

National Credit Union Administration



Operating Fund

***Amended Financial Highlights
April 30, 2014***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF APRIL 30, 2014

This is the amended April 2014 financial highlights. This amended version was necessary due to a system upgrade that occurred during the months of April and May which delayed posting of some journal entries. The journal entry adjustments to the April Financial Highlights resulted in a 1.4% reduction to the Operating Fund Balance.

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$86.6 million. Its balance increased \$72.0 million in the month primarily due to the collection of annual operating fees. 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 \$1 million. The balance decreased \$97 million in the month primarily due to annual operating fee collections.

Accounts payable had a month-end balance of approximately \$54 million. The balance decreased \$26 million in the month primarily due to the receipt and realization of the first 4 months of annual operating fees billed to credit unions.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net loss for the month was \$479,000 and net income year to date was \$1,260,000. 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 increased \$72.0 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$131,000 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 \$12.6 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$7.1 million or 8.0 percent, compared to being under the year-to-date budget by approximately \$11.0 million or 13.2 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.3 million or 3.5%, travel was under budget by \$2.4 million or 25.1%, and the remaining expense categories combined were under budget by \$2.5 million or 16.3%.

The average annualized travel spend per FTE was \$17,466 this year, which is \$251 less than last year.

Vacancies

The Agency had 42 vacancies as of this month -- up 9 from the prior month. Of the 42 vacancies, 16 were in the central office and 26 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 APRIL 30, 2014 AND APRIL 30, 2013 (Dollars in thousands)

	4/30/2014	3/31/2014	4/30/2013
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 86,564	\$ 14,592	\$ 97,619
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	20	20	-
EMPLOYEE ADVANCES	405	59	84
OTHER ACCOUNTS RECEIVABLE , Net	1,386	98,163	680
PREPAID EXPENSES AND OTHER ASSETS	1,490	1,406	1,114
ASSETS HELD FOR SALE	-	-	271
FIXED ASSETS — Net of accumulated depreciation of \$30,134 as of April 30, 2014	29,583	29,855	30,924
INTANGIBLE ASSETS — Net of accumulated amortization of \$14,093 as of April 30, 2014	<u>3,310</u>	<u>3,446</u>	<u>4,503</u>
TOTAL	<u>\$ 122,758</u>	<u>\$ 147,541</u>	<u>\$ 135,195</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 53,972	\$ 79,528	\$ 63,813
Obligations under capital leases	59	59	78
Accrued wages and benefits	7,792	6,428	6,608
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>12,627</u>	<u>12,739</u>	<u>13,968</u>
Total Liabilities	89,021	113,325	98,299
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>33,737</u>	<u>34,216</u>	<u>36,896</u>
TOTAL	<u>\$ 122,758</u>	<u>\$ 147,541</u>	<u>\$ 135,195</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED APRIL 30, 2014 AND APRIL 30, 2013 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 25,958	\$ 31,223	\$ 6,141	\$ 7,806
Interest	4	9	1	3
Other	<u>429</u>	<u>541</u>	<u>117</u>	<u>116</u>
Total Revenues	26,391	31,773	6,259	7,925
EXPENSES, NET:				
Employee wages and benefits, net	19,047	21,636	4,718	5,341
Travel	2,204	2,705	822	978
Rent, communications, and utilities	438	566	131	160
Contracted services	2,062	2,067	697	604
Depreciation and amortization	1,982	1,728	539	440
Administrative	<u>(602)</u>	<u>(225)</u>	<u>(169)</u>	<u>(181)</u>
Total Expenses	<u>25,131</u>	<u>28,477</u>	<u>6,738</u>	<u>7,342</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,260	3,296	(479)	583
FUND BALANCE—Beginning of period	<u>32,477</u>	<u>33,600</u>	<u>34,216</u>	<u>36,313</u>
FUND BALANCE—End of period	<u>\$ 33,737</u>	<u>\$ 36,896</u>	<u>\$ 33,737</u>	<u>\$ 36,896</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED APRIL 30, 2014 AND APRIL 30, 2013 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,260	\$ 3,296	\$ (479)	\$ 583
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	1,982	1,728	539	440
Provision for loss on disposal of employee residences held for sale	-	5	-	-
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,293	2,040	-	53
Employee advances	(367)	(59)	(346)	(47)
Other accounts receivable	(1,183)	(469)	96,777	91,355
Prepaid expenses and other assets	(112)	(59)	(84)	(125)
(Decrease) increase in liabilities:				
Accounts payable	49,254	59,209	(25,556)	(8,652)
Accrued wages and benefits	(3,564)	(3,570)	1,364	1,361
Accrued annual leave	-	-	-	-
Accrued employee travel	(1,068)	(695)	-	-
Net cash provided by operating activities	<u>49,495</u>	<u>61,426</u>	<u>72,215</u>	<u>84,968</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(397)	(459)	(131)	(286)
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>(397)</u>	<u>119</u>	<u>(131)</u>	<u>(286)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(447)	(447)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(447)</u>	<u>(447)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,651	61,098	71,972	84,570
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>14,592</u>	<u>13,049</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 86,564</u>	<u>\$ 97,619</u>	<u>\$ 86,564</u>	<u>\$ 97,619</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 77</u>	<u>\$ 85</u>	<u>\$ 19</u>	<u>\$ 21</u>

