

National Credit Union Administration



Operating Fund

***Financial Highlights
April 30, 2008***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
April 30, 2008

Balance Sheet

Overnight Investments increased \$63.5 million primarily for receipts of operating fee assessments.

Accounts Receivable decreased \$69.7 million due to the collection of operating fees. Operating fees of \$69.9 million have been collected year-to-date with \$2.3 million remaining to be collected.

Home Purchase Program decreased \$672,000 due to the sale of two homes.

Accounts Payable decreased \$1.5 million primarily due to a payment of \$1.2 million for a refund of an overpayment on the overhead transfer rate from the Share Insurance Fund.

Other Current Liabilities decreased \$6.0 million primarily due to establishing the balance for deferred operating fee income. Deferred operating fee income is recognized as Program-related Income evenly over the remaining calendar year.

Statement of Revenue and Expenses

Net income for the month was \$532,000 lower than planned primarily due to employee pay, benefits, and travel being over budget for the month.

Statement of Cash Flow

Cash increased by \$63 million for the month, reflecting receipts of operating fee assessments and home purchase program proceeds over payments for operating expenses, fixed assets and notes payable.

Budget (Year-to-Date)

Agency spending was under budget by \$2.7 million or 5.2 percent. Pay and benefits were under budget by 1.9 percent. The remaining under budget variance of \$2.0 million was derived from travel, rent, administrative, and contracted services.

Vacancies

The agency had 28 vacancies as of April 26 -- down 1 from March 29. Of the 28 vacancies, there were 14 vacancies in the central office, 9 vacancies in the regional offices and AMAC, and 5 vacancies in the field staff. The vacancies represent 2.9 percent of total authorized staff of 964.92.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
April 30, 2008

	April 2007	March 2008	April 2008
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,208.55	\$ 500,103.67	\$ 5,872.87
Overnight Investments	68,761,000.00	9,679,000.00	73,139,000.00
Accounts Receivable	1,992,166.23	72,555,118.28	2,833,587.31
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	748,207.25	818,464.51	1,106,080.90
Home Purchase Program	1,433,735.06	1,045,646.46	373,578.77
Other	161,628.38	(889.35)	196,874.21
<i>Total Current Assets</i>	<u>73,101,945.47</u>	<u>84,597,443.57</u>	<u>77,654,994.06</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,544,055.00	26,398,496.00	26,319,445.00
Capital Lease	1,691,300.48	920,732.08	848,893.17
Equipment	2,013,931.00	1,807,802.00	1,731,653.00
Assets Under Construction	138,858.79	320,209.00	320,209.00
<i>Total Property, Plant, and Equipment</i>	<u>34,334,409.22</u>	<u>33,393,503.03</u>	<u>33,166,464.12</u>
TOTAL ASSETS	<u><u>\$ 107,436,354.69</u></u>	<u><u>\$ 117,990,946.60</u></u>	<u><u>\$ 110,821,458.18</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 2,307,379.28	\$ 2,631,906.10	\$ 1,132,306.99
Accrued Employee Compensation	13,685,522.26	15,524,996.85	16,614,524.22
Other Current Liabilities	42,871,858.32	54,301,895.89	48,302,277.23
<i>Total Current Liabilities</i>	<u>58,864,759.86</u>	<u>72,458,798.84</u>	<u>66,049,108.44</u>
Non-Current Liabilities			
Notes Payable	22,013,724.77	20,784,532.08	20,672,787.29
Other	1,808,110.41	1,163,084.72	933,541.00
<i>Total Non-Current Liabilities</i>	<u>23,821,835.18</u>	<u>21,947,616.80</u>	<u>21,606,328.29</u>
TOTAL LIABILITIES	<u><u>82,686,595.04</u></u>	<u><u>94,406,415.64</u></u>	<u><u>87,655,436.73</u></u>
FUND BALANCE:			
Unappropriated	23,749,759.65	22,584,530.96	22,166,021.45
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u><u>24,749,759.65</u></u>	<u><u>23,584,530.96</u></u>	<u><u>23,166,021.45</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 107,436,354.69</u></u>	<u><u>\$ 117,990,946.60</u></u>	<u><u>\$ 110,821,458.18</u></u>

