

# ***National Credit Union Administration***



## ***Operating Fund***

***Unaudited Financial Highlights  
December 31, 2007***

**Mary Ann Woodson  
Chief Financial Officer**

**National Credit Union Administration Operating Fund**  
**Unaudited Financial Highlights**  
**December 31, 2007**

**Balance Sheet**

The Cash balance of \$951,000 is due to the retention of cash necessary to pay the year-end Thrift Savings Plan contribution.

Overnight Investments decreased \$10.0 million for payment of operating expenses.

Prepaid Expenses increased \$324,000 due to payments for annual subscriptions, licenses and maintenance contracts.

Accounts Payable increased \$1.5 million due to year-end timing differences between receipt of vendor invoices and payment of vendors.

Accrued Employee Compensation decreased \$3.4 million primarily due to the accrual for 6 days of payroll at the end of December versus 15 days in the previous month. On the first working day of the month, accruals are reversed.

Other Current Liabilities decreased \$5.3 million as a result of deferred income being recognized evenly over the calendar period.

**Statement of Revenue and Expenses**

Net income for the month was \$557,000 lower than planned primarily due to several expense categories being over budget for the month of December as a result of year-end accruals. A significant portion of the accruals were for the employee lodging night bonus program (\$650,000).

**Statement of Cash Flow**

Cash decreased by \$9 million for the month primarily due to payment for operating expenses of \$8.3 million and payments for fixed assets of \$608,000.

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

Agency spending was under budget by \$6.1 million or 4.0 percent. Pay and benefits were under budget by 2.2 percent. The remaining variance of \$3.6 million (net) was derived mainly from administrative and contracted services.

**Vacancies**

The agency had 22 vacancies as of December 31 -- down 3 from November 24. Of the 22 vacancies, there were 18 vacancies in the central office and 4 vacancies in the regional offices and AMAC. The 22 vacancies represent 2.3 percent of total authorized staff of 957.92.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**December 31, 2007**

	December 2006	November 2007	December 2007
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$ -	\$ 5,465.79	\$ 951,488.55
Overnight Investments	25,394,211.13	33,210,000.00	23,224,000.00
Accounts Receivable	1,180,983.92	493,537.70	581,080.30
Interest Receivable	7,793.47	0.00	0.00
Prepaid Expenses	543,084.99	474,417.90	798,063.24
Home Purchase Program	1,040,953.16	922,955.77	1,000,834.07
Other	0.00	3.00	0.00
<i>Total Current Assets</i>	<u>28,167,026.67</u>	<u>35,106,380.16</u>	<u>26,555,466.16</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	26,836,530.00	26,704,094.00	26,635,638.00
Capital Lease	2,019,361.62	1,175,911.31	1,140,009.56
Equipment	2,368,033.00	1,695,701.00	2,170,562.00
Assets Under Construction	138,858.79	334,005.00	320,209.00
<i>Total Property, Plant, and Equipment</i>	<u>35,309,047.36</u>	<u>33,855,975.26</u>	<u>34,212,682.51</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 63,476,074.03</u></u>	<u><u>\$ 68,962,355.42</u></u>	<u><u>\$ 60,768,148.67</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	\$ 2,855,561.49	\$ 1,462,690.96	\$ 2,931,603.96
Accrued Employee Compensation	11,765,173.91	16,293,829.57	12,897,773.23
Other Current Liabilities	47,677.81	5,389,227.81	35,582.38
<i>Total Current Liabilities</i>	<u>14,668,413.21</u>	<u>23,145,748.34</u>	<u>15,864,959.57</u>
Non-Current Liabilities			
Notes Payable	22,460,703.93	21,231,511.24	21,119,766.45
Other	2,302,731.27	1,369,265.18	1,399,117.43
<i>Total Non-Current Liabilities</i>	<u>24,763,435.20</u>	<u>22,600,776.42</u>	<u>22,518,883.88</u>
<b>TOTAL LIABILITIES</b>	<u><u>39,431,848.41</u></u>	<u><u>45,746,524.76</u></u>	<u><u>38,383,843.45</u></u>
<b>FUND BALANCE:</b>			
Unappropriated	23,044,225.62	22,215,830.66	21,384,305.22
Appropriated	1,000,000.00	1,000,000.00	1,000,000.00
<b>TOTAL FUND BALANCE</b>	<u><u>24,044,225.62</u></u>	<u><u>23,215,830.66</u></u>	<u><u>22,384,305.22</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 63,476,074.03</u></u>	<u><u>\$ 68,962,355.42</u></u>	<u><u>\$ 60,768,148.67</u></u>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expenses**  
**December 31, 2007**

