

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
July 31, 2010***

**Mary Ann Woodson  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Financial Highlights**  
**July 31, 2009**

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**Balance Sheet**

Overnight Investments decreased \$5.1 million primarily for payment of operating expenses.

Accounts Receivable: Operating fees of \$81.8 million have been collected year-to-date with no outstanding fees to be collected.

Accrued Employee Compensation increased \$1.7 million due to the accrual for 10 days at the end of July versus 7 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$6.7 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 \$249,000 higher than planned primarily due to employee pay, employee benefits, employee travel, rent/communications/utilities and contracted services being under budget.

**Statement of Cash Flow**

Cash decreased by \$5.5 million for the month, reflecting payments for operating expenses and notes payable.

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

Agency spending was under budget by \$8.0 million or 7.7 percent, compared to \$5.5 million or 5.9 percent in July 2008. Pay and benefits were under budget by percent. The remaining variance of \$5.4 million was derived mainly from travel and contracted services.

**Vacancies**

The agency had 17 vacancies as of July 31 -- down 5 from June 20. Of the 17 vacancies, 22 were in the central office and a net over-hire of 5 vacancies in the regional offices and AMAC. The 17 vacancies represent 1.6 percent of total authorized staff of 1,023.05.

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

	July 2009	June 2010	July 2010
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 100,878.54	\$ 619,182.07	\$ 500,767.78
Overnight Investments	57,090,000.00	66,664,000.00	65,887,000.00
Accounts Receivable	1,703,857.31	4,895,558.10	716,124.82
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	2,795,365.60	3,068,027.80	2,984,683.97
Home Purchase Program	1,447,990.31	260,910.00	351,992.49
Other	0.00	0.00	0.00
<i>Total Current Assets</i>	63,138,091.76	75,507,677.97	70,440,569.06
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	25,145,380.00	24,429,303.20	24,333,038.76
Capital Lease	48,295.00	20,335.14	18,991.83
Equipment	2,149,691.00	7,176,983.92	6,942,112.56
Assets Under Construction	2,220,604.15	978,926.69	978,926.69
<i>Total Property, Plant, and Equipment</i>	33,510,234.10	36,551,812.90	36,219,333.79
<b>TOTAL ASSETS</b>	<b>\$ 96,648,325.86</b>	<b>\$ 112,059,490.87</b>	<b>\$ 106,659,902.85</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,552,473.39	\$ 795,450.86	\$ 1,134,463.06
Accrued Employee Compensation	15,222,334.85	16,262,517.37	17,297,537.13
Other Current Liabilities	34,882,289.22	45,897,202.38	38,855,707.74
<i>Total Current Liabilities</i>	51,657,097.46	62,955,170.61	57,287,707.93
Non-Current Liabilities			
Notes Payable	18,996,615.44	17,767,422.75	17,655,677.96
Other	183,909.68	159,196.24	159,196.24
<i>Total Non-Current Liabilities</i>	19,180,525.12	17,926,618.99	17,814,874.20
<b>TOTAL LIABILITIES</b>	<b>70,837,622.58</b>	<b>80,881,789.60</b>	<b>75,102,582.13</b>
<b>FUND BALANCE:</b>			
Unappropriated	24,810,703.28	30,177,701.27	30,557,320.72
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<b>25,810,703.28</b>	<b>31,177,701.27</b>	<b>31,557,320.72</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 96,648,325.86</b>	<b>\$ 112,059,490.87</b>	<b>\$ 106,659,902.85</b>

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

	July 2010 Monthly Actual	July 2010 Monthly Budget	July 2010 Year-To-Date Actual	July 2010 Year-To-Date Budget	July 2009 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 9,557.32	\$ 4,166.67	\$ 31,442.16	\$ 45,000.00	\$ 28,436.33
Program-related Income	7,122,516.00	7,117,500.00	49,827,516.00	78,292,500.00	46,940,300.00
Other Income	7,905.50	25,000.00	53,928.85	273,333.33	190,122.70
Total Revenue	7,139,978.82	7,146,666.67	49,912,887.01	78,610,833.33	47,158,859.03
<b>EXPENSES:</b>					
Employee Pay	3,752,109.02	4,089,297.40	26,414,250.27	28,067,450.35	26,439,447.18
Employee Benefits	1,019,723.06	1,182,442.66	7,255,646.88	8,115,856.46	7,107,049.86
Employee Travel	829,685.63	829,597.11	5,017,712.38	5,807,179.77	4,351,166.04
Rent/Communications/Utilities	163,539.54	167,561.25	868,188.86	1,172,928.76	1,030,805.80
Administrative Costs	487,159.66	417,603.74	3,530,136.71	2,923,226.20	2,943,148.09
Contracted Services	508,175.46	539,675.86	2,572,024.90	3,777,731.02	2,010,706.46
Total Expenses	6,760,392.37	7,226,178.02	45,657,960.00	49,864,372.56	43,882,323.43
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 379,586.45</b>	<b>\$ (79,511.36)</b>	<b>\$ 4,254,927.01</b>	<b>\$ 28,746,460.78</b>	<b>\$ 3,276,535.60</b>

