

National Credit Union Administration



Operating Fund

***Financial Highlights
April 30, 2006***

**Dennis Winans
Chief Financial Officer**

National Credit Union Administration Operating Fund
Financial Highlights
April 30, 2006

Balance Sheet

Overnight Investments increased \$44.3 million primarily for receipts of operating fee assessments.

Accounts Receivable decreased \$49.7 million due to the collection of operating fees; operating fees of \$62.6 million have been collected to date with \$1.9 million remaining to be collected.

Prepaid Expenses increased \$317,000 representing payments for software licenses.

Home Purchase Program increased \$595,000 due to the acquisition of houses from two relocating employees.

Other assets decreased \$2.1 million due to the recognition of deferred operating fee income.

Accounts Payable decreased \$220,000 due to payment of vendor invoices.

Other Current Liabilities decreased \$7.5 million. In conjunction with the change in Other assets, above, 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 of \$517,000 for the month was \$289,000 higher than planned primarily due to increased revenue and non-employee pay and benefit expenses being under budget. Monthly actual expenses for employee pay and benefits increased over budgeted amounts due to the annual merit pay increase that became effective March 19, 2006.

Statement of Cash Flow

Cash increased by \$43.3 million for the month, reflecting receipts of operating fee assessments over payments for operating expenses, home purchase program, notes payable, and capital leases.

Budget (Year-to-Date)

Agency spending was under budget by \$5.4 million or 11.0 percent. Pay and benefits were under budget by 4.0 percent. The remaining variance of \$4.0 million was derived mainly from travel, 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 32 vacancies as of April 29, -- down 2 from March 18. Of the 32 vacancies, there were 15 vacancies in the central office, 8 vacancies in the regional offices and AMAC, and 9 vacancies in the field staff. The 32 vacancies represent 3.3 percent of total authorized staff of 957.92.

National Credit Union Administration Operating Fund
Balance Sheets & Changes in Fund Balance
April 30, 2006

	April 2005	March 2006	April 2006
ASSETS			
ASSETS:			
Current Assets			
Cash	\$ 5,356.11	\$ 5,291.50	\$ 5,767.11
Overnight Investments	61,445,000.00	22,197,000.00	65,513,000.00
Accounts Receivable	1,846,923.15	51,583,631.55	1,856,311.58
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	663,025.84	574,729.99	892,021.90
Home Purchase Program	571,165.33	348,292.01	943,427.55
Other	(500.00)	2,120,498.80	(160.03)
<i>Total Current Assets</i>	<u>64,530,970.43</u>	<u>76,829,443.85</u>	<u>69,210,368.11</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	28,269,687.00	27,467,698.00	27,394,788.00
Capital Lease	987,772.13	2,711,551.00	2,636,118.08
Equipment	2,072,449.09	2,923,966.17	2,887,926.17
Other	0.00	0.00	0.00
<i>Total Property, Plant, and Equipment</i>	<u>35,276,172.17</u>	<u>37,049,479.12</u>	<u>36,865,096.20</u>
TOTAL ASSETS	<u><u>\$ 99,807,142.60</u></u>	<u><u>\$ 113,878,922.97</u></u>	<u><u>\$ 106,075,464.31</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,302,837.63	\$ 1,893,212.34	\$ 1,673,215.81
Accrued Employee Compensation	14,108,176.90	14,590,019.66	14,297,045.25
Other Current Liabilities	41,381,543.88	49,981,625.57	42,521,053.58
<i>Total Current Liabilities</i>	<u>56,792,558.41</u>	<u>66,464,857.57</u>	<u>58,491,314.64</u>
Non-Current Liabilities			
Notes Payable	24,695,599.73	23,466,407.04	23,354,662.25
Other	818,464.42	3,004,112.62	2,769,272.87
<i>Total Non-Current Liabilities</i>	<u>25,514,064.15</u>	<u>26,470,519.66</u>	<u>26,123,935.12</u>
TOTAL LIABILITIES	<u>82,306,622.56</u>	<u>92,935,377.23</u>	<u>84,615,249.76</u>
FUND BALANCE:			
Beginning Balance	14,934,623.95	18,920,096.18	18,920,096.18
Current Year Earnings	2,565,896.09	2,023,449.56	2,540,118.37
TOTAL FUND BALANCE	<u>17,500,520.04</u>	<u>20,943,545.74</u>	<u>21,460,214.55</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 99,807,142.60</u></u>	<u><u>\$ 113,878,922.97</u></u>	<u><u>\$ 106,075,464.31</u></u>

