

National Credit Union Administration



Operating Fund

***Financial Highlights
June 30, 2011***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2011

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$77.7 million. Its balance decreased \$7.3 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

The net loss for the month was \$629,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.10% during the same period last year.

Statements of Cash Flow

The cash position decreased \$7.3 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$426,000 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 \$16.4 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$9.2 million or 8.2 percent, compared to being under the year-to-date budget by approximately \$8.0 million or 8.0 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$5.6 million or 6.9%, travel was under budget by \$0.9 million or 7.4%, and the remaining expense categories combined were under budget by \$2.7 million or 14.2%.

The average annualized travel spend per FTE has been \$19,981 this year, which is approximately \$1,415 more than last year.

Vacancies

The agency had 56 vacancies as of this month -- down 6 from the prior month. Of the 56 vacancies, 26 were in the central office and 30 were in the regions and AMAC. The 56 vacancies represent 4.6% percent of total authorized staff of 1,208.60.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	6/30/2011	5/31/2011	6/30/2010
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 77,672	\$ 84,988	\$ 67,283
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	4,733
EMPLOYEE ADVANCES	208	65	680
OTHER ACCOUNTS RECEIVABLE	293	431	163
PREPAID EXPENSES AND OTHER ASSETS	1,937	1,528	2,388
ASSETS HELD FOR SALE	147	-	261
FIXED ASSETS — Net of accumulated depreciation of \$24,429 as of June 30, 2011	31,457	31,346	30,351
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,655 as of June 30, 2011	<u>5,004</u>	<u>5,035</u>	<u>6,201</u>
TOTAL	<u>\$ 116,718</u>	<u>\$ 123,393</u>	<u>\$ 112,060</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 46,377	\$ 53,506	\$ 46,812
Obligations under capital leases	24	24	41
Accrued wages and benefits	7,616	6,421	6,340
Accrued annual leave	11,401	11,401	9,922
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,426</u>	<u>16,538</u>	<u>17,767</u>
Total Liabilities	81,844	87,890	80,882
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>34,874</u>	<u>35,503</u>	<u>31,178</u>
TOTAL	<u>\$ 116,718</u>	<u>\$ 123,393</u>	<u>\$ 112,060</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 43,030	\$ 42,705	\$ 7,173	\$ 7,117
Interest	13	22	2	6
Other	407	46	52	7
Total Revenues	43,450	42,773	7,227	7,130
EXPENSES, NET:				
Employee wages and benefits, net	30,381	28,897	5,437	3,083
Travel	4,460	4,188	1,053	822
Rent, communications, and utilities	838	705	191	159
Contracted services	2,937	2,064	645	253
Other	2,868	3,043	530	786
Total Expenses	41,484	38,897	7,856	5,103
EXCESS OF REVENUES OVER EXPENSES	1,966	3,876	(629)	2,027
FUND BALANCE—Beginning of year	32,908	27,302	35,503	29,151
FUND BALANCE—End of year	\$ 34,874	\$ 31,178	\$ 34,874	\$ 31,178

