

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
March 31, 2008***

**Mary Ann Woodson  
Chief Financial Officer**

***National Credit Union Administration Operating Fund***  
***Financial Highlights***  
***March 31, 2008***

**Balance Sheet**

Cash has a balance of \$500,000 due to the quarterly reporting requirements to the Treasury Department for cash outlays and disbursements. The cash balance will return to a normal balance of \$5,000 on April 1.

Overnight Investments decreased \$5.2 million primarily for payment of operating expenses.

Accounts Receivable increased \$72.2 million due to establishing the operating fee receivable. As operating fees are collected, the accounts receivable account will decrease.

Other assets increased \$5.6 million to represent recognizing 1/12th of the 2008 operating fee income that is due April 15, 2008.

Accounts Payable decreased \$672,000 due to payment of vendor invoices.

Accrued Employee Compensation increase \$487,000 due to the accrual for 11 days at the end of March versus 10 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities increased \$54.0 million. This large increase is primarily the result of deferred operating fee income that will be recognized evenly over the remaining calendar period.

**Statement of Revenue and Expenses**

Net income for the month was \$46,000 lower than planned primarily due to increased employee travel, rent/communication/utilities, and administrative costs.

**Statement of Cash Flow**

Cash decreased by \$4.7 million for the month, reflecting payments for operating expenses and notes payable.

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

Agency spending was under budget by \$3.8 million or 9.6 percent. Pay and benefits were under budget by 5.1 percent. The remaining variance of \$2.3 million was derived mainly from travel, rent/communications/utilities, and contracted services. Contracted services are usually lower at the start of the year because the agency is in the process of planning, implementing, and contracting for services.

**Vacancies**

The agency had 29 vacancies as of March 29, -- down 1 from February 16. Of the 29 vacancies, there were 12 vacancies in the central office, 7 vacancies in the regional offices and AMAC, and 10 vacancies in the field staff. The 29 vacancies represent 3.0 percent of total authorized staff of 964.92.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**March 31, 2008**

	March 2007	February 2008	March 2008
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 5,916.03	\$ 5,288.76	\$ 500,103.67
Overnight Investments	20,711,000.00	14,846,000.00	9,679,000.00
Accounts Receivable	54,584,582.67	316,956.82	72,555,118.28
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	711,159.04	805,834.86	818,464.51
Home Purchase Program	1,594,612.39	1,045,646.46	1,045,646.46
Other	5,950,323.62	12,372,276.86	(889.35)
<i>Total Current Assets</i>	<u>83,557,593.75</u>	<u>29,392,003.76</u>	<u>84,597,443.57</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,617,176.00	26,477,543.00	26,398,496.00
Capital Lease	1,742,763.23	993,375.70	920,732.08
Equipment	2,111,434.00	1,939,536.00	1,807,802.00
Assets Under Construction	138,858.79	320,209.00	320,209.00
<i>Total Property, Plant, and Equipment</i>	<u>34,556,495.97</u>	<u>33,676,927.65</u>	<u>33,393,503.03</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 118,114,089.72</u></u>	<u><u>\$ 63,068,931.41</u></u>	<u><u>\$ 117,990,946.60</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 1,362,128.62	\$ 1,960,303.41	\$ 2,631,906.10
Accrued Employee Compensation	13,719,951.90	15,037,989.25	15,524,996.85
Other Current Liabilities	53,992,667.72	273,418.89	54,301,895.89
<i>Total Current Liabilities</i>	<u>69,074,748.24</u>	<u>17,271,711.55</u>	<u>72,458,798.84</u>
Non-Current Liabilities			
Notes Payable	22,125,469.56	20,896,276.87	20,784,532.08
Other	2,029,204.30	1,167,516.80	1,163,084.72
<i>Total Non-Current Liabilities</i>	<u>24,154,673.86</u>	<u>22,063,793.67</u>	<u>21,947,616.80</u>
<b>TOTAL LIABILITIES</b>	<u><u>93,229,422.10</u></u>	<u><u>39,335,505.22</u></u>	<u><u>94,406,415.64</u></u>
<b>FUND BALANCE:</b>			
Unappropriated	23,884,667.62	22,733,426.19	22,584,530.96
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<u><u>24,884,667.62</u></u>	<u><u>23,733,426.19</u></u>	<u><u>23,584,530.96</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 118,114,089.72</u></u>	<u><u>\$ 63,068,931.41</u></u>	<u><u>\$ 117,990,946.60</u></u>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**March 31, 2008**

