

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

April 30, 2019

A handwritten signature in blue ink, which appears to read 'Rendell L. Jones', is written over the printed name below.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

MANAGEMENT OVERVIEW APRIL 30, 2019

Balance Sheet

Cash and cash equivalents had a month-end balance of approximately \$180.7 million. Its balance increased by \$126.2 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 2020.

Due from National Credit Union Share Insurance Fund represents the receivable for monies advanced by the Operating Fund for Share Insurance Fund expenses. The balance decreased by \$1.9 million for the month.

Other accounts receivable, net had a month-end balance of approximately \$2.6 million. Its balance decreased by approximately \$135.1 million from prior month primarily due to the receipt of annual operating fee. In April, \$135.1 million of the approximately \$137.7 million of billed operating fee were collected.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by \$3.5 million for the month primarily due to vendor/trade and relocation payables.

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

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

Note payable to National Credit Union Share Insurance Fund is the 1992 construction loan for the NCUA King Street Station building.

Statements of Revenues, Expenses, and Changes in Fund Balance

Revenues in excess of expenses totaled \$3 million for the month. Operating fees reflects one-twelfth of the 2019 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 60.5 percent of expenses to the Share Insurance Fund. Operating Fund expenses are higher in 2019 because the Overhead Transfer Rate dropped to 60.5 percent from 61.5 percent for the prior year.

Statements of Cash Flow

The cash position increased \$126.2 million from prior month. In the current month, \$126.7 million was provided by operating activities and \$435 thousand was used by investing activities. Principal payments on the National Credit Union Share Insurance Fund note payable on the King Street Station Building and on capital lease obligations totaled \$112 thousand.

Other Information

The Agency had 74 vacancies as of month-end. Of the 74 vacancies, 12 were in the central office and 62 were in the regions and AMAC. The 74 vacancies represent 6.3 percent of total authorized staff of 1,178.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**BALANCE SHEETS
As of April 30, 2019 and 2018
(Dollars in thousands)**

	April 2019	April 2018
ASSETS		
Cash and cash equivalents	\$ 180,747	\$ 161,952
Due from National Credit Union Share Insurance Fund	99	132
Employee advances	48	1
Other accounts receivable, Net	2,577	3,630
Prepaid expenses and other assets	6,957	3,586
Fixed assets - Net of accum. depreciation of \$39,685 as of April 30, 2019	28,165	26,130
Intangible assets - Net of accum. amortization of \$18,517 as of April 30, 2019	<u>10,462</u>	<u>5,025</u>
TOTAL ASSETS	<u>\$ 229,055</u>	<u>\$ 200,456</u>
 LIABILITIES		
Accounts payable and accrued other liabilities	\$ 2,937	\$ 2,952
Obligations under capital leases	1,182	189
Accrued wages and benefits	14,105	11,845
Deferred revenue ¹	91,818	86,775
Accrued annual leave	19,720	19,242
Note payable to National Credit Union Share Insurance Fund	<u>5,922</u>	<u>7,263</u>
TOTAL LIABILITIES	<u>135,684</u>	<u>128,266</u>
 FUND BALANCE	 <u>93,371</u>	 <u>72,190</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 229,055</u>	 <u>\$ 200,456</u>

¹The 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.

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, 2019 and 2018

(Dollars in thousands)

	<u>April 2019</u>	<u>Year-to-Date April 2019</u>	<u>Year-to-Date April 2018</u>
REVENUES			
Operating fees	\$ 11,479	\$ 45,914	\$ 43,388
Interest	206	635	361
Other	73	341	399
Total Revenues	<u>11,758</u>	<u>46,890</u>	<u>44,148</u>
EXPENSES, NET¹			
Employee wages and benefits	7,139	28,009	27,103
Travel	795	2,352	2,316
Rent, communications, and utilities	11	727	571
Contracted services	265	4,272	3,608
Depreciation and amortization	194	830	670
Administrative	361	1,393	1,036
Total Expenses, Net	<u>8,765</u>	<u>37,583</u>	<u>35,304</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,993	9,307	8,844
FUND BALANCE—Beginning of period	<u>90,378</u>	<u>84,064</u>	<u>63,346</u>
FUND BALANCE—End of period	<u>\$ 93,371</u>	<u>\$ 93,371</u>	<u>\$ 72,190</u>

¹Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 60.5% and 61.5% for 2019 and 2018, 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 April 30, 2019 and 2018

(Dollars in thousands)

