

National Credit Union Administration



Operating Fund

***Financial Highlights
February 29, 2012***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF FEBRUARY 29, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$24.0 million. Its balance decreased \$8.2 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 \$747,000. Interest income on overnight investments has averaged 0.06% during the year, versus 0.15% during the same period last year.

Statements of Cash Flow

The cash position decreased \$8.2 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$513,000 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 \$15.5 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$7.5 million or 19.1 percent, compared to being under the year-to-date budget by approximately \$7.4 million or 20.3 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$1.4 million or 5.0%, travel was under budget by \$2.1 million or 45.9%, and the remaining expense categories combined were under budget by \$4.0 million or 61.7%.

The average annualized travel spend per FTE has been \$12,462 this year, which is \$136 more than last year.

Vacancies

The Agency had 84 vacancies as of this month -- down 1 from the prior month. Of the 84 vacancies, 44 were in the central office and 40 were in the regions and AMAC. The 84 vacancies represent 6.7% percent of total authorized staff of 1,259.50.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**BALANCE SHEETS
AS OF FEBRUARY 29, 2012 AND FEBRUARY 28, 2011
(Dollars in thousands)**

	2/29/2012	1/31/2012	2/28/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 24,033	\$ 32,206	\$ 22,007
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	
EMPLOYEE ADVANCES	167	123	52
OTHER ACCOUNTS RECEIVABLE	15,102	8,020	14,456
PREPAID EXPENSES AND OTHER ASSETS	1,275	1,092	1,410
ASSETS HELD FOR SALE	550	397	868
FIXED ASSETS — Net of accumulated depreciation of \$25,616 as of February 29, 2012	31,697	31,452	31,092
INTANGIBLE ASSETS — Net of accumulated amortization of \$8,893 as of February 29, 2012	<u>6,852</u>	<u>7,085</u>	<u>5,505</u>
TOTAL	<u>\$ 79,676</u>	<u>\$ 80,375</u>	<u>\$ 75,390</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 4,714	\$ 5,826	\$ 2,803
Obligations under capital leases	58	58	24
Accrued wages and benefits	10,348	10,571	8,516
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>15,533</u>	<u>15,644</u>	<u>16,873</u>
Total Liabilities	43,352	44,798	39,617
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,324</u>	<u>35,577</u>	<u>35,773</u>
TOTAL	<u>\$ 79,676</u>	<u>\$ 80,375</u>	<u>\$ 75,390</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIODS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 14,841	\$ 14,347	\$ 7,421	\$ 7,154
Interest	3	7	2	3
Other	<u>229</u>	<u>68</u>	<u>164</u>	<u>49</u>
Total Revenues	15,073	14,422	7,587	7,206
EXPENSES, NET:				
Employee wages and benefits, net	10,508	9,157	5,080	4,471
Travel	937	918	802	600
Rent, communications, and utilities	256	223	149	158
Contracted services	602	417	431	373
Other	<u>567</u>	<u>842</u>	<u>378</u>	<u>935</u>
Total Expenses	<u>12,870</u>	<u>11,557</u>	<u>6,840</u>	<u>6,537</u>
EXCESS OF REVENUES OVER EXPENSES	2,203	2,865	747	669
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>35,577</u>	<u>35,104</u>
FUND BALANCE—End of year	<u>\$ 36,324</u>	<u>\$ 35,773</u>	<u>\$ 36,324</u>	<u>\$ 35,773</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

(Dollars in thousands)

