

National Credit Union Administration



Operating Fund

***Financial Highlights
November 30, 2008***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
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November 30, 2008

Balance Sheet

Overnight Investments decreased \$6.7 million for payment of operating expenses.

Accounts Payable decreased \$1.3 million due to payment of routine vendor invoices.

Other Current Liabilities decreased \$5.7 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 \$316,000 higher than planned due to all expense categories being under budget.

Statement of Cash Flow

Cash decreased by \$6.8 million for the month, reflecting payments for operating expenses, notes payable, and fixed in excess of receipts from the proceeds from the sale of a home under the home purchase program.

Budget (Year-to-Date)

Agency spending was under budget by \$6.5 million or 4.5 percent. Pay and benefits were under budget by 0.7 percent. The remaining variance of \$5.8 million (net) was derived mainly from travel, administrative, and contracted services.

Vacancies

The agency had 37 vacancies as of November 22, 2008. Of the 37 vacancies, there were 14 vacancies in the central office, 10 vacancies in the regional offices and AMAC, and 13 vacancies in the field staff. The vacancies represent 3.8 percent of total authorized staff of 964.92.

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

	November 2007	October 2008	November 2008
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,465.79	\$ 100,618.57	\$ 100,290.83
Overnight Investments	33,210,000.00	35,875,000.00	29,174,000.00
Accounts Receivable	493,537.70	177,647.05	1,047,432.48
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	474,417.90	750,648.99	665,126.14
Home Purchase Program	922,955.77	774,766.61	517,500.00
Other	3.00	118,683.00	117,278.00
<i>Total Current Assets</i>	<u>35,106,380.16</u>	<u>37,797,364.22</u>	<u>31,621,627.45</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,704,094.00	25,845,159.00	25,766,113.00
Capital Lease	1,175,911.31	414,152.30	313,941.30
Equipment	1,695,701.00	1,482,990.00	1,398,939.00
Assets Under Construction	334,005.00	1,111,412.45	1,154,301.24
<i>Total Property, Plant, and Equipment</i>	<u>33,855,975.26</u>	<u>32,799,977.70</u>	<u>32,579,558.49</u>
TOTAL ASSETS	<u><u>\$ 68,962,355.42</u></u>	<u><u>\$ 70,597,341.92</u></u>	<u><u>\$ 64,201,185.94</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,462,690.96	\$ 2,726,260.43	\$ 1,446,661.46
Accrued Employee Compensation	16,293,829.57	12,541,529.22	12,933,517.88
Other Current Liabilities	5,389,227.81	11,964,851.64	6,306,129.15
<i>Total Current Liabilities</i>	<u>23,145,748.34</u>	<u>27,232,641.29</u>	<u>20,686,308.49</u>
Non-Current Liabilities			
Notes Payable	21,231,511.24	20,002,318.55	19,890,573.76
Other	1,369,265.18	455,798.87	451,350.68
<i>Total Non-Current Liabilities</i>	<u>22,600,776.42</u>	<u>20,458,117.42</u>	<u>20,341,924.44</u>
TOTAL LIABILITIES	<u>45,746,524.76</u>	<u>47,690,758.71</u>	<u>41,028,232.93</u>
FUND BALANCE:			
Unappropriated	22,215,830.66	21,906,583.21	22,172,953.01
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u>23,215,830.66</u>	<u>22,906,583.21</u>	<u>23,172,953.01</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 68,962,355.42</u></u>	<u><u>\$ 70,597,341.92</u></u>	<u><u>\$ 64,201,185.94</u></u>

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

	November 2008 Monthly Actual	November 2008 Monthly Budget *	November 2008 Year-To-Date Actual	November 2008 Year-To-Date Budget *	November 2007 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 3,087.43	\$ 175,000.00	\$ 772,356.54	\$ 1,925,000.00	\$ 2,100,160.71
Program-related Income	5,908,489.00	6,088,000.00	66,525,524.72	66,968,000.00	58,606,065.63
Other Income	20,168.10	33,000.00	179,721.29	363,000.00	273,431.55
Total Revenue	<u>5,931,744.53</u>	<u>6,296,000.00</u>	<u>67,477,602.55</u>	<u>69,256,000.00</u>	<u>60,979,657.89</u>
EXPENSES:					
Employee Pay	3,527,784.50	3,665,760.30	40,754,208.14	40,338,729.23	37,743,631.37
Employee Benefits	890,001.99	1,043,306.12	10,706,749.05	11,476,367.64	9,881,443.31
Employee Travel	609,344.15	662,711.74	6,747,009.05	7,289,107.18	5,906,563.95
Rent/Communications/Utilities	111,890.58	163,539.51	1,613,145.80	1,651,751.56	1,665,529.38
Administrative Costs	261,421.36	444,665.06	3,872,706.12	4,891,314.71	4,139,801.92
Contracted Services	264,932.15	365,378.39	2,995,136.60	4,003,796.53	2,471,082.92
Total Expenses	<u>5,665,374.73</u>	<u>6,345,361.12</u>	<u>66,688,954.76</u>	<u>69,651,066.85</u>	<u>61,808,052.85</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 266,369.80</u>	<u>\$ (49,361.12)</u>	<u>\$ 788,647.79</u>	<u>\$ (395,066.85)</u>	<u>\$ (828,394.96)</u>

* Reflects approved mid-session budget with category re-allocations and no change in total from the original approved budget.

