

National Credit Union Administration



Operating Fund

***Financial Highlights
January 31, 2012***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JANUARY 31, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$32.2 million. Its balance decreased \$4.8 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 \$1,456,000. Interest income on overnight investments has averaged 0.03% during the year, versus 0.19% during the same period last year.

Statements of Cash Flow

The cash position decreased \$4.8 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$114,000 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 \$15.6 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$5.1 million or 25.8 percent, compared to being under the year-to-date budget by approximately \$5.7 million or 30.9 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$0.6 million or 4.0%, travel was under budget by \$1.9 million or 84.0%, and the remaining expense categories combined were under budget by \$2.7 million or 81.8%.

The average annualized travel spend per FTE has been \$3,684 this year, which is \$1,130 less than last year.

Vacancies

The Agency had 85 vacancies as of this month. Of the 85 vacancies, 43 were in the central office and 42 were in the regions and AMAC. The 85 vacancies represent 6.7% percent of total authorized staff of 1,259.50.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**BALANCE SHEETS
AS OF JANUARY 31, 2012 AND JANUARY 31, 2011
(Dollars in thousands)**

	1/31/2012	12/31/2011	1/31/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 32,206	\$ 36,982	\$ 16,675
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	1,182	11,008
EMPLOYEE ADVANCES	123	43	52
OTHER ACCOUNTS RECEIVABLE	8,020	885	228
PREPAID EXPENSES AND OTHER ASSETS	1,092	1,015	1,371
ASSETS HELD FOR SALE	397	397	868
FIXED ASSETS — Net of accumulated depreciation of \$25,426 as of January 31, 2012	31,452	31,760	31,171
INTANGIBLE ASSETS — Net of accumulated amortization of \$8,613 as of January 31, 2012	<u>7,085</u>	<u>7,367</u>	<u>5,718</u>
TOTAL	<u>\$ 80,375</u>	<u>\$ 79,631</u>	<u>\$ 67,091</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 5,826	\$ 7,074	\$ (5,600)
Obligations under capital leases	58	58	24
Accrued wages and benefits	10,571	9,295	9,177
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	628	-
Note payable to National Credit Union Share Insurance Fund	<u>15,644</u>	<u>15,756</u>	<u>16,985</u>
Total Liabilities	44,798	45,510	31,987
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,577</u>	<u>34,121</u>	<u>35,104</u>
TOTAL	<u>\$ 80,375</u>	<u>\$ 79,631</u>	<u>\$ 67,091</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 7,420	\$ 7,193	\$ 7,420	\$ 7,193
Interest	1	4	1	4
Other	65	19	65	19
Total Revenues	7,486	7,216	7,486	7,216
EXPENSES, NET:				
Employee wages and benefits, net	5,428	4,686	5,428	4,686
Travel	135	318	135	318
Rent, communications, and utilities	107	65	107	65
Contracted services	171	44	171	44
Other	189	(93)	189	(93)
Total Expenses	6,030	5,020	6,030	5,020
EXCESS OF REVENUES OVER EXPENSES	1,456	2,196	1,456	2,196
FUND BALANCE—Beginning of year	34,121	32,908	34,121	32,908
FUND BALANCE—End of year	\$ 35,577	\$ 35,104	\$ 35,577	\$ 35,104

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED JANUARY 31, 2012 AND JANUARY 31, 2011

(Dollars in thousands)

