

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

April 30, 2022

A handwritten signature in black ink, appearing to read "Eugene H. Schied".

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
APRIL 30, 2022**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$197.6 million. The balance increased by \$92.6 million for the month primarily due to the collection of annual operating fees that were due in April. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2023, at which time the Fund will collect the 2023 operating fees from its credit union members.

Amount due from National Credit Union Share Insurance Fund of \$30 thousand represents the receivable for expenses paid by the Operating Fund.

Other accounts receivable, net had a month-end balance of approximately \$2.3 million. Its balance decreased by approximately \$107.6 million from prior month primarily due to the collection of annual operating fees. The operating fee was invoiced in March and was due in April 2022.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$1.9 million for the month primarily due to overhead transfer payables.

Accrued wages and benefits are earned by NCUA staff, but remain unpaid at month-end.

Accrued annual leave is leave earned by NCUA staff, but not yet used.

Statements of Revenues, Expenses, and Changes in Fund Balance

Expenses in excess of revenues totaled \$272 thousand for the month. Operating fee revenue reflects one-twelfth of the 2022 Operating Fees. Expenses, net are after the overhead transfer rate adjustment that allocates a portion of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position increased \$92.6 million from prior month. In the current month, \$93.8 million was provided by operating activities and \$1.2 million was used in investing activities. There were no financing activities for the month.

Other Information

The NCUA had 68 vacancies as of month-end, which represents 5.7 percent of the total authorized staff of 1,201. Of the 68 vacancies, there were 14 vacancies under the authorized positions in the central office and 54 vacancies under the authorized positions in the regions and Asset Management and Assistance Center (AMAC).

NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND
BALANCE SHEETS
As of April 30, 2022 and 2021
(Dollars in thousands)

	April 2022	April 2021
ASSETS		
Cash and cash equivalents	\$ 197,593	\$ 194,635
Due from National Credit Union Share Insurance Fund	30	151
Employee advances	-	15
Other accounts receivable, net	2,262	1,846
Prepaid expenses and other assets	7,887	7,571
Operating lease right-of-use assets ⁴	613	-
Fixed assets ¹	32,045	27,375
Intangible assets ²	29,546	33,646
	\$ 269,976	\$ 265,239
TOTAL ASSETS		
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 20,680	\$ 7,854
Finance lease liabilities	23	70
Operating lease liabilities ⁴	641	-
Accrued wages and benefits	7,282	7,036
Accrued FECA and unemployment benefits	236	231
Accrued actuarial FECA benefits	3,999	4,381
Deferred revenue ³	73,055	82,835
Accrued annual leave	22,243	24,221
	128,159	126,628
TOTAL LIABILITIES		
FUND BALANCE	141,817	138,611
TOTAL LIABILITIES AND FUND BALANCE	\$ 269,976	\$ 265,239

¹ Net of accumulated depreciation of \$41,406 and \$39,653 as of April 30, 2022 and 2021, respectively.

² Net of accumulated amortization of \$31,792 and \$25,912 as of April 30, 2022 and 2021, respectively.

³ The Operating Fund recognizes operating fee revenue ratably over the calendar year. The deferred revenue is the remaining amount to be recognized over the remainder of the calendar year.

⁴ The implementation of ASC 842, as of January 1, 2022, resulted in a balance sheet recognition of right-of-use assets in the amount of \$715 thousand and operating lease liabilities of \$744 thousand. The finance lease right-of-use asset is included within the Fixed assets line item in the amount of \$20 thousand.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

For the periods ended April 30, 2022 and 2021

(Dollars in thousands)

	April 2022	Year-to-Date April 2022	Year-to-Date April 2021
REVENUES			
Operating fees	\$ 9,132	\$ 36,527	\$ 41,418
Interest	38	60	13
Other	35	135	82
Total Revenues	9,205	36,722	41,513
EXPENSES, NET¹			
Employee wages and benefits	7,139	29,568	30,962
Travel	45	98	53
Rent, communications, and utilities	213	497	666
Contracted services	1,574	6,568	5,732
Depreciation and amortization	329	1,243	1,215
Administrative	177	500	568
Total Expenses, Net	9,477	38,474	39,196
EXCESS OF REVENUES (UNDER) / OVER EXPENSES	(272)	(1,752)	2,317
FUND BALANCE—Beginning of period	142,089	143,569	136,294
FUND BALANCE—End of period	\$ 141,817	\$ 141,817	\$ 138,611

¹ Operating Fund expenses are the total NCUA operating expenses reduced by the Share Insurance Fund allocation as determined by the overhead transfer rate.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF CASH FLOWS

For the periods ended April 30, 2022 and 2021

(Dollars in thousands)

	April 2022	Year-to-Date April 2022	Year-to-Date April 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ (272)	\$ (1,752)	\$ 2,317
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	868	3,282	3,205
Noncash operating lease expense ¹	-	102	-
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	(11)	4,888	3,111
Employee advances	-	5	1
Other accounts receivable, net	107,569	(1,963)	(1,531)
Prepaid expenses and other assets	(1,694)	(3,996)	(3,537)
(Decrease) increase in liabilities:			
Accounts payable	1,863	3,411	(235)
Operating lease liabilities ¹	-	(104)	-
Accrued wages and benefits	(5,398)	(5,062)	(3,553)
Accrued FECA and unemployment benefits	-	61	77
Deferred revenue	(9,132)	73,055	82,835
Accrued annual leave	-	95	1,883
Accrued employee travel	-	(93)	(82)
Net Cash Provided by/(Used in) Operating Activities	93,793	71,929	84,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(1,242)	(3,948)	(1,224)
Net Cash Provided by/(Used in) Investing Activities	(1,242)	(3,948)	(1,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments under finance lease liabilities	-	(3)	(19)
Net Cash Provided by/(Used in) Financing Activities	-	(3)	(19)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	92,551	67,978	83,248
CASH AND CASH EQUIVALENTS—Beginning of period	105,042	129,615	111,387
CASH AND CASH EQUIVALENTS—End of period	\$ 197,593	\$ 197,593	\$ 194,635
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Recognition of operating lease right-of-use assets	\$ 715	\$ 715	\$ -
Retirement of fully depreciated assets	\$ -	\$ 21	\$ 432
Acquisition of equipment under finance lease	\$ -	\$ -	\$ -

¹ The implementation of ASC 842, as of January 1, 2022, resulted in quarterly amortization adjustments reflected in the statement of cash flows for operating lease right-of-use assets and related liabilities.

The balances in the statement above are preliminary and unaudited.