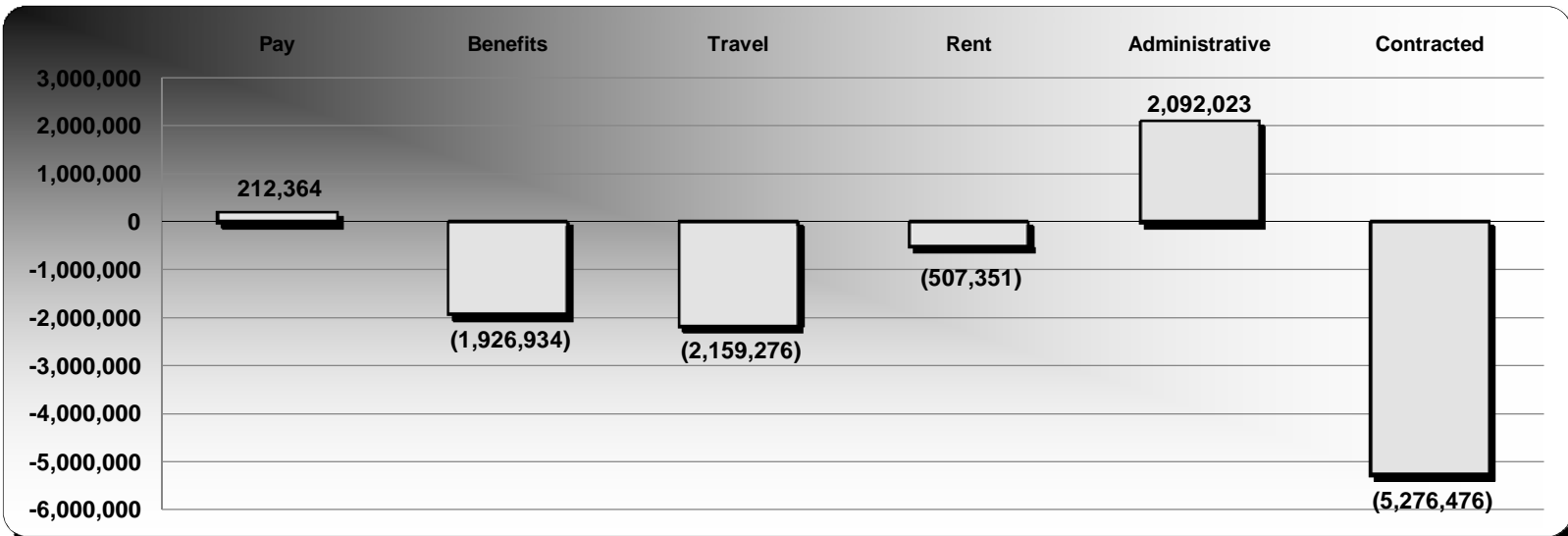
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**July 31, 2010**

