

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

April 30, 2015

A handwritten signature in blue ink, appearing to read "Rendell L. Jones", with a long horizontal flourish extending to the right.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

MANAGEMENT OVERVIEW

April 30, 2015

Balance Sheet

Cash and cash equivalents had a month-end balance of approximately \$88.2 million. Its balance increased \$65.4 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.

Accounts receivable had a month-end balance of approximately \$3.5 million. Its balance decreased by approximately \$71.1 million in the month primarily due to the receipt of annual operating fees.

Deferred revenue had a month-end balance of approximately \$52.6 million. Its balance decreased by approximately \$6.6 million in the month due to the recognition of operating fee revenue.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$176 thousand and net income year-to-date was \$3.2 million. Interest income on overnight investments has averaged 0.01% year-to-date, versus 0.02% during the same period last year.

Statements of Cash Flow

The cash position increased approximately \$65.4 million since last month. Approximately \$429 thousand was invested in new capital assets. Approximately \$112 thousand in cash was used to reduce or repay the National Credit Union Share Insurance Fund note payable long-term liability, which has a balance of \$11.3 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$8.9 million or 9.7%, compared to being under the year-to-date budget by approximately \$7.1 million or 8.0% during the same period last year. Of the total variance, employee pay and benefits was under budget by \$1.1 million or 1.6%. Travel cost were under budget by \$2.8 million or 28.6%. Contract services cost was under budget by \$2.8 million or 31.8%. The under budget amounts for travel and contract services are due to the use of straight line estimates used in this report. Actual costs will more clearly align with budgeted costs as the year progresses. The remaining expense categories combined were under budget by \$2.3 million or 31.4%.

The average annualized travel spend per Full-Time Equivalent (FTE) was \$17,014 this year, which is \$452 less than last year.

Vacancies

The Agency had 39 vacancies as of this month—up 1 from the prior month. Of the 39 vacancies, 9 were in the central office and 30 were in the regions and the Asset Management and Assistance Center (AMAC). The 39 vacancies represent 3.1% percent of total authorized staff of 1,268.70.

NATIONAL CREDIT UNION ADMINISTRATION
BALANCE SHEETS
As of April 30, 2015
(Dollars in thousands)

	April 2015	April 2014
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 88,179	\$ 86,564
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	87	20
EMPLOYEE ADVANCES	47	405
OTHER ACCOUNTS RECEIVABLE , Net	3,515	1,386
PREPAID EXPENSES AND OTHER ASSETS	2,486	1,490
ASSETS HELD FOR SALE	396	-
FIXED ASSETS — Net of accumulated depreciation of \$29,398	31,078	29,583
INTANGIBLE ASSETS — Net of accumulated amortization of \$16,553 as of April 30, 2015	2,119	3,310
TOTAL ASSETS	\$ 127,907	\$ 122,758
LIABILITIES		
Accounts payable	\$ 1,854	\$ 2,055
Obligations under capital leases	821	59
Accrued wages and benefits	9,280	7,792
Deferred revenue (1)	52,600	51,917
Accrued annual leave	15,469	14,571
Accrued employee travel	-	-
Note payable to National Credit Union Share Insurance Fund	11,286	12,627
TOTAL LIABILITIES	91,310	89,021
FUND BALANCE	36,597	33,737
TOTAL LIABILITIES AND FUND BALANCE	\$ 127,907	\$ 122,758

(1) The Operating Fund recognizes operating fee revenue ratably over the calendar year. The deferred revenue is the remaining amount to be recognized over the remainder of the calendar year.

The balances in the statement above are preliminary and unaudited

NATIONAL CREDIT UNION ADMINISTRATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
For the Periods Ended April 30, 2015 and April 30, 2014
(Dollars in thousands)

