

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
June 30, 2014***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2014**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$79.0 million. Its balance decreased \$5.1 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 \$515,000 and net income year to date was \$2,145,000. Interest income on overnight investments has averaged 0.03% year-to-date, versus 0.04% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$5.1 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$166,000 was invested in new capital assets and \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$12.4 million on the balance sheet.

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

Agency spending was under the year-to-date budget by \$11.4 million or 8.6 percent, compared to being under the year-to-date budget by approximately \$13.4 million or 10.8 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$4.3 million or 4.5%, travel was under budget by \$2.9 million or 20.2%, and the remaining expense categories combined were under budget by \$4.3 million or 18.9%.

The average annualized travel spend per FTE was \$18,624 this year, which is \$342 less than last year.

### **Vacancies**

The Agency had 40 vacancies as of this month -- down 2 from the prior month. Of the 40 vacancies, 12 were in the central office and 28 were in the regions and AMAC. The 40 vacancies represent 3.2% percent of total authorized staff of 1,262.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS

AS OF JUNE 30, 2014 AND JUNE 30, 2013

(Dollars in thousands)

	6/30/2014	5/31/2014	6/30/2013
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 79,007	\$ 84,084	\$ 85,548
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	2	7	14
EMPLOYEE ADVANCES	360	360	28
OTHER ACCOUNTS RECEIVABLE , Net	281	498	190
PREPAID EXPENSES AND OTHER ASSETS	1,612	1,490	1,573
ASSETS HELD FOR SALE	-	-	72
FIXED ASSETS — Net of accumulated depreciation of \$30,643	29,636	29,743	30,600
INTANGIBLE ASSETS — Net of accumulated amortization of \$14,563 as of June 30, 2014	<u>2,861</u>	<u>3,093</u>	<u>4,531</u>
<b>TOTAL</b>	<u><u>\$ 113,759</u></u>	<u><u>\$ 119,275</u></u>	<u><u>\$ 122,556</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 42,181	\$ 48,820	\$ 49,588
Obligations under capital leases	59	59	78
Accrued wages and benefits	9,922	9,203	8,627
Accrued annual leave	14,571	14,571	13,832
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>12,404</u>	<u>12,515</u>	<u>13,745</u>
Total Liabilities	79,137	85,168	85,870
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>34,622</u>	<u>34,107</u>	<u>36,686</u>
<b>TOTAL</b>	<u><u>\$ 113,759</u></u>	<u><u>\$ 119,275</u></u>	<u><u>\$ 122,556</u></u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
REVENUES:				
Operating fees	\$ 38,938	\$ 46,556	\$ 6,490	\$ 7,527
Interest	8	13	2	2
Other	<u>650</u>	<u>703</u>	<u>152</u>	<u>104</u>
Total Revenues	39,596	47,272	6,644	7,633
EXPENSES, NET:				
Employee wages and benefits, net	28,292	33,199	4,516	5,410
Travel	3,518	4,426	605	740
Rent, communications, and utilities	684	881	148	162
Contracted services	2,883	3,371	555	516
Depreciation and amortization	2,961	2,618	505	448
Administrative	<u>(887)</u>	<u>(309)</u>	<u>(200)</u>	<u>46</u>
Total Expenses	<u>37,451</u>	<u>44,186</u>	<u>6,129</u>	
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,145	3,086	515	311
FUND BALANCE—Beginning of period	<u>32,477</u>	<u>33,600</u>	<u>34,107</u>	<u>36,375</u>
FUND BALANCE—End of period	<u>\$ 34,622</u>	<u>\$ 36,686</u>	<u>\$ 34,622</u>	<u>\$ 36,686</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

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

	YEAR-TO-DATE		MONTH	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,145	\$ 3,086	\$ 515	\$ 311
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,961	2,618	505	448
Provision for loss on disposal of employee residences held for sale	-	27	-	23
(Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,311	2,026	5	646
Employee advances	(322)	(3)	-	59
Other accounts receivable	(78)	21	217	68
Prepaid expenses and other assets	(234)	(518)	(122)	180
(Decrease) increase in liabilities:				
Accounts payable	37,463	44,984	(6,639)	(5,836)
Accrued wages and benefits	(1,434)	(1,551)	719	52
Accrued employee travel	(1,068)	(695)	-	-
Net cash provided or (used) by operating activities	<u>42,744</u>	<u>49,995</u>	<u>(4,800)</u>	<u>(4,049)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed and intangible assets	(980)	(1,053)	(166)	(322)
Proceeds from insurance on fixed assets	-	-	-	-
Purchases of employee residences held for sale	-	-	-	-
Proceeds from sale of employee residences held for sale	-	755	-	-
Net cash used by investing activities	<u>(980)</u>	<u>(298)</u>	<u>(166)</u>	<u>(322)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(670)	(670)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(670)</u>	<u>(670)</u>	<u>(111)</u>	<u>(111)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	41,094	49,027	(5,077)	(4,482)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>37,913</u>	<u>36,521</u>	<u>84,084</u>	<u>90,030</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 79,007</u>	<u>\$ 85,548</u>	<u>\$ 79,007</u>	<u>\$ 85,548</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 116</u>	<u>\$ 128</u>	<u>\$ 19</u>	<u>\$ 21</u>

