

National Credit Union Administration



Operating Fund

***Preliminary Financial Highlights
January 31, 2011***

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

Preliminary

FINANCIAL HIGHLIGHTS AS OF JANUARY 31, 2011

Balance Sheets

Cash and overnight investments had a month-end balance of \$16.7 million. Its balance decreased \$16.0 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 \$2,196,000. Interest income on overnight investments has averaged 0.19% during the year, versus 0.05% during the same period last year.

Statements of Cash Flow

The cash position decreased \$16 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$313,000 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 \$17 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$5.7 million or 30.9 percent, compared to being under the year-to-date budget by \$6.3 million or 37.4 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$1.4 million or 10.7%, travel was under budget by \$1.6 million or 77.2%, and the remaining expense categories were under budget by \$2.7 million or 85.5%.

The average annualized travel spend per FTE has been \$4,990 this year, which is \$2,925 more than last year.

Vacancies

The agency had 92 vacancies as of this month -- up 63 from the prior month. Of the 92 vacancies, 49 were in the central office and 43 were in the regions and AMAC. The 92 vacancies represent 7.6% percent of total authorized staff of 1,208.60.

The increase in vacancies is due to the an increase of 77.75 in authorized FTE from 1,130.85 in 2010 to 1,208.60 in 2011.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS AS OF JANUARY 31, 2011 AND JANUARY 31, 2010 (Dollars in thousands)

Preliminary

	1/31/2011	12/31/2010	1/31/2010
ASSETS			
CASH AND CASH EQUIVALENTS	\$16,675	\$32,645	\$19,805
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	11,008	2,857	2,215
EMPLOYEE ADVANCES	52	50	153
OTHER ACCOUNTS RECEIVABLE	228	349	(49)
PREPAID EXPENSES AND OTHER ASSETS	1,371	1,371	1,440
ASSETS HELD FOR SALE	868	696	495
FIXED ASSETS — Net of accumulated depreciation of \$23,504 as of January 31, 2011	31,171	31,673	37,122
INTANGIBLE ASSETS — Net of accumulated amortization of \$6,680 as of January 31, 2011	<u>5,718</u>	<u>5,945</u>	<u>6,823</u>
TOTAL	<u>\$67,091</u>	<u>\$75,586</u>	<u>\$68,004</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ (5,600)	\$ 5,043	\$ 557
Obligations under capital leases	24	24	41
Accrued wages and benefits	9,177	8,581	4,876
Accrued annual leave	11,401	11,401	9,767
Accrued employee travel		532	179
Note payable to National Credit Union Share Insurance Fund	<u>16,985</u>	<u>17,097</u>	<u>21,634</u>
Total liabilities	31,987	42,678	37,054
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,104</u>	<u>32,908</u>	<u>30,950</u>
TOTAL	<u>\$67,091</u>	<u>\$ 75,586</u>	<u>\$ 68,004</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
AS OF JANUARY 31, 2011 AND JANUARY 31, 2010**

(Dollars in thousands)

Preliminary

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 7,193	\$ 7,118	\$7,193	\$7,118
Interest	4	1	4	
Other	<u>19</u>	<u>15</u>	<u>19</u>	<u>15</u>
Total Revenues	7,216	7,134	7,216	7,133
EXPENSES, NET:				
Employee wages and benefits, net	4,686	5,379	4,686	5,379
Travel	318	181	318	181
Rent, communications, and utilities	65	(43)	65	(43)
Contracted services	44	(264)	44	(264)
Other	<u>(93)</u>	<u>147</u>	<u>(93)</u>	<u>147</u>
Total Expenses	<u>5,020</u>	<u>5,400</u>	<u>5,020</u>	<u>5,400</u>
EXCESS OF REVENUES OVER EXPENSES	2,196	1,734	2,196	1,734
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>29,216</u>	<u>32,908</u>	<u>29,216</u>
FUND BALANCE—End of year	<u>\$ 35,104</u>	<u>\$ 30,950</u>	<u>\$ 35,104</u>	<u>\$ 30,950</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

