

Administration



Operating Fund

Financial Highlights
June 30, 2008

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Chief Financial Officer

National Credit Union Administration Operating Fund
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Balance Sheet

Cash has a balance of \$500,000 due to quarterly scheduled disbursements by the Treasury Department. The cash balance will return to a normal balance of \$5,000 on July 1.

Overnight Investments decreased \$5.6 million primarily for payment of operating expenses.

Accounts Receivable decreased \$277,000 primarily due to the collection of operating fees; operating fees of \$72.4 million have been collected year-to-date with \$53,000 remaining to be collected.

The Home Purchase Program decreased \$108,000 due to the sale of one residence.

Accrued Employee Compensation increased \$338,000 due to the accrual for 6 days at the end of June versus 5 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$6.2 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 \$437,000 higher than planned primarily due to employee pay, employee benefits, administrative costs and contracted services being under budget.

Statement of Cash Flow

Cash decreased by \$5.1 million for the month, reflecting payments for operating expenses, and notes payable in excess of receipts for operating fee assessments, interest income and sales of homes under the home purchase program.

Budget (Year-to-Date)

Agency spending was under budget by \$5.3 million or 6.7 percent, compared to \$5.8 million or 7.7 percent in June 2007. Pay and benefits were under budget by 2.7 percent. The remaining variance of \$3.6 million was derived mainly from travel, administrative, and contracted services.

Vacancies

The agency had 28 vacancies as of June 21 -- up 1 from May 24. Of the 28 vacancies, there were 12 vacancies in the central office and 16 vacancies in the regional offices and AMAC. The 28 vacancies represent 2.9 percent of total authorized staff of 964.92.

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

	June 2007	May 2008	June 2008
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,651.17	\$ 5,102.69	\$ 500,341.29
Overnight Investments	60,435,000.00	66,336,000.00	60,702,000.00
Accounts Receivable	708,516.18	1,044,717.03	767,667.97
Interest Receivable	7,537.59	0.00	0.00
Prepaid Expenses	865,075.17	1,016,778.36	1,055,108.43
Home Purchase Program	1,102,763.17	385,345.38	277,446.38
Other	(100.00)	82,465.40	0.00
<i>Total Current Assets</i>	<u>63,124,443.28</u>	<u>68,870,408.86</u>	<u>63,302,564.07</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,622,014.00	26,240,401.00	26,161,350.00
Capital Lease	1,552,373.26	774,926.40	702,084.16
Equipment	1,894,503.00	1,608,532.00	1,524,472.00
Assets Under Construction	468,892.66	320,209.00	815,268.33
<i>Total Property, Plant, and Equipment</i>	<u>34,484,046.87</u>	<u>32,890,332.35</u>	<u>33,149,438.44</u>
TOTAL ASSETS	<u><u>\$ 97,608,490.15</u></u>	<u><u>\$ 101,760,741.21</u></u>	<u><u>\$ 96,452,002.51</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,977,183.09	\$ 2,130,532.16	\$ 2,286,172.88
Accrued Employee Compensation	15,315,310.06	12,469,769.91	12,808,200.40
Other Current Liabilities	32,078,665.38	42,012,837.08	35,773,935.80
<i>Total Current Liabilities</i>	<u>49,371,158.53</u>	<u>56,613,139.15</u>	<u>50,868,309.08</u>
Non-Current Liabilities			
Notes Payable	21,790,235.19	20,561,042.50	20,449,297.71
Other	1,830,362.56	929,248.40	925,137.80
<i>Total Non-Current Liabilities</i>	<u>23,620,597.75</u>	<u>21,490,290.90</u>	<u>21,374,435.51</u>
TOTAL LIABILITIES	<u>72,991,756.28</u>	<u>78,103,430.05</u>	<u>72,242,744.59</u>
FUND BALANCE:			
Unappropriated	23,616,733.87	22,657,311.16	23,209,257.92
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u>24,616,733.87</u>	<u>23,657,311.16</u>	<u>24,209,257.92</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 97,608,490.15</u></u>	<u><u>\$ 101,760,741.21</u></u>	<u><u>\$ 96,452,002.51</u></u>

