

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 28, 2021

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name of the Chief Financial Officer.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
FEBRUARY 28, 2021**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$96 million. The balance decreased by \$8.7 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 \$20 thousand for the month.

Other accounts receivable, net had a month-end balance of approximately \$21 million. Its balance increased by approximately \$10.5 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 \$140 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 \$1.5 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 \$8.7 million from prior month. In the current month, \$8.5 million was used in operating activities and \$222 thousand was used in investing activities. There were 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 February 28, 2021 and February 29, 2020

(Dollars in thousands)

	February 2021	February 2020
ASSETS		
Cash and cash equivalents	\$ 96,010	\$ 74,533
Due from National Credit Union Share Insurance Fund	100	121
Employee advances	16	7
Other accounts receivable, Net	21,018	24,388
Prepaid expenses and other assets	5,094	4,970
Fixed assets - Net of accumulated depreciation of \$39,414 and \$35,379 as of February 28, 2021 and February 29, 2020, respectively	27,801	30,722
Intangible assets - Net of accumulated amortization of \$24,959 and \$20,928 as of February 28, 2021 and February 29, 2020, respectively	34,041	21,838
TOTAL ASSETS	\$ 184,080	\$ 156,579
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 8,623	\$ 8,125
Obligations under capital leases	89	724
Accrued wages and benefits	8,825	8,637
Accrued FECA and unemployment benefits	154	169
Accrued actuarial FECA benefits	4,381	4,276
Accrued annual leave	22,338	18,945
Note payable to National Credit Union Share Insurance Fund	-	4,805
TOTAL LIABILITIES	44,410	45,681
 FUND BALANCE	 139,670	 110,898
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 184,080	 \$ 156,579

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 February 28, 2021 and February 29, 2020

(Dollars in thousands)

	February 2021	Year-to-Date February 2021	Year-to-Date February 2020
REVENUES			
Operating fees	\$ 10,430	\$ 20,860	\$ 24,149
Interest	3	10	212
Other	33	37	166
Total Revenues	10,466	20,907	24,527
 EXPENSES, NET¹			
Employee wages and benefits	6,687	13,999	14,544
Travel	18	27	890
Rent, communications, and utilities	234	376	382
Contracted services	1,583	2,339	2,506
Depreciation and amortization	302	604	477
Administrative	97	186	781
Total Expenses, Net	8,921	17,531	19,580
 EXCESS OF REVENUES OVER / (UNDER) EXPENSES			
	1,545	3,376	4,947
 FUND BALANCE—Beginning of period			
	138,125	136,294	105,951
 FUND BALANCE—End of period			
	\$ 139,670	\$ 139,670	\$ 110,898

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 February 28, 2021 and February 29, 2020

(Dollars in thousands)

	February 2021	Year-to-Date February 2021	Year-to-Date February 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 1,545	\$ 3,376	\$ 4,947
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	797	1,594	1,233
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	20	3,162	2,188
Employee advances	-	-	-
Other accounts receivable, net	(10,468)	(20,703)	(24,027)
Prepaid expenses and other assets	(547)	(1,060)	(956)
(Decrease) increase in liabilities:			
Accounts payable	140	534	(1,177)
Accrued wages and benefits	(12)	(1,764)	(1,389)
Accrued employee travel	(1)	(82)	(708)
Net Cash Used in Operating Activities	(8,526)	(14,943)	(19,900)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(222)	(434)	282
Proceeds from sale of assets held for sale	-	-	434
Net Cash Used in Investing Activities	(222)	(434)	716
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(223)
Principal payments under capital lease obligations	-	-	(552)
Net Cash Used in Financing Activities	-	-	(775)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,748)	(15,377)	(19,959)
CASH AND CASH EQUIVALENTS—Beginning of period	104,758	111,387	94,492
CASH AND CASH EQUIVALENTS—End of period	\$ 96,010	\$ 96,010	\$ 74,533
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	\$ -	\$ -	\$ 83
CASH PAYMENTS FOR INTEREST	\$ -	\$ -	\$ 15

The balances in the statement above are preliminary and unaudited.