

National Credit Union Administration



Operating Fund

***Financial Highlights
September 30, 2011***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF SEPTEMBER 30, 2011

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$52.4 million. Its balance decreased \$12.4 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 \$2,088,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.16% during the same period last year.

Statements of Cash Flow

The cash position decreased \$12.4 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$3,155,000 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 \$16.1 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$3.6 million or 2.2 percent, compared to being under the year-to-date budget by approximately \$3.4 million or 2.3 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.0 million or 1.7%, travel was over budget by \$1.2 million or 6.5%, and the remaining expense categories combined were under budget by \$2.8 million or 9.7%.

The average annualized travel spend per FTE has been \$22,894 this year, which is approximately \$1,315 more than last year.

Vacancies

The Agency had 42 vacancies as of this month -- down 4 from the prior month. Of the 42 vacancies, 17 were in the central office and 25 were in the regions and AMAC. The 42 vacancies represent 3.5% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	9/30/2011	8/31/2011	9/30/2010
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 52,397	\$ 64,820	\$ 54,728
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	3,247	318	3,751
EMPLOYEE ADVANCES	115	170	91
OTHER ACCOUNTS RECEIVABLE	967	220	696
PREPAID EXPENSES AND OTHER ASSETS	1,601	2,018	1,704
ASSETS HELD FOR SALE	525	341	1,444
FIXED ASSETS — Net of accumulated depreciation of \$25,071 as of September 30, 2011	31,319	31,314	31,606
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,915 as of September 30, 2011	<u>7,508</u>	<u>4,716</u>	<u>6,380</u>
TOTAL	<u>\$ 97,679</u>	<u>\$ 103,917</u>	<u>\$ 100,400</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 27,078	\$ 31,351	\$ 27,582
Obligations under capital leases	10	24	28
Accrued wages and benefits	5,925	10,068	10,304
Accrued annual leave	13,988	11,401	12,416
Accrued employee travel	1,805	-	1,530
Note payable to National Credit Union Share Insurance Fund	<u>16,091</u>	<u>16,203</u>	<u>17,432</u>
Total Liabilities	64,897	69,047	69,292
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>32,782</u>	<u>34,870</u>	<u>31,108</u>
TOTAL	<u>\$ 97,679</u>	<u>\$ 103,917</u>	<u>\$ 100,400</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 64,648	\$ 65,085	\$ 7,271	\$ 8,140
Interest	17	47	1	6
Other	<u>781</u>	<u>871</u>	<u>115</u>	<u>810</u>
Total Revenues	65,446	66,003	7,387	8,956
EXPENSES, NET:				
Employee wages and benefits, net	47,115	44,670	6,300	6,144
Travel	7,761	7,175	1,675	1,500
Rent, communications, and utilities	1,458	1,311	275	263
Contracted services	4,489	4,539	179	1,258
Other	<u>4,749</u>	<u>4,502</u>	<u>1,046</u>	<u>312</u>
Total Expenses	<u>65,572</u>	<u>62,197</u>	<u>9,475</u>	<u>9,477</u>
EXCESS OF REVENUES OVER EXPENSES	(126)	3,806	(2,088)	(521)
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>34,870</u>	<u>31,629</u>
FUND BALANCE—End of year	<u>\$ 32,782</u>	<u>\$ 31,108</u>	<u>\$ 32,782</u>	<u>\$ 31,108</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

