

National Credit Union Administration



Operating Fund

***Financial Highlights
April 30, 2007***

**Dennis Winans
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
April 30, 2007

Balance Sheet

Overnight Investments increased \$48.1 million primarily for receipts of operating fee assessments.

Accounts Receivable decreased \$52.6 million due to the collection of operating fees. Operating fees of \$62.7 million have been collected year-to-date with \$1.3 million remaining to be collected.

Home Purchase Program decreased \$161,000 due to the sale of one home.

Other assets decreased \$5.8 million due to the recognition of deferred operating fee income.

Accounts Payable increased \$945,000. This increase is primarily due to the receipt of invoices of approximately \$210,000 for the plaza and garage renovation project and approximately \$248,000 for employee travel vouchers.

Other Current Liabilities decreased \$11.1 million due to establishing the balance for deferred operating fee income. This balance will be recognized as Program-related Income evenly over the remaining calendar year.

Statement of Revenue and Expenses

Net income for the month was \$363,000 higher than planned primarily due to cost incurred for pay, benefits and administrative being under budget.

Statement of Cash Flow

Cash increased by \$48 million for the month, reflecting receipts of operating fee assessments over payments for operating expenses, fixed assets, notes payable, and capital leases.

Budget (Year-to-Date)

Agency spending was under budget by \$4.9 million or 9.7 percent. Pay and benefits were under budget by 2.0 percent. The remaining variance of \$4.2 million was derived mainly from travel, administrative, and contracted services. Administrative and 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 30 vacancies as of April 28, -- down 1 from March. Of the 30 vacancies, there were 8 vacancies in the central office, 9 vacancies in the regional offices and AMAC, and 13 vacancies in the field staff. The vacancies represent 3.1 percent of total authorized staff of 957.92.

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

	April 2006	March 2007	April 2007
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,767.11	\$ 5,916.03	\$ 5,208.55
Overnight Investments	65,513,000.00	20,711,000.00	68,761,000.00
Accounts Receivable	1,856,311.58	54,584,582.67	1,992,166.23
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	892,021.90	711,159.04	748,207.25
Home Purchase Program	943,427.55	1,594,612.39	1,433,735.06
Other	(160.03)	5,950,323.62	161,628.38
<i>Total Current Assets</i>	<u>69,210,368.11</u>	<u>83,557,593.75</u>	<u>73,101,945.47</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	27,394,788.00	26,617,176.00	26,544,055.00
Capital Lease	2,636,118.08	1,742,763.23	1,691,300.48
Equipment	2,887,926.17	2,111,434.00	2,013,931.00
Assets Under Construction	0.00	138,858.79	138,858.79
<i>Total Property, Plant, and Equipment</i>	<u>36,865,096.20</u>	<u>34,556,495.97</u>	<u>34,334,409.22</u>
TOTAL ASSETS	<u><u>\$ 106,075,464.31</u></u>	<u><u>\$ 118,114,089.72</u></u>	<u><u>\$ 107,436,354.69</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,673,215.81	\$ 1,362,128.62	\$ 2,307,379.28
Accrued Employee Compensation	14,297,045.25	13,719,951.90	13,685,522.26
Other Current Liabilities	42,521,053.58	53,992,667.72	42,871,858.32
<i>Total Current Liabilities</i>	<u>58,491,314.64</u>	<u>69,074,748.24</u>	<u>58,864,759.86</u>
Non-Current Liabilities			
Notes Payable	23,354,662.25	22,125,469.56	22,013,724.77
Other	2,769,272.87	2,029,204.30	1,808,110.41
<i>Total Non-Current Liabilities</i>	<u>26,123,935.12</u>	<u>24,154,673.86</u>	<u>23,821,835.18</u>
TOTAL LIABILITIES	<u><u>84,615,249.76</u></u>	<u><u>93,229,422.10</u></u>	<u><u>82,686,595.04</u></u>
FUND BALANCE:			
Unappropriated	21,460,214.55	23,884,667.62	23,749,759.65
Appropriated	0.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u><u>21,460,214.55</u></u>	<u><u>24,884,667.62</u></u>	<u><u>24,749,759.65</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 106,075,464.31</u></u>	<u><u>\$ 118,114,089.72</u></u>	<u><u>\$ 107,436,354.69</u></u>

