

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
March 31, 2013***

*Mary Ann D. Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF MARCH 31, 2013**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$13.0 million. Its balance decreased \$15.1 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 \$198,000 and net income year to date was \$2,713,000. Interest income on overnight investments has averaged 0.10% year-to-date, versus 0.06% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$15.1 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$98,000 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 \$14.1 million on the balance sheet.

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

Agency spending was under the year-to-date budget by \$9.0 million or 14.6 percent, compared to being under the year-to-date budget by approximately \$8.6 million or 14.6 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.6 million or 8.1%, travel was under budget by \$2.5 million or 35.4%, and the remaining expense categories combined were under budget by \$2.9 million or 29.2%.

The average annualized travel spend per FTE was \$15,219 this year, which is \$397 less than last year.

### **Vacancies**

The Agency had 79 vacancies as of this month -- up 3 from the prior month. Of the 79 vacancies, 36 were in the central office and 43 were in the regions and AMAC. The 79 vacancies represent 6.3% percent of total authorized staff of 1,261.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS AS OF MARCH 31, 2013 AND MARCH 31, 2012 (Dollars in thousands)

	3/31/2013	2/28/2013	3/31/2012
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 13,049	\$ 28,139	\$ 17,940
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	53	-	-
EMPLOYEE ADVANCES	37	19	187
OTHER ACCOUNTS RECEIVABLE , Net	92,035	15,815	82,793
PREPAID EXPENSES AND OTHER ASSETS	989	1,017	816
ASSETS HELD FOR SALE	271	275	397
FIXED ASSETS — Net of accumulated depreciation of \$27,862 as of March 31, 2013	30,918	31,082	31,559
INTANGIBLE ASSETS — Net of accumulated amortization of \$11,400 as of March 31, 2013	<u>4,663</u>	<u>4,831</u>	<u>6,572</u>
<b>TOTAL</b>	<b><u>\$ 142,015</u></b>	<b><u>\$ 81,178</u></b>	<b><u>\$ 140,264</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 72,465	\$ 5,882	\$ 70,349
Obligations under capital leases	78	78	58
Accrued wages and benefits	5,247	11,079	5,497
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>14,080</u>	<u>14,192</u>	<u>15,421</u>
Total Liabilities	105,702	45,063	104,024
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>36,313</u>	<u>36,115</u>	<u>36,240</u>
<b>TOTAL</b>	<b><u>\$ 142,015</u></b>	<b><u>\$ 81,178</u></b>	<b><u>\$ 140,264</u></b>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 23,417	\$ 22,247	\$ 7,805	\$ 7,406
Interest	6	4	2	1
Other	<u>425</u>	<u>317</u>	<u>121</u>	<u>88</u>
Total Revenues	23,848	22,568	7,928	7,495
EXPENSES, NET:				
Employee wages and benefits, net	16,295	15,906	5,239	5,398
Travel	1,727	1,771	818	834
Rent, communications, and utilities	406	393	190	137
Contracted services	1,463	1,266	916	664
Depreciation and amortization	1,288	1,426	429	471
Administrative	<u>(44)</u>	<u>(313)</u>	<u>138</u>	<u>75</u>
Total Expenses	<u>21,135</u>	<u>20,449</u>	<u>7,730</u>	<u>7,579</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,713	2,119	198	(84)
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>36,115</u>	<u>36,324</u>
FUND BALANCE—End of period	<u>\$ 36,313</u>	<u>\$ 36,240</u>	<u>\$ 36,313</u>	<u>\$ 36,240</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,713	\$ 2,119	\$ 198	\$ (84)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,288	1,426	429	471
Provision for loss on disposal of employee residences held for sale	5	21	5	21
(Gain) loss on fixed asset retirements	-	(3)	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,987	1,182	(53)	-
Employee advances	(12)	(144)	(18)	(20)
Other accounts receivable	(91,824)	(81,908)	(76,220)	(67,691)
Prepaid expenses and other assets	66	199	28	459
(Decrease) increase in liabilities:				
Accounts payable	67,861	63,275	66,583	65,635
Accrued wages and benefits	(4,931)	(3,798)	(5,832)	(4,851)
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash used by operating activities	<u>(23,542)</u>	<u>(18,259)</u>	<u>(14,880)</u>	<u>(6,060)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed and intangible assets	(173)	(452)	(98)	(53)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(153)	-	-
Proceeds from sale of employee residences held for sale	578	132	-	132
Net cash provided or (used) by investing activities	<u>405</u>	<u>(448)</u>	<u>(98)</u>	<u>79</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(335)	(335)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(335)</u>	<u>(335)</u>	<u>(112)</u>	<u>(112)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,472)	(19,042)	(15,090)	(6,093)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>28,139</u>	<u>24,033</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 13,049</u>	<u>\$ 17,940</u>	<u>\$ 13,049</u>	<u>\$ 17,940</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 64</u>	<u>\$ 77</u>	<u>\$ 22</u>	<u>\$ 20</u>

