

# ***National Credit Union Administration***



## ***Operating Fund***

***Audited Financial Highlights  
December 31, 2011***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

\*\*\* Audited \*\*\*

## FINANCIAL HIGHLIGHTS AS OF DECEMBER 31, 2011

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### Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$37.0 million. Its balance decreased \$5.4 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

Net income for the month was \$525,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.22% during the same period last year.

### Statements of Cash Flow

The cash position decreased \$5.4 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$1,322,000 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 \$15.8 million on the balance sheet.

### Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$7.2 million or 3.2 percent, compared to being under the year-to-date budget by approximately \$10.7 million or 5.3 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.8 million or 2.4%, travel was over budget by \$0.5 million or 2.0%, and the remaining expense categories combined were under budget by \$3.9 million or 10.2%.

The average annualized travel spend per FTE has been \$21,708 this year, which is \$1,359 more than last year.

### Vacancies

The Agency had 27 vacancies as of this month -- up 2 from the prior month. Of the 27 vacancies, 11 were in the central office and 16 were in the regions and AMAC. The 27 vacancies represent 2.2% percent of total authorized staff of 1,213.60.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**BALANCE SHEETS**

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

(Dollars in thousands)

**\*\*\*Audited\*\*\***

	12/31/2011	11/30/2011	12/31/2010
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 36,982	\$ 42,387	\$ 32,645
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	1,182	-	2,857
EMPLOYEE ADVANCES	43	58	50
OTHER ACCOUNTS RECEIVABLE	885	575	349
PREPAID EXPENSES AND OTHER ASSETS	1,015	1,280	1,371
ASSETS HELD FOR SALE	397	743	696
FIXED ASSETS — Net of accumulated depreciation of \$25,231 as of December 31, 2011	31,760	31,099	31,673
INTANGIBLE ASSETS — Net of accumulated amortization of \$8,333 as of December 31, 2011	<u>7,367</u>	<u>6,970</u>	<u>5,945</u>
<b>TOTAL</b>	<u>\$ 79,631</u>	<u>\$ 83,112</u>	<u>\$ 75,586</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 7,074	\$ 10,814	\$ 5,043
Obligations under capital leases	58	51	24
Accrued wages and benefits	9,295	7,745	8,581
Accrued annual leave	12,699	13,988	11,401
Accrued employee travel	628	-	532
Note payable to National Credit Union Share Insurance Fund	<u>15,756</u>	<u>15,868</u>	<u>17,097</u>
Total Liabilities	45,510	48,466	42,678
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,121</u>	<u>34,646</u>	<u>32,908</u>
<b>TOTAL</b>	<u>\$ 79,631</u>	<u>\$ 83,112</u>	<u>\$ 75,586</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

\*\*\*Audited\*\*\*

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>REVENUES:</b>				
Operating fees	\$ 86,197	\$ 86,754	\$ 7,183	\$ 7,140
Interest	18	63	-	4
Other	<u>1,200</u>	<u>1,234</u>	<u>232</u>	<u>226</u>
Total Revenues	87,415	88,051	7,415	7,370
<b>EXPENSES, NET:</b>				
Employee wages and benefits, net	62,194	59,379	4,800	5,305
Travel	9,809	9,163	985	931
Rent, communications, and utilities	1,936	1,773	218	318
Contracted services	6,326	6,194	1,444	1,259
Other	<u>5,937</u>	<u>5,936</u>	<u>493</u>	<u>875</u>
Total Expenses	<u>86,202</u>	<u>82,445</u>	<u>7,940</u>	<u>8,688</u>
EXCESS OF REVENUES OVER EXPENSES	1,213	5,606	(525)	(1,318)
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>34,646</u>	<u>34,226</u>
FUND BALANCE—End of year	<u>\$ 34,121</u>	<u>\$ 32,908</u>	<u>\$ 34,121</u>	<u>\$ 32,908</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

