices and payment of vendors.

Other Current Liabilities decreased \$7.7 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 Expenses

Net income for the month was \$1.2 million higher than planned primarily due to employee pay being under budget for the month.

Statement of Cash Flow

Cash decreased by \$2.3 million for the month primarily due to payment for operating expenses, fixed assets and notes payable. This is lower than normal due to the Operating Fund receiving \$4.0 million from the NCUSIF for the difference between estimated and actual overhead transfer expenses for the last quarter of 2009.

Budget (Year-to-Date)

Agency spending was under budget by \$9.6 million or 5.4 percent. Of the \$9.6 million, benefits and travel were under budget by \$4.0 million and the remaining variance of \$5.6 million was derived from administrative and contracted services.

Vacancies

The agency had 16 vacancies as of December 31. Of the 16 vacancies, there were 21 in the central office and a net over-hire of 5 vacancies in the regions and AMAC. The vacancies represent 1.5 percent of total authorized staff of 1,023.05.

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

	December 2008	November 2009	December 2009
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 1,249,338.82	\$ 102,683.54	\$ 513,625.63
Overnight Investments	20,343,000.00	26,506,000.00	23,808,000.00
Accounts Receivable	544,600.00	4,484,614.71	1,306,596.57
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	3,655,042.07	2,991,861.80	2,048,932.91
Home Purchase Program	517,500.00	915,570.00	494,820.00
Other	100.00	645,993.50	0.00
<i>Total Current Assets</i>	26,309,580.89	35,646,723.55	28,171,975.11
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,687,064.00	24,931,984.15	24,964,166.00
Capital Lease	270,413.90	41,928.00	40,544.00
Equipment	2,495,556.00	3,858,655.00	4,111,297.00
Assets Under Construction	999,969.63	3,159,726.62	4,334,203.28
<i>Total Property, Plant, and Equipment</i>	33,399,267.48	35,938,557.72	37,396,474.23
TOTAL ASSETS	\$ 59,708,848.37	\$ 71,585,281.27	\$ 65,568,449.34
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 3,381,202.32	\$ 786,935.65	\$ 2,400,067.86
Accrued Employee Compensation	13,490,080.06	17,133,921.60	16,148,415.08
Other Current Liabilities	76,551.39	7,803,058.36	59,417.30
<i>Total Current Liabilities</i>	16,947,833.77	25,723,915.61	18,607,900.24
Non-Current Liabilities			
Notes Payable	19,778,828.97	18,549,636.28	18,437,891.49
Other	448,017.95	174,517.81	163,526.90
<i>Total Non-Current Liabilities</i>	20,226,846.92	18,724,154.09	18,601,418.39
TOTAL LIABILITIES	37,174,680.69	44,448,069.70	37,209,318.63
FUND BALANCE:			
Unappropriated	21,534,167.68	26,137,211.57	27,359,130.71
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	22,534,167.68	27,137,211.57	28,359,130.71
TOTAL LIABILITIES AND FUND BALANCE	\$ 59,708,848.37	\$ 71,585,281.27	\$ 65,568,449.34

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

	December 2009 Monthly Actual	December 2009 Monthly Budget	December 2009 Year-To-Date Actual	December 2009 Year-To-Date Budget	December 2008 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 932.49	\$ 83,333.33	\$ 41,041.32	\$ 1,000,000.00	\$ 772,890.52
Program-related Income	7,524,727.89	6,773,333.33	81,679,084.99	81,280,000.00	72,434,013.94
Other Income	6,485.30	25,000.00	283,896.56	300,000.00	221,398.84
Total Revenue	7,532,145.68	6,881,666.67	82,004,022.87	82,580,000.00	73,428,303.30
EXPENSES:					
Employee Pay	2,583,437.25	3,888,721.48	45,417,355.42	46,671,766.28	44,116,118.59
Employee Benefits	1,119,944.39	1,119,359.49	12,125,909.73	13,396,475.62	11,913,427.18
Employee Travel	795,857.20	774,652.79	8,184,543.75	9,511,219.09	7,504,529.86
Rent/Communications/Utilities	315,892.84	161,926.51	1,934,608.86	1,994,260.94	1,907,922.02
Administrative Costs	600,581.71	493,515.71	4,541,270.85	5,507,804.70	4,422,488.92
Contracted Services	894,513.15	406,849.38	3,975,371.23	5,089,549.10	3,413,954.27
Total Expenses	6,310,226.54	6,845,025.37	76,179,059.84	82,171,075.74	73,278,440.84
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,221,919.14	\$ 36,641.30	\$ 5,824,963.03	\$ 408,924.26	\$ 149,862.46