	Month July 2009	Month July 2010	Y-T-D July 2009	Y-T-D July 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 6,346.51	\$ 71,506.48	\$ 83,811,547.13	\$ 86,765,889.54
Interest received from cash and cash equivalents	8,116.41	9,557.32	28,436.33	31,442.16
Other income received	18,290.00	7,905.50	190,122.70	53,928.85
(Cash paid for operating expenses)	(5,387,521.70)	(727,670.39)	(44,369,393.42)	(43,000,813.93)
<b>Net cash (used) in operating activities</b>	<b>(5,354,768.78)</b>	<b>(638,701.09)</b>	<b>39,660,712.74</b>	<b>43,850,446.62</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	0.00	(53,885.92)	(1,612,442.71)	(1,144,918.45)
Proceeds (purchases) home purchase program	0.00	(91,082.49)	(930,490.31)	142,827.51
<b>Net cash (used) in investing activities</b>	<b>0.00</b>	<b>(144,968.41)</b>	<b>(2,542,933.02)</b>	<b>(1,002,090.94)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(782,213.53)	(782,213.53)
(Capital lease payments)	0.00	0.00	(737,026.47)	0.00
<b>Net cash (used) in financing activities</b>	<b>(111,744.79)</b>	<b>(111,744.79)</b>	<b>(1,519,240.00)</b>	<b>(782,213.53)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(5,466,513.57)</b>	<b>(895,414.29)</b>	<b>35,598,539.72</b>	<b>42,066,142.15</b>
Cash and cash equivalents at beginning of period	62,657,392.11	67,283,182.07	21,592,338.82	24,321,625.63
<b>Cash and cash equivalents at end of period</b>	<b>\$ 57,190,878.54</b>	<b>\$ 66,387,767.78</b>	<b>\$ 57,190,878.54</b>	<b>\$ 66,387,767.78</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<b>\$ 10,242.58</b>	<b>\$ 379,586.45</b>	<b>\$ 3,276,535.60</b>	<b>\$ 4,254,927.01</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	178,924.00	386,398.03	1,501,476.09	2,701,154.05
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
<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	(627,739.52)	4,179,433.28	(1,159,257.31)	590,471.75
Interest receivable	0.00	0.00	0.00	0.00
Prepaid expenses	(59,886.22)	83,343.83	859,676.47	(935,751.06)
Other assets	5,155.00	0.00	100.00	0.00
Increase (decrease) in liabilities:				
Accounts payable	151,947.55	339,012.20	(1,828,728.93)	(1,265,604.80)
Accrued employee compensation	1,682,487.95	1,035,019.76	1,732,254.79	970,289.89
Other non current liabilities	(4,742.02)	0.00	382,859.23	(4,330.66)
Other current liabilities	(6,691,158.10)	(7,041,494.64)	34,805,737.83	38,796,290.44
<b>Total adjustments</b>	<b>(5,365,011.36)</b>	<b>(1,018,287.54)</b>	<b>36,384,177.14</b>	<b>41,709,519.61</b>
<b>Net cash (used) in operating activities</b>	<b>\$ (5,354,768.78)</b>	<b>\$ (638,701.09)</b>	<b>\$ 39,660,712.74</b>	<b>\$ 45,964,446.62</b>

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

	2010				2009			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	61,873,727	62,086,092	212,364	0.3%	58,926,408	57,754,309	(1,172,099)	-2.0%
<b>Benefits</b>	18,981,175	17,054,241	(1,926,934)	-10.2%	16,882,419	15,524,106	(1,358,313)	-8.0%
<b>Travel</b>	13,987,748	11,828,472	(2,159,276)	-15.4%	12,210,282	9,562,416	(2,647,866)	-21.7%
<b>Rent, Communications, &amp; Utilities</b>	2,535,958	2,028,607	(507,351)	-20.0%	2,560,131	2,231,487	(328,644)	-12.8%
<b>Administrative</b>	6,906,282	8,998,305	2,092,023	30.3%	6,582,576	6,372,484	(210,092)	-3.2%
<b>Contracted Services</b>	11,289,141	6,012,665	(5,276,476)	-46.7%	6,617,542	4,354,937	(2,262,605)	-34.2%
<b>TOTAL</b>	115,574,032	108,008,382	(7,565,650)	-6.5%	103,779,358	95,799,738	(7,979,620)	-7.7%

