

National Credit Union Administration



Operating Fund

***Financial Highlights
February 28, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
February 28, 2010

Balance Sheet

Cash had a balance of \$1.0 million to accommodate the anticipated payment of accumulated vendor invoices resulting from the implementation of a new financial management system. The invoices were posted for payment in March.

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

Accounts Receivable increased by \$7.1 million for recording of operating fee assessment.

Statement of Cash Flow

Cash decreased by \$6.6 million for the month, reflecting payments for operating expenses, fixed assets and notes payable.

Budget (Year-to-Date)

Agency spending was under budget by \$8.4 million. Pay, benefits, and travel were under budget by \$5.4 million. The remaining variance of \$3.0 million was derived mainly from contracted services. Contracted services are cyclical and usually lower at the start of the year.

Vacancies

The agency had 109 vacancies as of February 27, -- up 4 from January 31, 2009. Of the 109 vacancies, 43 were in the central office and 66 were in the regional offices and AMAC. The 109 vacancies represent 9.3 percent of total authorized staff of 1,112.85.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
February 28, 2010

	February 2009	January 2010	February 2010
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 100,685.39	\$ 100,644.36	\$ 1,000,320.48
Overnight Investments	10,097,000.00	19,704,000.00	12,194,000.00
Accounts Receivable	357,498.42	7,935,480.01	15,097,694.99
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	3,514,308.03	2,647,421.85	3,209,848.97
Home Purchase Program	517,500.00	494,820.00	494,820.00
Other	13,465,575.00	0.00	0.00
<i>Total Current Assets</i>	28,052,566.84	30,882,366.22	31,996,684.44
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,528,969.00	24,868,250.00	24,772,334.00
Capital Lease	98,611.66	27,051.69	25,708.38
Equipment	2,454,662.00	3,946,164.34	3,787,392.78
Assets Under Construction	1,001,743.24	4,334,203.28	4,764,329.08
<i>Total Property, Plant, and Equipment</i>	33,030,249.85	37,121,933.26	37,296,028.19
TOTAL ASSETS	\$ 61,082,816.69	\$ 68,004,299.48	\$ 69,292,712.63
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,859,703.50	\$ 2,650,620.32	\$ 2,862,942.03
Accrued Employee Compensation	14,181,145.73	14,822,119.86	14,886,225.67
Other Current Liabilities	14,296.02	1,092,279.59	1,355,285.65
<i>Total Current Liabilities</i>	16,055,145.25	18,565,019.77	19,104,453.35
Non-Current Liabilities			
Notes Payable	19,555,339.39	18,326,146.70	18,214,401.91
Other	208,330.04	163,526.90	159,196.24
<i>Total Non-Current Liabilities</i>	19,763,669.43	18,489,673.60	18,373,598.15
TOTAL LIABILITIES	35,818,814.68	37,054,693.37	37,478,051.50
FUND BALANCE:			
Unappropriated	24,264,002.01	29,949,606.11	30,814,661.13
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	25,264,002.01	30,949,606.11	31,814,661.13
TOTAL LIABILITIES AND FUND BALANCE	\$ 61,082,816.69	\$ 68,004,299.48	\$ 69,292,712.63

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
February 28, 2010

	February 2010 Monthly Actual	February 2010 Monthly Budget	February 2010 Year-To-Date Actual	February 2010 Year-To-Date Budget	February 2009 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 738.78	\$ 4,166.67	\$ 1,206.17	\$ 7,500.00	\$ 3,752.84
Program-related Income	7,117,500.00	7,117,500.00	14,235,000.00	14,235,000.00	13,465,575.00
Other Income	7,246.30	25,000.00	23,188.70	48,333.33	90,538.05
Total Revenue	7,125,485.08	7,146,666.67	14,259,394.87	14,290,833.33	13,559,865.89
EXPENSES:					
Employee Pay	3,534,938.98	3,881,115.00	7,322,588.45	7,355,252.68	6,868,621.91
Employee Benefits	1,328,078.31	1,122,245.59	2,918,812.90	1,803,080.00	1,876,123.36
Employee Travel	523,909.65	829,597.12	705,333.79	907,246.65	697,473.36
Rent/Communications/Utilities	87,621.48	167,561.25	44,361.73	149,046.08	203,107.66
Administrative Costs	419,910.49	417,603.74	566,821.07	801,147.28	724,243.83
Contracted Services	366,201.15	539,675.85	101,991.72	426,594.22	460,461.44
Total Expenses	6,260,660.06	6,957,798.56	11,659,909.66	11,442,366.90	10,830,031.56
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 864,825.02	\$ 188,868.11	\$ 2,599,485.21	\$ 2,848,466.43	\$ 2,729,834.33