Preliminary

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,196	\$ 1,735	\$ 2,196	\$ 1,735
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	415	275	415	275
Provision for loss on disposal of employee residences held for sale				
(Gain) loss on fixed asset retirements		856		856
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	(8,151)	(7,118)	(8,151)	(7,118)
Employee advances	(2)		(2)	
Other accounts receivable	121	487	121	487
Prepaid expenses and other assets		(598)		(598)
(Decrease) increase in liabilities:				
Accounts payable	(10,643)	1,284	(10,643)	1,284
Accrued wages and benefits	596	(268)	596	(268)
Accrued annual leave		(649)		(649)
Accrued employee travel	(532)	(409)	(532)	(409)
Net cash provided by operating activities	<u>(16,000)</u>	<u>(4,405)</u>	<u>(16,000)</u>	<u>(4,405)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	313		313	
Purchases of employee residences held for sale	(171)		(171)	
Proceeds from sale of employee residences held for sale				
Net cash used in investing activities	<u>142</u>		<u>142</u>	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(112)	(112)	(112)
Principal payments under capital lease obligations				
Net cash used in financing activities	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,970)	(4,517)	(15,970)	(4,517)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,322</u>	<u>32,645</u>	<u>24,322</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 16,675</u>	<u>\$ 19,805</u>	<u>\$ 16,675</u>	<u>\$ 19,805</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 31</u>	<u>\$ 397</u>	<u>\$ 31</u>	<u>\$ 397</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

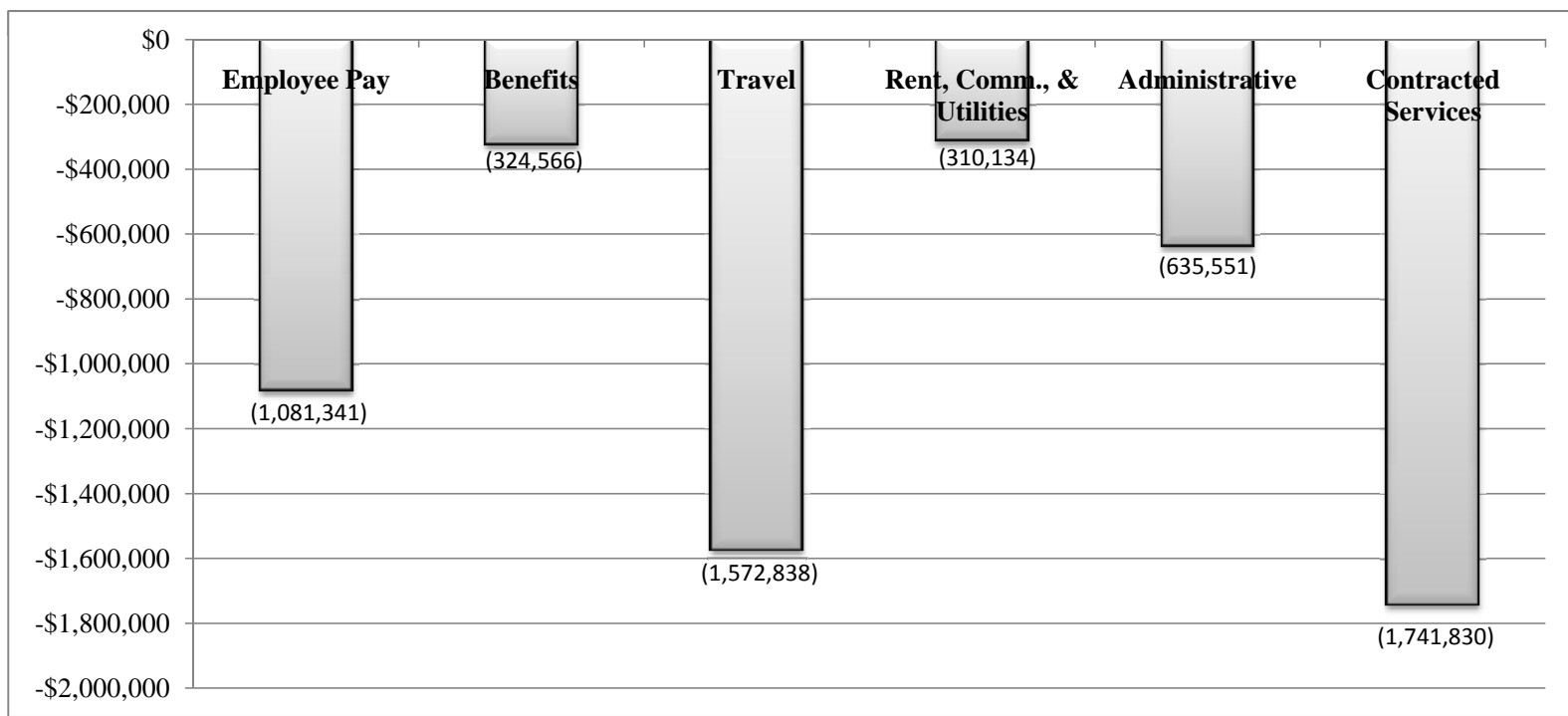
**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF JANUARY 31, 2011 AND JANUARY 31, 2010**

