OPERATING FUND

PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
November 30, 2021

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NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND

MANAGEMENT OVERVIEW
NOVEMBER 30, 2021

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately $140.5 million. The balance decreased by $9.3 million for the month 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 2022.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. It had a month-end balance of $97 thousand.

Other accounts receivable, net had a month-end balance of approximately $208 thousand. Its balance increased $72 thousand from prior month primarily due to the receivable from the Central Liquidity Facility for administrative expenses paid by the Operating Fund and payroll receivable.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by $1.1 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 $1.1 million for the month. Operating fees reflect 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 $9.3 million from prior month. In the current month, $8.6 million was used in operating activities, $671 thousand was used in investing activities, and $28 thousand was used in financing activities.

Other Information

The NCUA had 42 vacancies as of month-end, which represents 3.5 percent of the total authorized staff of 1,199. Of the 42 vacancies, there were 4 vacancies under the authorized positions in the central office and 38 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 November 30, 2021 and 2020
(Dollars in thousands)

	November 2021	November 2020
ASSETS		
Cash and cash equivalents	$ 140,512	$ 126,857
Due from National Credit Union Share Insurance Fund	97	93
Employee advances	15	16
Other accounts receivable, Net	208	206
Prepaid expenses and other assets	5,755	5,856
Assets held for sale	-	-
Fixed assets - Net of accumulated depreciation of $41,376 and $38,410 as of November 30, 2021 and November 30, 2020, respectively	27,083	28,508
Intangible assets - Net of accumulated amortization of $29,303 and $22,739 as of November 30, 2021 and November 30, 2020, respectively	31,102	33,492
TOTAL ASSETS	$ 204,772	$ 195,028
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	$ 13,308	$ 8,782
Obligations under capital leases	31	108
Accrued wages and benefits	8,797	7,521
Accrued FECA and unemployment benefits	403	410
Accrued actuarial FECA benefits	3,999	4,381
Deferred revenue[1]	10,354	12,132
Accrued annual leave	25,144	21,097
Note payable to National Credit Union Share Insurance Fund	-	3,799
TOTAL LIABILITIES	62,036	58,230
FUND BALANCE	142,736	136,798
TOTAL LIABILITIES AND FUND BALANCE	$ 204,772	$ 195,028

[1]The Operating Fund recognizes operating fee revenue ratably over the calendar year. The deferred revenue is the remaining amount to be recognized over the remainder of the calendar year.

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 November 30, 2021 and 2020
(Dollars in thousands)

	November 2021	Year-to-Date November 2021	Year-to-Date November 2020
REVENUES			
Operating fees	$ 10,355	$ 113,898	$ 133,457
Interest	8	52	346
Other	44	428	481
Total Revenues	10,407	114,378	134,284
EXPENSES, NET[1]			
Employee wages and benefits	7,711	82,694	80,854
Travel	32	251	1,852
Rent, communications, and utilities	71	2,157	1,908
Contracted services	1,141	17,690	14,510
Depreciation and amortization	297	3,293	2,467
Administrative	102	1,851	1,846
Total Expenses, Net	9,354	107,936	103,437
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,053	6,442	30,847
FUND BALANCE—Beginning of period	141,683	136,294	105,951
FUND BALANCE—End of period	$ 142,736	$ 142,736	$ 136,798

[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 November 30, 2021 and 2020
(Dollars in thousands)

	November 2021	Year-to-Date November 2021	Year-to-Date November 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	$ 1,053	$ 6,442	$ 30,847
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	783	8,681	6,374
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	48	3,165	2,216
Employee advances	-	1	(9)
Other accounts receivable, net	(72)	107	155
Prepaid expenses and other assets	(699)	(1,721)	(1,842)
(Decrease) increase in liabilities:			
Accounts payable	(1,137)	5,219	(520)
Accrued wages and benefits	1,731	(1,792)	(2,505)
Accrued FECA and unemployment benefits	-	249	241
Accrued actuarial FECA benefits	-	(382)	105
Deferred revenue	(10,355)	10,354	12,132
Accrued annual leave	-	2,806	2,152
Accrued employee travel	-	(82)	(708)
Net Cash Provided by/(Used in) Operating Activities	(8,648)	33,047	48,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(671)	(3,864)	(14,299)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Provided by/(Used in) Investing Activities	(671)	(3,864)	(13,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(1,229)
Principal payments under capital lease obligations	(28)	(58)	(1,168)
Net Cash Provided by/(Used in) Financing Activities	(28)	(58)	(2,397)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(9,347)	29,125	32,365
CASH AND CASH EQUIVALENTS—Beginning of period	149,859	111,387	94,492
CASH AND CASH EQUIVALENTS—End of period	$ 140,512	$ 140,512	$ 126,857
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	$ -	$ -	$ 83
CASH PAYMENTS FOR INTEREST	$ -	$ -	$ 67

The balances in the statement above are preliminary and unaudited.