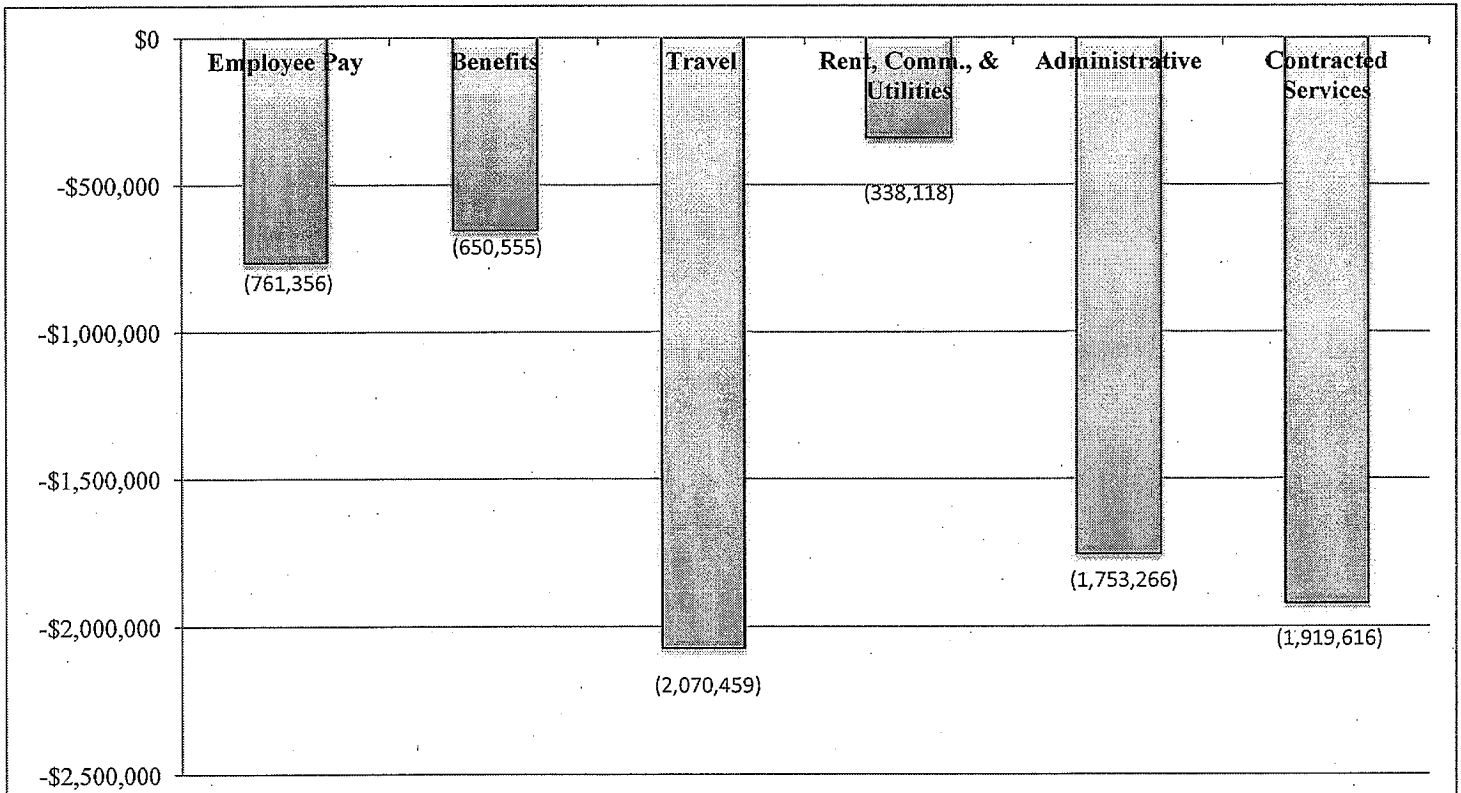
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,203	\$ 2,865	\$ 747	\$ 757
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	955	831	479	417
Provision for loss on disposal of employee residences held for sale	-	-	-	-
(Gain) loss on fixed asset retirements	(3)	-	(3)	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,857	-	-
Employee advances	(124)	(2)	(44)	-
Other accounts receivable	(14,217)	(14,107)	(7,082)	(7,236)
Prepaid expenses and other assets	(260)	(39)	(183)	(39)
(Decrease) increase in liabilities:				
Accounts payable	(2,360)	(2,240)	(1,112)	(583)
Accrued wages and benefits	1,053	(65)	(223)	(661)
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>(12,199)</u>	<u>(10,432)</u>	<u>(7,421)</u>	<u>(7,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(399)	191	(513)	(123)
Proceeds from sale of fixed assets	25	-	25	-
Purchases of employee residences held for sale	(153)	(173)	(153)	-
Proceeds from sale of employee residences held for sale	-	-	-	-
Net cash used in investing activities	<u>(527)</u>	<u>18</u>	<u>(641)</u>	<u>(123)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(223)	(224)	(111)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(223)</u>	<u>(224)</u>	<u>(111)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,949)	(10,638)	(8,173)	(7,580)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>32,206</u>	<u>29,587</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 24,033</u>	<u>\$ 22,007</u>	<u>\$ 24,033</u>	<u>\$ 22,007</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 57</u>	<u>\$ 59</u>	<u>\$ 30</u>	<u>\$ 28</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)*
AS OF FEBRUARY 29, 2012 AND FEBRUARY 28, 2011**

