

National Credit Union Administration



Operating Fund

***Financial Highlights
January 31, 2008***

**Mary Ann Woodson
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
January 31, 2008

Balance Sheet

The Cash balance for this month is indicative of the normal monthly cash balance. The previous month cash balance of \$951,000 was significantly higher due to a one time cash retention to pay the year-end Thrift Savings Plan contribution.

Overnight Investments decreased \$3.1 million for payment of operating expenses.

The Home Purchase Program increased \$163,000 due to the purchase of one employee residence.

Other assets increased \$6.2 million in order to recognize income of 1/12th of the 2008 operating fee assessment that is due in April 15, 2008.

Accrued Employee Compensation increased by \$1.5 million due to the accrual for 9 days at the end of January versus 6 days in the previous month. On the first working day of the month, accruals are reversed.

Statement of Revenue and Expenses

Net income for the month was \$1.2 million higher than planned primarily due to all expense categories being under budget. Contracted services are normally under budget at the start of the year because the agency is in the process of planning, implementing, and contracting for services.

Statement of Cash Flow

Cash decreased by \$4.1 million for the month, reflecting payments for operating expenses, leases, home purchase program, and notes payable.

Budget (Year-to-Date)

Agency spending was under budget by \$2.7 million or 19.8 percent. Pay and benefits were under budget by 6.7 percent. Travel was under budget by 78.6 percent; travel is usually low at the start of the year as the regions begin their exam programs. The remaining variance of \$1.0 million was derived mainly from contracted services.

Vacancies

The agency had 27 vacancies as of January 19 -- up 5 from December 31, 2007. Of the 27 vacancies, there were 24 vacancies in the central office, 5 vacancies in the regional offices and AMAC, and 2 net over-hires in the field staff. The vacancies represent 2.8 percent of total authorized staff of 964.92.

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

	January 2007	December 2007	January 2008
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,049.36	\$ 951,488.55	\$ 5,663.24
Overnight Investments	21,312,000.00	23,224,000.00	20,075,000.00
Accounts Receivable	1,295,022.93	581,080.30	325,213.62
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	797,066.47	798,063.24	812,486.66
Home Purchase Program	1,040,953.16	1,000,834.07	1,164,221.76
Other	5,298,408.73	0.00	6,206,391.42
<i>Total Current Assets</i>	<u>29,748,500.65</u>	<u>26,555,466.16</u>	<u>28,588,976.70</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,763,413.00	26,635,638.00	26,556,592.00
Capital Lease	1,961,976.65	1,140,009.56	1,067,260.32
Equipment	2,230,240.00	2,170,562.00	2,059,625.00
Assets Under Construction	138,858.79	320,209.00	320,209.00
<i>Total Property, Plant, and Equipment</i>	<u>35,040,752.39</u>	<u>34,212,682.51</u>	<u>33,949,950.27</u>
TOTAL ASSETS	<u><u>\$ 64,789,253.04</u></u>	<u><u>\$ 60,768,148.67</u></u>	<u><u>\$ 62,538,926.97</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 2,810,549.23	\$ 2,931,603.96	\$ 2,527,327.07
Accrued Employee Compensation	12,849,910.55	12,897,773.23	14,414,854.17
Other Current Liabilities	28,387.35	35,582.38	171,548.32
<i>Total Current Liabilities</i>	<u>15,688,847.13</u>	<u>15,864,959.57</u>	<u>17,113,729.56</u>
Non-Current Liabilities			
Notes Payable	22,348,959.14	21,119,766.45	21,008,021.66
Other	2,087,868.23	1,399,117.43	1,171,049.10
<i>Total Non-Current Liabilities</i>	<u>24,436,827.37</u>	<u>22,518,883.88</u>	<u>22,179,070.76</u>
TOTAL LIABILITIES	<u><u>40,125,674.50</u></u>	<u><u>38,383,843.45</u></u>	<u><u>39,292,800.32</u></u>
FUND BALANCE:			
Unappropriated	23,663,578.54	21,384,305.22	22,246,126.65
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
TOTAL FUND BALANCE	<u><u>24,663,578.54</u></u>	<u><u>22,384,305.22</u></u>	<u><u>23,246,126.65</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 64,789,253.04</u></u>	<u><u>\$ 60,768,148.67</u></u>	<u><u>\$ 62,538,926.97</u></u>