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
April 30, 2008

	April 2008 Monthly Actual	April 2008 Monthly Budget	April 2008 Year-To-Date Actual	April 2008 Year-To-Date Budget	April 2007 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 79,505.92	\$ 175,000.00	\$ 234,559.04	\$ 700,000.00	\$ 519,485.33
Program-related Income	6,182,550.00	6,088,000.00	24,331,625.81	24,352,000.00	21,274,158.28
Other Income	10,005.54	33,000.00	62,396.56	132,000.00	143,471.70
Total Revenue	<u>6,272,061.46</u>	<u>6,296,000.00</u>	<u>24,628,581.41</u>	<u>25,184,000.00</u>	<u>21,937,115.31</u>
EXPENSES:					
Employee Pay	3,862,089.28	3,589,797.26	14,484,648.51	14,704,277.64	13,568,391.92
Employee Benefits	1,077,864.10	984,178.16	3,888,620.36	4,026,221.34	3,633,658.77
Employee Travel	956,742.29	616,648.08	2,356,067.07	2,466,592.52	1,553,591.96
Rent/Communications/Utilities	151,232.30	166,703.00	559,230.30	666,812.15	467,832.19
Administrative Costs	321,849.13	473,557.40	1,725,848.88	1,894,229.75	1,272,730.67
Contracted Services	320,793.87	351,224.43	832,450.06	1,404,897.71	735,375.77
Total Expenses	<u>6,690,570.97</u>	<u>6,182,108.33</u>	<u>23,846,865.18</u>	<u>25,163,031.10</u>	<u>21,231,581.28</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (418,509.51)</u>	<u>\$ 113,891.67</u>	<u>\$ 781,716.23</u>	<u>\$ 20,968.90</u>	<u>\$ 705,534.03</u>

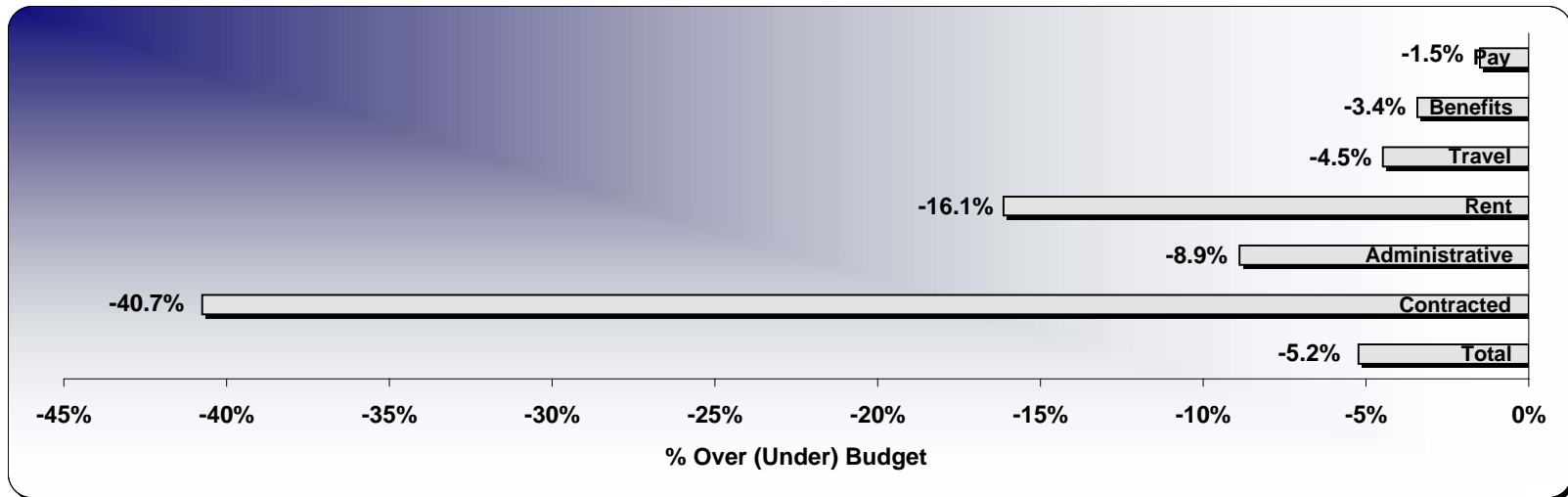
National Credit Union Administration Operating Fund
Statement of Cash Flow
April 30, 2008

