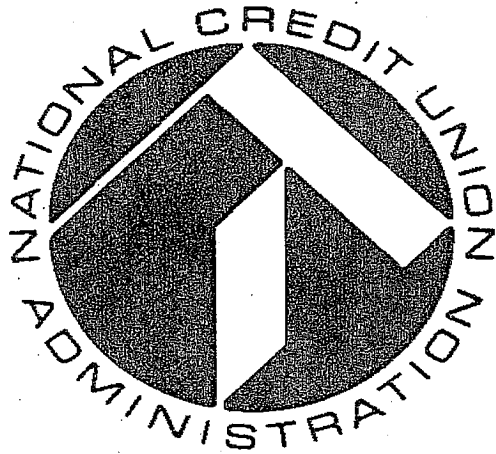


# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
August 31, 2011***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## FINANCIAL HIGHLIGHTS AS OF AUGUST 31, 2011

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$64.8 million. Its balance decreased \$5.9 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 \$199,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.14% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$5.9 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$63,000 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 \$16.2 million on the balance sheet.

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

Agency spending was under the year-to-date budget by \$10.6 million or 7.0 percent, compared to being under the year-to-date budget by approximately \$8.5 million or 6.3 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$7.0 million or 6.4%, travel was under budget by \$0.8 million or 5.0%, and the remaining expense categories combined were under budget by \$2.8 million or 10.9%.

The average annualized travel spend per FTE has been \$20,284 this year, which is approximately \$1,136 more than last year.

### **Vacancies**

The Agency had 46 vacancies as of this month -- down 4 from the prior month. Of the 46 vacancies, 17 were in the central office and 29 were in the regions and AMAC. The 46 vacancies represent 3.8% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**BALANCE SHEETS**

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

**(Dollars in thousands)**

	8/31/2011	7/31/2011	8/31/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 64,820	\$ 70,749	\$ 60,685
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	318	-	330
EMPLOYEE ADVANCES	170	226	75
OTHER ACCOUNTS RECEIVABLE	220	173	75
PREPAID EXPENSES AND OTHER ASSETS	2,018	2,005	2,388
ASSETS HELD FOR SALE	341	147	1,312
FIXED ASSETS — Net of accumulated depreciation of \$24,805 as of August 31, 2011	31,314	31,459	30,140
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,984 as of August 31, 2011	<u>4,716</u>	<u>4,861</u>	<u>5,803</u>
<b>TOTAL</b>	<b><u>\$ 103,917</u></b>	<b><u>\$ 109,620</u></b>	<b><u>\$ 100,808</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 31,351	\$ 38,569	\$ 33,179
Obligations under capital leases	24	24	41
Accrued wages and benefits	10,068	8,242	8,493
Accrued annual leave	11,401	11,401	9,922
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,203</u>	<u>16,315</u>	<u>17,544</u>
Total Liabilities	69,047	74,551	69,179
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,870</u>	<u>35,069</u>	<u>31,629</u>
<b>TOTAL</b>	<b><u>\$ 103,917</u></b>	<b><u>\$ 109,620</u></b>	<b><u>\$ 100,808</u></b>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE PERIODS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010  
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>REVENUES:</b>				
Operating fees	\$ 57,377	\$ 56,945	\$ 7,173	\$ 7,117
Interest	16	41	2	10
Other	<u>666</u>	<u>61</u>	<u>93</u>	<u>7</u>
Total Revenues	58,059	57,047	7,268	7,134
<b>EXPENSES, NET:</b>				
Employee wages and benefits, net	40,815	38,526	5,504	4,856
Travel	6,086	5,675	731	657
Rent, communications, and utilities	1,183	1,048	130	180
Contracted services	4,310	3,281	676	709
Other	<u>3,703</u>	<u>4,190</u>	<u>426</u>	<u>660</u>
Total Expenses	<u>56,097</u>	<u>52,720</u>	<u>7,467</u>	<u>7,062</u>
EXCESS OF REVENUES OVER EXPENSES	1,962	4,327	(199)	72
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>35,069</u>	<u>31,557</u>
FUND BALANCE—End of year	<u>\$ 34,870</u>	<u>\$ 31,629</u>	<u>\$ 34,870</u>	<u>\$ 31,629</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF CASH FLOWS  
FOR THE PERIODS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010  
(Dollars in thousands)**