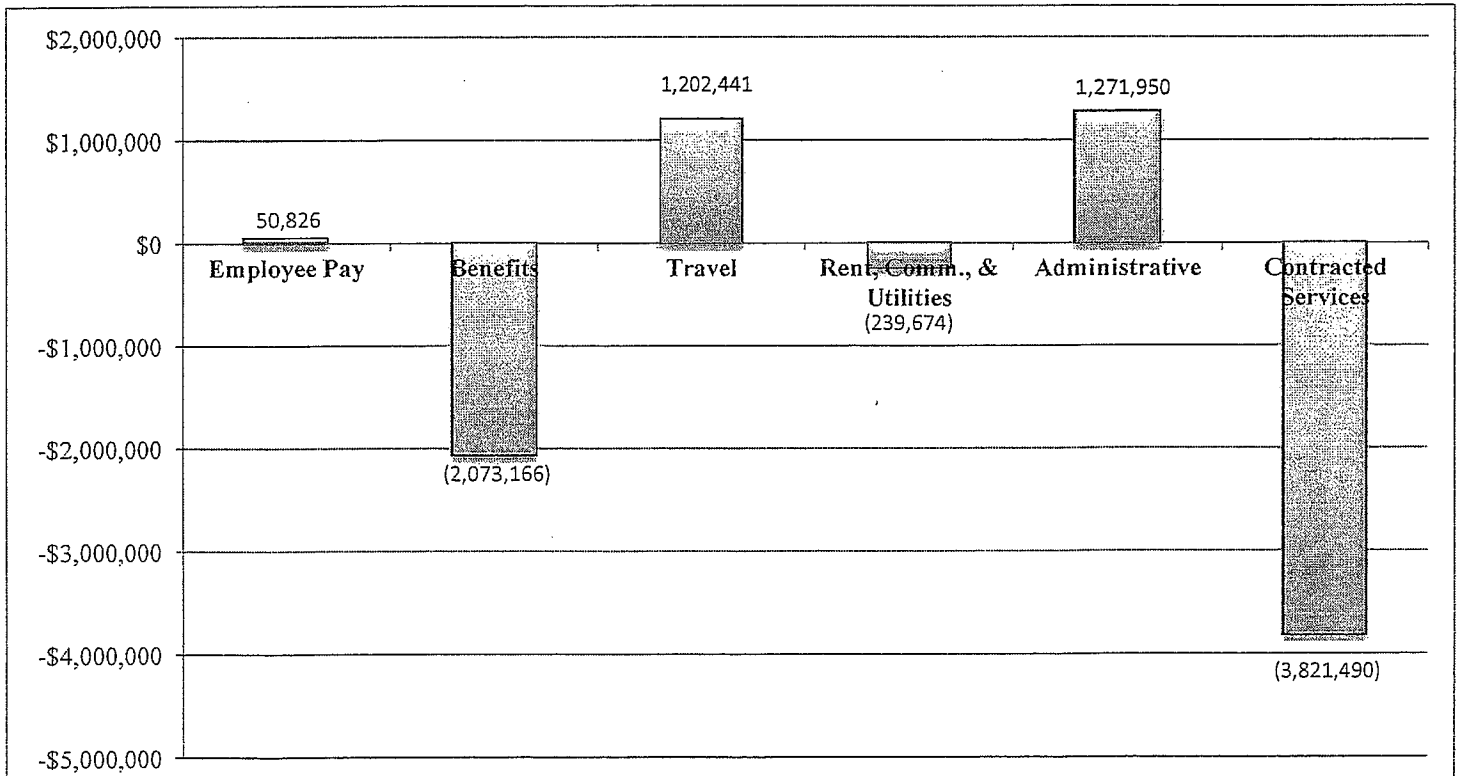
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ (126)	\$ 3,806	\$ (2,088)	\$ (521)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	3,403	4,066	358	836
Provision for loss on disposal of employee residences held for sale	226	169	93	169
(Gain) loss on fixed asset retirements	-	377	-	377
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	(390)	(1,493)	(2,929)	(3,421)
Employee advances	(65)	75	55	(16)
Other accounts receivable	(618)	(422)	(747)	(621)
Prepaid expenses and other assets	(230)	(694)	417	684
(Decrease) increase in liabilities:				
Accounts payable	22,035	24,546	(4,273)	(5,597)
Accrued wages and benefits	(2,656)	3,195	(4,143)	1,811
Accrued annual leave	2,587	2,494	2,587	2,494
Accrued employee travel	1,273	1,351	1,805	1,530
Net cash provided by operating activities	<u>25,439</u>	<u>37,470</u>	<u>(8,865)</u>	<u>(2,275)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(4,613)	(4,926)	(3,155)	(3,256)
Purchases of employee residences held for sale	(790)	(1,332)	(278)	(301)
Proceeds from sale of employee residences held for sale	735	214	-	-
Net cash used in investing activities	<u>(4,668)</u>	<u>(6,044)</u>	<u>(3,433)</u>	<u>(3,557)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,006)	(1,006)	(112)	(112)
