

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
May 31, 2011***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## FINANCIAL HIGHLIGHTS AS OF MAY 31, 2011

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### Balance Sheets

Cash and cash equivalents had a month-end balance of \$85.0 million. Its balance decreased \$2.9 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 \$73,000. Interest income on overnight investments has averaged 0.04% during the year, versus 0.08% during the same period last year.

### Statements of Cash Flow

The cash position decreased \$2.9 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$214,000 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 \$16.5 million on the balance sheet.

### Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$8.1 million or 8.8 percent, compared to being under the year-to-date budget by \$8.8 million or 10.7 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.9 million or 5.8%, travel was under budget by \$1.4 million or 13.5%, and the remaining expense categories combined were under budget by \$2.9 million or 18.2%.

The average annualized travel spend per FTE has been \$18,737 this year, which is approximately \$2,182 more than last year.

### Vacancies

The agency had 62 vacancies as of this month -- down 12 from the prior month. Of the 62 vacancies, 27 were in the central office and 35 were in the regions and AMAC. The 62 vacancies represent 5.1% percent of total authorized staff of 1,208.60.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	5/31/2011	4/30/2011	5/31/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 84,988	\$ 87,870	\$ 74,358
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	865	1,440
EMPLOYEE ADVANCES	65	84	574
OTHER ACCOUNTS RECEIVABLE	431	1,551	638
PREPAID EXPENSES AND OTHER ASSETS	1,528	1,493	2,356
ASSETS HELD FOR SALE	-	198	261
FIXED ASSETS — Net of accumulated depreciation of \$24,247 as of May 31, 2011	31,346	31,339	35,495
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,490 as of May 31, 2011	<u>5,035</u>	<u>5,174</u>	<u>1,463</u>
<b>TOTAL</b>	<b><u>\$ 123,393</u></b>	<b><u>\$ 128,574</u></b>	<b><u>\$ 116,585</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 53,506	\$ 59,836	\$ 54,324
Obligations under capital leases	24	24	41
Accrued wages and benefits	6,421	5,233	9,922
Accrued annual leave	11,401	11,401	5,268
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,538</u>	<u>16,650</u>	<u>17,879</u>
Total liabilities	87,890	93,144	87,434
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>35,503</u>	<u>35,430</u>	<u>29,151</u>
<b>TOTAL</b>	<b><u>\$ 123,393</u></b>	<b><u>\$ 128,574</u></b>	<b><u>\$ 116,585</u></b>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>REVENUES:</b>				
Operating fees	\$ 35,857	\$ 35,588	\$ 7,173	\$ 7,118
Interest	11	16	2	9
Other	<u>355</u>	<u>39</u>	<u>127</u>	<u>4</u>
Total Revenues	36,223	35,643	7,302	7,131
<b>EXPENSES, NET:</b>				
Employee wages and benefits, net	24,944	25,814	5,132	5,176
Travel	3,407	3,366	861	846
Rent, communications, and utilities	647	546	119	185
Contracted services	2,292	1,811	666	659
Other	<u>2,338</u>	<u>2,257</u>	<u>451</u>	<u>534</u>
Total Expenses	<u>33,628</u>	<u>33,794</u>	<u>7,229</u>	<u>7,400</u>
EXCESS OF REVENUES OVER EXPENSES	2,595	1,849	73	(269)
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>35,430</u>	<u>29,420</u>
FUND BALANCE—End of year	<u>\$ 35,503</u>	<u>\$ 29,151</u>	<u>\$ 35,503</u>	<u>\$ 29,151</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