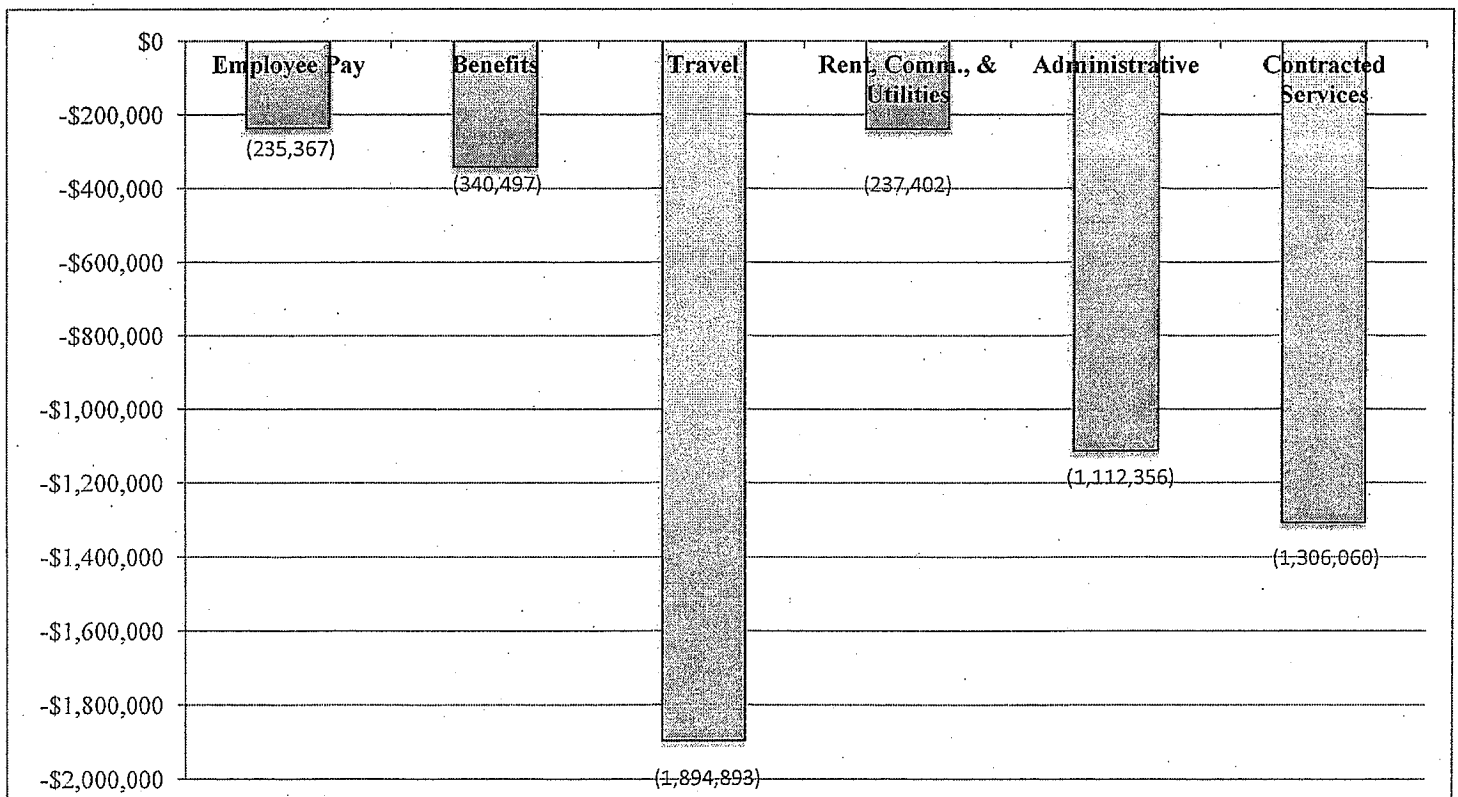
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,456	\$ 2,196	\$ 1,456	\$ 2,196
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	476	415	476	415
Provision for loss on disposal of employee residences held for sale	-	-	-	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	(8,151)	1,182	(8,151)
Employee advances	(80)	(2)	(80)	(2)
Other accounts receivable	(7,135)	121	(7,135)	121
Prepaid expenses and other assets	(77)	-	(77)	-
(Decrease) increase in liabilities:				
Accounts payable	(1,248)	(10,643)	(1,248)	(10,643)
Accrued wages and benefits	1,276	596	1,276	596
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	(628)	(532)
Net cash provided by operating activities	<u>(4,778)</u>	<u>(16,000)</u>	<u>(4,778)</u>	<u>(16,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	114	313	114	313
Purchases of employee residences held for sale	-	(171)	-	(171)
Proceeds from sale of employee residences held for sale	-	-	-	-
Net cash used in investing activities	<u>114</u>	<u>142</u>	<u>114</u>	<u>142</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(112)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,776)	(15,970)	(4,776)	(15,970)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>36,982</u>	<u>32,645</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 32,206</u>	<u>\$ 16,675</u>	<u>\$ 32,206</u>	<u>\$ 16,675</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 27</u>	<u>\$ 31</u>	<u>\$ 27</u>	<u>\$ 31</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	10,852,260	10,616,893	(235,367)	-2.2%	10,165,163	9,083,822	(1,081,341)	-10.6%
Benefits	3,545,922	3,205,425	(340,497)	-9.6%	3,017,765	2,693,199	(324,566)	-10.8%
Travel	2,255,480	360,587	(1,894,893)	-84.0%	2,037,155	464,317	(1,572,838)	-77.2%
Rent, Comm., & Utilities	456,532	219,130	(237,402)	-52.0%	427,335	117,201	(310,134)	-72.6%
Administrative	1,121,599	9,243	(1,112,356)	-99.2%	1,120,991	485,440	(635,551)	-56.7%
Contracted Services	1,669,722	363,662	(1,306,060)	-78.2%	1,596,751	(145,079)	(1,741,830)	-109.1%
TOTAL	19,901,515	14,774,940	(5,126,575)	-25.8%	18,365,160	12,698,900	(5,666,260)	-30.9%