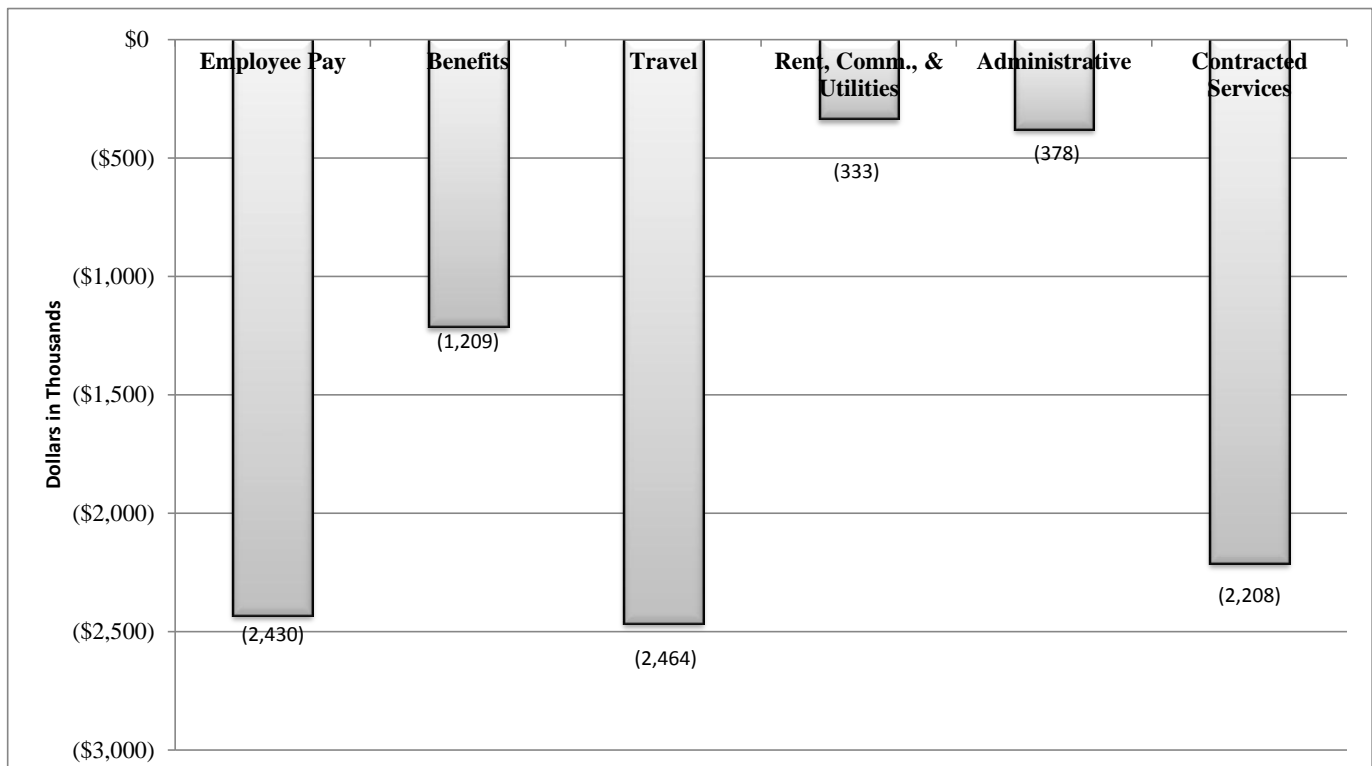
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	32,806	30,376	(2,430)	-7.4%	32,063	30,735	(1,328)	-4.1%
<b>Benefits</b>	12,215	11,005	(1,209)	-9.9%	10,477	9,717	(759)	-7.2%
<b>Travel</b>	6,965	4,502	(2,464)	-35.4%	6,766	4,589	(2,177)	-32.2%
<b>Rent, Comm., &amp; Utilities</b>	1,323	991	(333)	-25.1%	1,370	931	(438)	-32.0%
<b>Administrative</b>	3,103	2,726	(378)	-12.2%	3,365	1,386	(1,978)	-58.8%
<b>Contracted Services</b>	5,554	3,346	(2,208)	-39.7%	5,009	3,059	(1,950)	-38.9%
<b>TOTAL</b>	61,967	52,946	(9,021)	-14.6%	59,050	50,419	(8,631)	-14.6%