	Month April 2007	Month April 2008	Y-T-D April 2007	Y-T-D April 2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 52,746,402.03	\$ 69,855,502.08	\$ 64,023,349.93	\$ 70,076,924.87
Interest received from cash and cash equivalents	205,444.42	79,505.92	527,278.80	234,559.04
Other income received	20,207.20	10,005.54	143,471.70	62,396.56
(Cash paid for operating expenses)	(4,621,213.60)	(7,053,005.48)	(19,771,592.20)	(20,727,796.61)
Net cash (used) in operating activities	<u>48,350,840.05</u>	<u>62,892,008.06</u>	<u>44,922,508.23</u>	<u>49,646,083.86</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(29,430.00)	(53,493.90)	(59,336.67)	(90,868.26)
Proceeds (purchases) home purchase program	165,529.45	565,600.42	(386,823.28)	518,042.49
Net cash (used) in investing activities	<u>136,099.45</u>	<u>512,106.52</u>	<u>(446,159.95)</u>	<u>427,174.23</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(446,979.16)	(446,979.16)
(Capital lease payments)	(325,902.19)	(326,600.59)	(657,371.70)	(656,894.61)
Net cash (used) in financing activities	<u>(437,646.98)</u>	<u>(438,345.38)</u>	<u>(1,104,350.86)</u>	<u>(1,103,873.77)</u>
NET INCREASE (DECREASE) IN CASH	48,049,292.52	62,965,769.20	43,371,997.42	48,969,384.32
Cash and cash equivalents at beginning of period	20,716,916.03	10,179,103.67	25,394,211.13	24,175,488.55
Cash and cash equivalents at end of period	<u>\$ 68,766,208.55</u>	<u>\$ 73,144,872.87</u>	<u>\$ 68,766,208.55</u>	<u>\$ 73,144,872.87</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ (134,907.97)</u>	<u>\$ (418,509.51)</u>	<u>\$ 705,534.03</u>	<u>\$ 781,716.23</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	251,516.75	280,532.81	1,051,984.84	1,137,086.65
Unrealized (gain) loss	0.00	0.00	0.00	0.00
(Gain) loss on disposal of fixed assets	0.00	0.00	0.00	0.00
(Gain) loss on disposal of homes	(4,652.12)	106,467.27	(5,958.62)	109,212.81
Interest expense on leases	4,474.24	1,807.07	5,946.72	9,026.04
Miscellaneous allowances	0.00	0.00	0.00	0.00
Change in current assets and liabilities				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	90,058.97	90,058.97	180,117.94	180,117.94
Accounts receivable	52,592,416.44	69,721,530.97	(811,182.31)	(2,252,507.01)
Interest receivable	0.00	0.00	7,793.47	0.00
Prepaid expenses	(37,048.21)	(287,616.39)	(205,122.26)	(308,017.66)
Other assets	5,788,695.24	(197,763.56)	(161,628.38)	(196,874.21)
Increase (decrease) in liabilities:				
Accounts payable	945,250.66	(1,499,599.11)	(548,182.21)	(1,799,296.97)
Accrued employee compensation	(34,429.64)	1,089,527.37	1,920,348.35	3,716,750.99
Other non current liabilities	10,275.09	5,190.83	(41,323.85)	2,174.20
Other current liabilities	(11,120,809.40)	(5,999,618.66)	42,824,180.51	48,266,694.85
Total adjustments	<u>48,485,748.02</u>	<u>63,310,517.57</u>	<u>44,216,974.20</u>	<u>48,864,367.63</u>
Net cash (used) in operating activities	<u>\$ 48,350,840.05</u>	<u>\$ 62,892,008.06</u>	<u>\$ 44,922,508.23</u>	<u>\$ 49,646,083.86</u>