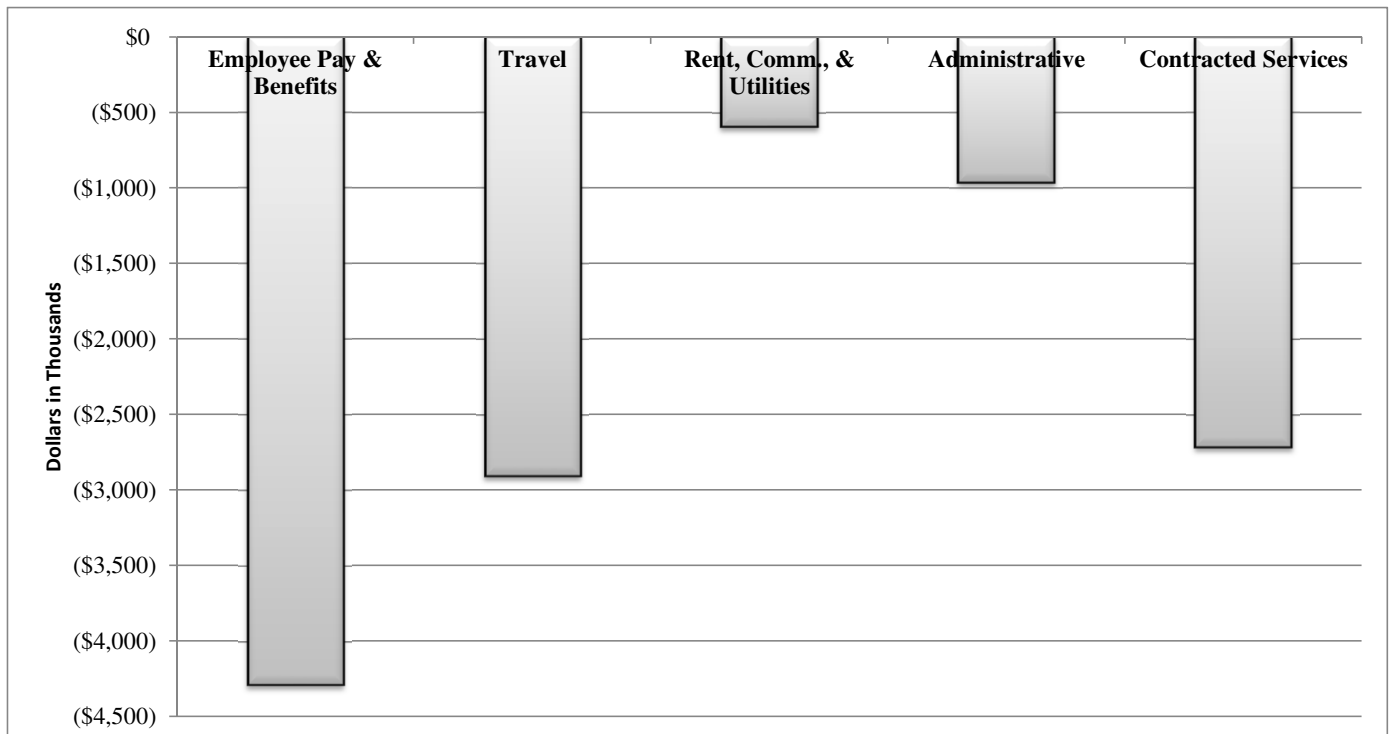
**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

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

(Dollars in thousands)

	Year-To-Date 2014				Year-To-Date 2013			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	96,139	91,858	(4,281)	-4.5%	90,748	83,745	(7,003)	-7.7%
Travel	14,323	11,423	(2,900)	-20.2%	13,932	11,353	(2,579)	-18.5%
Rent, Comm., & Utilities	2,807	2,221	(586)	-20.9%	2,645	2,155	(490)	-18.5%
Administrative	7,691	6,732	(959)	-12.5%	6,206	5,654	(553)	-8.9%
Contracted Services	12,068	9,358	(2,709)	-22.5%	11,108	8,292	(2,816)	-25.4%
<b>TOTAL</b>	<b>133,027</b>	<b>121,592</b>	<b>(11,436)</b>	<b>-8.6%</b>	<b>124,638</b>	<b>111,198</b>	<b>(13,440)</b>	<b>-10.8%</b>