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	21,211,234	20,449,878	(761,356)	-3.6%	20,136,704	17,768,550	(2,368,154)	-11.8%
Benefits	6,930,666	6,280,111	(650,555)	-9.4%	5,978,049	5,303,006	(675,043)	-11.3%
Travel	4,510,960	2,440,501	(2,070,459)	-45.9%	4,074,311	2,377,404	(1,696,907)	-41.6%
Rent, Comm., & Utilities	913,064	574,946	(338,118)	-37.0%	854,670	539,689	(314,981)	-36.9%
Administrative	2,243,199	489,933	(1,753,266)	-78.2%	2,241,981	2,059,624	(182,357)	-8.1%
Contracted Services	3,339,443	1,419,827	(1,919,616)	-57.5%	3,193,502	1,016,438	(2,177,064)	-68.2%
TOTAL	39,148,566	31,655,196	(7,493,370)	-19.1%	36,479,217	29,064,711	(7,414,506)	-20.3%

Amount Over (Under) Budget

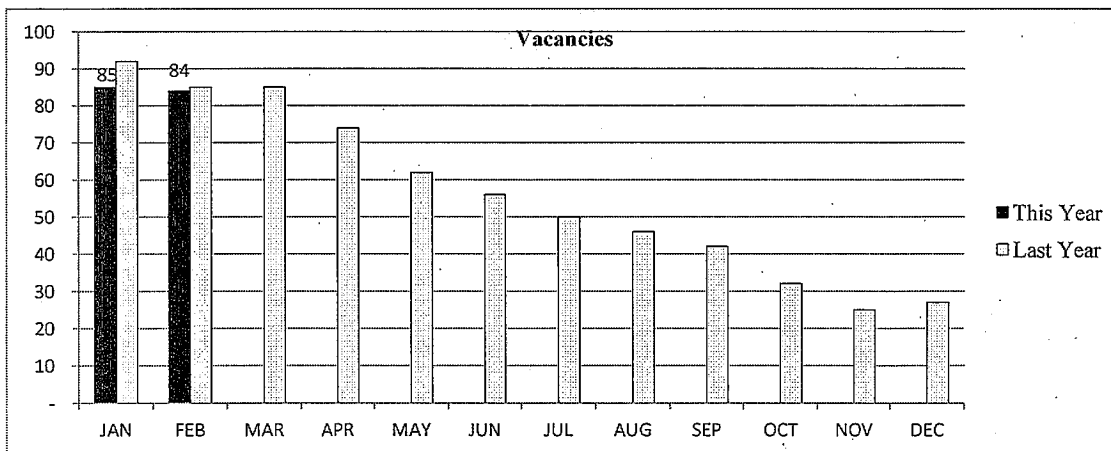
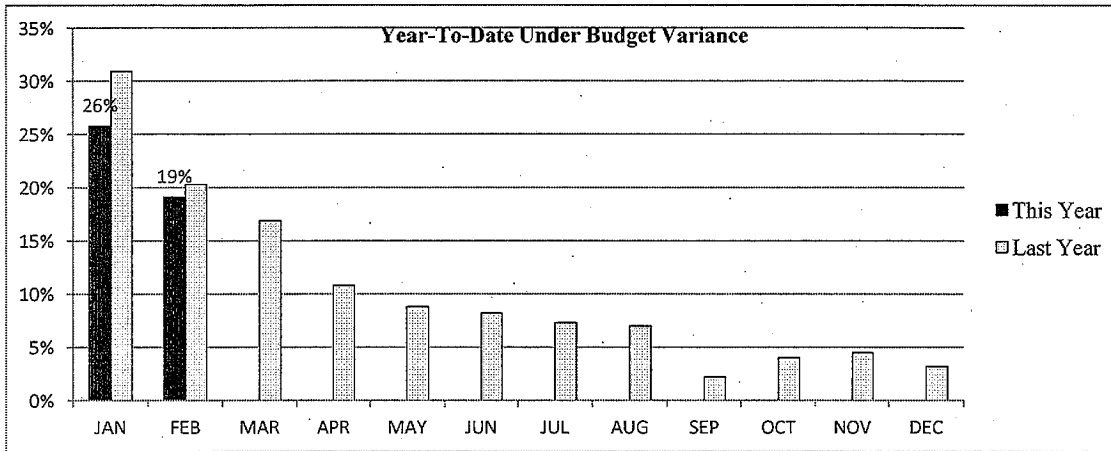
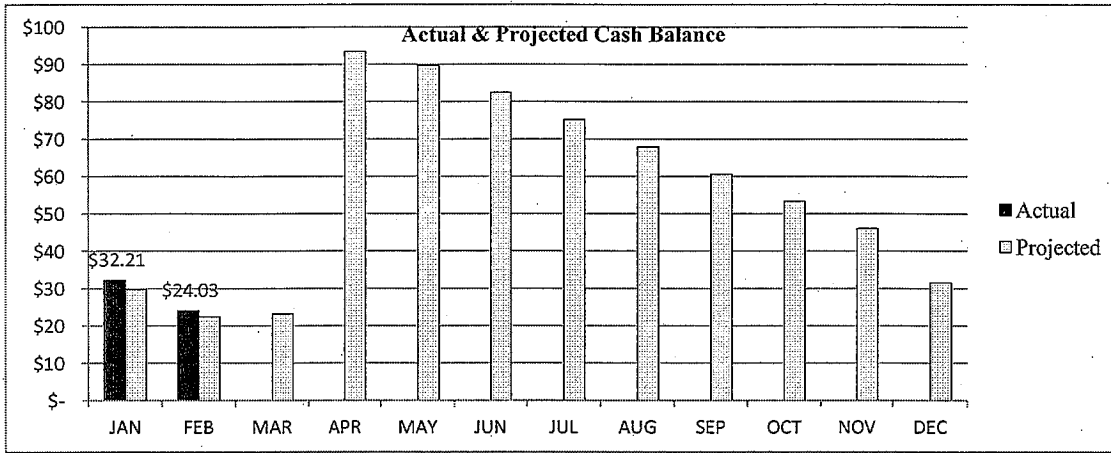


* The Budget reflected in the above analysis includes mid-session revisions to the November Board approved budget.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF FEBRUARY 29, 2012 AND FEBRUARY 28, 2011



	2/29/2012	2/28/2011
Retained earnings / Total assets	45.59%	47.45%
YTD interest income to average investments (annualized)	0.06%	0.15%
Annualized travel spend per employee	\$12,462	\$12,326
Net year to date cash inflow (outflow) in millions of dollars	(\$13)	(\$11)
Cash and overnight investments / Total assets	30.16%	29.19%
Overhead transfer rate	59.30%	58.90%