

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
February 28, 2014***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF FEBRUARY 28, 2014**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$22.5 million. Its balance decreased \$6.3 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 \$1,000,000 and net income year to date was \$1,803,000. Interest income on overnight investments has averaged 0.04% year-to-date, versus 0.07% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$6.3 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$12.9 million on the balance sheet.

### **Budget (Year-to-Date)**

Agency spending was under the year-to-date budget by \$6.8 million or 15.3 percent, compared to being under the year-to-date budget by approximately \$7.6 million or 18.2 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$0.3 million or 0.9%, travel was under budget by \$2.4 million or 50.7%, and the remaining expense categories combined were under budget by \$4.1 million or 54.3%.

The average annualized travel spend per FTE was \$11,455 this year, which is \$471 less than last year.

### **Vacancies**

The Agency had 29 vacancies as of this month -- no change from the prior month. Of the 29 vacancies, 13 were in the central office and 16 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 FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

(Dollars in thousands)

	2/28/2014	1/31/2014	2/28/2013
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 22,479	\$ 28,764	\$ 28,139
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	19	-	-
EMPLOYEE ADVANCES	31	36	19
OTHER ACCOUNTS RECEIVABLE , Net	13,560	6,843	15,815
PREPAID EXPENSES AND OTHER ASSETS	1,698	1,677	1,017
ASSETS HELD FOR SALE	-	-	275
FIXED ASSETS — Net of accumulated depreciation of \$29,599 as of February 28, 2014	29,752	29,994	31,082
INTANGIBLE ASSETS — Net of accumulated amortization of \$13,621 as of February 28, 2014	<u>3,682</u>	<u>4,027</u>	<u>4,831</u>
<b>TOTAL</b>	<b><u>\$ 71,221</u></b>	<b><u>\$ 71,341</u></b>	<b><u>\$ 81,178</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 3,788	\$ 3,593	\$ 5,882
Obligations under capital leases	59	59	78
Accrued wages and benefits	5,672	6,876	11,079
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>12,851</u>	<u>12,962</u>	<u>14,192</u>
Total Liabilities	36,941	38,061	45,063
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,280</u>	<u>33,280</u>	<u>36,115</u>
<b>TOTAL</b>	<b><u>\$ 71,221</u></b>	<b><u>\$ 71,341</u></b>	<b><u>\$ 81,178</u></b>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE PERIODS ENDED FEBRUARY 28, 2014 AND FEBRUARY 28, 2013  
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 13,212	\$ 15,612	\$ 6,606	\$ 7,806
Interest	2	4	2	2
Other	<u>152</u>	<u>304</u>	<u>144</u>	<u>164</u>
Total Revenues	13,366	15,920	6,752	7,972
EXPENSES, NET:				
Employee wages and benefits, net	9,779	11,056	4,328	5,155
Travel	725	909	631	692
Rent, communications, and utilities	110	216	82	189
Contracted services	437	547	467	591
Depreciation and amortization	969	859	487	432
Administrative	<u>(457)</u>	<u>(182)</u>	<u>(243)</u>	<u>73</u>
Total Expenses	<u>11,563</u>	<u>13,405</u>	<u>5,752</u>	<u>7,132</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,803	2,515	1,000	840
FUND BALANCE—Beginning of period	<u>32,477</u>	<u>33,600</u>	<u>33,280</u>	<u>35,275</u>
FUND BALANCE—End of period	<u>\$ 34,280</u>	<u>\$ 36,115</u>	<u>\$ 34,280</u>	<u>\$ 36,115</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

(Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 1,803	\$ 2,515	\$ 1,000	\$ 840
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	969	859	487	432
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	3,294	2,040	(19)	-
Employee advances	7	6	5	1
Other accounts receivable	(13,357)	(15,604)	(6,717)	(7,859)
Prepaid expenses and other assets	(320)	38	(21)	(53)
(Decrease) increase in liabilities:				
Accounts payable	(930)	1,278	195	1,721
Accrued wages and benefits	(5,684)	901	(1,204)	(893)
Accrued annual leave	-	-	-	-
Accrued employee travel	(1,068)	(695)	-	-
Net cash used by operating activities	<u>(15,286)</u>	<u>(8,662)</u>	<u>(6,274)</u>	<u>(5,811)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed and intangible assets	75	(75)	100	(60)
Proceeds from insurance on fixed assets	-	-	-	-
Purchases of employee residences held for sale	-	-	-	-
Proceeds from sale of employee residences held for sale	-	578	-	-
Net cash provided or (used) by investing activities	<u>75</u>	<u>503</u>	<u>100</u>	<u>(60)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(223)	(223)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(223)</u>	<u>(223)</u>	<u>(111)</u>	<u>(111)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,434)	(8,382)	(6,285)	(5,982)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>28,764</u>	<u>34,121</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 22,479</u>	<u>\$ 28,139</u>	<u>\$ 22,479</u>	<u>\$ 28,139</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 38</u>	<u>\$ 42</u>	<u>\$ 18</u>	<u>\$ 20</u>

