

National Credit Union Administration



Operating Fund

***Financial Highlights
May 31, 2014***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF MAY 31, 2014

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$84.1 million. Its balance decreased \$2.5 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 \$370,000 and net income year to date was \$1,630,000. Interest income on overnight investments has averaged 0.02% year-to-date, versus 0.04% during the same period last year.

Statements of Cash Flow

The cash position decreased \$2.5 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$417,000 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 \$12.5 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$9.7 million or 8.7 percent, compared to being under the year-to-date budget by approximately \$11.4 million or 10.9 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.3 million or 4.1%, travel was under budget by \$2.7 million or 22.3%, and the remaining expense categories combined were under budget by \$3.8 million or 20.0%.

The average annualized travel spend per FTE was \$18,129 this year, which is \$1,225 less than last year.

Vacancies

The Agency had 42 vacancies as of this month -- no change from the prior month. Of the 42 vacancies, 17 were in the central office and 25 were in the regions and AMAC. The 42 vacancies represent 3.3% percent of total authorized staff of 1,262.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS AS OF MAY 31, 2014 AND MAY 31, 2013 (Dollars in thousands)

	5/31/2014	4/30/2014	5/31/2013
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 84,084	\$ 86,564	\$ 90,030
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	7	20	660
EMPLOYEE ADVANCES	360	405	87
OTHER ACCOUNTS RECEIVABLE , Net	498	1,386	258
PREPAID EXPENSES AND OTHER ASSETS	1,490	1,490	1,753
ASSETS HELD FOR SALE	-	-	95
FIXED ASSETS — Net of accumulated depreciation of \$30,370 as of May 31, 2014	29,743	29,583	30,763
INTANGIBLE ASSETS — Net of accumulated amortization of \$14,330 as of May 31, 2014	<u>3,093</u>	<u>3,310</u>	<u>4,494</u>
TOTAL	<u>\$ 119,275</u>	<u>\$ 122,758</u>	<u>\$ 128,140</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 48,820	\$ 53,972	\$ 55,424
Obligations under capital leases	59	59	78
Accrued wages and benefits	9,203	7,792	8,575
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>12,515</u>	<u>12,627</u>	<u>13,856</u>
Total Liabilities	85,168	89,021	91,765
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>34,107</u>	<u>33,737</u>	<u>36,375</u>
TOTAL	<u>\$ 119,275</u>	<u>\$ 122,758</u>	<u>\$ 128,140</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 32,448	\$ 39,029	\$ 6,490	\$ 7,806
Interest	6	11	2	2
Other	<u>498</u>	<u>599</u>	<u>69</u>	<u>58</u>
Total Revenues	32,952	39,639	6,561	7,866
EXPENSES, NET:				
Employee wages and benefits, net	23,776	27,789	4,729	6,153
Travel	2,913	3,686	709	981
Rent, communications, and utilities	536	719	98	153
Contracted services	2,328	2,855	266	788
Depreciation and amortization	2,456	2,170	474	442
Administrative	<u>(687)</u>	<u>(355)</u>	<u>(85)</u>	<u>(130)</u>
Total Expenses	<u>31,322</u>	<u>36,864</u>	<u>6,191</u>	<u>8,387</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,630	2,775	370	(521)
FUND BALANCE—Beginning of period	<u>32,477</u>	<u>33,600</u>	<u>33,737</u>	<u>36,896</u>
FUND BALANCE—End of period	<u>\$ 34,107</u>	<u>\$ 36,375</u>	<u>\$ 34,107</u>	<u>\$ 36,375</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED MAY 31, 2014 AND MAY 31, 2013 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,630	\$ 2,775	\$ 370	\$ (521)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,456	2,170	474	442
Provision for loss on disposal of employee residences held for sale	-	4	-	(1)
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,306	1,380	13	(660)
Employee advances	(322)	(62)	45	(3)
Other accounts receivable	(295)	(47)	888	422
Prepaid expenses and other assets	(112)	(698)	-	(639)
(Decrease) increase in liabilities:				
Accounts payable	44,102	50,820	(5,152)	(8,389)
Accrued wages and benefits	(2,153)	(1,603)	1,411	1,967
Accrued annual leave	-	-	-	-
Accrued employee travel	(1,068)	(695)	-	-
Net cash provided or (used) by operating activities	<u>47,544</u>	<u>54,044</u>	<u>(1,951)</u>	<u>(7,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(814)	(731)	(417)	(272)
Proceeds from insurance on fixed assets	-	-	-	-
Purchases of employee residences held for sale	-	-	-	-
Proceeds from sale of employee residences held for sale	-	755	-	177
Net cash (used) or provided by investing activities	<u>(814)</u>	<u>24</u>	<u>(417)</u>	<u>(95)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(559)	(559)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(559)</u>	<u>(559)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	46,171	53,509	(2,480)	(7,589)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>86,564</u>	<u>97,619</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 84,084</u>	<u>\$ 90,030</u>	<u>\$ 84,084</u>	<u>\$ 90,030</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 97</u>	<u>\$ 107</u>	<u>\$ 20</u>	<u>\$ 22</u>

