

National Credit Union Administration



Operating Fund

***Financial Highlights
March 31, 2014***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF MARCH 31, 2014

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$14.6 million. Its balance decreased \$7.9 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.

Accounts receivable had a month-end balance of approximately \$98 million. The balance increased \$85 million in the month primarily due to annual operating fees billed to credit unions.

Accounts payable had a month-end balance of approximately \$80 million. The balance increased \$76 million in the month primarily due to unrealized portion of annual operating fees billed to credit unions.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net loss for the month was \$64,000 and net income year to date was \$1,739,000. Interest income on overnight investments has averaged 0.05% year-to-date, versus 0.10% during the same period last year.

Statements of Cash Flow

The cash position decreased \$7.9 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$341,000 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 \$12.7 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$6.4 million or 9.7 percent, compared to being under the year-to-date budget by approximately \$9.0 million or 14.6 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$1.2 million or 2.5%, travel was under budget by \$2.7 million or 37.3%, and the remaining expense categories combined were under budget by \$2.6 million or 22.8%.

The average annualized travel spend per FTE was \$14,565 this year, which is \$654 less than last year.

Vacancies

The Agency had 33 vacancies as of this month -- up 4 from the prior month. Of the 33 vacancies, 10 were in the central office and 23 were in the regions and AMAC. The 33 vacancies represent 2.6% percent of total authorized staff of 1,262.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	3/31/2014	2/28/2014	3/31/2013
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 14,592	\$ 22,479	\$ 13,049
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	20	19	53
EMPLOYEE ADVANCES	59	31	37
OTHER ACCOUNTS RECEIVABLE , Net	98,163	13,560	92,035
PREPAID EXPENSES AND OTHER ASSETS	1,406	1,698	989
ASSETS HELD FOR SALE	-	-	271
FIXED ASSETS — Net of accumulated depreciation of \$29,835 as of March 31, 2014	29,855	29,752	30,918
INTANGIBLE ASSETS — Net of accumulated amortization of \$13,857 as of March 31, 2014	<u>3,446</u>	<u>3,682</u>	<u>4,663</u>
TOTAL	<u>\$ 147,541</u>	<u>\$ 71,221</u>	<u>\$ 142,015</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 79,528	\$ 3,788	\$ 72,465
Obligations under capital leases	59	59	78
Accrued wages and benefits	6,428	5,672	5,247
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>12,739</u>	<u>12,851</u>	<u>14,080</u>
Total Liabilities	113,325	36,941	105,702
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>34,216</u>	<u>34,280</u>	<u>36,313</u>
TOTAL	<u>\$ 147,541</u>	<u>\$ 71,221</u>	<u>\$ 142,015</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 19,817	\$ 23,417	\$ 6,605	\$ 7,805
Interest	3	6	1	2
Other	<u>312</u>	<u>425</u>	<u>160</u>	<u>121</u>
Total Revenues	20,132	23,848	6,766	7,928
EXPENSES, NET:				
Employee wages and benefits, net	14,329	16,295	4,550	5,239
Travel	1,382	1,727	657	818
Rent, communications, and utilities	307	406	197	190
Contracted services	1,365	1,463	928	916
Depreciation and amortization	1,443	1,288	474	429
Administrative	<u>(433)</u>	<u>(44)</u>	<u>24</u>	<u>138</u>
Total Expenses	<u>18,393</u>	<u>21,135</u>	<u>6,830</u>	<u>7,730</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,739	2,713	(64)	198
FUND BALANCE—Beginning of period	<u>32,477</u>	<u>33,600</u>	<u>34,280</u>	<u>36,115</u>
FUND BALANCE—End of period	<u>\$ 34,216</u>	<u>\$ 36,313</u>	<u>\$ 34,216</u>	<u>\$ 36,313</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED MARCH 31, 2014 AND MARCH 31, 2013

(Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,739	\$ 2,713	\$ (64)	\$ 198
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,443	1,288	474	429
Provision for loss on disposal of employee residences held for sale	-	5	-	5
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,293	1,987	(1)	(53)
Employee advances	(21)	(12)	(28)	(18)
Other accounts receivable	(97,960)	(91,824)	(84,603)	(76,220)
Prepaid expenses and other assets	(28)	66	292	28
(Decrease) increase in liabilities:				
Accounts payable	74,810	67,861	75,740	66,583
Accrued wages and benefits	(4,928)	(4,931)	756	(5,832)
Accrued annual leave	-	-	-	-
Accrued employee travel	(1,068)	(695)	-	-
Net cash used by operating activities	<u>(22,720)</u>	<u>(23,542)</u>	<u>(7,434)</u>	<u>(14,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(266)	(173)	(341)	(98)
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 (used) or provided by investing activities	<u>(266)</u>	<u>405</u>	<u>(341)</u>	<u>(98)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
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	(23,321)	(23,472)	(7,887)	(15,090)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>22,479</u>	<u>28,139</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 14,592</u>	<u>\$ 13,049</u>	<u>\$ 14,592</u>	<u>\$ 13,049</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 58</u>	<u>\$ 64</u>	<u>\$ 20</u>	<u>\$ 22</u>

