NCUA
National Credit Union Administration

Office of Inspector General

OIG-26-11

Audit of NCUA's Schedule of Accounts Receivable, Net (Other than Intragovernmental) and Other Taxes and Receipts as of and for the Period Ended September 30, 2026

November 13, 2026

OFFICE OF INSPECTOR GENERAL
November 13, 2026

The Honorable John Crews, Board Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Dear Chairman Crews:

I am pleased to transmit KPMG LLP's (KPMG) Independent Auditors' Report on its audit of National Credit Union Administration's (NCUA's) schedule of accounts receivable, net (other than intragovernmental), and other taxes and receipts as of and for the period ended September 30, 2026, and the related notes (hereinafter referred to as the "schedule"). NCUA prepared the schedule in accordance with the format and content guidance provided in Office of Management and Budget (OMB) Circular No. A-136, Revised, *Financial Reporting Requirements*, and provided it for the audit.

Under a contract monitored by the Office of Inspector General (OIG), KPMG conducted the audit in accordance with U.S. generally accepted auditing standards and OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Those standards and the OMB bulletin required KPMG to plan and perform the audit to obtain reasonable assurance about whether the schedule was free from material misstatement.

KPMG prepared the audit report for the purpose of providing financial information to the U.S. Department of the Treasury and the U.S. Government Accountability Office to use in preparing and auditing the *Financial Report of the U.S. Government*. The report includes: (1) an opinion on the schedule, (2) consideration of internal control over financial reporting related to the schedule, and (3) compliance and other matters specific to the schedule. In its audit, KPMG reported:

- The schedule is presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles.
- KPMG considered internal control over financial reporting related to the schedule but not for the purpose of expressing an opinion on the effectiveness of NCUA's internal control over financial reporting or testing all internal controls relevant to the Federal

Managers' Financial Integrity Act of 1982. KPMG did not identify any deficiencies in internal control considered to be material weaknesses during the audit.[1]

- KPMG did not express an opinion on compliance with provisions of laws, regulations, contracts, and grant agreements, because it was not an objective of the audit. However, some tests were performed of NCUA's compliance with certain provisions of laws, regulations, contracts, and grant agreements, because noncompliance could have a direct and material effect on the schedule. Results of these tests disclosed no instances of noncompliance or other matters required to be reported under auditing standards or OMB 24-02.

To ensure the quality of the audit work performed, we reviewed KPMG's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on NCUA's schedule, conclusions about the effectiveness of internal control over financial reporting related to the schedule, or conclusions on compliance with laws and regulations as they relate to the schedule. KPMG is responsible for the attached Independent Auditors' Report dated November 13, 2026, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

We would like to extend our thanks to NCUA management and staff involved in issuing the schedule within the established milestones. In addition, we appreciate the professionalism, courtesy, and cooperation extended to KPMG and the OIG throughout the audit and our oversight of the audit process.

Respectfully,



Marta Erceg
Acting Inspector General

cc:

Chairman John Crews
Executive Director Larry Fazio
Acting Chief of Staff Nathan Kreoger
Acting Deputy Executive Director Kelly Lay
General Counsel Frank Kressman

[1] A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Office of External Affairs and Outreach Director Sierra Robinson
Acting Chief Information Officer Amber Gravius
Acting Deputy Chief Information Officer David Matheu
Acting Examination & Insurance Director Amanda Parkhill
Acting Chief Financial Officer Melissa Lowden
Office of Human Resources Director Joe Hannah
Acting Senior Agency Official for Privacy Nina DiPadova

Attachment

OIG-26-11
National Credit Union Administration

Schedule of Accounts Receivable, Net (Other than Intragovernmental) and Other Taxes and Receipts
As of and for the Period Ended September 30, 2026, and
Independent Auditors' Report

NATIONAL CREDIT UNION ADMINISTRATION

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
SCHEDULE OF ACCOUNTS RECEIVABLE, NET (OTHER THAN INTRAGOVERNMENTAL) AND OTHER TAXES AND RECEIPTS	4
NOTES TO THE SCHEDULE	5-7

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Acting Inspector General, National Credit Union Administration
and National Credit Union Administration Board:

Report on the Audit of the Schedule

Opinion

We have audited the schedule of accounts receivable, net (other than intragovernmental) of National Credit Union Administration (NCUA) as of September 30, 2026, and other taxes and receipts for the period then ended, and the related notes (the schedule).

