

National Credit Union Administration



Operating Fund

***Financial Highlights
March 31, 2012***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF MARCH 31, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$17.9 million. Its balance decreased \$6.1 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 loss for the month was \$84,000. Net income year to date was \$2,119,000. Interest income on overnight investments has averaged 0.06% during the year, versus 0.13% during the same period last year.

Statements of Cash Flow

The cash position decreased \$6.1 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$53,000 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 \$15.4 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$8.6 million or 14.6 percent, compared to being under the year-to-date budget by approximately \$9.5 million or 16.9 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.1 million or 4.9%, travel was under budget by \$2.2 million or 32.2%, and the remaining expense categories combined were under budget by \$4.4 million or 44.8%.

The average annualized travel spend per FTE has been \$15,616 this year, which is \$599 more than last year.

Vacancies

The Agency had 83 vacancies as of this month -- down 1 from the prior month. Of the 83 vacancies, 41 were in the central office and 42 were in the regions and AMAC. The 83 vacancies represent 6.6% percent of total authorized staff of 1,259.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF MARCH 31, 2012 AND MARCH 31, 2011

(Dollars in thousands)

	3/31/2012	2/29/2012	3/31/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 17,940	\$ 24,033	\$ 16,202
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	4
EMPLOYEE ADVANCES	187	167	72
OTHER ACCOUNTS RECEIVABLE	82,793	15,102	21,646
PREPAID EXPENSES AND OTHER ASSETS	816	1,275	1,484
ASSETS HELD FOR SALE	397	550	198
FIXED ASSETS — Net of accumulated depreciation of \$25,805 as of March 31, 2012	31,559	31,697	31,443
INTANGIBLE ASSETS — Net of accumulated amortization of \$9,180 as of March 31, 2012	<u>6,572</u>	<u>6,852</u>	<u>5,304</u>
TOTAL	<u>\$ 140,264</u>	<u>\$ 79,676</u>	<u>\$ 76,353</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 70,349	\$ 4,714	\$ 1,952
Obligations under capital leases	58	58	24
Accrued wages and benefits	5,497	10,348	10,262
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>15,421</u>	<u>15,533</u>	<u>16,762</u>
Total Liabilities	104,024	43,352	40,401
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,240</u>	<u>36,324</u>	<u>35,952</u>
TOTAL	<u>\$ 140,264</u>	<u>\$ 79,676</u>	<u>\$ 76,353</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 22,247	\$ 21,510	\$ 7,406	\$ 7,163
Interest	4	8	1	1
Other	<u>317</u>	<u>157</u>	<u>88</u>	<u>89</u>
Total Revenues	22,568	21,675	7,495	7,253
EXPENSES, NET:				
Employee wages and benefits, net	15,906	14,336	5,398	5,179
Travel	1,771	1,630	834	712
Rent, communications, and utilities	393	350	137	127
Contracted services	1,266	1,063	664	646
Other	<u>1,113</u>	<u>1,252</u>	<u>546</u>	<u>410</u>
Total Expenses	<u>20,449</u>	<u>18,631</u>	<u>7,579</u>	<u>7,074</u>
EXCESS OF REVENUES OVER EXPENSES	2,119	3,044	(84)	179
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>36,324</u>	<u>35,773</u>
FUND BALANCE—End of year	<u>\$ 36,240</u>	<u>\$ 35,952</u>	<u>\$ 36,240</u>	<u>\$ 35,952</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