	March 2008 Monthly Actual	March 2008 Monthly Budget	March 2008 Year-To-Date Actual	March 2008 Year-To-Date Budget	March 2007 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 28,556.04	\$ 175,000.00	\$ 155,053.12	\$ 525,000.00	\$ 314,040.91
Program-related Income	6,030,500.00	6,088,000.00	18,149,075.81	18,264,000.00	15,949,200.28
Other Income	19,685.16	33,000.00	52,391.02	99,000.00	123,264.50
Total Revenue	<u>6,078,741.20</u>	<u>6,296,000.00</u>	<u>18,356,519.95</u>	<u>18,888,000.00</u>	<u>16,386,505.69</u>
<b>EXPENSES:</b>					
Employee Pay	3,577,080.00	3,762,341.55	10,622,559.23	11,114,480.37	10,274,980.94
Employee Benefits	935,593.20	1,028,511.50	2,810,756.26	3,042,043.19	2,705,951.92
Employee Travel	691,345.25	616,648.10	1,399,324.78	1,849,944.43	934,124.46
Rent/Communications/Utilities	176,613.32	166,703.01	407,998.00	500,109.15	310,645.79
Administrative Costs	561,933.93	473,557.40	1,403,999.75	1,420,672.35	917,037.72
Contracted Services	285,070.73	351,224.44	511,656.19	1,053,673.28	403,322.86
Total Expenses	<u>6,227,636.43</u>	<u>6,398,986.00</u>	<u>17,156,294.21</u>	<u>18,980,922.76</u>	<u>15,546,063.69</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (148,895.23)</u>	<u>\$ (102,986.00)</u>	<u>\$ 1,200,225.74</u>	<u>\$ (92,922.76)</u>	<u>\$ 840,442.00</u>

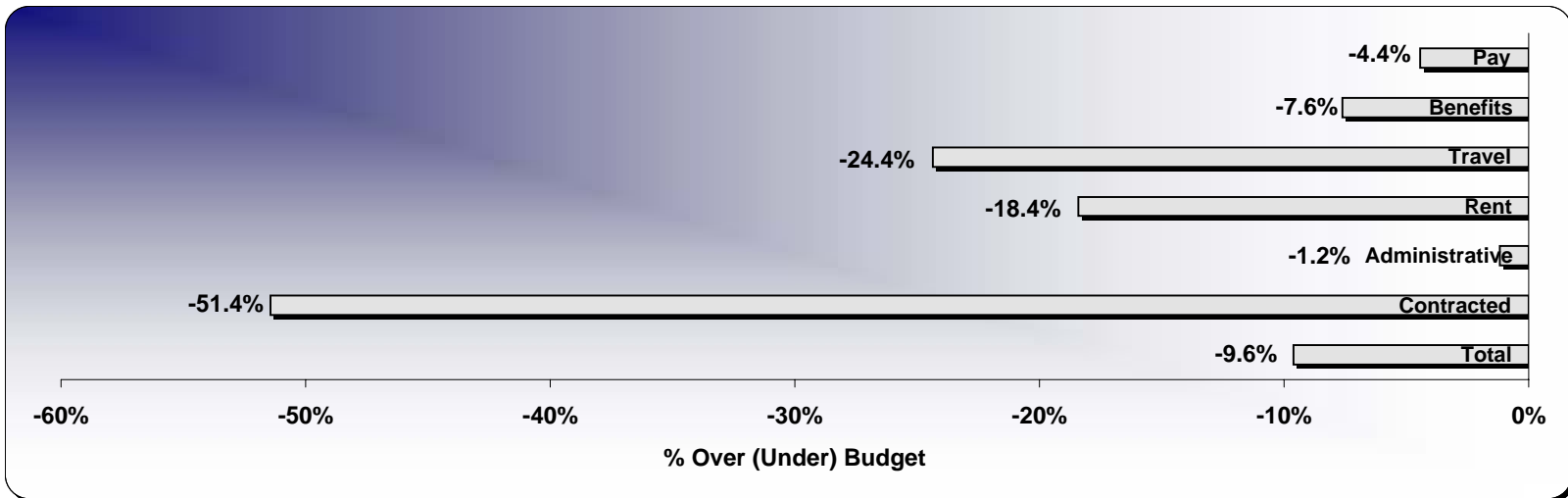
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**March 31, 2008**