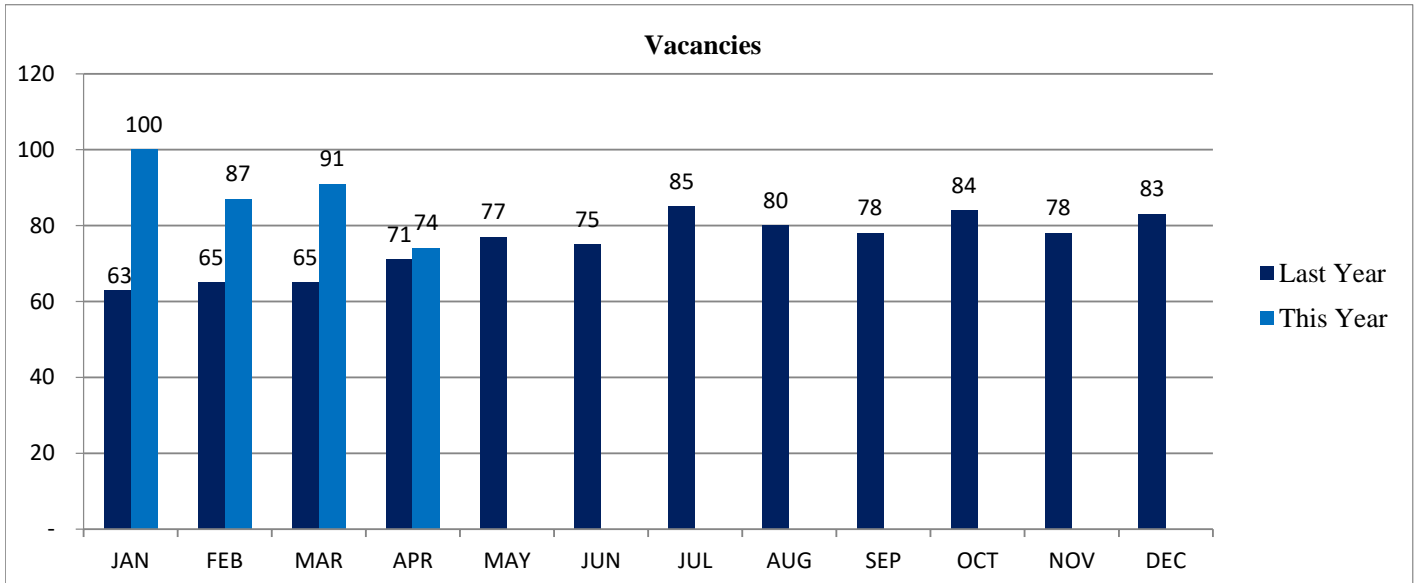
	<u>April 2019</u>	<u>Year-to-Date April 2019</u>	<u>Year-to-Date April 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses	\$ 2,993	\$ 9,307	\$ 8,844
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	492	2,102	1,741
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	1,924	3,924	5,021
Employee advances	-	295	10
Other accounts receivable, net	135,125	(2,147)	(3,286)
Prepaid expenses and other assets	(783)	(4,279)	(1,200)
(Decrease) increase in liabilities:			
Accounts payable	(3,542)	(7,337)	(4,559)
Accrued wages and benefits	1,688	(672)	(435)
Deferred revenue	(11,488)	91,818	86,775
Accrued annual leave	303	941	850
Accrued employee travel	-	(619)	(607)
Net Cash Provided by Operating Activities	<u>126,712</u>	<u>93,333</u>	<u>93,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	<u>(435)</u>	<u>(3,730)</u>	<u>(497)</u>
Net Cash Used by Investing Activities	<u>(435)</u>	<u>(3,730)</u>	<u>(497)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(447)	(447)
Principal payments under capital lease obligations	<u>-</u>	<u>(531)</u>	<u>(22)</u>
Net Cash Used in Financing Activities	<u>(112)</u>	<u>(978)</u>	<u>(469)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	126,165	88,625	92,188
CASH AND CASH EQUIVALENTS—Beginning of period	<u>54,582</u>	<u>92,122</u>	<u>69,764</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 180,747</u>	<u>\$ 180,747</u>	<u>\$ 161,952</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 10</u>	<u>\$ 40</u>	<u>\$ 40</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

April 30, 2019



	Apr 2019	Apr 2018
Fund Balance / Total assets	40.76%	36.01%
YTD interest income to average investments (annualized)	1.53%	0.99%
Annualized travel spend per employee	\$ 16,176	\$ 16,156
Net year to date cash inflow (outflow) in millions of dollars	\$88.6	\$92.2
Cash and overnight investments / Total assets	78.91%	80.79%
Overhead transfer rate	60.50%	61.50%

The balances in the supplement above are preliminary and unaudited.