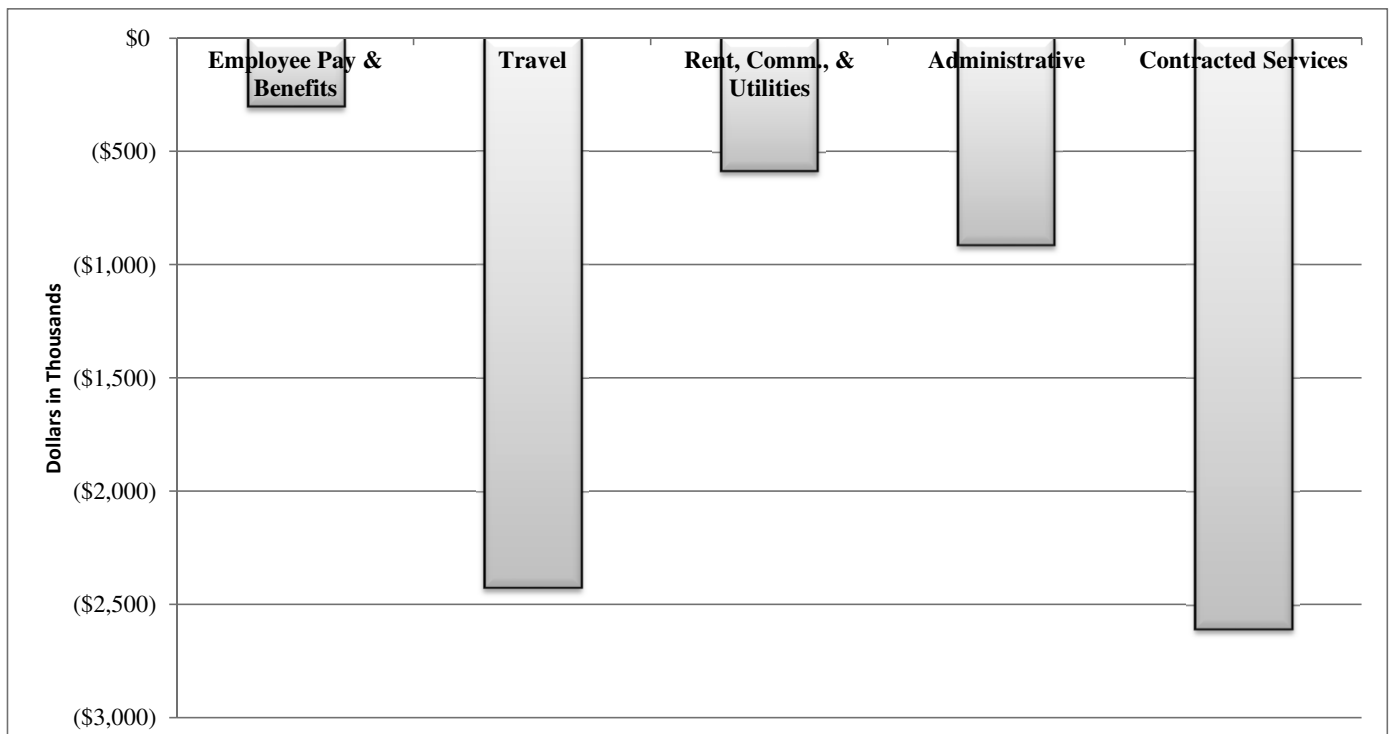
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)  
AS OF FEBRUARY 28, 2014 AND FEBRUARY 28, 2013**

(Dollars in thousands)

	2014				2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay &amp; Benefits</b>	32,046	31,751	(295)	-0.9%	30,248	28,108	(2,141)	-7.1%
<b>Travel</b>	4,774	2,355	(2,419)	-50.7%	4,644	2,352	(2,291)	-49.3%
<b>Rent, Comm., &amp; Utilities</b>	936	358	(578)	-61.8%	882	529	(354)	-40.1%
<b>Administrative</b>	2,564	1,656	(907)	-35.4%	2,069	1,658	(411)	-19.9%
<b>Contracted Services</b>	4,023	1,420	(2,603)	-64.7%	3,703	1,349	(2,354)	-63.6%
<b>TOTAL</b>	<b>44,342</b>	<b>37,540</b>	<b>(6,802)</b>	<b>-15.3%</b>	<b>41,546</b>	<b>33,995</b>	<b>(7,551)</b>	<b>-18.2%</b>

