

OPERATING FUND



**PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
January 31, 2023**

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is displayed on a light gray background.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

MANAGEMENT OVERVIEW

January 31, 2023

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$118.1 million. The balance decreased by \$9.0 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.

Amount due from National Credit Union Share Insurance Fund of \$9.3 thousand represents the receivable for expenses paid by the Operating Fund.

Other accounts receivable, net had a month-end balance of \$9.9 million. Its balance increased by \$9.5 million from prior month.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$1.4 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

Expenses in excess of revenues totaled \$937.3 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 \$9.0 million from prior month. In the current month, \$8.8 million was used in operating activities, \$169.9 thousand was used in investing activities, and there were no financing activities.

Other Information

The Agency had 77 vacancies as of month-end, which represents 6.3 percent of the total authorized staff of 1,219. Of the 77 vacancies, there were 4 vacancies under authorized positions in the central office and 73 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 January 31, 2023 and 2022
(Dollars in thousands)**

	<u>January 2023</u>	<u>January 2022</u>
ASSETS		
Cash and cash equivalents	\$118,058	\$122,576
Due from National Credit Union Share Insurance Fund	9	23
Employee advances	-	5
Other accounts receivable, net	9,852	10,501
Prepaid expenses and other assets	5,523	4,614
Operating lease right-of-use assets ³	308	-
Fixed assets ¹	33,687	28,973
Intangible assets ²	26,048	30,675
TOTAL ASSETS	<u>\$193,485</u>	<u>\$197,367</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$22,023	\$17,377
Finance lease liabilities	160	26
Operating lease liabilities ³	325	-
Accrued wages and benefits	12,196	9,942
Accrued FECA and unemployment benefits	184	175
Accrued actuarial FECA benefits	3,283	3,999
Accrued annual leave	23,112	22,148
TOTAL LIABILITIES	<u>61,283</u>	<u>53,668</u>
FUND BALANCE	<u>132,202</u>	<u>143,699</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$193,485</u>	<u>\$197,367</u>

¹ Net of accumulated depreciation of \$40,766 and \$40,476 as of January 31, 2023 and 2022, respectively.

² Net of accumulated amortization of \$30,853 and \$30,268 as of January 31, 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 January 31, 2023 and 2022

(Dollars in thousands)

	January 2023	Year-to-Date January 2023	Year-to-Date January 2022
REVENUES			
Operating fees	\$9,690	\$9,690	\$10,325
Interest	408	408	5
Other	33	33	33
Total Revenues	<u>10,131</u>	<u>10,131</u>	<u>10,363</u>
EXPENSES, NET ¹			
Employee wages and benefits	8,797	8,797	7,571
Travel	57	57	9
Rent, communications, and utilities	100	100	68
Contracted services	1,705	1,705	2,139
Depreciation and amortization	293	293	306
Administrative	116	116	140
Total Expenses, Net	<u>11,068</u>	<u>11,068</u>	<u>10,233</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	(937)	(937)	130
FUND BALANCE—Beginning of period	<u>133,139</u>	<u>133,139</u>	<u>143,569</u>
FUND BALANCE—End of period	<u><u>\$132,202</u></u>	<u><u>\$132,202</u></u>	<u><u>\$143,699</u></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 January 31, 2023 and 2022
(Dollars in thousands)

	January 2023	Year-to-Date January 2023	Year-to-Date January 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ (937)	\$ (937)	\$ 130
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities before allocation to the NCUSIF:			
Depreciation and amortization	772	772	809
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	10	10	4,894
Other accounts receivable, net	(9,498)	(9,498)	(10,202)
Prepaid expenses and other assets	(853)	(853)	(723)
(Decrease) increase in liabilities			
Accounts payable	1,423	1,423	77
Accrued wages and benefits	550	550	(2,402)
Accrued employee travel	(250)	(250)	(93)
Net Cash Provided by/(Used in) Operating Activities	(8,783)	(8,783)	(7,510)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed and intangible assets	(170)	(170)	471
Net Cash Provided by/(Used in) Investing Activities	(170)	(170)	471
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Cash Provided by/(Used in) Financing Activities	-	-	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,953)	(8,953)	(7,039)
CASH AND CASH EQUIVALENTS—Beginning of period	127,011	127,011	129,615
CASH AND CASH EQUIVALENTS—End of period	118,058	118,058	122,576

The balances in the statement above are preliminary and unaudited.