

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
May 31, 2007***

**Dennis Winans  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Financial Highlights**  
**May 31, 2006**

**Balance Sheet**

Overnight Investments decreased \$4.2 million primarily for payment of operating expenses.

Accounts Receivable decreased \$1.2 million primarily due to the collection of operating fees; operating fees of \$64.8 million have been collected year-to-date with \$486,000 remaining to be collected.

Assets Under Construction increased by \$330,000 to a total amount of \$469,000 due to the capitalization of the costs associated with the garage and plaza repairs. The amortization of the capitalized costs will begin upon completion of the garage and plaza repair project.

Accounts Payable decreased \$1.2 million due to payment of vendor invoices, plaza and garage renovation project invoices and employee travel advances.

Accrued Employee Compensation increased \$1.3 million due to the accrual for 14 days at the end of May versus 11 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$4.9 million. This decrease is due to recognizing deferred operating fee income. Deferred operating fee income is recognized evenly over the calendar period.

**Statement of Revenue and Expenses**

Net income for the month was \$364,000 higher than planned primarily due to increased revenue as well as employee pay, employee benefits, and administrative costs being under budget.

**Statement of Cash Flow**

Cash decreased by \$4.2 million for the month, reflecting payments for operating expenses, fixed assets, and notes payable in excess of receipts for operating fee assessments. Fixed assets increased \$690,000 for routine purchases as well as garage and plaza repairs.

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

Agency spending was under budget by \$5.3 million or 8.4 percent. Pay and benefits were under budget by 2 percent. The remaining variance of \$4.4 million was derived mainly from travel, administrative, and contracted services.

**Vacancies**

The agency had 25 vacancies as of May 26 -- down 5 from April 28. Of the 25 vacancies, there were 10 vacancies in the central office, 7 vacancies in the regional offices and AMAC, and 8 vacancies in the field staff. The 25 vacancies represent 2.6 percent of total authorized staff of 957.92.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**May 31, 2007**

	May 2006	April 2007	May 2007
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 5,829.00	\$ 5,208.55	\$ 5,403.15
Overnight Investments	61,600,000.00	68,761,000.00	64,542,000.00
Accounts Receivable	1,609,319.12	1,992,166.23	819,431.69
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	855,555.38	748,207.25	676,395.48
Home Purchase Program	943,427.55	1,433,735.06	1,435,018.06
Other	0.00	161,628.38	4,298.43
<i>Total Current Assets</i>	<u>65,014,131.05</u>	<u>73,101,945.47</u>	<u>67,482,546.81</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	27,321,883.00	26,544,055.00	26,697,035.00
Capital Lease	2,561,043.87	1,691,300.48	1,597,559.66
Equipment	2,917,036.17	2,013,931.00	2,015,749.00
Assets Under Construction	0.00	138,858.79	468,892.66
<i>Total Property, Plant, and Equipment</i>	<u>36,746,226.99</u>	<u>34,334,409.22</u>	<u>34,725,500.27</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 101,760,358.04</u></u>	<u><u>\$ 107,436,354.69</u></u>	<u><u>\$ 102,208,047.08</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,405,780.46	\$ 2,307,379.28	\$ 1,110,097.11
Accrued Employee Compensation	15,469,767.79	13,685,522.26	14,943,232.58
Other Current Liabilities	37,235,973.37	42,871,858.32	38,012,783.16
<i>Total Current Liabilities</i>	<u>54,111,521.62</u>	<u>58,864,759.86</u>	<u>54,066,112.85</u>
Non-Current Liabilities			
Notes Payable	23,242,917.46	22,013,724.77	21,901,979.98
Other	2,771,187.30	1,808,110.41	1,804,903.85
<i>Total Non-Current Liabilities</i>	<u>26,014,104.76</u>	<u>23,821,835.18</u>	<u>23,706,883.83</u>
<b>TOTAL LIABILITIES</b>	<u><u>80,125,626.38</u></u>	<u><u>82,686,595.04</u></u>	<u><u>77,772,996.68</u></u>
<b>FUND BALANCE:</b>			
Unappropriated	21,634,731.66	23,749,759.65	23,435,050.40
Appropriated	0.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<u><u>21,634,731.66</u></u>	<u><u>24,749,759.65</u></u>	<u><u>24,435,050.40</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 101,760,358.04</u></u>	<u><u>\$ 107,436,354.69</u></u>	<u><u>\$ 102,208,047.08</u></u>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**May 31, 2007**