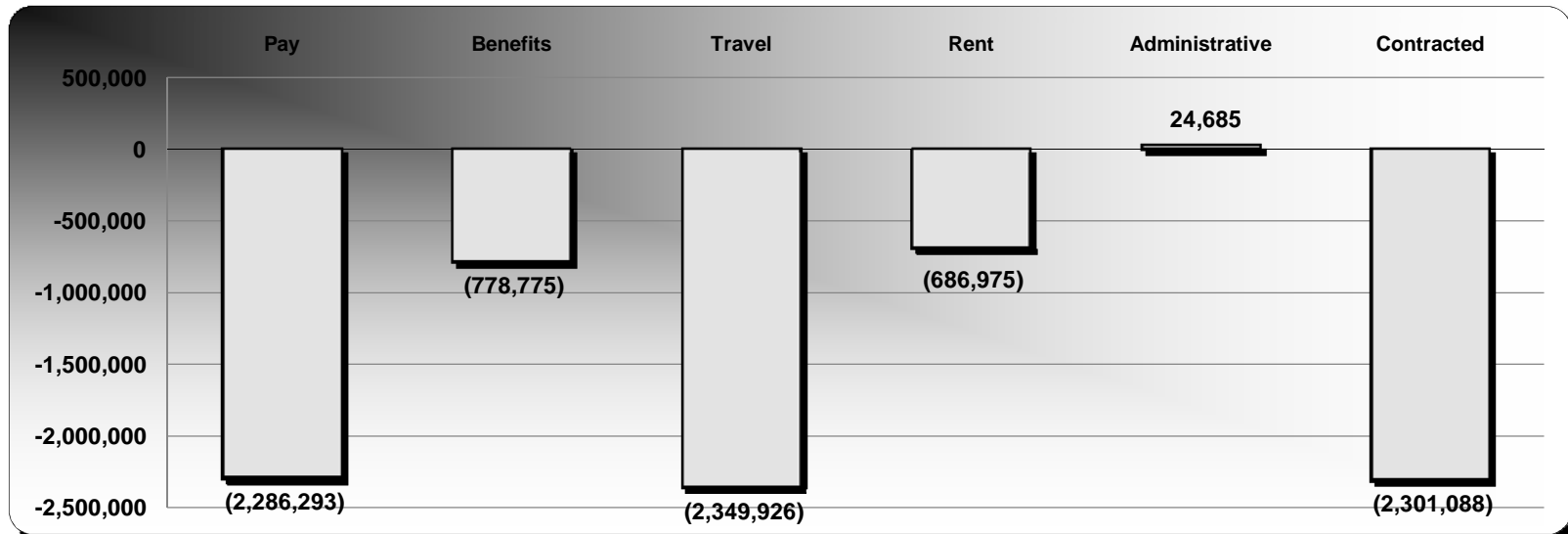
National Credit Union Administration Operating Fund
Statement of Cash Flow
February 28, 2010

