

National Credit Union Administration



Operating Fund

***Financial Highlights
June 30, 2010***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
June 30, 2010

Balance Sheet

Overnight Investments decreased \$7.0 million primarily for payment of operating expenses.

Accounts Receivable increased by \$2.8 million due to an increase in administrative expenses to be reimbursed from the NCUA Share Insurance Fund.

Accrued Employee Compensation increased \$1.1 million due to the accrual for 7 days at the end of June versus 5 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$7.2 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 \$2.1 million higher than planned primarily due all expense categories except Administrative Costs being under budget.

Statement of Cash Flow

Cash decreased by \$7.1 million for the month, reflecting payments for operating expenses, fixed assets and notes payable in excess of receipts for operating fee assessments and interest income.

Budget (Year-to-Date)

Agency spending was under budget by \$8.0 million or 8.0 percent. Pay and benefits were under budget by 6.5 percent. The remaining variance of \$3.3 million was derived mainly from travel and contracted services.

Vacancies

The agency had 77 vacancies as of June 19 -- down 11 from May 22. Of the 77 vacancies, there were 34 in the central office, 11 in the regional offices and AMAC and 32 in the field staff. The vacancies represent 6.9 percent of total authorized staff of 1,113.85.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
June 30, 2010

	June 2009	May 2010	June 2010
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 500,392.11	\$ 708,965.14	\$ 619,182.07
Overnight Investments	62,157,000.00	73,649,000.00	66,664,000.00
Accounts Receivable	1,076,117.79	2,078,187.46	4,895,558.10
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	2,735,479.38	2,929,685.80	3,068,027.80
Home Purchase Program	1,447,990.31	260,910.00	260,910.00
Other	5,155.00	0.00	0.00
<i>Total Current Assets</i>	67,922,134.59	79,626,748.40	75,507,677.97
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,224,629.00	24,722,274.66	24,429,303.20
Capital Lease	50,529.00	21,678.45	20,335.14
Equipment	2,247,132.00	6,804,791.28	7,176,983.92
Assets Under Construction	2,220,604.15	1,463,343.29	978,926.69
<i>Total Property, Plant, and Equipment</i>	33,689,158.10	36,958,351.63	36,551,812.90
TOTAL ASSETS	\$ 101,611,292.69	\$ 116,585,100.03	\$ 112,059,490.87
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,400,525.84	\$ 1,065,496.00	\$ 795,450.86
Accrued Employee Compensation	13,539,846.90	15,190,360.93	16,262,517.37
Other Current Liabilities	41,573,447.32	53,140,299.91	45,897,202.38
<i>Total Current Liabilities</i>	56,513,820.06	69,396,156.84	62,955,170.61
Non-Current Liabilities			
Notes Payable	19,108,360.23	17,879,167.54	17,767,422.75
Other	188,651.70	159,196.24	159,196.24
<i>Total Non-Current Liabilities</i>	19,297,011.93	18,038,363.78	17,926,618.99
TOTAL LIABILITIES	75,810,831.99	87,434,520.62	80,881,789.60
FUND BALANCE:			
Unappropriated	24,800,460.70	28,150,579.41	30,177,701.27
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	25,800,460.70	29,150,579.41	31,177,701.27
TOTAL LIABILITIES AND FUND BALANCE	\$ 101,611,292.69	\$ 116,585,100.03	\$ 112,059,490.87

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
June 30, 2010

	June 2010 Monthly Actual	June 2010 Monthly Budget	June 2010 Year-To-Date Actual	June 2010 Year-To-Date Budget	June 2009 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 6,223.69	\$ 4,166.67	\$ 21,884.84	\$ 36,666.67	\$ 20,319.92
Program-related Income	7,117,500.00	7,117,500.00	42,705,000.00	64,057,500.00	40,234,543.00
Other Income	6,722.50	25,000.00	46,023.35	223,333.33	171,832.70
Total Revenue	7,130,446.19	7,146,666.67	42,772,908.19	64,317,500.00	40,426,695.62
EXPENSES:					
Employee Pay	2,418,095.45	4,089,297.40	22,662,141.25	23,978,152.95	22,503,862.45
Employee Benefits	665,115.33	1,182,442.66	6,235,923.82	6,933,413.80	6,032,275.74
Employee Travel	822,207.30	829,597.11	4,188,026.75	4,977,582.66	3,689,096.29
Rent/Communications/Utilities	158,698.24	167,561.25	704,649.32	1,005,367.51	825,085.09
Administrative Costs	786,193.21	417,603.74	3,042,977.05	2,505,622.46	2,508,369.23
Contracted Services	253,014.80	539,675.86	2,063,849.44	3,238,055.16	1,601,713.80
Total Expenses	5,103,324.33	7,226,178.02	38,897,567.63	42,638,194.53	37,160,402.60
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,027,121.86	\$ (79,511.36)	\$ 3,875,340.56	\$ 21,679,305.47	\$ 3,266,293.02

