

National Credit Union Administration



Operating Fund

***Financial Highlights
November 30, 2007***

**Dennis Winans
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
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Balance Sheet

Overnight Investments decreased \$5.4 million for payment of operating expenses.

Accounts Payable decreased \$1.0 million due to payment of routine vendor invoices.

Accrued Employee Compensation increased \$1.1 million due to the accrual for 15 days of payroll at the end of November versus 13 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$5.4 million as a result of deferred income that will be recognized evenly over the remaining calendar period.

Statement of Revenue and Expenses

Net income for the month was \$283,000 higher than planned primarily due to increased revenue as well as employee pay and benefits, administrative costs, and contracted services expense categories being under budget.

Statement of Cash Flow

Cash decreased by \$5.4 million for the month, reflecting payments for operating expenses, notes payable, fixed assets, and capital leases in excess of receipts from interest income and other income.

Budget (Year-to-Date)

Agency spending was under budget by \$7.3 million or 5.3 percent. Pay and benefits were under budget by 2.4 percent. The remaining variance of \$4.9 million (net) was derived mainly from administrative and contracted services.

Vacancies

The agency had 25 vacancies as of November 24, 2007. Of the 25 vacancies, there were 19 vacancies in the central office, and 6 vacancies in the regional offices and AMAC. The vacancies represent percent of total authorized staff of 957.92.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
November 30, 2007

	November 2006	October 2007	November 2007
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,574.05	\$ 5,920.20	\$ 5,465.79
Overnight Investments	33,615,000.00	38,582,000.00	33,210,000.00
Accounts Receivable	1,064,056.62	342,660.07	493,537.70
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	608,600.06	563,504.94	474,417.90
Home Purchase Program	931,153.53	922,955.77	922,955.77
Other	(250.00)	0.00	3.00
<i>Total Current Assets</i>	<u>36,224,134.26</u>	<u>40,417,040.98</u>	<u>35,106,380.16</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	27,122,372.10	26,783,017.00	26,704,094.00
Capital Lease	2,108,905.95	1,249,233.11	1,175,911.31
Equipment	2,444,175.09	1,810,588.00	1,695,701.00
Assets Under Construction	0.00	334,005.00	334,005.00
<i>Total Property, Plant, and Equipment</i>	<u>35,621,717.09</u>	<u>34,123,107.06</u>	<u>33,855,975.26</u>
TOTAL ASSETS	<u><u>\$ 71,845,851.35</u></u>	<u><u>\$ 74,540,148.04</u></u>	<u><u>\$ 68,962,355.42</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,539,773.51	\$ 2,422,394.23	\$ 1,462,690.96
Accrued Employee Compensation	16,166,566.09	15,226,666.01	16,293,829.57
Other Current Liabilities	5,498,912.68	10,765,631.04	5,389,227.81
<i>Total Current Liabilities</i>	<u>23,205,252.28</u>	<u>28,414,691.28</u>	<u>23,145,748.34</u>
Non-Current Liabilities			
Notes Payable	22,572,448.72	21,343,256.03	21,231,511.24
Other	2,301,866.52	1,372,788.59	1,369,265.18
<i>Total Non-Current Liabilities</i>	<u>24,874,315.24</u>	<u>22,716,044.62</u>	<u>22,600,776.42</u>
TOTAL LIABILITIES	<u><u>48,079,567.52</u></u>	<u><u>51,130,735.90</u></u>	<u><u>45,746,524.76</u></u>
FUND BALANCE:			
Unappropriated	23,766,283.83	22,409,412.14	22,215,830.66
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u><u>24,766,283.83</u></u>	<u><u>23,409,412.14</u></u>	<u><u>23,215,830.66</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 72,845,851.35</u></u>	<u><u>\$ 74,540,148.04</u></u>	<u><u>\$ 68,962,355.42</u></u>