**Amount Over (Under) Budget**

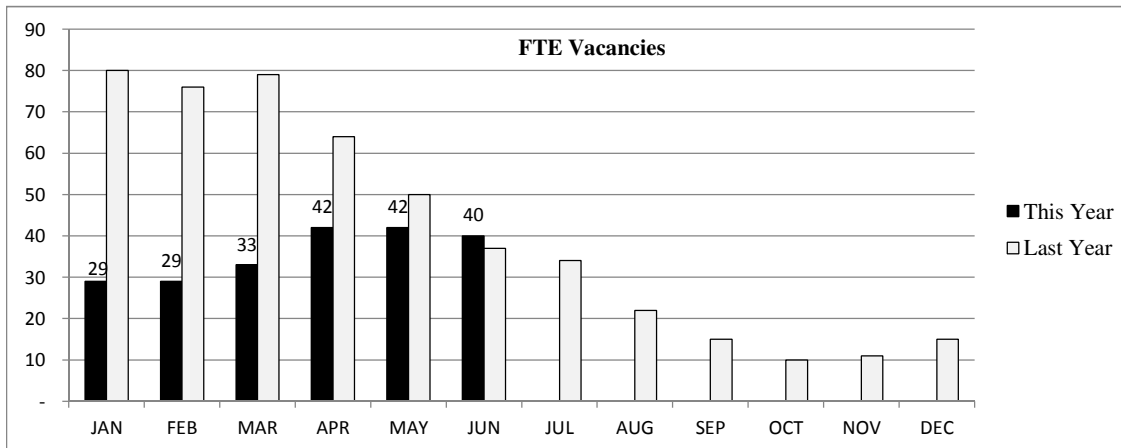
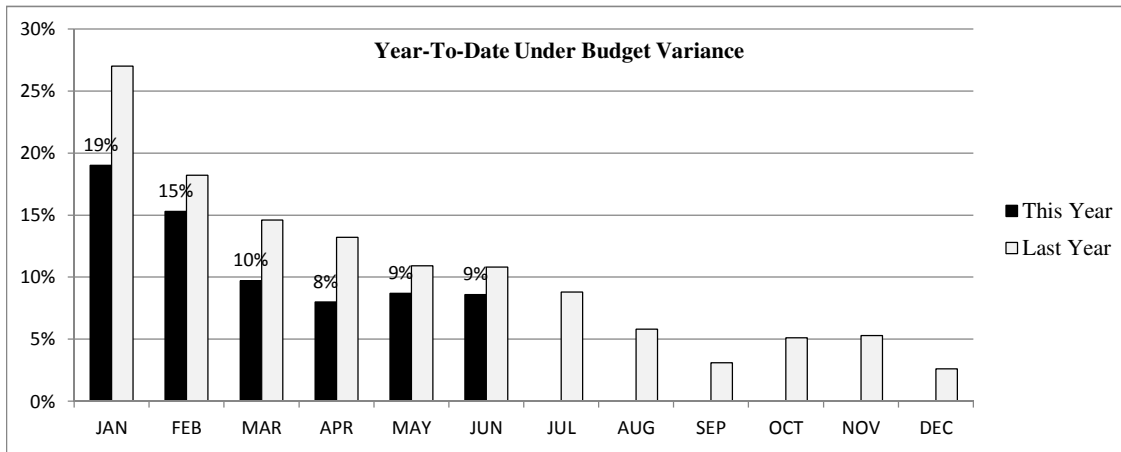
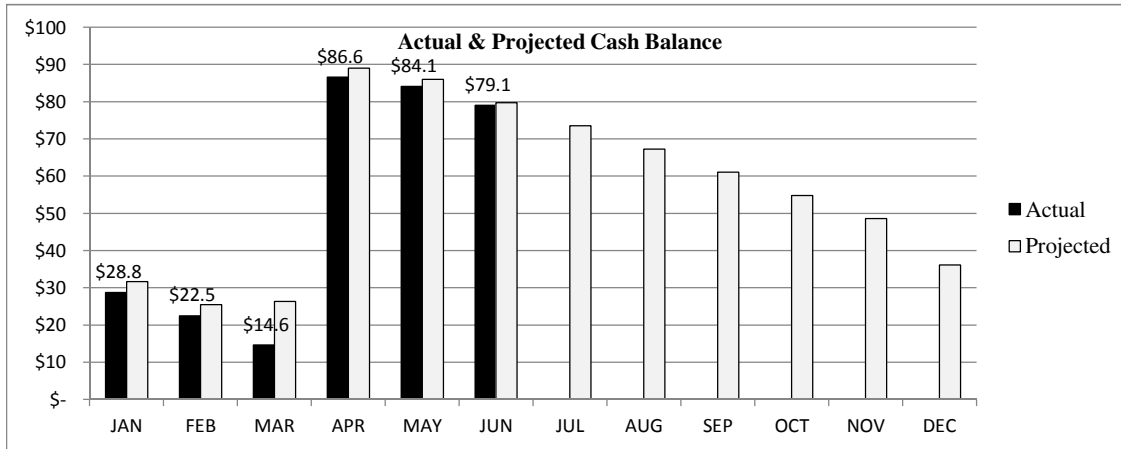


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**GRAPHS AND RATIOS**

**AS OF JUNE 30, 2014 AND JUNE 30, 2013**



	6/30/2014	6/30/2013
Retained earnings / Total assets	30.43%	29.93%
YTD interest income to average investments (annualized)	0.03%	0.04%
Annualized travel spend per employee	\$18,624	\$18,966
Net year to date cash inflow (outflow) in millions of dollars	\$41	\$49
Cash and overnight investments / Total assets	69.45%	69.80%
Overhead transfer rate	69.20%	59.10%