**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
April 30, 2008**

	2008				2007			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	30,633,912	30,176,351	(457,561)	-1.5%	29,553,237	29,054,372	(498,865)	-1.7%
Benefits	8,387,961	8,101,292	(286,669)	-3.4%	8,016,967	7,780,854	(236,113)	-2.9%
Travel	5,138,734	4,908,473	(230,261)	-4.5%	4,554,653	3,326,749	(1,227,904)	-27.0%
Rent, Communications, & Utilities	1,389,192	1,165,063	(224,129)	-16.1%	1,324,586	1,001,782	(322,804)	-24.4%
Administrative	3,946,312	3,595,518	(350,793)	-8.9%	3,996,369	2,725,333	(1,271,036)	-31.8%
Contracted Services	2,926,870	1,734,271	(1,192,599)	-40.7%	2,916,313	1,574,680	(1,341,632)	-46.0%
TOTAL	52,422,981	49,680,969	(2,742,012)	-5.2%	50,362,125	45,463,771	(4,898,353)	-9.7%

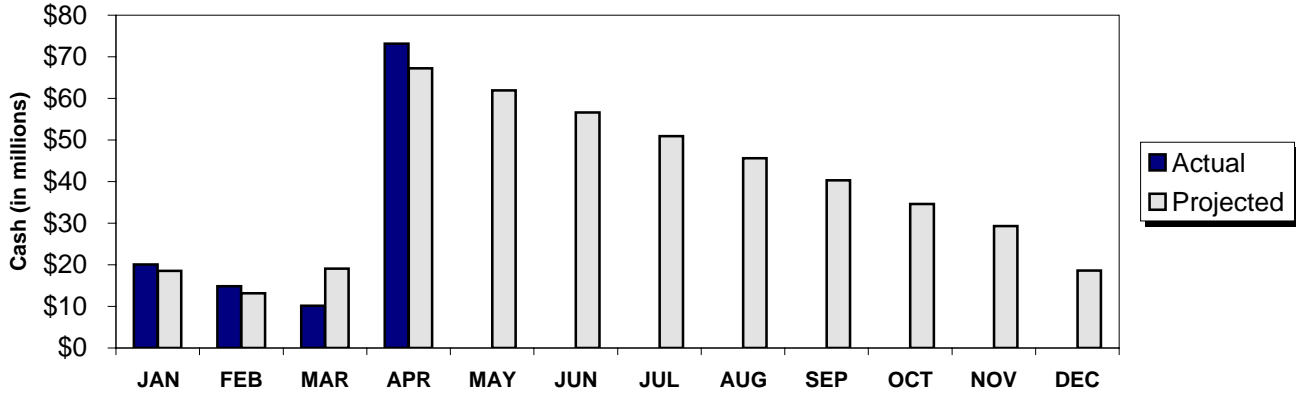
**Percent Over (Under) Budget
April 30, 2008**