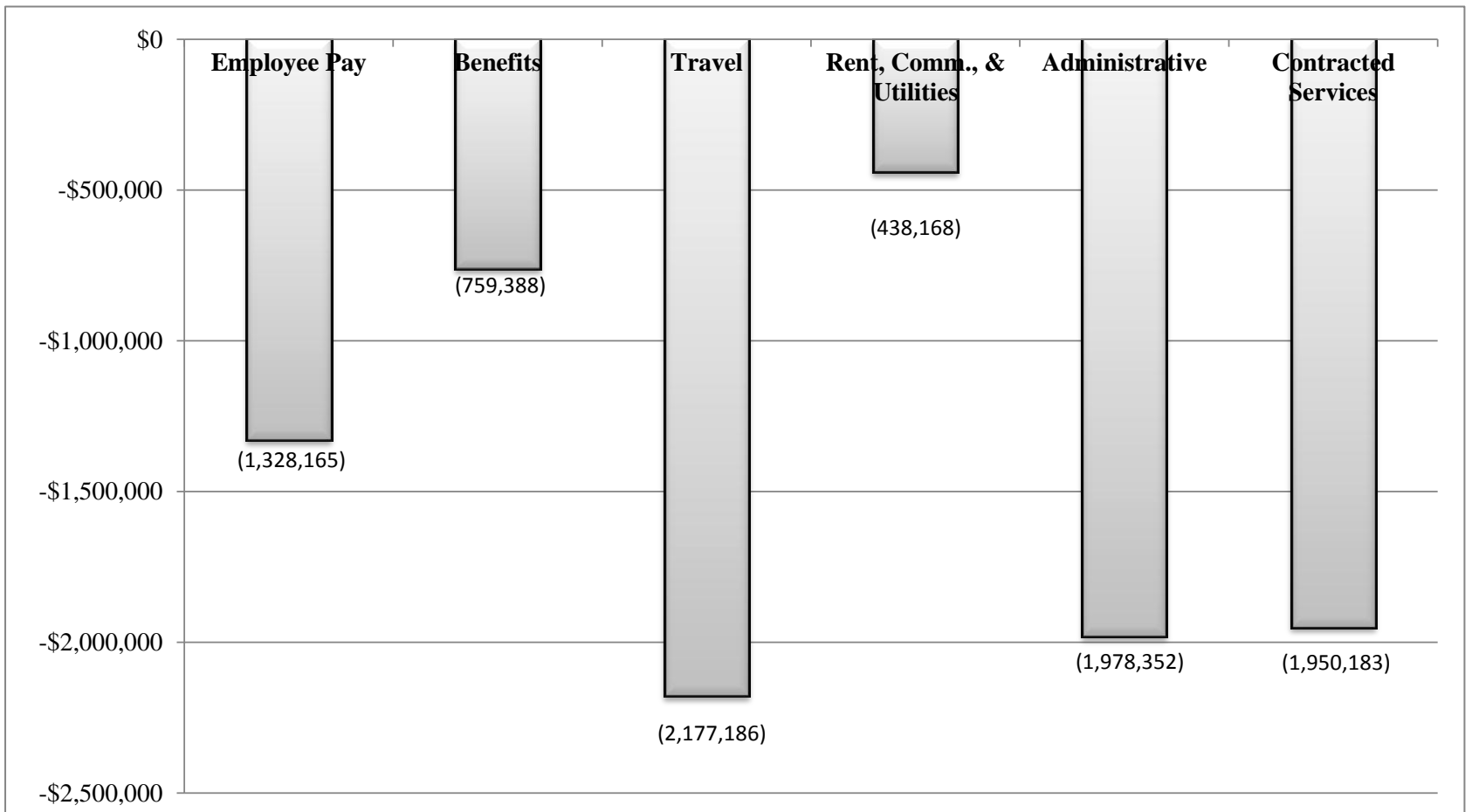
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,119	\$ 3,044	\$ (84)	\$ 179
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,426	1,282	471	451
Provision for loss on disposal of employee residences held for sale	21	84	21	84
(Gain) loss on fixed asset retirements	(3)	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,853	-	(4)
Employee advances	(144)	(22)	(20)	(20)
Other accounts receivable	(81,908)	(21,297)	(67,691)	(7,190)
Prepaid expenses and other assets	199	(113)	459	(74)
(Decrease) increase in liabilities:				
Accounts payable	63,275	(3,091)	65,635	(851)
Accrued wages and benefits	(3,798)	1,681	(4,851)	1,746
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>(18,259)</u>	<u>(16,111)</u>	<u>(6,060)</u>	<u>(5,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(452)	(408)	(53)	(599)
Proceeds from disposal of fixed assets	25	-	-	-
Purchases of employee residences held for sale	(153)	(173)	-	-
Proceeds from sale of employee residences held for sale	132	584	132	584
Net cash used in investing activities	<u>(448)</u>	<u>3</u>	<u>79</u>	<u>(15)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(335)	(335)	(112)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(335)</u>	<u>(335)</u>	<u>(112)</u>	<u>(111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,042)	(16,443)	(6,093)	(5,805)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>24,033</u>	<u>22,007</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 17,940</u>	<u>\$ 16,202</u>	<u>\$ 17,940</u>	<u>\$ 16,202</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 77</u>	<u>\$ 89</u>	<u>\$ 20</u>	<u>\$ 30</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	32,063,494	30,735,329	(1,328,165)	-4.1%	31,463,599	27,950,664	(3,512,935)	-11.2%
Benefits	10,476,588	9,717,200	(759,388)	-7.2%	9,340,701	8,164,665	(1,176,036)	-12.6%
Travel	6,766,441	4,589,255	(2,177,186)	-32.2%	6,111,466	4,209,596	(1,901,870)	-31.1%
Rent, Comm., & Utilities	1,369,596	931,428	(438,168)	-32.0%	1,282,006	852,566	(429,440)	-33.5%
Administrative	3,364,798	1,386,446	(1,978,352)	-58.8%	3,362,972	3,048,426	(314,546)	-9.4%
Contracted Services	5,009,164	3,058,981	(1,950,183)	-38.9%	4,790,253	2,596,938	(2,193,315)	-45.8%
TOTAL	59,050,081	50,418,639	(8,631,442)	-14.6%	56,350,997	46,822,855	(9,528,142)	-16.9%