Principal payments under capital lease obligations	(13)	(13)	(13)	(13)
Net cash used in financing activities	<u>(1,019)</u>	<u>(1,019)</u>	<u>(125)</u>	<u>(125)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,752	30,407	(12,423)	(5,957)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>64,820</u>	<u>60,685</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 52,397</u>	<u>\$ 54,728</u>	<u>\$ 52,397</u>	<u>\$ 54,728</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 263</u>	<u>\$ 301</u>	<u>\$ 27</u>	<u>\$ 32</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	92,211,544	92,262,370	50,826	0.1%	84,687,021	83,090,752	(1,596,269)	-1.9%
Benefits	27,978,059	25,904,893	(2,073,166)	-7.4%	24,487,714	22,640,791	(1,846,923)	-7.5%
Travel	18,506,571	19,709,012	1,202,441	6.5%	17,444,799	17,060,010	(384,789)	-2.2%
Rent, Comm., & Utilities	3,790,948	3,551,274	(239,674)	-6.3%	3,523,484	3,061,681	(461,803)	-13.1%
Administrative	10,292,165	11,564,115	1,271,950	12.4%	8,781,387	10,430,810	1,649,423	18.8%
Contracted Services	14,774,343	10,952,853	(3,821,490)	-25.9%	11,348,324	10,579,104	(769,220)	-6.8%
TOTAL	167,553,630	163,944,517	(3,609,113)	-2.2%	150,272,729	146,863,148	(3,409,581)	-2.3%