National Credit Union Administration Operating Fund
Statement of Revenue & Expenses
April 30, 2006

	April 2006 Monthly Actual	April 2006 Monthly Budget	April 2006 Year-To-Date Actual	April 2006 Year-To-Date Budget	April 2005 Year-To-Date Actual
REVENUE:					
Interest Income	\$ 155,999.68	\$ 108,333.00	\$ 397,558.85	\$ 433,332.00	\$ 214,365.99
Program-related Income	5,314,935.00	5,204,167.00	21,062,323.78	20,816,668.00	20,628,311.89
Other Income	6,891.28	8,333.00	47,813.03	33,332.00	63,076.67
Total Revenue	<u>5,477,825.96</u>	<u>5,320,833.00</u>	<u>21,507,695.66</u>	<u>21,283,332.00</u>	<u>20,905,754.55</u>
EXPENSES:					
Employee Pay	3,066,842.80	2,925,826.00	11,997,492.80	12,434,761.00	11,546,413.66
Employee Benefits	792,862.44	792,431.00	3,177,419.86	3,367,831.00	3,038,286.94
Employee Travel	488,727.48	494,746.00	1,239,667.88	1,978,984.00	1,163,792.34
Rent/Communications/Utilities	109,599.00	142,878.00	489,151.68	571,512.00	463,696.61
Administrative Costs	355,761.07	419,259.00	1,452,841.80	1,677,036.00	1,570,561.59
Contracted Services	147,364.36	318,261.00	611,003.27	1,273,044.00	557,107.32
Total Expenses	<u>4,961,157.15</u>	<u>5,093,401.00</u>	<u>18,967,577.29</u>	<u>21,303,168.00</u>	<u>18,339,858.46</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 516,668.81</u>	<u>\$ 227,432.00</u>	<u>\$ 2,540,118.37</u>	<u>\$ (19,836.00)</u>	<u>\$ 2,565,896.09</u>

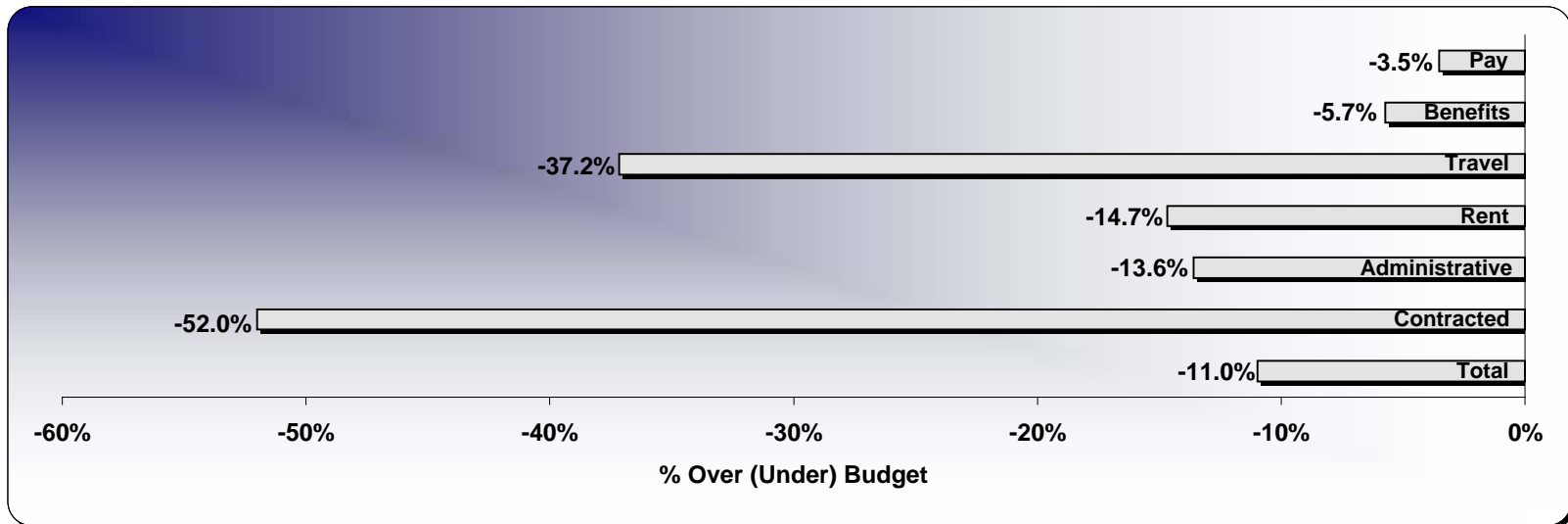
National Credit Union Administration Operating Fund
Statement of Cash Flow
April 30, 2006

