

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

January 31, 2021

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned below the date. The signature is stylized and cursive.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
JANUARY 31, 2021**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$104.8 million. The balance decreased by \$6.6 million for the month primarily reflecting cash disbursements for operating expenses and capital expenditures. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2021.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. The balance decreased by \$3.1 million for the month.

Other accounts receivable, net had a month-end balance of approximately \$10.6 million. Its balance increased by approximately \$10.2 million from prior month primarily due to the unbilled receivable for the 2021 Operating Fee. The Operating Fee will be invoiced in March and collected in April.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$394 thousand for the month primarily due to vendor/trade and 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

Revenues in excess of expenses totaled \$1.8 million for the month. Operating fees reflects one-twelfth of the 2021 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 62.3 percent of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position decreased \$6.6 million from prior month. In the current month, \$6.4 million was used in operating activities and \$212 thousand was used in investing activities. There is no financing activities in the current month.

Other Information

The Agency had 46 vacancies as of month-end. The 46 vacancies represent 3.9 percent of total authorized staff of 1,192.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

BALANCE SHEETS

As of January 31, 2021 and 2020

(Dollars in thousands)

	January 2021	January 2020
ASSETS		
Cash and cash equivalents	\$ 104,758	\$ 84,245
Due from National Credit Union Share Insurance Fund	120	152
Employee advances	16	7
Other accounts receivable, Net	10,550	12,247
Prepaid expenses and other assets	4,547	4,707
Assets held for sale	-	423
Fixed assets - Net of accumulated depreciation of \$39,067 and \$34,985 as of January 31, 2021 and January 31, 2020, respectively	28,077	31,085
Intangible assets - Net of accumulated amortization of \$24,509 and \$20,683 as of January 31, 2021 and January 31, 2020, respectively	34,340	22,920
TOTAL ASSETS	\$ 182,408	\$ 155,786
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 8,483	\$ 8,968
Obligations under capital leases	89	668
Accrued wages and benefits	8,837	9,931
Accrued FECA and unemployment benefits	154	169
Accrued actuarial FECA benefits	4,381	4,276
Accrued annual leave	22,338	18,945
Accrued employee travel	1	-
Note payable to National Credit Union Share Insurance Fund	-	4,917
TOTAL LIABILITIES	44,283	47,874
 FUND BALANCE	 138,125	 107,912
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 182,408	 \$ 155,786

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 January 31, 2021 and 2020

(Dollars in thousands)

	January 2021	Year-to-Date January 2021	Year-to-Date January 2020
REVENUES			
Operating fees	\$ 10,430	\$ 10,430	\$ 12,075
Interest	7	7	114
Other	4	4	75
Total Revenues	10,441	10,441	12,264
 EXPENSES, NET¹			
Employee wages and benefits	7,312	7,312	7,901
Travel	9	9	291
Rent, communications, and utilities	142	142	183
Contracted services	756	756	1,300
Depreciation and amortization	302	302	230
Administrative	89	89	398
Total Expenses, Net	8,610	8,610	10,303
 EXCESS OF REVENUES OVER / (UNDER) EXPENSES	 1,831	 1,831	 1,961
 FUND BALANCE—Beginning of period	 136,294	 136,294	 105,951
 FUND BALANCE—End of period	 \$ 138,125	 \$ 138,125	 \$ 107,912

¹ Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 62.3% and 61.3% for 2021 and 2020, respectively.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF CASH FLOWS
For the periods ended January 31, 2021 and 2020
(Dollars in thousands)**

	<u>January 2021</u>	<u>Year-to-Date January 2021</u>	<u>Year-to-Date January 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 1,831	\$ 1,831	\$ 1,961
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	797	797	595
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	3,142	3,142	2,157
Employee advances	-	-	-
Other accounts receivable, net	(10,235)	(10,235)	(11,886)
Prepaid expenses and other assets	(513)	(513)	(693)
(Decrease) increase in liabilities:			
Accounts payable	394	394	(334)
Accrued wages and benefits	(1,752)	(1,752)	(95)
Accrued employee travel	(81)	(81)	(708)
Net Cash Used in Operating Activities	<u>(6,417)</u>	<u>(6,417)</u>	<u>(9,003)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	<u>(212)</u>	<u>(212)</u>	<u>(608)</u>
Net Cash Used in Investing Activities	<u>(212)</u>	<u>(212)</u>	<u>(608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(111)
Principal payments under capital lease obligations	<u>-</u>	<u>-</u>	<u>(525)</u>
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>(636)</u>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,629)	(6,629)	(10,247)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>111,387</u>	<u>111,387</u>	<u>94,492</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 104,758</u>	<u>\$ 104,758</u>	<u>\$ 84,245</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH PAYMENTS FOR INTEREST	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>

The balances in the statement above are preliminary and unaudited.