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

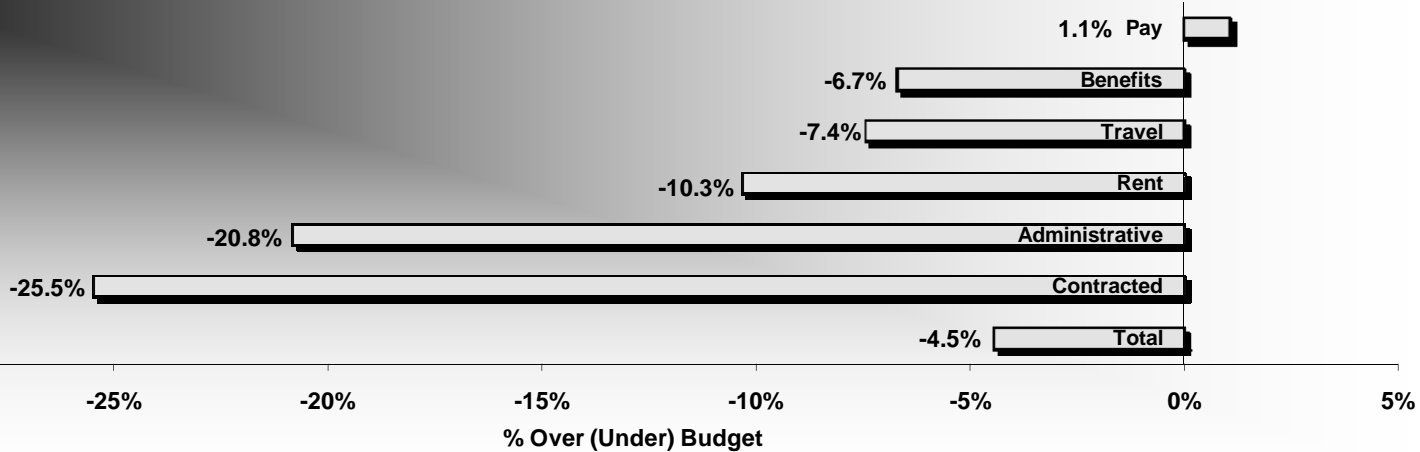
	Month November 2007	Month November 2008	Y-T-D November 2007	Y-T-D November 2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 708.88	\$ 2,740.95	\$ 65,312,067.41	\$ 72,424,381.21
Interest received from cash and cash equivalents	135,417.29	3,087.43	2,107,954.18	772,356.54
Other income received	19,796.25	20,168.10	273,431.55	179,721.29
(Cash paid for operating expenses)	<u>(5,400,180.83)</u>	<u>(6,790,587.94)</u>	<u>(55,690,553.35)</u>	<u>(64,577,975.02)</u>
Net cash (used) in operating activities	<u>(5,244,258.41)</u>	<u>(6,764,591.46)</u>	<u>12,002,899.79</u>	<u>8,798,484.02</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(13,421.00)	(45,088.79)	(1,524,283.25)	(1,308,652.40)
Proceeds (purchases) home purchase program	0.00	223,705.50	(103,332.04)	160,537.53
Net cash (used) in investing activities	<u>(13,421.00)</u>	<u>178,616.71</u>	<u>(1,627,615.29)</u>	<u>(1,148,114.87)</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>(3,030.21)</u>	<u>(3,608.20)</u>	<u>(1,324,837.15)</u>	<u>(1,322,374.18)</u>
Net cash (used) in financing activities	<u>(114,775.00)</u>	<u>(115,352.99)</u>	<u>(2,554,029.84)</u>	<u>(2,551,566.87)</u>
NET INCREASE (DECREASE) IN CASH	(5,372,454.41)	(6,701,327.74)	7,821,254.66	5,098,802.28
Cash and cash equivalents at beginning of period	38,587,920.20	35,975,618.57	25,394,211.13	24,175,488.55
Cash and cash equivalents at end of period	<u>\$ 33,215,465.79</u>	<u>\$ 29,274,290.83</u>	<u>\$ 33,215,465.79</u>	<u>\$ 29,274,290.83</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ (193,581.48)</u>	<u>\$ 266,369.80</u>	<u>\$ (828,394.96)</u>	<u>\$ 788,647.79</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	280,552.80	265,508.00	3,023,581.50	2,941,776.42
Unrealized (gain) loss	0.00	0.00	193,660.60	141,345.49
(Gain) loss on disposal of fixed assets	0.00	0.00	0.00	0.00
(Gain) loss on disposal of homes	0.00	33,561.11	27,668.83	181,451.05
Interest expense on leases	2,996.18	0.00	22,891.98	16,292.21
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	360,235.88	360,235.88
Accounts receivable	(150,877.63)	(869,785.43)	687,446.22	(466,352.18)
Interest receivable	0.00	0.00	7,793.47	0.00
Prepaid expenses	89,087.04	85,522.85	68,667.09	132,937.10
Other assets	(3.00)	1,405.00	(3.00)	(117,278.00)
Increase (decrease) in liabilities:				
Accounts payable	(959,703.27)	(1,279,598.97)	(1,392,870.53)	(1,484,942.50)
Accrued employee compensation	1,067,163.56	391,988.66	4,528,655.66	35,744.65
Other non current liabilities	(3,489.38)	(839.99)	(37,982.95)	(1,920.66)
Other current liabilities	<u>(5,376,403.23)</u>	<u>(5,658,722.49)</u>	<u>5,341,550.00</u>	<u>6,270,546.77</u>
Total adjustments	<u>(5,050,676.93)</u>	<u>(7,030,961.26)</u>	<u>12,831,294.75</u>	<u>8,009,836.23</u>
Net cash (used) in operating activities	<u>\$ (5,244,258.41)</u>	<u>\$ (6,764,591.46)</u>	<u>\$ 12,002,899.79</u>	<u>\$ 8,798,484.02</u>

