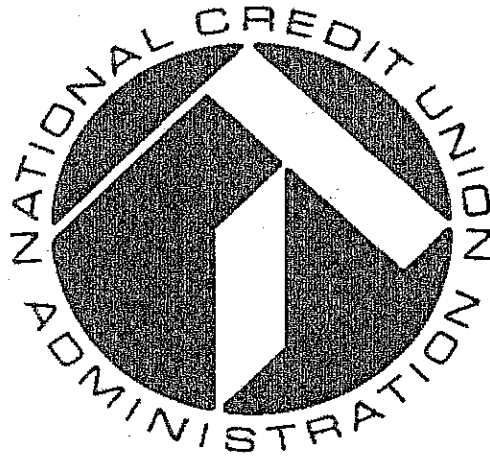


# *National Credit Union Administration*



## *Operating Fund*

*Financial Highlights  
November 30, 2011*

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## FINANCIAL HIGHLIGHTS AS OF NOVEMBER 30, 2011

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### Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$42.4 million. Its balance decreased \$7.6 million primarily for the 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 \$181,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.20% during the same period last year.

### Statements of Cash Flow

The cash position decreased \$7.6 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$198,000 was invested in new capital assets, and a total of \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability which has a balance of \$15.9 million on the balance sheet.

### Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$9.2 million or 4.5 percent, compared to being under the year-to-date budget by approximately \$8.4 million or 4.6 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.2 million or 2.2%, travel was under budget by \$0.1 million or 0.3%, and the remaining expense categories combined were under budget by \$5.9 million or 16.8%.

The average annualized travel spend per FTE has been \$21,300 this year, which is \$835 more than last year.

### Vacancies

The Agency had 25 vacancies as of this month -- down 7 from the prior month. Of the 25 vacancies, 15 were in the central office and 10 were in the regions and AMAC. The 25 vacancies represent 2.1% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**BALANCE SHEETS  
AS OF NOVEMBER 30, 2011 AND NOVEMBER 30, 2010  
(Dollars in thousands)**

	11/30/2011	10/31/2011	11/30/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 42,387	\$ 49,947	\$ 39,220
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	147
EMPLOYEE ADVANCES	58	57	86
OTHER ACCOUNTS RECEIVABLE	575	761	201
PREPAID EXPENSES AND OTHER ASSETS	1,280	1,231	1,704
ASSETS HELD FOR SALE	743	643	1,068
FIXED ASSETS — Net of accumulated depreciation of \$25,059 as of November 30, 2011	31,099	31,131	31,083
INTANGIBLE ASSETS — Net of accumulated amortization of \$8,458 as of November 30, 2011	<u>6,970</u>	<u>7,236</u>	<u>5,885</u>
<b>TOTAL</b>	<u>\$ 83,112</u>	<u>\$ 91,006</u>	<u>\$ 79,394</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 10,814	\$ 20,019	\$ 9,478
Obligations under capital leases	51	10	28
Accrued wages and benefits	7,745	6,544	6,037
Accrued annual leave	13,988	13,988	12,416
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>15,868</u>	<u>15,980</u>	<u>17,209</u>
Total Liabilities	48,466	56,541	45,168
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,646</u>	<u>34,465</u>	<u>34,226</u>
<b>TOTAL</b>	<u>\$ 83,112</u>	<u>\$ 91,006</u>	<u>\$ 79,394</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE PERIODS ENDED NOVEMBER 30, 2011 AND NOVEMBER 30, 2010  
(Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>REVENUES:</b>				
Operating fees	\$ 79,014	\$ 79,614	\$ 7,183	\$ 7,297
Interest	18	59	1	6
Other	968	1,008	93	99
<b>Total Revenues</b>	<b>80,000</b>	<b>80,681</b>	<b>7,277</b>	<b>7,402</b>
<b>EXPENSES, NET:</b>				
Employee wages and benefits, net	57,394	54,074	5,313	4,885
Travel	8,824	8,232	919	910
Rent, communications, and utilities	1,718	1,455	185	124
Contracted services	4,882	4,935	306	499
Other	5,444	5,061	373	356
<b>Total Expenses</b>	<b>78,262</b>	<b>73,757</b>	<b>7,096</b>	<b>6,774</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>1,738</b>	<b>6,924</b>	<b>181</b>	<b>628</b>
<b>FUND BALANCE—Beginning of year</b>	<b>32,908</b>	<b>27,302</b>	<b>34,465</b>	<b>33,598</b>
<b>FUND BALANCE—End of year</b>	<b>\$ 34,646</b>	<b>\$ 34,226</b>	<b>\$ 34,646</b>	<b>\$ 34,226</b>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED NOVEMBER 30, 2011 AND NOVEMBER 30, 2010 (Dollars in thousands)

