

National Credit Union Administration



Operating Fund

***Financial Highlights
July 31, 2013***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JULY 31, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$77.2 million. Its balance decreased \$8.4 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 loss for the month was \$450,000 and net income year to date was \$2,636,000. Interest income on overnight investments has averaged 0.05% year-to-date, versus 0.07% during the same period last year.

Statements of Cash Flow

The cash position decreased \$8.4 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$112,000 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 \$13.6 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$12.7 million or 8.8 percent, compared to being under the year-to-date budget by approximately \$10.3 million or 7.5 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$4.3 million or 4.1%, travel was under budget by \$2.2 million or 13.9%, and the remaining expense categories combined were under budget by \$6.2 million or 24.3%.

The average annualized travel spend per FTE was \$19,798 this year, which is \$960 less than last year.

Vacancies

The Agency had 34 vacancies as of this month -- down 3 from the prior month. Of the 34 vacancies, 20 were in the central office and 14 were in the regions and AMAC. The 34 vacancies represent 2.7% percent of total authorized staff of 1,262.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF JULY 31, 2013 AND JULY 31, 2012

(Dollars in thousands)

	7/31/2013	6/30/2013	7/31/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 77,193	\$ 85,548	\$ 73,598
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	393	14	-
EMPLOYEE ADVANCES	17	28	35
OTHER ACCOUNTS RECEIVABLE , Net	170	190	191
PREPAID EXPENSES AND OTHER ASSETS	1,616	1,573	1,327
ASSETS HELD FOR SALE	72	72	766
FIXED ASSETS — Net of accumulated depreciation of \$28,776 as of July 31, 2013	30,460	30,600	31,326
INTANGIBLE ASSETS — Net of accumulated amortization of \$12,260 as of July 31, 2013	<u>4,338</u>	<u>4,531</u>	<u>6,886</u>
TOTAL	<u>\$ 114,259</u>	<u>\$ 122,556</u>	<u>\$ 114,129</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 39,881	\$ 49,588	\$ 40,458
Obligations under capital leases	78	78	58
Accrued wages and benefits	10,599	8,627	9,718
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>13,633</u>	<u>13,745</u>	<u>14,974</u>
Total Liabilities	78,023	85,870	77,907
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,236</u>	<u>36,686</u>	<u>36,222</u>
TOTAL	<u>\$ 114,259</u>	<u>\$ 122,556</u>	<u>\$ 114,129</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 54,315	\$ 51,875	\$ 7,759	\$ 7,407
Interest	15	22	2	4
Other	<u>787</u>	<u>821</u>	<u>84</u>	<u>67</u>
Total Revenues	55,117	52,718	7,845	7,478
EXPENSES, NET:				
Employee wages and benefits, net	39,196	37,562	5,997	5,414
Travel	5,399	5,622	973	742
Rent, communications, and utilities	1,094	1,203	213	155
Contracted services	4,078	3,252	707	626
Depreciation and amortization	3,063	3,265	445	428
Administrative	<u>(349)</u>	<u>(287)</u>	<u>(40)</u>	<u>(53)</u>
Total Expenses	<u>52,481</u>	<u>50,617</u>	<u>8,295</u>	<u>7,312</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,636	2,101	(450)	166
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>36,686</u>	<u>36,056</u>
FUND BALANCE—End of period	<u>\$ 36,236</u>	<u>\$ 36,222</u>	<u>\$ 36,236</u>	<u>\$ 36,222</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,636	\$ 2,101	\$ (450)	\$ 166
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	3,063	3,265	445	428
Provision for loss on disposal of employee residences held for sale	27	116	-	77
(Gain) loss on fixed asset retirements	-	(3)	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,647	1,182	(379)	-
Employee advances	8	8	11	8
Other accounts receivable	41	694	20	257
Prepaid expenses and other assets	(561)	(312)	(43)	(83)
(Decrease) increase in liabilities:				
Accounts payable	35,277	33,384	(9,707)	(7,200)
Accrued wages and benefits	421	423	1,972	1,214
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash provided or (used) by operating activities	<u>41,864</u>	<u>40,230</u>	<u>(8,131)</u>	<u>(5,133)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(1,165)	(2,372)	(112)	(799)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(995)	-	(175)
Proceeds from sale of employee residences held for sale	<u>755</u>	<u>510</u>	<u>-</u>	<u>-</u>
Net cash used by investing activities	<u>(410)</u>	<u>(2,832)</u>	<u>(112)</u>	<u>(974)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(782)	(782)	(112)	(112)
Principal payments under capital lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by financing activities	<u>(782)</u>	<u>(782)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	40,672	36,616	(8,355)	(6,219)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>85,548</u>	<u>79,817</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 77,193</u>	<u>\$ 73,598</u>	<u>\$ 77,193</u>	<u>\$ 73,598</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 149</u>	<u>\$ 175</u>	<u>\$ 21</u>	<u>\$ 24</u>