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

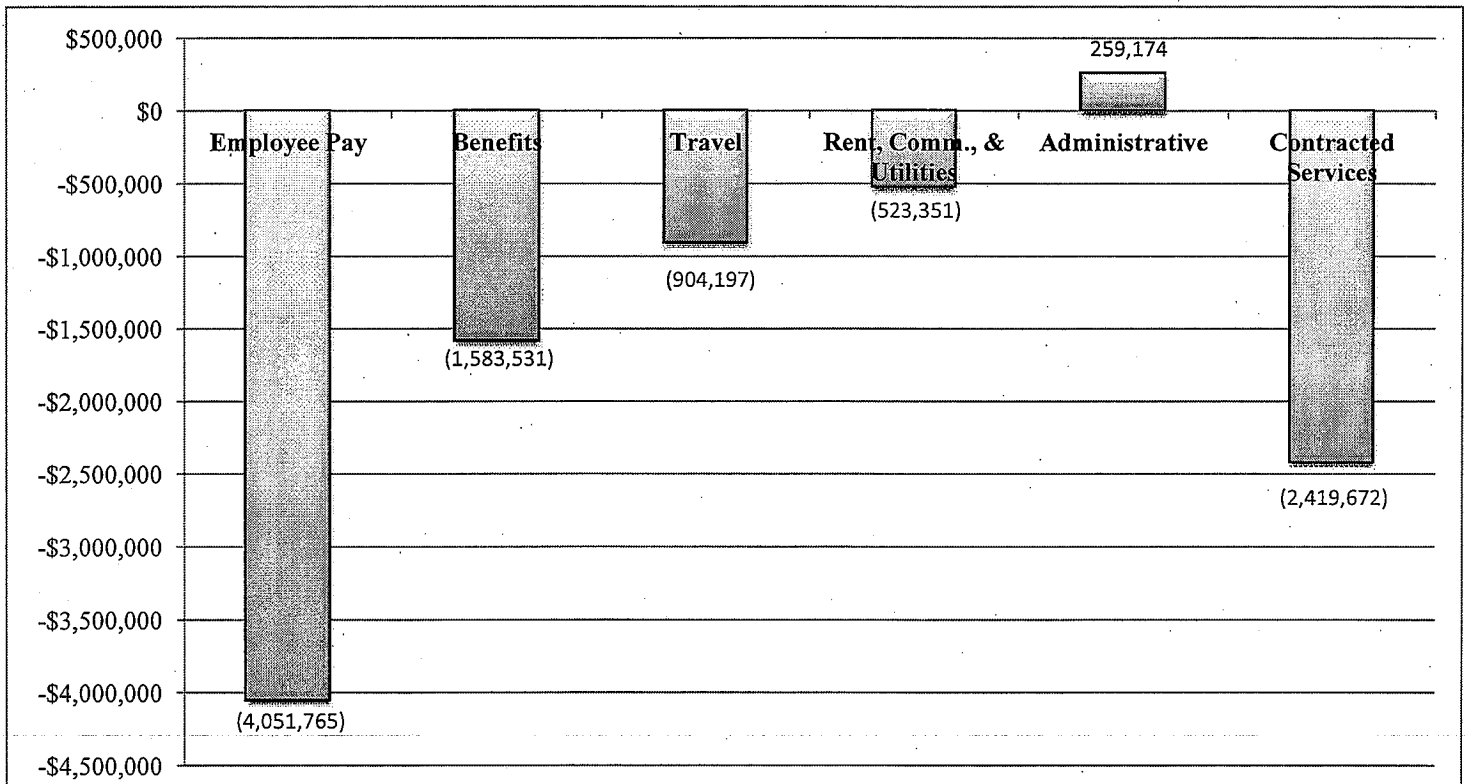
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,966	\$ 3,876	\$ (629)	\$ 2,027
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,313	2,295	347	879
Provision for loss on disposal of employee residences held for sale	133	20	-	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,857	(2,475)	-	(3,293)
Employee advances	(158)	(514)	(143)	(106)
Other accounts receivable	56	111	138	475
Prepaid expenses and other assets	(566)	(1,378)	(409)	(32)
(Decrease) increase in liabilities:				
Accounts payable	41,334	43,775	(7,129)	(7,513)
Accrued wages and benefits	(965)	(769)	1,195	1,072
Accrued annual leave	-	-	-	-
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>46,438</u>	<u>44,762</u>	<u>(6,630)</u>	<u>(6,491)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(1,156)	(1,343)	(426)	(472)
Purchases of employee residences held for sale	(319)	-	(148)	-
Proceeds from sale of employee residences held for sale	735	214	-	-
Net cash used in investing activities	<u>(740)</u>	<u>(1,129)</u>	<u>(574)</u>	<u>(472)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(671)	(671)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(671)</u>	<u>(671)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	45,027	42,962	(7,316)	(7,075)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>84,988</u>	<u>74,358</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 77,672</u>	<u>\$ 67,283</u>	<u>\$ 77,672</u>	<u>\$ 67,283</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 177</u>	<u>\$ 200</u>	<u>\$ 28</u>	<u>\$ 35</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	62,927,199	58,875,434	(4,051,765)	-6.4%	56,023,722	52,948,928	(3,074,794)	-5.5%
Benefits	18,681,402	17,097,871	(1,583,531)	-8.5%	16,199,565	14,569,915	(1,629,650)	-10.1%
Travel	12,222,933	11,318,736	(904,197)	-7.4%	11,629,866	9,785,109	(1,844,757)	-15.9%
Rent, Comm., & Utilities	2,564,011	2,040,660	(523,351)	-20.4%	2,348,990	1,646,377	(702,613)	-29.9%
Administrative	6,725,943	6,985,117	259,174	3.9%	5,854,258	7,858,979	2,004,721	34.2%
Contracted Services	9,580,506	7,160,834	(2,419,672)	-25.3%	7,565,550	4,821,893	(2,743,657)	-36.3%
TOTAL	112,701,994	103,478,652	(9,223,342)	-8.2%	99,621,951	91,631,201	(7,990,750)	-8.0%

