

National Credit Union Administration



Operating Fund

Financial Highlights
May 31, 2012

Mary Ann Woodson

Mary Ann Woodson
Chief Financial Officer

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF MAY 31, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$85.2 million. Its balance decreased \$7.2 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 loss for the month was \$768,000. Net income year to date was \$1,640,000. Interest income on overnight investments has averaged 0.05% during the year, versus 0.04% during the same period last year.

Statements of Cash Flow

The cash position decreased \$7.2 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$712,000 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 \$15.2 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$8.9 million or 9.0 percent, compared to being under the year-to-date budget by approximately \$8.1 million or 8.8 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.7 million or 5.2%, travel was under budget by \$1.5 million or 12.9%, and the remaining expense categories combined were under budget by \$3.8 million or 23.3%.

The average annualized travel spend per FTE has been \$20,063 this year, which is \$1,326 more than last year. Travel expenses tend to be higher in even-numbered years due to the biannual NCUA national conference.

Vacancies

The Agency had 85 vacancies as of this month -- up 1 from the prior month. Of the 85 vacancies, 39 were in the central office and 46 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 MAY 31, 2012 AND MAY 31, 2011

(Dollars in thousands)

	5/31/2012	4/30/2012	5/31/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 85,209	\$ 92,456	\$ 84,988
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	-
EMPLOYEE ADVANCES	49	217	65
OTHER ACCOUNTS RECEIVABLE	803	1,279	431
PREPAID EXPENSES AND OTHER ASSETS	1,418	1,348	1,528
ASSETS HELD FOR SALE	668	890	-
FIXED ASSETS — Net of accumulated depreciation of \$26,200 as of May 31, 2012	31,432	31,573	31,346
INTANGIBLE ASSETS — Net of accumulated amortization of \$9,720 as of May 31, 2012	<u>6,675</u>	<u>6,302</u>	<u>5,035</u>
TOTAL	<u>\$ 126,254</u>	<u>\$ 134,065</u>	<u>\$ 123,393</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 54,669	\$ 63,446	\$ 53,506
Obligations under capital leases	58	58	24
Accrued wages and benefits	7,870	6,024	6,421
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>15,197</u>	<u>15,309</u>	<u>16,538</u>
Total Liabilities	90,493	97,536	87,890
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,761</u>	<u>36,529</u>	<u>35,503</u>
TOTAL	<u>\$ 126,254</u>	<u>\$ 134,065</u>	<u>\$ 123,393</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 37,061	\$ 35,857	\$ 7,407	\$ 7,173
Interest	14	11	6	2
Other	<u>601</u>	<u>355</u>	<u>204</u>	<u>127</u>
Total Revenues	37,676	36,223	7,617	7,302
EXPENSES, NET:				
Employee wages and benefits, net	27,022	24,944	5,993	5,132
Travel	3,897	3,407	1,389	861
Rent, communications, and utilities	855	647	225	119
Contracted services	2,184	2,292	276	666
Other	<u>2,078</u>	<u>2,338</u>	<u>502</u>	<u>451</u>
Total Expenses	<u>36,036</u>	<u>33,628</u>	<u>8,385</u>	<u>7,229</u>
EXCESS OF REVENUES OVER EXPENSES	1,640	2,595	(768)	73
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>36,529</u>	<u>35,430</u>
FUND BALANCE—End of year	<u>\$ 35,761</u>	<u>\$ 35,503</u>	<u>\$ 35,761</u>	<u>\$ 35,503</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