**Amount Over (Under) Budget**

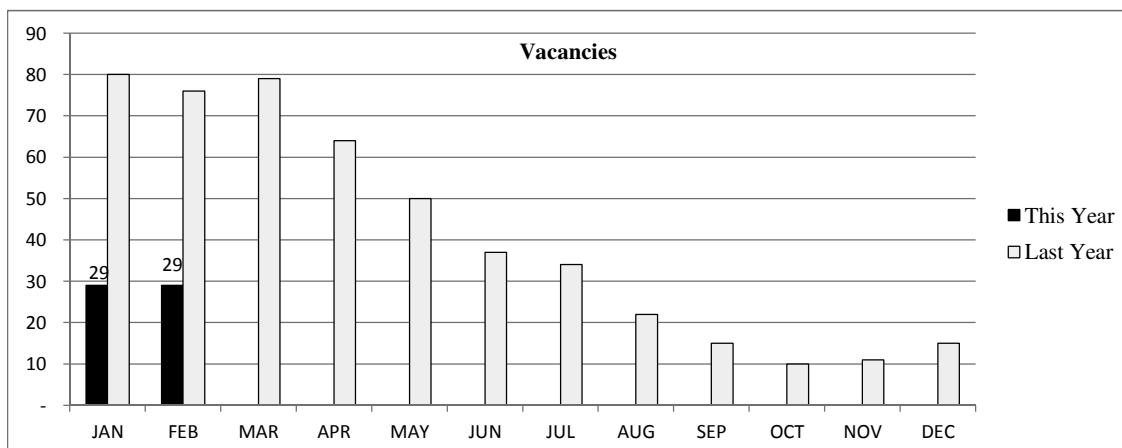
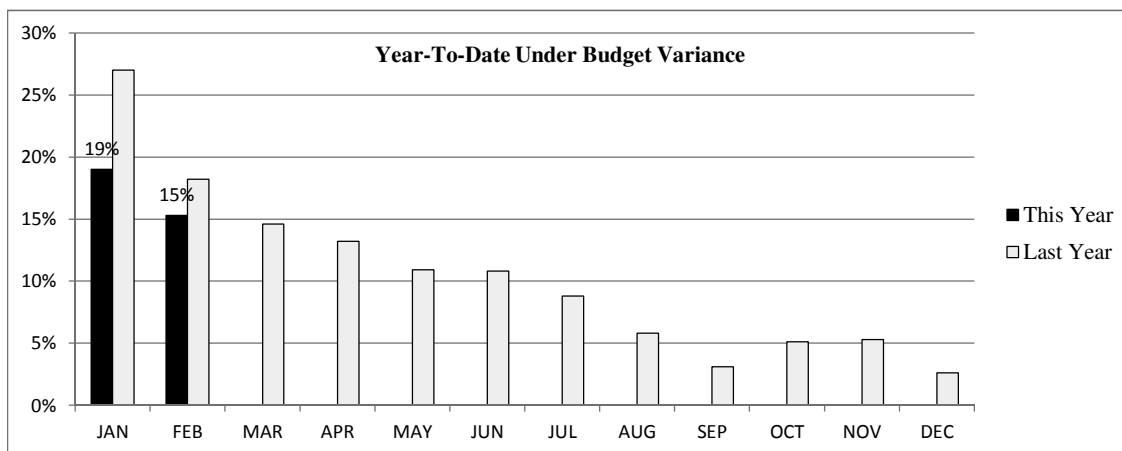
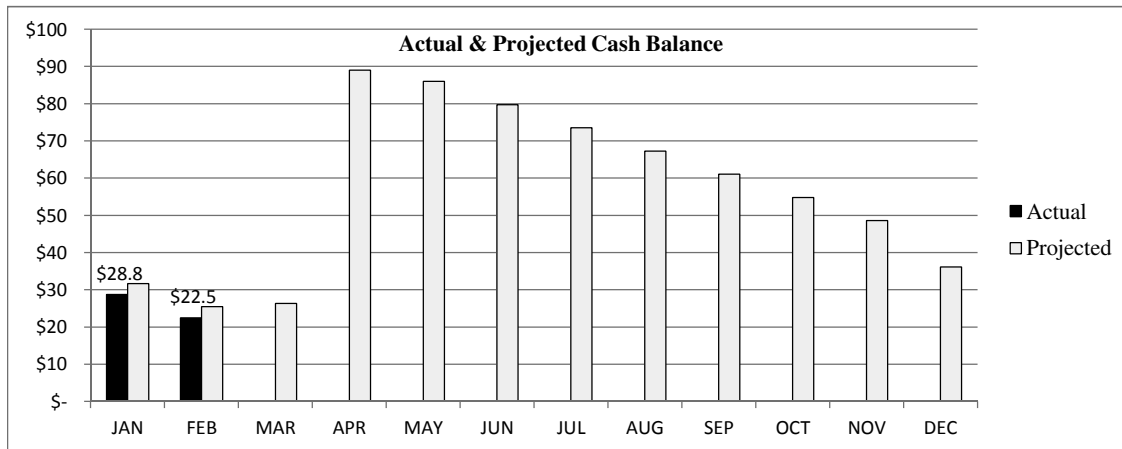


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

**AS OF FEBRUARY 28, 2014 AND FEBRUARY 28, 2013**



	2/28/2014	2/28/2013
Retained earnings / Total assets	48.13%	44.49%
YTD interest income to average investments (annualized)	0.04%	0.07%
Annualized travel spend per employee	\$11,455	\$11,926
Net year to date cash inflow (outflow) in millions of dollars	(\$15)	(\$8)
Cash and overnight investments / Total assets	31.56%	34.66%
Overhead transfer rate	69.20%	59.10%