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

	January 2008 Monthly Actual	January 2008 Monthly Budget	January 2008 Year-To-Date Actual	January 2008 Year-To-Date Budget	January 2007 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 79,076.13	\$ 175,000.00	\$ 79,076.13	\$ 175,000.00	\$ 130,598.35
Program-related Income	6,088,075.81	6,088,000.00	6,088,075.81	6,088,000.00	5,299,284.28
Other Income	4,166.15	33,000.00	4,166.15	33,000.00	22,508.00
Total Revenue	<u>6,171,318.09</u>	<u>6,296,000.00</u>	<u>6,171,318.09</u>	<u>6,296,000.00</u>	<u>5,452,390.63</u>
EXPENSES:					
Employee Pay	3,723,533.87	3,951,295.06	3,723,533.87	3,951,295.06	3,580,474.71
Employee Benefits	950,654.19	1,078,684.65	950,654.19	1,078,684.65	926,989.08
Employee Travel	131,835.91	616,648.07	131,835.91	616,648.07	22,307.75
Rent/Communications/Utilities	53,263.83	166,702.96	53,263.83	166,702.96	64,780.36
Administrative Costs	422,960.94	473,557.35	422,960.94	473,557.35	314,981.68
Contracted Services	27,247.92	351,224.44	27,247.92	351,224.44	(76,495.87)
Total Expenses	<u>5,309,496.66</u>	<u>6,638,112.53</u>	<u>5,309,496.66</u>	<u>6,638,112.53</u>	<u>4,833,037.71</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 861,821.43</u>	<u>\$ (342,112.53)</u>	<u>\$ 861,821.43</u>	<u>\$ (342,112.53)</u>	<u>\$ 619,352.92</u>

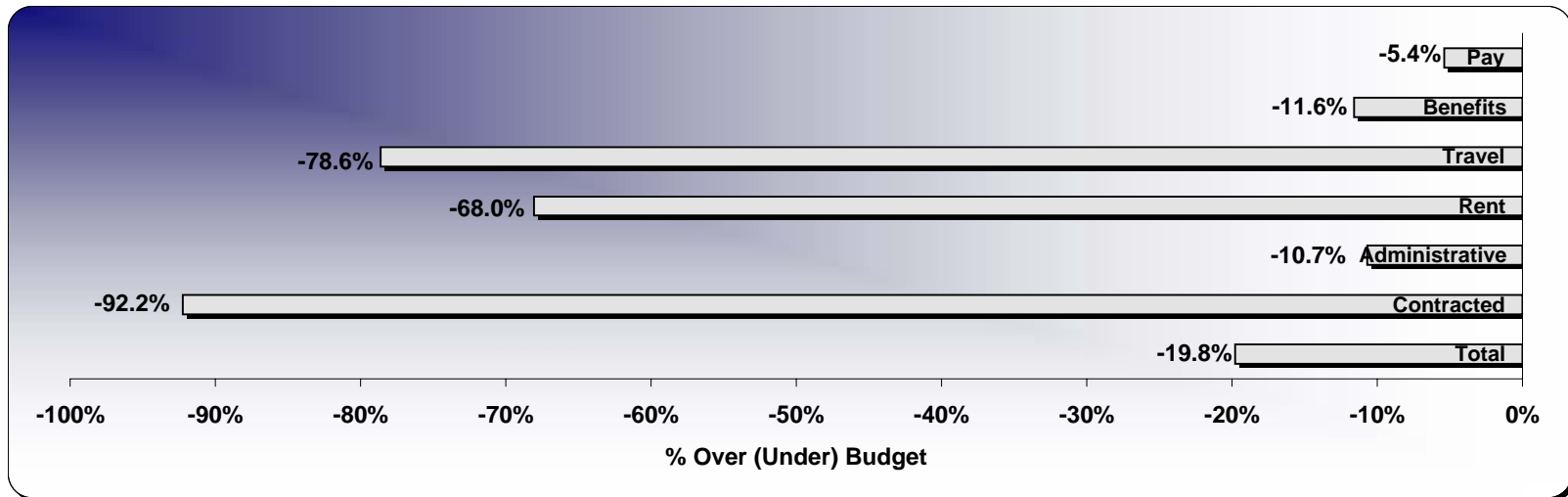
National Credit Union Administration Operating Fund
Statement of Cash Flow
January 31, 2008