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

	April 2007 Monthly Actual	April 2007 Monthly Budget	April 2007 Year-To-Date Actual	April 2007 Year-To-Date Budget	April 2006 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 205,444.42	\$ 166,667.00	\$ 519,485.33	\$ 666,668.00	\$ 397,558.85
Program-related Income	5,324,958.00	5,299,167.00	21,274,158.28	21,196,668.00	21,062,323.78
Other Income	20,207.20	16,667.00	143,471.70	66,668.00	47,813.03
Total Revenue	<u>5,550,609.62</u>	<u>5,482,501.00</u>	<u>21,937,115.31</u>	<u>21,930,004.00</u>	<u>21,507,695.66</u>
EXPENSES:					
Employee Pay	3,293,410.98	3,523,954.32	13,568,391.92	13,785,153.51	11,997,492.80
Employee Benefits	927,706.85	962,516.82	3,633,658.77	3,736,740.99	3,177,419.86
Employee Travel	619,467.50	531,755.65	1,553,591.96	2,127,022.60	1,239,667.88
Rent/Communications/Utilities	157,186.40	154,645.42	467,832.19	618,581.17	489,151.68
Administrative Costs	355,692.95	466,576.12	1,272,730.67	1,866,304.12	1,452,841.80
Contracted Services	332,052.91	340,479.55	735,375.77	1,361,917.91	611,003.27
Total Expenses	<u>5,685,517.59</u>	<u>5,979,927.88</u>	<u>21,231,581.28</u>	<u>23,495,720.31</u>	<u>18,967,577.29</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (134,907.97)</u>	<u>\$ (497,426.88)</u>	<u>\$ 705,534.03</u>	<u>\$ (1,565,716.31)</u>	<u>\$ 2,540,118.37</u>

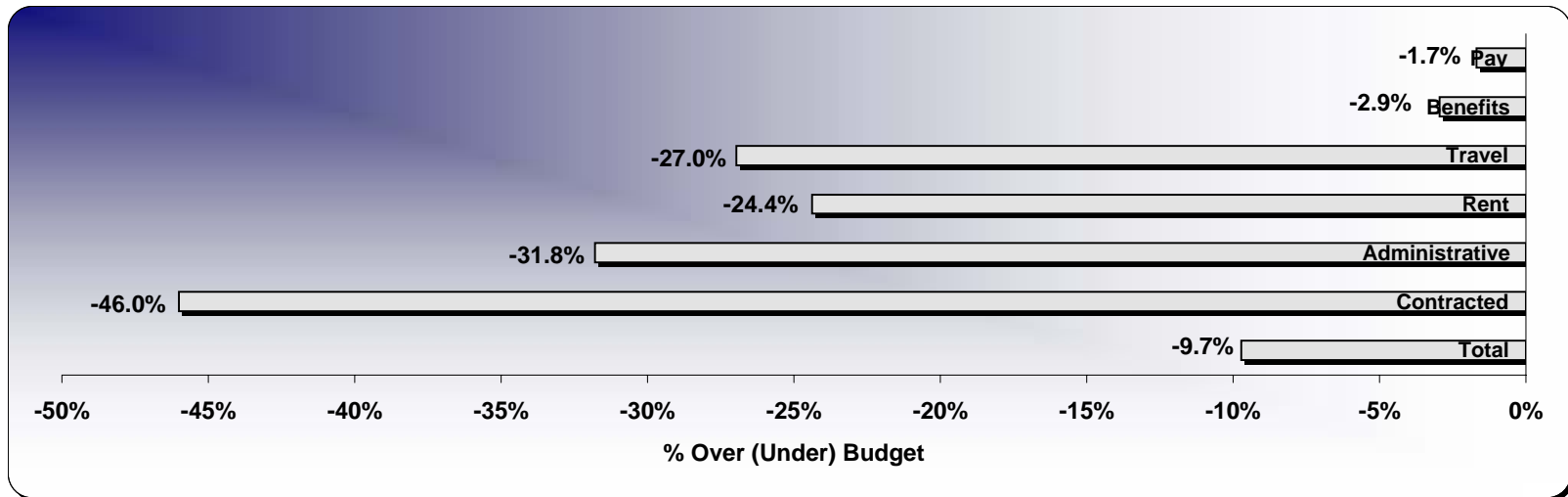
National Credit Union Administration Operating Fund
Statement of Cash Flow
April 30, 2007

