

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
October 31, 2011***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## FINANCIAL HIGHLIGHTS AS OF OCTOBER 31, 2011

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$49.9 million. Its balance decreased \$2.5 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**

Net income for the month was \$1,683,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.19% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$2.5 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$13,000 was invested in new capital assets, and a total of \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability which has a balance of \$16.0 million on the balance sheet.

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

Agency spending was under the year-to-date budget by \$7.5 million or 4.0 percent, compared to being under the year-to-date budget by approximately \$7.9 million or 4.8 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.3 million or 1.7%, travel was under budget by \$0.4 million or 1.9%, and the remaining expense categories combined were under budget by \$4.8 million or 15.0%.

The average annualized travel spend per FTE has been \$21,027 this year, which is approximately \$1,078 more than last year.

### **Vacancies**

The Agency had 32 vacancies as of this month -- down 10 from the prior month. Of the 32 vacancies, 12 were in the central office and 20 were in the regions and AMAC. The 32 vacancies represent 2.6% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	10/31/2011	9/30/2011	10/31/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 49,947	\$ 52,397	\$ 43,829
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	3,247	3,793
EMPLOYEE ADVANCES	57	115	88
OTHER ACCOUNTS RECEIVABLE	761	967	131
PREPAID EXPENSES AND OTHER ASSETS	1,231	1,601	1,704
ASSETS HELD FOR SALE	643	525	1,068
FIXED ASSETS — Net of accumulated depreciation of \$25,266 as of October 31, 2011	31,131	31,319	30,961
INTANGIBLE ASSETS — Net of accumulated amortization of \$8,186 as of October 31, 2011	<u>7,236</u>	<u>7,508</u>	<u>6,132</u>
<b>TOTAL</b>	<b><u>\$ 91,006</u></b>	<b><u>\$ 97,679</u></b>	<b><u>\$ 87,706</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 20,019	\$ 27,078	\$ 19,171
Obligations under capital leases	10	10	28
Accrued wages and benefits	6,544	5,925	5,173
Accrued annual leave	13,988	13,988	12,416
Accrued employee travel	-	1,805	-
Note payable to National Credit Union Share Insurance Fund	<u>15,980</u>	<u>16,091</u>	<u>17,320</u>
Total Liabilities	56,541	64,897	54,108
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,465</u>	<u>32,782</u>	<u>33,598</u>
<b>TOTAL</b>	<b><u>\$ 91,006</u></b>	<b><u>\$ 97,679</u></b>	<b><u>\$ 87,706</u></b>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 71,831	\$ 72,317	\$ 7,183	\$ 7,232
Interest	17	53	-	6
Other	<u>875</u>	<u>909</u>	<u>94</u>	<u>38</u>
Total Revenues	72,723	73,279	7,277	7,276
EXPENSES, NET:				
Employee wages and benefits, net	52,081	49,189	4,966	4,519
Travel	7,905	7,322	144	147
Rent, communications, and utilities	1,533	1,331	75	20
Contracted services	4,576	4,436	87	(103)
Other	<u>5,071</u>	<u>4,705</u>	<u>322</u>	<u>203</u>
Total Expenses	<u>71,166</u>	<u>66,983</u>	<u>5,594</u>	<u>4,786</u>
EXCESS OF REVENUES OVER EXPENSES	1,557	6,296	1,683	2,490
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>32,782</u>	<u>31,108</u>
FUND BALANCE—End of year	<u>\$ 34,465</u>	<u>\$ 33,598</u>	<u>\$ 34,465</u>	<u>\$ 33,598</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

