

National Credit Union Administration



Operating Fund

***Financial Highlights
October 31, 2013***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF OCTOBER 31, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$53.3 million. Its balance decreased \$4.9 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 \$1,332,000 and net income year to date was \$663,000. Interest income on overnight investments has averaged 0.07% year-to-date, versus 0.10% during the same period last year. As approved in the July 2013 Board meeting, employee wages and benefits include the \$3.6 million cost of one-time performance-based lump sum comparability payments and adjustments to correct locality pay discrepancies.

Statements of Cash Flow

The cash position decreased \$4.9 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$73,000 was invested in new capital assets and \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$13.3 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$10.5 million or 5.1 percent, compared to being under the year-to-date budget by approximately \$9.0 million or 4.6 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$0.5 million or 0.4%, travel was under budget by \$1.5 million or 6.5%, and the remaining expense categories combined were under budget by \$8.5 million or 23.3%.

The average annualized travel spend per FTE was \$21,278 this year, which is \$279 more than last year.

Vacancies

The Agency had 11 vacancies as of this month -- down 4 from the prior month. The 11 vacancies represent 0.9% percent of total authorized staff of 1,262.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF OCTOBER 31, 2013 AND OCTOBER 31, 2012

(Dollars in thousands)

	10/31/2013	9/30/2013	10/31/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 53,316	\$ 58,166	\$ 53,701
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	92	2,247	84
EMPLOYEE ADVANCES	326	306	14
OTHER ACCOUNTS RECEIVABLE , Net	247	267	231
PREPAID EXPENSES AND OTHER ASSETS	1,764	1,666	1,470
ASSETS HELD FOR SALE	-	-	575
FIXED ASSETS — Net of accumulated depreciation of \$28,629 as of October 31, 2013	29,984	30,142	31,181
INTANGIBLE ASSETS — Net of accumulated amortization of \$12,798 as of October 31, 2013	<u>3,817</u>	<u>4,042</u>	<u>5,755</u>
TOTAL	<u>\$ 89,546</u>	<u>\$ 96,836</u>	<u>\$ 93,011</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 18,661	\$ 26,442	\$ 18,025
Obligations under capital leases	64	64	83
Accrued wages and benefits	8,195	6,912	11,135
Accrued annual leave	15,065	15,065	14,451
Accrued employee travel	-	2,013	-
Note payable to National Credit Union Share Insurance Fund	<u>13,298</u>	<u>13,409</u>	<u>14,639</u>
Total Liabilities	55,283	63,905	58,333
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>34,263</u>	<u>32,931</u>	<u>34,678</u>
TOTAL	<u>\$ 89,546</u>	<u>\$ 96,836</u>	<u>\$ 93,011</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED OCTOBER 31, 2013 AND OCTOBER 31, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 77,594	\$ 73,998	\$ 7,760	\$ 7,399
Interest	25	38	6	6
Other	<u>1,100</u>	<u>1,061</u>	<u>53</u>	<u>12</u>
Total Revenues	78,719	75,097	7,819	7,417
EXPENSES, NET:				
Employee wages and benefits, net	58,305	56,146	5,656	5,833
Travel	8,348	8,114	179	83
Rent, communications, and utilities	1,513	1,523	94	29
Contracted services	6,045	4,773	276	(44)
Depreciation and amortization	4,441	5,325	455	576
Administrative	<u>(596)</u>	<u>(1,341)</u>	<u>(173)</u>	<u>(262)</u>
Total Expenses	<u>78,056</u>	<u>74,540</u>	<u>6,487</u>	<u>6,215</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	663	557	1,332	1,202
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>32,931</u>	<u>33,476</u>
FUND BALANCE—End of period	<u>\$ 34,263</u>	<u>\$ 34,678</u>	<u>\$ 34,263</u>	<u>\$ 34,678</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED OCTOBER 31, 2013 AND OCTOBER 31, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 663	\$ 557	\$ 1,332	\$ 1,202
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	4,442	5,208	456	459
Provision for loss on disposal of employee residences held for sale	27	158	-	-
(Gain) loss on fixed asset retirements	10	114	-	117
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,948	1,098	2,155	3,141
Employee advances	(301)	29	(20)	(1)
Other accounts receivable	(36)	654	20	237
Prepaid expenses and other assets	(709)	(455)	(98)	-
(Decrease) increase in liabilities:				
Accounts payable	14,057	10,951	(7,781)	(7,596)
Accrued wages and benefits	(1,983)	1,840	1,283	1,841
Accrued annual leave	1,233	1,752	-	-
Accrued employee travel	(695)	(628)	(2,013)	(1,827)
Net cash provided or (used) by operating activities	<u>18,656</u>	<u>21,278</u>	<u>(4,666)</u>	<u>(2,427)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(1,557)	(3,115)	(73)	26
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(995)	-	-
Proceeds from sale of employee residences held for sale	827	658	-	-
Net cash (used) or provided by investing activities	<u>(730)</u>	<u>(3,427)</u>	<u>(73)</u>	<u>26</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,117)	(1,117)	(111)	(111)
Principal payments under capital lease obligations	(14)	(15)	-	-
Net cash used by financing activities	<u>(1,131)</u>	<u>(1,132)</u>	<u>(111)</u>	<u>(111)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	16,795	16,719	(4,850)	(2,512)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>58,166</u>	<u>56,213</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 53,316</u>	<u>\$ 53,701</u>	<u>\$ 53,316</u>	<u>\$ 53,701</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 210</u>	<u>\$ 245</u>	<u>\$ 21</u>	<u>\$ 23</u>

