

National Credit Union Administration



Operating Fund

***Financial Highlights
July 31, 2011***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JULY 31, 2011

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$70.7 million. Its balance decreased \$6.9 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 income for the month was \$195,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.12% during the same period last year.

Statements of Cash Flow

The cash position decreased \$6.9 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$239,000 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 \$16.3 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$9.5 million or 7.3 percent, compared to being under the year-to-date budget by approximately \$7.6 million or 6.5 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$6.2 million or 6.6%, travel was under budget by \$0.7 million or 4.6%, and the remaining expense categories combined were under budget by \$2.6 million or 11.9%.

The average annualized travel spend per FTE has been \$20,423 this year, which is approximately \$1,186 more than last year.

Vacancies

The agency had 50 vacancies as of this month -- down 6 from the prior month. Of the 50 vacancies, 17 were in the central office and 33 were in the regions and AMAC. The 50 vacancies represent 4.1% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	7/31/2011	6/30/2011	7/31/2010
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 70,749	\$ 77,672	\$ 66,388
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	670
EMPLOYEE ADVANCES	226	208	596
OTHER ACCOUNTS RECEIVABLE	173	293	46
PREPAID EXPENSES AND OTHER ASSETS	2,005	1,937	2,388
ASSETS HELD FOR SALE	147	147	352
FIXED ASSETS — Net of accumulated depreciation of \$24,620 as of July 31, 2011	31,459	31,457	30,218
INTANGIBLE ASSETS — Net of accumulated amortization of \$7,819 as of July 31, 2011	<u>4,861</u>	<u>5,004</u>	<u>6,002</u>
TOTAL	<u>\$ 109,620</u>	<u>\$ 116,718</u>	<u>\$ 106,660</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 38,569	\$ 46,377	\$ 40,109
Obligations under capital leases	24	24	41
Accrued wages and benefits	8,242	7,616	7,375
Accrued annual leave	11,401	11,401	9,922
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,315</u>	<u>16,426</u>	<u>17,656</u>
Total Liabilities	74,551	81,844	75,103
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,069</u>	<u>34,874</u>	<u>31,557</u>
TOTAL	<u>\$ 109,620</u>	<u>\$ 116,718</u>	<u>\$ 106,660</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIODS ENDED JULY 31, 2011 AND JULY 31, 2010**

(Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 50,204	\$ 49,828	\$ 7,174	\$ 7,123
Interest	14	31	1	9
Other	<u>573</u>	<u>54</u>	<u>166</u>	<u>8</u>
Total Revenues	50,791	49,913	7,341	7,140
EXPENSES, NET:				
Employee wages and benefits, net	35,311	33,670	4,930	4,773
Travel	5,355	5,018	895	830
Rent, communications, and utilities	1,053	868	215	163
Contracted services	3,634	2,572	697	508
Other	<u>3,277</u>	<u>3,530</u>	<u>409</u>	<u>487</u>
Total Expenses	<u>48,630</u>	<u>45,658</u>	<u>7,146</u>	<u>6,761</u>
EXCESS OF REVENUES OVER EXPENSES	2,161	4,255	195	379
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>34,874</u>	<u>31,178</u>
FUND BALANCE—End of year	<u>\$ 35,069</u>	<u>\$ 31,557</u>	<u>\$ 35,069</u>	<u>\$ 31,557</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

