

National Credit Union Administration



Operating Fund

***Financial Highlights
March 31, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
March 31, 2010

Balance Sheet

Overnight Investments decreased \$8.1 million primarily for payment of operating expenses.

Accounts Receivable increased \$72.9 million mainly due to invoicing the operating fee assesment, due April 15, 2010.

Accrued Employee Compensation increased \$1.7 million due to the accrual for 8 days at the end of March versus 5 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities increased \$65.8 million. This increase is the 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 of \$627,000 was lower than planned due to employee merit pay which was effective this month. Additionally, employee travel increased due to advance reservations for the NCUA Regional Conference.

Statement of Cash Flow

Cash decreased by \$9.0 million for the month. The cash outflows were largely attributable to the payment of operating expenses.

Budget (Year-to-Date)

Agency spending was under budget by \$8.4 million or 16.7 percent. Pay and benefits were under budget by \$3.6 million or 10 percent. The remaining variance of \$4.8 million was derived mainly from travel and contracted services. Contracted services are usually lower at the start of the year because the agency is in the process of planning, implementing, and contracting for services.

Vacancies

The agency had 103 vacancies as of March 27 -- down 6 from February 27. Of the 103 vacancies, there were 43 in the central office and 60 in the regional offices and AMAC. The 103 vacancies represent 9.3 percent of total authorized staff of 1,113.85.

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

	March 2009	February 2010	March 2010
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 500,054.72	\$ 1,000,320.48	\$ 117,939.44
Overnight Investments	8,239,000.00	12,194,000.00	4,101,000.00
Accounts Receivable	77,908,309.98	15,097,694.99	88,045,080.86
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	3,484,540.45	3,209,848.97	3,211,794.37
Home Purchase Program	517,500.00	494,820.00	494,820.00
Other	14,724,752.82	0.00	0.00
<i>Total Current Assets</i>	105,374,157.97	31,996,684.44	95,970,634.67
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,449,922.00	24,772,334.00	24,980,941.73
Capital Lease	57,158.00	25,708.38	24,365.07
Equipment	2,409,155.00	3,787,392.78	3,626,180.43
Assets Under Construction	1,002,544.23	4,764,329.08	4,764,329.08
<i>Total Property, Plant, and Equipment</i>	32,865,043.18	37,296,028.19	37,342,080.26
TOTAL ASSETS	\$ 138,239,201.15	\$ 69,292,712.63	\$ 133,312,714.93
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,226,194.67	\$ 2,862,942.03	\$ 766,599.76
Accrued Employee Compensation	15,551,878.25	14,886,225.67	16,595,947.81
Other Current Liabilities	76,724,532.04	1,355,285.65	67,115,946.82
<i>Total Current Liabilities</i>	93,502,604.96	19,104,453.35	84,478,494.39
Non-Current Liabilities			
Notes Payable	19,443,594.60	18,214,401.91	18,102,657.12
Other	202,897.84	159,196.24	159,196.24
<i>Total Non-Current Liabilities</i>	19,646,492.44	18,373,598.15	18,261,853.36
TOTAL LIABILITIES	113,149,097.40	37,478,051.50	102,740,347.75
FUND BALANCE:			
Unappropriated	24,090,103.75	30,814,661.13	29,572,367.18
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	25,090,103.75	31,814,661.13	30,572,367.18
TOTAL LIABILITIES AND FUND BALANCE	\$ 138,239,201.15	\$ 69,292,712.63	\$ 133,312,714.93

