

National Credit Union Administration



Operating Fund

***Financial Highlights
June 30, 2012***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$79.8 million. Its balance decreased \$5.4 million in the month 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 \$295,000. Net income year to date was \$1,935,000. Interest income on overnight investments has averaged 0.06% during the year, versus 0.05% during the same period last year.

Statements of Cash Flow

The cash position decreased \$5.4 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$209,000 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 \$15.1 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$10.0 million or 8.4 percent, compared to being under the year-to-date budget by approximately \$9.2 million or 8.2 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$4.5 million or 5.2%, travel was under budget by \$1.2 million or 8.8%, and the remaining expense categories combined were under budget by \$4.3 million or 21.8%.

The average annualized travel spend per FTE has been \$20,979 this year, which is \$998 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 76 vacancies as of this month -- down 9 from the prior month. Of the 76 vacancies, 37 were in the central office and 39 were in the regions and AMAC. The 76 vacancies represent 6.0% percent of total authorized staff of 1,259.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF JUNE 30, 2012 AND JUNE 30, 2011

(Dollars in thousands)

	6/30/2012	5/31/2012	6/30/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 79,817	\$ 85,209	\$ 77,672
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	-
EMPLOYEE ADVANCES	43	49	208
OTHER ACCOUNTS RECEIVABLE	448	803	293
PREPAID EXPENSES AND OTHER ASSETS	1,244	1,418	1,937
ASSETS HELD FOR SALE	668	668	147
FIXED ASSETS — Net of accumulated depreciation of \$26,406 as of June 30, 2012	31,435	31,432	31,457
INTANGIBLE ASSETS — Net of accumulated amortization of \$9,989 as of June 30, 2012	<u>6,406</u>	<u>6,675</u>	<u>5,004</u>
TOTAL	<u><u>\$ 120,061</u></u>	<u><u>\$ 126,254</u></u>	<u><u>\$ 116,718</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 47,658	\$ 54,669	\$ 46,377
Obligations under capital leases	58	58	24
Accrued wages and benefits	8,504	7,870	7,616
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>15,086</u>	<u>15,197</u>	<u>16,426</u>
Total Liabilities	84,005	90,493	81,844
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,056</u>	<u>35,761</u>	<u>34,874</u>
TOTAL	<u><u>\$ 120,061</u></u>	<u><u>\$ 126,254</u></u>	<u><u>\$ 116,718</u></u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIODS ENDED JUNE 30, 2012 AND JUNE 30, 2011
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 44,468	\$ 43,030	\$ 7,407	\$ 7,173
Interest	18	13	4	2
Other	<u>754</u>	<u>407</u>	<u>153</u>	<u>52</u>
Total Revenues	45,240	43,450	7,564	7,227
EXPENSES, NET:				
Employee wages and benefits, net	32,148	30,381	5,126	5,437
Travel	4,880	4,460	983	1,053
Rent, communications, and utilities	1,048	838	193	191
Contracted services	2,626	2,937	442	645
Other	<u>2,603</u>	<u>2,868</u>	<u>525</u>	<u>530</u>
Total Expenses	<u>43,305</u>	<u>41,484</u>	<u>7,269</u>	<u>7,856</u>
EXCESS OF REVENUES OVER EXPENSES	1,935	1,966	295	(629)
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>35,761</u>	<u>35,503</u>
FUND BALANCE—End of year	<u>\$ 36,056</u>	<u>\$ 34,874</u>	<u>\$ 36,056</u>	<u>\$ 34,874</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2012 AND JUNE 30, 2011 (Dollars in thousands)