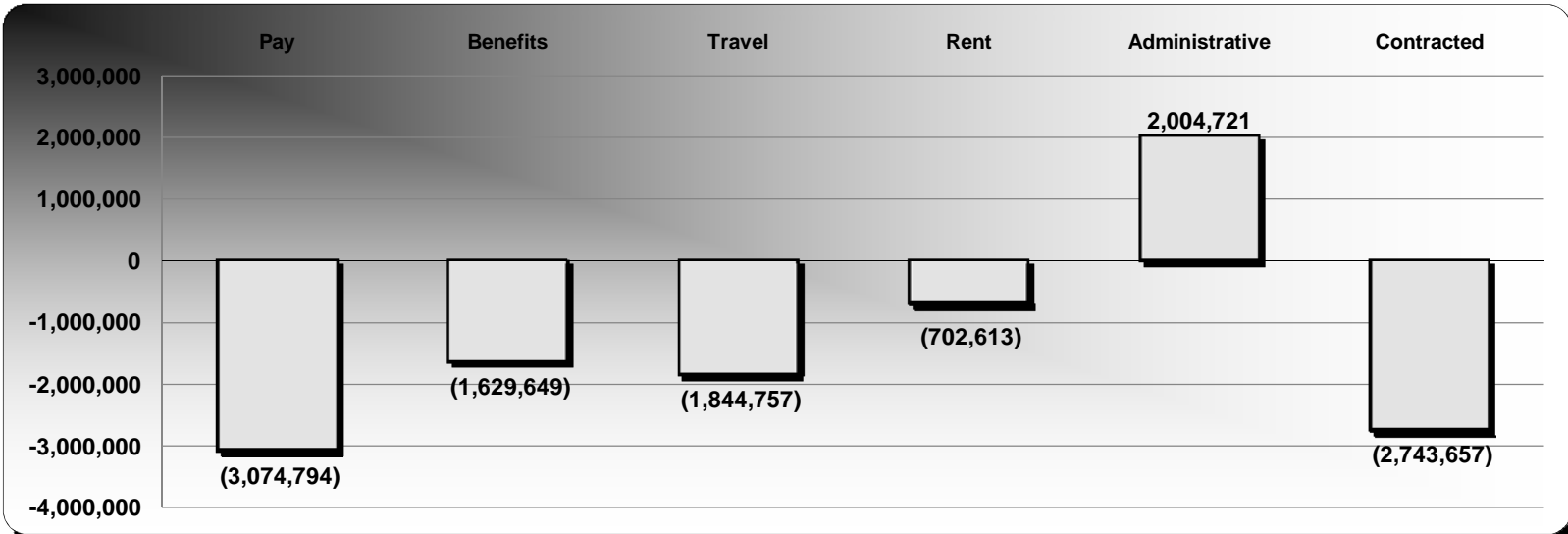
National Credit Union Administration Operating Fund
Statement of Cash Flow
June 30, 2010