	Month February 2009	Month February 2010	Y-T-D February 2009	Y-T-D February 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ -	\$ -	\$ -
Interest received from cash and cash equivalents	0.00	738.78	0.00	1,206.17
Other income received	0.00	7,246.30	0.00	23,188.70
(Cash paid for operating expenses)	163,055.18	(6,070,317.37)	(5,386,646.81)	(13,634,836.76)
Net cash (used) in operating activities	163,055.18	(6,062,332.29)	(5,386,646.81)	(13,610,441.89)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(157,418.35)	(436,246.80)	(166,987.50)	(436,246.80)
Proceeds (purchases) home purchase program	0.00	0.00	0.00	0.00
Net cash (used) in investing activities	(157,418.35)	(436,246.80)	(166,987.50)	(436,246.80)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(223,489.58)	(223,489.58)
(Capital lease payments)	(5,636.83)	0.00	(330,099.83)	0.00
Net cash (used) in financing activities	(117,381.62)	(111,744.79)	(553,589.41)	(223,489.58)
NET INCREASE (DECREASE) IN CASH	(111,744.79)	(6,610,323.88)	(6,107,223.72)	(14,270,178.27)
Cash and cash equivalents at beginning of period	21,592,338.82	19,804,644.36	21,592,338.82	26,608,683.54
Cash and cash equivalents at end of period	\$ 21,480,594.03	\$ 13,194,320.48	\$ 15,485,115.10	\$ 12,338,505.27
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ 942,246.69	\$ 864,825.02	\$ 2,729,834.33	\$ 2,599,485.21
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	283,274.74	262,381.87	536,005.13	536,922.84
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	(2,287,057.91)
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	(78,731.26)	(7,162,214.98)	187,101.58	(13,791,098.42)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	0.00	(562,427.12)	140,734.04	(1,160,916.06)
Other assets	(6,537,271.12)	0.00	(13,465,475.00)	0.00
Increase (decrease) in liabilities:				
Accounts payable	(558,622.60)	212,321.71	(1,521,498.82)	462,874.17
Accrued employee compensation	(328,386.85)	64,105.81	691,065.67	(1,262,189.41)
Other non current liabilities	227.00	(4,330.66)	352.95	(4,330.66)
Other current liabilities	(156,691.88)	263,006.06	(62,255.37)	1,295,868.35
Total adjustments	(7,376,201.97)	(6,927,157.31)	(13,403,910.85)	(16,209,927.10)
Net cash (used) in operating activities	\$ (6,433,955.28)	\$ (6,062,332.29)	\$ (10,674,076.52)	\$ (13,610,441.89)