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

	March 2010 Monthly Actual	March 2010 Monthly Budget	March 2010 Year-To-Date Actual	March 2010 Year-To-Date Budget	March 2009 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 1,200.60	\$ 4,166.67	\$ 2,406.77	\$ 11,666.67	\$ 4,706.25
Program-related Income	7,117,500.00	7,117,500.00	21,352,500.00	21,352,500.00	20,157,817.00
Other Income	8,106.00	25,000.00	31,294.70	73,333.33	114,976.50
Total Revenue	7,126,806.60	7,146,666.67	21,386,201.47	21,437,500.00	20,277,499.75
EXPENSES:					
Employee Pay	4,598,189.50	4,362,402.38	11,920,777.95	11,717,655.06	11,058,514.21
Employee Benefits	1,201,878.00	1,262,526.29	4,120,690.90	3,065,606.29	2,900,602.46
Employee Travel	1,027,415.64	829,597.12	1,732,749.43	1,736,843.77	1,469,419.64
Rent/Communications/Utilities	175,917.43	167,561.25	220,279.16	316,607.33	339,028.40
Administrative Costs	569,267.02	417,603.74	1,136,088.09	1,218,751.02	1,323,736.00
Contracted Services	617,600.80	543,242.52	719,592.52	969,836.74	630,262.97
Total Expenses	8,190,268.39	7,582,933.30	19,850,178.05	19,025,300.20	17,721,563.68
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,063,461.79)	\$ (436,266.63)	\$ 1,536,023.42	\$ 2,412,199.80	\$ 2,555,936.07

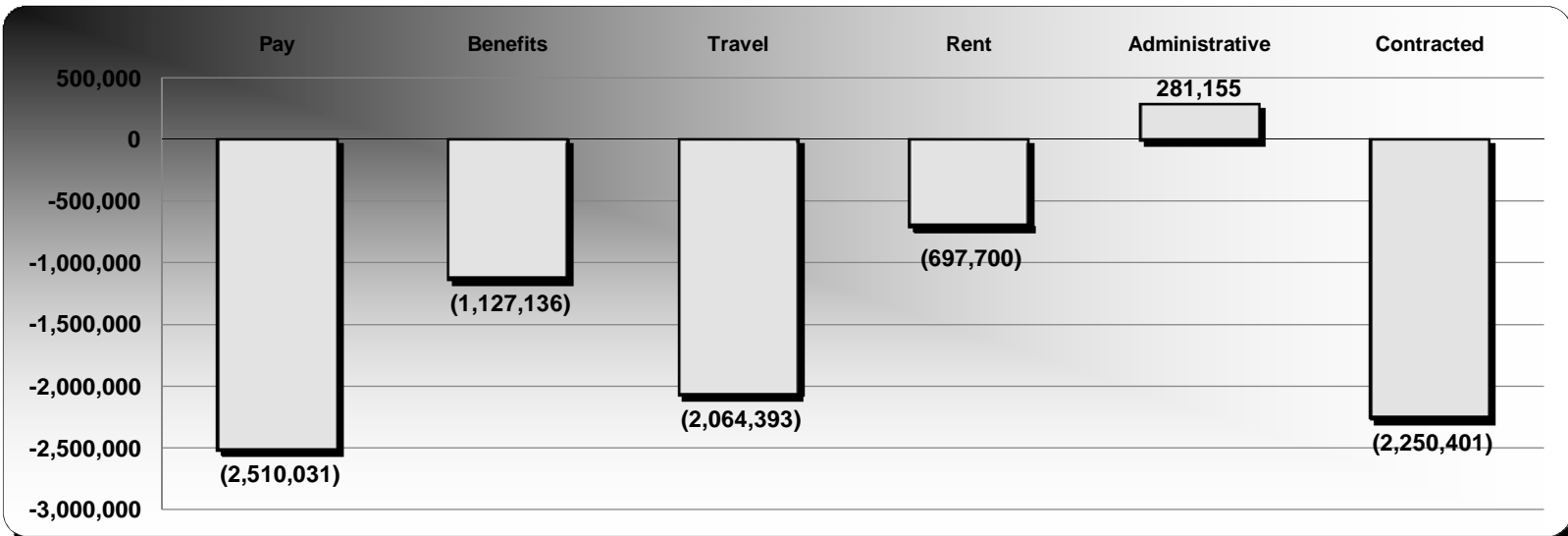
National Credit Union Administration Operating Fund
Statement of Cash Flow
March 31, 2010