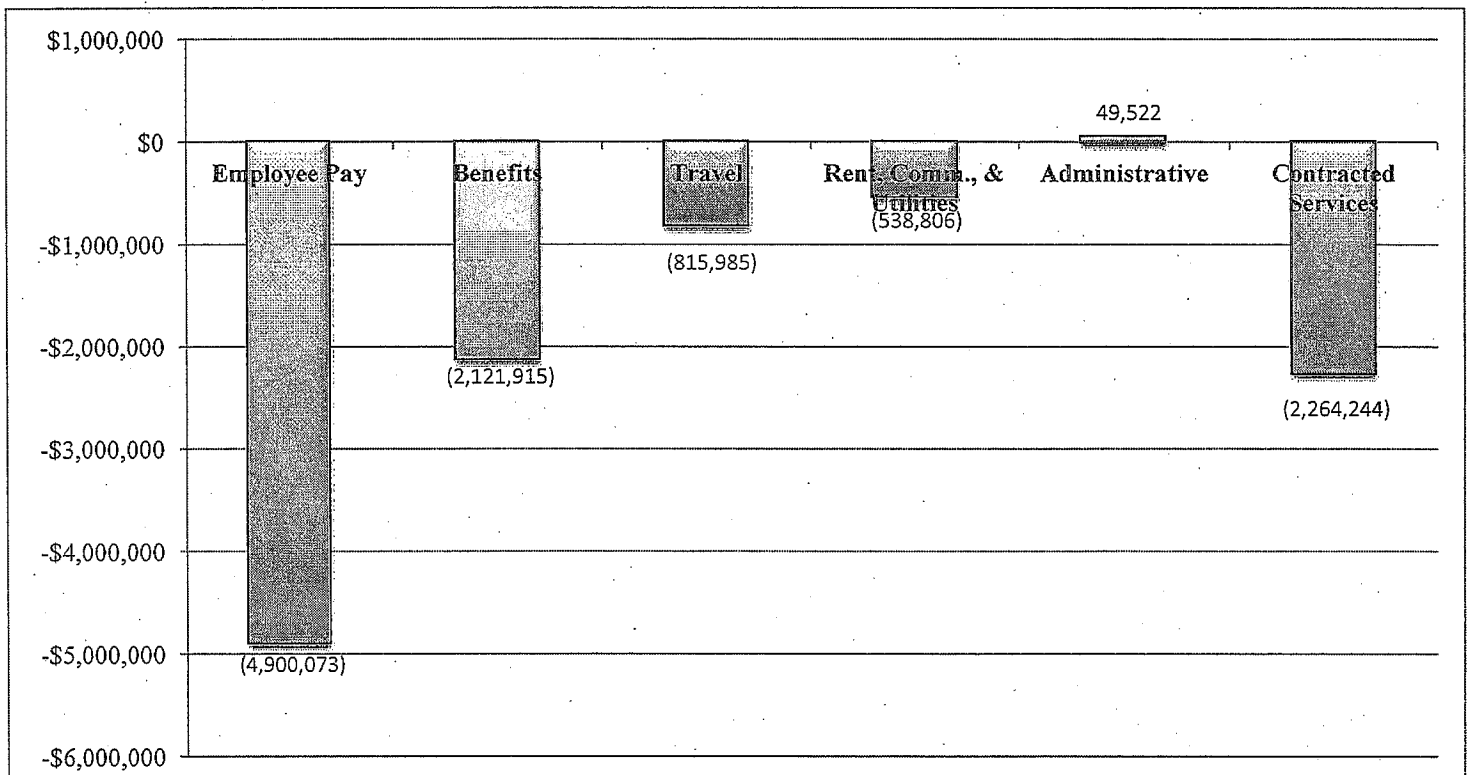
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 1,962	\$ 4,327	\$ (199)	\$ 72
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	3,045	3,061	352	379
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	2,539	1,928	(318)	340
Employee advances	(120)	91	56	521
Other accounts receivable	129	199	(47)	(29)
Prepaid expenses and other assets	(647)	(1,378)	(13)	-
(Decrease) increase in liabilities:				
Accounts payable	26,308	30,143	(7,218)	(6,930)
Accrued wages and benefits	1,487	1,384	1,826	1,118
Accrued annual leave	-	-	-	-
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>34,304</u>	<u>39,596</u>	<u>(5,561)</u>	<u>(4,529)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(1,458)	(1,501)	(63)	(102)
Purchases of employee residences held for sale	(512)	(1,051)	(193)	(960)
Proceeds from sale of employee residences held for sale	735	214	-	-
Net cash used in investing activities	<u>(1,235)</u>	<u>(2,338)</u>	<u>(256)</u>	<u>(1,062)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(894)	(894)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(894)</u>	<u>(894)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,175	36,364	(5,929)	(5,703)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>70,749</u>	<u>66,388</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 64,820</u>	<u>\$ 60,685</u>	<u>\$ 64,820</u>	<u>\$ 60,685</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 236</u>	<u>\$ 269</u>	<u>\$ 29</u>	<u>\$ 35</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)  
AS OF AUGUST 31, 2011 AND AUGUST 31, 2010**