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
November 30, 2007

	November 2007 Monthly Actual	November 2007 Monthly Budget	November 2007 Year-To-Date Actual	November 2007 Year-To-Date Budget	November 2006 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 135,417.29	\$ 166,667.00	\$ 2,100,160.71	\$ 1,833,337.00	\$ 2,049,400.61
Program-related Income	5,367,906.81	5,299,167.00	58,606,065.63	58,290,837.00	58,272,465.00
Other Income	19,796.25	16,667.00	273,431.55	183,337.00	164,809.48
Total Revenue	<u>5,523,120.35</u>	<u>5,482,501.00</u>	<u>60,979,657.89</u>	<u>60,307,511.00</u>	<u>60,486,675.09</u>
EXPENSES:					
Employee Pay	3,384,565.30	3,509,034.64	37,743,631.37	38,348,395.89	33,979,198.50
Employee Benefits	879,186.88	956,833.84	9,881,443.31	10,434,578.03	9,110,835.76
Employee Travel	620,857.90	531,755.80	5,906,563.95	5,849,312.85	4,955,279.78
Rent/Communications/Utilities	162,849.87	154,645.34	1,665,529.38	1,701,098.79	1,458,206.57
Administrative Costs	488,616.01	466,576.14	4,139,801.92	5,132,337.08	3,723,879.61
Contracted Services	180,625.87	340,479.50	2,471,082.92	3,745,274.45	2,413,087.22
Total Expenses	<u>5,716,701.83</u>	<u>5,959,325.26</u>	<u>61,808,052.85</u>	<u>65,210,997.10</u>	<u>55,640,487.44</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (193,581.48)</u>	<u>\$ (476,824.26)</u>	<u>\$ (828,394.96)</u>	<u>\$ (4,903,486.10)</u>	<u>\$ 4,846,187.65</u>

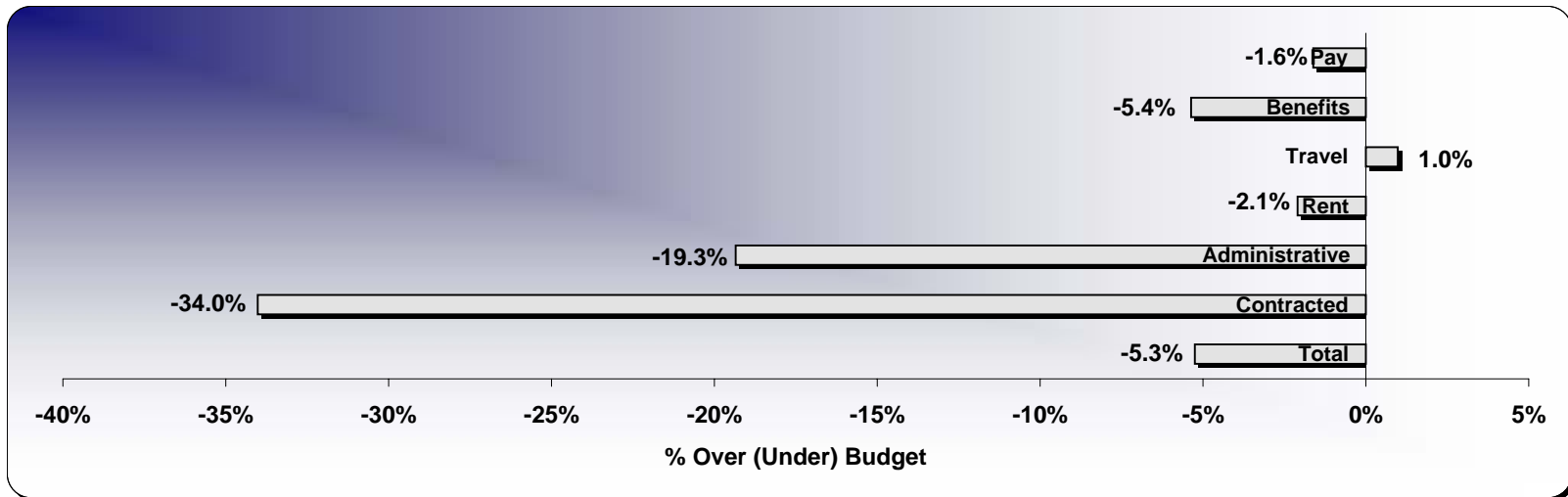
National Credit Union Administration Operating Fund
Statement of Cash Flow
November 30, 2007

