

National Credit Union Administration



Operating Fund

***Financial Highlights
February 28, 2011***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**BALANCE SHEETS
AS OF FEBRUARY 28, 2011 AND FEBRUARY 28, 2010
(Dollars in thousands)**

	2/28/2011	1/31/2011	2/28/2010
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 22,007	\$ 29,587	\$ 13,194
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	2,258
EMPLOYEE ADVANCES	52	52	169
OTHER ACCOUNTS RECEIVABLE	14,456	7,220	14,231
PREPAID EXPENSES AND OTHER ASSETS	1,410	1,371	2,001
ASSETS HELD FOR SALE	868	868	495
FIXED ASSETS — Net of accumulated depreciation of \$23,679 as of February 28, 2011	31,092	31,171	32,532
INTANGIBLE ASSETS — Net of accumulated amortization of \$6,920 as of February 28, 2011	<u>5,505</u>	<u>5,718</u>	<u>4,871</u>
TOTAL	<u>\$ 75,390</u>	<u>\$ 75,987</u>	<u>\$ 69,751</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 2,803	\$ 3,386	\$ 3,782
Obligations under capital leases	24	24	41
Accrued wages and benefits	8,516	9,176	7,035
Accrued annual leave	11,401	11,401	9,922
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>16,873</u>	<u>16,984</u>	<u>18,214</u>
Total liabilities	39,617	40,971	38,994
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,773</u>	<u>35,016</u>	<u>30,757</u>
TOTAL	<u>\$ 75,390</u>	<u>\$ 75,987</u>	<u>\$ 69,751</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
AS OF FEBRUARY 28, 2011 AND FEBRUARY 28, 2010
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
REVENUES:				
Operating fees	\$ 14,347	\$ 14,235	\$ 7,174	\$ 7,117
Interest	7	1	3	1
Other	<u>68</u>	<u>24</u>	<u>114</u>	<u>8</u>
Total Revenues	14,422	14,260	7,291	7,126
EXPENSES, NET:				
Employee wages and benefits, net	9,157	9,386	4,492	4,863
Travel	918	705	753	524
Rent, communications, and utilities	223	44	175	87
Contracted services	417	102	478	366
Other	<u>842</u>	<u>568</u>	<u>636</u>	<u>422</u>
Total Expenses	<u>11,557</u>	<u>10,805</u>	<u>6,534</u>	<u>6,262</u>
EXCESS OF REVENUES OVER EXPENSES	2,865	3,455	757	864
FUND BALANCE—Beginning of year	<u>32,908</u>	<u>27,302</u>	<u>35,016</u>	<u>29,893</u>
FUND BALANCE—End of year	<u>\$ 35,773</u>	<u>\$ 30,757</u>	<u>\$ 35,773</u>	<u>\$ 30,757</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS AS OF FEBRUARY 28, 2011 AND FEBRUARY 28, 2010 (Dollars in thousands)