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

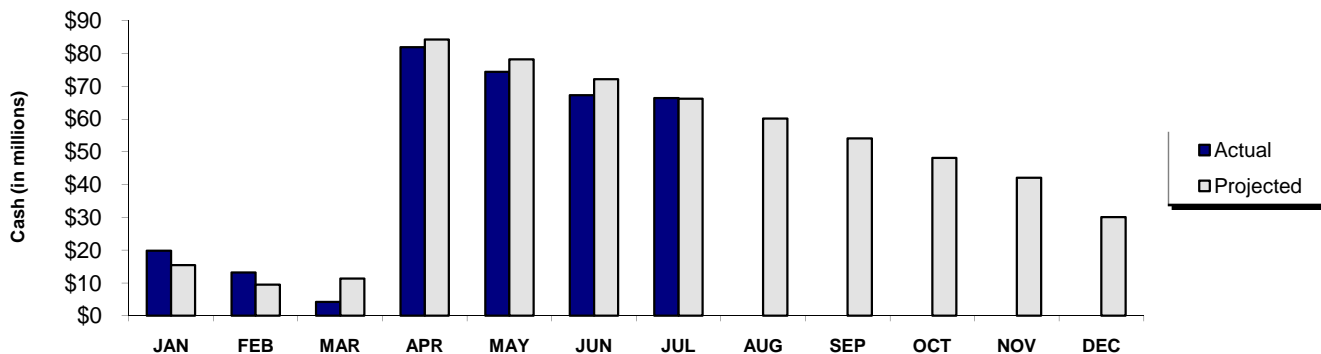


# National Credit Union Administration Operating Fund

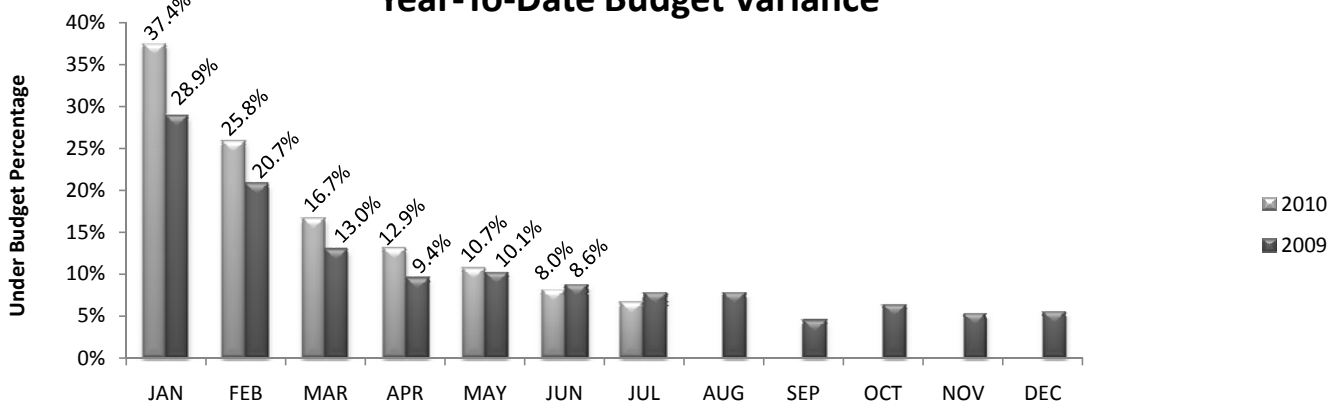
## Graphs and Ratios

July 31, 2010

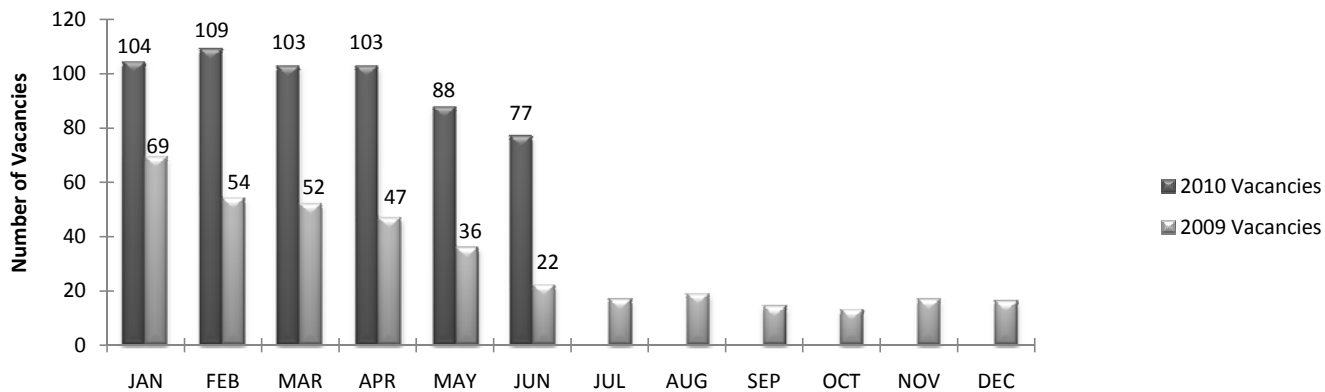
### Actual & Projected Cash Balance



### Year-To-Date Budget Variance



### Vacancies



	June 2009	June 2010
Retained earnings / Total assets	26.71%	29.59%
Monthly interest income to average investments (annualized)	0.15%	0.00%
YTD Travel per full-time equivalent, before overhead transfer, (annualized)	\$16,956	#DIV/0!
Net year to date cash inflow (outflow) in millions of dollars	\$35.6	\$42.7
Cash and Overnight investments / Total assets	59.2%	62.2%
Overhead Transfer Rate	53.80%	57.20%