In our opinion, the accompanying schedule presents fairly, in all material respects, the accounts receivable, net (other than intragovernmental) of NCUA as of September 30, 2026, and other taxes and receipts for the period then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of NCUA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 1 to the schedule, which describes that the accompanying schedule was prepared for the purpose of providing financial information to the U.S. Department of Treasury and the U.S. Government Accountability Office (GAO) to use in preparing and auditing the *Financial Report of the U.S. Government*, and is not intended to be a complete presentation of NCUA's assets, liabilities, revenues, or expenses as of and for the period ended September 30, 2026. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCUA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the schedule as of and for the period ended September 30, 2026, we considered NCUA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule, but not for the purpose of expressing an opinion on the effectiveness of NCUA's internal control. Accordingly, we do not express an opinion on the effectiveness of NCUA's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982.*

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCUA's schedule as of and for the period ended September 30, 2026 is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NCUA's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
November 13, 2026

NATIONAL CREDIT UNION ADMINISTRATION

Schedule of Accounts Receivable, Net (Other than Intragovernmental) and Other Taxes and Receipts
As of and for the Period Ended September 30, 2026

		2026
Accounts Receivable, Net (Other than Intragovernmental) (Note 2)	$	484,075,600
Other Taxes and Receipts (Note 3)		865,423,062

The accompanying notes are an integral part of this schedule.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The National Credit Union Administration (NCUA) is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the United States (U.S.) Government, NCUA operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of approximately 147.5 million account holders in all federal credit unions and the majority of state-chartered credit unions. For purposes of NCUA's annual submission into the *Financial Report of the United States Government* (Financial Report), NCUA combined the NCUSIF, the Central Liquidity Facility (CLF), the Community Development Revolving Loan Fund (CDRLF), and the Operating Fund for purposes of the Schedule of Accounts Receivable, Net (Other than Intragovernmental) and Other Taxes and Receipts.

Basis of Presentation

In accordance with the Treasury Financial Manual (TFM), Volume 1, Part 2, Chapter 4700, Federal Entity Reporting Requirements for the Financial Report of the U.S. Government, Significant Entities are required to submit audited financial statements on an annual basis. A Significant Entity is an entity which is deemed material to the Financial Report if they report any financial statement line items or note disclosures that are equal to or greater than $5 billion. A calendar year-end entity's financial statement line items or note disclosures that contribute to the top 99% of the total data (95% for liabilities) are considered material to the Financial Report. For calendar year-end entities, audit assurance is required for the financial statement line items or note disclosures that are identified as material by the Department of the Treasury (Treasury) and the Government Accountability Office (GAO). The Schedule and related notes herein are not intended to represent the financial statements of NCUA's funds, nor be a complete presentation of NCUA's assets, liabilities, revenues, or expenses. Line items presented are derived from the submission requirements to the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).

The Schedule has been prepared from NCUA's accounting records in accordance with the Federal Accounting Standards Advisory Board (FASAB) Statements of Federal Financial Accounting Standards (SFFAS) and the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The American Institute of Certified Public Accountants recognizes FASAB as the official accounting standards-setting body of the Federal Government.

The NCUSIF prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), based on standards issued by FASAB. FASAB is the standards setting body for the establishment of GAAP with respect to the financial statements of federal entities. FASAB has indicated that financial statements prepared based upon standards promulgated by FASB may also be regarded as in accordance with GAAP for federal entities that have issued financial statements based upon FASB

standards in the past. The CLF, CDRLF, and Operating Fund prepare its financial statements in accordance with GAAP, based on standards issued by FASB, the private sector standards setting body.