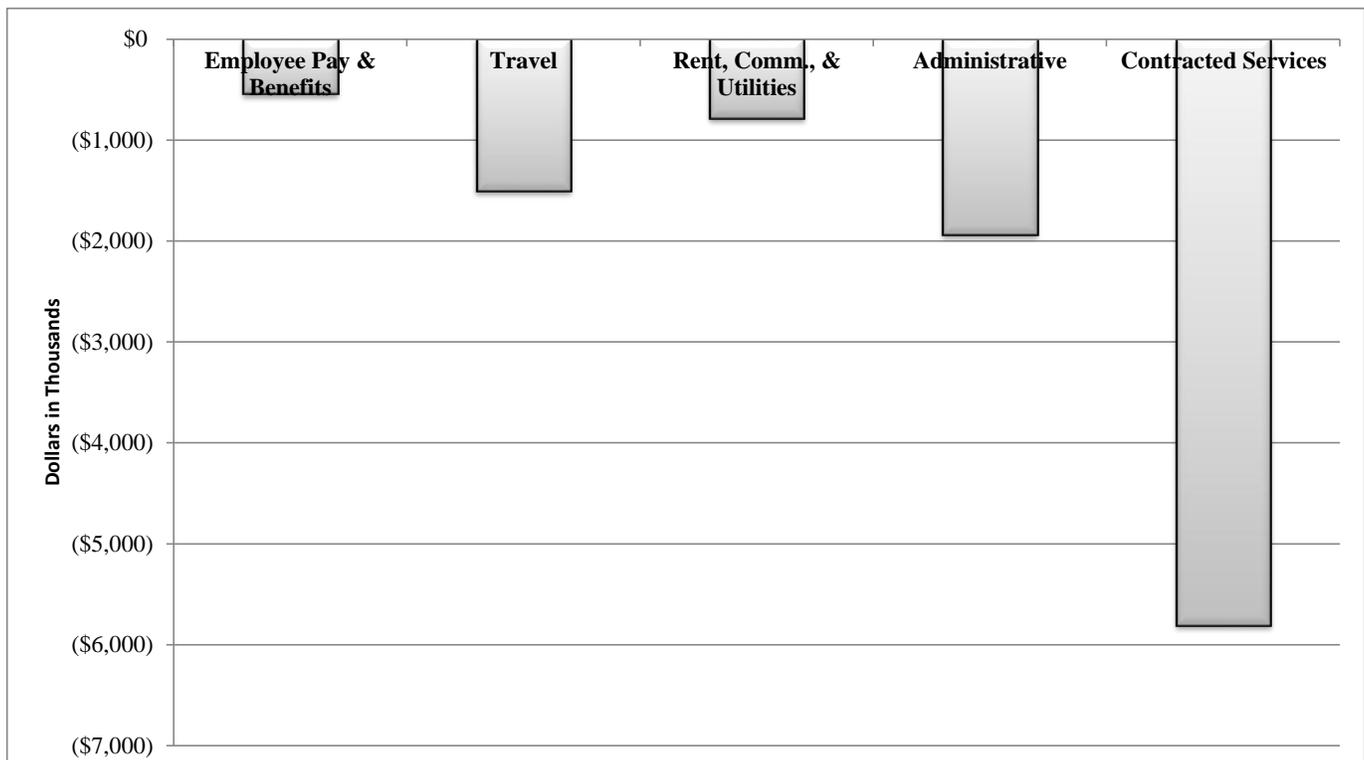
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF OCTOBER 31, 2013 AND OCTOBER 31, 2012**

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	148,125	147,590	(535)	-0.4%	139,604	141,356	1,752	1.3%
Travel	23,054	21,556	(1,498)	-6.5%	22,929	20,649	(2,281)	-9.9%
Rent, Comm., & Utilities	4,481	3,702	(779)	-17.4%	4,734	3,747	(987)	-20.8%
Administrative	11,339	9,409	(1,930)	-17.0%	11,237	9,800	(1,437)	-12.8%
Contracted Services	20,684	14,880	(5,803)	-28.1%	17,953	11,868	(6,085)	-33.9%
TOTAL	207,683	197,138	(10,545)	-5.1%	196,457	187,419	(9,037)	-4.6%