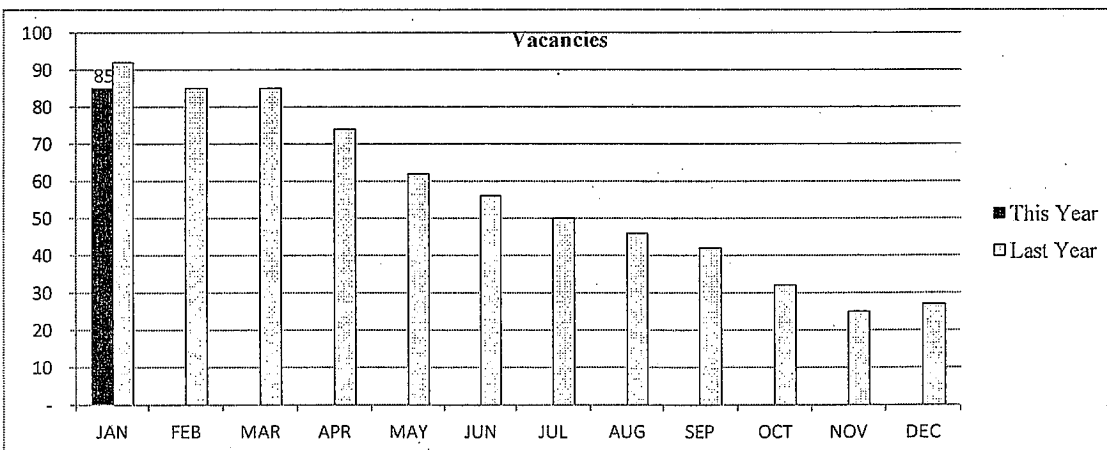
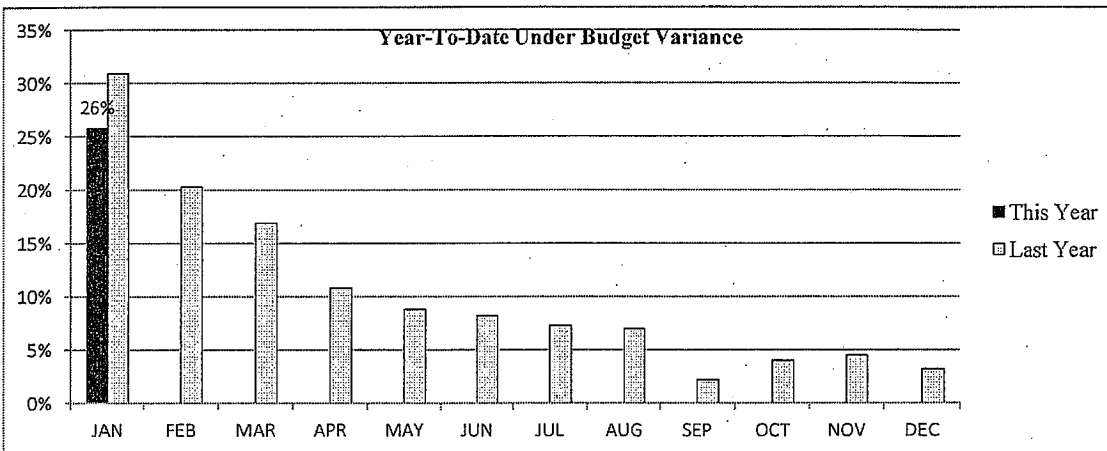
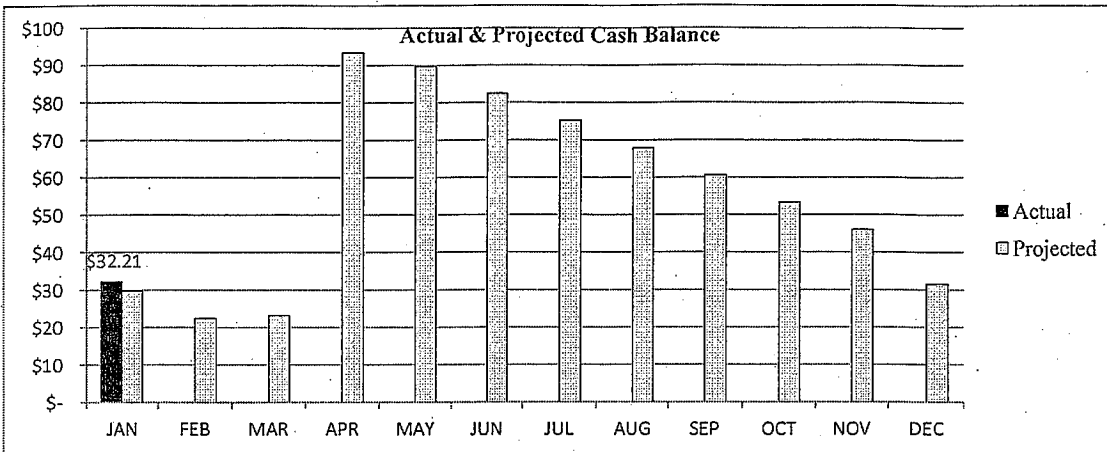
Amount Over (Under) Budget



**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JANUARY 31, 2012 AND JANUARY 31, 2011



	1/31/2012	1/31/2011
Retained earnings / Total assets	44.26%	52.32%
YTD interest income to average investments (annualized)	0.03%	0.19%
Annualized travel spend per employee	\$3,684	\$4,815
Net year to date cash inflow (outflow) in millions of dollars	(\$5)	(\$16)
Cash and overnight investments / Total assets	40.07%	24.85%
Overhead transfer rate	59.30%	58.90%