National Credit Union Administration

Operating Fund

Financial Highlights
January 31, 2015
Preliminary and Unaudited

Rendell L. Jones
Chief Financial Officer
Balance Sheets
Cash and cash equivalents had a month-end balance of approximately $34.3 million. Its balance decreased $6.6 million in the month primarily due to an increase in receivables and decrease in accrued wages and benefits. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Accounts payable had a month-end balance of approximately $7.1 million. Its balance increased by approximately $0.6 million in the month primarily due to increase in liabilites for advances and prepayments.

Statements of Revenues, Expenses, and Changes in Fund Balance
Net income for the month was $2.6 million and net income year-to-date was $2.6 million. Interest income on overnight investments has averaged 0.03% year-to-date, versus 0.00% during the same period last year.

Statements of Cash Flow
The cash position decreased $6.6 million since last month. Operating activities generated the major portion of the net change in cash. Also, $79 thousand was invested in new capital assets and $112 thousand in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of $11.6 million on the balance sheet.

Budget (Year-to-Date)
Agency spending was under the year-to-date budget by $10.3 million or 44.2 percent, compared to being under the year-to-date budget by approximately $4.4 million or 19.0 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by $2.7 million or 16.3%, travel was under budget by $2.1 million or 86.6%, and the remaining expense categories combined were under budget by $5.4 million or 134.9%.

The average annualized travel spend per FTE was $3,201 this year, which is $227 more than last year.

Vacancies
The Agency had 42 vacancies as of this month -- up 3 from the prior month. Of the 42 vacancies, 10 were in the central office and 32 were in the regions and AMAC. The 42 vacancies represent 3.3% percent of total authorized staff of 1,268.70.
### NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

**BALANCE SHEETS**  
AS OF JANUARY 31, 2015 AND JANUARY 31, 2014  
(Dollars in thousands)  
***Preliminary and Unaudited***

<table>
<thead>
<tr>
<th></th>
<th>1/31/2015</th>
<th>12/31/2014</th>
<th>1/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$34,310</td>
<td>$40,940</td>
<td>$28,764</td>
</tr>
<tr>
<td>Due from National Credit Union Share Insurance Fund</td>
<td>-</td>
<td>3,509</td>
<td>-</td>
</tr>
<tr>
<td>Employee Advances</td>
<td>44</td>
<td>62</td>
<td>36</td>
</tr>
<tr>
<td>Other Accounts Receivable, Net</td>
<td>6,832</td>
<td>322</td>
<td>6,843</td>
</tr>
<tr>
<td>Prepaid Expenses and Other Assets</td>
<td>2,136</td>
<td>2,145</td>
<td>1,677</td>
</tr>
<tr>
<td>Assets Held for Sale</td>
<td>644</td>
<td>644</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Assets — Net of accumulated depreciation of $28,510</td>
<td>30,920</td>
<td>30,279</td>
<td>29,994</td>
</tr>
<tr>
<td>Intangible Assets — Net of accumulated amortization of $16,014 as of January 31, 2015</td>
<td>2,653</td>
<td>2,904</td>
<td>4,027</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$77,539</td>
<td>$80,805</td>
<td>$71,341</td>
</tr>
</tbody>
</table>

|                      |            |            |           |
| **LIABILITIES AND FUND BALANCE** |           |            |           |
| Liabilities:         |            |            |           |
| Accounts payable     | $7,148     | $6,598     | $3,593    |
| Obligations under capital leases | 996       | 213        | 59        |
| Accrued wages and benefits | 6,323     | 12,873     | 6,876     |
| Accrued annual leave | 15,469     | 15,469     | 14,571    |
| Accrued employee travel | -         | 491        | -         |
| Note payable to National Credit Union Share Insurance Fund | 11,621    | 11,733     | 12,962    |
| **Total Liabilities** | 41,557     | 47,377     | 38,061    |

**Commitments and Contingencies**

**Fund Balance**

|                      | 35,982     | 33,428     | 33,280    |

**Total**

|                      | $77,539    | $80,805    | $71,341   |
NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIODS ENDED JANUARY 31, 2015 AND JANUARY 31, 2014

(Dollars in thousands) ***Preliminary and Unaudited***

<table>
<thead>
<tr>
<th></th>
<th>YEAR-TO-DATE</th>
<th>MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating fees</td>
<td>$ 6,583</td>
<td>$ 6,606</td>
</tr>
<tr>
<td>Interest</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>250</td>
<td>8</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>6,834</td>
<td>6,614</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPENSES, NET¹:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee wages and benefits, net</td>
<td>4,676</td>
<td>5,451</td>
</tr>
<tr>
<td>Travel</td>
<td>92</td>
<td>94</td>
</tr>
<tr>
<td>Rent, communications, and utilities</td>
<td>(47)</td>
<td>28</td>
</tr>
<tr>
<td>Contracted services</td>
<td>(395)</td>
<td>(30)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>472</td>
<td>482</td>
</tr>
<tr>
<td>Administrative</td>
<td>(518)</td>
<td>(214)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>4,280</td>
<td>5,811</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXCESS OF REVENUES OVER / (UNDER) EXPENSES</td>
<td>2,554</td>
<td>803</td>
</tr>
<tr>
<td>FUND BALANCE—Beginning of period</td>
<td>33,428</td>
<td>32,477</td>
</tr>
<tr>
<td>FUND BALANCE—End of period</td>
<td>$ 35,982</td>
<td>$ 33,280</td>
</tr>
</tbody>
</table>

