

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
March 31, 2011***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS

AS OF MARCH 31, 2011 AND MARCH 31, 2010

(Dollars in thousands)

	3/31/2011	2/28/2011	3/31/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 16,202	\$ 22,007	\$ 4,219
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	4	-	2,458
EMPLOYEE ADVANCES	72	52	171
OTHER ACCOUNTS RECEIVABLE	21,646	14,456	86,978
PREPAID EXPENSES AND OTHER ASSETS	1,484	1,410	2,002
ASSETS HELD FOR SALE	198	868	495
FIXED ASSETS — Net of accumulated depreciation of \$23,888 as of March 31, 2011	31,443	31,092	32,578
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,161 as of March 31, 2011	<u>5,304</u>	<u>5,505</u>	<u>4,871</u>
<b>TOTAL</b>	<u>\$ 76,353</u>	<u>\$ 75,390</u>	<u>\$ 133,772</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,952	\$ 2,803	\$ 67,447
Obligations under capital leases	24	24	41
Accrued wages and benefits	10,262	8,516	8,565
Accrued annual leave	11,401	11,401	9,922
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,762</u>	<u>16,873</u>	<u>18,103</u>
Total liabilities	40,401	39,617	104,078
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>35,952</u>	<u>35,773</u>	<u>29,694</u>
<b>TOTAL</b>	<u>\$ 76,353</u>	<u>\$ 75,390</u>	<u>\$ 133,772</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
AS OF MARCH 31, 2011 AND MARCH 31, 2010  
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>REVENUES:</b>				
Operating fees	\$ 21,510	\$ 21,353	\$ 7,163	\$ 7,118
Interest	8	2	1	1
Other	<u>157</u>	<u>31</u>	<u>89</u>	<u>7</u>
Total Revenues	21,675	21,386	7,253	7,126
<b>EXPENSES, NET:</b>				
Employee wages and benefits, net	14,336	15,186	5,179	5,800
Travel	1,630	1,733	712	1,028
Rent, communications, and utilities	350	220	127	176
Contracted services	1,063	719	646	617
Other	<u>1,252</u>	<u>1,136</u>	<u>410</u>	<u>568</u>
Total Expenses	<u>18,631</u>	<u>18,994</u>	<u>7,074</u>	<u>8,189</u>
EXCESS OF REVENUES OVER EXPENSES	3,044	2,392	179	(1,063)
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>35,773</u>	<u>30,757</u>
FUND BALANCE—End of year	<u>\$ 35,952</u>	<u>\$ 29,694</u>	<u>\$ 35,952</u>	<u>\$ 29,694</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF CASH FLOWS  
AS OF MARCH 31, 2011 AND MARCH 31, 2010  
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 3,044	\$ 2,392	\$ 179	\$ (1,063)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,282	800	451	259
Provision for loss on disposal of employee residences held for sale	84	-	84	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,853	(200)	(4)	(200)
Employee advances	(22)	(5)	(20)	(2)
Other accounts receivable	(21,297)	(86,704)	(7,190)	(72,747)
Prepaid expenses and other assets	(113)	(992)	(74)	(1)
(Decrease) increase in liabilities:				
Accounts payable	(3,091)	64,411	(851)	63,665
Accrued wages and benefits	1,681	1,456	1,746	1,530
Accrued annual leave	-	-	-	-
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>(16,111)</u>	<u>(19,021)</u>	<u>(5,679)</u>	<u>(8,559)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(408)	(746)	(599)	(305)
Purchases of employee residences held for sale	(173)	-	-	-
Proceeds from sale of employee residences held for sale	584	-	584	-
Net cash used in investing activities	<u>3</u>	<u>(746)</u>	<u>(15)</u>	<u>(305)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(335)	(335)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(335)</u>	<u>(335)</u>	<u>(111)</u>	<u>(111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,443)	(20,102)	(5,805)	(8,975)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>22,007</u>	<u>13,194</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 16,202</u>	<u>\$ 4,219</u>	<u>\$ 16,202</u>	<u>\$ 4,219</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 89</u>	<u>\$ 98</u>	<u>\$ 30</u>	<u>\$ 35</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