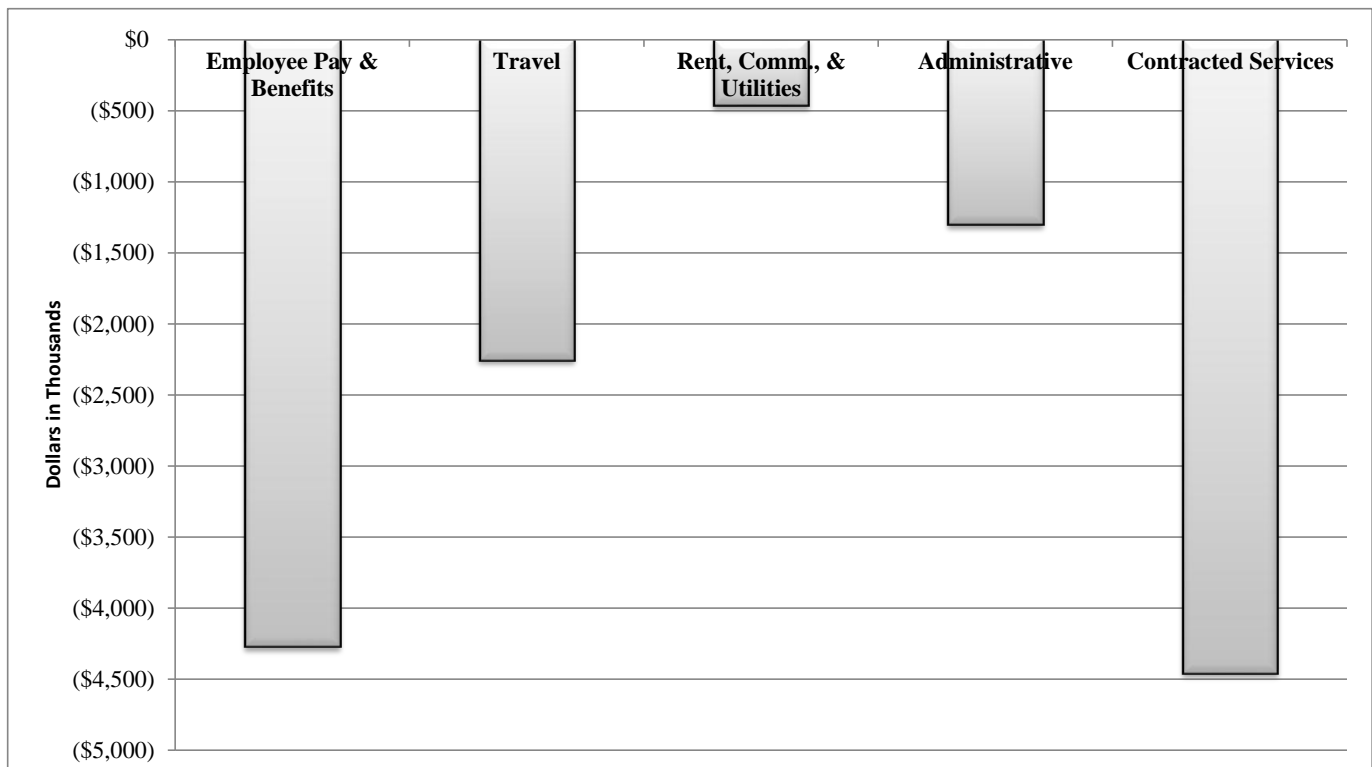
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	103,280	99,010	(4,269)	-4.1%	97,338	94,345	(2,994)	-3.1%
Travel	16,138	13,888	(2,250)	-13.9%	16,051	14,251	(1,799)	-11.2%
Rent, Comm., & Utilities	3,137	2,677	(460)	-14.7%	3,314	2,959	(354)	-10.7%
Administrative	7,938	6,641	(1,297)	-16.3%	7,866	7,325	(540)	-6.9%
Contracted Services	14,478	10,024	(4,455)	-30.8%	12,567	7,962	(4,606)	-36.6%
TOTAL	144,970	132,240	(12,731)	-8.8%	137,135	126,843	(10,293)	-7.5%