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

	June 2008 Monthly Actual	June 2008 Monthly Budget	June 2008 Year-To-Date Actual	June 2008 Year-To-Date Budget	June 2007 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 123,078.19	\$ 175,000.00	\$ 485,047.37	\$ 1,050,000.00	\$ 1,102,110.42
Program-related Income	6,182,550.00	6,088,000.00	36,696,391.69	36,528,000.00	31,924,074.28
Other Income	2,995.30	33,000.00	79,396.31	198,000.00	175,232.80
Total Revenue	<u>6,308,623.49</u>	<u>6,296,000.00</u>	<u>37,260,835.37</u>	<u>37,776,000.00</u>	<u>33,201,417.50</u>
EXPENSES:					
Employee Pay	3,552,343.33	3,589,797.31	21,742,675.02	22,228,960.75	20,409,061.07
Employee Benefits	891,014.83	983,336.18	5,794,326.37	6,084,086.28	5,480,167.99
Employee Travel	707,752.79	616,648.11	3,436,973.96	3,699,888.85	2,706,805.42
Rent/Communications/Utilities	143,783.78	166,703.01	812,450.68	1,000,218.29	812,592.31
Administrative Costs	296,933.99	473,557.40	2,267,100.37	2,841,344.70	1,876,421.00
Contracted Services	164,848.01	351,224.43	1,382,356.27	2,107,346.55	1,343,861.46
Total Expenses	<u>5,756,676.73</u>	<u>6,181,266.44</u>	<u>35,435,882.67</u>	<u>37,961,845.43</u>	<u>32,628,909.25</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 551,946.76</u>	<u>\$ 114,733.56</u>	<u>\$ 1,824,952.70</u>	<u>\$ (185,845.43)</u>	<u>\$ 572,508.25</u>

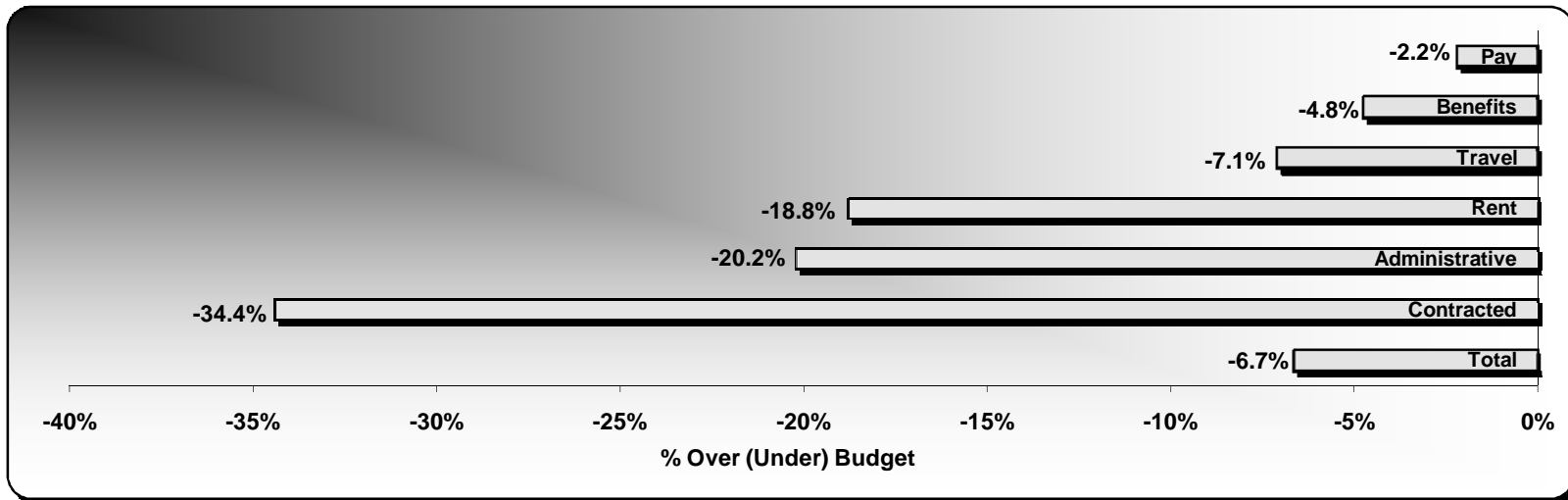
National Credit Union Administration Operating Fund
Statement of Cash Flow
June 30, 2008