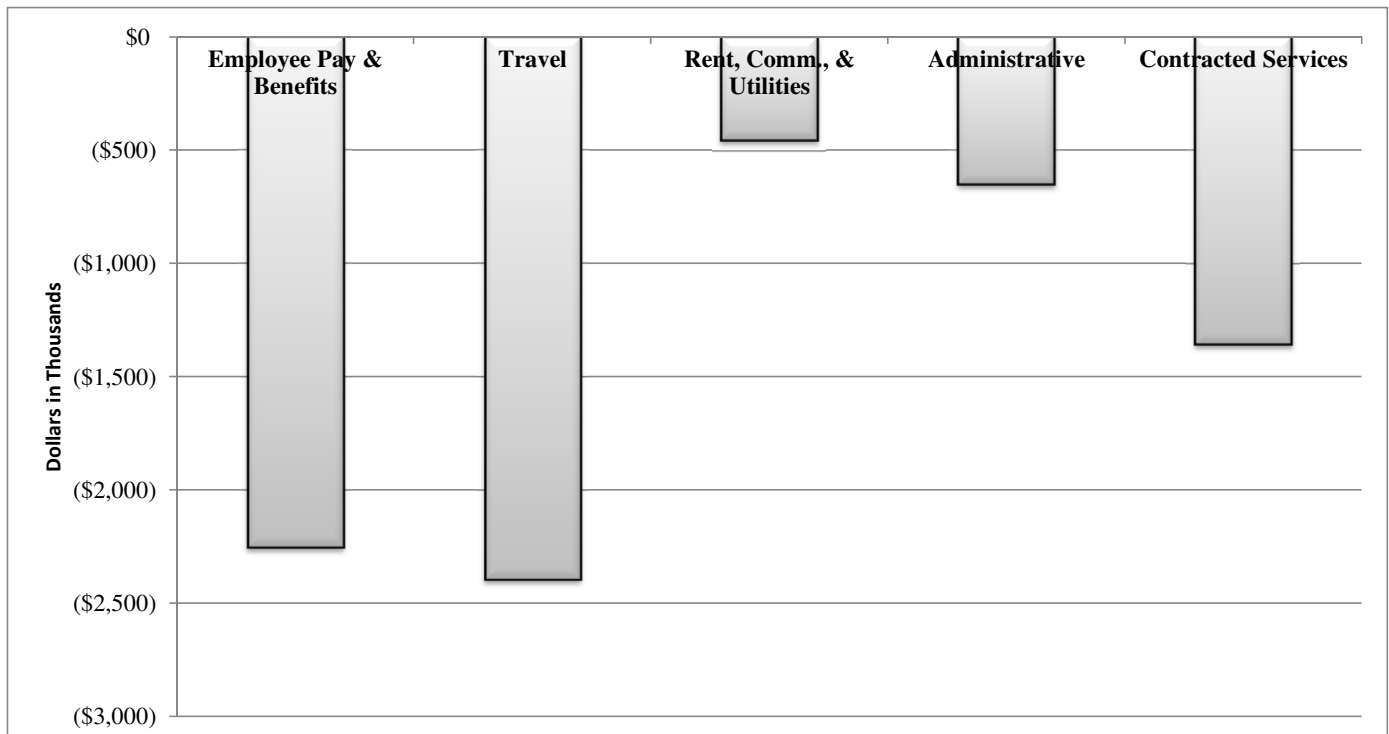
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF APRIL 30, 2014 AND APRIL 30, 2013**

(Dollars in thousands)

	Year-To-Date 2014				Year-To-Date 2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	64,092	61,841	(2,251)	-3.5%	60,498	54,954	(5,545)	-9.2%
Travel	9,549	7,157	(2,392)	-25.1%	9,288	7,009	(2,279)	-24.5%
Rent, Comm., & Utilities	1,872	1,422	(450)	-24.0%	1,763	1,385	(378)	-21.4%
Administrative	5,127	4,479	(649)	-12.7%	4,138	3,681	(457)	-11.0%
Contracted Services	8,045	6,693	(1,352)	-16.8%	7,405	5,099	(2,306)	-31.1%
TOTAL	88,685	81,591	(7,094)	-8.0%	83,092	72,127	(10,965)	-13.2%

