

National Credit Union Administration



Operating Fund

***Financial Highlights
January 31, 2014***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JANUARY 31, 2014

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$28.8 million. Its balance decreased \$9.1 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 \$803,000 and net income year to date was \$803,000. Interest income on overnight investments has averaged 0.00% year-to-date, versus 0.07% during the same period last year.

Statements of Cash Flow

The cash position decreased \$9.1 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$25,000 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 \$13.0 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$4.4 million or 19.0 percent, compared to being under the year-to-date budget by approximately \$5.9 million or 27.0 percent during the same period last year. Of the total variance, employee pay and benefits was over budget by \$0.6 million or 3.2%, travel was under budget by \$2.1 million or 87.2%, and the remaining expense categories combined were under budget by \$2.9 million or 77.0%.

The average annualized travel spend per FTE was \$2,974 this year, which is \$2,751 less than last year.

Vacancies

The Agency had 29 vacancies as of this month -- up 14 from the prior month. Of the 29 vacancies, 14 were in the central office and 15 were in the regions and AMAC. The 29 vacancies represent 2.3% percent of total authorized staff of 1,262.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF JANUARY 31, 2014 AND JANUARY 31, 2013

(Dollars in thousands)

	1/31/2014	12/31/2013	1/31/2013
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 28,764	\$ 37,913	\$ 34,121
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	3,313	-
EMPLOYEE ADVANCES	36	38	20
OTHER ACCOUNTS RECEIVABLE , Net	6,843	203	7,956
PREPAID EXPENSES AND OTHER ASSETS	1,677	1,378	964
ASSETS HELD FOR SALE	-	-	276
FIXED ASSETS — Net of accumulated depreciation of \$29,359 as of January 31, 2014	29,994	30,215	31,273
INTANGIBLE ASSETS — Net of accumulated amortization of \$13,377 as of January 31, 2014	<u>4,027</u>	<u>4,263</u>	<u>5,011</u>
TOTAL	<u>\$ 71,341</u>	<u>\$ 77,323</u>	<u>\$ 79,621</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 3,593	\$ 4,718	\$ 4,161
Obligations under capital leases	59	59	78
Accrued wages and benefits	6,876	11,356	11,972
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	1,068	-
Note payable to National Credit Union Share Insurance Fund	<u>12,962</u>	<u>13,074</u>	<u>14,303</u>
Total Liabilities	38,061	44,846	44,346
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>33,280</u>	<u>32,477</u>	<u>35,275</u>
TOTAL	<u>\$ 71,341</u>	<u>\$ 77,323</u>	<u>\$ 79,621</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED JANUARY 31, 2014 AND JANUARY 31, 2013 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 6,606	\$ 7,806	\$ 6,606	\$ 7,806
Interest	-	2	-	2
Other	8	140	8	140
	<u>6,614</u>	<u>7,948</u>	<u>6,614</u>	<u>7,948</u>
Total Revenues				
EXPENSES, NET:				
Employee wages and benefits, net	5,451	5,901	5,451	5,901
Travel	94	217	94	217
Rent, communications, and utilities	28	27	28	27
Contracted services	(30)	(44)	(30)	(44)
Depreciation and amortization	482	427	482	427
Administrative	(214)	(255)	(214)	(255)
	<u>5,811</u>	<u>6,273</u>	<u>5,811</u>	<u>6,273</u>
Total Expenses				
EXCESS OF REVENUES OVER / (UNDER)				
EXPENSES	803	1,675	803	1,675
FUND BALANCE—Beginning of period				
	<u>32,477</u>	<u>33,600</u>	<u>32,477</u>	<u>33,600</u>
FUND BALANCE—End of period				
	<u>\$ 33,280</u>	<u>\$ 35,275</u>	<u>\$ 33,280</u>	<u>\$ 35,275</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED JANUARY 31, 2014 AND JANUARY 31, 2013

(Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 803	\$ 1,675	\$ 803	\$ 1,675
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	482	427	482	427
Provision for loss on disposal of employee residences held for sale	-	-	-	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,313	2,040	3,313	2,040
Employee advances	2	5	2	5
Other accounts receivable	(6,640)	(7,745)	(6,640)	(7,745)
Prepaid expenses and other assets	(299)	91	(299)	91
(Decrease) increase in liabilities:				
Accounts payable	(1,125)	(443)	(1,125)	(443)
Accrued wages and benefits	(4,480)	1,794	(4,480)	1,794
Accrued annual leave	-	-	-	-
Accrued employee travel	(1,068)	(695)	(1,068)	(695)
Net cash used by operating activities	<u>(9,012)</u>	<u>(2,851)</u>	<u>(9,012)</u>	<u>(2,851)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(25)	(15)	(25)	(15)
Proceeds from insurance on fixed assets	-	-	-	-
Purchases of employee residences held for sale	-	-	-	-
Proceeds from sale of employee residences held for sale	-	578	-	578
Net cash (used) or provided by investing activities	<u>(25)</u>	<u>563</u>	<u>(25)</u>	<u>563</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(112)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,149)	(2,400)	(9,149)	(2,400)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>37,913</u>	<u>36,521</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 28,764</u>	<u>\$ 34,121</u>	<u>\$ 28,764</u>	<u>\$ 34,121</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 20</u>	<u>\$ 22</u>	<u>\$ 20</u>	<u>\$ 22</u>