	Month March 2007	Month March 2008	Y-T-D March 2007	Y-T-D March 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ 11,276,947.90	\$ 221,422.79	\$ 11,276,947.90	\$ 221,422.79
Interest received from cash and cash equivalents	85,903.00	28,556.04	321,834.38	155,053.12
Other income received	64,318.00	19,685.16	123,264.50	52,391.02
(Cash paid for operating expenses)	(7,094,593.09)	(4,830,104.29)	(15,150,378.60)	(13,674,791.13)
<b>Net cash (used) in operating activities</b>	<u>4,332,575.81</u>	<u>(4,560,440.30)</u>	<u>(3,428,331.82)</u>	<u>(13,245,924.20)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(23,206.67)	0.00	(29,906.67)	(37,374.36)
Proceeds (purchases) home purchase program	128,409.44	0.00	(552,352.73)	(47,557.93)
<b>Net cash (used) in investing activities</b>	<u>105,202.77</u>	<u>0.00</u>	<u>(582,259.40)</u>	<u>(84,932.29)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(335,234.37)	(335,234.37)
(Capital lease payments)	(2,324.19)	0.00	(331,469.51)	(330,294.02)
<b>Net cash (used) in financing activities</b>	<u>(114,068.98)</u>	<u>(111,744.79)</u>	<u>(666,703.88)</u>	<u>(665,528.39)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	4,323,709.60	(4,672,185.09)	(4,677,295.10)	(13,996,384.88)
Cash and cash equivalents at beginning of period	16,393,206.43	14,851,288.76	25,394,211.13	24,175,488.55
<b>Cash and cash equivalents at end of period</b>	<u>\$ 20,716,916.03</u>	<u>\$ 10,179,103.67</u>	<u>\$ 20,716,916.03</u>	<u>\$ 10,179,103.67</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	\$ (315,822.72)	\$ (148,895.23)	\$ 840,442.00	\$ 1,200,225.74
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	203,051.06	283,424.62	800,468.09	856,553.84
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	(1,306.50)	0.00	(1,306.50)	2,745.54
Interest expense on leases	336.00	2,412.62	1,472.48	7,218.97
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	90,058.97	90,058.97
Accounts receivable	(53,887,114.48)	(72,238,161.46)	(53,403,598.75)	(71,974,037.98)
Interest receivable	0.00	0.00	7,793.47	0.00
Prepaid expenses	49,614.20	(12,629.65)	(168,074.05)	(20,401.27)
Other assets	4,859,799.59	12,373,166.21	(5,950,323.62)	889.35
Increase (decrease) in liabilities:				
Accounts payable	(1,095,157.83)	671,602.69	(1,493,432.87)	(299,697.86)
Accrued employee compensation	808,535.96	487,007.60	1,954,777.99	2,627,223.62
Other non current liabilities	(54,162.44)	(6,844.70)	(51,598.94)	(3,016.63)
Other current liabilities	53,764,802.97	54,028,477.00	53,944,989.91	54,266,313.51
<b>Total adjustments</b>	<u>4,648,398.53</u>	<u>(4,411,545.07)</u>	<u>(4,268,773.82)</u>	<u>(14,446,149.94)</u>
<b>Net cash (used) in operating activities</b>	<u>\$ 4,332,575.81</u>	<u>\$ (4,560,440.30)</u>	<u>\$ (3,428,331.82)</u>	<u>\$ (13,245,924.20)</u>