\*\*\*Audited\*\*\*

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 1,213	\$ 5,606	\$ (525)	\$ (1,318)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	4,695	5,154	324	411
Provision for loss on disposal of employee residences held for sale	305	244	70	41
(Gain) loss on fixed asset retirements	2	380	1	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,675	(599)	(1,182)	(2,710)
Employee advances	7	116	15	36
Other accounts receivable	(536)	(75)	(310)	(148)
Prepaid expenses and other assets	356	(361)	265	333
(Decrease) increase in liabilities:				
Accounts payable	2,031	2,007	(3,740)	(4,435)
Accrued wages and benefits	714	1,472	1,550	2,544
Accrued annual leave	1,298	1,479	(1,289)	(1,015)
Accrued employee travel	96	353	628	532
Net cash provided by operating activities	<u>11,856</u>	<u>15,776</u>	<u>(4,193)</u>	<u>(5,729)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(6,146)	(5,649)	(1,322)	(1,001)
Purchases of employee residences held for sale	(1,197)	(1,386)	-	-
Proceeds from sale of employee residences held for sale	<u>1,192</u>	<u>941</u>	<u>277</u>	<u>271</u>
Net cash used in investing activities	<u>(6,151)</u>	<u>(6,094)</u>	<u>(1,045)</u>	<u>(730)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,341)	(1,341)	(112)	(112)
Principal payments under capital lease obligations	<u>(27)</u>	<u>(17)</u>	<u>(55)</u>	<u>(4)</u>
Net cash used in financing activities	<u>(1,368)</u>	<u>(1,358)</u>	<u>(167)</u>	<u>(116)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,337	8,324	(5,405)	(6,575)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>42,387</u>	<u>39,220</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 36,982</u>	<u>\$ 32,645</u>	<u>\$ 36,982</u>	<u>\$ 32,645</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 344</u>	<u>\$ 397</u>	<u>\$ 26</u>	<u>\$ 31</u>

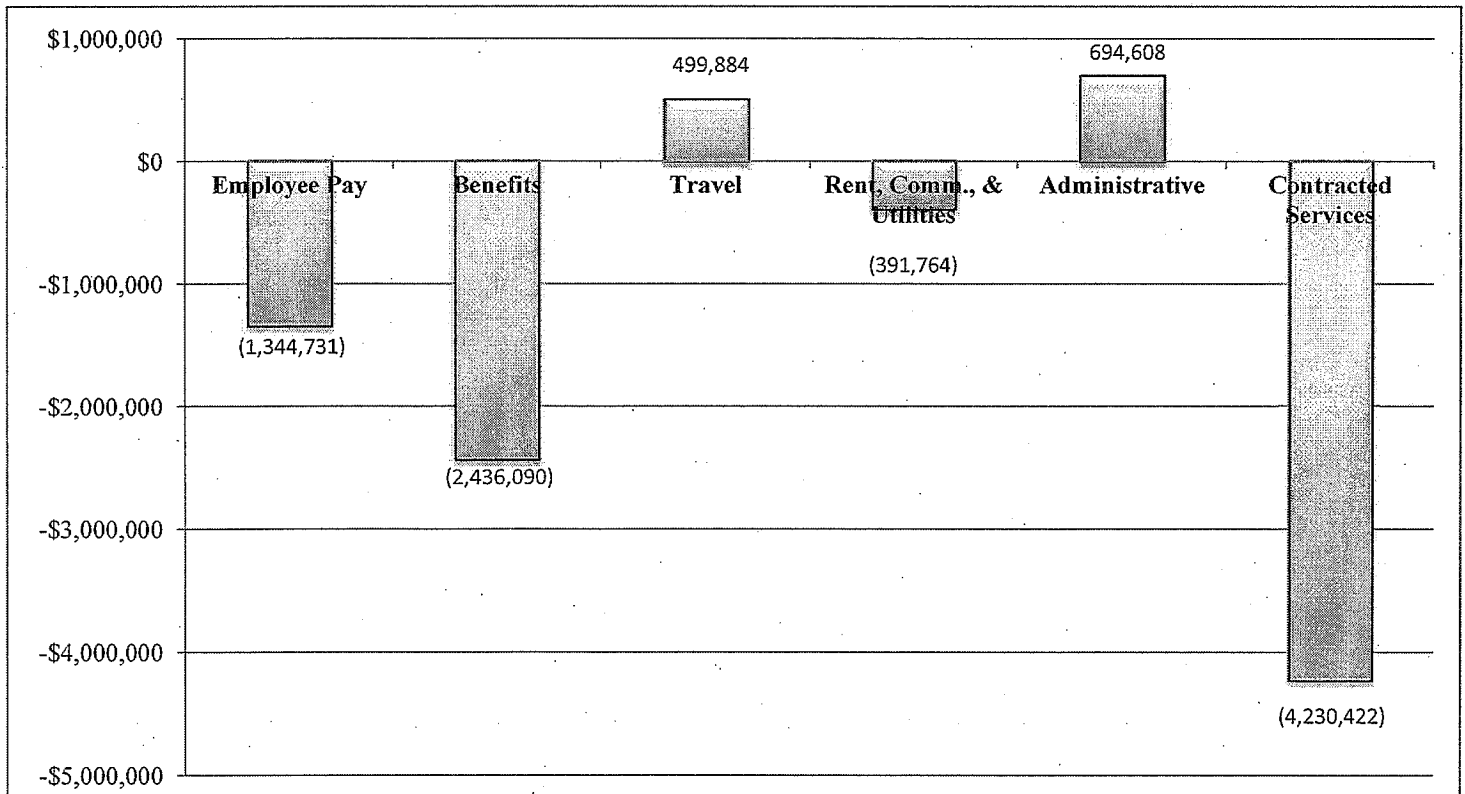
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