	Month June 2007	Month June 2008	Y-T-D June 2007	Y-T-D June 2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 115,947.16	\$ 329,028.47	\$ 64,943,203.46	\$ 72,371,016.34
Interest received from cash and cash equivalents	275,489.98	123,078.19	1,109,903.89	485,047.37
Other income received	20,788.35	2,995.30	175,232.80	79,396.31
(Cash paid for operating expenses)	(4,714,053.85)	(5,041,738.81)	(29,020,273.88)	(34,535,329.84)
Net cash (used) in operating activities	<u>(4,301,828.36)</u>	<u>(4,586,636.85)</u>	<u>37,208,066.27</u>	<u>38,400,130.18</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	858.96	(532,284.33)	(748,432.53)	(623,152.59)
Proceeds (purchases) home purchase program	305,962.21	95,241.18	(82,144.07)	584,107.72
Net cash (used) in investing activities	<u>306,821.17</u>	<u>(437,043.15)</u>	<u>(830,576.60)</u>	<u>(39,044.87)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(670,468.74)	(670,468.74)
(Capital lease payments)	0.00	(3,336.61)	(660,580.89)	(663,763.83)
Net cash (used) in financing activities	<u>(111,744.79)</u>	<u>(115,081.40)</u>	<u>(1,331,049.63)</u>	<u>(1,334,232.57)</u>
NET INCREASE (DECREASE) IN CASH	(4,106,751.98)	(5,138,761.40)	35,046,440.04	37,026,852.74
Cash and cash equivalents at beginning of period	64,547,403.15	66,341,102.69	25,394,211.13	24,175,488.55
Cash and cash equivalents at end of period	<u>\$ 60,440,651.17</u>	<u>\$ 61,202,341.29</u>	<u>\$ 60,440,651.17</u>	<u>\$ 61,202,341.29</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ 181,683.47</u>	<u>\$ 551,946.76</u>	<u>\$ 572,508.25</u>	<u>\$ 1,824,952.70</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	268,810.56	273,178.24	1,619,659.17	1,686,396.66
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	26,292.68	12,657.82	20,334.06	139,279.97
Interest expense on leases	1,721.98	1,816.55	12,139.81	12,654.39
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	180,117.94	180,117.94
Accounts receivable	110,915.51	277,049.06	472,467.74	(186,587.67)
Interest receivable	(7,537.59)	0.00	255.88	0.00
Prepaid expenses	(188,679.69)	(38,330.07)	(321,990.18)	(257,045.19)
Other assets	4,398.43	82,465.40	100.00	0.00
Increase (decrease) in liabilities:				
Accounts payable	867,085.98	155,640.72	(878,378.40)	(645,431.08)
Accrued employee compensation	372,077.48	338,430.49	3,550,136.15	(89,572.83)
Other non current liabilities	(4,479.39)	(2,590.54)	(50,271.72)	(2,988.13)
Other current liabilities	(5,934,117.78)	(6,238,901.28)	32,030,987.57	35,738,353.42
Total adjustments	<u>(4,483,511.83)</u>	<u>(5,138,583.61)</u>	<u>36,635,558.02</u>	<u>36,575,177.48</u>
Net cash (used) in operating activities	<u>\$ (4,301,828.36)</u>	<u>\$ (4,586,636.85)</u>	<u>\$ 37,208,066.27</u>	<u>\$ 38,400,130.18</u>