**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
March 31, 2008**

	2008				2007			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	23,155,167	22,130,332	(1,024,836)	-4.4%	22,199,056	22,002,101	(196,956)	-0.9%
<b>Benefits</b>	6,337,590	5,855,742	(481,848)	-7.6%	6,057,378	5,794,330	(263,049)	-4.3%
<b>Travel</b>	3,854,051	2,915,260	(938,791)	-24.4%	3,415,990	2,000,267	(1,415,723)	-41.4%
<b>Rent, Communications, &amp; Utilities</b>	1,041,894	849,996	(191,898)	-18.4%	993,439	665,194	(328,245)	-33.0%
<b>Administrative</b>	2,959,734	2,924,999	(34,735)	-1.2%	2,997,277	1,960,807	(1,036,470)	-34.6%
<b>Contracted Services</b>	2,195,153	1,065,950	(1,129,202)	-51.4%	2,187,235	863,646	(1,323,588)	-60.5%
<b>TOTAL</b>	<b>39,543,589</b>	<b>35,742,280</b>	<b>(3,801,309)</b>	<b>-9.6%</b>	<b>37,850,375</b>	<b>33,286,344</b>	<b>(4,564,031)</b>	<b>-12.1%</b>

**Percent Over (Under) Budget  
March 31, 2008**

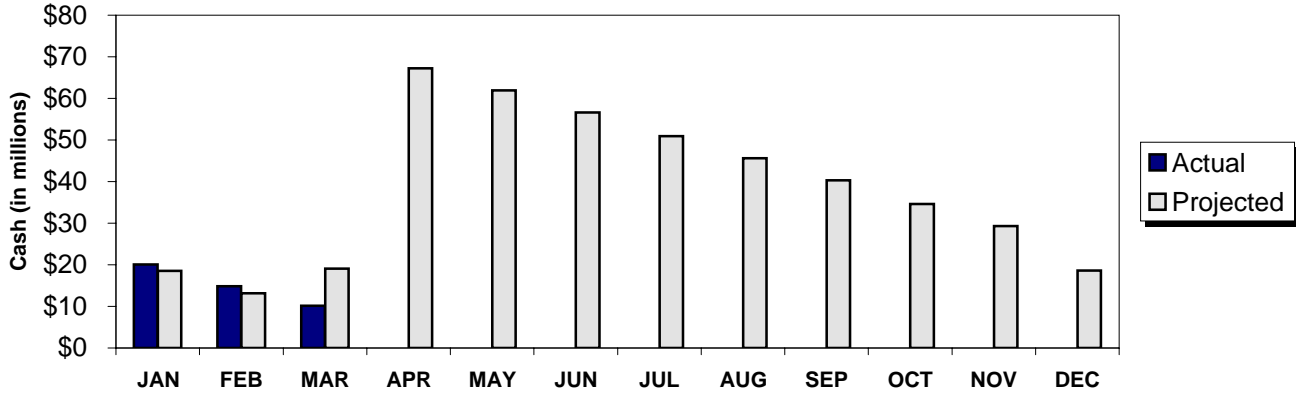


# National Credit Union Administration Operating Fund

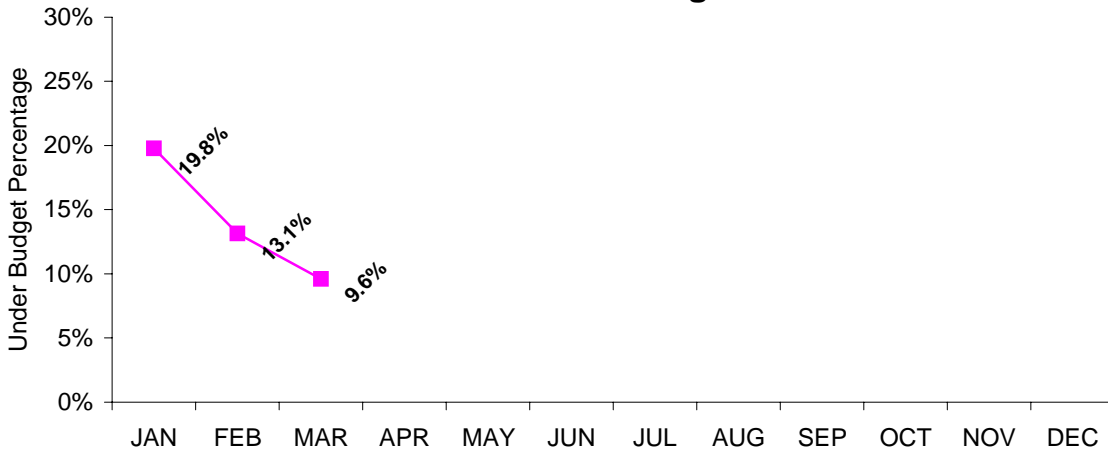
## Graphs

March 31, 2008

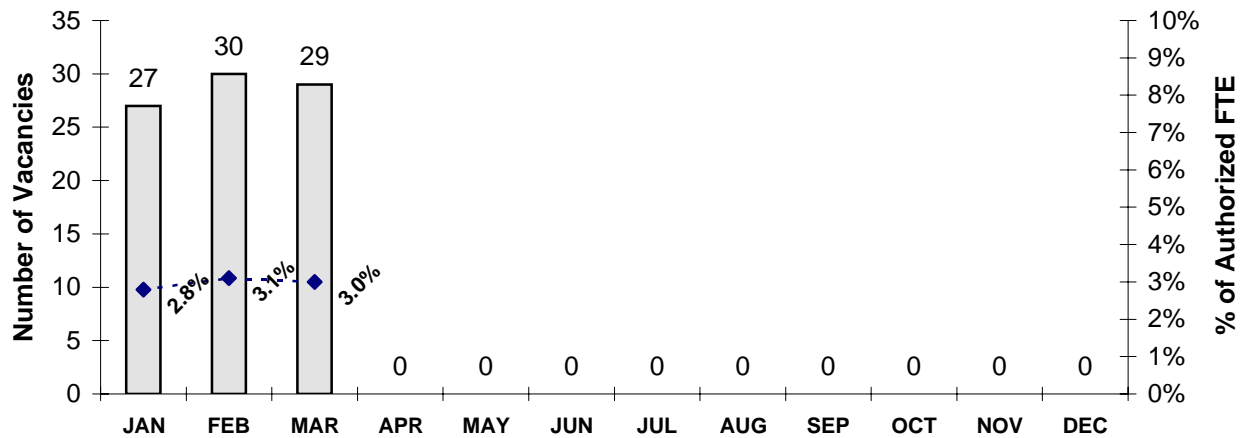
