

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
February 28, 2007***

**Dennis Winans  
Chief Financial Officer**

***National Credit Union Administration Operating Fund***  
***Financial Highlights***  
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**Balance Sheet**

Overnight Investments decreased \$4.9 million primarily for payment of operating expenses.

Accounts Receivable decreased \$598,000 primarily due to repayments of employee travel advances.

The Home Purchase Program increased \$681,000 due to the purchase of one residence.

Other assets increased \$5.5 million to represent recognizing 1/12th of the 2007 operating fee (deferred income) that is due April 16, 2007.

Assets Under Construction represent the accumulation of cost for the plaza and garage repair to the agency's headquarters.

**Statement of Revenue and Expenses**

Net income for the month was \$610,000 higher than planned primarily due to all expense categories being under budget.

**Statement of Cash Flow**

Cash decreased by \$4.9 million for the month, reflecting payments for operating expenses, home purchase program, and notes payable.

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

Agency spending was under budget by \$1.4 million or 11.4 percent. Pay, benefits, and travel were under budget by 5.2 percent. The remaining variance of \$843,000 was derived mainly from 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 26 vacancies as of February 17, -- the same as January 21. Of the 26 vacancies, there were 8 vacancies in the central office, 4 vacancies in the regional offices and AMAC, and 14 vacancies in the field staff. The 26 vacancies represent 2.7 percent of total authorized staff of 957.92.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**February 28, 2007**

	February 2006	January 2007	February 2007
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ 5,302.02	\$ 5,049.36	\$ 5,206.43
Overnight Investments	17,814,000.00	21,312,000.00	16,388,000.00
Accounts Receivable	1,474,564.53	1,295,022.93	697,468.19
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	464,571.80	797,066.47	760,773.24
Home Purchase Program	275,841.61	1,040,953.16	1,721,715.33
Other	10,431,391.87	5,298,408.73	10,810,123.21
<i>Total Current Assets</i>	<u>30,465,671.83</u>	<u>29,748,500.65</u>	<u>30,383,286.40</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	27,540,606.00	26,763,413.00	26,690,294.00
Capital Lease	162,547.64	1,961,976.65	1,858,186.62
Equipment	3,047,572.09	2,230,240.00	2,102,737.00
Assets Under Construction	0.00	138,858.79	138,858.79
<i>Total Property, Plant, and Equipment</i>	<u>34,696,989.68</u>	<u>35,040,752.39</u>	<u>34,736,340.36</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 65,162,661.51</u></u>	<u><u>\$ 64,789,253.04</u></u>	<u><u>\$ 65,119,626.76</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 3,284,789.10	\$ 2,810,549.23	\$ 2,457,286.45
Accrued Employee Compensation	17,255,471.17	12,849,910.55	12,911,415.94
Other Current Liabilities	22,413.27	28,387.35	227,864.75
<i>Total Current Liabilities</i>	<u>20,562,673.54</u>	<u>15,688,847.13</u>	<u>15,596,567.14</u>
Non-Current Liabilities			
Notes Payable	23,578,151.83	22,348,959.14	22,237,214.35
Other	223,209.82	2,087,868.23	2,085,354.93
<i>Total Non-Current Liabilities</i>	<u>23,801,361.65</u>	<u>24,436,827.37</u>	<u>24,322,569.28</u>
<b>TOTAL LIABILITIES</b>	<u>44,364,035.19</u>	<u>40,125,674.50</u>	<u>39,919,136.42</u>
<b>FUND BALANCE:</b>			
Unappropriated	20,798,626.32	23,663,578.54	24,200,490.34
Appropriated	0.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<u>20,798,626.32</u>	<u>24,663,578.54</u>	<u>25,200,490.34</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 65,162,661.51</u></u>	<u><u>\$ 64,789,253.04</u></u>	<u><u>\$ 65,119,626.76</u></u>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**February 28, 2007**