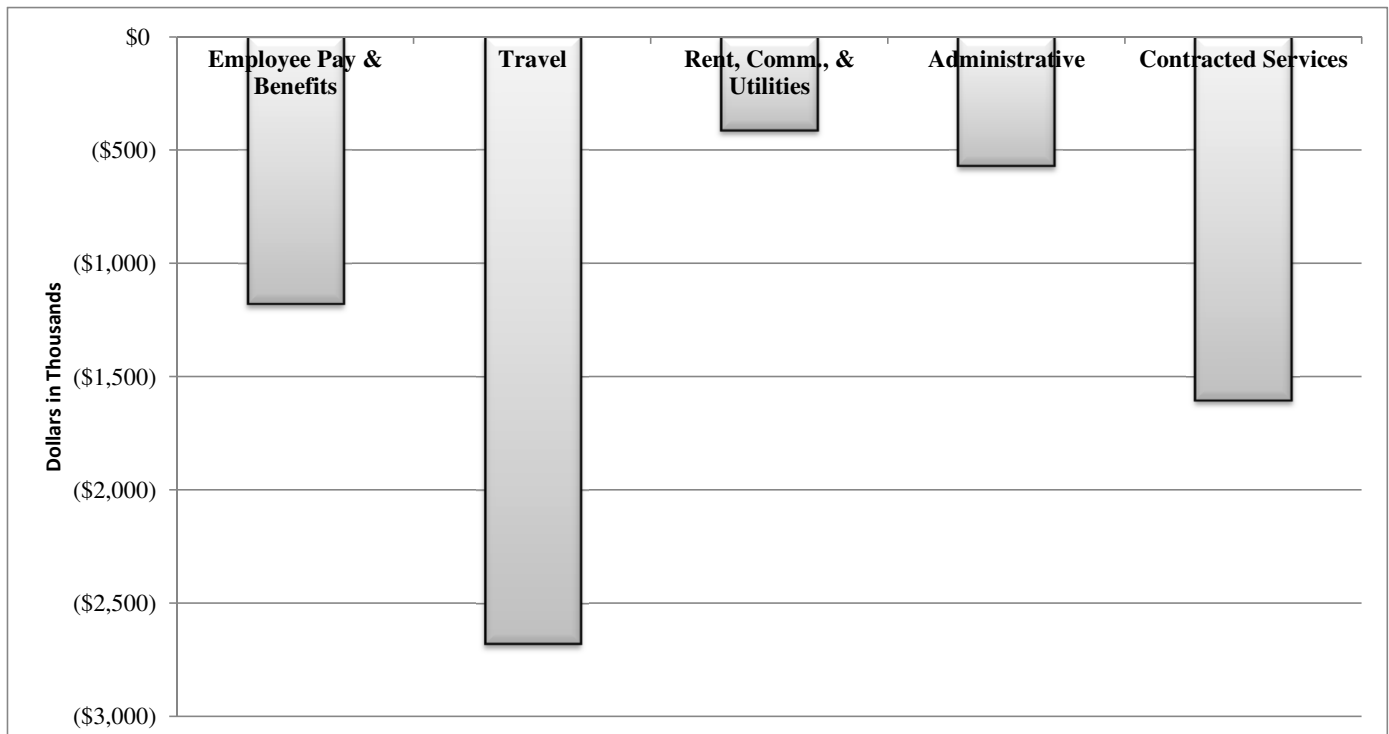
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

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

(Dollars in thousands)

	Year-To-Date 2014				Year-To-Date 2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	47,697	46,522	(1,174)	-2.5%	45,021	41,382	(3,639)	-8.1%
Travel	7,161	4,487	(2,675)	-37.3%	6,965	4,502	(2,464)	-35.4%
Rent, Comm., & Utilities	1,404	995	(408)	-29.1%	1,323	991	(333)	-25.1%
Administrative	3,845	3,279	(567)	-14.7%	3,103	2,726	(378)	-12.2%
Contracted Services	6,034	4,433	(1,601)	-26.5%	5,554	3,346	(2,208)	-39.7%
TOTAL	66,141	59,716	(6,425)	-9.7%	61,967	52,946	(9,021)	-14.6%

