

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
July 31, 2012***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF JULY 31, 2012**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$73.6 million. Its balance decreased \$6.2 million in the month 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 \$166,000. Net income year to date was \$2,101,000. Interest income on overnight investments has averaged 0.07% during the year, versus 0.05% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$6.2 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$799,000 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 \$15.0 million on the balance sheet.

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

Agency spending was under the year-to-date budget by \$10.3 million or 7.5 percent, compared to being under the year-to-date budget by approximately \$9.5 million or 7.3 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.0 million or 3.1%, travel was under budget by \$1.8 million or 11.2%, and the remaining expense categories combined were under budget by \$5.5 million or 23.2%.

The average annualized travel spend per FTE has been \$20,758 this year, which is \$335 more than last year. Travel expenses tend to be higher in even-numbered years due to the biannual NCUA national conference.

### **Vacancies**

The Agency had 81 vacancies as of this month -- up 5 from the prior month. Of the 81 vacancies, 37 were in the central office and 44 were in the regions and AMAC. The 81 vacancies represent 6.4% percent of total authorized staff of 1,259.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS AS OF JULY 31, 2012 AND JULY 31, 2011 (Dollars in thousands)

	7/31/2012	6/30/2012	7/31/2011
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 73,598	\$ 79,817	\$ 70,749
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	-
EMPLOYEE ADVANCES	35	43	226
OTHER ACCOUNTS RECEIVABLE	191	448	173
PREPAID EXPENSES AND OTHER ASSETS	1,327	1,244	2,005
ASSETS HELD FOR SALE	766	668	147
FIXED ASSETS — Net of accumulated depreciation of \$26,606 as of July 31, 2012	31,326	31,435	31,459
INTANGIBLE ASSETS — Net of accumulated amortization of \$10,217 as of July 31, 2012	<u>6,886</u>	<u>6,406</u>	<u>4,861</u>
<b>TOTAL</b>	<u>\$ 114,129</u>	<u>\$ 120,061</u>	<u>\$ 109,620</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 40,458	\$ 47,658	\$ 38,569
Obligations under capital leases	58	58	24
Accrued wages and benefits	9,718	8,504	8,242
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>14,974</u>	<u>15,086</u>	<u>16,315</u>
Total Liabilities	77,907	84,005	74,551
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>36,222</u>	<u>36,056</u>	<u>35,069</u>
<b>TOTAL</b>	<u>\$ 114,129</u>	<u>\$ 120,061</u>	<u>\$ 109,620</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED JULY 31, 2012 AND JULY 31, 2011 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 51,875	\$ 50,204	\$ 7,407	\$ 7,174
Interest	22	14	4	1
Other	<u>821</u>	<u>573</u>	<u>67</u>	<u>166</u>
Total Revenues	52,718	50,791	7,478	7,341
EXPENSES, NET:				
Employee wages and benefits, net	37,562	35,311	5,414	4,930
Travel	5,622	5,355	742	895
Rent, communications, and utilities	1,203	1,053	155	215
Contracted services	3,252	3,634	626	697
Other	<u>2,978</u>	<u>3,277</u>	<u>375</u>	<u>409</u>
Total Expenses	<u>50,617</u>	<u>48,630</u>	<u>7,312</u>	<u>7,146</u>
EXCESS OF REVENUES OVER EXPENSES	2,101	2,161	166	195
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>36,056</u>	<u>34,874</u>
FUND BALANCE—End of year	<u>\$ 36,222</u>	<u>\$ 35,069</u>	<u>\$ 36,222</u>	<u>\$ 35,069</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JULY 31, 2012 AND JULY 31, 2011 (Dollars in thousands)