	Month April 2006	Month April 2007	Y-T-D April 2006	Y-T-D April 2007
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 48,970,279.74	\$ 52,746,402.03	\$ 62,600,003.85	\$ 64,023,349.93
Interest received from cash and cash equivalents	155,999.68	205,444.42	397,558.85	527,278.80
Other income received	6,891.28	20,207.20	47,813.03	143,471.70
(Cash paid for operating expenses)	(4,700,588.85)	(4,621,213.60)	(22,610,899.25)	(19,771,592.20)
Net cash (used) in operating activities	<u>44,432,581.85</u>	<u>48,350,840.05</u>	<u>40,434,476.48</u>	<u>44,922,508.23</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(101,870.43)	(29,430.00)	(218,012.28)	(59,336.67)
Proceeds (purchases) home purchase program	(576,439.55)	165,529.45	(667,585.94)	(386,823.28)
Net cash (used) in investing activities	<u>(678,309.98)</u>	<u>136,099.45</u>	<u>(885,598.22)</u>	<u>(446,159.95)</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)	(326,051.47)	(325,902.19)	(698,475.88)	(657,371.70)
Net cash (used) in financing activities	<u>(437,796.26)</u>	<u>(437,646.98)</u>	<u>(1,145,455.04)</u>	<u>(1,104,350.86)</u>
NET INCREASE (DECREASE) IN CASH	43,316,475.61	48,049,292.52	38,403,423.22	43,371,997.42
Cash and cash equivalents at beginning of period	22,202,291.50	20,716,916.03	27,115,343.89	25,394,211.13
Cash and cash equivalents at end of period	<u>\$ 65,518,767.11</u>	<u>\$ 68,766,208.55</u>	<u>\$ 65,518,767.11</u>	<u>\$ 68,766,208.55</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ 516,668.81</u>	<u>\$ (134,907.97)</u>	<u>\$ 2,540,118.37</u>	<u>\$ 705,534.03</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	286,253.35	251,516.75	1,333,325.25	1,051,984.84
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	(18,695.99)	(4,652.12)	0.00	(5,958.62)
Interest expense on leases	1,152.75	4,474.24	7,518.70	5,946.72
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	195,932.50	180,117.94
Accounts receivable	49,727,319.97	52,592,416.44	(689,725.76)	(811,182.31)
Interest receivable	0.00	0.00	2,605.57	7,793.47
Prepaid expenses	(317,291.91)	(37,048.21)	(488,158.37)	(205,122.26)
Other assets	2,120,658.83	5,788,695.24	160.03	(161,628.38)
Increase (decrease) in liabilities:				
Accounts payable	(219,996.53)	945,250.66	(2,718,912.07)	(548,182.21)
Accrued employee compensation	(292,974.41)	(34,429.64)	(2,214,760.45)	1,920,348.35
Other non current liabilities	0.00	10,275.09	751.72	(41,323.85)
Other current liabilities	(7,460,571.99)	(11,120,809.40)	42,465,620.99	42,824,180.51
Total adjustments	<u>43,915,913.04</u>	<u>48,485,748.02</u>	<u>37,894,358.11</u>	<u>44,216,974.20</u>
Net cash (used) in operating activities	<u>\$ 44,432,581.85</u>	<u>\$ 48,350,840.05</u>	<u>\$ 40,434,476.48</u>	<u>\$ 44,922,508.23</u>