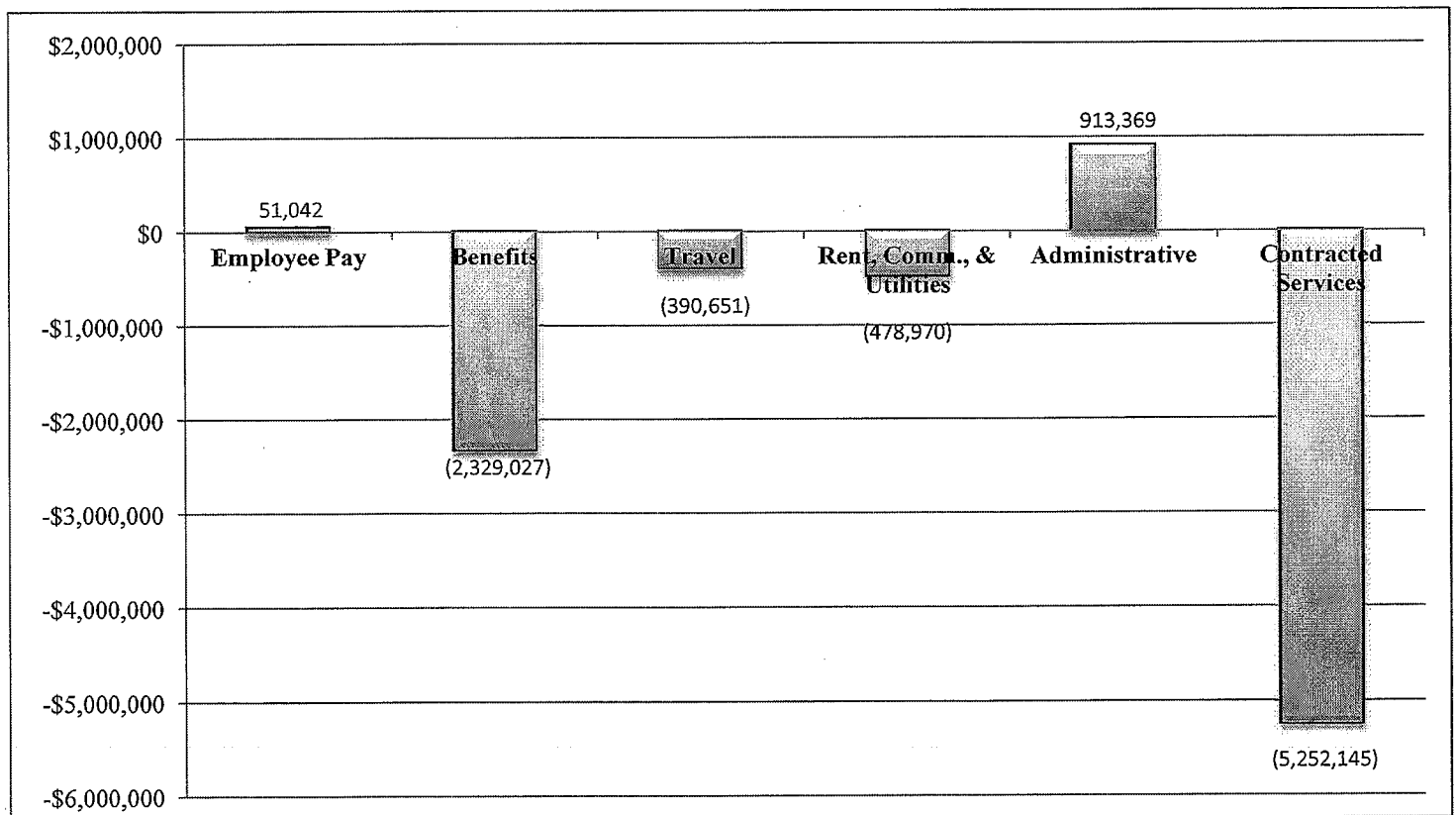
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 1,557	\$ 6,296	\$ 1,683	\$ 2,490
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	3,876	4,320	473	423
Provision for loss on disposal of employee residences held for sale	235	203	9	14
(Gain) loss on fixed asset retirements	-	377	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,857	(1,535)	3,247	(42)
Employee advances	(7)	78	58	3
Other accounts receivable	(412)	143	206	565
Prepaid expenses and other assets	140	(694)	370	-
(Decrease) increase in liabilities:				
Accounts payable	14,976	16,135	(7,059)	(8,411)
Accrued wages and benefits	(2,037)	(1,936)	619	(5,131)
Accrued annual leave	2,587	2,494	-	-
Accrued employee travel	(532)	(179)	(1,805)	(1,530)
Net cash provided by operating activities	<u>23,240</u>	<u>25,702</u>	<u>(2,199)</u>	<u>(11,619)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(4,626)	(4,287)	(13)	470
Purchases of employee residences held for sale	(1,097)	(1,419)	(307)	-
Proceeds from sale of employee residences held for sale	915	643	180	362
Net cash used in investing activities	<u>(4,808)</u>	<u>(5,063)</u>	<u>(140)</u>	<u>832</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,117)	(1,118)	(111)	(112)