	February 2007 Monthly Actual	February 2007 Monthly Budget	February 2007 Year-To-Date Actual	February 2007 Year-To-Date Budget	February 2006 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 97,539.56	\$ 166,667.00	\$ 228,137.91	\$ 333,334.00	\$ 170,949.46
Program-related Income	5,324,958.00	5,299,167.00	10,624,242.28	10,598,334.00	10,432,139.28
Other Income	36,438.50	16,667.00	58,946.50	33,334.00	30,354.60
Total Revenue	<u>5,458,936.06</u>	<u>5,482,501.00</u>	<u>10,911,326.69</u>	<u>10,965,002.00</u>	<u>10,633,443.34</u>
<b>EXPENSES:</b>					
Employee Pay	3,039,052.21	3,188,745.12	6,619,526.92	6,943,437.26	5,791,791.21
Employee Benefits	855,819.76	873,421.69	1,782,808.84	1,871,961.56	1,527,461.02
Employee Travel	459,169.19	531,755.62	481,476.94	1,063,511.24	375,275.56
Rent/Communications/Utilities	126,807.81	154,645.18	191,588.17	309,290.36	246,782.32
Administrative Costs	201,347.52	466,575.96	516,329.20	933,151.93	643,325.12
Contracted Services	239,827.77	340,479.43	163,331.90	680,958.85	170,277.97
Total Expenses	<u>4,922,024.26</u>	<u>5,555,623.00</u>	<u>9,755,061.97</u>	<u>11,802,311.21</u>	<u>8,754,913.20</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 536,911.80</u>	<u>\$ (73,122.00)</u>	<u>\$ 1,156,264.72</u>	<u>\$ (837,309.21)</u>	<u>\$ 1,878,530.14</u>

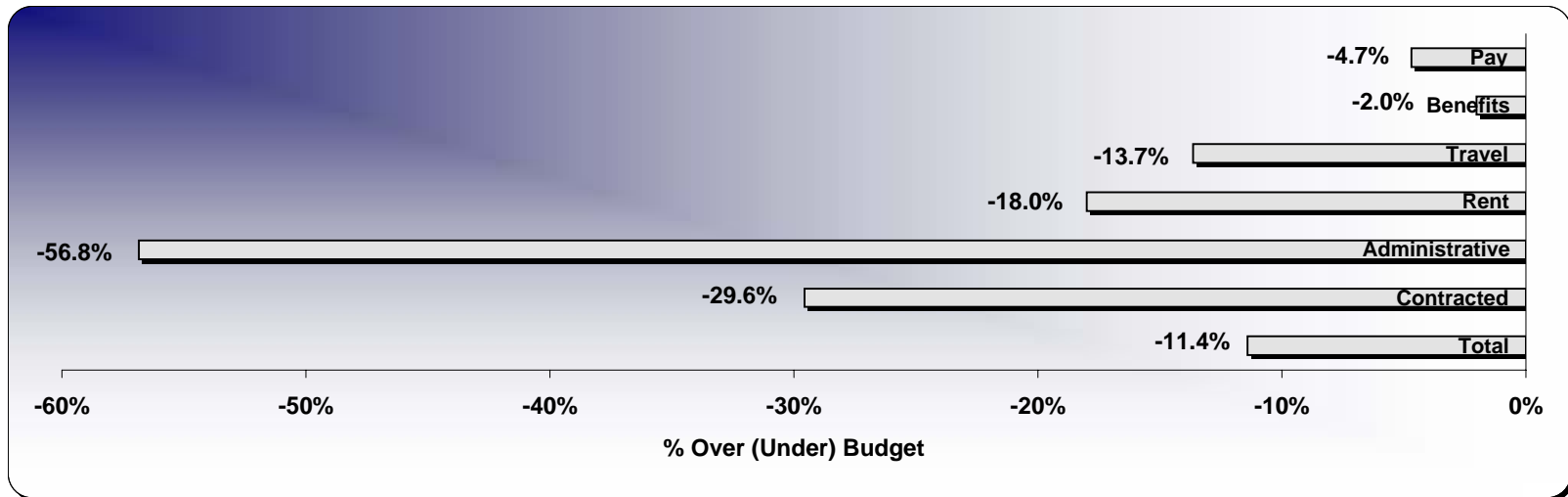
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**February 28, 2007**