	December 2007 Monthly Actual	December 2007 Monthly Budget	December 2007 Year-To-Date Actual	December 2007 Year-To-Date Budget	December 2006 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$ 112,953.42	\$ 166,667.00	\$ 2,213,114.13	\$ 2,000,004.00	\$ 2,203,370.05
Program-related Income	5,369,162.63	5,299,167.00	63,975,228.26	63,590,004.00	63,586,952.20
Other Income	15,142.05	16,667.00	288,573.60	200,004.00	168,685.88
Total Revenue	<u>5,497,258.10</u>	<u>5,482,501.00</u>	<u>66,476,915.99</u>	<u>65,790,012.00</u>	<u>65,959,008.13</u>
<b>EXPENSES:</b>					
Employee Pay	3,052,403.63	3,348,889.96	40,796,035.00	41,697,285.85	36,698,621.73
Employee Benefits	1,224,356.86	915,127.89	11,105,800.17	11,349,705.92	10,041,443.01
Employee Travel	895,611.94	531,755.71	6,802,175.89	6,381,068.56	5,583,368.65
Rent/Communications/Utilities	239,591.57	154,645.40	1,905,120.95	1,855,744.19	1,593,614.50
Administrative Costs	427,087.98	466,576.12	4,566,889.90	5,598,913.19	4,017,630.07
Contracted Services	489,731.56	340,479.51	2,960,814.48	4,085,753.96	2,900,200.73
Total Expenses	<u>6,328,783.54</u>	<u>5,757,474.58</u>	<u>68,136,836.39</u>	<u>70,968,471.68</u>	<u>60,834,878.69</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (831,525.44)</u>	<u>\$ (274,973.58)</u>	<u>\$ (1,659,920.40)</u>	<u>\$ (5,178,459.68)</u>	<u>\$ 5,124,129.44</u>

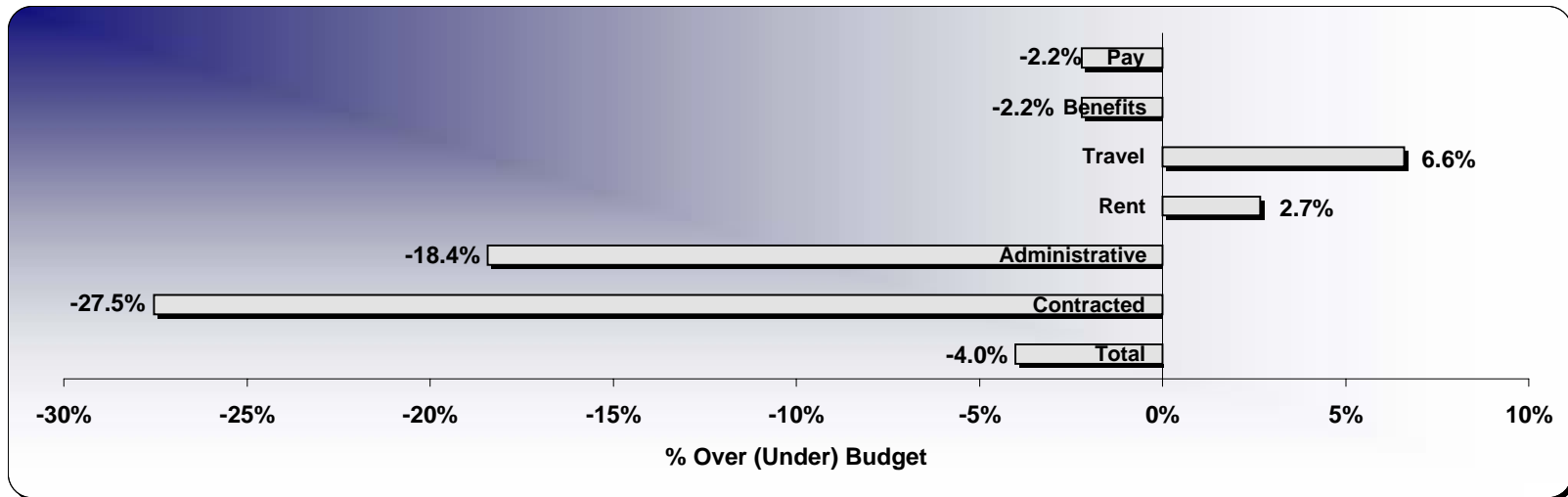
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**December 31, 2007**