### Actual & Projected Cash Balance



### Year-To-Date Budget Variance



### Vacancies



**National Credit Union Administration Operating Fund**  
**Ratios**  
**March 31, 2008**

<b>BALANCE SHEET</b>	<b>March 2007</b>	<b>March 2008</b>
<u>Liquid assets / Total assets</u>	17.54%	8.63%
<u>Current assets / Total assets</u>	70.74%	71.70%
<u>Fixed assets / Total assets</u>	29.26%	28.30%
<u>Current liabilities / Total assets</u>	58.48%	61.41%
<u>Non current liabilities / Total assets</u>	20.45%	18.60%
<u>Retained earnings / Total assets</u>	21.07%	19.99%
 <b>STATEMENT OF REVENUE &amp; EXPENSE</b>		
<u>YTD Program related income / Total revenue</u>	97.33%	98.87%
<u>YTD Interest &amp; other income / Total revenue</u>	2.67%	1.13%
<u>YTD Expenses / Total revenue</u>	94.87%	93.46%
<u>YTD Net income / Total revenue</u>	5.13%	6.54%
<u>Monthly interest income to average investments (annualized)</u>	5.56%	1.77%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$9,071	\$13,490
 <b>CASH</b>		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	(\$4.7)	(\$14.0)
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	-18.4%	-57.9%
<u>Cash and cash equivalents / Total assets</u>	17.5%	8.6%