Amount Over (Under) Budget

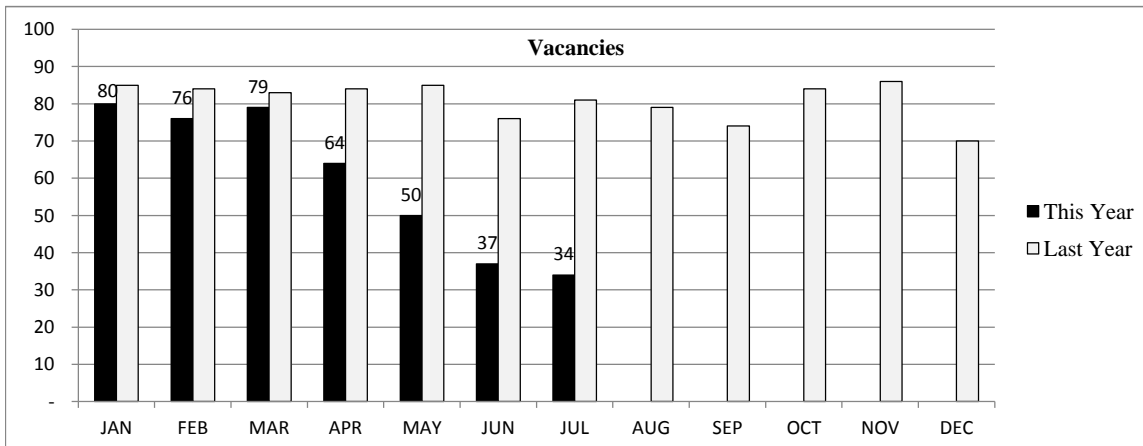
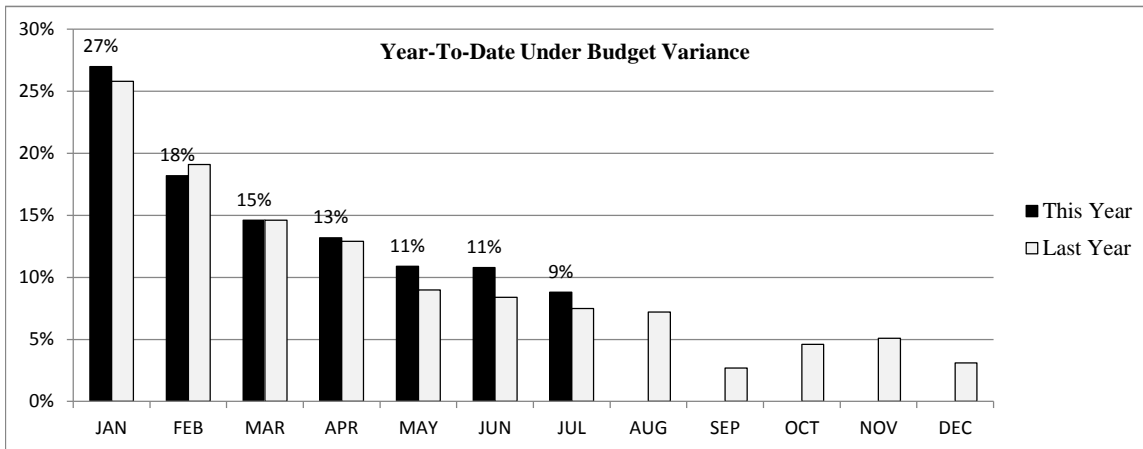
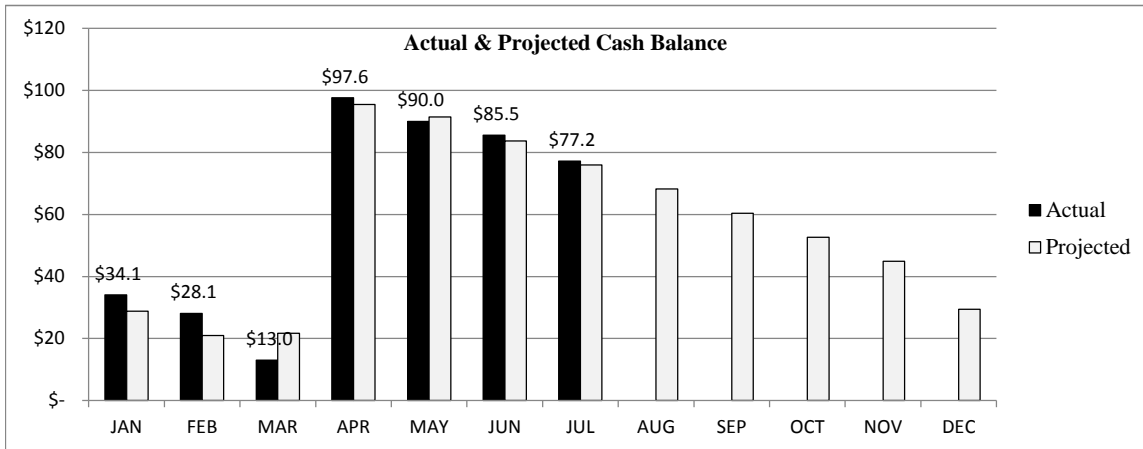


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JULY 31, 2013 AND JULY 31, 2012



	7/31/2013	7/31/2012
Retained earnings / Total assets	31.71%	31.74%
YTD interest income to average investments (annualized)	0.05%	0.07%
Annualized travel spend per employee	\$19,798	\$20,758
Net year to date cash inflow (outflow) in millions of dollars	\$41	\$37
Cash and overnight investments / Total assets	67.56%	64.49%
Overhead transfer rate	59.10%	59.30%