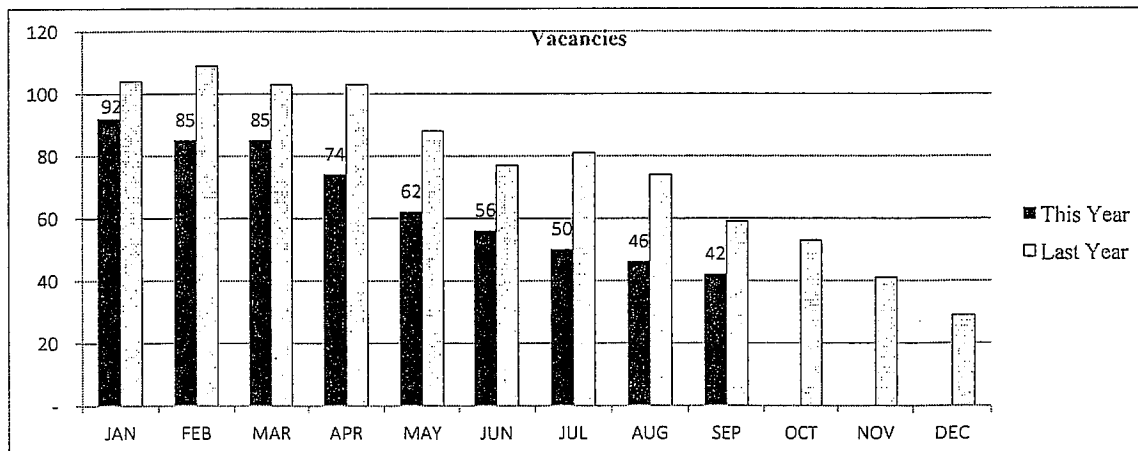
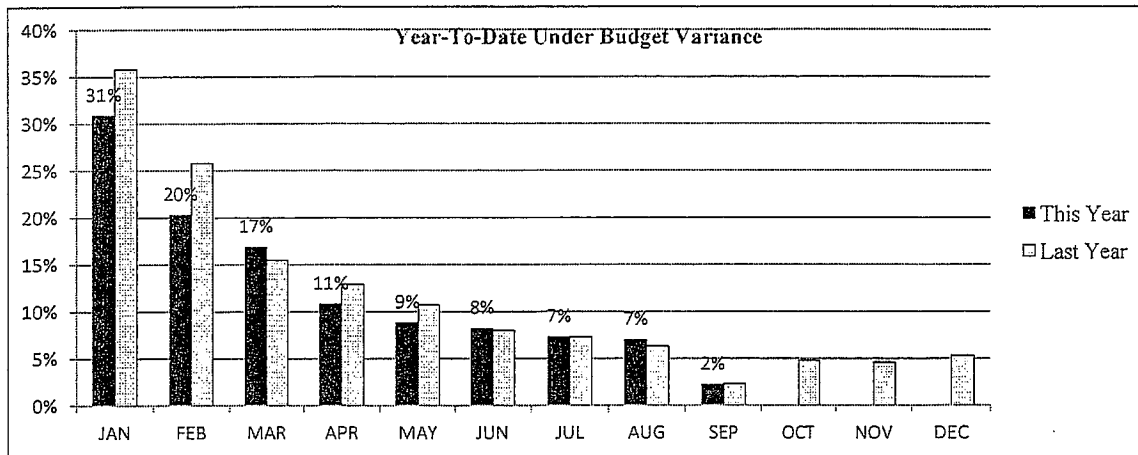
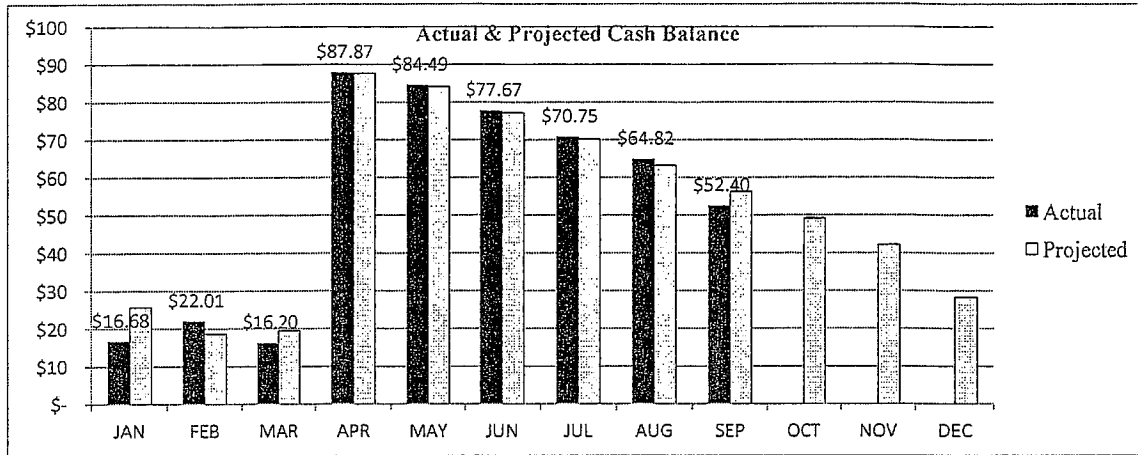
Amount Over (Under) Budget



**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010



	9/30/2011	9/30/2010
Retained earnings / Total assets	33.56%	30.98%
YTD interest income to average investments (annualized)	0.05%	0.16%
Annualized travel spend per employee	\$22,894	\$21,579
Net year to date cash inflow (outflow) in millions of dollars	\$20	\$30
Cash and overnight investments / Total assets	53.64%	54.51%
Overhead transfer rate	58.90%	57.20%