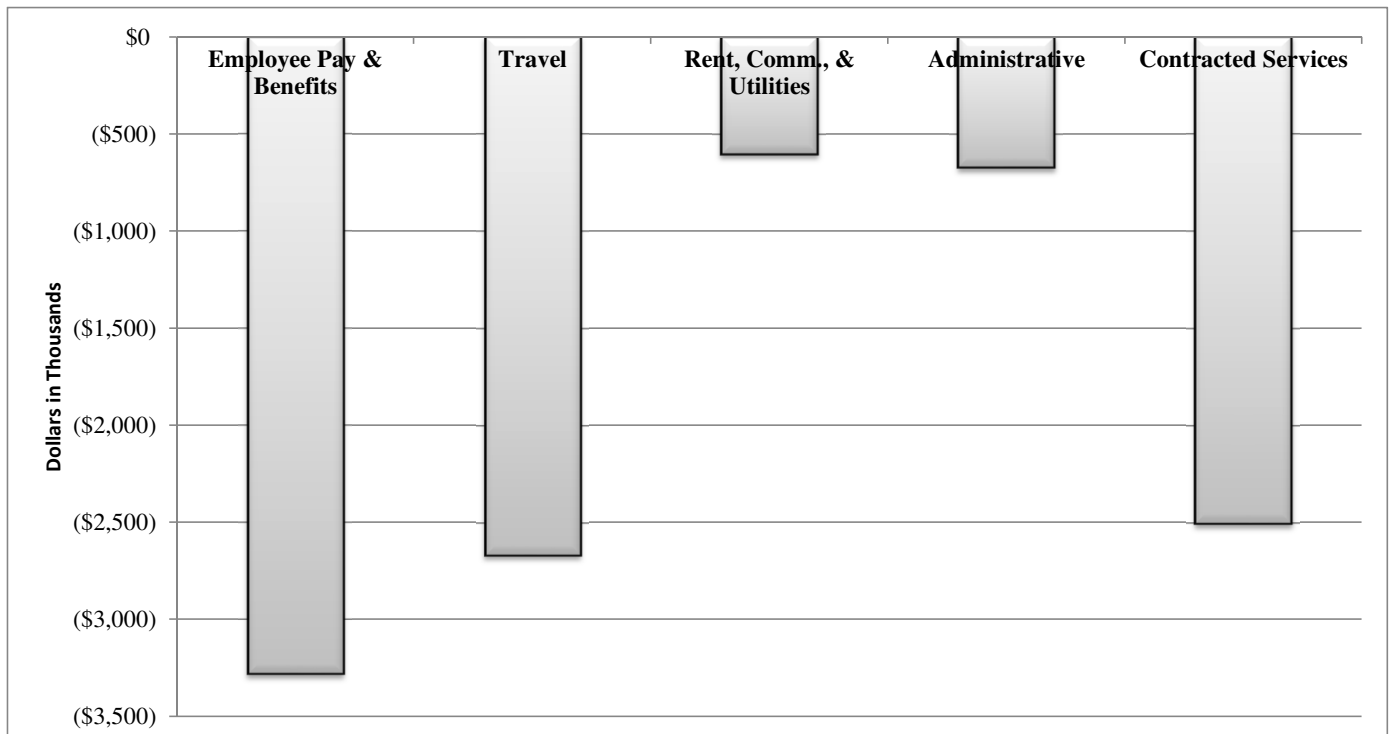
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

(Dollars in thousands)

	Year-To-Date 2014				Year-To-Date 2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	80,488	77,211	(3,277)	-4.1%	76,678	70,648	(6,031)	-7.9%
Travel	11,936	9,272	(2,663)	-22.3%	11,610	9,610	(2,000)	-17.2%
Rent, Comm., & Utilities	2,339	1,739	(600)	-25.7%	2,204	1,760	(444)	-20.1%
Administrative	6,409	5,741	(668)	-10.4%	5,172	4,442	(730)	-14.1%
Contracted Services	10,056	7,556	(2,501)	-24.9%	9,257	7,029	(2,227)	-24.1%
TOTAL	111,229	101,519	(9,709)	-8.7%	104,920	93,489	(11,431)	-10.9%