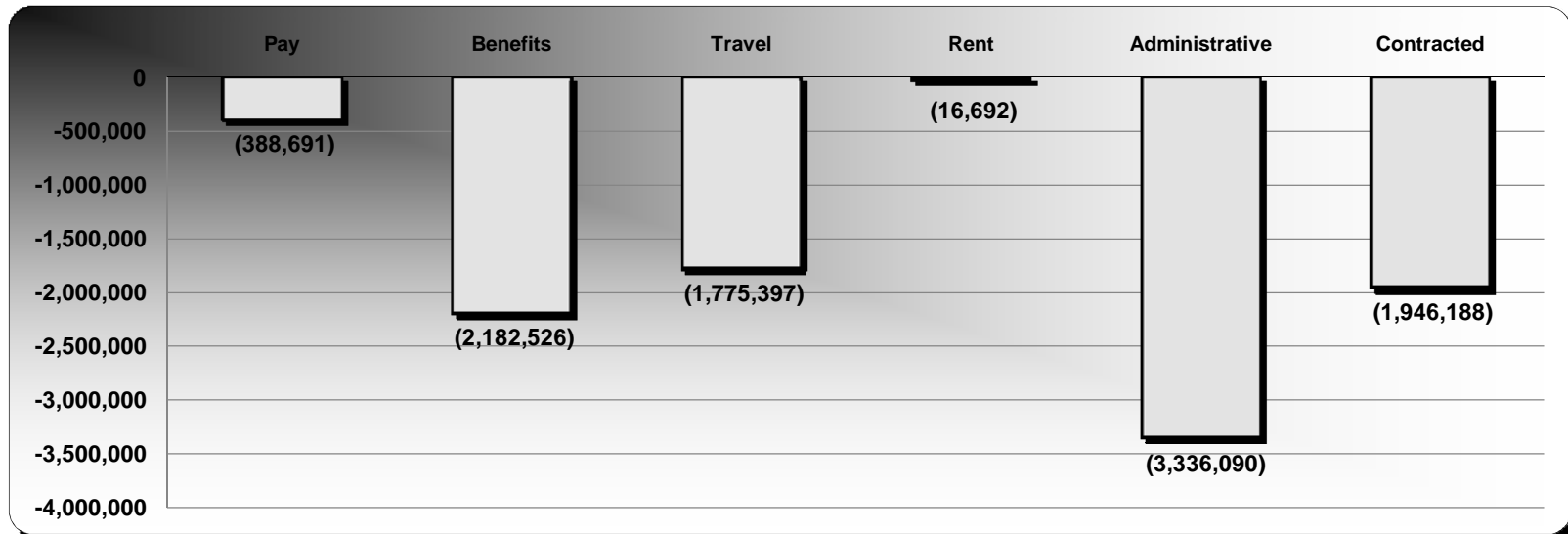
National Credit Union Administration Operating Fund
Statement of Cash Flow
December 31, 2009

