

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 28, 2023

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EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

MANAGEMENT OVERVIEW

February 28, 2023

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$109.9 million. The balance decreased by \$8.1 million for the month primarily due to 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 2023, at which time the Fund will collect the 2023 operating fees from its credit union members.

Other accounts receivable, net had a month-end balance of \$19.7 million. Its balance increased by \$9.8 million from prior month.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$2.1 million 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 \$157.1 thousand for the month. Operating fee revenue reflects one-twelfth of the 2023 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 decreased \$8.1 million from prior month. In the current month, \$8.0 million was used in operating activities, \$103.3 thousand was used in investing activities, and there were no financing activities.

Other Information

The Agency had 59 vacancies as of month-end, which represents 4.9 percent of the total authorized staff of 1,219. Of the 59 vacancies, there were 3 vacancies under authorized positions in the central office and 56 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 February 28, 2023 and 2022
(Dollars in thousands)**

	<u>February 2023</u>	<u>February 2022</u>
ASSETS		
Cash and cash equivalents	\$ 109,912	\$ 114,745
Due from National Credit Union Share Insurance Fund	-	19
Employee advances	-	5
Other accounts receivable, net	19,662	20,867
Prepaid expenses and other assets	6,546	5,436
Operating lease right-of-use assets ³	308	-
Fixed assets ¹	33,384	30,532
Intangible assets ²	25,685	30,330
TOTAL ASSETS	<u>\$ 195,497</u>	<u>\$ 201,934</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$24,165	\$20,118
Finance lease liabilities	160	26
Operating lease liabilities ³	325	-
Accrued wages and benefits	11,909	9,982
Accrued FECA and unemployment benefits	184	175
Accrued actuarial FECA benefits	3,283	3,999
Accrued annual leave	23,112	22,149
TOTAL LIABILITIES	<u>63,138</u>	<u>56,449</u>
FUND BALANCE	<u>132,359</u>	<u>145,485</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 195,497</u>	<u>\$ 201,934</u>

¹ Net of accumulated depreciation of \$41,081 and \$40,798 as of February 28, 2023 and 2022, respectively.

² Net of accumulated amortization of \$31,307 and \$30,753 as of February 28, 2023 and 2022, respectively.

³ The implementation of ASC 842, as of January 1, 2022, was reflected in the March 2022 Operating Fund Financial Highlights.

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, 2023 and 2022
(Dollars in thousands)

	February 2023	Year-to-Date February 2023	Year-to-Date February 2022
REVENUES			
Operating fees	\$ 9,690	\$ 19,380	\$ 20,649
Interest	363	770	8
Other	27	60	59
Total Revenues	<u>10,080</u>	<u>20,210</u>	<u>20,716</u>
EXPENSES, NET ¹			
Employee wages and benefits	7,523	16,319	14,430
Travel	328	385	25
Rent, communications, and utilities	177	277	204
Contracted services	1,343	3,048	3,320
Depreciation and amortization	292	585	612
Administrative	260	376	209
Total Expenses, Net	<u>9,923</u>	<u>20,990</u>	<u>18,800</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	157	(780)	1,916
FUND BALANCE—Beginning of period	<u>132,202</u>	<u>133,139</u>	<u>143,569</u>
FUND BALANCE—End of period	<u>\$ 132,359</u>	<u>\$ 132,359</u>	<u>\$ 145,485</u>

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 February 28, 2023 and 2022
(Dollars in thousands)**

	February 2023	Year-to-Date February 2023	Year-to-Date February 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenues over (under) expenses	\$ 157	\$ (780)	\$ 1,916
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities before allocation to the NCUSIF:			
Depreciation and amortization	769	1,541	1,617
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	9	19	4,899
Other accounts receivable, net	(9,810)	(19,309)	(20,568)
Prepaid expenses and other assets	(1,023)	(1,875)	(1,545)
(Decrease) increase in liabilities			
Accounts payable	2,142	3,565	2,818
Accrued wages and benefits	(287)	263	(2,362)
Accrued employee travel	-	(250)	(93)
Net Cash Provided by/(Used in) Operating Activities	<u>(8,043)</u>	<u>(16,826)</u>	<u>(13,318)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed and intangible assets	(103)	(273)	(1,552)
Net Cash Provided by/(Used in) Investing Activities	<u>(103)</u>	<u>(273)</u>	<u>(1,552)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Cash Provided by/(Used in) Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,146)	(17,099)	(14,870)
CASH AND CASH EQUIVALENTS—Beginning of period	118,058	127,011	129,615
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 109,912</u>	<u>\$ 109,912</u>	<u>\$ 114,745</u>

The balances in the statement above are preliminary and unaudited.