	Month November 2006	Month November 2007	Y-T-D November 2006	Y-T-D November 2007
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ 708.88	\$ 63,780,937.04	\$ 65,312,067.41
Interest received from cash and cash equivalents	171,269.03	135,417.29	2,049,400.61	2,107,954.18
Other income received	3,351.60	19,796.25	164,809.48	273,431.55
(Cash paid for operating expenses)	<u>(5,003,290.69)</u>	<u>(5,400,180.83)</u>	<u>(55,175,113.53)</u>	<u>(55,690,553.35)</u>
Net cash (used) in operating activities	<u>(4,828,670.06)</u>	<u>(5,244,258.41)</u>	<u>10,820,033.60</u>	<u>12,002,899.79</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	(13,421.00)	(1,027,019.88)	(1,524,283.25)
Proceeds (purchases) home purchase program	<u>(549,780.63)</u>	<u>0.00</u>	<u>(694,300.23)</u>	<u>(103,332.04)</u>
Net cash (used) in investing activities	<u>(549,780.63)</u>	<u>(13,421.00)</u>	<u>(1,721,320.11)</u>	<u>(1,627,615.29)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,229,192.69)	(1,229,192.69)
(Capital lease payments)	<u>(3,817.94)</u>	<u>(3,030.21)</u>	<u>(1,364,290.64)</u>	<u>(1,324,837.15)</u>
Net cash (used) in financing activities	<u>(115,562.73)</u>	<u>(114,775.00)</u>	<u>(2,593,483.33)</u>	<u>(2,554,029.84)</u>
NET INCREASE (DECREASE) IN CASH	(5,494,013.42)	(5,372,454.41)	6,505,230.16	7,821,254.66
Cash and cash equivalents at beginning of period	39,114,587.47	38,587,920.20	27,115,343.89	25,394,211.13
Cash and cash equivalents at end of period	<u>\$ 33,620,574.05</u>	<u>\$ 33,215,465.79</u>	<u>\$ 33,620,574.05</u>	<u>\$ 33,215,465.79</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ 607,814.29</u>	<u>\$ (193,581.48)</u>	<u>\$ 4,846,187.65</u>	<u>\$ (828,394.96)</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	289,155.00	280,552.80	3,385,711.96	3,023,581.50
Unrealized (gain) loss	0.00	0.00	0.00	193,660.60
(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	5,907.42	27,668.83
Interest expense on leases	835.40	2,996.18	9,786.44	22,891.98
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	0.00	0.00	376,050.44	360,235.88
Accounts receivable	(130,732.38)	(150,877.63)	102,529.20	687,446.22
Interest receivable	0.00	0.00	2,605.57	7,793.47
Prepaid expenses	(84,096.06)	89,087.04	(204,736.53)	68,667.09
Other assets	66,396.19	(3.00)	33,330.89	(3.00)
Increase (decrease) in liabilities:				
Accounts payable	(1,225,696.55)	(959,703.27)	(2,852,354.37)	(1,392,870.53)
Accrued employee compensation	776,674.58	1,067,163.56	(345,239.61)	4,528,655.66
Other non current liabilities	404.72	(3,489.38)	16,774.45	(37,982.95)
Other current liabilities	<u>(5,129,425.25)</u>	<u>(5,376,403.23)</u>	<u>5,443,480.09</u>	<u>5,341,550.00</u>
Total adjustments	<u>(5,436,484.35)</u>	<u>(5,050,676.93)</u>	<u>5,973,845.95</u>	<u>12,831,294.75</u>
Net cash (used) in operating activities	<u>\$ (4,828,670.06)</u>	<u>\$ (5,244,258.41)</u>	<u>\$ 10,820,033.60</u>	<u>\$ 12,002,899.79</u>