	Month December 2006	Month December 2007	Y-T-D December 2006	Y-T-D December 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$ -	\$ 453.58	\$ 63,780,937.04	\$ 65,312,520.99
Interest received from cash and cash equivalents	153,969.44	112,953.42	2,203,370.05	2,220,907.60
Other income received	3,876.40	15,142.05	168,685.88	288,573.60
(Cash paid for operating expenses)	<u>(8,157,815.40)</u>	<u>(8,303,028.30)</u>	<u>(63,332,928.93)</u>	<u>(63,993,581.65)</u>
<b>Net cash (used) in operating activities</b>	<u>(7,999,969.56)</u>	<u>(8,174,479.25)</u>	<u>2,820,064.04</u>	<u>3,828,420.54</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(3,719.94)	(607,893.96)	(1,030,739.82)	(2,132,177.21)
Proceeds (purchases) home purchase program	<u>(109,799.63)</u>	<u>(133,733.21)</u>	<u>(804,099.86)</u>	<u>(237,065.25)</u>
<b>Net cash (used) in investing activities</b>	<u>(113,519.57)</u>	<u>(741,627.17)</u>	<u>(1,834,839.68)</u>	<u>(2,369,242.46)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(1,340,937.48)	(1,340,937.48)
(Capital lease payments)	<u>(1,129.00)</u>	<u>(8,022.12)</u>	<u>(1,365,419.64)</u>	<u>(1,332,859.27)</u>
<b>Net cash (used) in financing activities</b>	<u>(112,873.79)</u>	<u>(119,766.91)</u>	<u>(2,706,357.12)</u>	<u>(2,673,796.75)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(8,226,362.92)	(9,035,873.33)	(1,721,132.76)	(1,214,618.67)
Cash and cash equivalents at beginning of period	33,620,574.05	33,215,465.79	27,115,343.89	25,394,211.13
<b>Cash and cash equivalents at end of period</b>	<u>\$ 25,394,211.13</u>	<u>\$ 24,179,592.46</u>	<u>\$ 25,394,211.13</u>	<u>\$ 24,179,592.46</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<u>\$ 277,941.79</u>	<u>\$ (831,525.44)</u>	<u>\$ 5,124,129.44</u>	<u>\$ (1,659,920.40)</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	315,509.67	288,739.97	3,701,221.63	3,312,321.47
Unrealized (gain) loss	0.00	40,057.99	0.00	233,718.59
(Gain) loss on disposal of fixed assets	880.00	0.00	880.00	0.00
(Gain) loss on disposal of homes	0.00	15,796.92	5,907.42	43,465.75
Interest expense on leases	863.59	3,004.03	10,650.03	25,896.01
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	376,050.44	360,235.88
Accounts receivable	(116,927.30)	(87,542.60)	(14,398.10)	599,903.62
Interest receivable	(7,793.47)	0.00	(5,187.90)	7,793.47
Prepaid expenses	65,515.07	(323,645.34)	(139,221.46)	(254,978.25)
Other assets	(250.00)	3.00	33,080.89	0.00
Increase (decrease) in liabilities:				
Accounts payable	1,315,787.98	1,468,913.00	(1,536,566.39)	76,042.47
Accrued employee compensation	(4,401,392.18)	(3,396,056.34)	(4,746,631.79)	1,132,599.32
Other non current liabilities	1,130.16	1,420.99	17,904.61	(36,561.96)
Other current liabilities	<u>(5,451,234.87)</u>	<u>(5,353,645.43)</u>	<u>(7,754.78)</u>	<u>(12,095.43)</u>
<b>Total adjustments</b>	<u>(8,277,911.35)</u>	<u>(7,342,953.81)</u>	<u>(2,304,065.40)</u>	<u>5,488,340.94</u>
<b>Net cash (used) in operating activities</b>	<u>\$ (7,999,969.56)</u>	<u>\$ (8,174,479.25)</u>	<u>\$ 2,820,064.04</u>	<u>\$ 3,828,420.54</u>