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

	2008				2007			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	46,310,335	45,297,240	(1,013,095)	-2.2%	44,398,112	43,702,486	(695,626)	-1.6%
Benefits	12,675,180	12,071,513	(603,666)	-4.8%	12,114,756	11,734,835	(379,921)	-3.1%
Travel	7,708,102	7,160,362	(547,739)	-7.1%	6,831,980	5,796,157	(1,035,822)	-15.2%
Rent, Communications, & Utilities	2,083,788	1,692,606	(391,183)	-18.8%	1,986,879	1,740,026	(246,852)	-12.4%
Administrative	5,919,468	4,723,126	(1,196,342)	-20.2%	5,994,554	4,018,032	(1,976,522)	-33.0%
Contracted Services	4,390,305	2,879,909	(1,510,396)	-34.4%	4,374,469	2,877,648	(1,496,821)	-34.2%
TOTAL	79,087,178	73,824,756	(5,262,422)	-6.7%	75,700,750	69,869,185	(5,831,565)	-7.7%

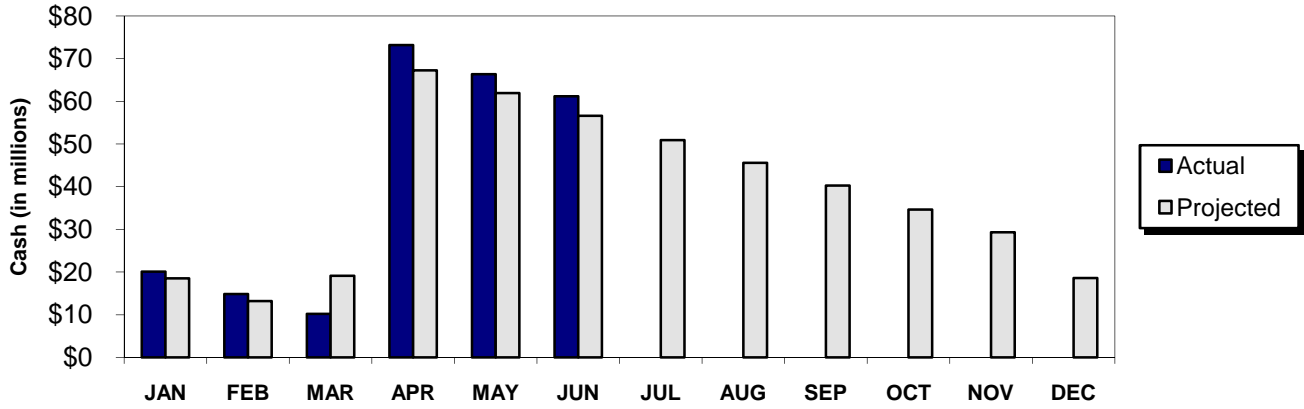
**Percent Over (Under) Budget
June 30, 2008**