	Month April 2005	Month April 2006	Y-T-D April 2005	Y-T-D April 2006
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income from operating fees	\$ 42,557,750.63	\$ 48,970,279.74	\$ 60,517,341.75	\$ 62,600,003.85
Interest received from cash and cash equivalents	108,362.45	155,999.68	214,365.99	397,558.85
Other income received	10,064.50	6,891.28	63,076.67	47,813.03
(Cash paid for operating expenses)	(2,911,753.36)	(4,700,588.85)	(15,548,600.23)	(22,610,899.25)
Net cash (used) in operating activities	<u>39,764,424.22</u>	<u>44,432,581.85</u>	<u>45,246,184.18</u>	<u>40,434,476.48</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds (purchases) of fixed assets	(208,923.97)	(101,870.43)	(337,321.19)	(218,012.28)
Proceeds (purchases) home purchase program	0.00	(576,439.55)	(497,186.91)	(667,585.94)
Net cash (used) in investing activities	<u>(208,923.97)</u>	<u>(678,309.98)</u>	<u>(834,508.10)</u>	<u>(885,598.22)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(446,979.16)	(446,979.16)
(Capital lease payments)	(367,787.87)	(326,051.47)	(741,143.48)	(698,475.88)
Net cash (used) in financing activities	<u>(479,532.66)</u>	<u>(437,796.26)</u>	<u>(1,188,122.64)</u>	<u>(1,145,455.04)</u>
NET INCREASE (DECREASE) IN CASH	39,075,967.59	43,316,475.61	43,223,553.44	38,403,423.22
Cash and cash equivalents at beginning of period	22,374,388.52	22,202,291.50	18,226,802.67	27,115,343.89
Cash and cash equivalents at end of period	<u>\$ 61,450,356.11</u>	<u>\$ 65,518,767.11</u>	<u>\$ 61,450,356.11</u>	<u>\$ 65,518,767.11</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Net income (loss)	<u>\$ 377,492.49</u>	<u>\$ 516,668.81</u>	<u>\$ 2,565,896.09</u>	<u>\$ 2,540,118.37</u>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	262,862.31	286,253.35	1,054,875.89	1,333,325.25
Unrealized (gain) loss	0.00	0.00	44,119.74	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	(18,695.99)	0.00	0.00
Interest expense on leases	4,787.81	1,152.75	11,591.54	7,518.70
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	105,873.53	90,058.97	211,747.06	195,932.50
Accounts receivable	43,421,330.20	49,727,319.97	(1,019,361.10)	(689,725.76)
Interest receivable	0.00	0.00	0.00	2,605.57
Prepaid expenses	(4,888.76)	(317,291.91)	(75,018.74)	(488,158.37)
Other assets	(400.00)	2,120,658.83	500.00	160.03
Increase (decrease) in liabilities:				
Accounts payable	466,678.01	(219,996.53)	(1,015,741.84)	(2,718,912.07)
Accrued employee compensation	290,879.34	(292,974.41)	2,147,389.66	(2,214,760.45)
Other non current liabilities	0.00	0.00	0.00	751.72
Other current liabilities	(5,160,190.71)	(7,460,571.99)	41,320,185.88	42,465,620.99
Total adjustments	<u>39,386,931.73</u>	<u>43,915,913.04</u>	<u>42,680,288.09</u>	<u>37,894,358.11</u>
Net cash (used) in operating activities	<u>\$ 39,764,424.22</u>	<u>\$ 44,432,581.85</u>	<u>\$ 45,246,184.18</u>	<u>\$ 40,434,476.48</u>