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	84,322,447	79,422,374	(4,900,073)	-5.8%	75,132,588	71,308,298	(3,824,290)	-5.1%
Benefits	25,033,079	22,911,164	(2,121,915)	-8.5%	21,724,998	19,590,253	(2,134,745)	-9.8%
Travel	16,297,243	15,481,258	(815,985)	-5.0%	15,506,488	13,456,217	(2,050,271)	-13.2%
Rent, Comm., & Utilities	3,418,682	2,879,876	(538,806)	-15.8%	3,131,986	2,448,793	(683,193)	-21.8%
Administrative	8,967,924	9,017,446	49,522	0.6%	7,805,677	10,447,780	2,642,103	33.8%
Contracted Services	12,774,008	10,509,764	(2,264,244)	-17.7%	10,087,399	7,670,555	(2,416,844)	-24.0%
<b>TOTAL</b>	<b>150,813,383</b>	<b>140,221,882</b>	<b>(10,591,501)</b>	<b>-7.0%</b>	<b>133,389,136</b>	<b>124,921,896</b>	<b>(8,467,240)</b>	<b>-6.3%</b>

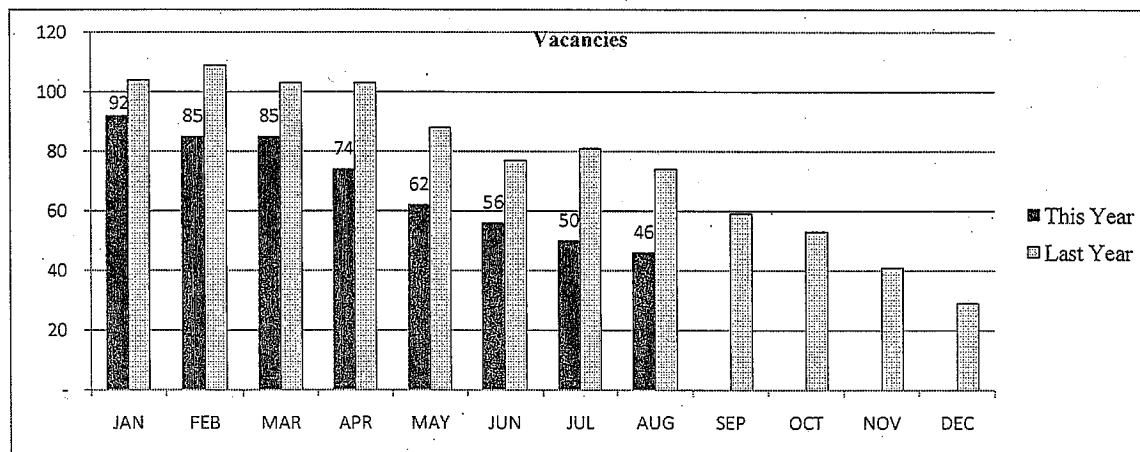
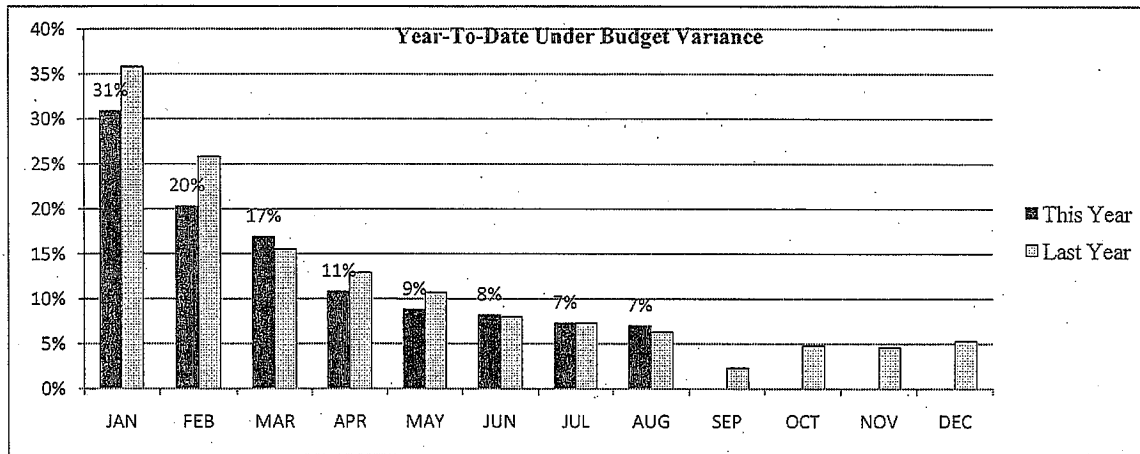
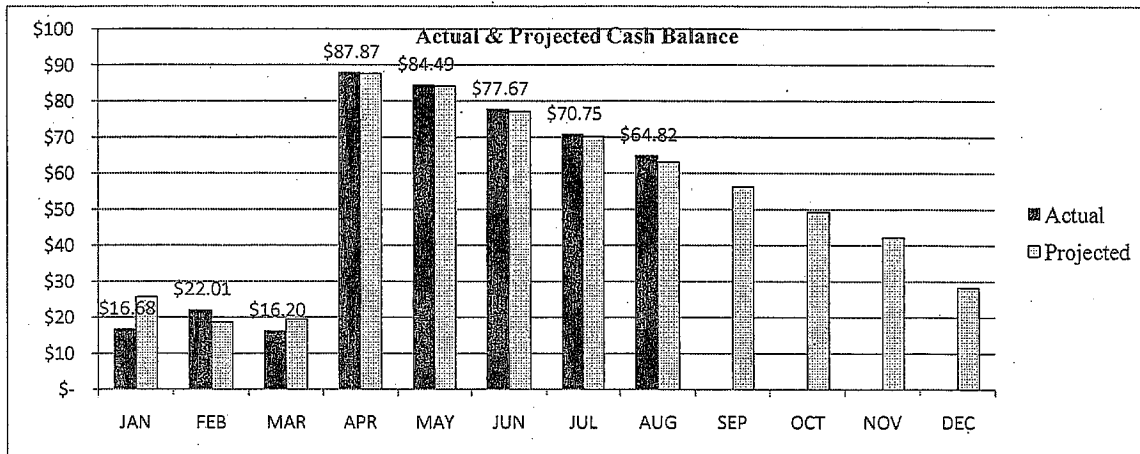
**Amount Over (Under) Budget**



# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## GRAPHS AND RATIOS

AS OF AUGUST 31, 2011 AND AUGUST 31, 2010



	8/31/2011	8/31/2010
Retained earnings / Total assets	33.56%	31.38%
YTD interest income to average investments (annualized)	0.05%	0.14%
Annualized travel spend per employee	\$20,284	\$19,148
Net year to date cash inflow (outflow) in millions of dollars	\$32	\$36
Cash and overnight investments / Total assets	62.38%	60.20%
Overhead transfer rate	58.90%	57.20%