Consistent with SFFAS No. 34, *The Hierarchy of Generally Accepted Accounting Principles Including the Application of Standards Issued by the Financial Accounting Standards Board*, NCUA considers and, where appropriate, applies FASB guidance for those instances where no applicable FASAB guidance is available. Any such significant instances are identified herein.

Basis of Accounting
NCUA maintains its accounting records for all funds in accordance with the accrual basis of accounting to record line items presented on the Schedule.

Accounts Receivable, Net (Other than Intragovernmental)
Accounts Receivable, Net represents NCUA's claims for payment from other entities, reduced to net realizable value by an allowance for doubtful accounts.

Other Taxes and Receipts
National Credit Union Share Insurance Fund Capitalization Deposits
The *Credit Union Membership Access Act of 1998*, Public Law 105–219 (CUMAA), mandates that the amount of each insured credit union's deposit is adjusted as follows, in accordance with procedures determined by the NCUA Board, to reflect changes in the credit union's insured shares: (i) annually, in the case of an insured credit union with total assets of less than $50.0 million; and (ii) semi-annually, in the case of an insured credit union with total assets of $50.0 million or more. The annual and semi-annual adjustments are based on insured member share deposits outstanding as of December 31 of the preceding year and June 30 of the current year, respectively. Each insured credit union shall pay to and maintain with the NCUSIF a capitalization deposit in an amount equaling 1.00% of the credit union's insured shares. The NCUSIF reports the capitalization deposits from member credit unions as contributed capital when received. The 1.00% contribution is returned to the insured credit union in the event that its insurance coverage is terminated, or is obtained from another source, or the operations of the NCUSIF are transferred from the NCUA Board.

Central Liquidity Facility Capital Stock
Membership in the CLF is open to all credit unions that purchase a prescribed amount of capital stock. The CLF capital stock is non-voting and shares have a par value of $50. The capital stock account represents subscriptions remitted to the CLF by regular and agent member credit unions. Members' required subscription amounts equal one-half of one percent of their paid-in and unimpaired capital and surplus, one-half of which is required to be remitted to the CLF. Member credit unions are required to hold the remaining one-half in assets subject to call by the NCUA Board. These unremitted subscriptions are not reflected in the CLF's financial statements. Subscriptions are adjusted annually to reflect changes in the member credit unions' paid-in and unimpaired capital and surplus. Dividends are non-cumulative, and are declared and paid on the required portion of capital stock.

2. ACCOUNTS RECEIVABLE, NET (OTHER THAN INTRAGOVERNMENTAL)

The NCUSIF accounts receivable represents payments due to the NCUSIF from non-federal entities. The OF accounts receivable includes amounts due from vendors, payroll and employee debt collections, and any allowance for loss on receivables billed.

Fund	Description	FY2026
NCUSIF	Accounts Receivable from Non-Federal Entities	$483,995,993
OF	Accounts Receivable	79,607
Accounts Receivable, Net (Other than Intragovernmental)		$484,075,600

3. OTHER TAXES AND RECEIPTS

The NCUSIF contributed capital consists of the 1.00% capitalization deposit of insured shares collected from federally insured credit unions. The CLF capital stock account represents subscriptions remitted to the CLF by regular and agent member credit unions. The CDRLF loan interest is to be paid on a semiannual basis beginning six months after the initial distribution of the loan and every six months thereafter until maturity, and interest on loans is recognized when earned.

Fund	Description	FY2026 Activity
NCUSIF	Contributed Capital	$798,114,499
CLF	Capital Stock	67,251,461
CDRLF	Loan Interest	57,102
Other Taxes and Receipts		$865,423,062

4. CONTINGENCIES

NCUA operates and manages the NCUSIF, insuring the deposits of approximately 147.5 million account holders in all federal credit unions and the majority of state-chartered credit unions. Deposits insured by the NCUSIF are backed by the full faith and credit of the United States. As of September 30, 2026, the aggregate outstanding insured shares of all federally insured credit unions were estimated at $1.9 trillion. This amount represents the maximum potential future guarantee payments that the NCUSIF could be required to make under the share insurance program, without consideration of any possible recoveries.