	Month February 2006	Month February 2007	Y-T-D February 2006	Y-T-D February 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ -	\$ -	\$ -	\$ -
Interest received from cash and cash equivalents	74,982.36	97,539.56	170,949.46	235,931.38
Other income received	19,044.80	36,438.50	30,354.60	58,946.50
(Cash paid for operating expenses)	<u>(5,043,301.73)</u>	<u>(4,255,520.18)</u>	<u>(8,806,346.64)</u>	<u>(8,055,785.51)</u>
<b>Net cash (used) in operating activities</b>	<u>(4,949,274.57)</u>	<u>(4,121,542.12)</u>	<u>(8,605,042.58)</u>	<u>(7,760,907.63)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(96,452.52)	(6,700.00)	(97,558.77)	(6,700.00)
Proceeds (purchases) home purchase program	0.00	<u>(680,762.17)</u>	0.00	<u>(680,762.17)</u>
<b>Net cash (used) in investing activities</b>	<u>(96,452.52)</u>	<u>(687,462.17)</u>	<u>(97,558.77)</u>	<u>(687,462.17)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(223,489.58)	(223,489.58)
(Capital lease payments)	<u>(2,473.47)</u>	<u>(3,093.85)</u>	<u>(369,950.94)</u>	<u>(329,145.32)</u>
<b>Net cash (used) in financing activities</b>	<u>(114,218.26)</u>	<u>(114,838.64)</u>	<u>(593,440.52)</u>	<u>(552,634.90)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(5,159,945.35)	(4,923,842.93)	(9,296,041.87)	(9,001,004.70)
Cash and cash equivalents at beginning of period	22,979,247.37	21,317,049.36	27,115,343.89	25,394,211.13
<b>Cash and cash equivalents at end of period</b>	<u>\$ 17,819,302.02</u>	<u>\$ 16,393,206.43</u>	<u>\$ 17,819,302.02</u>	<u>\$ 16,393,206.43</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<u>\$ 857,553.59</u>	<u>\$ 536,911.80</u>	<u>\$ 1,878,530.14</u>	<u>\$ 1,156,264.72</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	300,674.66	311,112.03	599,578.26	597,417.03
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	0.00	0.00	0.00	0.00
Interest expense on leases	0.00	0.00	0.00	767.48
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	105,873.53	90,058.97
Accounts receivable	(333,048.85)	597,554.74	(307,978.71)	483,515.73
Interest receivable	0.00	0.00	2,605.57	7,793.47
Prepaid expenses	62,255.84	36,293.23	(60,708.27)	(217,688.25)
Other assets	<u>(5,314,935.00)</u>	<u>(5,511,714.48)</u>	<u>(10,431,391.87)</u>	<u>(10,810,123.21)</u>
Increase (decrease) in liabilities:				
Accounts payable	(495,049.29)	(353,262.78)	(1,107,338.78)	(398,275.04)
Accrued employee compensation	(19,730.74)	61,505.39	743,665.47	1,146,242.03
Other non current liabilities	1,989.27	580.55	5,141.40	2,932.50
Other current liabilities	<u>(8,984.05)</u>	<u>199,477.40</u>	<u>(33,019.32)</u>	<u>180,186.94</u>
<b>Total adjustments</b>	<u>(5,806,828.16)</u>	<u>(4,658,453.92)</u>	<u>(10,483,572.72)</u>	<u>(8,917,172.35)</u>
<b>Net cash (used) in operating activities</b>	<u>\$ (4,949,274.57)</u>	<u>\$ (4,121,542.12)</u>	<u>\$ (8,605,042.58)</u>	<u>\$ (7,760,907.63)</u>