	Month March 2009	Month March 2010	Y-T-D March 2009	Y-T-D March 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 7,597,910.43	\$ -	\$ 7,597,910.43	\$ -
Interest received from cash and cash equivalents	953.41	1,200.60	4,706.25	2,406.77
Other income received	24,438.45	8,106.00	114,976.50	31,294.70
(Cash paid for operating expenses)	(8,902,570.49)	(8,568,419.12)	(19,670,937.90)	(19,060,382.76)
Net cash (used) in operating activities	(1,279,268.20)	(8,559,112.52)	(11,953,344.72)	(19,026,681.29)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(65,847.68)	(304,523.73)	(232,835.18)	(740,770.53)
Proceeds (purchases) home purchase program	0.00	0.00	0.00	0.00
Net cash (used) in investing activities	(65,847.68)	(304,523.73)	(232,835.18)	(740,770.53)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(446,979.16)	(335,234.37)
(Capital lease payments)	(1,770.00)	0.00	(331,869.83)	0.00
Net cash (used) in financing activities	(113,514.79)	(111,744.79)	(778,848.99)	(335,234.37)
NET INCREASE (DECREASE) IN CASH	(1,458,630.67)	(8,975,381.04)	(12,965,028.89)	(20,102,686.19)
Cash and cash equivalents at beginning of period	10,197,685.39	13,194,320.48	21,592,338.82	24,321,625.63
Cash and cash equivalents at end of period	\$ 8,739,054.72	\$ 4,218,939.44	\$ 8,627,309.93	\$ 4,218,939.44
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ (173,898.26)	\$ (1,063,461.79)	\$ 2,555,936.07	\$ 1,536,023.42
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	231,054.35	258,471.66	767,059.48	795,394.50
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	855,815.21
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	(77,550,811.56)	(72,947,385.87)	(77,363,709.98)	(86,738,484.29)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	29,767.58	(1,945.40)	170,501.62	(1,162,861.46)
Other assets	(1,259,177.82)	0.00	(14,724,652.82)	0.00
Increase (decrease) in liabilities:				
Accounts payable	(633,508.83)	(2,096,342.27)	(2,155,007.65)	(1,633,468.10)
Accrued employee compensation	1,370,732.52	1,530,889.98	2,061,798.19	268,700.57
Other non current liabilities	(3,662.20)	0.00	(3,309.25)	(4,330.66)
Other current liabilities	76,710,236.02	65,760,661.17	76,647,980.65	67,056,529.52
Total adjustments	(1,105,369.94)	(7,495,650.73)	(14,509,280.79)	(20,562,704.71)
Net cash (used) in operating activities	\$ (1,279,268.20)	\$ (8,559,112.52)	\$ (11,953,344.72)	\$ (19,026,681.29)