	May 2007 Monthly Actual	May 2007 Monthly Budget	May 2007 Year-To-Date Actual	May 2007 Year-To-Date Budget	May 2006 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 307,135.11	\$ 166,667.00	\$ 826,620.44	\$ 833,335.00	\$ 693,532.12
Program-related Income	5,324,958.00	5,299,167.00	26,599,116.28	26,495,835.00	26,377,258.78
Other Income	10,972.75	16,667.00	154,444.45	83,335.00	53,727.53
Total Revenue	<u>5,643,065.86</u>	<u>5,482,501.00</u>	<u>27,580,181.17</u>	<u>27,412,505.00</u>	<u>27,124,518.43</u>
<b>EXPENSES:</b>					
Employee Pay	3,581,080.29	3,669,179.23	17,149,472.21	17,454,332.74	15,245,996.56
Employee Benefits	980,840.81	998,539.87	4,614,499.58	4,735,280.86	4,056,108.06
Employee Travel	591,916.01	531,755.80	2,145,507.97	2,658,778.40	1,780,975.28
Rent/Communications/Utilities	154,863.17	154,645.35	622,695.36	773,226.52	654,313.34
Administrative Costs	305,836.50	466,576.16	1,578,567.17	2,332,880.28	1,796,219.16
Contracted Services	343,238.33	340,479.48	1,078,614.10	1,702,397.39	876,270.55
Total Expenses	<u>5,957,775.11</u>	<u>6,161,175.89</u>	<u>27,189,356.39</u>	<u>29,656,896.19</u>	<u>24,409,882.95</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (314,709.25)</u>	<u>\$ (678,674.89)</u>	<u>\$ 390,824.78</u>	<u>\$ (2,244,391.19)</u>	<u>\$ 2,714,635.48</u>

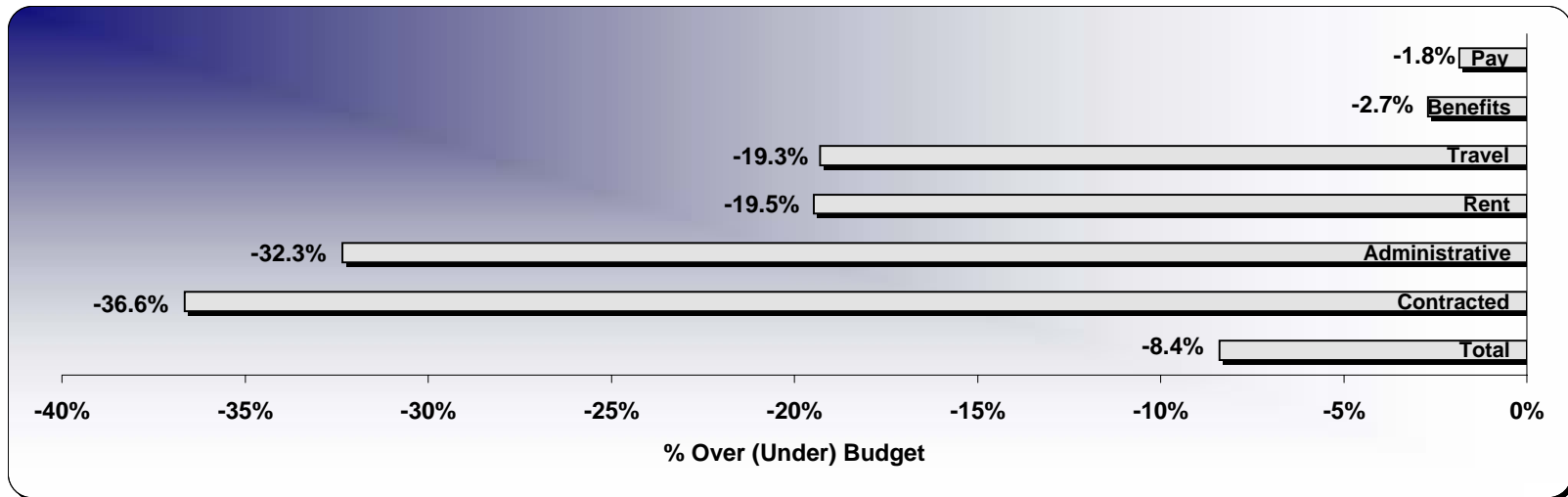
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**May 31, 2007**