Amount Over (Under) Budget

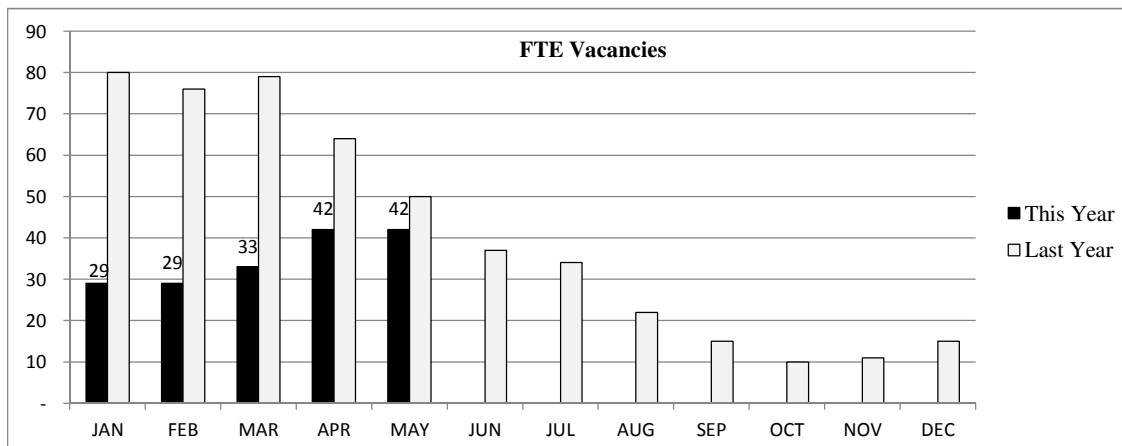
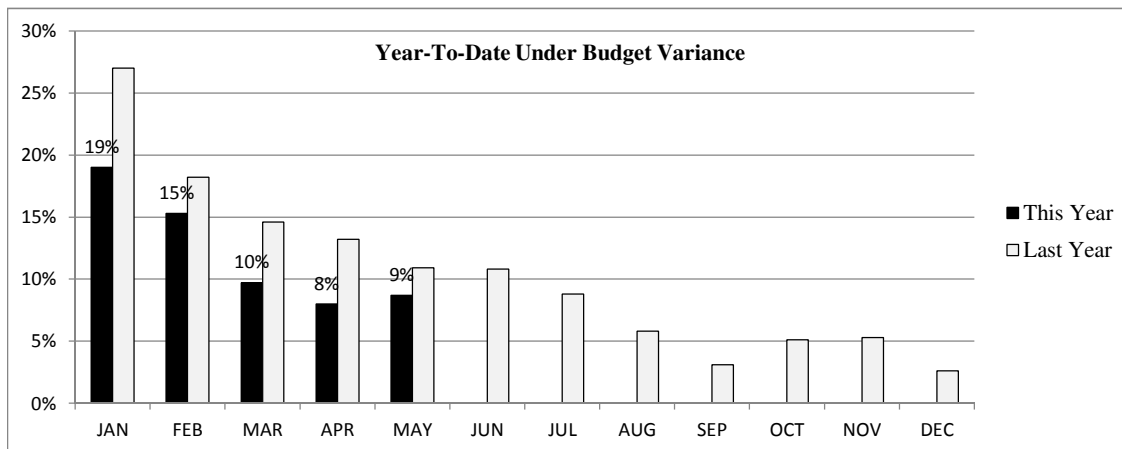
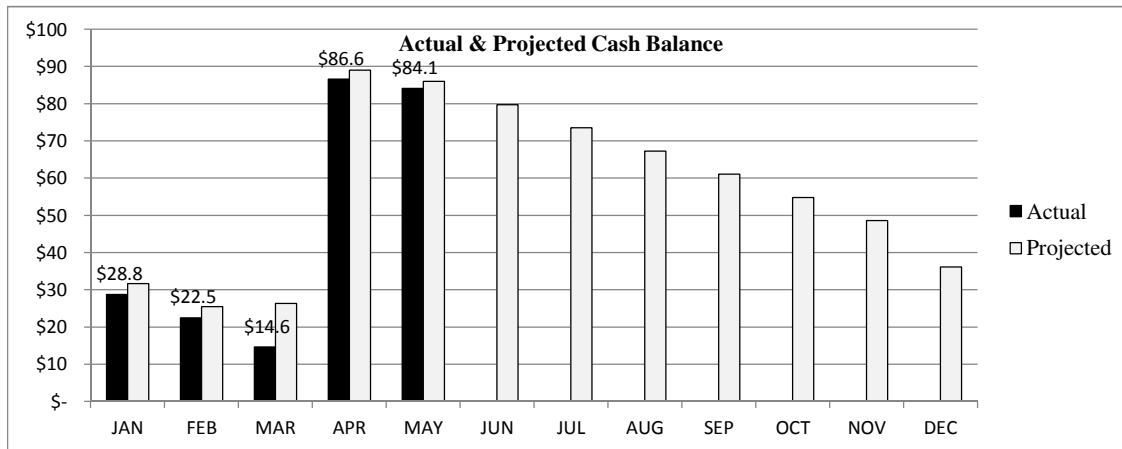


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF MAY 31, 2014 AND MAY 31, 2013



	5/31/2014	5/31/2013
Retained earnings / Total assets	28.60%	28.39%
YTD interest income to average investments (annualized)	0.02%	0.04%
Annualized travel spend per employee	\$18,129	\$19,354
Net year to date cash inflow (outflow) in millions of dollars	\$46	\$54
Cash and overnight investments / Total assets	70.50%	70.26%
Overhead transfer rate	69.20%	59.10%