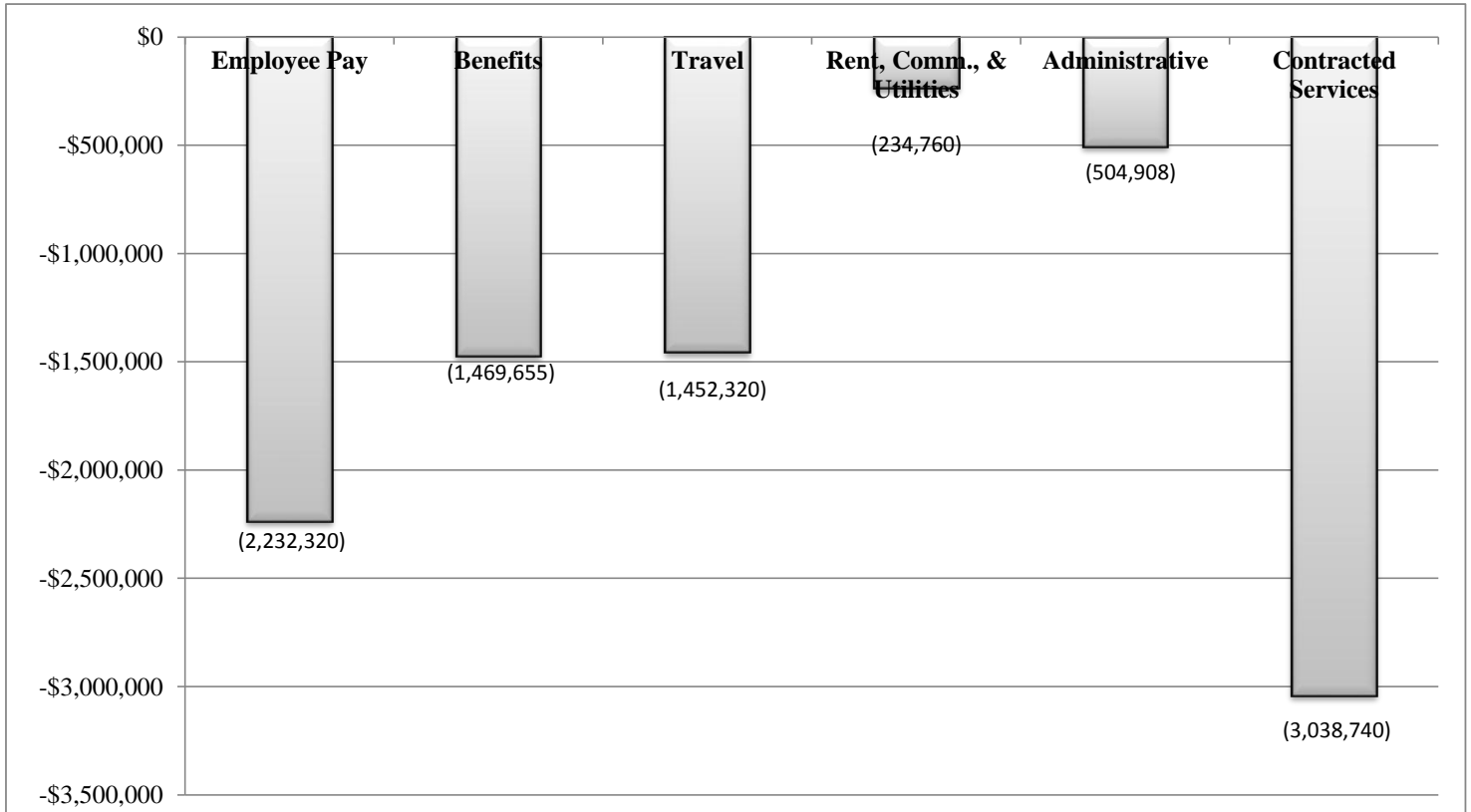
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,640	\$ 2,595	\$ (768)	\$ 73
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,362	1,966	481	346
Provision for loss on disposal of employee residences held for sale	39	133	21	49
(Gain) loss on fixed asset retirements	(3)	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,857	-	865
Employee advances	(6)	(15)	168	19
Other accounts receivable	82	(82)	476	1,120
Prepaid expenses and other assets	(403)	(157)	(70)	(35)
(Decrease) increase in liabilities:				
Accounts payable	47,595	48,463	(8,777)	(6,330)
Accrued wages and benefits	(1,425)	(2,160)	1,846	1,188
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>50,435</u>	<u>53,068</u>	<u>(6,623)</u>	<u>(2,705)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(1,364)	(730)	(712)	(214)
Proceeds from disposal of fixed assets	25	-	-	-
Purchases of employee residences held for sale	(820)	(171)	-	-
Proceeds from sale of employee residences held for sale	510	735	200	149
Net cash used in investing activities	<u>(1,649)</u>	<u>(166)</u>	<u>(512)</u>	<u>(65)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(559)	(559)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(559)</u>	<u>(559)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,227	52,343	(7,247)	(2,882)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>92,456</u>	<u>87,870</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 85,209</u>	<u>\$ 84,988</u>	<u>\$ 85,209</u>	<u>\$ 84,988</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 127</u>	<u>\$ 149</u>	<u>\$ 25</u>	<u>\$ 30</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