	Month January 2007	Month January 2008	Y-T-D January 2007	Y-T-D January 2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ -	\$ -	\$ -	\$ -
Interest received from cash and cash equivalents	138,391.82	79,076.13	138,391.82	79,076.13
Other income received	22,508.00	4,166.15	22,508.00	4,166.15
(Cash paid for operating expenses)	(3,800,265.33)	(3,551,991.96)	(3,800,265.33)	(3,551,991.96)
Net cash (used) in operating activities	<u>(3,639,365.51)</u>	<u>(3,468,749.68)</u>	<u>(3,639,365.51)</u>	<u>(3,468,749.68)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	0.00	(23,993.36)	0.00	(23,993.36)
Proceeds (purchases) home purchase program	0.00	(163,387.69)	0.00	(163,387.69)
Net cash (used) in investing activities	<u>0.00</u>	<u>(187,381.05)</u>	<u>0.00</u>	<u>(187,381.05)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(111,744.79)	(111,744.79)
(Capital lease payments)	(326,051.47)	(326,949.79)	(326,051.47)	(326,949.79)
Net cash (used) in financing activities	<u>(437,796.26)</u>	<u>(438,694.58)</u>	<u>(437,796.26)</u>	<u>(438,694.58)</u>
NET INCREASE (DECREASE) IN CASH	(4,077,161.77)	(4,094,825.31)	(4,077,161.77)	(4,094,825.31)
Cash and cash equivalents at beginning of period	25,394,211.13	24,175,488.55	25,394,211.13	24,175,488.55
Cash and cash equivalents at end of period	<u>\$ 21,317,049.36</u>	<u>\$ 20,080,663.24</u>	<u>\$ 21,317,049.36</u>	<u>\$ 20,080,663.24</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ 619,352.92</u>	<u>\$ 861,821.43</u>	<u>\$ 619,352.92</u>	<u>\$ 861,821.43</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	286,305.00	286,725.60	286,305.00	286,725.60
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	767.48	2,400.03	767.48	2,400.03
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	90,058.97	90,058.97
Accounts receivable	(114,039.01)	255,866.68	(114,039.01)	255,866.68
Interest receivable	7,793.47	0.00	7,793.47	0.00
Prepaid expenses	(253,981.48)	(14,423.42)	(253,981.48)	(14,423.42)
Other assets	(5,298,408.73)	(6,206,391.42)	(5,298,408.73)	(6,206,391.42)
Increase (decrease) in liabilities:				
Accounts payable	(45,012.26)	(404,276.89)	(45,012.26)	(404,276.89)
Accrued employee compensation	1,084,736.64	1,517,080.94	1,084,736.64	1,517,080.94
Other non current liabilities	2,351.95	6,422.46	2,351.95	6,422.46
Other current liabilities	(19,290.46)	135,965.94	(19,290.46)	135,965.94
Total adjustments	<u>(4,258,718.43)</u>	<u>(4,330,571.11)</u>	<u>(4,258,718.43)</u>	<u>(4,330,571.11)</u>
Net cash (used) in operating activities	<u>\$ (3,639,365.51)</u>	<u>\$ (3,468,749.68)</u>	<u>\$ (3,639,365.51)</u>	<u>\$ (3,468,749.68)</u>