	Month May 2006	Month May 2007	Y-T-D May 2006	Y-T-D May 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 667,458.34	\$ 803,906.37	\$ 63,267,462.19	\$ 64,827,256.30
Interest received from cash and cash equivalents	295,973.27	307,135.11	693,532.12	834,413.91
Other income received	5,914.50	10,972.75	53,727.53	154,444.45
(Cash paid for operating expenses)	(4,597,169.18)	(4,534,627.83)	(27,208,068.43)	(24,306,220.03)
<b>Net cash (used) in operating activities</b>	<u>(3,627,823.07)</u>	<u>(3,412,613.60)</u>	<u>36,806,653.41</u>	<u>41,509,894.63</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(170,896.78)	(689,954.82)	(388,909.06)	(749,291.49)
Proceeds (purchases) home purchase program	0.00	(1,283.00)	(667,585.94)	(388,106.28)
<b>Net cash (used) in investing activities</b>	<u>(170,896.78)</u>	<u>(691,237.82)</u>	<u>(1,056,495.00)</u>	<u>(1,137,397.77)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(558,723.95)	(558,723.95)
(Capital lease payments)	(2,473.47)	(3,209.19)	(700,949.35)	(660,580.89)
<b>Net cash (used) in financing activities</b>	<u>(114,218.26)</u>	<u>(114,953.98)</u>	<u>(1,259,673.30)</u>	<u>(1,219,304.84)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(3,912,938.11)	(4,218,805.40)	34,490,485.11	39,153,192.02
Cash and cash equivalents at beginning of period	65,518,767.11	68,766,208.55	27,115,343.89	25,394,211.13
<b>Cash and cash equivalents at end of period</b>	<u>\$ 61,605,829.00</u>	<u>\$ 64,547,403.15</u>	<u>\$ 61,605,829.00</u>	<u>\$ 64,547,403.15</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<u>\$ 174,517.11</u>	<u>\$ (314,709.25)</u>	<u>\$ 2,714,635.48</u>	<u>\$ 390,824.78</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	289,765.99	298,863.77	1,623,091.24	1,350,848.61
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	0.00	0.00	0.00	(5,958.62)
Interest expense on leases	2,309.38	4,471.11	9,828.08	10,417.83
Miscellaneous allowances	0.00	0.00	(0.00)	0.00
<b>Change in current assets and liabilities</b>				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	0.00	0.00	195,932.50	180,117.94
Accounts receivable	246,992.46	1,172,734.54	(442,733.30)	361,552.23
Interest receivable	0.00	0.00	2,605.57	7,793.47
Prepaid expenses	36,466.52	71,811.77	(451,691.85)	(133,310.49)
Other assets	(160.03)	157,329.95	(0.00)	(4,298.43)
Increase (decrease) in liabilities:				
Accounts payable	(267,435.35)	(1,197,282.17)	(2,986,347.42)	(1,745,464.38)
Accrued employee compensation	1,172,722.54	1,257,710.32	(1,042,037.91)	3,178,058.67
Other non current liabilities	2,078.52	(4,468.48)	2,830.24	(45,792.33)
Other current liabilities	(5,285,080.21)	(4,859,075.16)	37,180,540.78	37,965,105.35
<b>Total adjustments</b>	<u>(3,802,340.18)</u>	<u>(3,097,904.35)</u>	<u>34,092,017.93</u>	<u>41,119,069.85</u>
<b>Net cash (used) in operating activities</b>	<u>\$ (3,627,823.07)</u>	<u>\$ (3,412,613.60)</u>	<u>\$ 36,806,653.41</u>	<u>\$ 41,509,894.63</u>

