

National Credit Union Administration



Operating Fund

***Financial Highlights
April 30, 2013***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF APRIL 30, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$97.6 million. Its balance increased \$84.6 million in the month primarily due to the collection of annual operating fees. 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 \$583,000 and net income year to date was \$3,296,000. Interest income on overnight investments has averaged 0.04% year-to-date, versus 0.04% during the same period last year.

Statements of Cash Flow

The cash position increased \$84.6 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$286,000 was invested in new capital assets and \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$14.0 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$11.0 million or 13.2 percent, compared to being under the year-to-date budget by approximately \$10.1 million or 12.9 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$5.5 million or 9.2%, travel was under budget by \$2.3 million or 24.5%, and the remaining expense categories combined were under budget by \$3.1 million or 23.6%.

The average annualized travel spend per FTE was \$17,717 this year, which is \$1,221 more than last year.

Vacancies

The Agency had 64 vacancies as of this month -- down 15 from the prior month. Of the 64 vacancies, 27 were in the central office and 37 were in the regions and AMAC. The 64 vacancies represent 5.1% percent of total authorized staff of 1,261.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS AS OF APRIL 30, 2013 AND APRIL 30, 2012 (Dollars in thousands)

	4/30/2013	3/31/2013	4/30/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 97,619	\$ 13,049	\$ 92,456
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	53	-
EMPLOYEE ADVANCES	84	37	217
OTHER ACCOUNTS RECEIVABLE , Net	680	92,035	1,279
PREPAID EXPENSES AND OTHER ASSETS	1,114	989	1,348
ASSETS HELD FOR SALE	271	271	890
FIXED ASSETS — Net of accumulated depreciation of \$28,091 as of April 30, 2013	30,924	30,918	31,573
INTANGIBLE ASSETS — Net of accumulated amortization of \$11,611 as of April 30, 2013	<u>4,503</u>	<u>4,663</u>	<u>6,302</u>
TOTAL	<u>\$ 135,195</u>	<u>\$ 142,015</u>	<u>\$ 134,065</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 63,813	\$ 72,465	\$ 63,446
Obligations under capital leases	78	78	58
Accrued wages and benefits	6,608	5,247	6,024
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>13,968</u>	<u>14,080</u>	<u>15,309</u>
Total Liabilities	98,299	105,702	97,536
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,896</u>	<u>36,313</u>	<u>36,529</u>
TOTAL	<u>\$ 135,195</u>	<u>\$ 142,015</u>	<u>\$ 134,065</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED APRIL 30, 2013 AND APRIL 30, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 31,223	\$ 29,654	\$ 7,806	\$ 7,407
Interest	9	8	3	4
Other	<u>541</u>	<u>397</u>	<u>116</u>	<u>80</u>
Total Revenues	31,773	30,059	7,925	7,491
EXPENSES, NET:				
Employee wages and benefits, net	21,636	21,029	5,341	5,123
Travel	2,705	2,508	978	737
Rent, communications, and utilities	566	630	160	237
Contracted services	2,067	1,908	604	642
Depreciation and amortization	1,728	1,882	440	456
Administrative	<u>(225)</u>	<u>(306)</u>	<u>(181)</u>	<u>7</u>
Total Expenses	<u>28,477</u>	<u>27,651</u>	<u>7,342</u>	<u>7,202</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	3,296	2,408	583	289
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>36,313</u>	<u>36,240</u>
FUND BALANCE—End of period	<u>\$ 36,896</u>	<u>\$ 36,529</u>	<u>\$ 36,896</u>	<u>\$ 36,529</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED APRIL 30, 2013 AND APRIL 30, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 3,296	\$ 2,408	\$ 583	\$ 289
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,728	1,881	440	455
Provision for loss on disposal of employee residences held for sale	5	18	-	(3)
(Gain) loss on fixed asset retirements	-	(3)	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,040	1,182	53	-
Employee advances	(59)	(174)	(47)	(30)
Other accounts receivable	(469)	(394)	91,355	81,514
Prepaid expenses and other assets	(59)	(333)	(125)	(532)
(Decrease) increase in liabilities:				
Accounts payable	59,209	56,372	(8,652)	(6,903)
Accrued wages and benefits	(3,570)	(3,271)	1,361	527
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash provided by operating activities	<u>61,426</u>	<u>57,058</u>	<u>84,968</u>	<u>75,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(459)	(652)	(286)	(200)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(820)	-	(667)
Proceeds from sale of employee residences held for sale	<u>578</u>	<u>310</u>	<u>-</u>	<u>178</u>
Net cash provided or (used) by investing activities	<u>119</u>	<u>(1,137)</u>	<u>(286)</u>	<u>(689)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(447)	(447)	(112)	(112)
Principal payments under capital lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by financing activities	<u>(447)</u>	<u>(447)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,098	55,474	84,570	74,516
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>13,049</u>	<u>17,940</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 97,619</u>	<u>\$ 92,456</u>	<u>\$ 97,619</u>	<u>\$ 92,456</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 85</u>	<u>\$ 102</u>	<u>\$ 21</u>	<u>\$ 25</u>