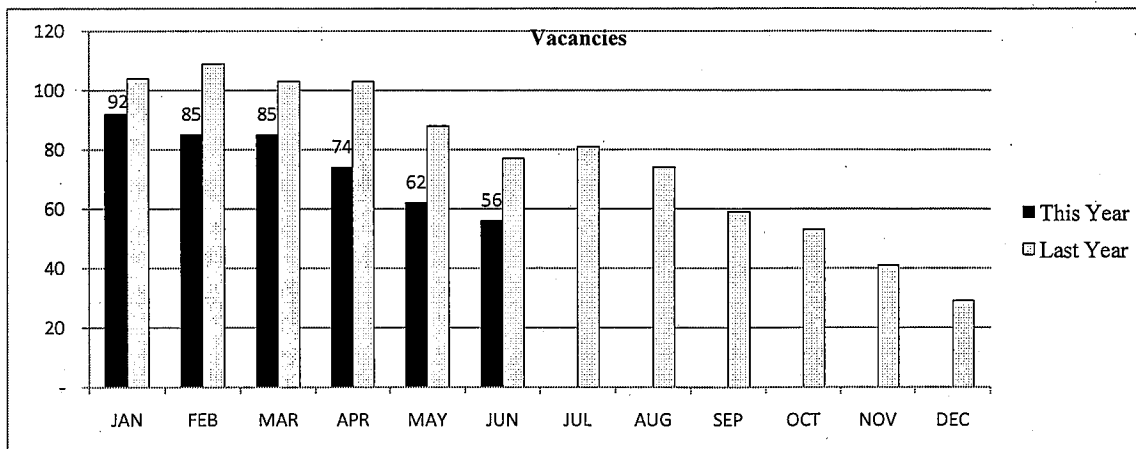
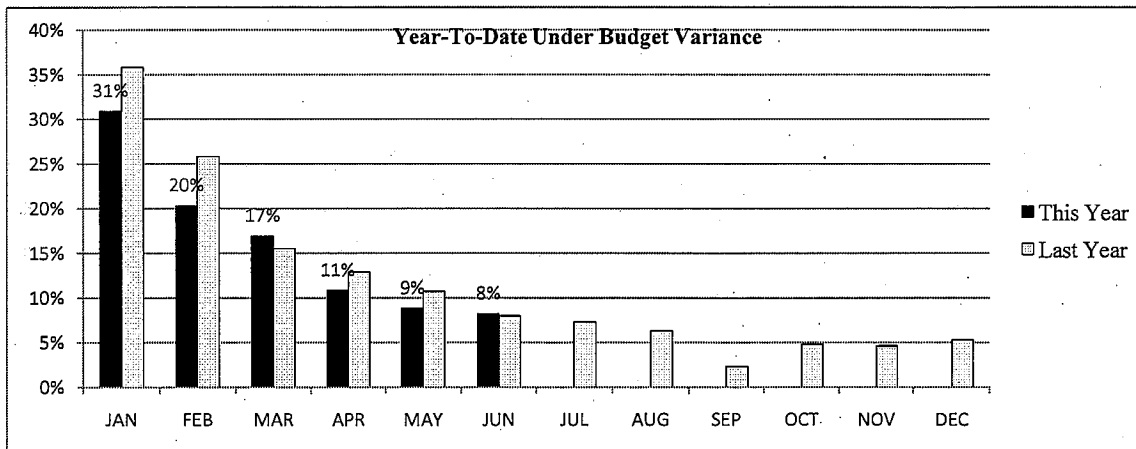
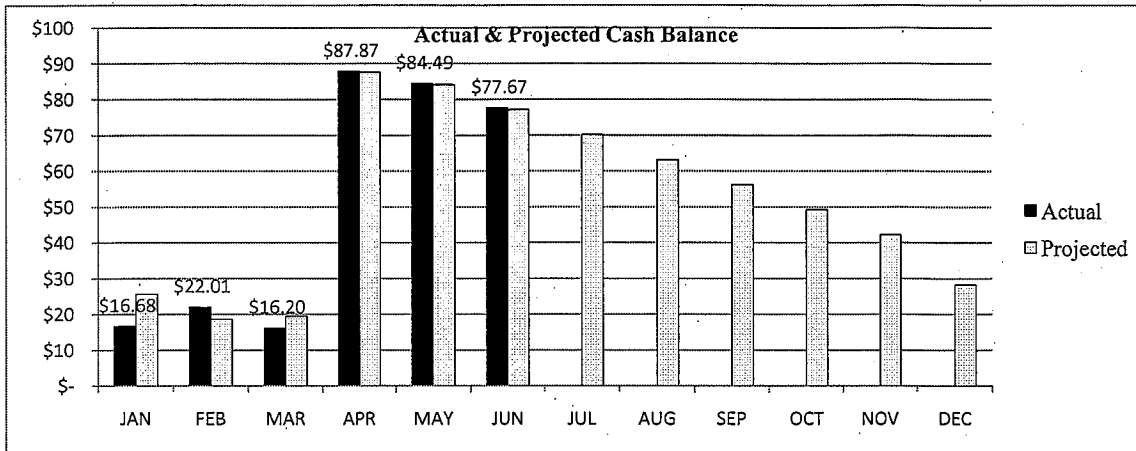
Amount Over (Under) Budget



**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JUNE 30, 2011 AND JUNE 30, 2010



	6/30/2011	6/30/2010
Retained earnings / Total assets	29.88%	27.82%
YTD interest income to average investments (annualized)	0.05%	0.10%
Annualized travel spend per employee	\$19,981	\$18,566
Net year to date cash inflow (outflow) in millions of dollars	\$45	\$43
Cash and overnight investments / Total assets	66.55%	60.04%
Overhead transfer rate	58.90%	57.20%