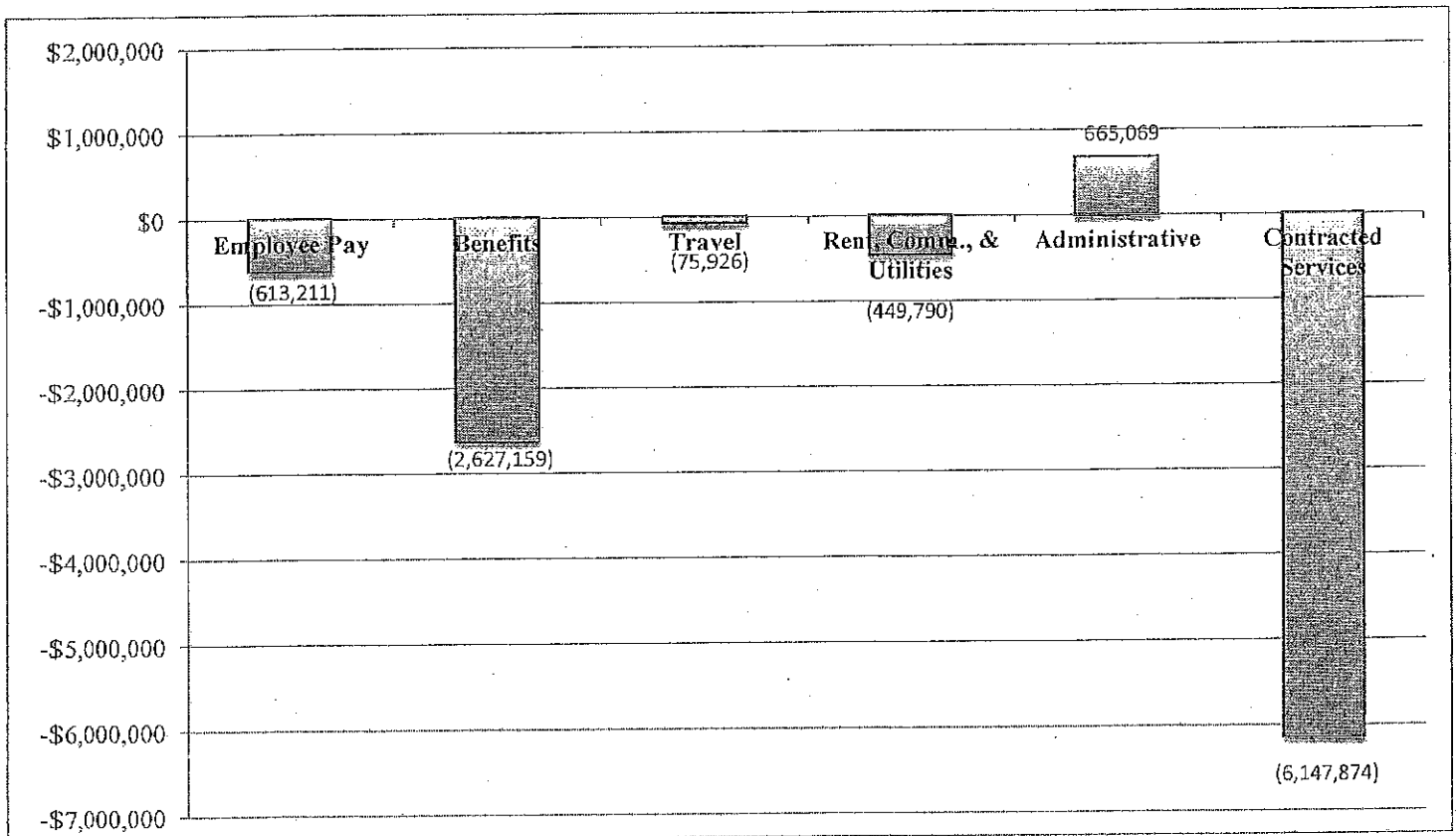
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 1,738	\$ 6,924	\$ 181	\$ 628
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	4,371	4,744	495	425
Provision for loss on disposal of employee residences held for sale	235	203	-	-
(Gain) loss on fixed asset retirements	1	380	1	3
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,857	2,111	-	3,646
Employee advances	(8)	80	(1)	2
Other accounts receivable	(226)	73	186	(70)
Prepaid expenses and other assets	91	(694)	(49)	-
(Decrease) increase in liabilities:				
Accounts payable	5,771	6,442	(9,205)	(9,693)
Accrued wages and benefits	(836)	(1,072)	1,201	864
Accrued annual leave	2,587	2,494	-	-
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>16,049</u>	<u>21,506</u>	<u>(7,191)</u>	<u>(4,195)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(4,824)	(4,589)	(198)	(303)
Purchases of employee residences held for sale	(1,197)	(1,419)	(100)	-
Proceeds from sale of employee residences held for sale	915	643	-	-
Net cash used in investing activities	<u>(5,106)</u>	<u>(5,365)</u>	<u>(298)</u>	<u>(303)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,229)	(1,229)	(112)	(111)
Principal payments under capital lease obligations	28	(13)	41	-
Net cash used in financing activities	<u>(1,201)</u>	<u>(1,242)</u>	<u>(71)</u>	<u>(111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,742	14,899	(7,560)	(4,609)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>49,947</u>	<u>43,829</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 42,387</u>	<u>\$ 39,220</u>	<u>\$ 42,387</u>	<u>\$ 39,220</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 318</u>	<u>\$ 366</u>	<u>\$ 27</u>	<u>\$ 31</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)\*  
AS OF NOVEMBER 30, 2011 AND NOVEMBER 30, 2010**