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.
## NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

### STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JANUARY 31, 2015 AND JANUARY 31, 2014
(Dollars in thousands) ***Preliminary and Unaudited***

<table>
<thead>
<tr>
<th>YEAR-TO-DATE</th>
<th>MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2014</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES:

- **Excess of revenues over expenses:**
  - 2015: $2,554
  - 2014: $803

- **Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:**
  - **Depreciation and amortization:**
    - 2015: $472
    - 2014: $482
  - **Provision for loss on disposal of employee residences held for sale:**
    - 2015: -
    - 2014: -
  - **Gain (loss) on fixed asset retirements:**
    - 2015: -
    - 2014: -

- **(Gain) loss on fixed asset retirements:**
  - 2015: -
  - 2014: -

- **(Increase) decrease in assets:**
  - Due from National Credit Union Share Insurance Fund:
    - 2015: $3,509
    - 2014: $3,313
  - Employee advances:
    - 2015: $18
    - 2014: $2
  - Other accounts receivable:
    - 2015: $(6,510)
    - 2014: $(6,640)
  - Prepaid expenses and other assets:
    - 2015: $9
    - 2014: $(299)

- **(Decrease) increase in liabilities:**
  - Accounts payable:
    - 2015: $550
    - 2014: $(1,125)
  - Accrued wages and benefits:
    - 2015: $(6,550)
    - 2014: $(4,480)
  - Accrued employee travel:
    - 2015: $(491)
    - 2014: $(1,068)

- **Net cash used by operating activities:**
  - 2015: $(6,439)
  - 2014: $(9,012)

### CASH FLOWS FROM INVESTING ACTIVITIES:

- **Purchases of fixed and intangible assets:**
  - 2015: $(79)
  - 2014: $(25)
- **Proceeds from insurance on fixed assets:**
  - 2015: -
  - 2014: -
- **Purchases of employee residences held for sale:**
  - 2015: -
  - 2014: -
- ** Proceeds from sale of employee residences held for sale:**
  - 2015: -
  - 2014: -

- **Net cash used by investing activities:**
  - 2015: $(79)
  - 2014: $(25)

### CASH FLOWS FROM FINANCING ACTIVITIES:

- **Repayments of note payable to National Credit Union Share Insurance Fund:**
  - 2015: $(112)
  - 2014: $(112)
- **Principal payments under capital lease obligations:**
  - 2015: -
  - 2014: -

- **Net cash used by financing activities:**
  - 2015: $(112)
  - 2014: $(112)

### NET DECREASE IN CASH AND CASH EQUIVALENTS

- **(6,630)**
- **(9,149)**
- **(6,630)**
- **(9,149)**

### CASH AND CASH EQUIVALENTS—Beginning of period

- **40,940**
- **37,913**
- **40,940**
- **37,913**

### CASH AND CASH EQUIVALENTS—End of period

- **$34,310**
- **$28,764**
- **$34,310**
- **$28,764**

### SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

- **Acquisition of equipment under capital lease:**
  - 2015: $783
  - 2014: -
- **Cash Payments for Interest:**
  - 2015: $18
  - 2014: $20

- **$783**
- **$783**
- **$18**
- **$20**
## NATIONAL CREDIT UNION ADMINISTRATION
### OPERATING FUND

### YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
**AS OF JANUARY 31, 2015 AND JANUARY 31, 2014**

(Dollars in thousands)

***Preliminary and Unaudited***

<table>
<thead>
<tr>
<th></th>
<th>Year-To-Date 2015</th>
<th>Year-To-Date 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Employee Pay &amp; Benefits</td>
<td>16,825</td>
<td>14,076</td>
</tr>
<tr>
<td>Travel</td>
<td>2,441</td>
<td>327</td>
</tr>
<tr>
<td>Rent, Comm., &amp; Utilities</td>
<td>481</td>
<td>(167)</td>
</tr>
<tr>
<td>Administrative</td>
<td>1,361</td>
<td>162</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>2,182</td>
<td>(1,400)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,290</td>
<td>12,998</td>
</tr>
</tbody>
</table>

### Amount Over (Under) Budget

<table>
<thead>
<tr>
<th></th>
<th>Dollars in Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Pay &amp; Benefits</td>
<td>($2,748)</td>
</tr>
<tr>
<td>Travel</td>
<td>($2,114)</td>
</tr>
<tr>
<td>Rent, Comm., &amp; Utilities</td>
<td>($648)</td>
</tr>
<tr>
<td>Administrative</td>
<td>($1,199)</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>($3,583)</td>
</tr>
</tbody>
</table>

Budget amounts reflect the Board-approved base budget plus mid-session adjustments.
Retained earnings / Total assets  
$\text{1/31/2015}: 46.41\%  \quad \text{1/31/2014}: 46.65\%$

YTD interest income to average investments (annualized)  
$\text{1/31/2015}: 0.03\%  \quad \text{1/31/2014}: 0.00\%$

Annualized travel spend per employee  
$\text{1/31/2015}: $3,201  \quad \text{1/31/2014}: $2,974$

Net year to date cash inflow (outflow) in millions of dollars  
$\text{1/31/2015}: ($7)  \quad \text{1/31/2014}: ($9)$

Cash and overnight investments / Total assets  
$\text{1/31/2015}: 44.25\%  \quad \text{1/31/2014}: 40.32\%$

Overhead transfer rate  
$\text{1/31/2015}: 71.80\%  \quad \text{1/31/2014}: 69.20\%$