	Month December 2008	Month December 2009	Y-T-D December 2008	Y-T-D December 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ -	\$ 72,424,381.21	\$ 83,811,547.13
Interest received from cash and cash equivalents	533.98	932.49	772,890.52	41,041.32
Other income received	41,677.55	6,485.30	221,398.84	283,896.56
(Cash paid for operating expenses)	(6,552,810.95)	(864,972.56)	(71,130,785.97)	(72,322,604.65)
Net cash (used) in operating activities	(6,510,599.42)	(857,554.77)	2,287,884.60	11,813,880.36
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(1,058,722.80)	(1,729,802.69)	(2,367,375.20)	(6,707,950.79)
Proceeds (purchases) home purchase program	0.00	415,081.56	160,537.53	(288,431.75)
Net cash (used) in investing activities	(1,058,722.80)	(1,314,721.13)	(2,206,837.67)	(6,996,382.54)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,340,937.48)	(1,340,937.48)
(Capital lease payments)	(885.00)	(3,037.22)	(1,323,259.18)	(747,273.53)
Net cash (used) in financing activities	(112,629.79)	(114,782.01)	(2,664,196.66)	(2,088,211.01)
NET INCREASE (DECREASE) IN CASH	(7,681,952.01)	(2,287,057.91)	(2,583,149.73)	2,729,286.81
Cash and cash equivalents at beginning of period	29,274,290.83	26,608,683.54	24,175,488.55	21,592,338.82
Cash and cash equivalents at end of period	\$ 21,592,338.82	\$ 24,321,625.63	\$ 21,592,338.82	\$ 24,321,625.63
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ (638,785.33)	\$ 1,221,919.14	\$ 149,862.46	\$ 5,824,963.03
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	239,013.81	271,886.18	3,180,790.23	2,710,744.04
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	5,668.44	181,451.05	311,111.75
Interest expense on leases	610.27	0.00	16,902.48	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	0.00	0.00	360,235.88	90,058.97
Accounts receivable	502,832.48	3,178,018.14	36,480.30	(761,996.57)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(2,989,915.93)	942,928.89	(2,856,978.83)	1,606,109.16
Other assets	117,178.00	645,993.50	(100.00)	100.00
Increase (decrease) in liabilities:				
Accounts payable	1,934,540.86	1,613,132.21	449,598.36	(981,134.46)
Accrued employee compensation	556,562.18	(985,506.52)	226,006.83	2,658,335.02
Other non current liabilities	(3,058.00)	(7,953.69)	(4,978.66)	372,723.51
Other current liabilities	(6,229,577.76)	(7,743,641.06)	40,969.01	(17,134.09)
Total adjustments	(5,871,814.09)	(2,079,473.91)	1,771,722.14	5,988,917.33
Net cash (used) in operating activities	\$ (6,510,599.42)	\$ (857,554.77)	\$ 1,921,584.60	\$ 11,813,880.36