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

	2007				2006			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	29,553,237	29,054,372	(498,865)	-1.7%	28,917,195	27,901,146	(1,016,049)	-3.5%
Benefits	8,016,967	7,780,854	(236,113)	-2.9%	7,838,678	7,389,349	(449,330)	-5.7%
Travel	4,554,653	3,326,749	(1,227,904)	-27.0%	4,588,120	2,882,949	(1,705,171)	-37.2%
Rent, Communications, & Utilities	1,324,586	1,001,782	(322,804)	-24.4%	1,333,268	1,137,562	(195,706)	-14.7%
Administrative	3,996,369	2,725,333	(1,271,036)	-31.8%	3,910,086	3,378,702	(531,384)	-13.6%
Contracted Services	2,916,313	1,574,680	(1,341,632)	-46.0%	2,960,563	1,420,938	(1,539,625)	-52.0%
TOTAL	50,362,125	45,463,771	(4,898,353)	-9.7%	49,547,910	44,110,645	(5,437,265)	-11.0%

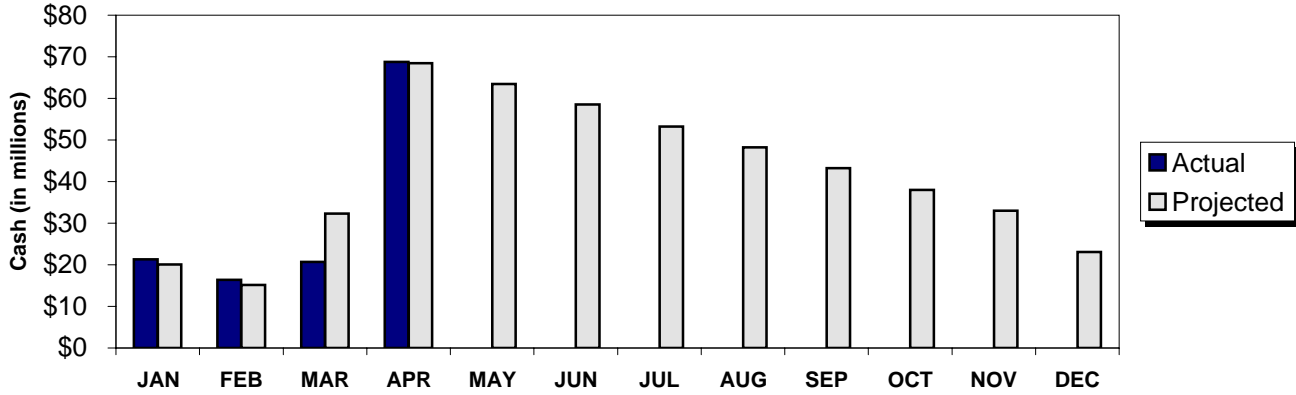
**Percent Over (Under) Budget
April 30, 2007**