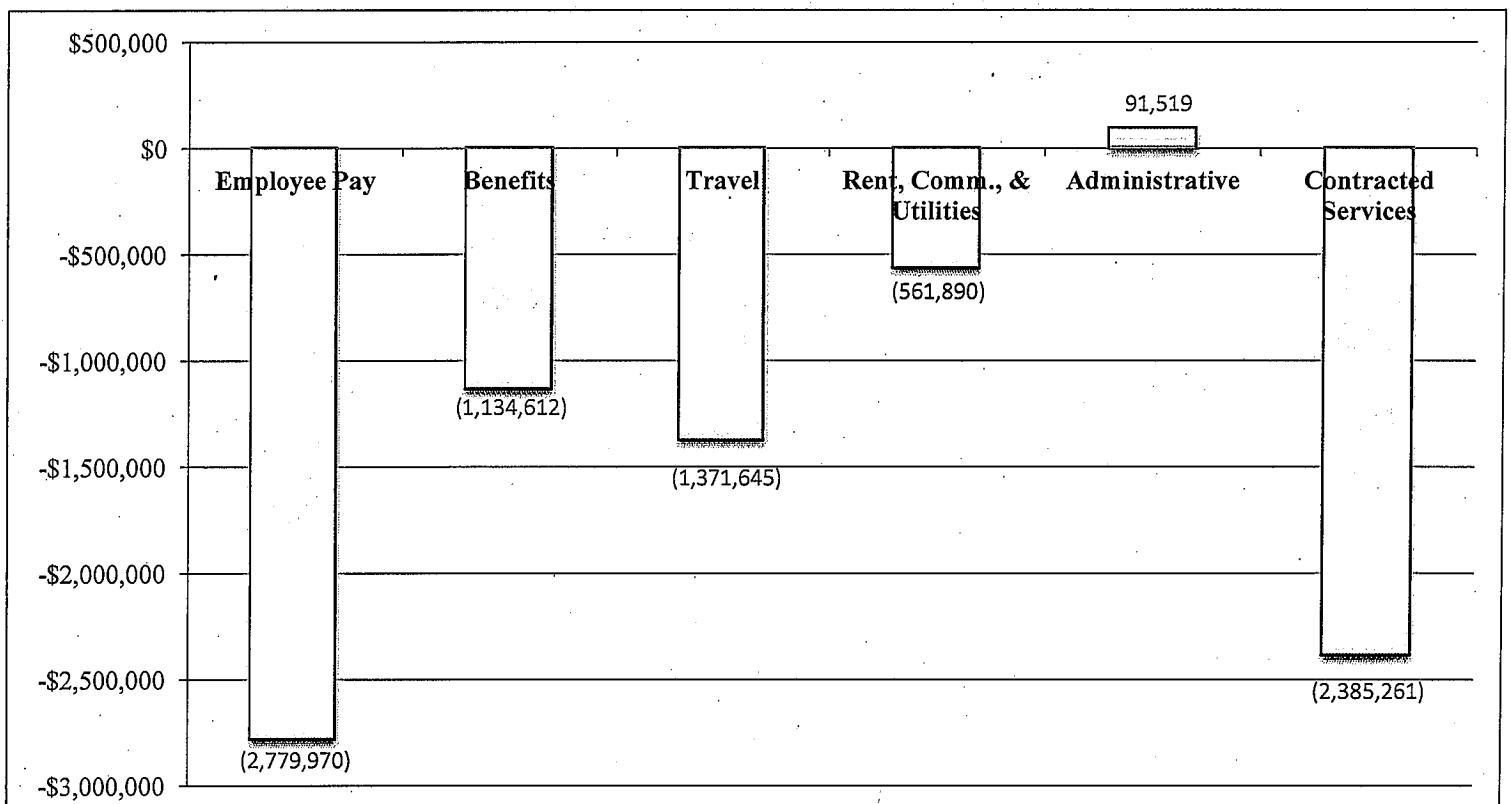
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,595	\$ 1,849	\$ 73	\$ (269)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,966	1,425	346	366
Provision for loss on disposal of employee residences held for sale	133	20	49	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,857	818	865	(101)
Employee advances	(15)	(408)	19	(3)
Other accounts receivable	(82)	(364)	1,120	3,685
Prepaid expenses and other assets	(157)	(1,346)	(35)	(355)
(Decrease) increase in liabilities:				
Accounts payable	48,463	51,288	(6,330)	(11,080)
Accrued wages and benefits	(2,160)	2,813	1,188	5,196
Accrued annual leave	-	(4,654)	-	(4,654)
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>53,068</u>	<u>51,262</u>	<u>(2,705)</u>	<u>(7,215)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(730)	(880)	(214)	(192)
Purchases of employee residences held for sale	(171)	-	-	-
Proceeds from sale of employee residences held for sale	735	214	149	-
Net cash used in investing activities	<u>(166)</u>	<u>(666)</u>	<u>(65)</u>	<u>(192)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(559)	