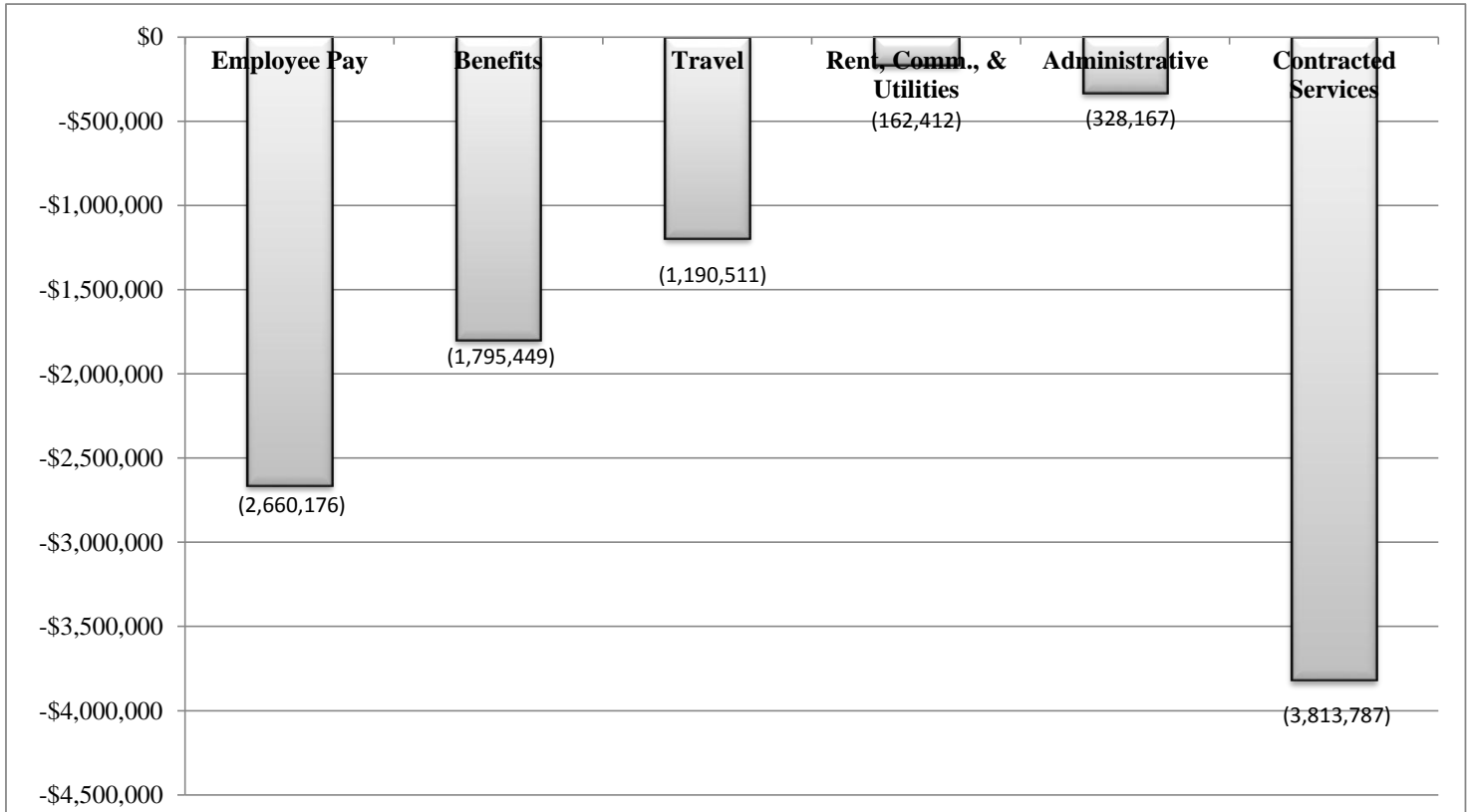
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,935	\$ 1,966	\$ 295	\$ (629)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,837	2,313	475	347
Provision for loss on disposal of employee residences held for sale	39	133	-	-
(Gain) loss on fixed asset retirements	(3)	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,857	-	-
Employee advances	-	(158)	6	(143)
Other accounts receivable	437	56	355	138
Prepaid expenses and other assets	(229)	(566)	174	(409)
(Decrease) increase in liabilities:				
Accounts payable	40,584	41,334	(7,011)	(7,129)
Accrued wages and benefits	(791)	(965)	634	1,195
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>45,363</u>	<u>46,438</u>	<u>(5,072)</u>	<u>(6,630)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(1,573)	(1,156)	(209)	(426)
Proceeds from disposal of fixed assets	25	-	-	-
Purchases of employee residences held for sale	(820)	(319)	-	(148)
Proceeds from sale of employee residences held for sale	510	735	-	-
Net cash used in investing activities	<u>(1,858)</u>	<u>(740)</u>	<u>(209)</u>	<u>(574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(670)	(671)	(111)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(670)</u>	<u>(671)</u>	<u>(111)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,835	45,027	(5,392)	(7,316)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>85,209</u>	<u>84,988</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 79,817</u>	<u>\$ 77,672</u>	<u>\$ 79,817</u>	<u>\$ 77,672</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 151</u>	<u>\$ 177</u>	<u>\$ 24</u>	<u>\$ 28</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)*
AS OF JUNE 30, 2012 AND JUNE 30, 2011**