**National Credit Union Administration Operating Fund  
(Before Overhead Transfer)  
Year-To-Date Budget Report Analysis  
December 31, 2007**

	2007				2006			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	89,322,257	87,357,677	(1,964,581)	-2.2%	88,455,207	85,345,632	(3,109,575)	-3.5%
<b>Benefits</b>	24,318,819	23,781,157	(537,662)	-2.2%	23,957,208	23,352,193	(605,015)	-2.5%
<b>Travel</b>	13,663,959	14,565,687	901,728	6.6%	13,764,359	12,984,578	(779,781)	-5.7%
<b>Rent, Communications, &amp; Utilities</b>	3,973,757	4,079,488	105,731	2.7%	3,999,804	3,706,080	(293,723)	-7.3%
<b>Administrative</b>	11,989,108	9,779,208	(2,209,901)	-18.4%	11,730,258	9,343,326	(2,386,932)	-20.3%
<b>Contracted Services</b>	8,748,938	6,340,074	(2,408,864)	-27.5%	8,881,689	6,744,653	(2,137,036)	-24.1%
<b>TOTAL</b>	152,016,839	145,903,290	(6,113,549)	-4.0%	150,788,525	141,476,462	(9,312,063)	-6.2%

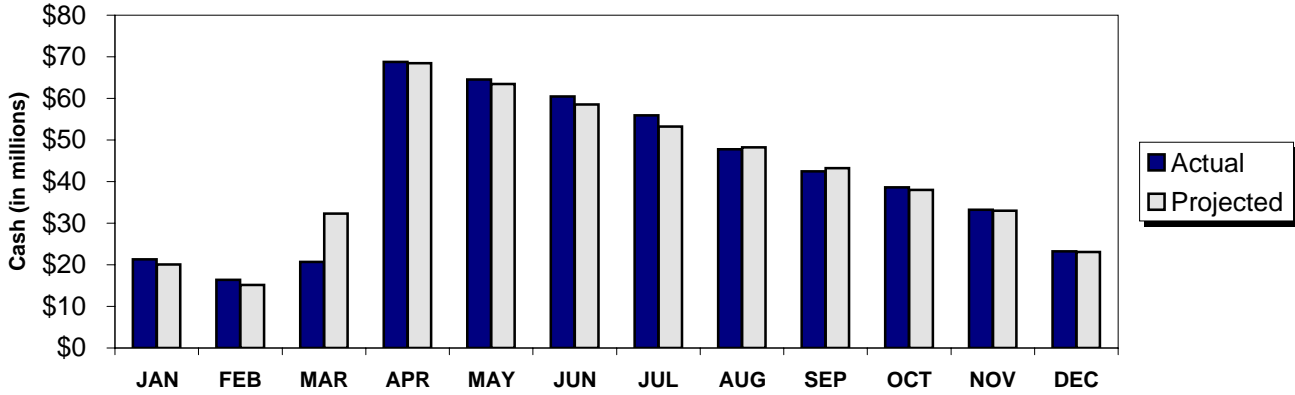
**Percent Over (Under) Budget  
December 31, 2007**



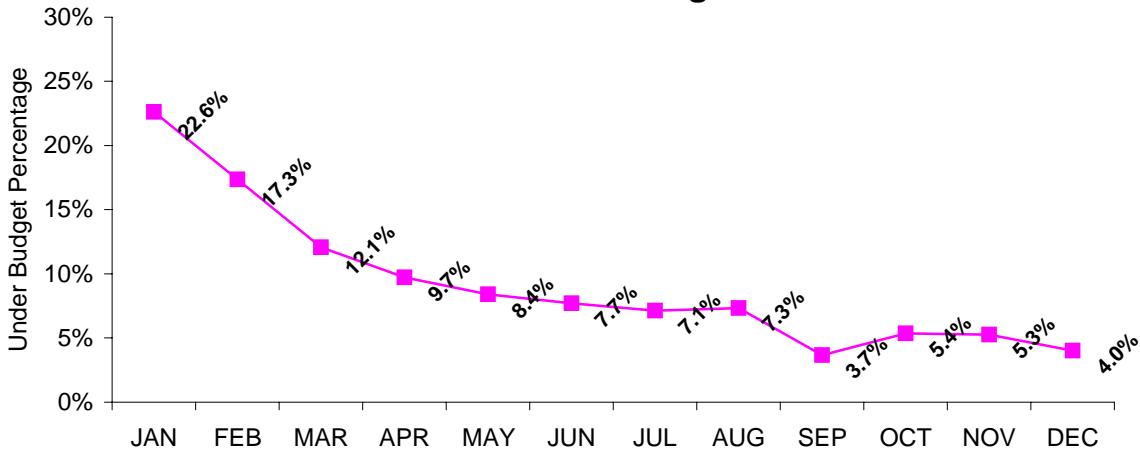
# National Credit Union Administration Operating Fund