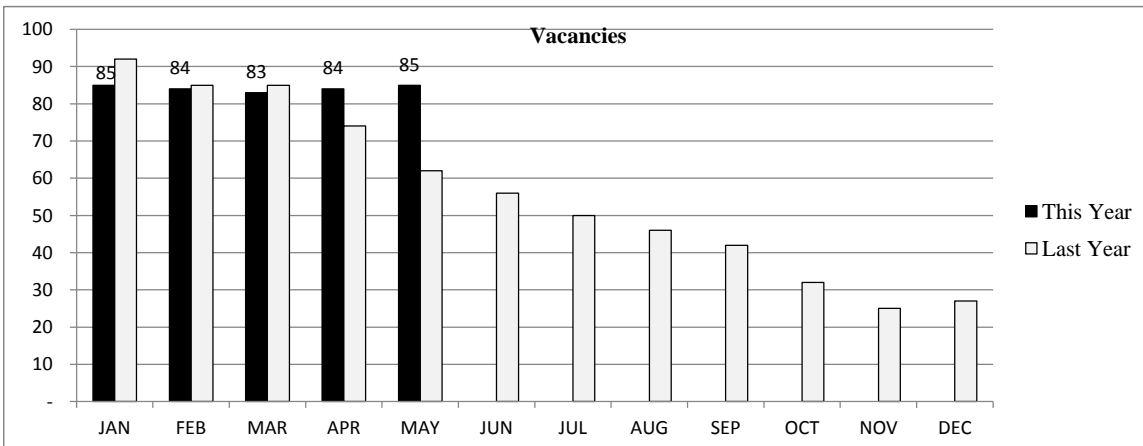
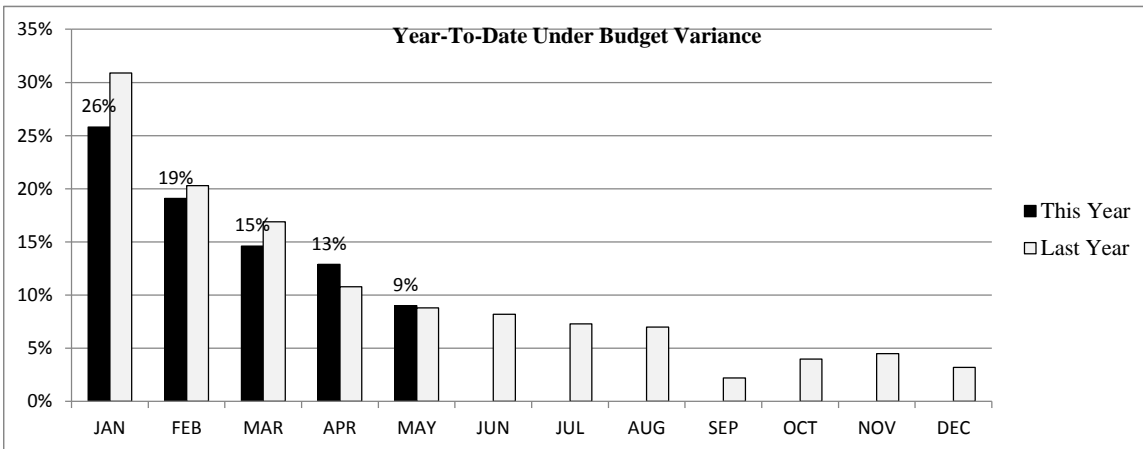
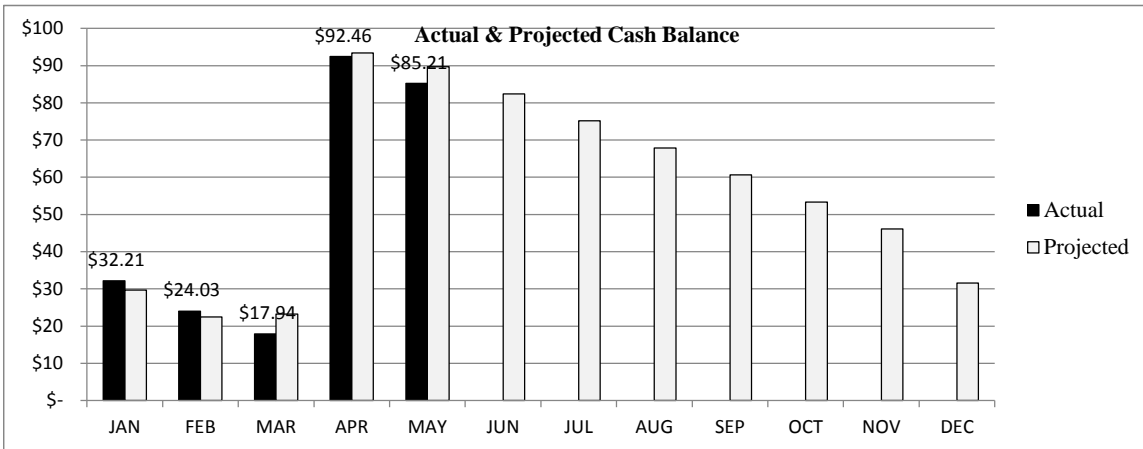
	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	53,768,013	51,535,693	(2,232,320)	-4.2%	51,600,303	48,820,333	(2,779,970)	-5.4%
Benefits	17,568,432	16,098,778	(1,469,655)	-8.4%	15,318,750	14,184,138	(1,134,612)	-7.4%
Travel	11,277,402	9,825,081	(1,452,320)	-12.9%	10,185,777	8,814,132	(1,371,645)	-13.5%
Rent, Comm., & Utilities	2,282,660	2,047,900	(234,760)	-10.3%	2,136,676	1,574,786	(561,890)	-26.3%
Administrative	5,607,997	5,103,089	(504,908)	-9.0%	5,604,953	5,696,472	91,519	1.6%
Contracted Services	8,348,607	5,309,867	(3,038,740)	-36.4%	7,983,755	5,598,494	(2,385,261)	-29.9%
TOTAL	98,853,110	89,920,408	(8,932,702)	-9.0%	92,830,214	84,688,355	(8,141,859)	-8.8%

Amount Over (Under) Budget



NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

GRAPHS AND RATIOS AS OF MAY 31, 2012 AND MAY 31, 2011



	5/31/2012	5/31/2011
Retained earnings / Total assets	28.32%	28.77%
YTD interest income to average investments (annualized)	0.05%	0.04%
Annualized travel spend per employee	\$20,063	\$18,737
Net year to date cash inflow (outflow) in millions of dollars	\$48	\$52
Cash and overnight investments / Total assets	67.49%	68.88%
Overhead transfer rate	59.30%	58.90%