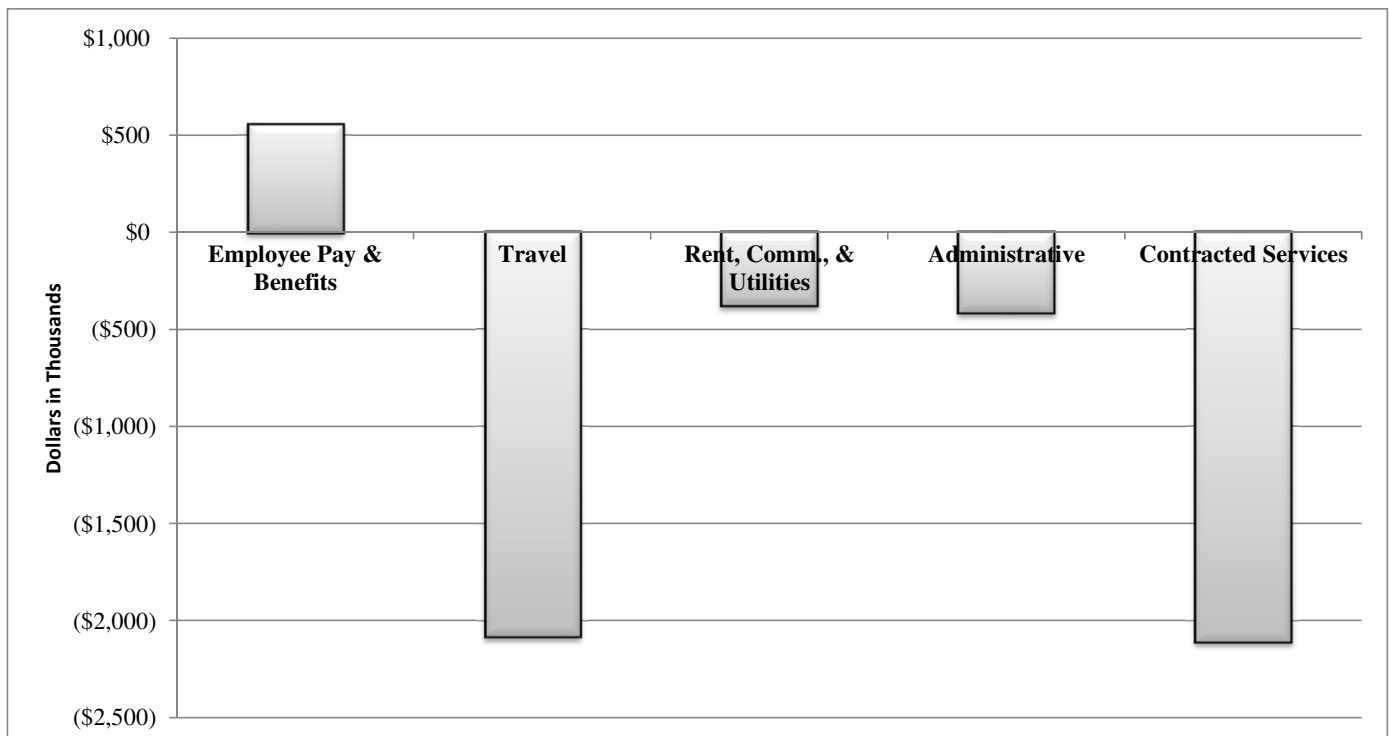
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF JANUARY 31, 2014 AND JANUARY 31, 2013**

(Dollars in thousands)

	2014				2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	17,141	17,697	556	3.2%	16,179	14,985	(1,194)	-7.4%
Travel	2,387	306	(2,081)	-87.2%	2,322	564	(1,758)	-75.7%
Rent, Comm., & Utilities	468	91	(376)	-80.4%	441	66	(375)	-85.1%
Administrative	1,282	871	(411)	-32.0%	1,034	421	(614)	-59.3%
Contracted Services	2,011	(97)	(2,108)	-104.8%	1,851	(108)	(1,960)	-105.9%
TOTAL	23,289	18,869	(4,420)	-19.0%	21,828	15,927	(5,901)	-27.0%

