OPERATING FUND

PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
October 31, 2021

EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER

NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND

MANAGEMENT OVERVIEW
OCTOBER 31, 2021

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately $149.9 million. The balance decreased by $10.4 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

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 $145 thousand.

Other accounts receivable, net had a month-end balance of approximately $136 thousand. Its balance decreased $117 thousand from prior month primarily due to the quarterly payments from the Central Liquidity Facility to reimburse the Operating Fund for payroll, rent and administration costs.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by $3.3 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 $1.7 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 $10.4 million from prior month. In the current month, $9.9 million was used in operating activities, and $482 thousand was used in investing activities.There were no financing activities in the

Other Information

The NCUA had 39 vacancies as of month-end, which represents 3.3 percent of the total authorized staff of 1,199. Of the 39 vacancies, there were 2 vacancies under the authorized positions in the central office and 37 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 October 31, 2021 and 2020
(Dollars in thousands)

	October 2021	October 2020
ASSETS		
Cash and cash equivalents	$ 149,859	$ 133,382
Due from National Credit Union Share Insurance Fund	145	169
Employee advances	15	16
Other accounts receivable, Net	136	143
Prepaid expenses and other assets	5,056	5,497
Fixed assets - Net of accumulated depreciation of $41,117 and $38,060 as of October 31, 2021 and October 31, 2020, respectively	26,839	28,761
Intangible assets - Net of accumulated amortization of $28,780 and $22,555 as of October 31, 2021 and October 31, 2020, respectively	31,458	32,940
TOTAL ASSETS	$ 213,508	$ 200,908
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	$ 14,445	$ 6,963
Obligations under capital leases	59	108
Accrued wages and benefits	7,066	6,754
Accrued FECA and unemployment benefits	403	409
Accrued actuarial FECA benefits	3,999	4,381
Deferred revenue[1]	20,709	24,265
Accrued annual leave	25,144	21,097
Note payable to National Credit Union Share Insurance Fund	-	3,911
TOTAL LIABILITIES	71,825	67,888
FUND BALANCE	141,683	133,020
TOTAL LIABILITIES AND FUND BALANCE	$ 213,508	$ 200,908

[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 October 31, 2021 and 2020
(Dollars in thousands)

	October 2021	Year-to-Date October 2021	Year-to-Date October 2020
REVENUES			
Operating fees	$ 10,354	$ 103,543	$ 121,325
Interest	6	44	337
Other	24	384	452
Total Revenues	10,384	103,971	122,114
EXPENSES, NET[1]			
Employee wages and benefits	7,151	74,983	73,969
Travel	28	219	1,843
Rent, communications, and utilities	196	2,086	1,750
Contracted services	876	16,549	13,401
Depreciation and amortization	297	2,996	2,260
Administrative	129	1,749	1,822
Total Expenses, Net	8,677	98,582	95,045
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,707	5,389	27,069
FUND BALANCE—Beginning of period	139,976	136,294	105,951
FUND BALANCE—End of period	$ 141,683	$ 141,683	$ 133,020

[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 October 31, 2021 and 2020
(Dollars in thousands)

	October 2021	Year-to-Date October 2021	Year-to-Date October 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	$ 1,707	$ 5,389	$ 27,069
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	784	7,898	5,840
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	(47)	3,117	2,140
Employee advances	-	1	(9)
Other accounts receivable, net	117	179	218
Prepaid expenses and other assets	(332)	(1,022)	(1,483)
(Decrease) increase in liabilities:			
Accounts payable	3,326	6,356	(2,339)
Accrued wages and benefits	(5,071)	(3,523)	(3,272)
Accrued FECA and unemployment benefits	-	249	240
Accrued actuarial FECA benefits	-	(382)	105
Deferred revenue	(10,354)	20,709	24,265
Accrued annual leave	-	2,806	2,152
Accrued employee travel	-	(82)	(708)
Net Cash Provided by/(Used in) Operating Activities	(9,870)	41,695	54,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(482)	(3,193)	(13,466)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Provided by/(Used in) Investing Activities	(482)	(3,193)	(13,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(1,117)
Principal payments under capital lease obligations	-	(30)	(1,168)
Net Cash Provided by/(Used in) Financing Activities	-	(30)	(2,285)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(10,352)	38,472	38,890
CASH AND CASH EQUIVALENTS—Beginning of period	160,211	111,387	94,492
CASH AND CASH EQUIVALENTS—End of period	$ 149,859	$ 149,859	$ 133,382
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	$ -	$ -	$ 83
CASH PAYMENTS FOR INTEREST	$ -	$ -	$ 63

The balances in the statement above are preliminary and unaudited.