OPERATING FUND

PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS
May 31, 2023

EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER
Balance Sheets
Cash and cash equivalents had a month-end balance of approximately $183.6 million. The balance decreased by $11.0 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 2024, at which time the Fund will collect the 2024 operating fees from its credit union members.

Amount due from National Credit Union Share Insurance Fund of $45.9 thousand represents the receivable for expenses paid by the Operating Fund.

Other accounts receivable, net had a month-end balance of $296.8 thousand. Its balance decreased by $1.8 million from prior month.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by $1.8 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 $1.4 million 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 $11.0 million from prior month. In the current month, $10.7 million was used in operating activities, $289.8 thousand was used in investing activities, and there were no financing activities.

Other Information
The Agency had 56 vacancies as of month-end, which represents 4.6 percent of the total authorized staff of 1,219. Of the 56 vacancies, there were 5 vacancies under authorized positions in the central office and 51 vacancies under the authorized positions in the regions and Asset Management and Assistance Center (AMAC).
The implementation of ASC 842, as of January 1, 2022, resulted in a balance sheet recognition of right-of-use assets in the amount of $715 thousand and operating lease liabilities of $744 thousand. The finance lease right-of-use asset is included within the Fixed assets line item in the amount of $20 thousand.

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 May 31, 2023 and 2022

(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>May 2023</th>
<th>Year-to-Date May 2023</th>
<th>Year-to-Date May 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating fees</td>
<td>$9,561</td>
<td>$47,804</td>
<td>$45,659</td>
</tr>
<tr>
<td>Interest</td>
<td>848</td>
<td>2,380</td>
<td>148</td>
</tr>
<tr>
<td>Other</td>
<td>21</td>
<td>159</td>
<td>158</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>10,430</td>
<td>50,343</td>
<td>45,965</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENSES, NET</strong> 1</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee wages and benefits</td>
<td>8,735</td>
<td>42,429</td>
<td>37,047</td>
</tr>
<tr>
<td>Travel</td>
<td>558</td>
<td>1,978</td>
<td>253</td>
</tr>
<tr>
<td>Rent, communications, and utilities</td>
<td>151</td>
<td>847</td>
<td>552</td>
</tr>
<tr>
<td>Contracted services</td>
<td>1,927</td>
<td>9,743</td>
<td>8,242</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>293</td>
<td>1,461</td>
<td>1,563</td>
</tr>
<tr>
<td>Administrative</td>
<td>143</td>
<td>735</td>
<td>604</td>
</tr>
<tr>
<td>Total Expenses, Net</td>
<td>11,807</td>
<td>57,193</td>
<td>48,261</td>
</tr>
</tbody>
</table>

| **EXCESS OF REVENUES OVER / (UNDER) EXPENSES** | |                       |                       |
|------------------------------------------------|------------------|-----------------------|
| (1,377)                                         | (6,850)          | (2,296)               |

| **FUND BALANCE—Beginning of period** | |                       |                       |
|-------------------------------------|------------------|-----------------------|
|                                     | 127,666          | 133,139               | 143,569               |

| **FUND BALANCE—End of period** | |                       |                       |
|--------------------------------|------------------|-----------------------|
| $                                | 126,289          | $126,289              | $141,273              |

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.
CASH FLOWS FROM OPERATING ACTIVITIES:

Excess of revenues over (under) expenses $ (1,377) $ (6,850) $ (2,296)

Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities before allocation to the NCUSIF:

Depreciation and amortization 774 3,854 4,127
Noncash operating lease expense 1 - 102 102

(Increase) decrease in assets:

Due from National Credit Union Share Insurance Fund (45) (27) 4,898
Employee advances - - 5
Other accounts receivable, net 1,830 57 58
Prepaid expenses and other assets (607) (4,085) (4,257)

(Decrease) increase in liabilities:

Accounts payable (1,756) 1,884 4,015
Operating lease liabilities 1 - (108) (104)
Accrued wages and benefits 17 (3,643) (3,255)
Accrued FECA and unemployment benefits - 64 61
Deferred revenue (9,561) 66,924 63,923
Accrued annual leave - 1,154 95
Accrued employee travel - (250) (93)

Net Cash Provided by/(Used in) Operating Activities (10,725) 59,076 67,279

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of fixed and intangible assets (290) (2,511) (5,086)

Net Cash Provided by/(Used in) Investing Activities (290) (2,511) (5,086)

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments under finance lease liabilities - (10) (3)

Net Cash Provided by/(Used in) Financing Activities - (10) (3)

NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS

194,581 56,555 62,190

CASH AND CASH EQUIVALENTS—Beginning of period

194,581 127,011 129,615

CASH AND CASH EQUIVALENTS—End of period $ 183,566 $ 183,566 $ 191,805

SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

Recognition of operating lease right-of-use assets $ - $ - $ 715
Retirement of fully depreciated assets $ - $ 302 $ 21

Acquisition of equipment under finance lease $ - $ (18) $ -

1 The implementation of ASC 842, as of January 1, 2022, resulted in quarterly amortization adjustments reflected in the statement of cash flows for operating lease right-of-use assets and related liabilities.

The balances in the statement above are preliminary and unaudited.