Amount Over (Under) Budget

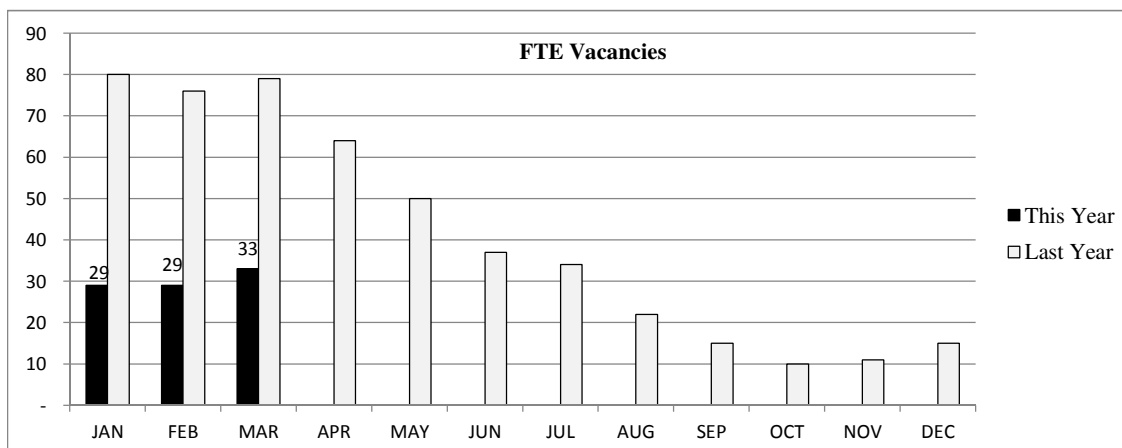
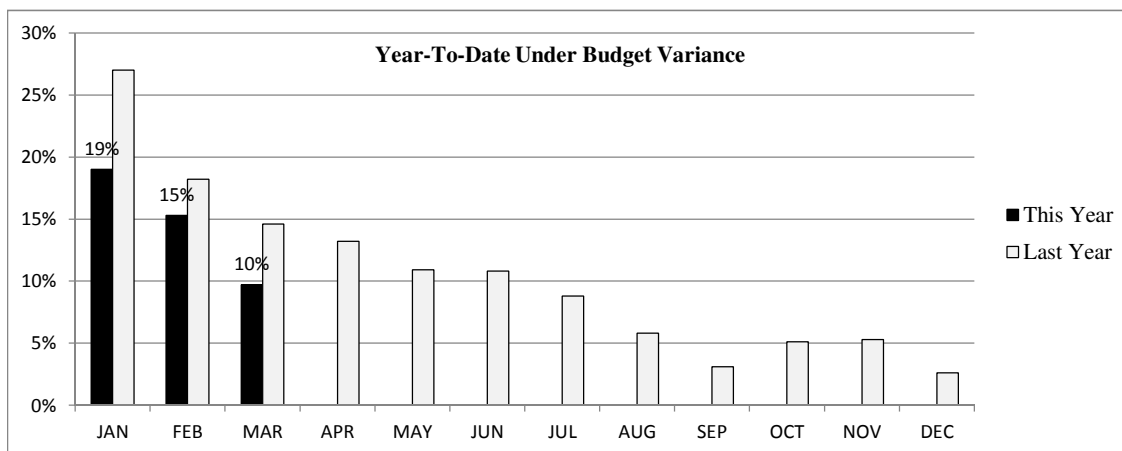
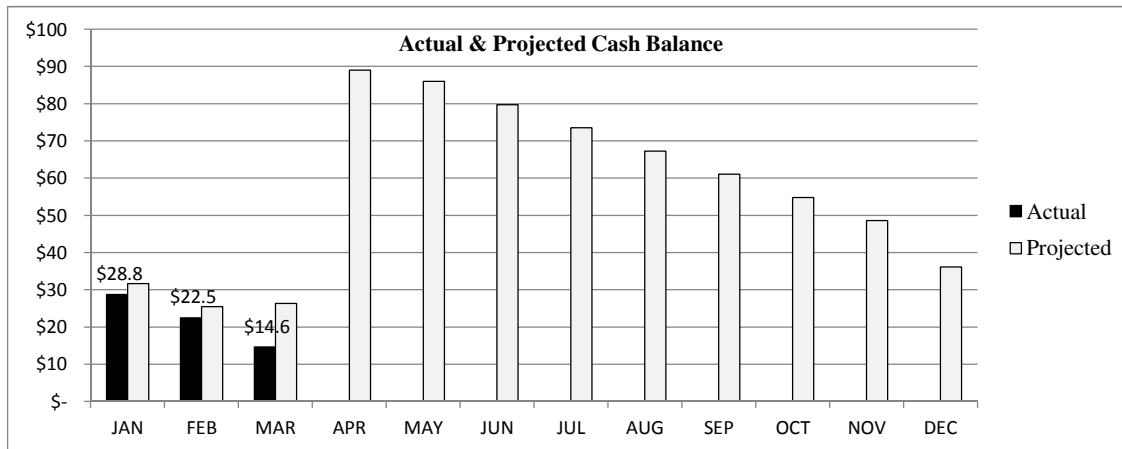


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

GRAPHS AND RATIOS

AS OF MARCH 31, 2014 AND MARCH 31, 2013



	3/31/2014	3/31/2013
Retained earnings / Total assets	23.19%	25.57%
YTD interest income to average investments (annualized)	0.05%	0.10%
Annualized travel spend per employee	\$14,565	\$15,219
Net year to date cash inflow (outflow) in millions of dollars	(\$23)	(\$23)
Cash and overnight investments / Total assets	9.89%	9.19%
Overhead transfer rate	69.20%	59.10%