Amount Over (Under) Budget

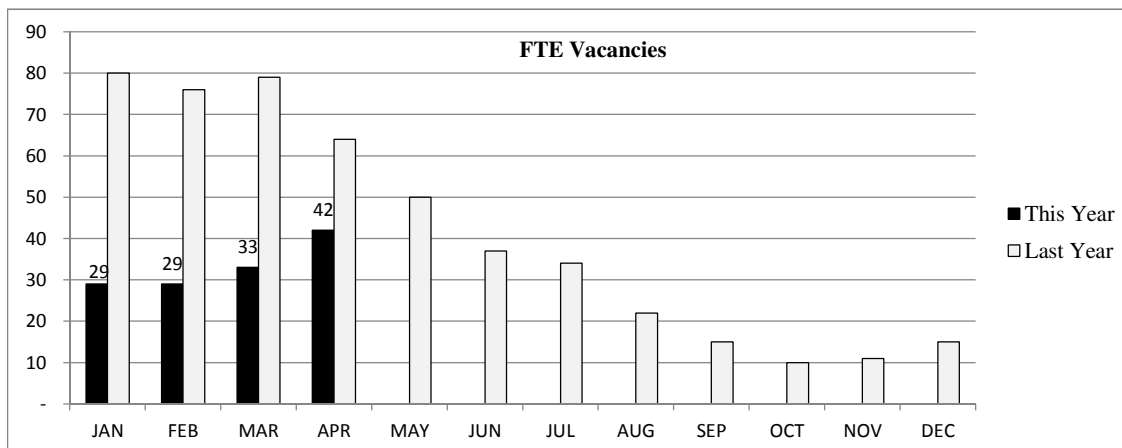
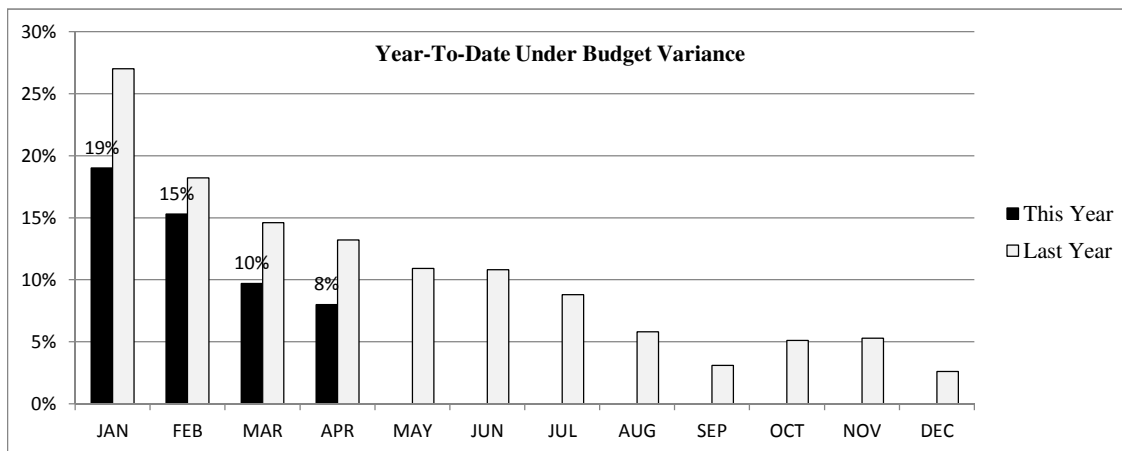
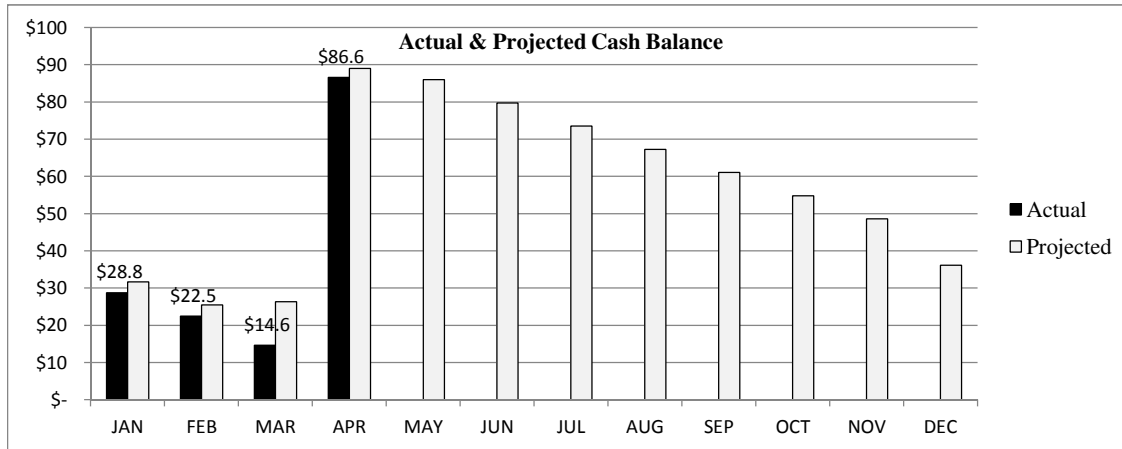


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF APRIL 30, 2014 AND APRIL 30, 2013



	4/30/2014	4/30/2013
Retained earnings / Total assets	27.48%	27.29%
YTD interest income to average investments (annualized)	0.02%	0.04%
Annualized travel spend per employee	\$17,466	\$17,717
Net year to date cash inflow (outflow) in millions of dollars	\$49	\$61
Cash and overnight investments / Total assets	70.52%	72.21%
Overhead transfer rate	69.20%	59.10%