**Amount Over (Under) Budget**

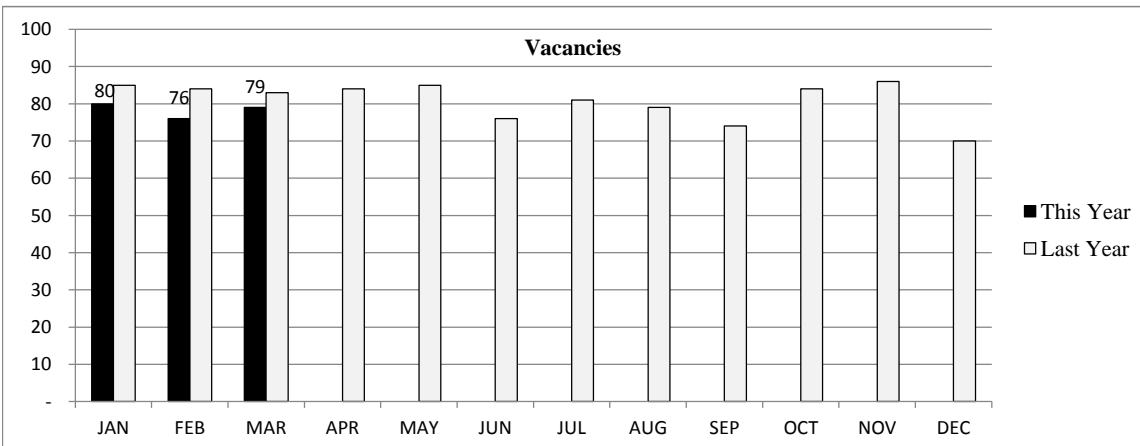
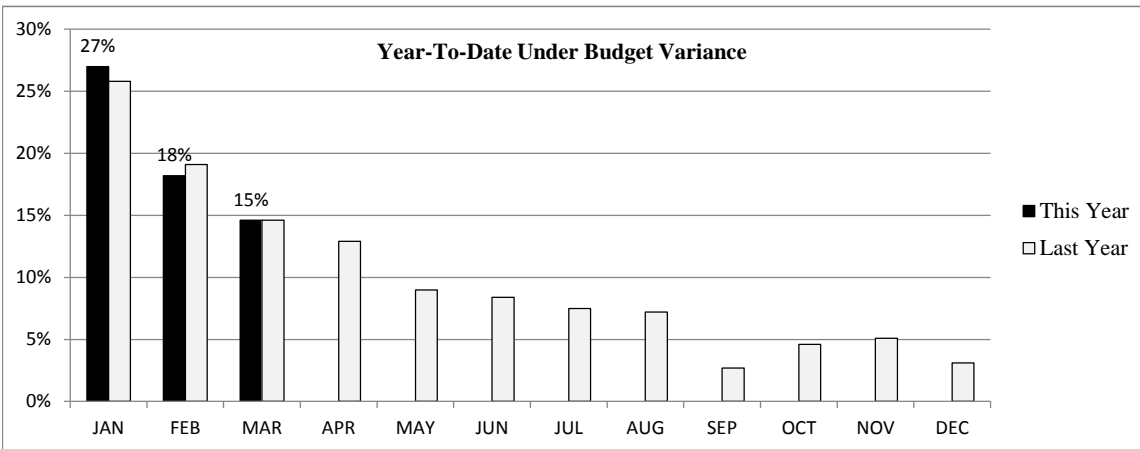
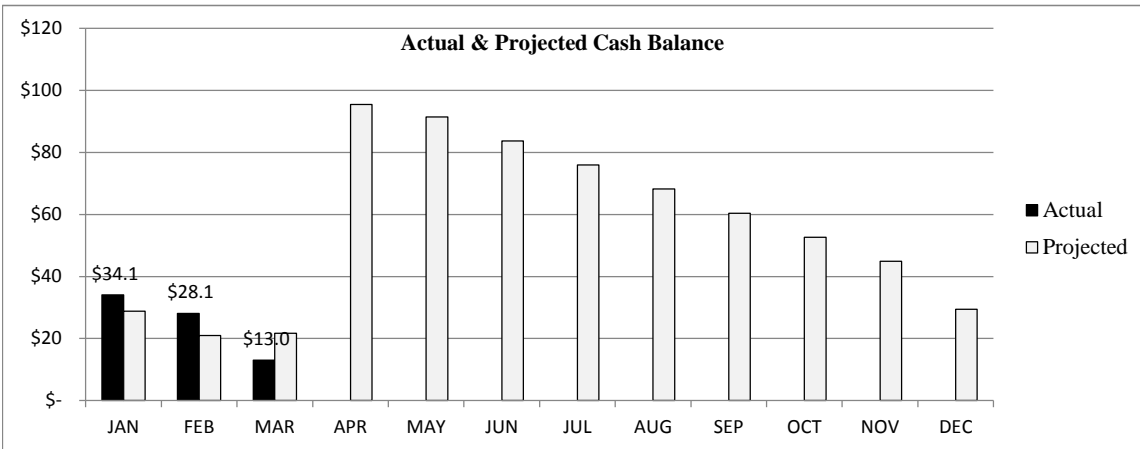


Budget amounts reflect the Board-approved base budget.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

**AS OF MARCH 31, 2013 AND MARCH 31, 2012**



	3/31/2013	3/31/2012
Retained earnings / Total assets	25.57%	25.84%
YTD interest income to average investments (annualized)	0.10%	0.06%
Annualized travel spend per employee	\$15,219	\$15,616
Net year to date cash inflow (outflow) in millions of dollars	(\$23)	(\$19)
Cash and overnight investments / Total assets	9.19%	12.79%
Overhead transfer rate	59.10%	59.30%