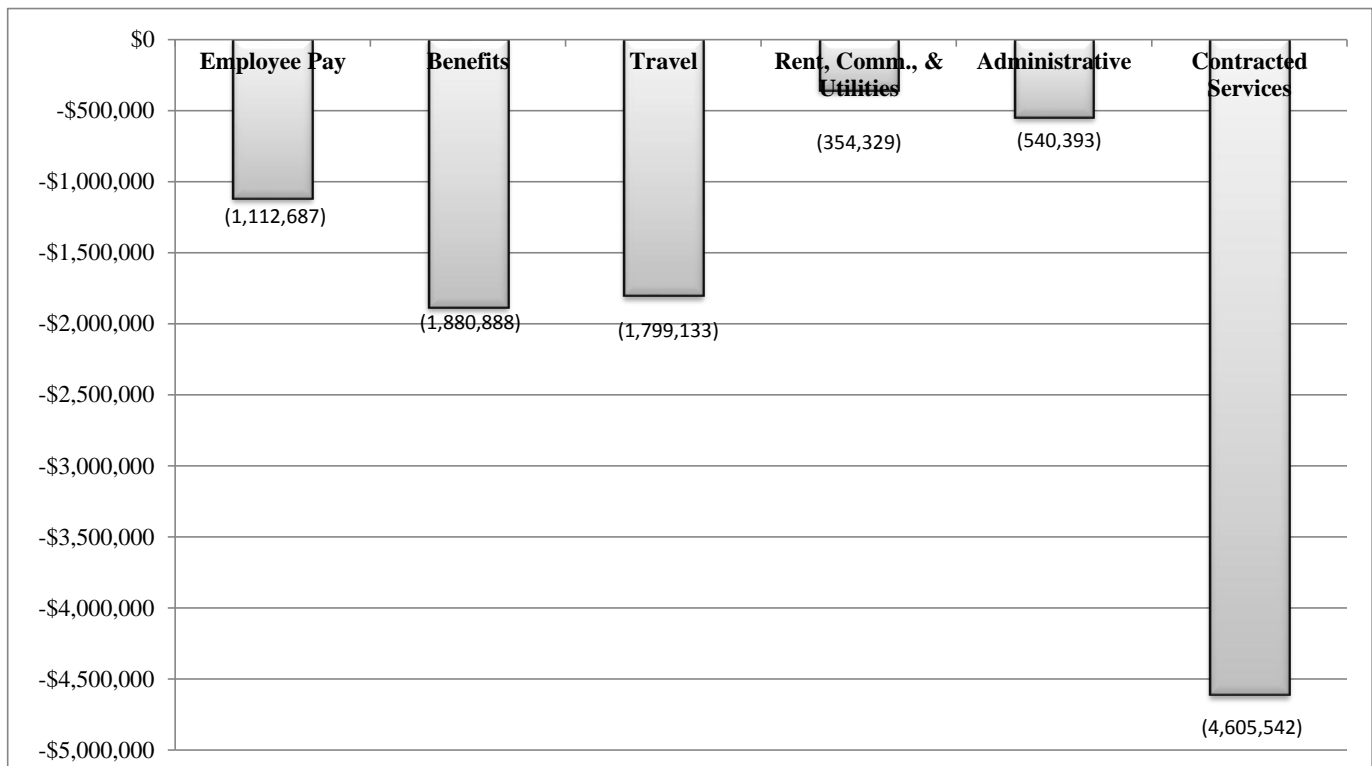
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,101	\$ 2,161	\$ 166	\$ 195
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	3,265	2,693	428	380
Provision for loss on disposal of employee residences held for sale	116	133	77	-
(Gain) loss on fixed asset retirements	(3)	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,857	-	-
Employee advances	8	(176)	8	(18)
Other accounts receivable	694	176	257	120
Prepaid expenses and other assets	(312)	(634)	(83)	(68)
(Decrease) increase in liabilities:				
Accounts payable	33,384	33,526	(7,200)	(7,808)
Accrued wages and benefits	423	(339)	1,214	626
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>40,230</u>	<u>39,865</u>	<u>(5,133)</u>	<u>(6,573)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(2,372)	(1,395)	(799)	(239)
Proceeds from disposal of fixed assets	25	-	-	-
Purchases of employee residences held for sale	(995)	(319)	(175)	-
Proceeds from sale of employee residences held for sale	510	735	-	-
Net cash used in investing activities	<u>(2,832)</u>	<u>(979)</u>	<u>(974)</u>	<u>(239)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(782)	(782)	(112)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(782)</u>	<u>(782)</u>	<u>(112)</u>	<u>(111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,616	38,104	(6,219)	(6,923)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>79,817</u>	<u>77,672</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 73,598</u>	<u>\$ 70,749</u>	<u>\$ 73,598</u>	<u>\$ 70,749</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 175</u>	<u>\$ 207</u>	<u>\$ 24</u>	<u>\$ 30</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)\*  
AS OF JULY 31, 2012 AND JULY 31, 2011**