**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
November 30, 2007**

	2007				2006			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	82,151,187	80,821,480	(1,329,706)	-1.6%	81,311,089	79,021,392	(2,289,697)	-2.8%
Benefits	22,359,230	21,159,408	(1,199,823)	-5.4%	22,019,597	21,187,990	(831,607)	-3.8%
Travel	12,525,296	12,647,889	122,593	1.0%	12,617,329	11,523,906	(1,093,423)	-8.7%
Rent, Communications, & Utilities	3,642,611	3,566,444	(76,167)	-2.1%	3,666,487	3,391,178	(275,308)	-7.5%
Administrative	10,990,016	8,864,672	(2,125,344)	-19.3%	10,752,737	8,660,185	(2,092,552)	-19.5%
Contracted Services	8,019,860	5,291,398	(2,728,462)	-34.0%	8,141,548	5,611,831	(2,529,717)	-31.1%
TOTAL	139,688,199	132,351,291	(7,336,909)	-5.3%	138,508,787	129,396,482	(9,112,305)	-6.6%

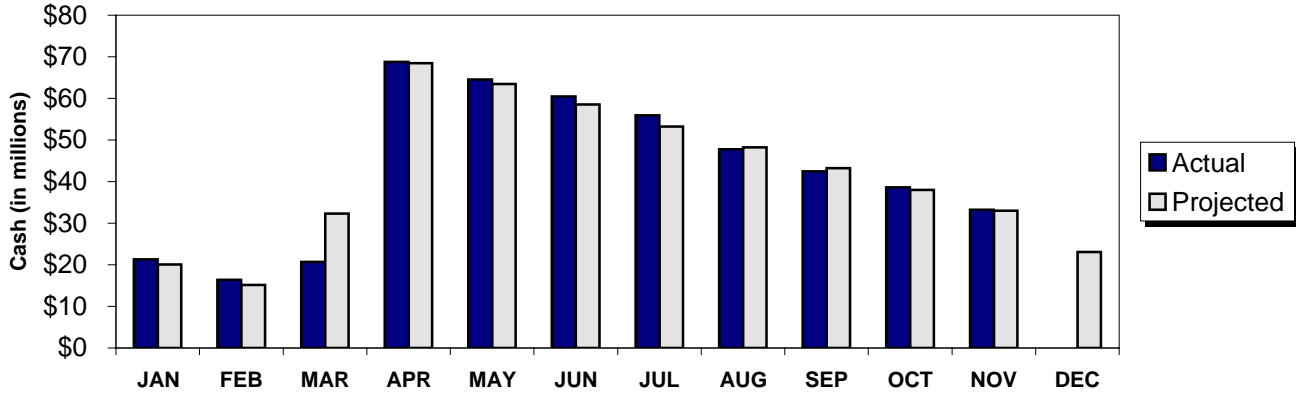
**Percent Over (Under) Budget
November 30, 2007**



