OPERATING FUND

PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
September 30, 2021

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NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND

MANAGEMENT OVERVIEW
SEPTEMBER 30, 2021

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately $160.2 million. The balance decreased by $8.8 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

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 $98 thousand.

Other accounts receivable, net had a month-end balance of approximately $253 thousand. Its balance increased $83 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 $1.7 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 $47 thousand 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 $8.8 million from prior month. In the current month, $7.8 million was used in operating activities, $1 million was used in investing activities, and $6 thousand was used in financing activities on capital lease obligations.

Other Information

The Agency had 50 vacancies as of month-end which represents 4.1 percent of the total authorized staff of 1,199. Of the 50 vacancies, there were 8 vacancies under the authorized positions in the central office and 42 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 September 30, 2021 and 2020
(Dollars in thousands)

	September 2021	September 2020
ASSETS		
Cash and cash equivalents	$ 160,211	$ 149,995
Due from National Credit Union Share Insurance Fund	98	96
Employee advances	15	16
Other accounts receivable, Net	253	479
Prepaid expenses and other assets	4,724	5,346
Fixed assets - Net of accumulated depreciation of $40,854 and $37,712 as of September 30, 2021 and September 30, 2020, respectively	26,901	29,109
Intangible assets - Net of accumulated amortization of $28,259 and $22,371 as of September 30, 2021 and September 30, 2020, respectively	31,698	31,363
TOTAL ASSETS	$ 223,900	$ 216,404
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	$ 11,119	$ 6,283
Obligations under capital leases	59	670
Accrued wages and benefits	12,137	13,054
Accrued FECA and unemployment benefits	403	409
Accrued actuarial FECA benefits	3,999	4,381
Deferred revenue[1]	31,063	36,397
Accrued annual leave	25,144	21,097
Accrued employee travel	-	61
Note payable to National Credit Union Share Insurance Fund	-	4,023
TOTAL LIABILITIES	83,924	86,375
FUND BALANCE	139,976	130,029
TOTAL LIABILITIES AND FUND BALANCE	$ 223,900	$ 216,404

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

	September 2021	Year-to-Date September 2021	Year-to-Date September 2020
REVENUES			
Operating fees	$ 10,354	$ 93,189	$ 109,192
Interest	7	38	326
Other	83	360	416
Total Revenues	10,444	93,587	109,934
EXPENSES, NET[1]			
Employee wages and benefits	6,679	67,832	66,626
Travel	37	191	1,836
Rent, communications, and utilities	298	1,890	1,669
Contracted services	2,825	15,673	12,181
Depreciation and amortization	328	2,699	2,054
Administrative	324	1,620	1,490
Total Expenses, Net	10,491	89,905	85,856
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	(47)	3,682	24,078
FUND BALANCE—Beginning of period	140,023	136,294	105,951
FUND BALANCE—End of period	$ 139,976	$ 139,976	$ 130,029

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

	September 2021	Year-to-Date September 2021	Year-to-Date September 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	$ (47)	$ 3,682	$ 24,078
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	862	7,114	5,308
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	1	3,164	2,213
Employee advances	-	1	(9)
Other accounts receivable, net	(83)	62	(118)
Prepaid expenses and other assets	2,405	(690)	(1,332)
(Decrease) increase in liabilities:			
Accounts payable	(1,740)	3,030	(3,019)
Accrued wages and benefits	1,654	1,548	3,028
Accrued FECA and unemployment benefits	92	249	240
Accrued actuarial FECA benefits	(382)	(382)	105
Deferred revenue	(10,354)	31,063	36,397
Accrued annual leave	(163)	2,806	2,152
Accrued employee travel	-	(82)	(647)
Net Cash Provided by/(Used in) Operating Activities	(7,755)	51,565	68,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(1,039)	(2,711)	(11,705)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Provided by/(Used in) Investing Activities	(1,039)	(2,711)	(11,271)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(1,005)
Principal payments under capital lease obligations	(6)	(30)	(606)
Net Cash Provided by/(Used in) Financing Activities	(6)	(30)	(1,611)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,800)	48,824	55,503
CASH AND CASH EQUIVALENTS—Beginning of period	169,011	111,387	94,492
CASH AND CASH EQUIVALENTS—End of period	$ 160,211	$ 160,211	$ 149,995
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	$ -	$ -	$ 83
CASH PAYMENTS FOR INTEREST	$ -	$ -	$ 58

The balances in the statement above are preliminary and unaudited.