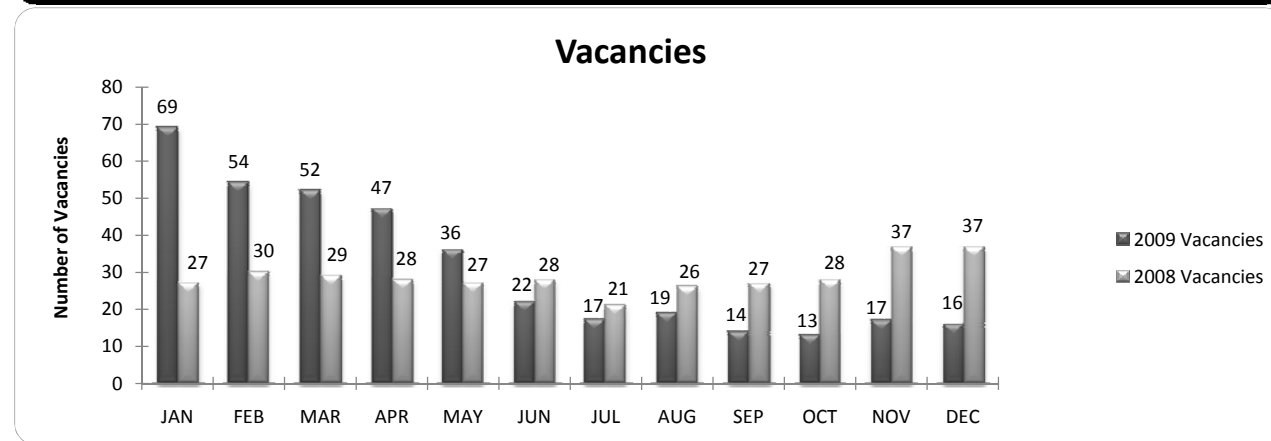
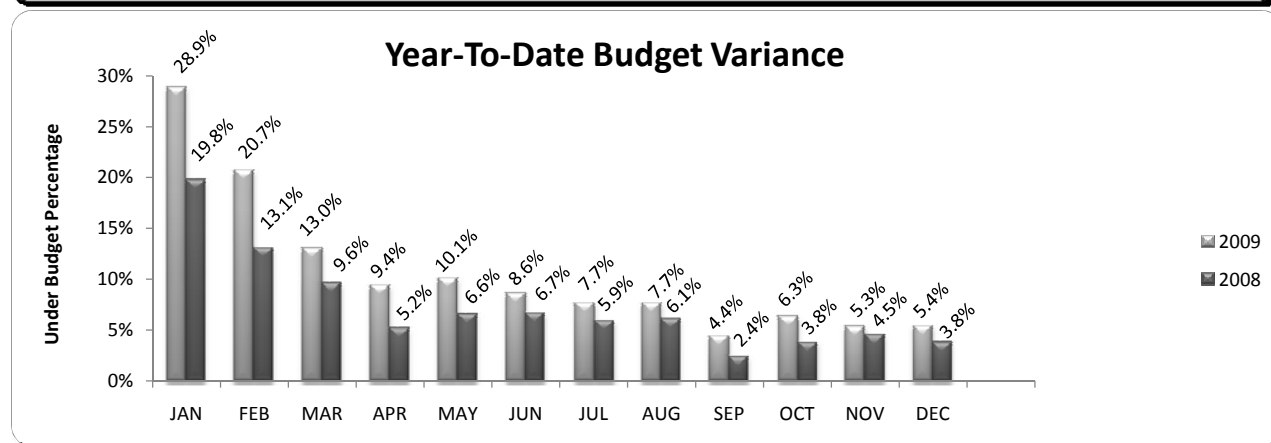
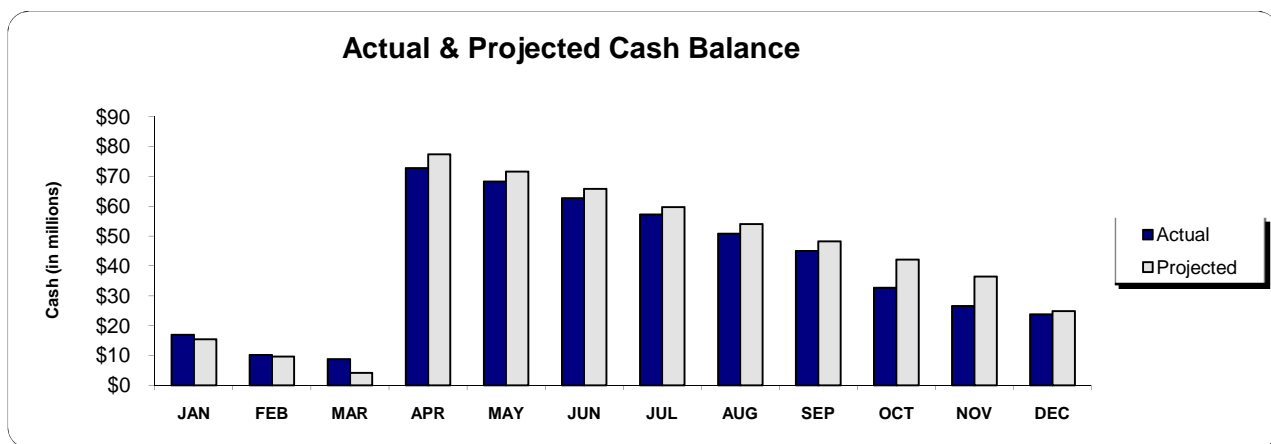
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
December 31, 2009**

	2009				2008			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	101,005,754	100,617,063	(388,691)	-0.4%	91,644,007	91,908,580	264,573	0.3%
Benefits	29,074,277	26,891,752	(2,182,526)	-7.5%	26,082,653	24,819,640	(1,263,013)	-4.8%
Travel	20,120,853	18,345,456	(1,775,397)	-8.8%	16,567,793	15,634,437	(933,355)	-5.6%
Rent, Communications, & Utilities	4,205,883	4,189,191	(16,692)	-0.4%	4,088,486	3,974,838	(113,649)	-2.8%
Administrative	12,818,591	9,482,500	(3,336,090)	-26.0%	11,116,624	9,213,519	(1,903,106)	-17.1%
Contracted Services	10,567,516	8,621,328	(1,946,188)	-18.4%	9,134,461	7,112,405	(2,022,056)	-22.1%
TOTAL	177,792,873	168,147,289	(9,645,584)	-5.4%	158,634,024	152,663,418	(5,970,605)	-3.8%

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



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



Ratios

	December 2008	December 2009
Retained earnings / Total assets	37.74%	43.25%
Monthly interest income to average investments (annualized)	0.04%	0.04%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 18,087	\$ 18,605
Net year to date cash inflow (outflow) in millions of dollars	\$ (2.6)	\$ 2.7
Cash and Overnight investments / Total assets	36.2%	37.1%