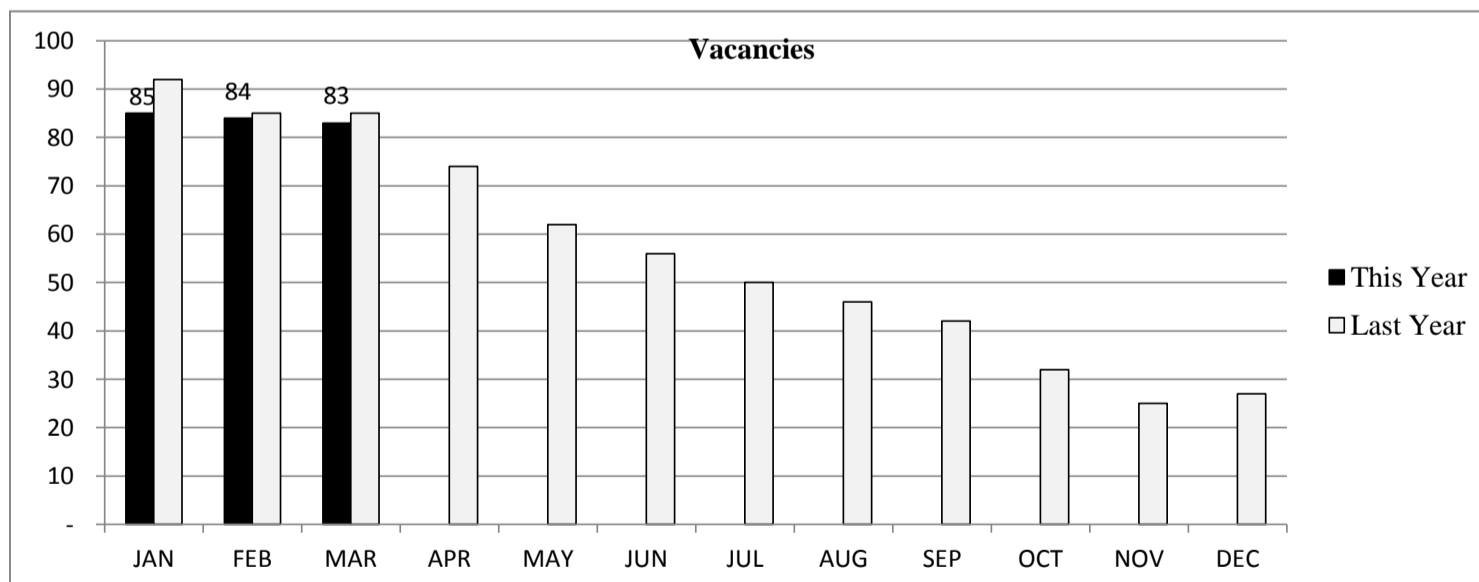
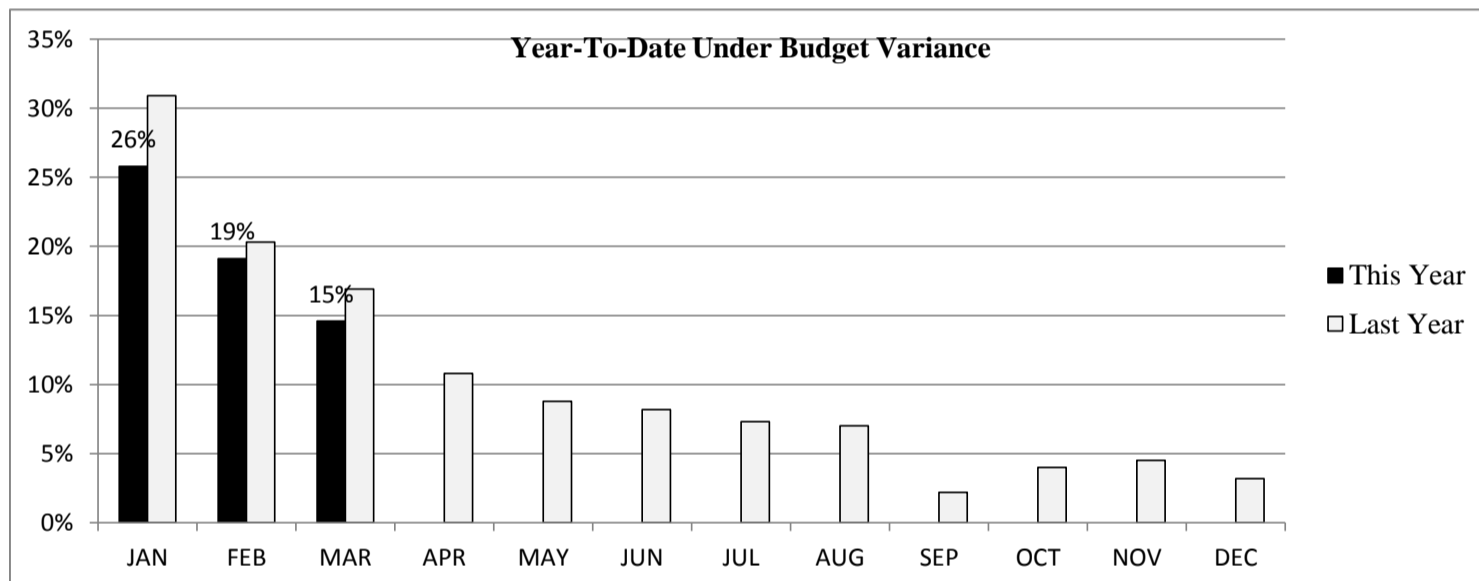
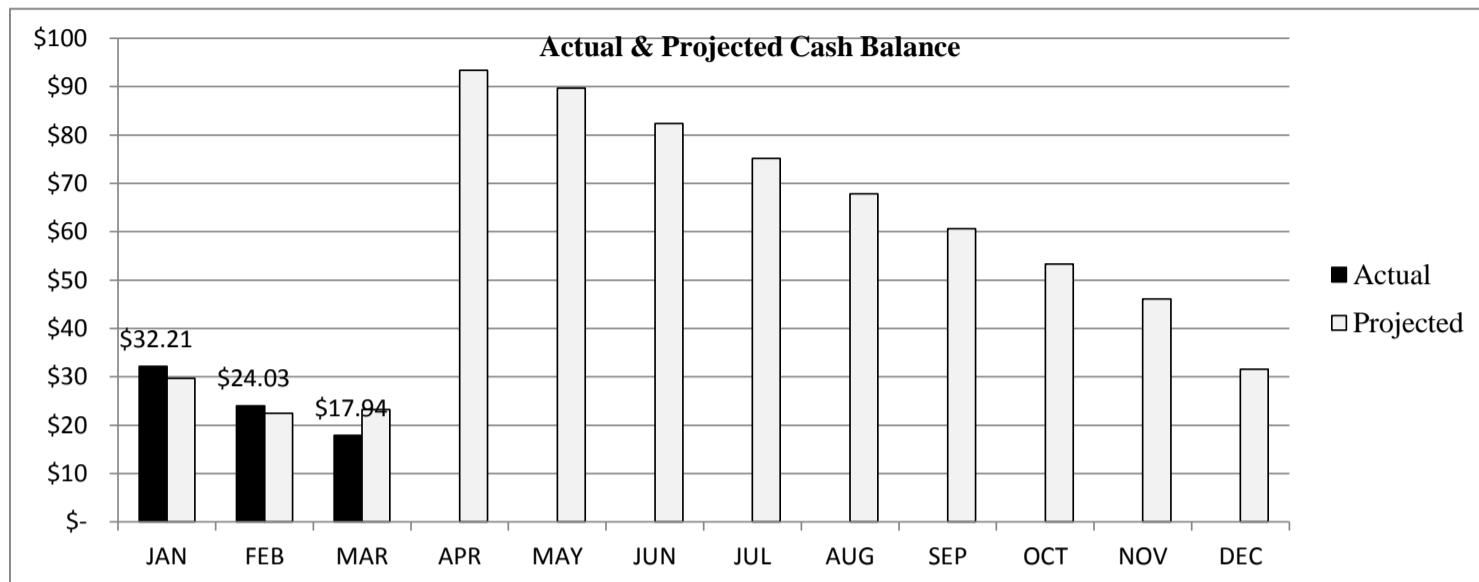
Amount Over (Under) Budget



NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

GRAPHS AND RATIOS

AS OF MARCH 31, 2012 AND MARCH 31, 2011



	3/31/2012	3/31/2011
Retained earnings / Total assets	25.84%	47.09%
YTD interest income to average investments (annualized)	0.06%	0.13%
Annualized travel spend per employee	\$15,616	\$15,017
Net year to date cash inflow (outflow) in millions of dollars	(\$19)	(\$16)
Cash and overnight investments / Total assets	12.79%	21.22%
Overhead transfer rate	59.30%	58.90%