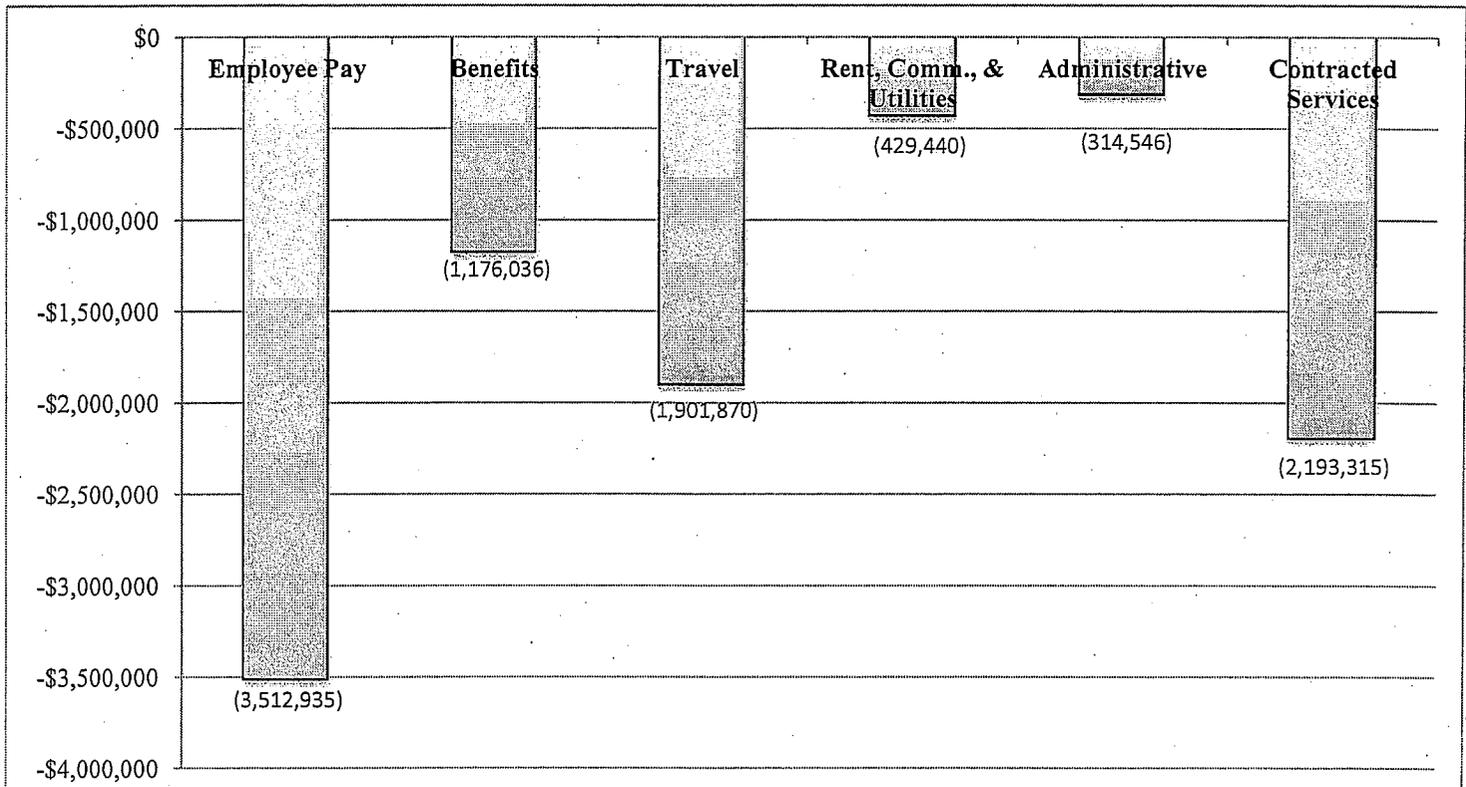
**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)**

**AS OF MARCH 31, 2011 AND MARCH 31, 2010**

(Dollars in cents)