**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
February 28, 2007**

	2007				2006			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	6,828,148	6,507,606	(320,542)	-4.7%	14,288,235	13,469,282	(818,953)	-5.7%
<b>Benefits</b>	1,870,282	1,832,591	(37,692)	-2.0%	3,875,222	3,552,235	(322,987)	-8.3%
<b>Travel</b>	1,138,663	983,232	(155,432)	-13.7%	2,294,060	872,734	(1,421,326)	-62.0%
<b>Rent, Communications, &amp; Utilities</b>	331,146	271,537	(59,609)	-18.0%	666,634	573,912	(92,722)	-13.9%
<b>Administrative</b>	999,092	431,151	(567,941)	-56.8%	1,955,043	1,496,105	(458,938)	-23.5%
<b>Contracted Services</b>	729,078	513,550	(215,528)	-29.6%	1,480,281	395,995	(1,084,286)	-73.2%
<b>TOTAL</b>	11,896,411	10,539,667	(1,356,745)	-11.4%	24,559,475	20,360,263	(4,199,212)	-17.1%

**Percent Over (Under) Budget  
February 28, 2007**

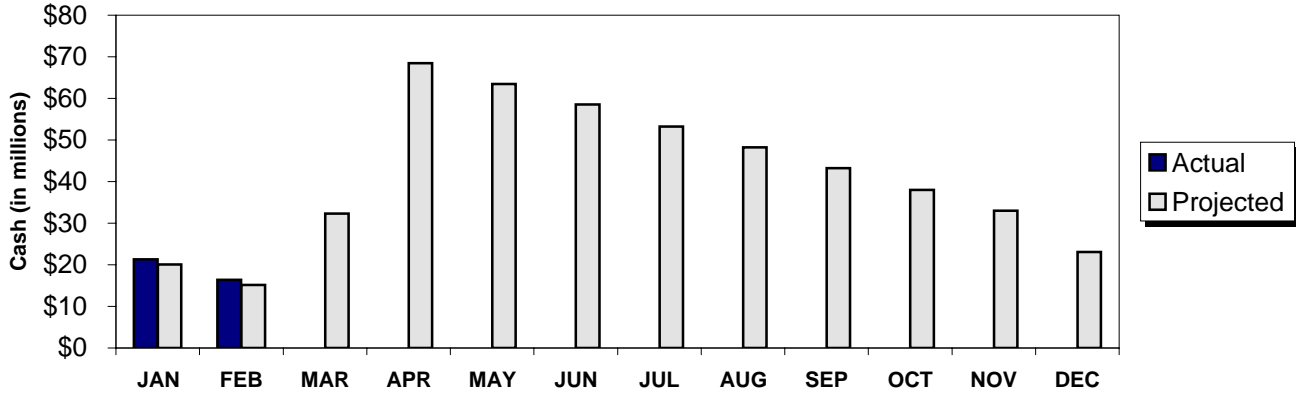


# National Credit Union Administration Operating Fund

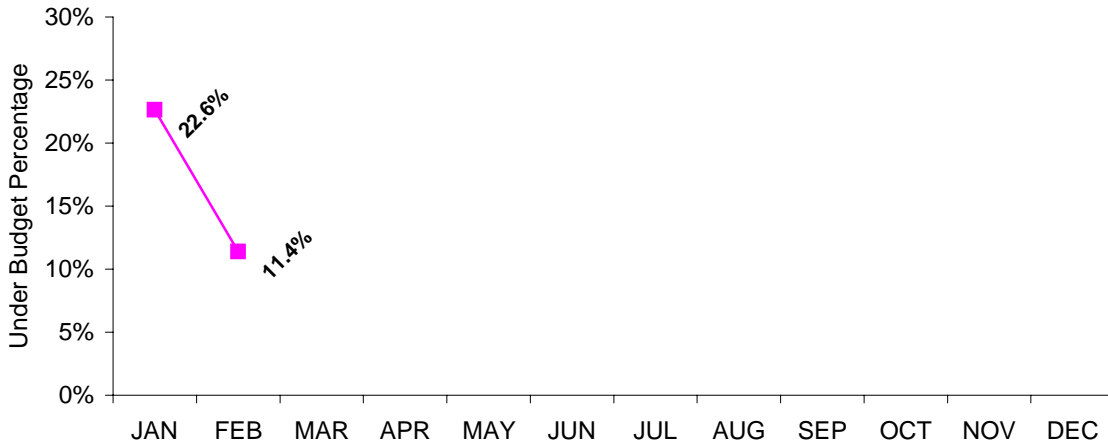
## Graphs

February 28, 2007

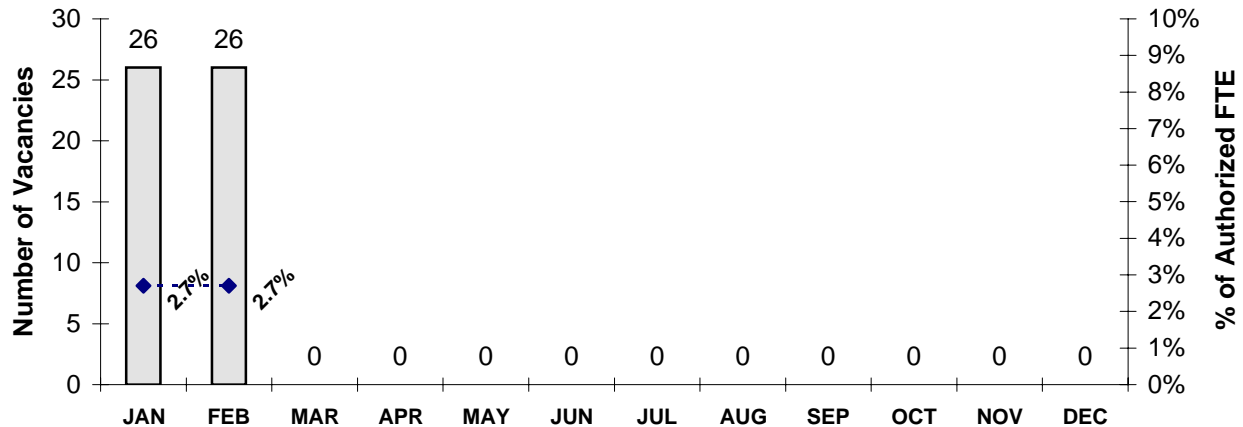