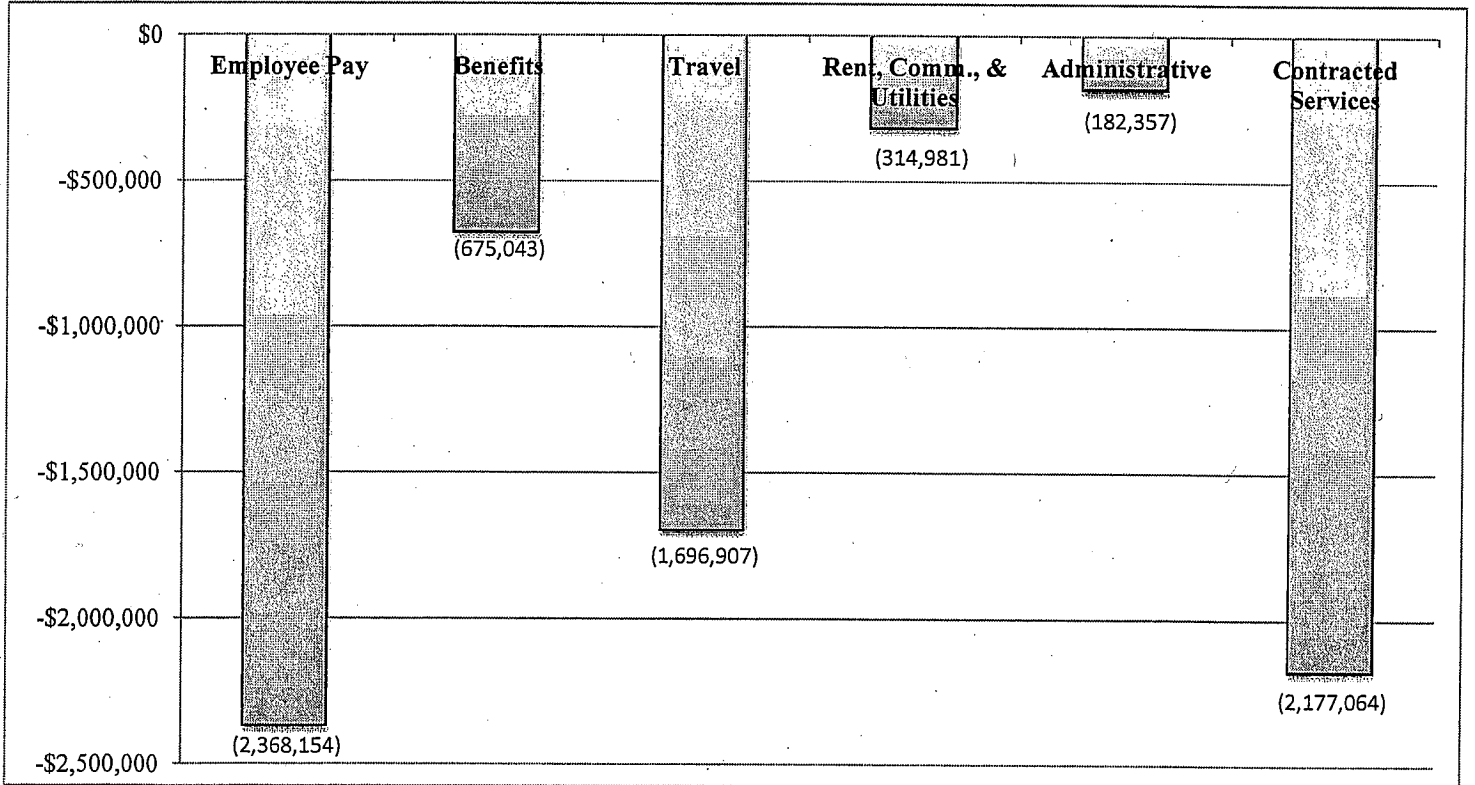
	YEAR-TO-DATE		MONTH	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,865	\$ 3,456	\$ 757	\$ 865
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	831	536	417	262
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	2,857	-	-	-
Employee advances	(2)	(4)	-	-
Other accounts receivable	(14,107)	(13,957)	(7,236)	(7,162)
Prepaid expenses and other assets	(39)	(991)	(39)	(562)
(Decrease) increase in liabilities:				
Accounts payable	(2,240)	568	(583)	212
Accrued wages and benefits	(65)	(75)	(661)	64
Accrued annual leave	-	-	-	258
Accrued employee travel	(532)	-	-	-
Net cash provided by operating activities	<u>(10,432)</u>	<u>(10,467)</u>	<u>(7,345)</u>	<u>(6,063)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	191	(436)	(123)	(436)
Purchases of employee residences held for sale	(173)	-	-	-
Proceeds from sale of employee residences held for sale	-	-	-	-
Net cash used in investing activities	<u>18</u>	<u>(436)</u>	<u>(123)</u>	<u>(436)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(224)	(224)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(224)</u>	<u>(224)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,638)	(11,127)	(7,580)	(6,611)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>32,645</u>	<u>24,321</u>	<u>29,587</u>	<u>19,805</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 22,007</u>	<u>\$ 13,194</u>	<u>\$ 22,007</u>	<u>\$ 13,194</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 59</u>	<u>\$ 63</u>	<u>\$ 28</u>	<u>\$ 31</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF FEBRUARY 28, 2011 AND FEBRUARY 28, 2010
(Dollars in cents)**