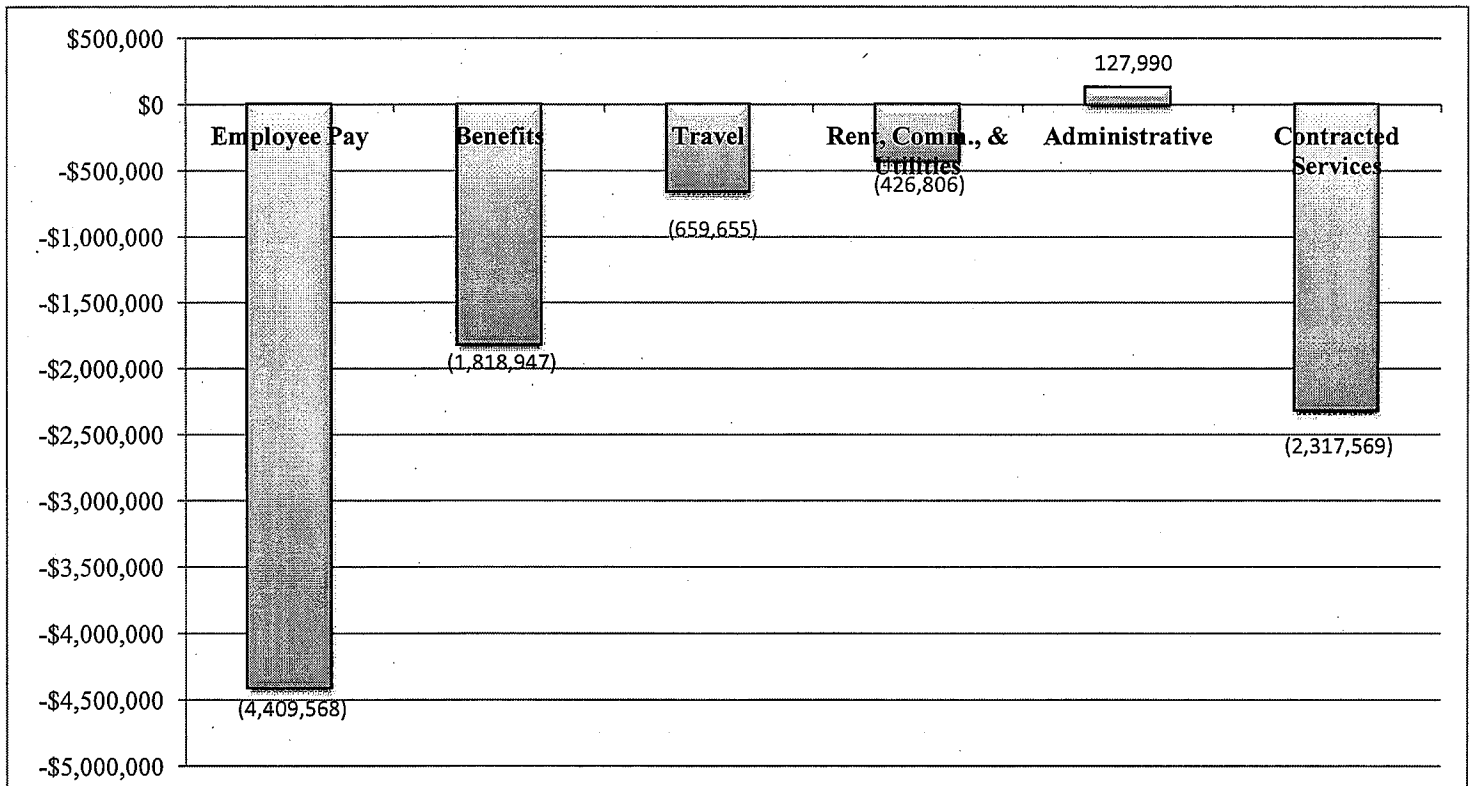
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,161	\$ 4,255	\$ 195	\$ 379
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,693	2,681	380	386
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	2,857	1,588	-	4,063
Employee advances	(176)	(430)	(18)	84
Other accounts receivable	176	228	120	117
Prepaid expenses and other assets	(634)	(1,378)	(68)	-
(Decrease) increase in liabilities:				
Accounts payable	33,526	37,073	(7,808)	(6,703)
Accrued wages and benefits	(339)	266	626	1,035
Accrued annual leave	-	-	-	-
Accrued employee travel	(532)	(179)	-	-
Net cash provided by operating activities	<u>39,865</u>	<u>44,124</u>	<u>(6,573)</u>	<u>(639)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(1,395)	(1,398)	(239)	(54)
Purchases of employee residences held for sale	(319)	(91)	-	(91)
Proceeds from sale of employee residences held for sale	735	214	-	-
Net cash used in investing activities	<u>(979)</u>	<u>(1,275)</u>	<u>(239)</u>	<u>(145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(782)	(782)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(782)</u>	<u>(782)</u>	<u>(111)</u>	<u>(111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	38,104	42,067	(6,923)	(895)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>77,672</u>	<u>67,283</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 70,749</u>	<u>\$ 66,388</u>	<u>\$ 70,749</u>	<u>\$ 66,388</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 207</u>	<u>\$ 234</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 JULY 31, 2011 AND JULY 31, 2010**

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	72,995,550	68,585,982	(4,409,568)	-6.0%	61,873,727	62,086,092	212,365	0.3%
Benefits	21,670,427	19,851,480	(1,818,947)	-8.4%	18,981,175	17,054,241	(1,926,934)	-10.2%
Travel	14,260,088	13,600,433	(659,655)	-4.6%	13,987,748	11,828,472	(2,159,276)	-15.4%
Rent, Comm., & Utilities	2,991,346	2,564,540	(426,806)	-14.3%	2,535,958	2,028,607	(507,351)	-20.0%
Administrative	7,846,934	7,974,924	127,990	1.6%	6,906,282	8,998,305	2,092,023	30.3%
Contracted Services	11,177,257	8,859,688	(2,317,569)	-20.7%	11,289,141	6,012,665	(5,276,476)	-46.7%
TOTAL	130,941,602	121,437,047	(9,504,555)	-7.3%	115,574,031	108,008,382	(7,565,649)	-6.5%