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	31,463,599	27,950,664	(3,512,935)	-11.2%	28,312,580	25,802,550	(2,510,030)	-8.9%
Benefits	9,340,701	8,164,665	(1,176,036)	-12.6%	8,193,966	7,066,830	(1,127,136)	-13.8%
Travel	6,111,466	4,209,596	(1,901,870)	-31.1%	5,814,933	3,750,540	(2,064,393)	-35.5%
Rent, Comm., & Utilities	1,282,006	852,566	(429,440)	-33.5%	1,174,495	476,795	(697,700)	-59.4%
Administrative	3,362,972	3,048,426	(314,546)	-9.4%	2,927,129	3,208,284	281,155	9.6%
Contracted Services	4,790,253	2,596,938	(2,193,315)	-45.8%	3,807,775	1,557,374	(2,250,401)	-59.1%
<b>TOTAL</b>	<b>56,350,997</b>	<b>46,822,855</b>	<b>(9,528,142)</b>	<b>-16.9%</b>	<b>50,230,878</b>	<b>41,862,373</b>	<b>(8,368,505)</b>	<b>-16.7%</b>

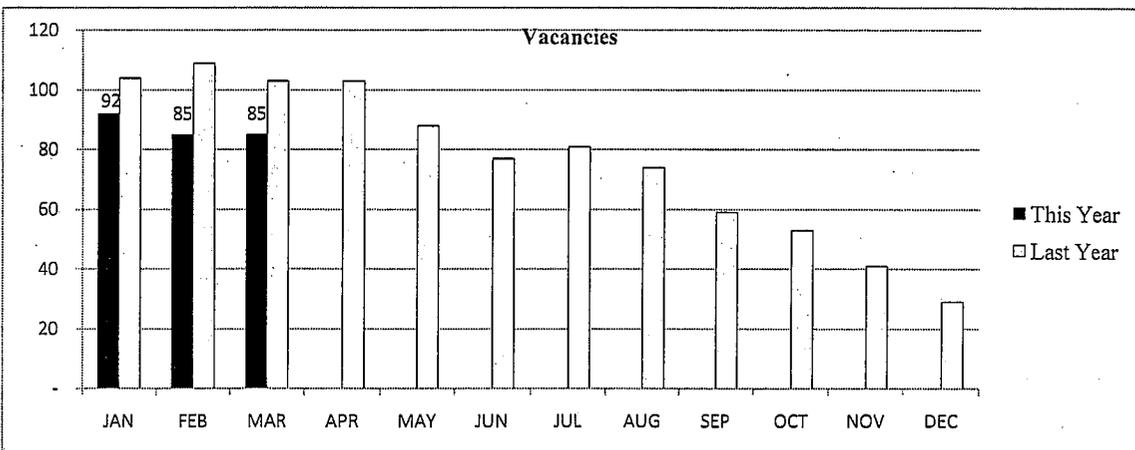
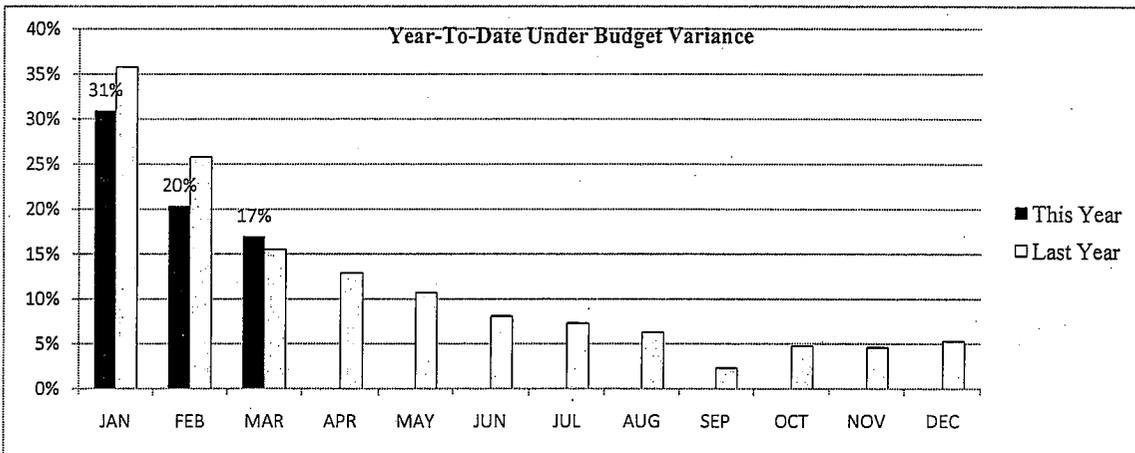
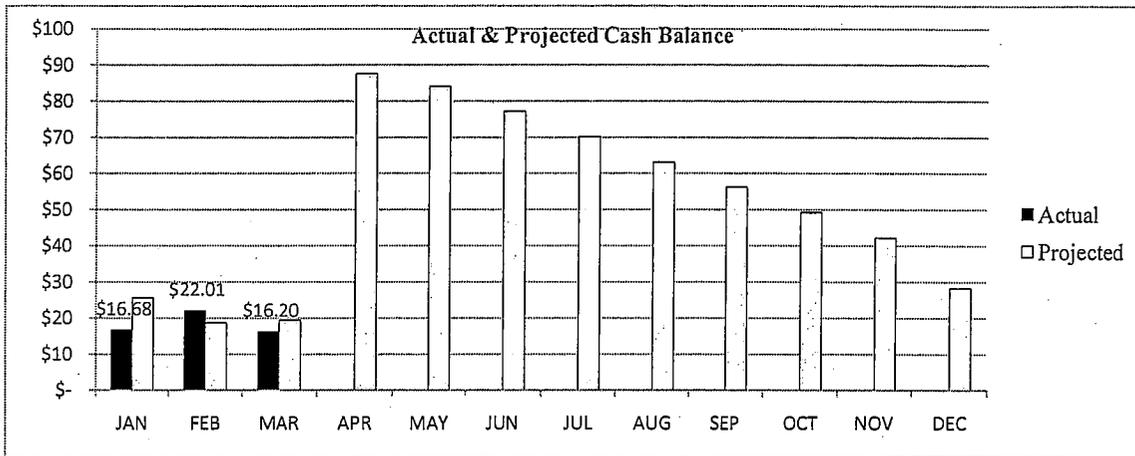
**Amount Over (Under) Budget**