	2011				2010			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	20,136,704	17,768,550	(2,368,154)	-11.8%	18,136,051	15,849,759	(2,286,292)	-12.6%
Benefits	5,978,049	5,303,006	(675,043)	-11.3%	5,244,138	4,465,363	(778,775)	-14.9%
Travel	4,074,311	2,377,404	(1,696,907)	-41.6%	3,876,622	1,526,697	(2,349,925)	-60.6%
Rent, Comm., & Utilities	854,670	539,689	(314,981)	-36.9%	782,997	96,021	(686,976)	-87.7%
Administrative	2,241,981	2,059,624	(182,357)	-8.1%	1,951,419	1,976,105	24,686	1.3%
Contracted Services	3,193,502	1,016,438	(2,177,064)	-68.2%	2,521,850	220,761	(2,301,089)	-91.2%
TOTAL	36,479,217	29,064,712	(7,414,505)	-20.3%	32,513,077	24,134,706	(8,378,371)	-25.8%

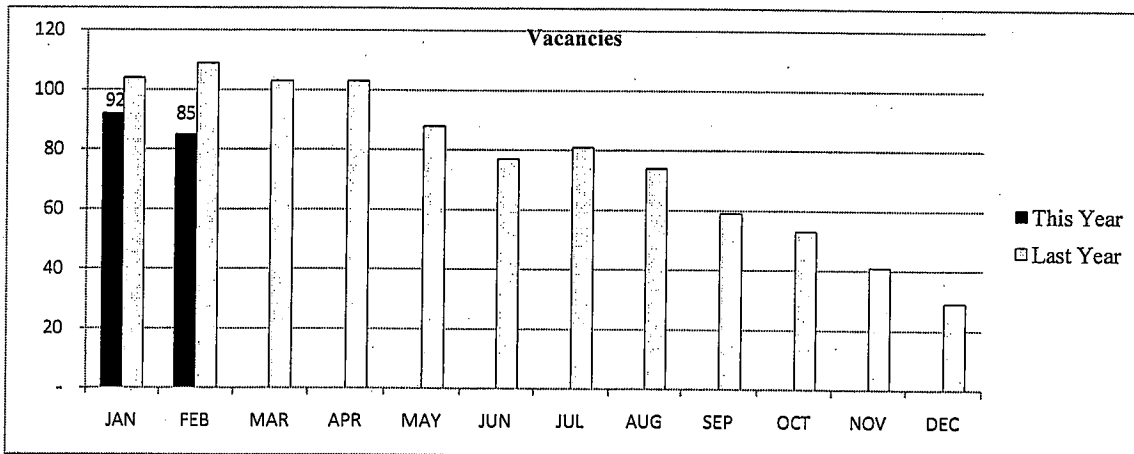
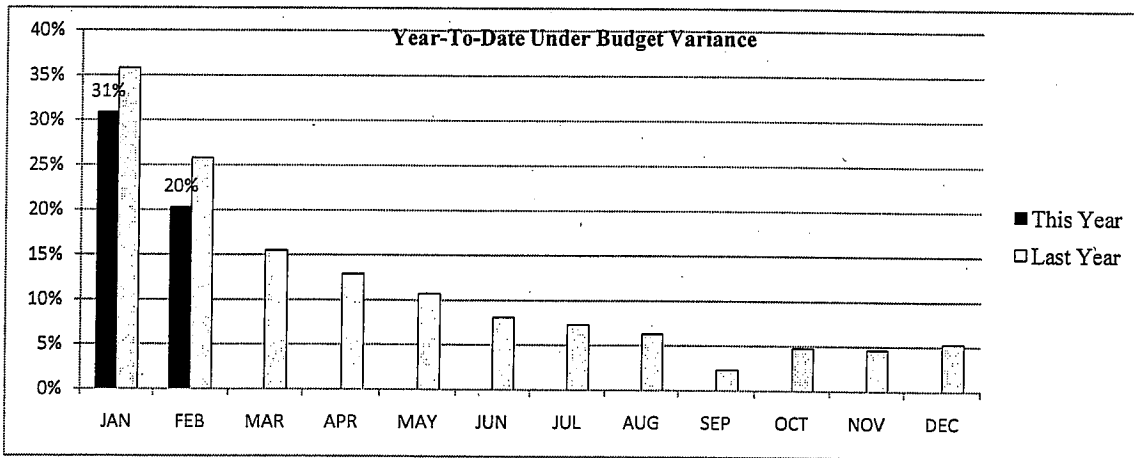
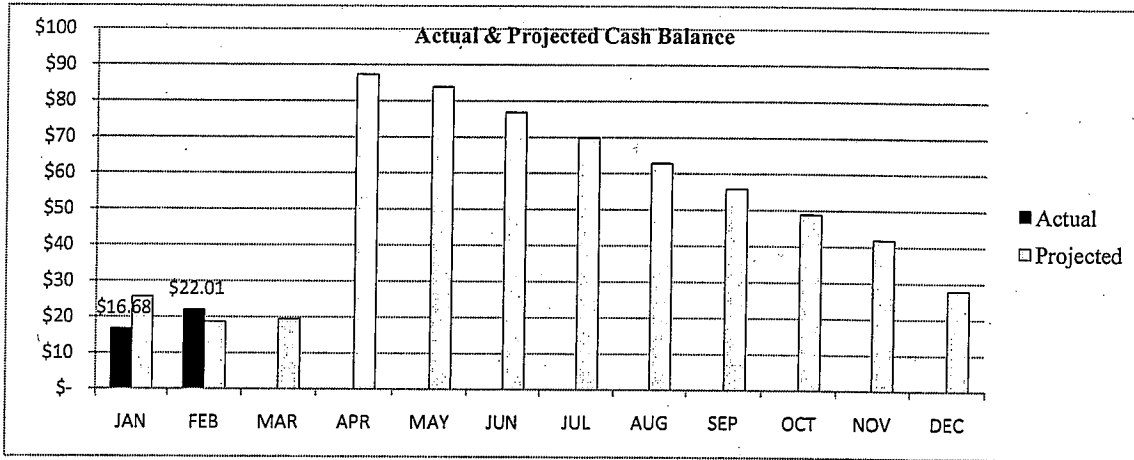
Amount Over (Under) Budget



