

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

April 30, 2020

A handwritten signature in black ink, appearing to read 'Eugene H. Schied', is positioned above the name of the signatory.

**EUGENE H. SCHIED
ACTING CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
APRIL 30, 2020**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$178.8 million. The balance increased by \$114.0 million for the month 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 2021.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. The balance decreased by \$27 thousand for the month.

Other accounts receivable, net had a month-end balance of approximately \$22.5 million. Its balance decreased by approximately \$123.2 million from prior month primarily due to the collection of annual operating fees. The operating fees were invoiced in March and were due in April 2020.

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

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.

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 \$3.0 million for the month. Operating fees reflects one-twelfth of the 2020 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 61.3 percent of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position increased \$114.0 million from prior month. In the current month, \$117.2 million was provided by operating activities and \$3.2 million was used in investing activities. Principal payments on the National Credit Union Share Insurance Fund note payable totaled \$111 thousand.

Other Information

The Agency had 54 vacancies as of month-end. Of the 54 vacancies, 54 were in the regions and Asset Management and Assistance Center (AMAC). The 54 vacancies represent 4.6 percent of total authorized staff of 1,185. Annualized travel spend per employee is \$12.1 thousand.

NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND
BALANCE SHEETS
As of April 30, 2020 and 2019
(Dollars in thousands)

	April 2020	April 2019
ASSETS		
Cash and cash equivalents	\$ 178,812	\$ 180,747
Due from National Credit Union Share Insurance Fund	98	99
Employee advances	16	48
Other accounts receivable, Net	22,508	2,577
Prepaid expenses and other assets	5,349	6,957
Fixed assets - Net of accumulated depreciation of \$36,079 and \$39,685 as of April 30, 2020 and April 30, 2019, respectively	30,938	28,165
Intangible assets - Net of accumulated amortization of \$21,400 and \$18,517 as of April 30, 2020 and April 30, 2019, respectively	24,150	10,462
TOTAL ASSETS	\$ 261,871	\$ 229,055
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 7,104	\$ 2,937
Obligations under capital leases	706	1,182
Accrued wages and benefits	16,469	14,105
Deferred revenue ¹	97,061	91,818
Accrued annual leave	19,804	19,720
Note payable to National Credit Union Share Insurance Fund	4,582	5,922
TOTAL LIABILITIES	145,726	135,684
 FUND BALANCE	 116,145	 93,371
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 261,871	 \$ 229,055

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, 2020 and 2019

(Dollars in thousands)

	<u>April 2020</u>	<u>Year-to-Date April 2020</u>	<u>Year-to-Date April 2019</u>
REVENUES			
Operating fees	\$ 12,133	\$ 48,531	\$ 45,914
Interest	11	254	635
Other	49	336	341
Total Revenues	<u>12,193</u>	<u>49,121</u>	<u>46,890</u>
EXPENSES, NET¹			
Employee wages and benefits	7,281	29,367	28,009
Travel	155	1,767	2,352
Rent, communications, and utilities	192	731	727
Contracted services	1,430	5,324	4,272
Depreciation and amortization	234	940	830
Administrative	(76)	798	1,393
Total Expenses, Net	<u>9,216</u>	<u>38,927</u>	<u>37,583</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,977	10,194	9,307
FUND BALANCE—Beginning of period	<u>113,168</u>	<u>105,951</u>	<u>84,064</u>
FUND BALANCE—End of period	<u>\$ 116,145</u>	<u>\$ 116,145</u>	<u>\$ 93,371</u>

¹Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 61.3% and 60.5% for 2020 and 2019, 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, 2020 and 2019

(Dollars in thousands)

	April 2020	Year-to-Date April 2020	Year-to-Date April 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 2,977	\$ 10,194	\$ 9,307
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	603	2,428	2,102
(Gain) Provision for loss on disposal of assets held for sale	-	(11)	
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	27	2,211	3,924
Employee advances	-	(9)	295
Other accounts receivable, net	123,169	(22,147)	(2,147)
Prepaid expenses and other assets	(1,090)	(1,335)	(4,279)
(Decrease) increase in liabilities:			
Accounts payable	1,889	(2,198)	(7,337)
Accrued wages and benefits	1,804	1,998	(672)
Deferred revenue	(12,134)	97,061	91,818
Accrued annual leave	-	859	941
Accrued employee travel	-	(708)	(619)
Net Cash (Used)/Provided by Operating Activities	117,245	88,343	93,333
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(3,177)	(3,441)	(3,730)
Proceeds from sale of assets held for sale	-	434	-
Net Cash Used in Investing Activities	(3,177)	(3,007)	(3,730)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	(111)	(446)	(447)
Principal payments under capital lease obligations	-	(570)	(531)
Net Cash Used in Financing Activities	(111)	(1,016)	(978)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	113,957	84,320	88,625
CASH AND CASH EQUIVALENTS—Beginning of period	64,855	94,492	92,122
CASH AND CASH EQUIVALENTS—End of period	\$ 178,812	\$ 178,812	\$ 180,747
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	\$ -	\$ 83	\$ -
CASH PAYMENTS FOR INTEREST	\$ 6	\$ 29	\$ 40

The balances in the statement above are preliminary and unaudited.