	Month June 2009	Month June 2010	Y-T-D June 2009	Y-T-D June 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 1,160,880.37	\$ 1,160,880.37	\$ 83,805,200.62	\$ 87,354,102.25
Interest received from cash and cash equivalents	6,007.47	6,223.69	20,319.92	21,884.84
Other income received	17,835.20	6,722.50	171,832.70	46,023.35
(Cash paid for operating expenses)	(5,901,305.38)	(7,664,963.66)	(38,981,871.72)	(42,932,862.73)
Net cash (used) in operating activities	(4,716,582.34)	(6,491,137.10)	45,015,481.52	44,489,147.71
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(14,330.00)	(471,901.18)	(1,612,442.71)	(1,091,032.53)
Proceeds (purchases) home purchase program	(399,089.44)	0.00	(930,490.31)	233,910.00
Net cash (used) in investing activities	(413,419.44)	(471,901.18)	(2,542,933.02)	(857,122.53)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,117,447.90)	(670,468.74)
(Capital lease payments)	(399,089.44)	0.00	(737,026.47)	0.00
Net cash (used) in financing activities	(510,834.23)	(111,744.79)	(1,854,474.37)	(670,468.74)
NET INCREASE (DECREASE) IN CASH	(5,640,836.01)	(7,074,783.07)	40,618,074.13	42,961,556.44
Cash and cash equivalents at beginning of period	68,298,228.12	74,357,965.14	21,592,338.82	24,321,625.63
Cash and cash equivalents at end of period	\$ 62,657,392.11	\$ 67,283,182.07	\$ 62,210,412.95	\$ 67,283,182.07
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	\$ 205,432.49	\$ 2,027,121.86	\$ 3,266,293.02	\$ 3,875,340.56
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	179,736.00	878,439.91	1,322,552.09	2,314,756.02
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)	857,000.00
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	215,973.26	(2,817,370.64)	(531,517.79)	(3,588,961.53)
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(443,570.24)	(138,342.00)	919,562.69	(1,019,094.89)
Other assets	30,811.74	0.00	(5,055.00)	0.00
Increase (decrease) in liabilities:				
Accounts payable	291,402.02	(270,045.14)	(1,980,676.48)	(1,604,617.00)
Accrued employee compensation	1,135,296.88	1,072,156.44	49,766.84	(64,729.87)
Other non current liabilities	394,909.61	0.00	387,601.25	(4,330.66)
Other current liabilities	(6,726,574.10)	(7,243,097.53)	41,496,895.93	45,837,785.08
Total adjustments	(4,922,014.83)	(8,518,258.96)	41,749,188.50	42,727,807.15
Net cash (used) in operating activities	\$ (4,716,582.34)	\$ (6,491,137.10)	\$ 45,015,481.52	\$ 46,603,147.71

National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
June 30, 2010

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	56,023,722	52,948,928	(3,074,794)	-5.5%	50,046,133	48,904,646	(1,141,488)	-2.3%
Benefits	16,199,565	14,569,915	(1,629,649)	-10.1%	14,346,438	13,107,080	(1,239,358)	-8.6%
Travel	11,629,866	9,785,109	(1,844,757)	-15.9%	10,465,957	8,038,336	(2,427,621)	-23.2%
Rent, Communications, & Utilities	2,348,990	1,646,377	(702,613)	-29.9%	2,194,398	1,786,004	(408,394)	-18.6%
Administrative	5,854,258	7,858,979	2,004,721	34.2%	5,642,208	5,430,176	(212,032)	-3.8%
Contracted Services	7,565,550	4,821,893	(2,743,657)	-36.3%	5,672,179	3,468,088	(2,204,090)	-38.9%
TOTAL	99,621,950	91,631,201	(7,990,749)	-8.0%	88,367,313	80,734,330	(7,632,983)	-8.6%