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

	2008				2007			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	8,197,679	7,757,362	(440,317)	-5.4%	8,040,026	7,666,969	(373,056)	-4.6%
Benefits	2,240,356	1,980,530	(259,826)	-11.6%	2,138,201	1,984,987	(153,214)	-7.2%
Travel	1,284,684	274,658	(1,010,025)	-78.6%	1,138,663	47,768	(1,090,895)	-95.8%
Rent, Communications, & Utilities	347,298	110,966	(236,332)	-68.0%	331,146	138,716	(192,431)	-58.1%
Administrative	986,578	881,169	(105,409)	-10.7%	999,092	674,479	(324,613)	-32.5%
Contracted Services	731,718	56,767	(674,951)	-92.2%	729,078	(163,803)	(892,881)	-122.5%
TOTAL	13,788,312	11,061,451	(2,726,860)	-19.8%	13,376,207	10,349,117	(3,027,090)	-22.6%

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

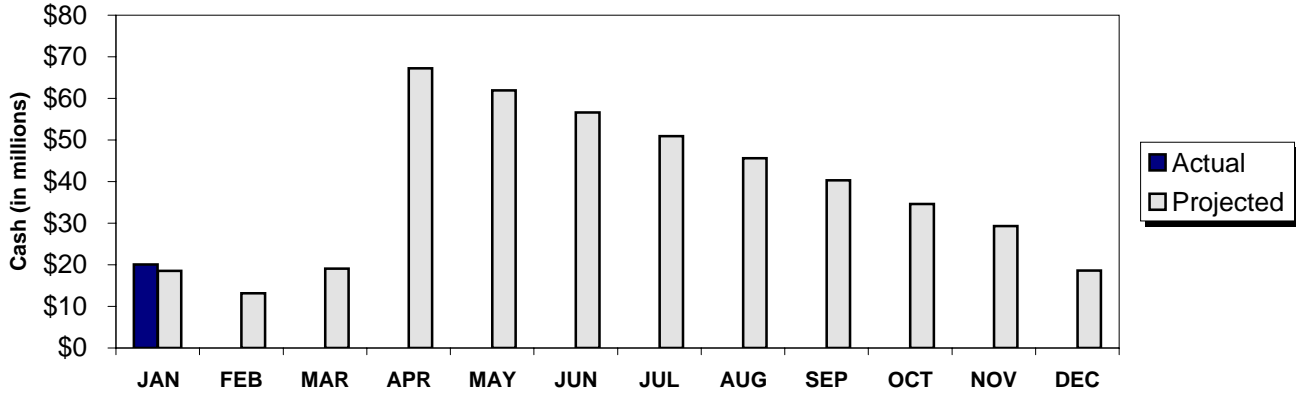


National Credit Union Administration Operating Fund

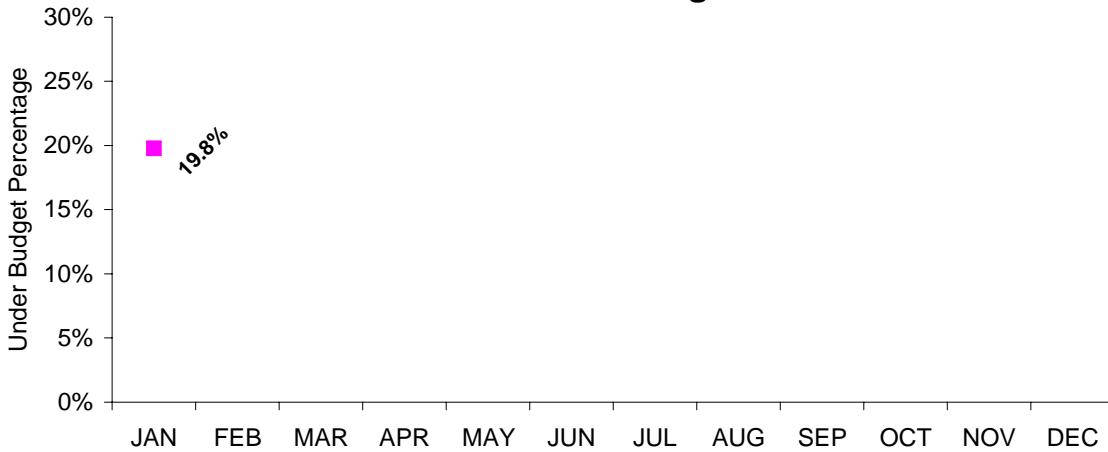
Graphs

January 31, 2008

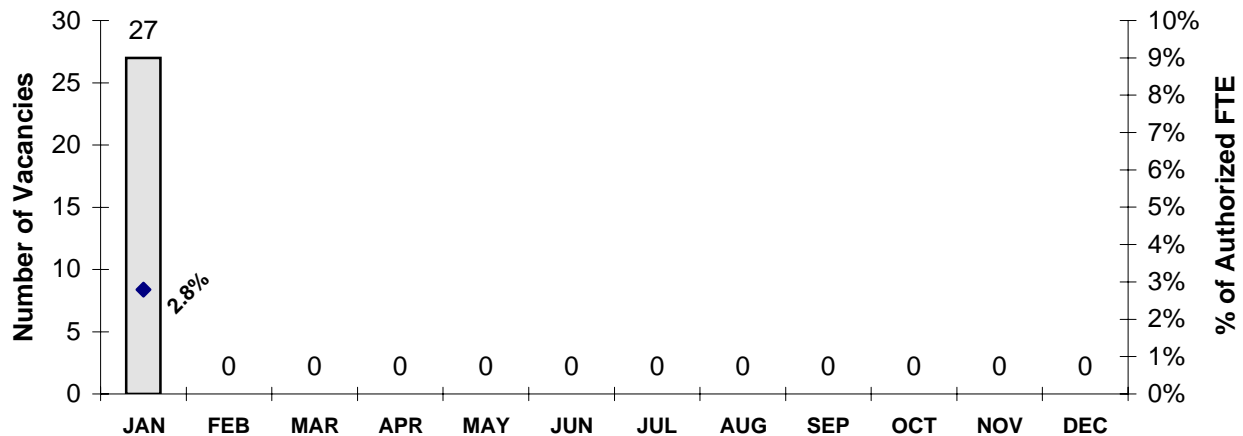
Actual & Projected Cash Balance



Year-To-Date Budget Variance



Vacancies



National Credit Union Administration Operating Fund
Ratios
January 31, 2008

BALANCE SHEET	January 2007	January 2008
<u>Liquid assets / Total assets</u>	32.90%	32.11%
<u>Current assets / Total assets</u>	45.92%	45.71%
<u>Fixed assets / Total assets</u>	54.08%	54.29%
<u>Current liabilities / Total assets</u>	24.22%	27.36%
<u>Non current liabilities / Total assets</u>	37.72%	35.46%
<u>Retained earnings / Total assets</u>	38.07%	37.17%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Program related income / Total revenue</u>	97.19%	98.65%
<u>YTD Interest & other income / Total revenue</u>	2.81%	1.35%
<u>YTD Expenses / Total revenue</u>	88.64%	86.04%
<u>YTD Net income / Total revenue</u>	11.36%	13.96%
<u>Monthly interest income to average investments (annualized)</u>	7.35%	3.28%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$650	\$3,813
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	(\$4.1)	(\$4.1)
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	-16.1%	-16.9%
<u>Cash and cash equivalents / Total assets</u>	32.9%	32.1%