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

	2008				2007			
	BUDGET *	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	84,007,006	84,904,600	897,594	1.1%	82,151,187	80,821,480	(1,329,706)	-1.6%
Benefits	23,909,099	22,305,727	(1,603,372)	-6.7%	22,359,230	21,159,408	(1,199,823)	-5.4%
Travel	15,187,143	14,056,269	(1,130,874)	-7.4%	12,525,296	12,647,889	122,593	1.0%
Rent, Communications, & Utilities	3,747,779	3,360,720	(387,059)	-10.3%	3,642,611	3,566,444	(76,167)	-2.1%
Administrative	10,190,239	8,068,138	(2,122,101)	-20.8%	10,990,016	8,864,672	(2,125,344)	-19.3%
Contracted Services	8,373,256	6,239,868	(2,133,388)	-25.5%	8,019,860	5,291,398	(2,728,462)	-34.0%
TOTAL	145,414,523	138,935,322	(6,479,200)	-4.5%	139,688,199	132,351,291	(7,336,909)	-5.3%

* Reflects approved mid-session budget with category re-allocations and no change in total from the original approved budget.

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

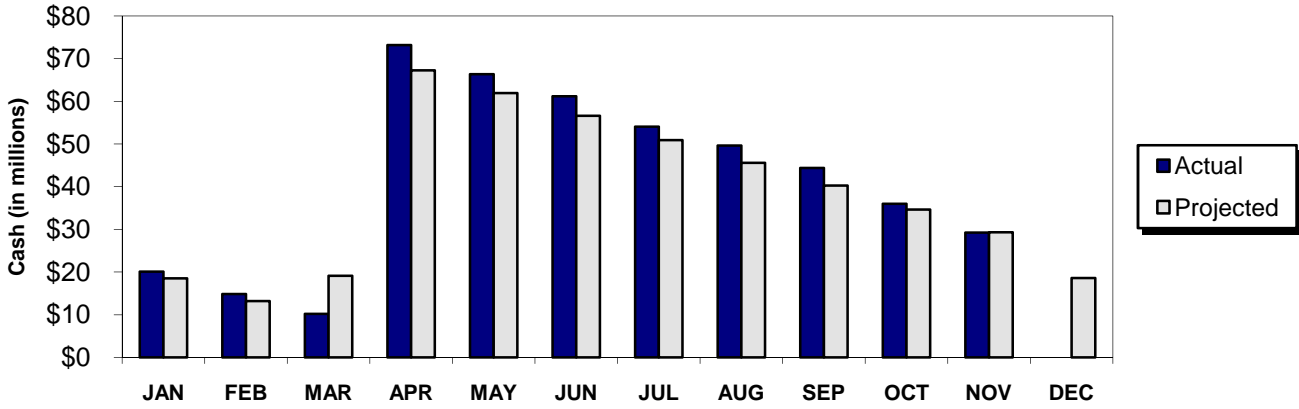


National Credit Union Administration Operating Fund

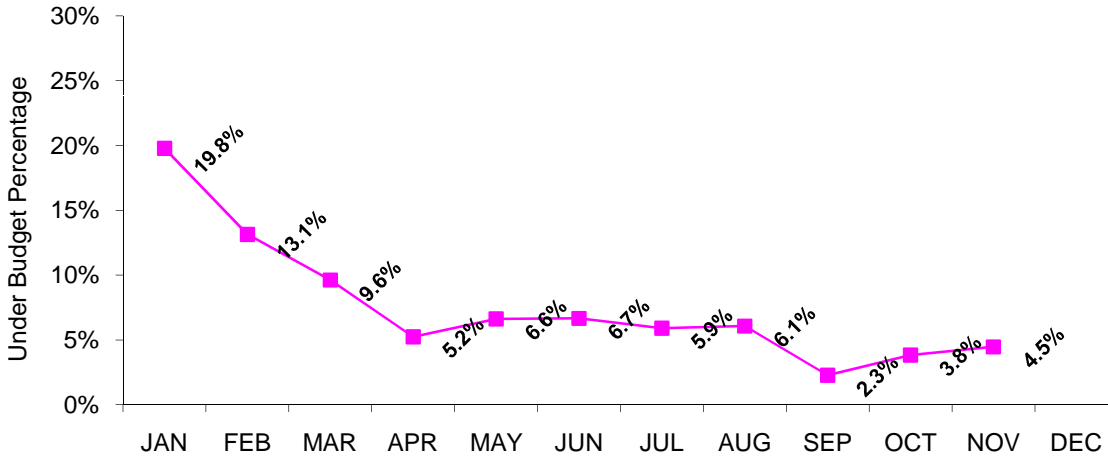