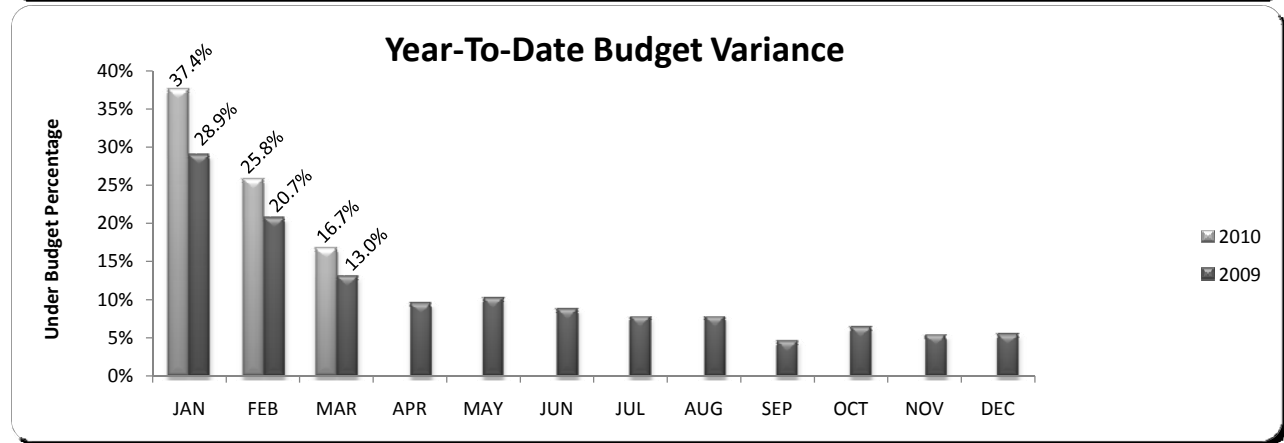
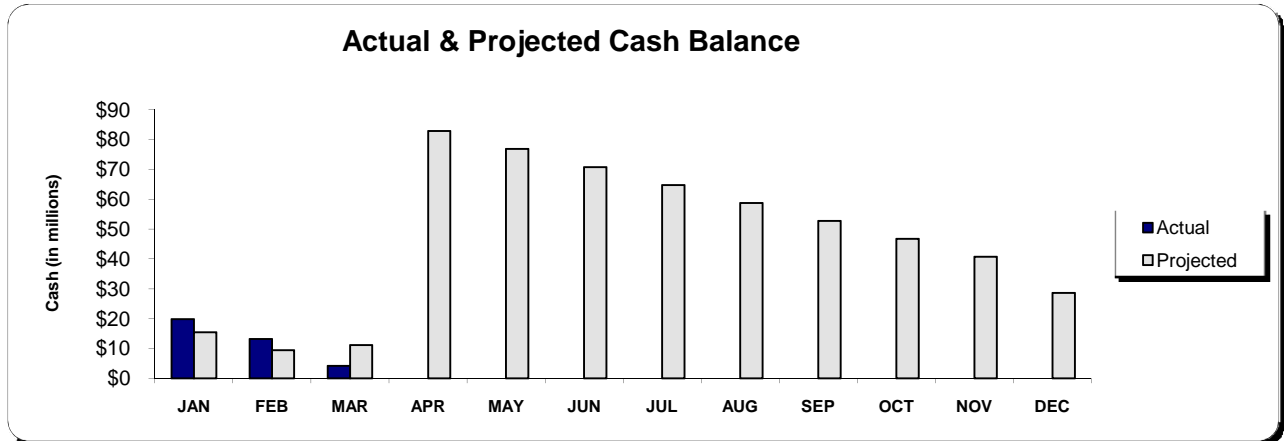
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
March 31, 2010**

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	28,312,580	25,802,550	(2,510,031)	-8.9%	24,969,869	23,936,178	(1,033,691)	-4.1%
Benefits	8,193,966	7,066,831	(1,127,136)	-13.8%	7,157,872	6,278,360	(879,512)	-12.3%
Travel	5,814,933	3,750,540	(2,064,393)	-35.5%	5,232,978	3,180,562	(2,052,416)	-39.2%
Rent, Communications, & Utilities	1,174,495	476,795	(697,700)	-59.4%	1,097,199	733,828	(363,371)	-33.1%
Administrative	2,927,129	3,208,284	281,155	9.6%	2,821,104	2,865,229	44,125	1.6%
Contracted Services	3,807,775	1,557,374	(2,250,401)	-59.1%	2,836,089	1,364,206	(1,471,884)	-51.9%
TOTAL	50,230,878	41,862,373	(8,368,505)	-16.7%	44,115,111	38,358,363	(5,756,748)	-13.0%

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



National Credit Union Administration Operating Fund
Graphs and Ratios
March 31, 2010



Ratios

	March 2009	March 2010
Retained earnings / Total assets	18.15%	22.93%
Monthly interest income to average investments (annualized)	0.10%	0.11%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$ 13,427	\$ 14,471
Net year to date cash inflow (outflow) in millions of dollars	\$ (13.0)	\$ (20.1)
Cash and Overnight investments / Total assets	6.3%	3.2%