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	113,112,827	112,499,616	(613,211)	-0.5%	103,361,595	101,523,712	(1,837,883)	-1.8%
Benefits	34,310,552	31,683,393	(2,627,159)	-7.7%	29,887,569	27,097,480	(2,790,089)	-9.3%
Travel	22,619,142	22,543,216	(75,926)	-0.3%	21,321,421	19,773,917	(1,547,504)	-7.3%
Rent, Comm., & Utilities	4,633,381	4,183,591	(449,790)	-9.7%	4,306,481	3,401,049	(905,432)	-21.0%
Administrative	12,579,313	13,244,382	665,069	5.3%	10,732,806	11,741,994	1,009,188	9.4%
Contracted Services	18,057,531	11,909,657	(6,147,874)	-34.0%	13,870,174	11,551,777	(2,318,397)	-16.7%
<b>TOTAL</b>	<b>205,312,746</b>	<b>196,063,855</b>	<b>(9,248,891)</b>	<b>-4.5%</b>	<b>183,480,046</b>	<b>175,089,929</b>	<b>(8,390,117)</b>	<b>-4.6%</b>

**Amount Over (Under) Budget**

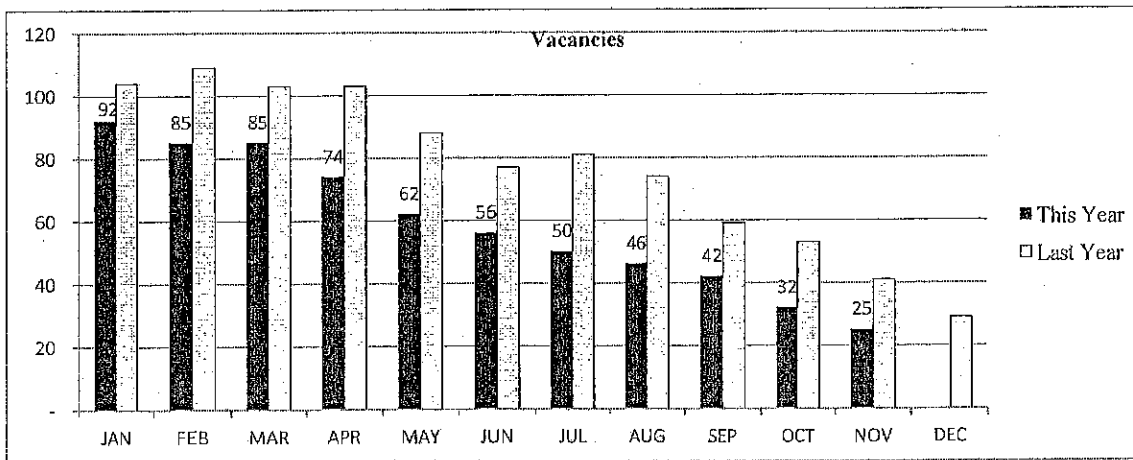
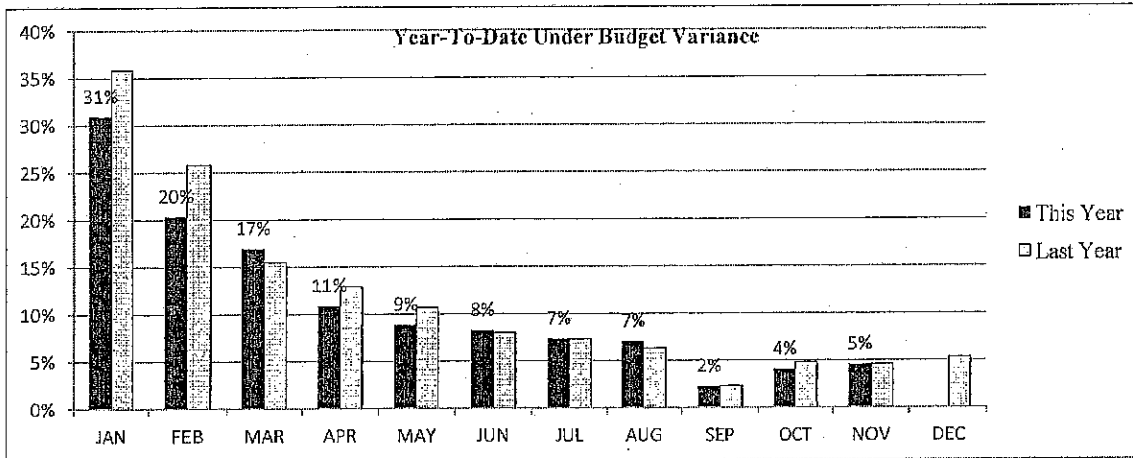
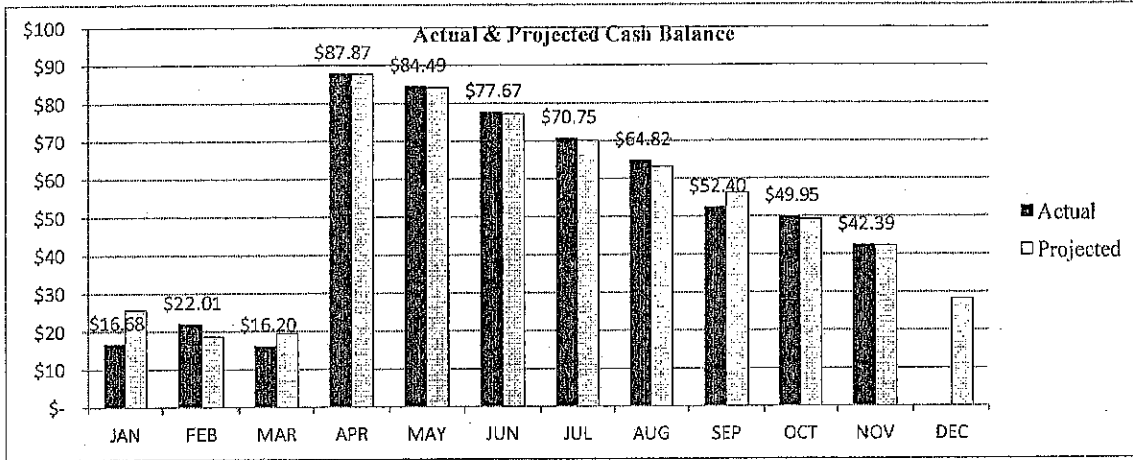


\* The Budget reflected in the above analysis includes mid-session revisions to the November Board approved budget.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

**AS OF NOVEMBER 30, 2011 AND NOVEMBER 30, 2010**



	11/30/2011	11/30/2010
Retained earnings / Total assets	41.69%	43.11%
YTD interest income to average investments (annualized)	0.05%	0.20%
Annualized travel spend per employee	\$21,300	\$20,464
Net year to date cash inflow (outflow) in millions of dollars	\$10	\$15
Cash and overnight investments / Total assets	51.00%	49.40%
Overhead transfer rate	58.90%	57.20%