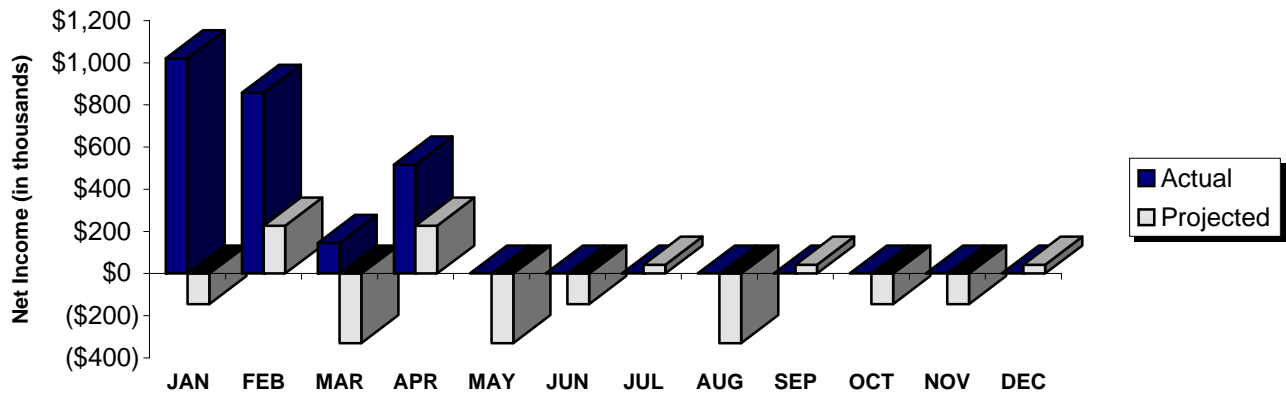
**National Credit Union Administration Operating Fund
(Before Overhead Transfer)
Year-To-Date Budget Report Analysis
April 30, 2006**

	2006				2005			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Employee Pay	28,917,195	27,901,146	(1,016,049)	-3.5%	29,226,838	26,852,125	(2,374,713)	-8.1%
Benefits	7,838,678	7,389,349	(449,330)	-5.7%	7,556,760	7,065,784	(490,976)	-6.5%
Travel	4,588,120	2,882,949	(1,705,171)	-37.2%	4,272,966	2,706,494	(1,566,472)	-36.7%
Rent, Communications, & Utilities	1,333,268	1,137,562	(195,706)	-14.7%	1,310,033	1,078,364	(231,669)	-17.7%
Administrative	3,910,086	3,378,702	(531,384)	-13.6%	3,499,456	3,652,469	153,013	4.4%
Contracted Services	2,960,563	1,420,938	(1,539,625)	-52.0%	2,762,139	1,295,598	(1,466,541)	-53.1%
TOTAL	49,547,910	44,110,645	(5,437,265)	-11.0%	48,628,191	42,650,834	(5,977,358)	-12.3%