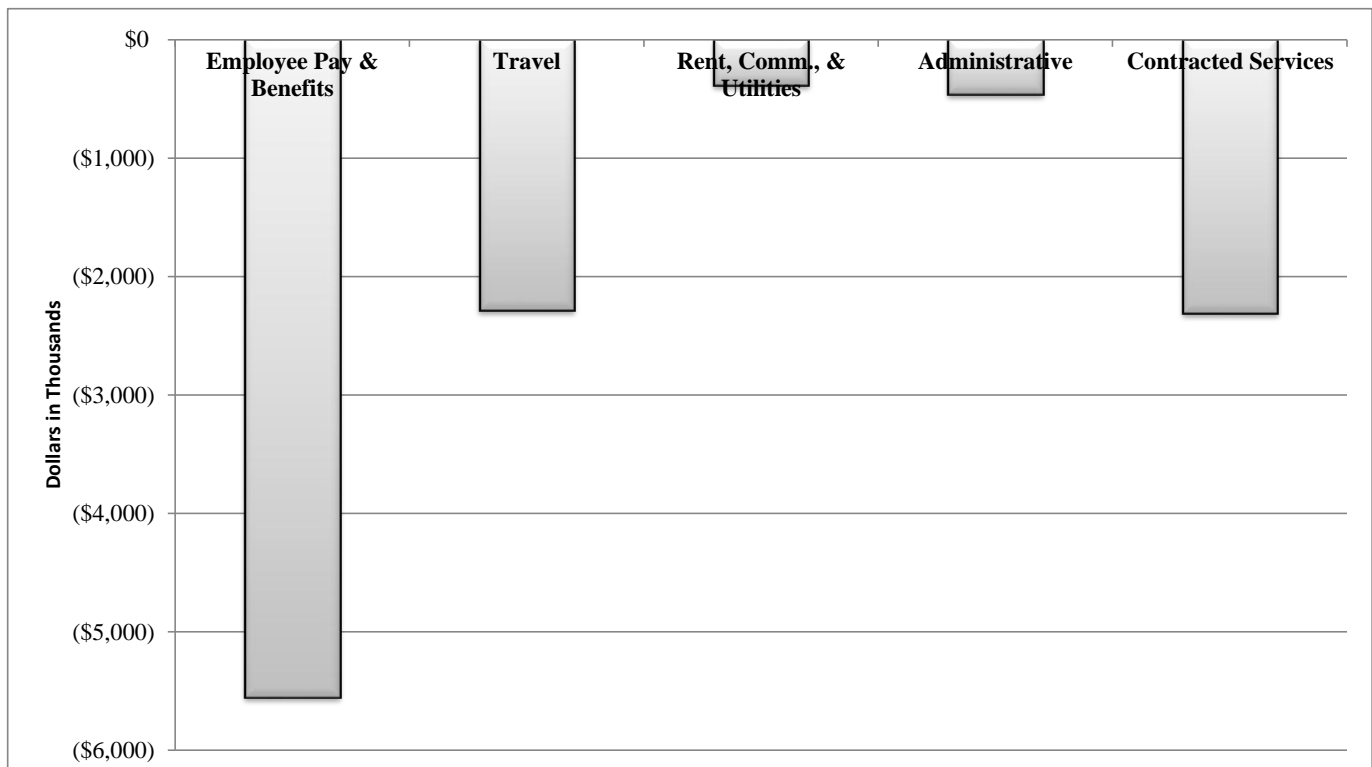
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF APRIL 30, 2013 AND APRIL 30, 2012**

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	60,498	54,954	(5,545)	-9.2%	56,284	53,454	(2,830)	-5.0%
Travel	9,288	7,009	(2,279)	-24.5%	9,022	6,464	(2,558)	-28.4%
Rent, Comm., & Utilities	1,763	1,385	(378)	-21.4%	1,826	1,513	(313)	-17.1%
Administrative	4,138	3,681	(457)	-11.0%	4,486	2,102	(2,384)	-53.1%
Contracted Services	7,405	5,099	(2,306)	-31.1%	6,679	4,628	(2,051)	-30.7%
TOTAL	83,092	72,127	(10,965)	-13.2%	78,297	68,162	(10,136)	-12.9%