Graphs

November 30, 2008

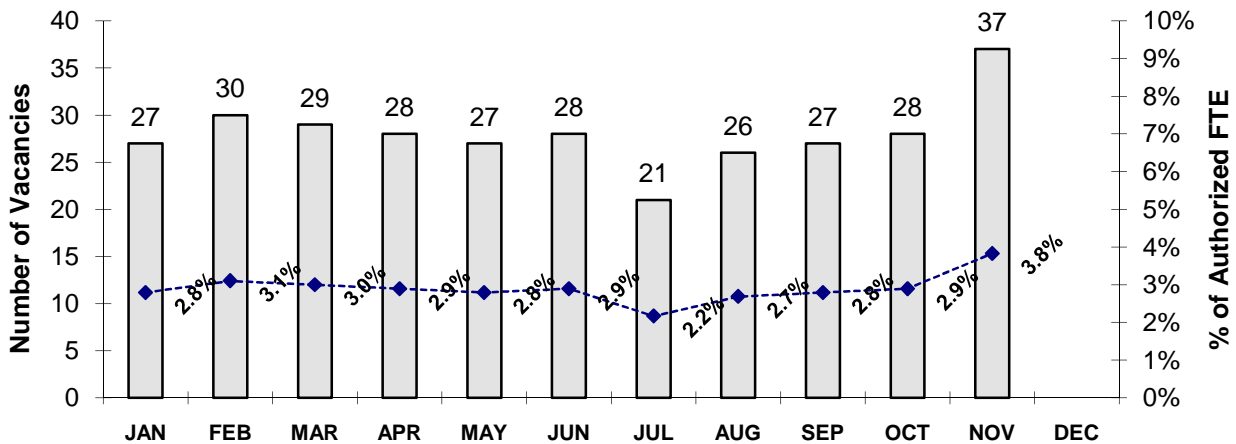
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
November 30, 2008

BALANCE SHEET	November 2007	November 2008
<u>Liquid assets / Total assets</u>	48.16%	45.60%
<u>Current assets / Total assets</u>	50.91%	49.25%
<u>Fixed assets / Total assets</u>	49.09%	50.75%
<u>Current liabilities / Total assets</u>	33.56%	32.22%
<u>Non current liabilities / Total assets</u>	32.77%	31.68%
<u>Retained earnings / Total assets</u>	33.66%	36.09%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	96.11%	98.59%
<u>YTD Interest & other income / Total revenue</u>	3.89%	1.41%
<u>YTD Expenses / Total revenue</u>	101.36%	98.83%
<u>YTD Net income / Total revenue</u>	-1.36%	1.17%
<u>Monthly interest income to average investments (annualized)</u>	4.53%	0.10%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$15,643	\$17,739
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$7.8	\$5.1
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	30.8%	21.1%
<u>Cash and cash equivalents / Total assets</u>	48.2%	45.6%