**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF FEBRUARY 28, 2011 AND FEBRUARY 28, 2010



	2/28/2011	2/28/2010
Retained earnings / Total assets	47.45%	44.10%
YTD interest income to average investments (annualized)	0.15%	0.03%
Annualized travel spend per employee	\$12,735	\$8,690
Net year to date cash inflow (outflow) in millions of dollars	(\$11)	(\$11)
Cash and overnight investments / Total assets	29.19%	18.92%
Overhead transfer rate	58.90%	57.20%

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF FEBRUARY 28, 2011

Balance Sheets

Cash and overnight investments had a month-end balance of \$22.0 million. Its balance decreased \$7.6 million primarily for 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 \$757,000. Interest income on overnight investments has averaged 0.15% during the year, versus 0.03% during the same period last year.

Statements of Cash Flow

The cash position decreased \$8 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$123,000 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 \$17 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$7.4 million or 20.3 percent, compared to being under the year-to-date budget by \$8.4 million or 25.8 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.0 million or 11.7%, travel was under budget by \$1.7 million or 41.6%, and the remaining expense categories were under budget by \$2.7 million or 42.5%.

The average annualized travel spend per FTE has been \$12,735 this year, which is \$4,045 more than last year.

Vacancies

The agency had 85 vacancies as of this month -- down 7 from the prior month. Of the 85 vacancies, 46 were in the central office and 39 were in the regions and AMAC. The 85 vacancies represent 7.0% percent of total authorized staff of 1,208.60.