Amount Over (Under) Budget
June 30, 2010

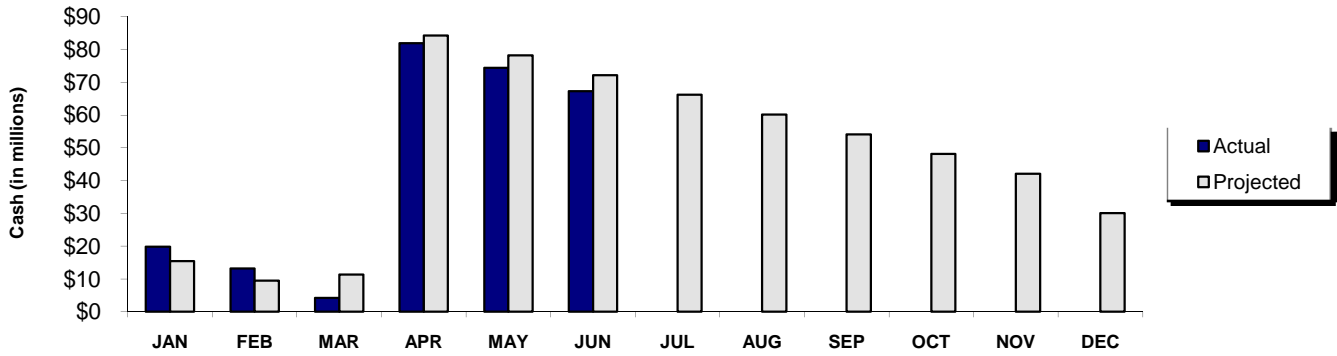


National Credit Union Administration Operating Fund

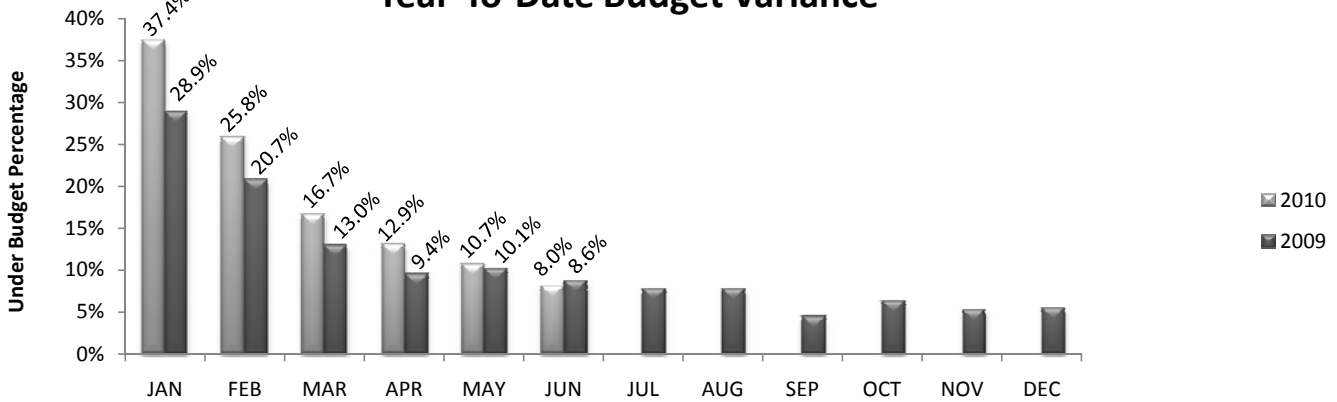
Graphs and Ratios

June 30, 2010

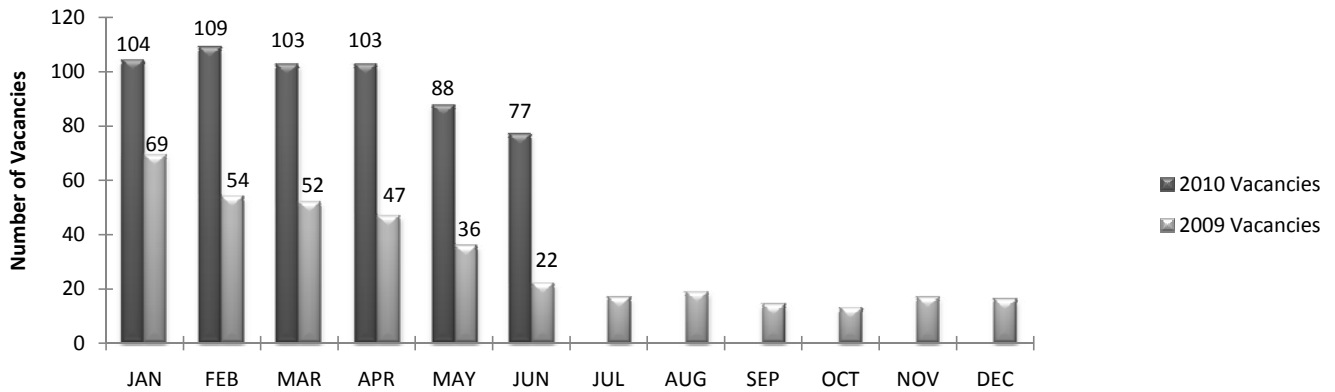
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



	June 2009	June 2010
Retained earnings / Total assets	25.39%	27.82%
Monthly interest income to average investments (annualized)	0.09%	0.08%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$16,854	\$17,488
Net year to date cash inflow (outflow) in millions of dollars	\$40.6	\$43.6
Cash and Overnight investments / Total assets	61.7%	60.0%
Overhead Transfer Rate	53.80%	57.20%