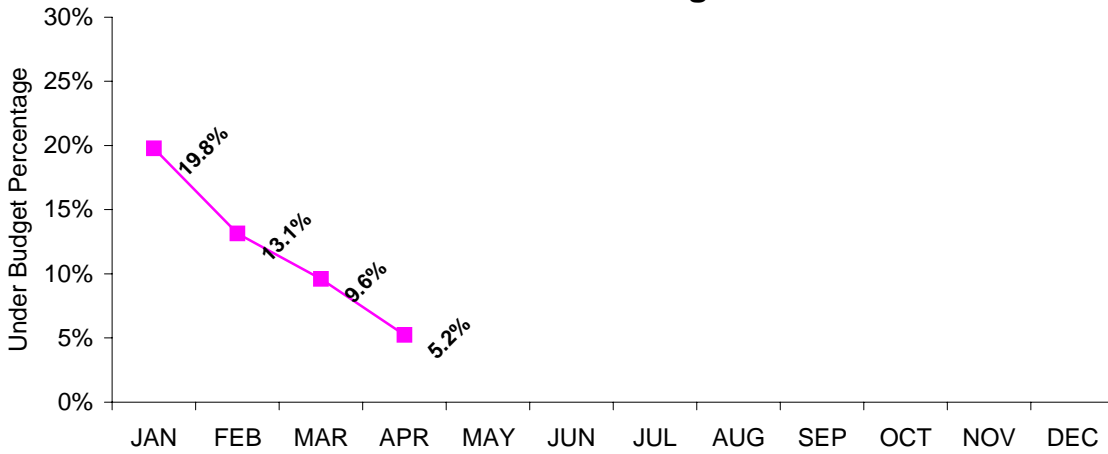
National Credit Union Administration Operating Fund

Graphs
April 30, 2008

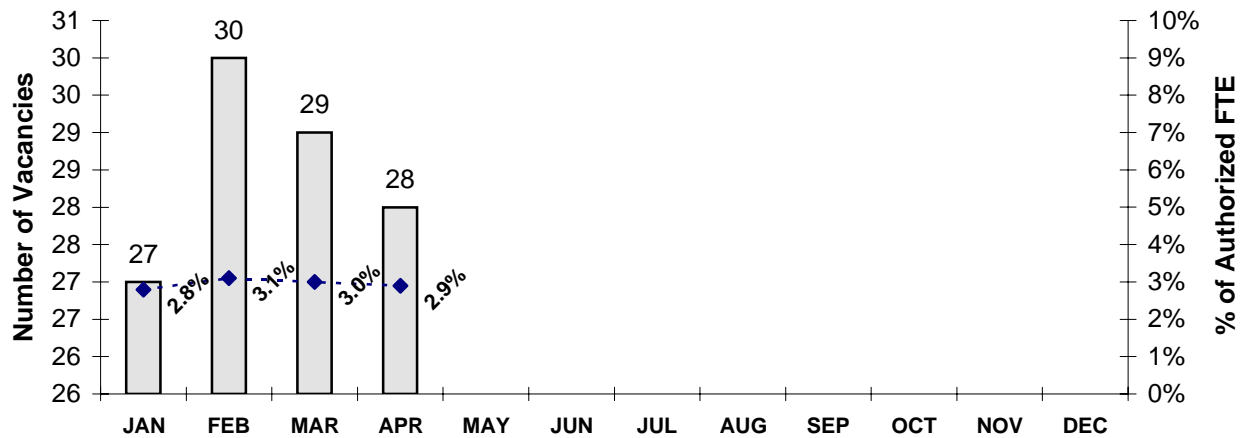
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
April 30, 2008

BALANCE SHEET	April 2007	April 2008
<u>Liquid assets / Total assets</u>	64.01%	66.00%
<u>Current assets / Total assets</u>	68.04%	70.07%
<u>Fixed assets / Total assets</u>	31.96%	29.93%
<u>Current liabilities / Total assets</u>	54.79%	59.60%
<u>Non current liabilities / Total assets</u>	22.17%	19.50%
<u>Retained earnings / Total assets</u>	23.04%	20.90%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	96.98%	98.79%
<u>YTD Interest & other income / Total revenue</u>	3.02%	1.21%
<u>YTD Expenses / Total revenue</u>	96.78%	96.83%
<u>YTD Net income / Total revenue</u>	3.22%	3.17%
<u>Monthly interest income to average investments (annualized)</u>	5.51%	2.18%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$11,315	\$17,035
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$43.4	\$49.0
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	170.8%	202.6%
<u>Cash and cash equivalents / Total assets</u>	64.0%	66.0%