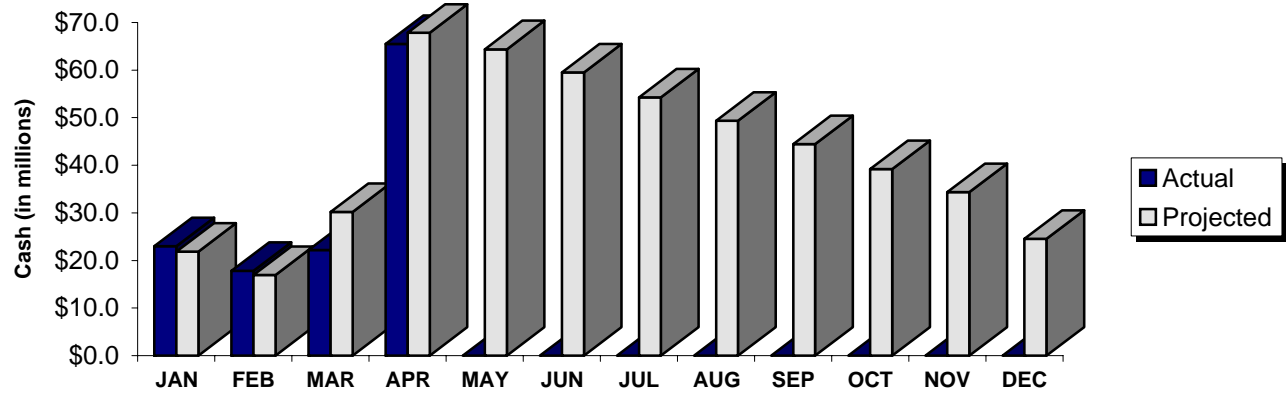
**Percent Over (Under) Budget
April 30, 2006**



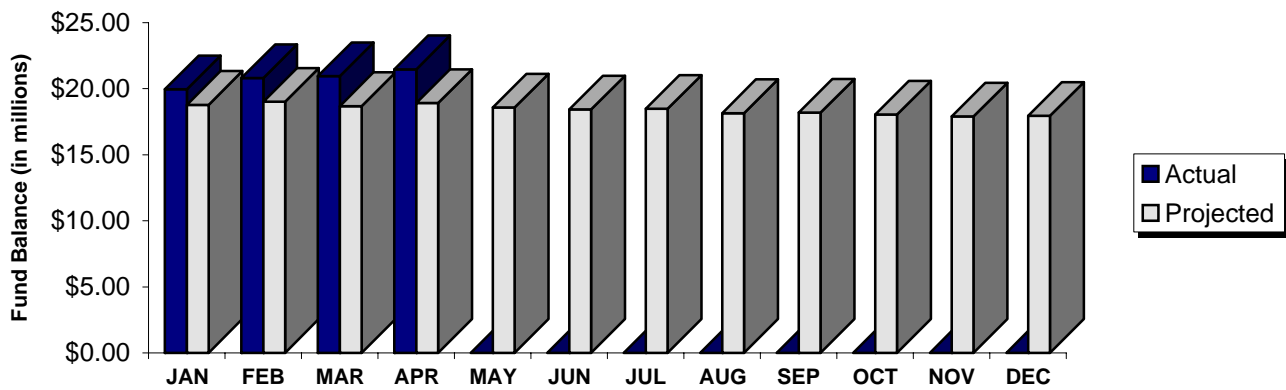
Actual & Projected Net Income (2006)



Actual & Projected Cash Balance (2006)



Actual & Projected Fund Balance (2006)



National Credit Union Administration Operating Fund
Ratios
April 30, 2006

BALANCE SHEET	April 2005	April 2006
<u>Liquid assets / Total assets</u>	61.57%	61.77%
<u>Current assets / Total assets</u>	64.66%	65.25%
<u>Fixed assets / Total assets</u>	35.34%	34.75%
<u>Current liabilities / Total assets</u>	56.90%	55.14%
<u>Non current liabilities / Total assets</u>	25.56%	24.63%
<u>Retained Earnings / Total assets</u>	17.53%	20.23%
 STATEMENT OF REVENUE & EXPENSE		
<u>YTD Interest & other income / Total revenue</u>	1.33%	2.07%
<u>YTD Program related income / Total revenue</u>	98.67%	97.93%
<u>YTD Expenses / Total revenue</u>	87.73%	88.19%
<u>YTD Net income / Total revenue</u>	12.27%	11.81%
 CASH		
<u>Net year to date cash inflow (outflow) in millions of dollars</u>	\$43.2	\$38.4
<u>Cash end of month - Cash beginning of year / Cash BOY</u>	237.1%	141.6%
<u>Cash and cash equivalents / Total assets</u>	61.6%	61.8%