Amount Over (Under) Budget

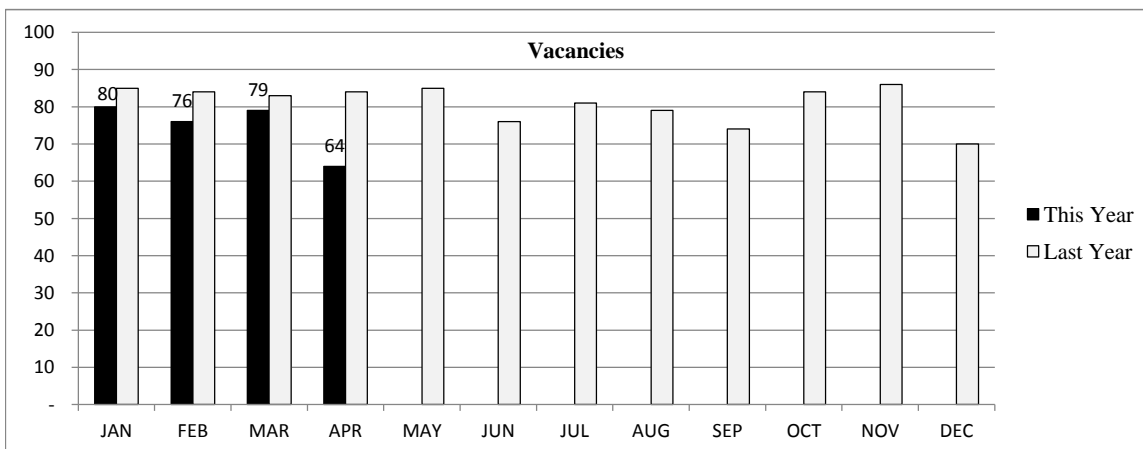
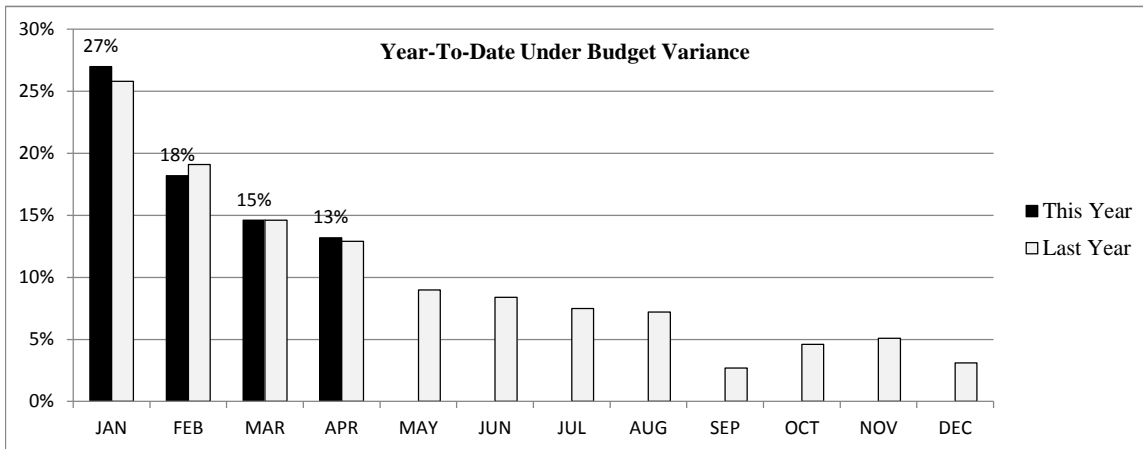
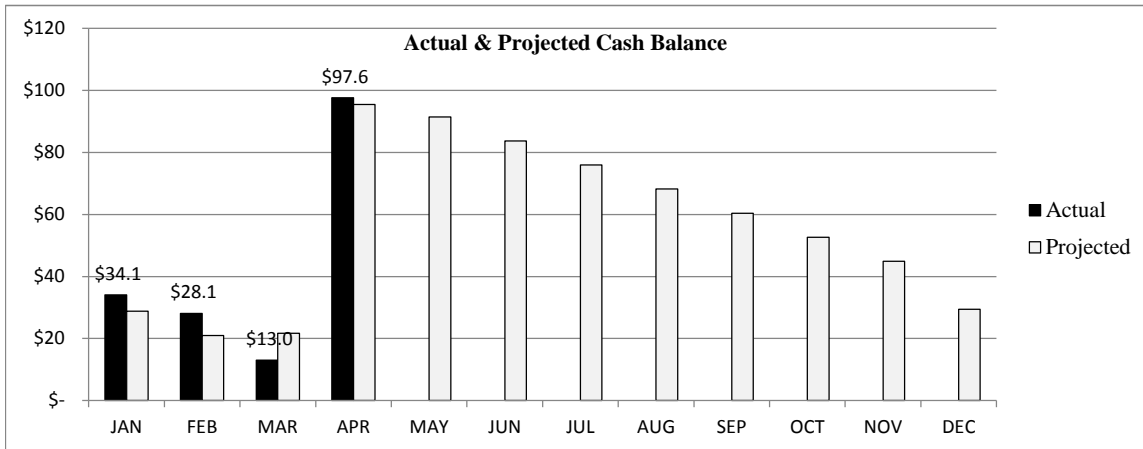


Budget amounts reflect the Board-approved base budget.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF APRIL 30, 2013 AND APRIL 30, 2012



	4/30/2013	4/30/2012
Retained earnings / Total assets	27.29%	27.25%
YTD interest income to average investments (annualized)	0.04%	0.04%
Annualized travel spend per employee	\$17,717	\$16,496
Net year to date cash inflow (outflow) in millions of dollars	\$61	\$55
Cash and overnight investments / Total assets	72.21%	68.96%
Overhead transfer rate	59.10%	59.30%