(Dollars in cents)

Preliminary

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	10,165,163	9,083,822	(1,081,341)	-10.6%	9,445,860	8,117,144	(1,328,716)	-14.1%
Benefits	3,017,765	2,693,199	(324,566)	-10.8%	2,731,322	1,590,735	(1,140,587)	-41.8%
Travel	2,037,155	464,317	(1,572,838)	-77.2%	1,938,311	181,424	(1,756,887)	-90.6%
Rent, Comm., & Utilities	427,335	117,201	(310,134)	-72.6%	391,498	(43,260)	(434,758)	-111.0%
Administrative	1,120,991	485,440	(635,551)	-56.7%	975,710	896,130	(79,580)	-8.2%
Contracted Services	1,596,751	(145,079)	(1,741,830)	-109.1%	1,260,925	(264,209)	(1,525,134)	-121.0%
TOTAL	18,365,160	12,698,899	(5,666,261)	-30.9%	16,743,626	10,477,964	(6,265,662)	-37.4%

Amount Over (Under) Budget

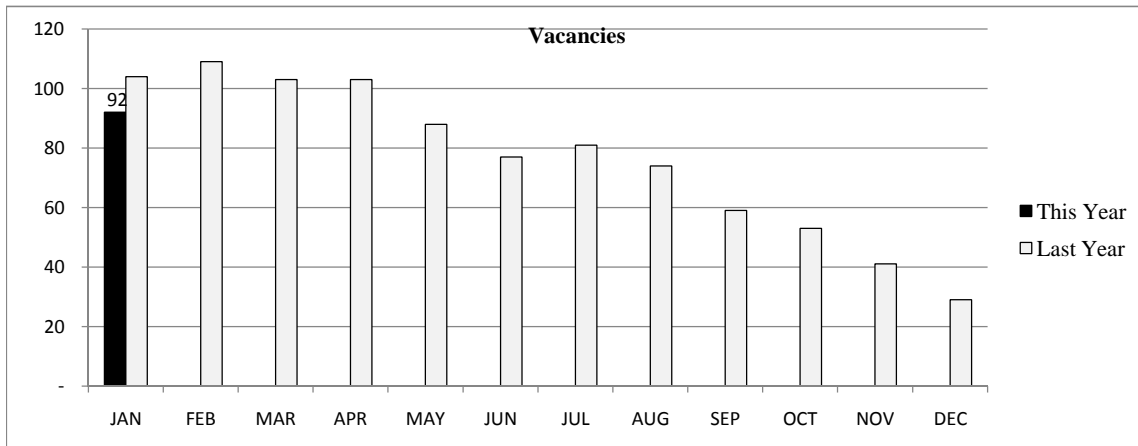
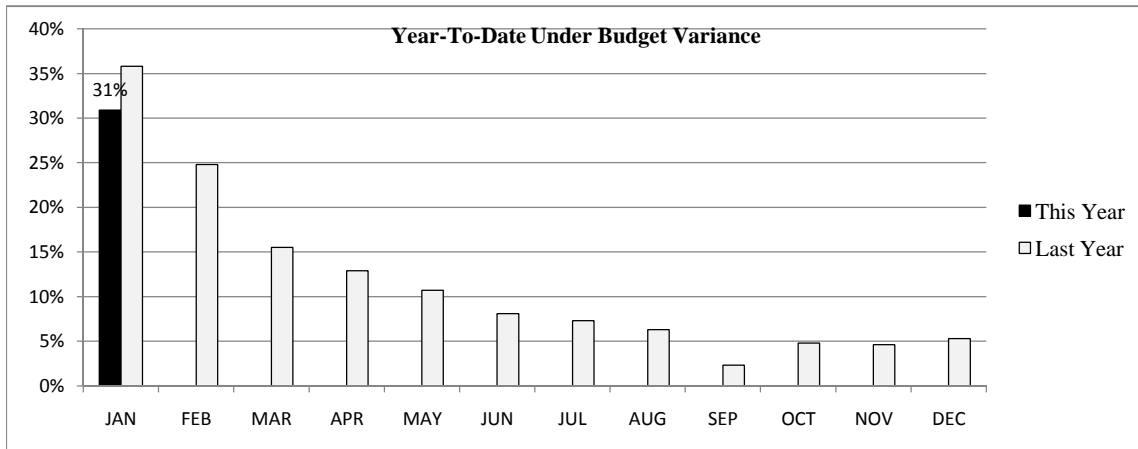
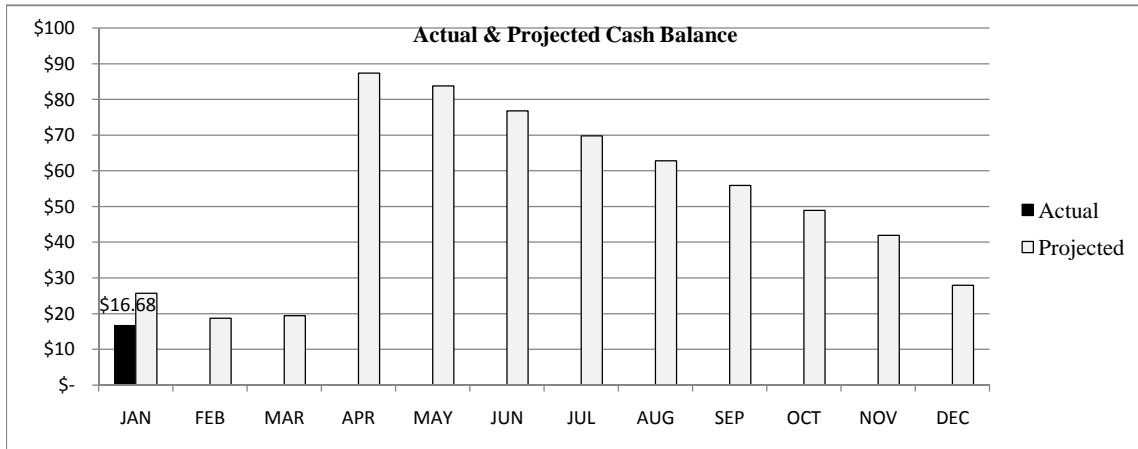


**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JANUARY 31, 2011 AND JANUARY 31, 2010

*****Preliminary*****



	1/31/2011	1/31/2010
Retained earnings / Total assets	52.32%	45.51%
YTD interest income to average investments (annualized)	0.19%	0.05%
Annualized travel spend per employee	\$4,990	\$2,065
Net year to date cash inflow (outflow) in millions of dollars	(\$16)	(\$5)
Cash and overnight investments / Total assets	24.85%	29.12%
Overhead transfer rate	58.90%	57.20%