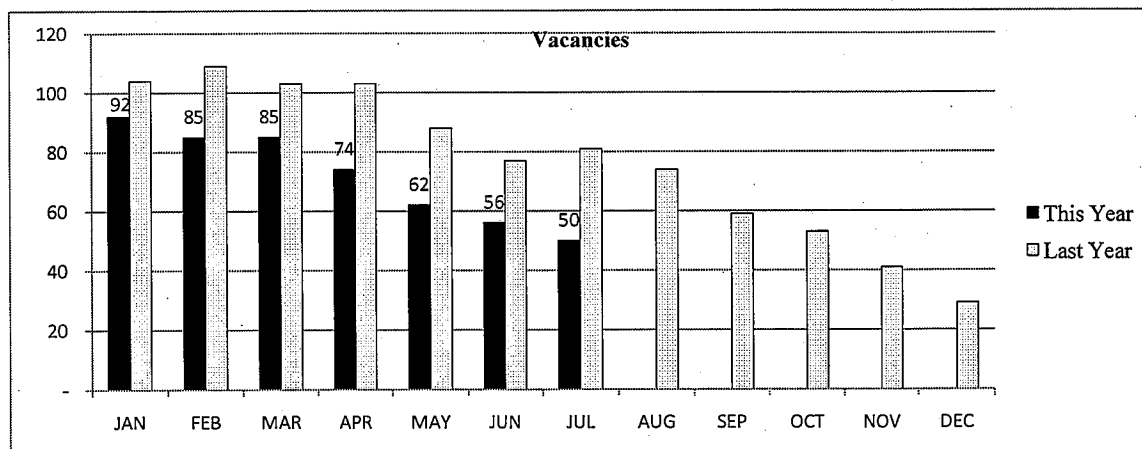
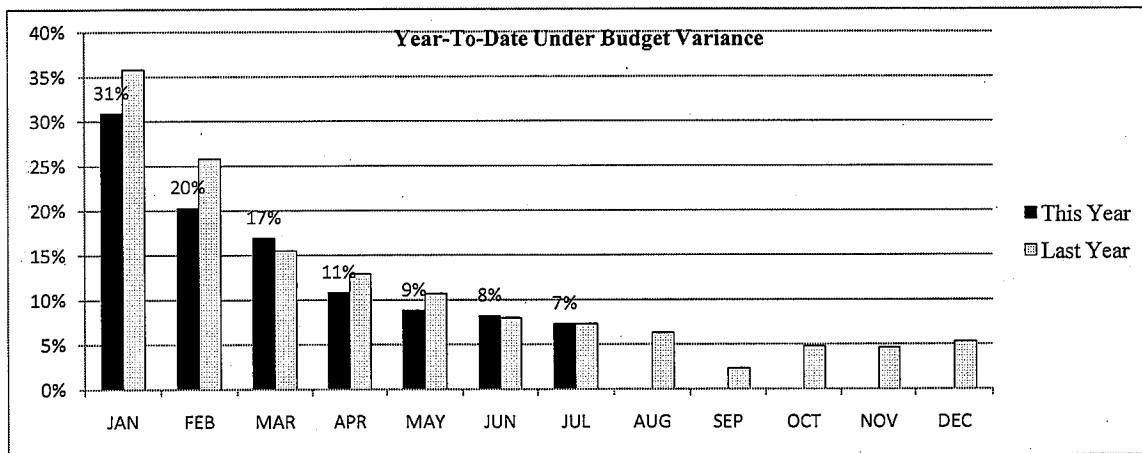
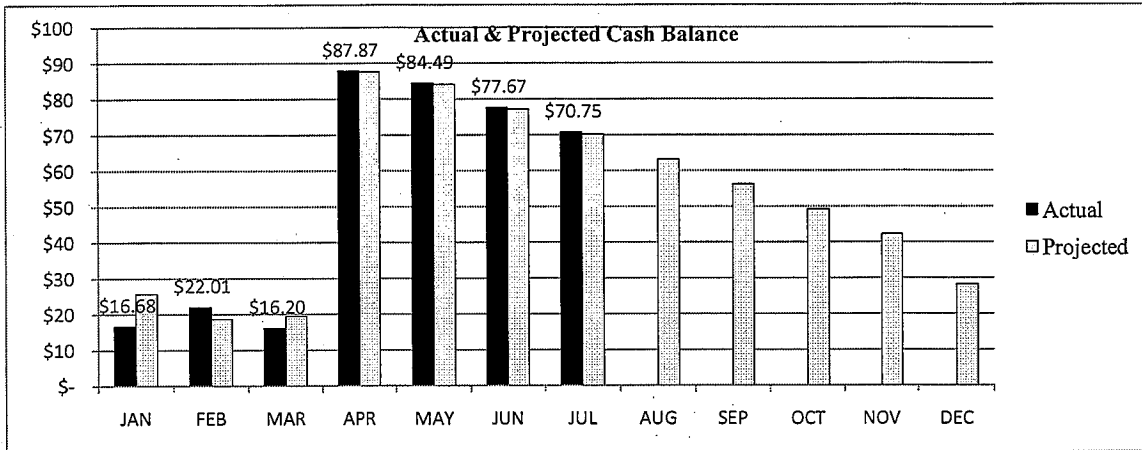
Amount Over (Under) Budget



NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

GRAPHS AND RATIOS

AS OF JULY 31, 2011 AND JULY 31, 2010



	7/31/2011	7/31/2010
Retained earnings / Total assets	31.99%	29.59%
YTD interest income to average investments (annualized)	0.05%	0.12%
Annualized travel spend per employee	\$20,423	\$19,237
Net year to date cash inflow (outflow) in millions of dollars	\$38	\$42
Cash and overnight investments / Total assets	64.54%	62.24%
Overhead transfer rate	58.90%	57.20%