**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
May 31, 2007**

	2007				2006			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	37,410,152	36,722,639	(687,514)	-1.8%	36,742,761	35,455,806	(1,286,955)	-3.5%
<b>Benefits</b>	10,155,168	9,881,155	(274,012)	-2.7%	9,952,759	9,432,809	(519,949)	-5.2%
<b>Travel</b>	5,693,316	4,594,235	(1,099,081)	-19.3%	5,735,150	4,141,803	(1,593,347)	-27.8%
<b>Rent, Communications, &amp; Utilities</b>	1,655,732	1,333,395	(322,337)	-19.5%	1,666,585	1,521,659	(144,926)	-8.7%
<b>Administrative</b>	4,995,462	3,380,229	(1,615,232)	-32.3%	4,887,608	4,177,254	(710,354)	-14.5%
<b>Contracted Services</b>	3,645,391	2,309,666	(1,335,725)	-36.6%	3,700,704	2,037,838	(1,662,865)	-44.9%
<b>TOTAL</b>	63,555,221	58,221,320	(5,333,901)	-8.4%	62,685,566	56,767,170	(5,918,396)	-9.4%

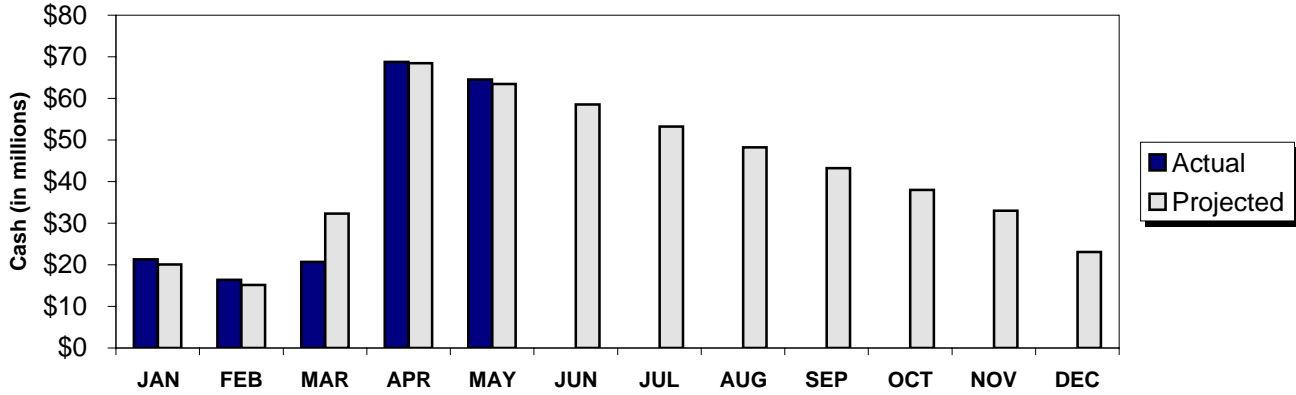
**Percent Over (Under) Budget  
May 31, 2007**



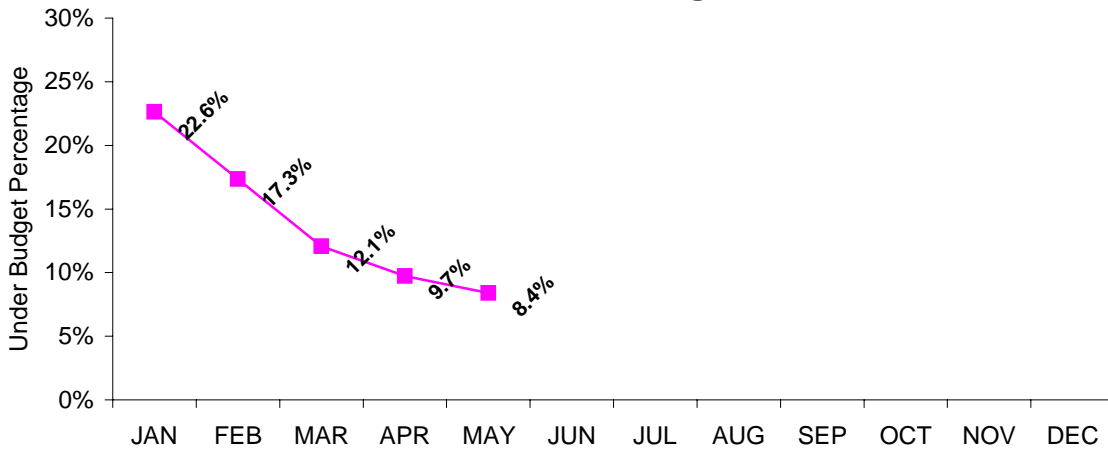
# National Credit Union Administration Operating Fund