Principal payments under capital lease obligations	(13)	(13)	-	-
Net cash used in financing activities	<u>(1,130)</u>	<u>(1,131)</u>	<u>(111)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,302	19,508	(2,450)	(10,899)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>52,397</u>	<u>54,728</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 49,947</u>	<u>\$ 43,829</u>	<u>\$ 49,947</u>	<u>\$ 43,829</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 291</u>	<u>\$ 334</u>	<u>\$ 28</u>	<u>\$ 33</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	102,047,442	102,098,484	51,042	0.1%	93,807,162	92,115,255	(1,691,907)	-1.8%
<b>Benefits</b>	30,962,385	28,633,358	(2,329,027)	-7.5%	27,124,853	24,629,753	(2,495,100)	-9.2%
<b>Travel</b>	20,562,856	20,172,205	(390,651)	-1.9%	19,383,110	17,523,803	(1,859,307)	-9.6%
<b>Rent, Comm., &amp; Utilities</b>	4,212,165	3,733,195	(478,970)	-11.4%	3,914,983	3,110,648	(804,335)	-20.5%
<b>Administrative</b>	11,435,739	12,349,108	913,369	8.0%	9,757,097	10,906,494	1,149,397	11.8%
<b>Contracted Services</b>	16,415,937	11,163,792	(5,252,145)	-32.0%	12,609,249	10,383,844	(2,225,405)	-17.6%
<b>TOTAL</b>	185,636,524	178,150,142	(7,486,382)	-4.0%	166,596,454	158,669,797	(7,926,657)	-4.8%