### Actual & Projected Cash Balance



### Year-To-Date Budget Variance



### Vacancies



**National Credit Union Administration Operating Fund**  
**Ratios**  
**February 28, 2007**

<b>BALANCE SHEET</b>	<b>February 2006</b>	<b>February 2007</b>
<u>Liquid assets / Total assets</u>	27.35%	25.17%
<u>Current assets / Total assets</u>	46.75%	46.66%
<u>Fixed assets / Total assets</u>	53.25%	53.34%
<u>Current liabilities / Total assets</u>	31.56%	23.95%
<u>Non current liabilities / Total assets</u>	36.53%	37.35%
<u>Retained earnings / Total assets</u>	31.92%	38.70%
 <b>STATEMENT OF REVENUE &amp; EXPENSE</b>		
<u>YTD Program related income / Total revenue</u>	98.11%	97.37%
<u>YTD Interest &amp; other income / Total revenue</u>	1.89%	2.63%
<u>YTD Expenses / Total revenue</u>	82.33%	89.40%
<u>YTD Net income / Total revenue</u>	17.67%	10.60%
<u>Monthly interest income to average investments (annualized)</u>	4.41%	5.24%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$5,466	\$7,013
 <b>CASH</b>		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	(\$9.3)	(\$9.0)
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	-34.3%	-35.4%
<u>Cash and cash equivalents / Total assets</u>	27.3%	25.2%