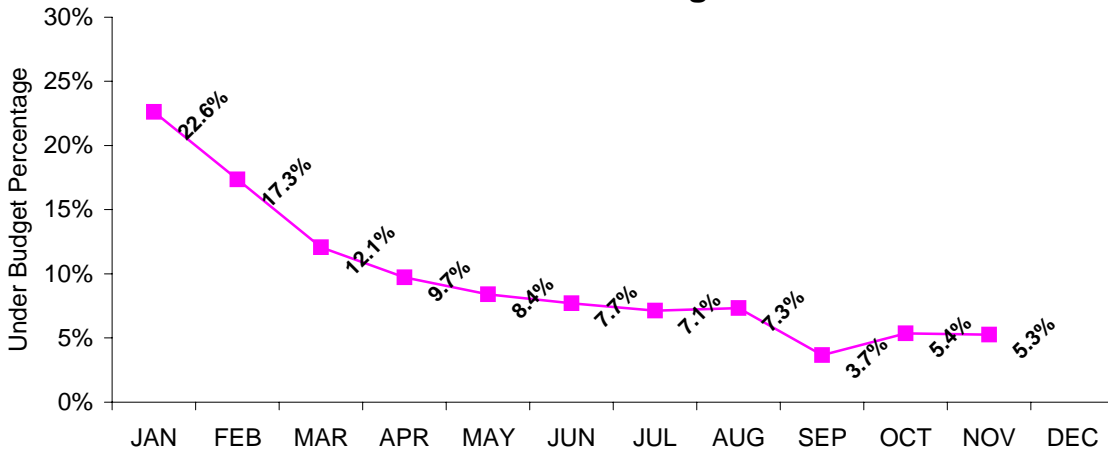
National Credit Union Administration Operating Fund

Graphs
November 30, 2007

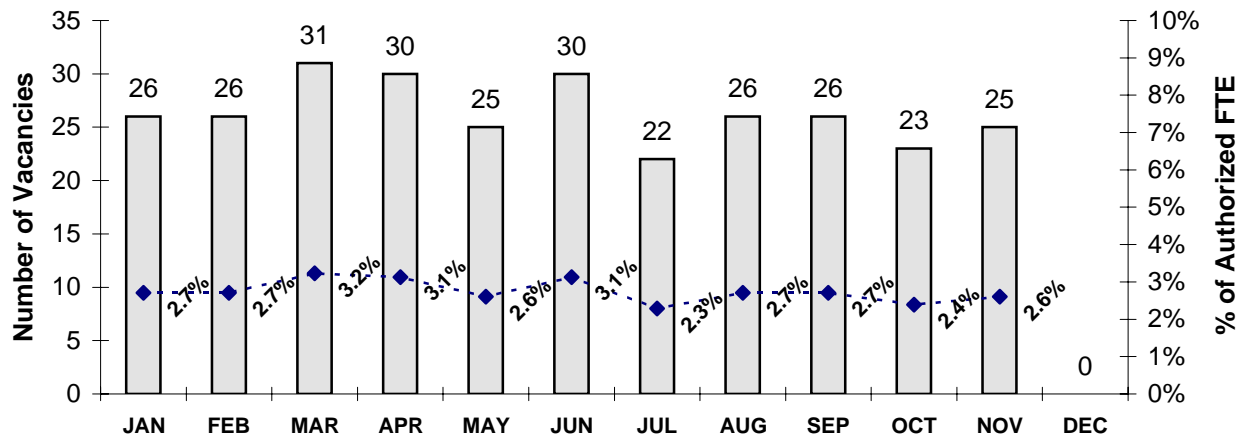
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
November 30, 2007

BALANCE SHEET	November 2006	November 2007
<u>Liquid assets / Total assets</u>	46.80%	48.16%
<u>Current assets / Total assets</u>	50.42%	50.91%
<u>Fixed assets / Total assets</u>	49.58%	49.09%
<u>Current liabilities / Total assets</u>	32.30%	33.56%
<u>Non current liabilities / Total assets</u>	34.62%	32.77%
<u>Retained earnings / Total assets</u>	33.08%	33.66%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	96.34%	96.11%
<u>YTD Interest & other income / Total revenue</u>	3.66%	3.89%
<u>YTD Expenses / Total revenue</u>	91.99%	101.36%
<u>YTD Net income / Total revenue</u>	8.01%	-1.36%
<u>Monthly interest income to average investments (annualized)</u>	5.65%	4.18%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$13,124	\$15,643
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$6.5	\$7.8
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	24.0%	30.8%
<u>Cash and cash equivalents / Total assets</u>	46.8%	48.2%