Graphs  
May 31, 2007

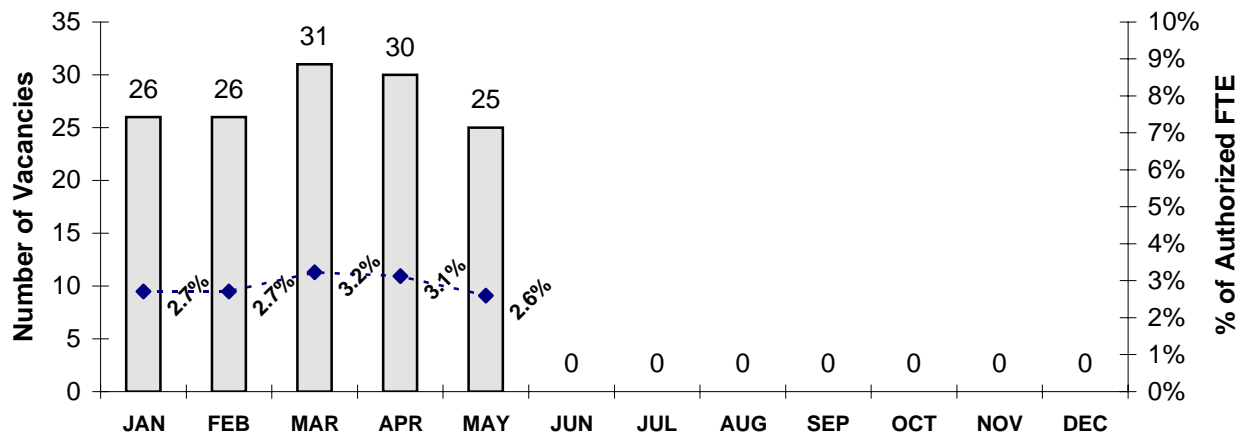
## Actual & Projected Cash Balance



## Year-To-Date Budget Variance



## Vacancies



**National Credit Union Administration Operating Fund**  
**Ratios**  
**May 31, 2007**

<b>BALANCE SHEET</b>	<b>May 2006</b>	<b>May 2007</b>
<u>Liquid assets / Total assets</u>	60.54%	63.15%
<u>Current assets / Total assets</u>	63.89%	66.02%
<u>Fixed assets / Total assets</u>	36.11%	33.98%
<u>Current liabilities / Total assets</u>	53.18%	52.90%
<u>Non current liabilities / Total assets</u>	25.56%	23.19%
<u>Retained earnings / Total assets</u>	21.26%	23.91%
 <b>STATEMENT OF REVENUE &amp; EXPENSE</b>		
<u>YTD Program related income / Total revenue</u>	97.25%	96.44%
<u>YTD Interest &amp; other income / Total revenue</u>	2.75%	3.56%
<u>YTD Expenses / Total revenue</u>	89.99%	98.58%
<u>YTD Net income / Total revenue</u>	10.01%	1.42%
<u>Monthly interest income to average investments (annualized)</u>	5.59%	5.11%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$10,377	\$12,501
 <b>CASH</b>		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$34.5	\$39.2
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	127.2%	154.2%
<u>Cash and cash equivalents / Total assets</u>	60.5%	63.2%