(559)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(559)</u>	<u>(559)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	52,343	50,037	(2,882)	(7,519)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>87,870</u>	<u>81,877</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 84,988</u>	<u>\$ 74,358</u>	<u>\$ 84,988</u>	<u>\$ 74,358</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 149</u>	<u>\$ 165</u>	<u>\$ 30</u>	<u>\$ 34</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	51,600,303	48,820,333	(2,779,970)	-5.4%	46,428,293	43,818,281	(2,610,012)	-5.6%
Benefits	15,318,750	14,184,138	(1,134,612)	-7.4%	13,436,849	12,058,027	(1,378,822)	-10.3%
Travel	10,185,777	8,814,132	(1,371,645)	-13.5%	9,691,555	7,270,984	(2,420,571)	-25.0%
Rent, Comm., & Utilities	2,136,676	1,574,786	(561,890)	-26.3%	1,957,491	1,181,712	(775,779)	-39.6%
Administrative	5,604,953	5,696,472	91,519	1.6%	4,878,548	5,648,372	769,824	15.8%
Contracted Services	7,983,755	5,598,494	(2,385,261)	-29.9%	6,346,291	3,919,370	(2,426,921)	-38.2%
<b>TOTAL</b>	<b>92,830,214</b>	<b>84,688,355</b>	<b>(8,141,859)</b>	<b>-8.8%</b>	<b>82,739,027</b>	<b>73,896,746</b>	<b>(8,842,281)</b>	<b>-10.7%</b>