**Amount Over (Under) Budget**

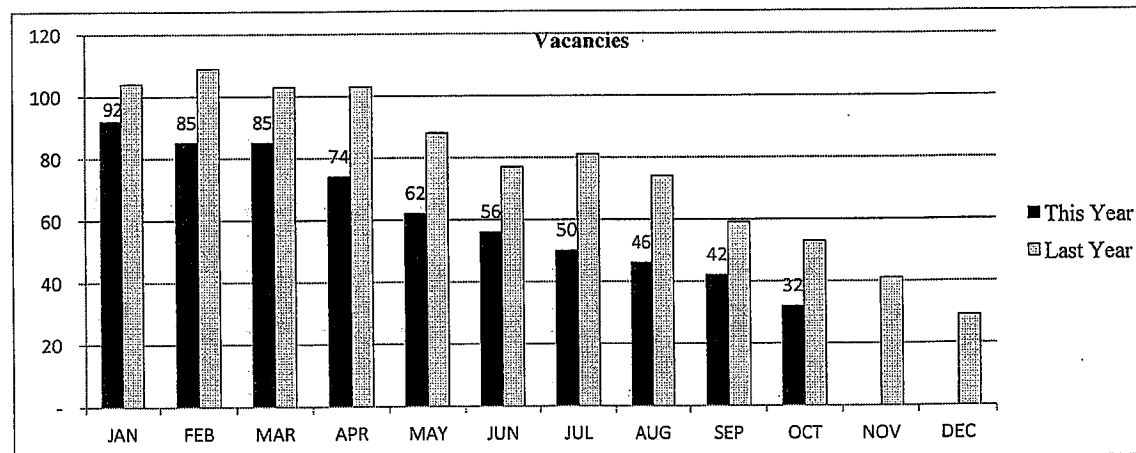
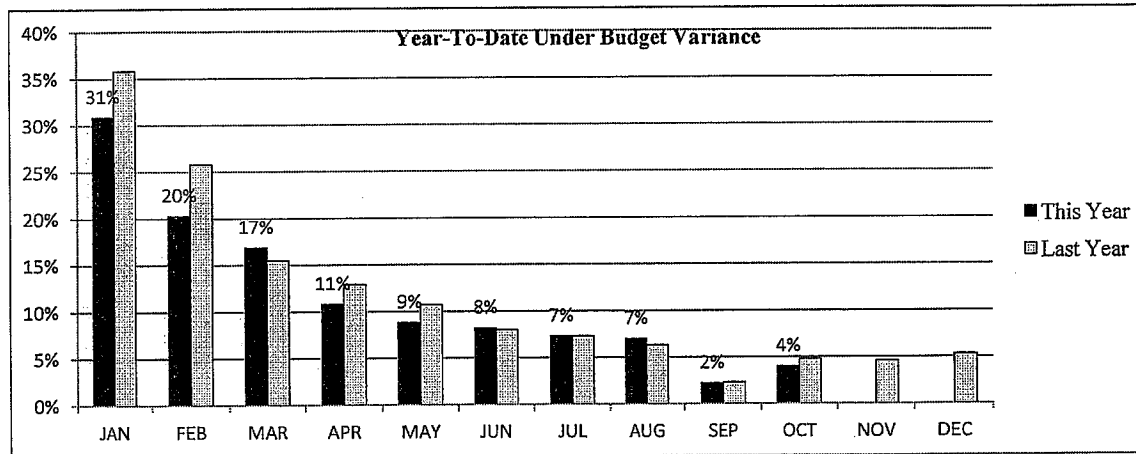
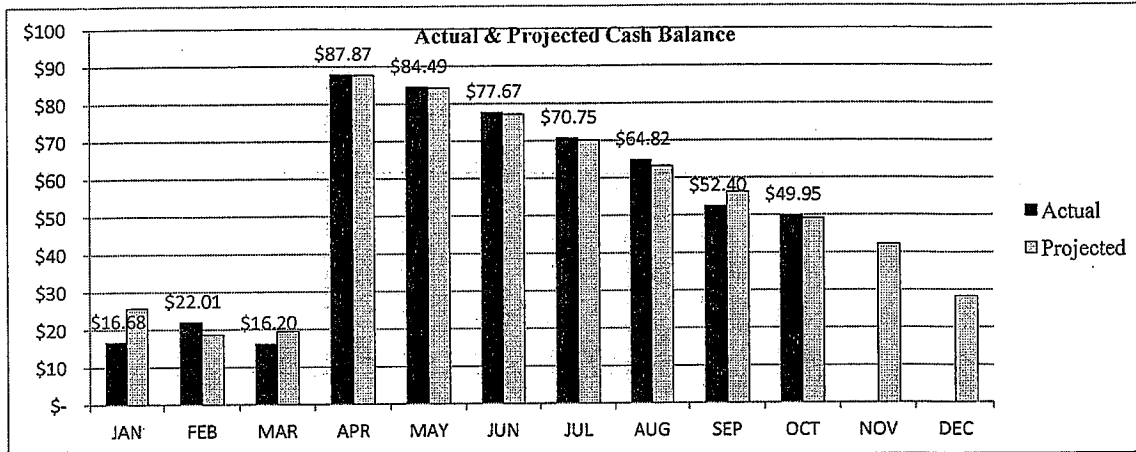


\* The Budget reflected in the above analysis includes mid-session revisions to the November Board approved budget.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

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



	10/31/2011	10/31/2010
Retained earnings / Total assets	37.87%	38.31%
YTD interest income to average investments (annualized)	0.05%	0.19%
Annualized travel spend per employee	\$21,027	\$19,949
Net year to date cash inflow (outflow) in millions of dollars	\$17	\$20
Cash and overnight investments / Total assets	54.88%	49.97%
Overhead transfer rate	58.90%	57.20%