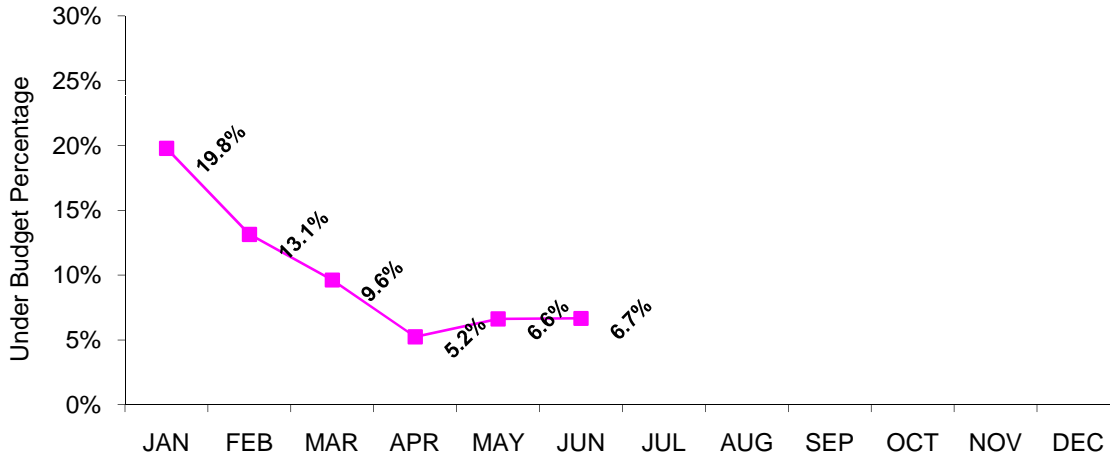
National Credit Union Administration Operating Fund

Graphs
June 30, 2008

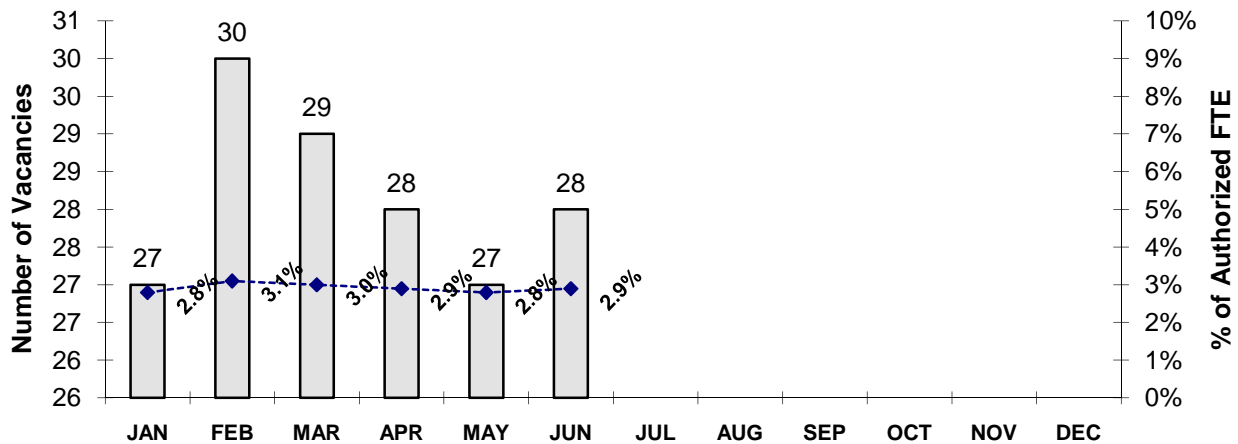
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
June 30, 2008

BALANCE SHEET	June 2007	June 2008
<u>Liquid assets / Total assets</u>	61.92%	63.45%
<u>Current assets / Total assets</u>	64.67%	65.63%
<u>Fixed assets / Total assets</u>	35.33%	34.37%
<u>Current liabilities / Total assets</u>	50.58%	52.74%
<u>Non current liabilities / Total assets</u>	24.20%	22.16%
<u>Retained earnings / Total assets</u>	25.22%	25.10%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	96.15%	98.49%
<u>YTD Interest & other income / Total revenue</u>	3.85%	1.51%
<u>YTD Expenses / Total revenue</u>	98.28%	95.10%
<u>YTD Net income / Total revenue</u>	1.72%	4.90%
<u>Monthly interest income to average investments (annualized)</u>	5.29%	2.03%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$13,143	\$16,567
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$35.0	\$37.0
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	138.0%	153.2%
<u>Cash and cash equivalents / Total assets</u>	61.9%	63.5%