**Graphs**  
December 31, 2007

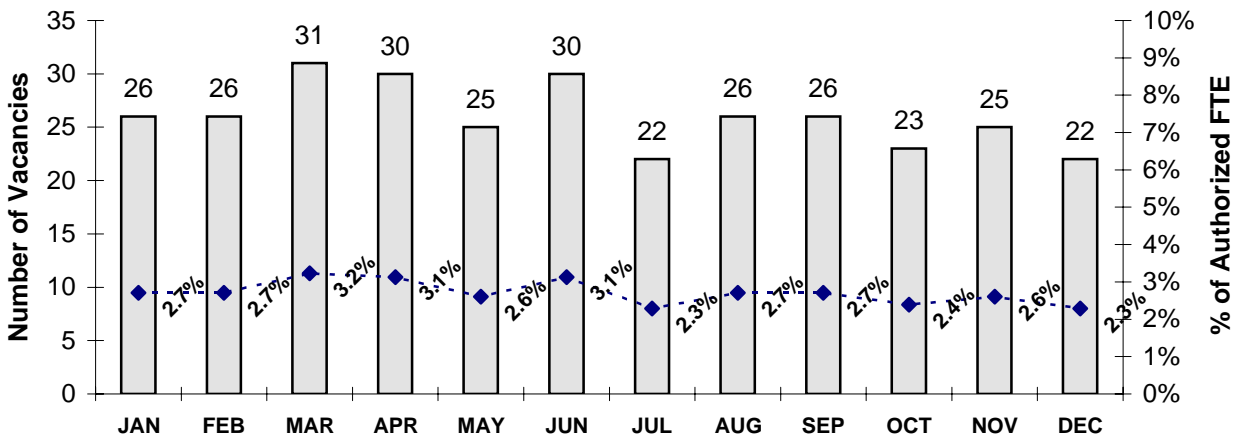
## Actual & Projected Cash Balance



## Year-To-Date Budget Variance



## Vacancies



**National Credit Union Administration Operating Fund**  
**Ratios**  
**December 31, 2007**

<b>BALANCE SHEET</b>	<b>December 2006</b>	<b>December 2007</b>
<u>Liquid assets / Total assets</u>	40.01%	39.78%
<u>Current assets / Total assets</u>	44.37%	43.70%
<u>Fixed assets / Total assets</u>	55.63%	56.30%
<u>Current liabilities / Total assets</u>	23.11%	26.11%
<u>Non current liabilities / Total assets</u>	39.01%	37.06%
<u>Retained earnings / Total assets</u>	37.88%	36.84%
 <b>STATEMENT OF REVENUE &amp; EXPENSE</b>		
<u>YTD Program related income / Total revenue</u>	96.40%	96.24%
<u>YTD Interest &amp; other income / Total revenue</u>	3.60%	3.76%
<u>YTD Expenses / Total revenue</u>	92.23%	102.50%
<u>YTD Net income / Total revenue</u>	7.77%	-2.50%
<u>Monthly interest income to average investments (annualized)</u>	6.26%	5.25%
<u>YTD Travel per full-time equivalent, before overhead transfer, (annualized)</u>	\$13,555	\$16,514
 <b>CASH</b>		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	(\$1.7)	(\$1.2)
<u>Cash end of month - Cash beginning of year / Cash beginning of year</u>	-6.3%	-4.8%
<u>Cash and cash equivalents / Total assets</u>	40.0%	39.8%