Amount Over (Under) Budget

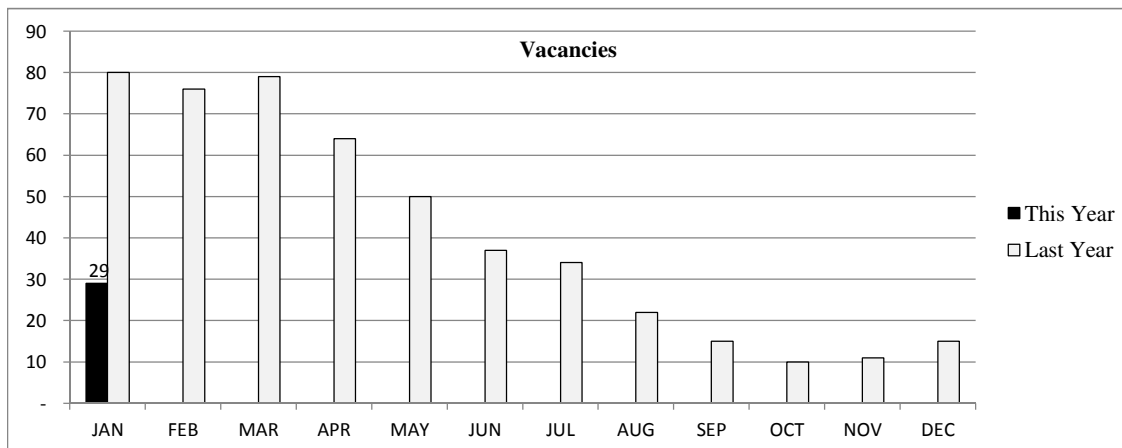
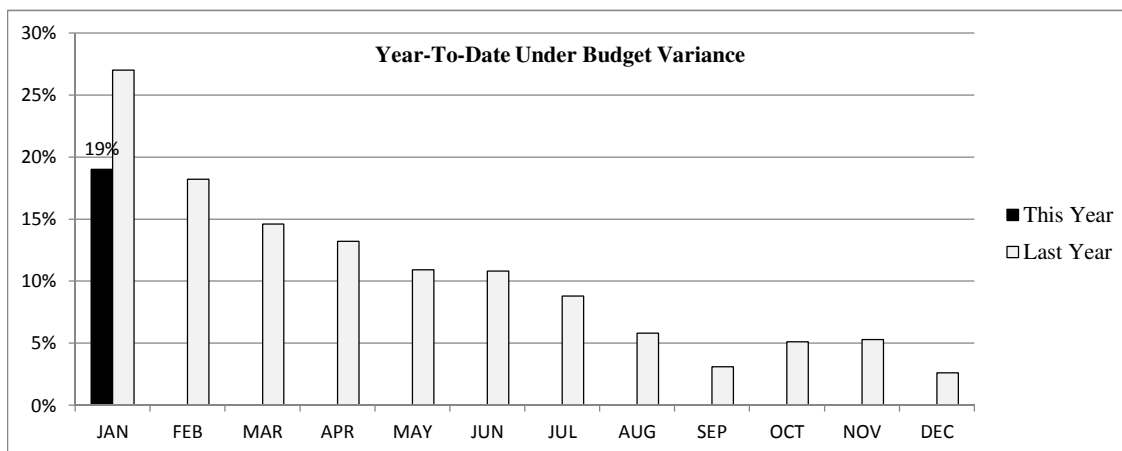
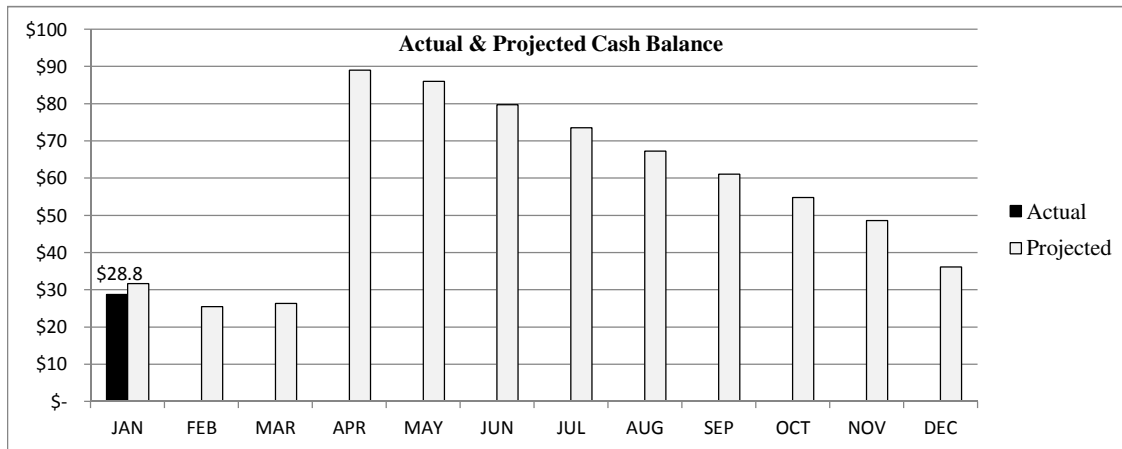


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JANUARY 31, 2014 AND JANUARY 31, 2013



	1/31/2014	1/31/2013
Retained earnings / Total assets	46.65%	44.30%
YTD interest income to average investments (annualized)	0.00%	0.07%
Annualized travel spend per employee	\$2,974	\$5,725
Net year to date cash inflow (outflow) in millions of dollars	(\$9)	(\$2)
Cash and overnight investments / Total assets	40.32%	42.85%
Overhead transfer rate	69.20%	59.10%