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	64,126,988	61,466,811	(2,660,176)	-4.1%	62,927,199	58,875,434	(4,051,765)	-6.4%
Benefits	20,953,176	19,157,728	(1,795,449)	-8.6%	18,681,402	17,097,871	(1,583,531)	-8.5%
Travel	13,532,882	12,342,371	(1,190,511)	-8.8%	12,222,933	11,318,736	(904,197)	-7.4%
Rent, Comm., & Utilities	2,739,192	2,576,780	(162,412)	-5.9%	2,564,011	2,040,660	(523,351)	-20.4%
Administrative	6,729,596	6,401,429	(328,167)	-4.9%	6,725,943	6,985,117	259,174	3.9%
Contracted Services	10,273,078	6,459,291	(3,813,787)	-37.1%	9,580,506	7,160,834	(2,419,672)	-25.3%
TOTAL	118,354,912	108,404,409	(9,950,503)	-8.4%	112,701,994	103,478,652	(9,223,342)	-8.2%

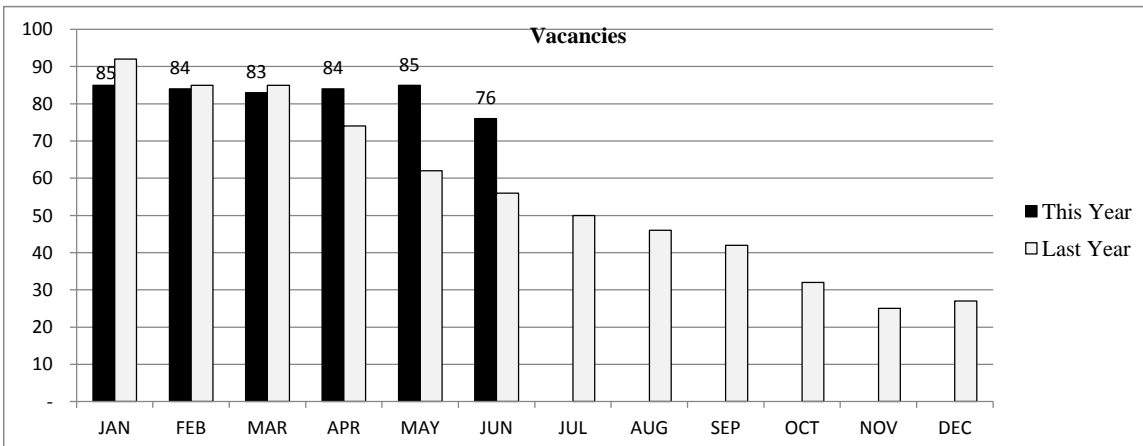
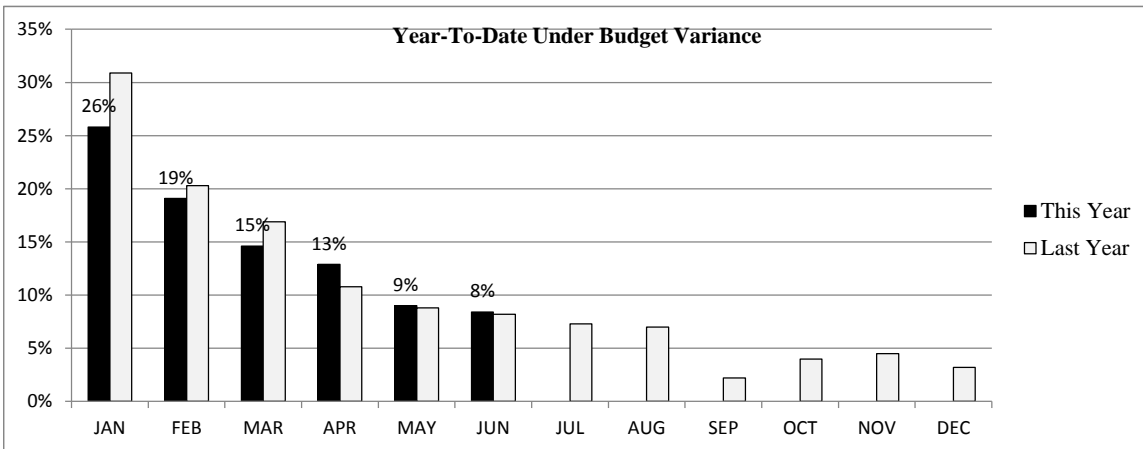
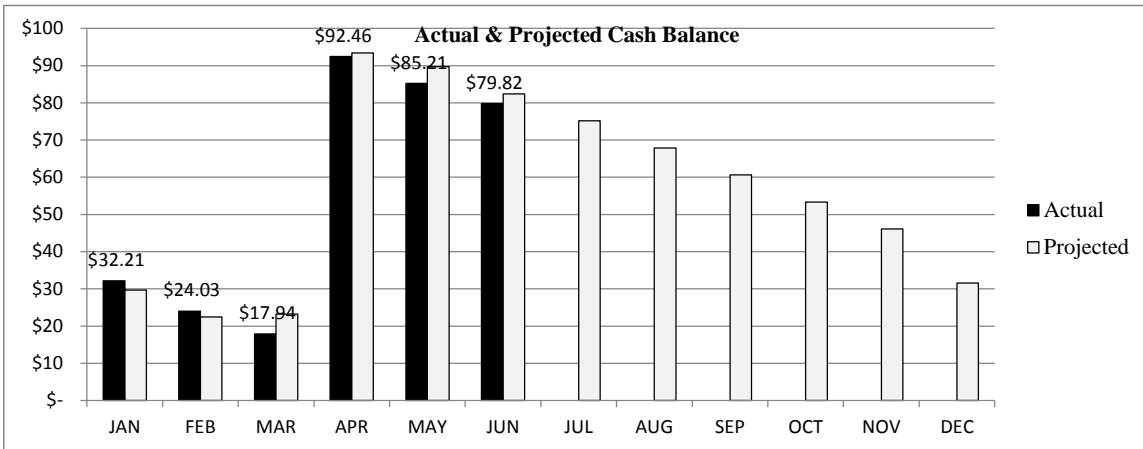
Amount Over (Under) Budget



NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

GRAPHS AND RATIOS

AS OF JUNE 30, 2012 AND JUNE 30, 2011



	6/30/2012	6/30/2011
Retained earnings / Total assets	30.03%	29.88%
YTD interest income to average investments (annualized)	0.06%	0.05%
Annualized travel spend per employee	\$20,979	\$19,981
Net year to date cash inflow (outflow) in millions of dollars	\$43	\$45
Cash and overnight investments / Total assets	66.48%	66.55%
Overhead transfer rate	59.30%	58.90%