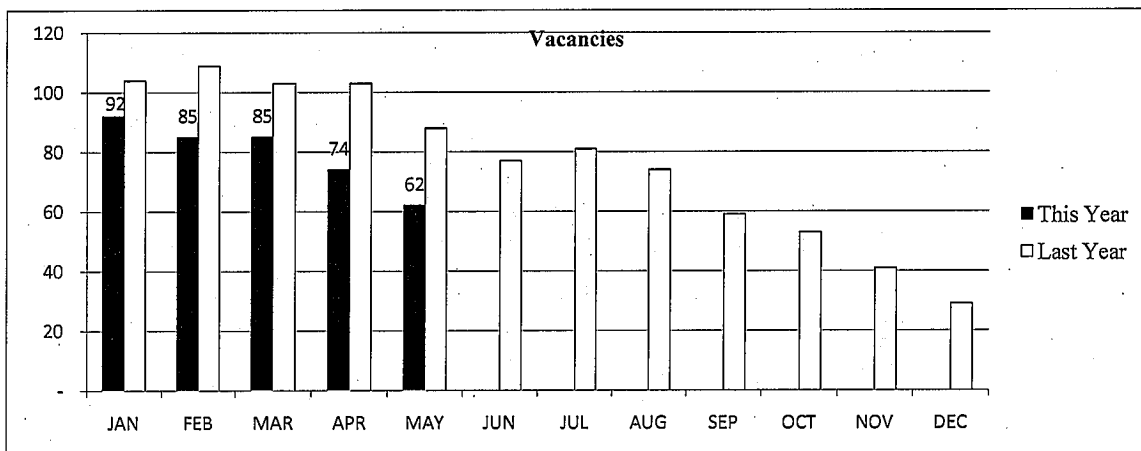
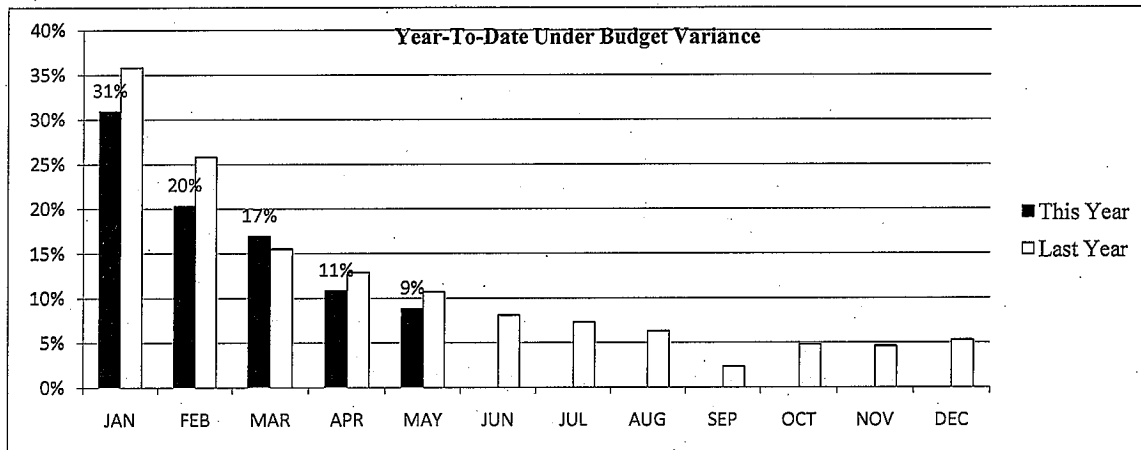
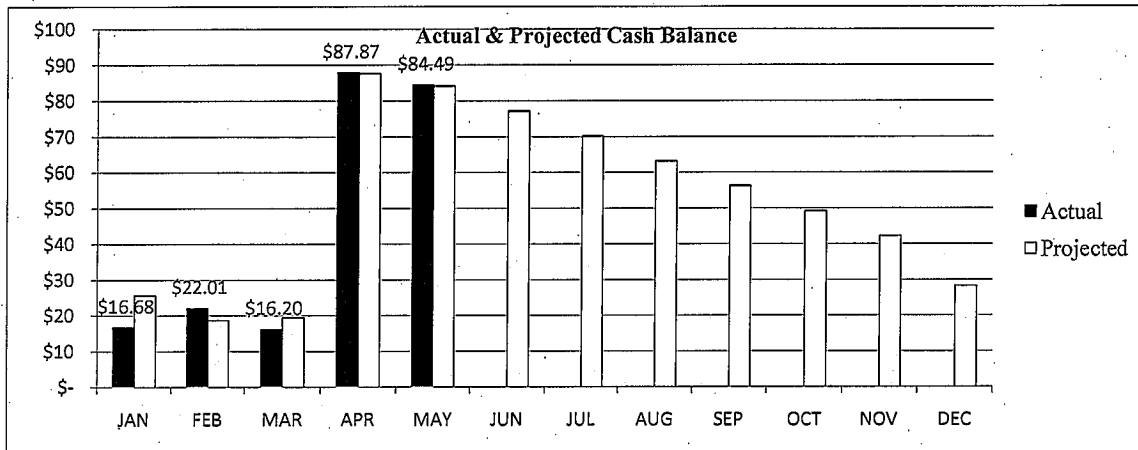
**Amount Over (Under) Budget**



**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

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



	5/31/2011	5/31/2010
Retained earnings / Total assets	28.77%	25.00%
YTD interest income to average investments (annualized)	0.04%	0.08%
Annualized travel spend per employee	\$18,737	\$16,555
Net year to date cash inflow (outflow) in millions of dollars	\$52	\$50
Cash and overnight investments / Total assets	68.88%	63.78%
Overhead transfer rate	58.90%	57.20%