	<u>April 2015</u>	<u>Year-to-Date April 2015</u>	<u>Year-to-Date April 2014</u>
REVENUES			
Operating fees	\$ 6,574	\$ 26,300	\$ 25,958
Interest	1	3	4
Other	<u>123</u>	<u>398</u>	<u>429</u>
Total Revenues	<u>6,698</u>	<u>26,701</u>	<u>26,391</u>
EXPENSES, NET (1)			
Employee wages and benefits, net	4,615	18,461	19,047
Travel	761	1,966	2,204
Rent, communications, and utilities	126	290	438
Contracted services	697	1,680	2,062
Depreciation and amortization	485	1,919	1,982
Administrative	<u>(162)</u>	<u>(784)</u>	<u>(602)</u>
Total Expenses	<u>6,522</u>	<u>23,532</u>	<u>25,131</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	<u>176</u>	<u>3,169</u>	<u>1,260</u>
FUND BALANCE—Beginning of period	<u>36,421</u>	<u>33,428</u>	<u>32,477</u>
FUND BALANCE—End of period	<u>\$ 36,597</u>	<u>\$ 36,597</u>	<u>\$ 33,737</u>

(1) Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate set by the board of 71.8% and 69.2% for 2015 and 2014, respectively.

The balances in the statement above are preliminary and unaudited

NATIONAL CREDIT UNION ADMINISTRATION
STATEMENTS OF CASH FLOWS
For the Periods Ended April 30, 2015 and April 30, 2014
(Dollars in thousands)

	April 2015	Year-to-Date April 2015	Year-to-Date April 2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenues over expenses	\$ 176	\$ 3,169	\$ 1,260
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	485	1,919	1,982
Provision for loss on disposal of employee residences held for sale	32	36	-
(Gain) loss on fixed asset retirements	1	11	-
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	(65)	3,422	3,293
Employee advances	2	15	(367)
Other accounts receivable	71,069	(3,193)	(1,183)
Prepaid expenses and other assets	(595)	(341)	(112)
(Decrease) increase in liabilities:			
Accounts payable	142	(4,744)	(2,663)
Accrued wages and benefits	1,474	(3,593)	(3,564)
Deferred revenue	(6,577)	52,600	51,917
Accrued employee travel	-	(491)	(1,068)
Net cash provided by operating activities	66,144	48,810	49,495
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed and intangible assets	(429)	(1,163)	(397)
Proceeds from insurance on fixed assets	-	-	-
Purchases of employee residences held for sale	-	-	-
Proceeds from sale of employee residences held for sale	-	212	-
Net cash used by investing activities	(429)	(951)	(397)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(447)	(447)
Principal payments under capital lease obligations	(173)	(173)	-
Net cash used by financing activities	(285)	(620)	(447)
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,430	47,239	48,651
CASH AND CASH EQUIVALENTS—Beginning of period	22,749	40,940	37,913
CASH AND CASH EQUIVALENTS—End of period	\$ 88,179	\$ 88,179	\$ 86,564
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	\$ (2)	\$ 781	\$ -
Cash Payments for Interest	\$ 18	\$ 71	\$ 77

The balances in the statement above are preliminary and unaudited

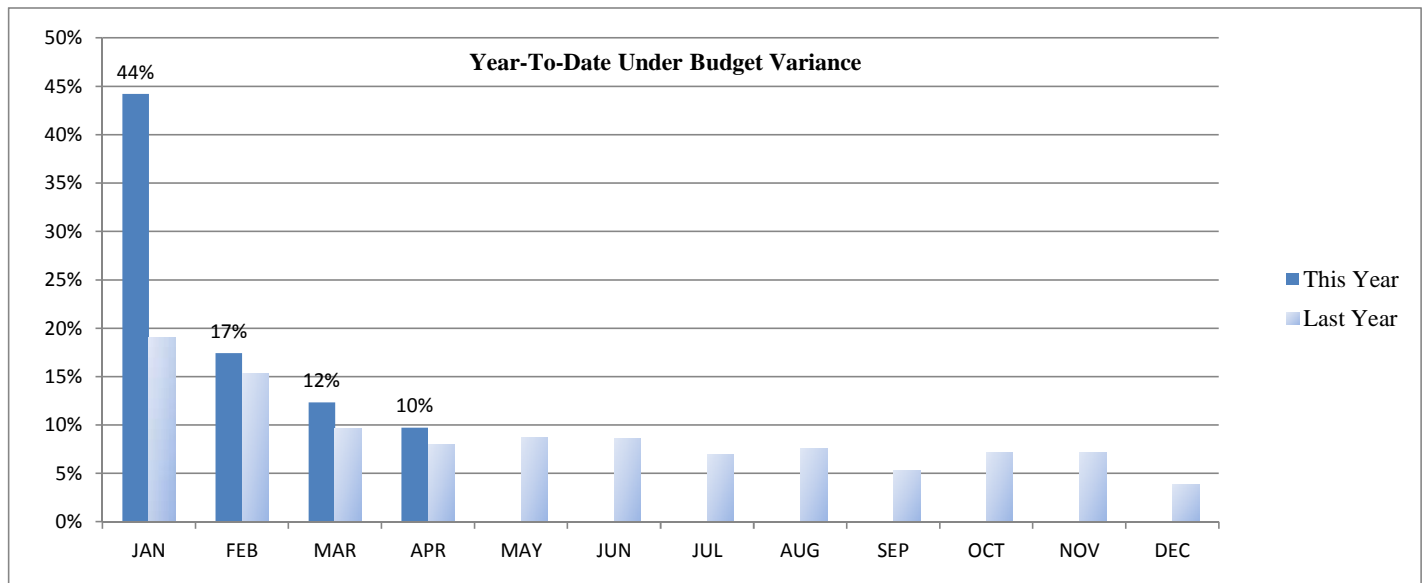
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)