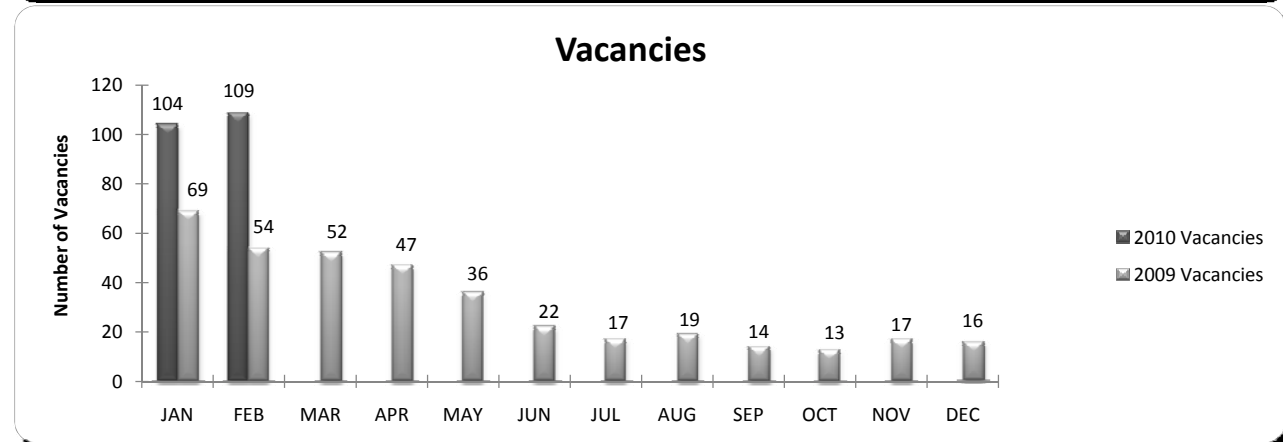
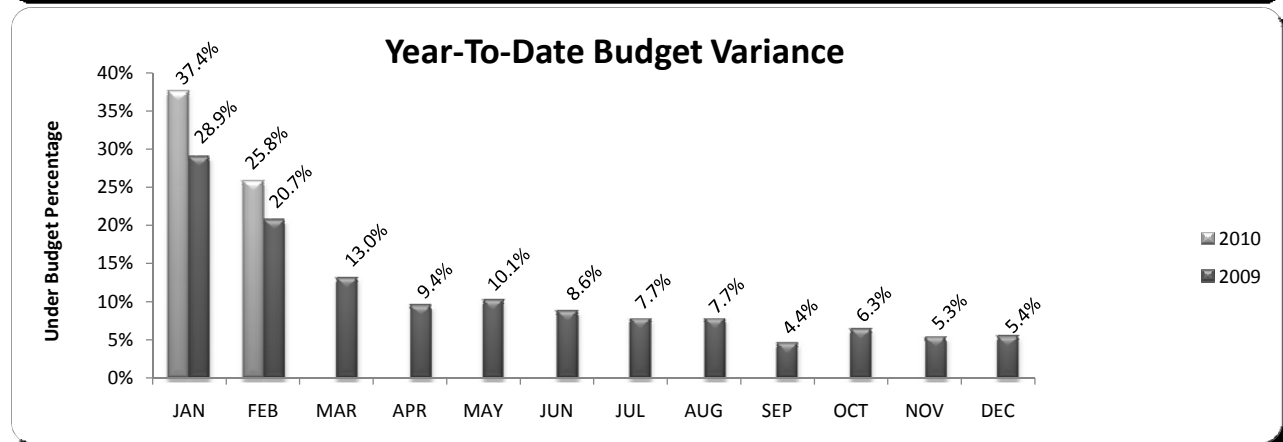
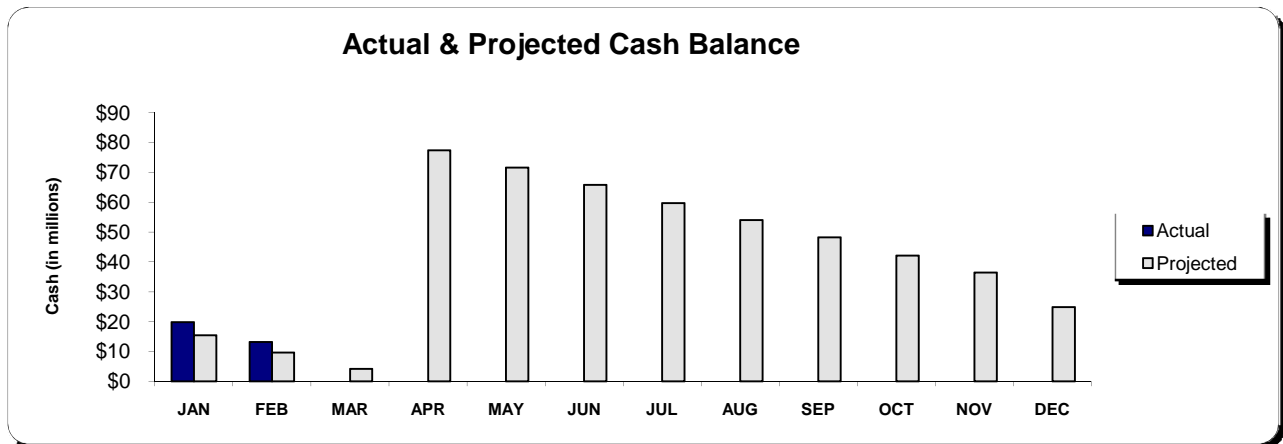
National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
February 28, 2010

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	18,136,051	15,849,759	(2,286,293)	-12.6%	16,765,478	14,867,147	(1,898,331)	-11.3%
Benefits	5,244,138	4,465,363	(778,775)	-14.9%	4,800,885	4,060,873	(740,012)	-15.4%
Travel	3,876,622	1,526,697	(2,349,926)	-60.6%	3,488,652	1,509,683	(1,978,970)	-56.7%
Rent, Communications, & Utilities	782,997	96,021	(686,975)	-87.7%	731,466	439,627	(291,839)	-39.9%
Administrative	1,951,419	1,976,105	24,685	1.3%	1,880,736	1,567,627	(313,109)	-16.6%
Contracted Services	2,521,850	220,761	(2,301,088)	-91.2%	1,890,726	996,670	(894,056)	-47.3%
TOTAL	32,513,077	24,134,705	(8,378,372)	-25.8%	29,557,943	23,441,627	(6,116,317)	-20.7%

Amount Over (Under) Budget
February 28, 2010



National Credit Union Administration Operating Fund
Graphs and Ratios
February 28, 2010



Ratios

	February 2009	February 2010
Retained earnings / Total assets	41.36%	45.91%
Monthly interest income to average investments (annualized)	0.22%	0.08%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 9,578	\$ 8,844
Net year to date cash inflow (outflow) in millions of dollars	\$ (6.1)	\$ (8.9)
Cash and Overnight investments / Total assets	16.7%	19.0%