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	73,036,257	71,923,570	(1,112,687)	-1.5%	72,995,550	68,585,982	(4,409,568)	-6.0%
<b>Benefits</b>	24,301,987	22,421,100	(1,880,888)	-7.7%	21,670,427	19,851,480	(1,818,947)	-8.4%
<b>Travel</b>	16,050,529	14,251,396	(1,799,133)	-11.2%	14,260,088	13,600,433	(659,655)	-4.6%
<b>Rent, Comm., &amp; Utilities</b>	3,313,557	2,959,228	(354,329)	-10.7%	2,991,346	2,564,540	(426,806)	-14.3%
<b>Administrative</b>	7,865,779	7,325,386	(540,393)	-6.9%	7,846,934	7,974,924	127,990	1.6%
<b>Contracted Services</b>	12,567,366	7,961,824	(4,605,542)	-36.6%	11,177,257	8,859,688	(2,317,569)	-20.7%
<b>TOTAL</b>	137,135,476	126,842,503	(10,292,973)	-7.5%	130,941,602	121,437,047	(9,504,555)	-7.3%

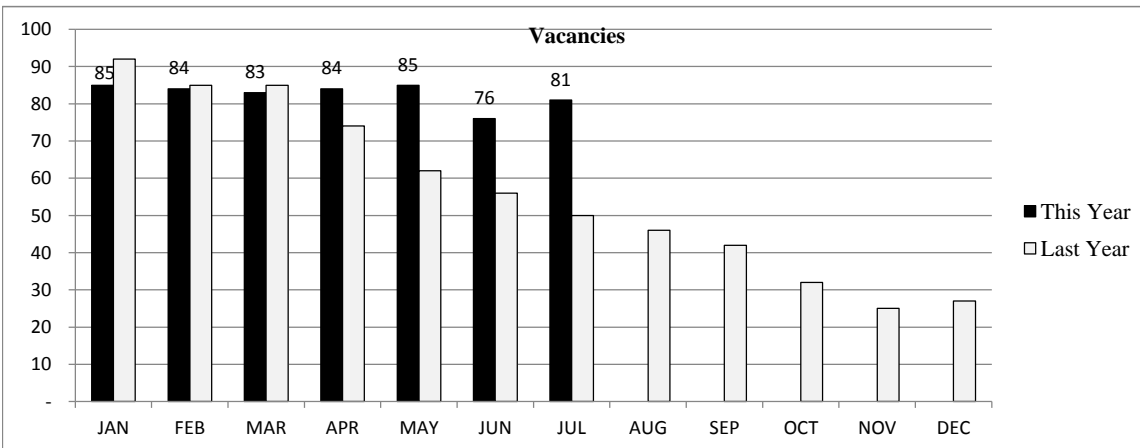
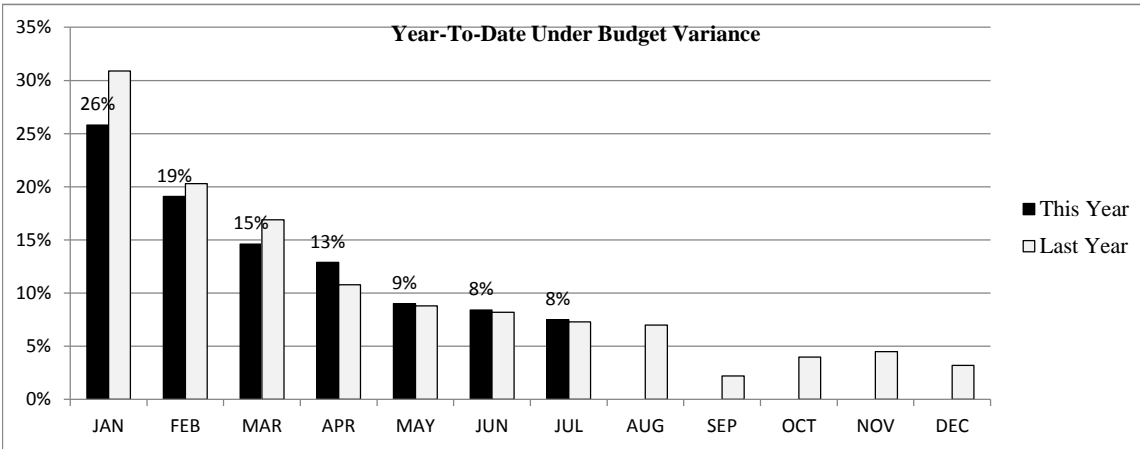
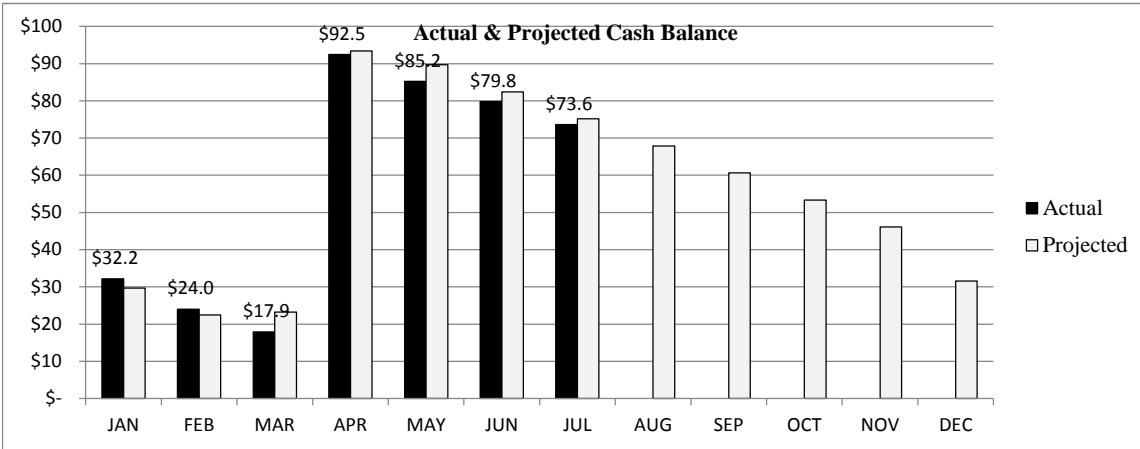
**Amount Over (Under) Budget**



# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## GRAPHS AND RATIOS

AS OF JULY 31, 2012 AND JULY 31, 2011



	7/31/2012	7/31/2011
Retained earnings / Total assets	31.74%	31.99%
YTD interest income to average investments (annualized)	0.07%	0.05%
Annualized travel spend per employee	\$20,758	\$20,423
Net year to date cash inflow (outflow) in millions of dollars	\$37	\$38
Cash and overnight investments / Total assets	64.49%	64.54%
Overhead transfer rate	59.30%	58.90%