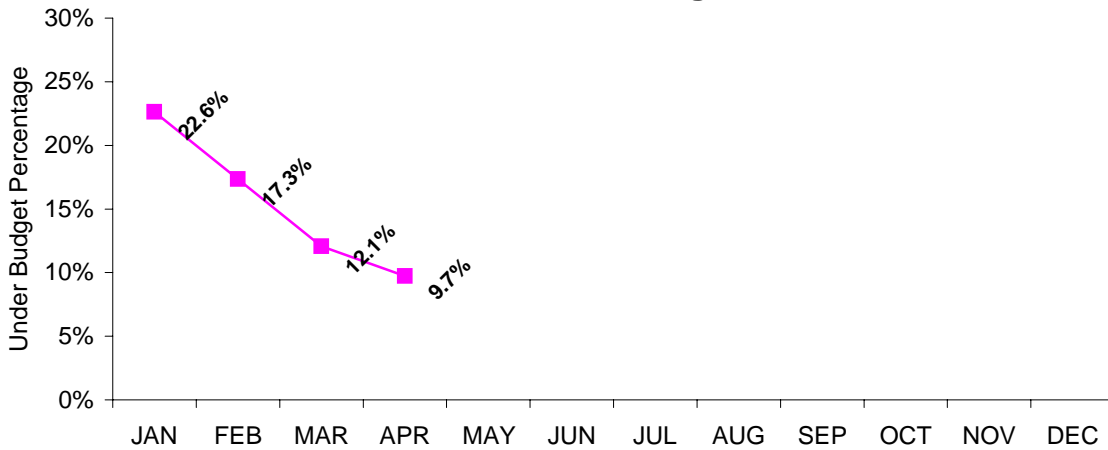
National Credit Union Administration Operating Fund

Graphs
April 30, 2007

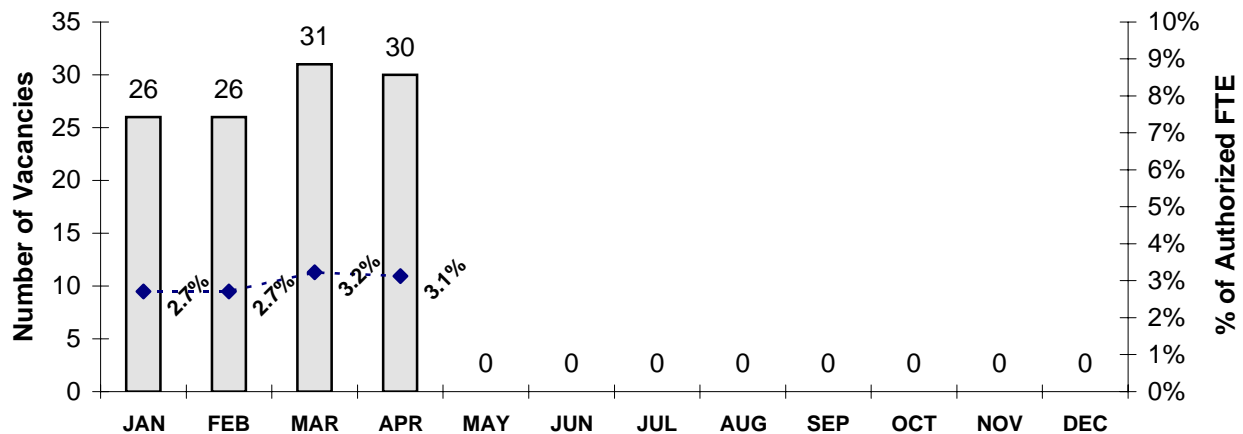
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
April 30, 2007

BALANCE SHEET	April 2006	April 2007
<u>Liquid assets / Total assets</u>	61.77%	64.01%
<u>Current assets / Total assets</u>	65.25%	68.04%
<u>Fixed assets / Total assets</u>	34.75%	31.96%
<u>Current liabilities / Total assets</u>	55.14%	54.79%
<u>Non current liabilities / Total assets</u>	24.63%	22.17%
<u>Retained earnings / Total assets</u>	20.23%	23.04%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	97.93%	96.98%
<u>YTD Interest & other income / Total revenue</u>	2.07%	3.02%
<u>YTD Expenses / Total revenue</u>	88.19%	96.78%
<u>YTD Net income / Total revenue</u>	11.81%	3.22%
<u>Monthly interest income to average investments (annualized)</u>	4.27%	5.21%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$9,029	\$11,315
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$38.4	\$43.4
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	141.6%	170.8%
<u>Cash and cash equivalents / Total assets</u>	61.8%	64.0%