Amount Over (Under) Budget

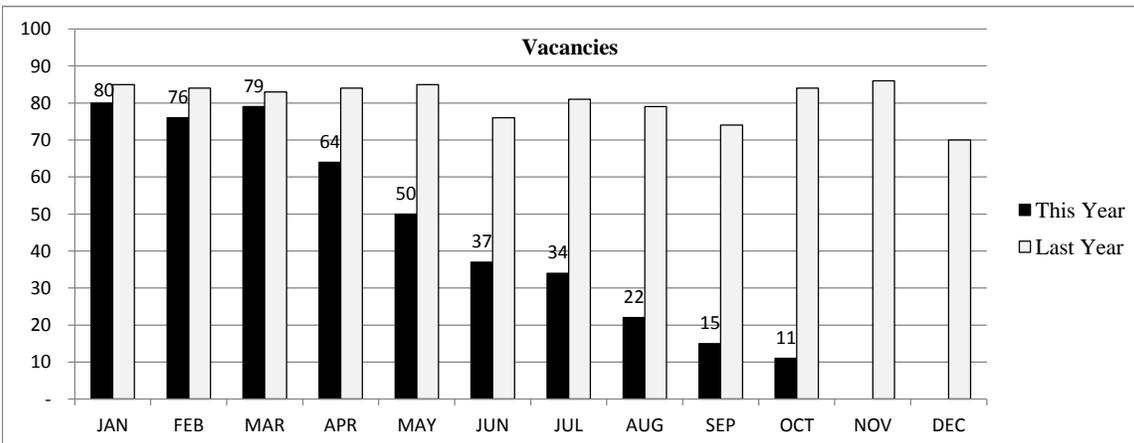
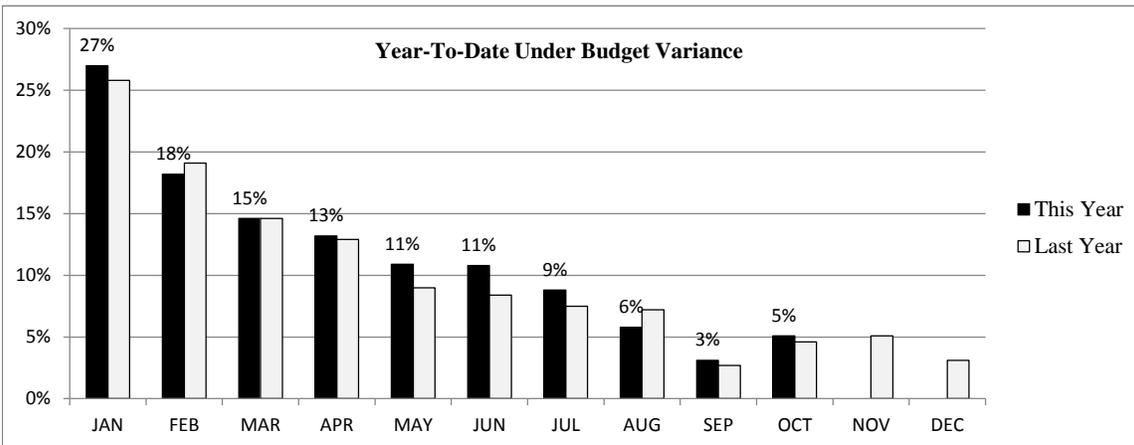
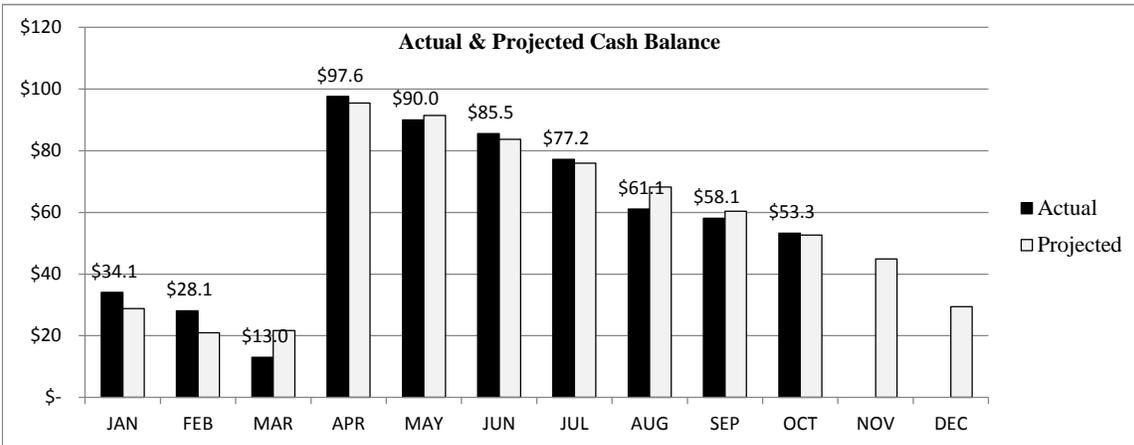


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF OCTOBER 31, 2013 AND OCTOBER 31, 2012



	10/31/2013	10/31/2012
Retained earnings / Total assets	38.26%	37.28%
YTD interest income to average investments (annualized)	0.07%	0.10%
Annualized travel spend per employee	\$21,278	\$20,999
Net year to date cash inflow (outflow) in millions of dollars	\$17	\$17
Cash and overnight investments / Total assets	59.54%	57.74%
Overhead transfer rate	59.10%	59.30%