As of April 30, 2015 and April 30, 2014

(Dollars in thousands)

	Year-To-Date 2015				Year-To-Date 2014			
	BUDGET ¹	ACTUAL	DIFF	%	BUDGET ¹	ACTUAL	DIFF	%
Employee Pay & Benefits	66,525	65,465	(1,060)	-1.6%	64,092	61,841	(2,251)	-3.5%
Travel	9,763	6,973	(2,790)	-28.6%	9,549	7,157	(2,392)	-25.1%
Rent, Comm., & Utilities	1,924	1,030	(894)	-46.5%	1,872	1,422	(450)	-24.0%
Administrative	5,445	4,026	(1,419)	-26.1%	5,127	4,479	(649)	-12.7%
Contracted Services	8,729	5,955	(2,774)	-31.8%	8,045	6,693	(1,352)	-16.8%
TOTAL	92,386	83,449	(8,937)	-9.7%	88,685	81,591	(7,094)	-8.0%



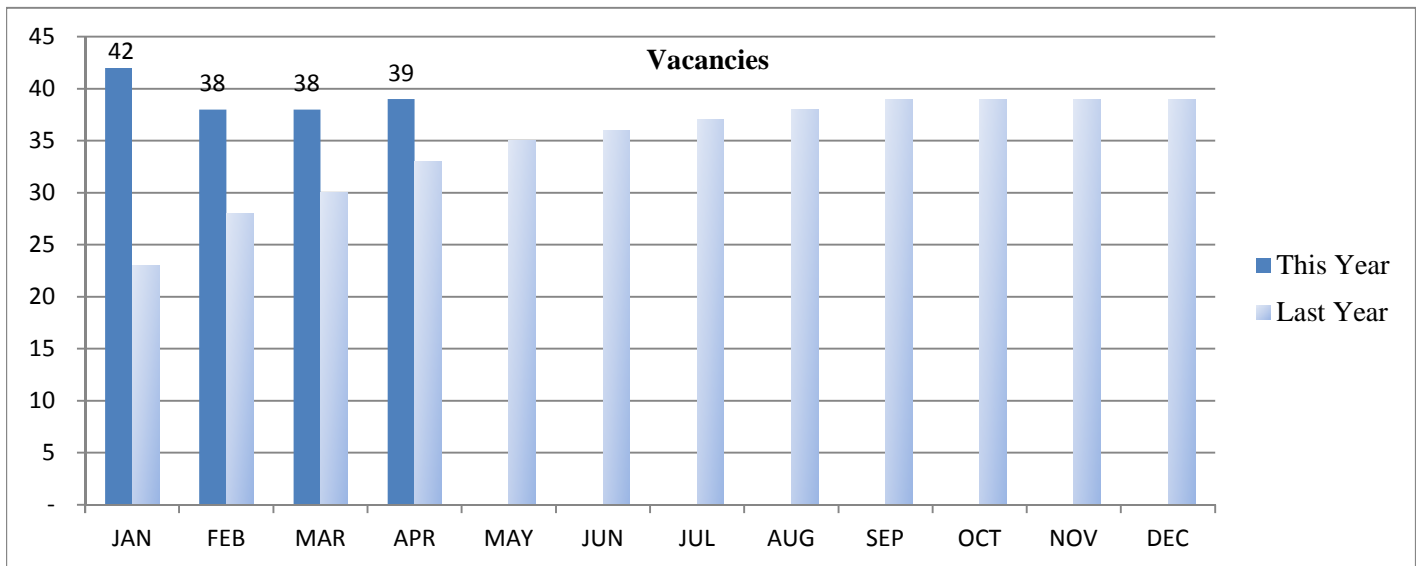
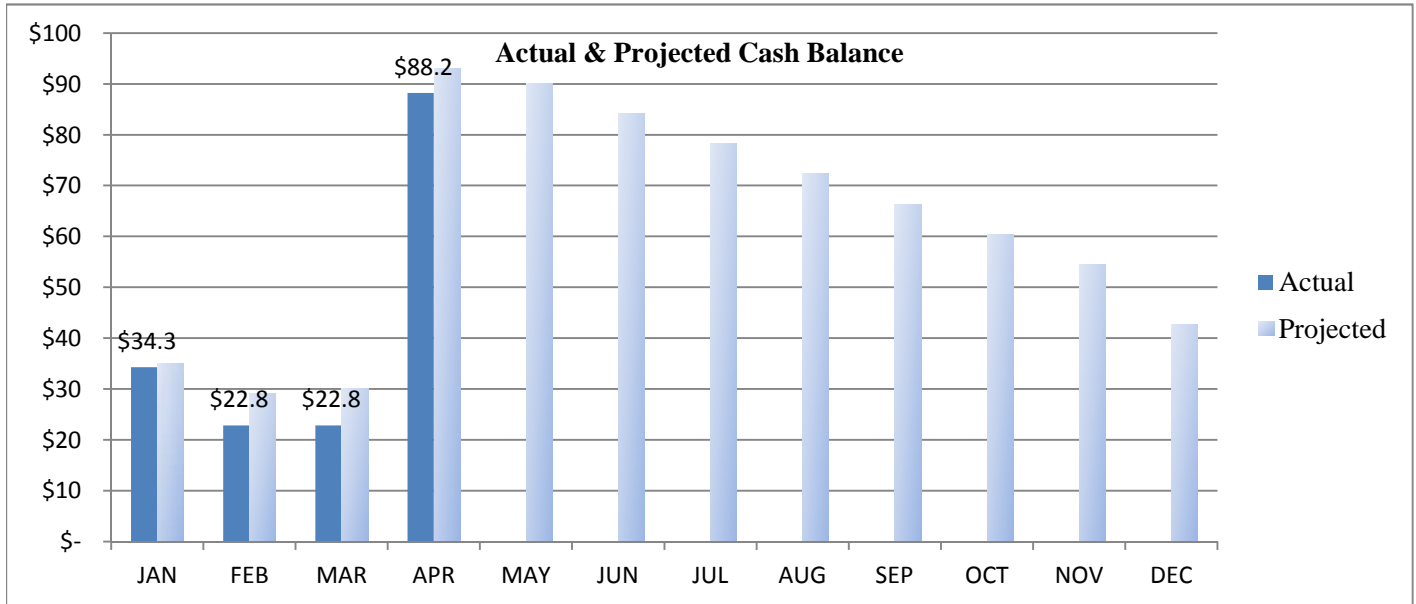
¹Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

The balances in the supplement above are preliminary and unaudited

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

As of April 30, 2015 and April 30, 2014



	4/30/2015	4/30/2014
Fund Balance / Total assets	28.61%	27.48%
YTD interest income to average investments (annualized)	0.01%	0.02%
Annualized travel spend per employee	\$17,014	\$17,466
Net year to date cash inflow (outflow) in millions of dollars	\$47	\$49
Cash and overnight investments / Total assets	68.94%	70.52%
Overhead transfer rate	71.80%	69.20%

The balances in the supplement above are preliminary and unaudited