**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

**AS OF MARCH 31, 2011 AND MARCH 31, 2010**



	3/31/2011	3/31/2010
Retained earnings / Total assets	47.09%	22.20%
YTD interest income to average investments (annualized)	0.13%	0.06%
Annualized travel spend per employee	\$15,017	\$14,232
Net year to date cash inflow (outflow) in millions of dollars	(\$16)	(\$20)
Cash and overnight investments / Total assets	21.22%	3.15%
Overhead transfer rate	58.90%	57.20%

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## FINANCIAL HIGHLIGHTS AS OF MARCH 31, 2011

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### Balance Sheets

Cash and cash equivalents had a month-end balance of \$16.2 million. The balance decreased \$5.8 million primarily for payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

### Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$179,000. Interest income on overnight investments has averaged 0.13% during the year, versus 0.06% during the same period last year.

### Statements of Cash Flow

The cash position decreased \$6 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$599,000 was invested in new capital assets, and a total of \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability which has a balance of \$17 million on the balance sheet.

### Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$9.5 million or 16.9 percent, compared to being under the year-to-date budget by \$8.4 million or 16.7 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$4.7 million or 11.5%, travel was under budget by \$1.9 million or 31.1%, and the remaining expense categories were under budget by \$2.9 million or 31.1%.

The average annualized travel spend per FTE has been \$15,017 this year, which is \$785 more than last year.

### Vacancies

The agency had 85 vacancies as of this month -- no change from the prior month. Of the 85 vacancies, 46 were in the central office and 39 were in the regions and AMAC. The 85 vacancies represent 7.0% percent of total authorized staff of 1,208.60.