**\*\*\*Audited\*\*\***

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	122,948,725	121,603,994	(1,344,731)	-1.1%	113,350,321	111,690,097	(1,660,224)	-1.5%
<b>Benefits</b>	37,294,079	34,857,989	(2,436,090)	-6.5%	32,775,864	30,098,996	(2,676,868)	-8.2%
<b>Travel</b>	24,622,528	25,122,412	499,884	2.0%	23,259,732	21,450,527	(1,809,205)	-7.8%
<b>Rent, Comm., &amp; Utilities</b>	5,107,498	4,715,734	(391,764)	-7.7%	4,697,979	3,795,263	(902,716)	-19.2%
<b>Administrative</b>	13,757,886	14,452,494	694,608	5.0%	11,708,516	13,710,476	2,001,960	17.1%
<b>Contracted Services</b>	19,664,124	15,433,702	(4,230,422)	-21.5%	15,131,099	9,518,384	(5,612,715)	-37.1%
<b>TOTAL</b>	223,394,840	216,186,325	(7,208,515)	-3.2%	200,923,511	190,263,743	(10,659,768)	-5.3%

**Amount Over (Under) Budget**



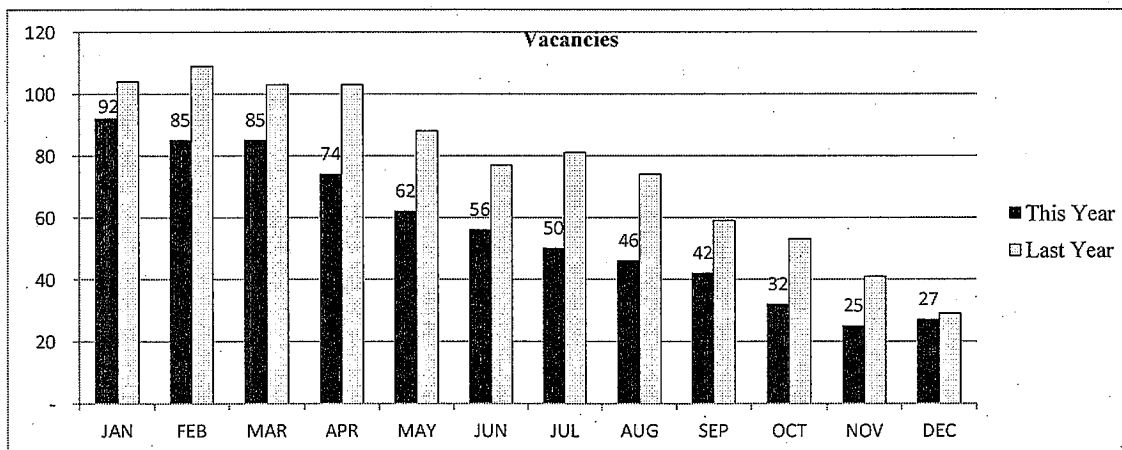
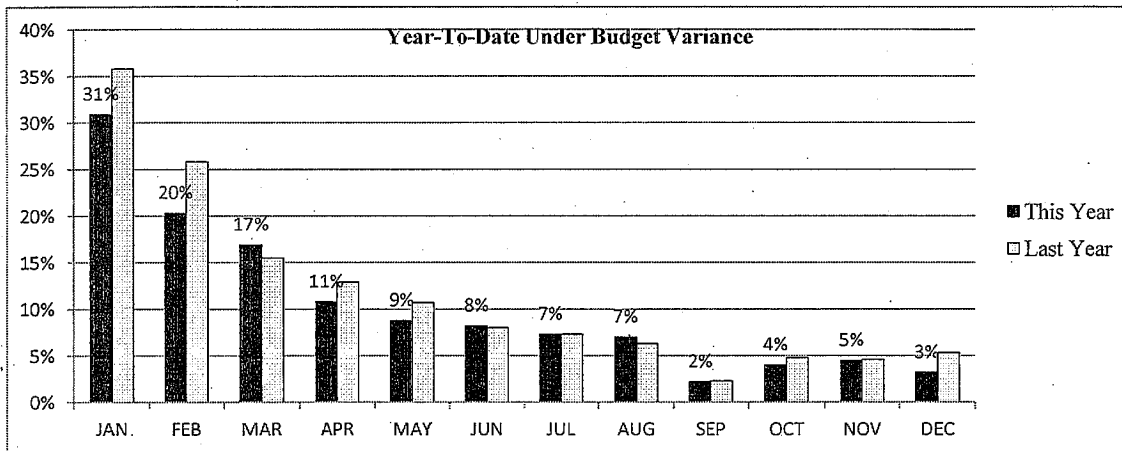
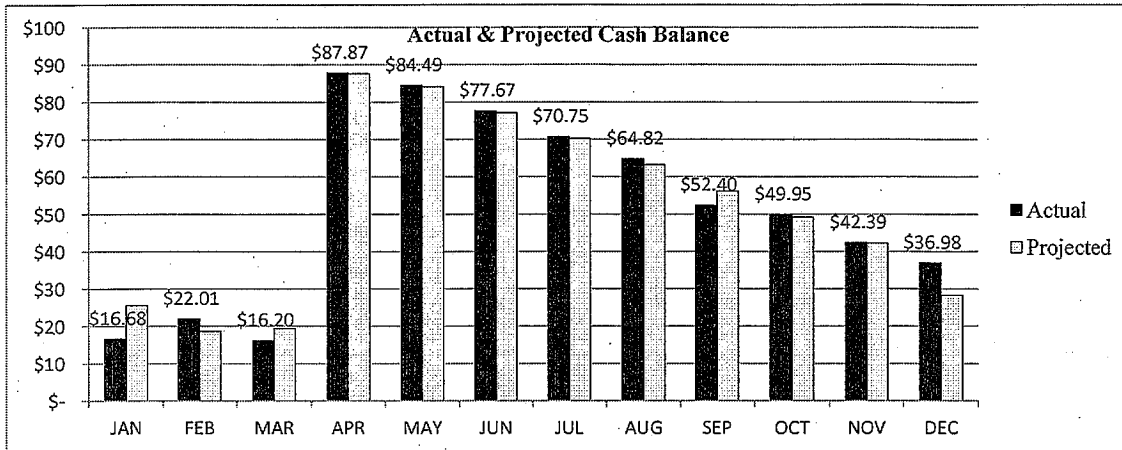
\* The Budget reflected in the above analysis includes mid-session revisions to the November Board approved budget.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

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

**\*\*\*Audited\*\*\***



	12/31/2011	12/31/2010
Retained earnings / Total assets	42.85%	43.54%
YTD interest income to average investments (annualized)	0.05%	0.22%
Annualized travel spend per employee	\$21,708	\$20,350
Net year to date cash inflow (outflow) in millions of dollars	\$4	\$8
Cash and overnight investments / Total assets	46.44%	43.19%
Overhead transfer rate	58.90%	57.20%