

**OPERATING FUND**



**PRELIMINARY & UNAUDITED  
FINANCIAL HIGHLIGHTS  
November 30, 2023**

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name of the Chief Financial Officer.

**EUGENE H. SCHIED  
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**MANAGEMENT OVERVIEW**

**November 30, 2023**

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**Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$123.3 million. The balance decreased by \$13.4 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 \$27.3 thousand represents the receivable for expenses paid by the Operating Fund.

Other accounts receivable, net had a month-end balance of \$292.9 thousand. Its balance increased by \$127.3 thousand from prior month.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by \$1.6 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 \$1.3 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 \$13.4 million from prior month. In the current month, \$12.7 million was used in operating activities, \$646.6 thousand was used in investing activities, and there were no financing activities.

**Other Information**

The Agency had 29 vacancies as of month-end, which represents 2.4 percent of the total authorized staff of 1,225. Of the 29 vacancies, there was no vacancies under authorized positions in the central office and 29 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, 2023 and 2022  
(Dollars in thousands)**

	<b>November 2023</b>	<b>November 2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 123,258	\$ 133,137
Due from National Credit Union Share Insurance Fund	27	19
Other accounts receivable, net	293	216
Prepaid expenses and other assets	7,478	5,772
Operating lease right-of-use assets <sup>4</sup>	2,021	410
Fixed assets <sup>1</sup>	34,540	33,524
Intangible assets <sup>2</sup>	22,537	26,538
<b>TOTAL ASSETS</b>	<b>\$ 190,154</b>	<b>\$ 199,616</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued other liabilities	\$ 22,489	\$ 21,663
Finance lease liabilities	159	103
Operating lease liabilities <sup>4</sup>	2,021	432
Accrued wages and benefits	9,006	7,135
Accrued FECA and unemployment benefits	436	392
Accrued actuarial FECA benefits	3,664	3,283
Deferred revenue <sup>3</sup>	9,561	9,132
Accrued annual leave	24,965	23,451
<b>TOTAL LIABILITIES</b>	<b>72,301</b>	<b>65,591</b>
<b>FUND BALANCE</b>	<b>117,853</b>	<b>134,025</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 190,154</b>	<b>\$ 199,616</b>

<sup>1</sup> Net of accumulated depreciation of \$44,221 and \$40,256 as of November 30, 2023 and 2022, respectively.

<sup>2</sup> Net of accumulated amortization of \$35,220 and \$29,914 as of November 30, 2023 and 2022, respectively.

<sup>3</sup> 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.

<sup>4</sup> 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 November 30, 2023 and 2022  
(Dollars in thousands)**

	November 2023	Year-to-Date November 2023	Year-to-Date November 2022
<b>REVENUES</b>			
Operating fees	\$ 9,561	\$ 105,167	\$ 100,450
Interest	551	6,366	1,978
Other	57	379	380
Total Revenues	<u>10,169</u>	<u>111,912</u>	<u>102,808</u>
<b>EXPENSES, NET <sup>1</sup></b>			
Employee wages and benefits	8,431	93,685	82,017
Travel	616	5,653	1,732
Rent, communications, and utilities	132	1,919	1,644
Contracted services	1,873	20,850	22,316
Depreciation and amortization	329	3,377	3,336
Administrative	105	1,714	1,307
Total Expenses, Net	<u>11,486</u>	<u>127,198</u>	<u>112,352</u>
<b>EXCESS OF REVENUES OVER / (UNDER) EXPENSES</b>	(1,317)	(15,286)	(9,544)
<b>FUND BALANCE—Beginning of period</b>	<u>119,170</u>	<u>133,139</u>	<u>143,569</u>
<b>FUND BALANCE—End of period</b>	<u>\$ 117,853</u>	<u>\$ 117,853</u>	<u>\$ 134,025</u>

<sup>1</sup> 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 November 30, 2023 and 2022  
(Dollars in thousands)**

	November 2023	Year-to-Date November 2023	Year-to-Date November 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Excess of revenues over (under) expenses	\$ (1,317)	\$ (15,286)	\$ (9,544)
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities before allocation to the NCUSIF:			
Depreciation and amortization	872	8,923	8,793
Noncash operating lease expense <sup>1</sup>	-	308	304
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	(27)	(8)	4,899
Employee advances	-	-	5
Other accounts receivable, net	(127)	60	83
Prepaid expenses and other assets	195	(2,808)	(1,881)
(Decrease) increase in liabilities			
Accounts payable	(1,639)	1,888	4,394
Operating lease liabilities <sup>1</sup>	-	(325)	(312)
Accrued wages and benefits	(1,114)	(2,640)	(5,209)
Accrued FECA and unemployment benefits	-	253	217
Accrued actuarial FECA benefits	-	381	(716)
Deferred revenue	(9,561)	9,561	9,132
Accrued annual leave	-	1,853	1,302
Accrued employee travel	-	(250)	(93)
Net Cash Provided by/(Used in) Operating Activities	(12,718)	1,910	11,374
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of fixed and intangible assets	(647)	(5,631)	(7,831)
Net Cash Provided by/(Used in) Investing Activities	(647)	(5,631)	(7,831)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Principal payments under finance lease liabilities	-	(32)	(21)
Net Cash Provided by/(Used in) Financing Activities	-	(32)	(21)
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(13,365)	(3,753)	3,522
<b>CASH AND CASH EQUIVALENTS—Beginning of period</b>	136,623	127,011	129,615
<b>CASH AND CASH EQUIVALENTS—End of period</b>	\$ 123,258	\$ 123,258	\$ 133,137
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>			
Recognition of operating lease right-of-use assets	\$ -	\$ 2,021	\$ 715
Retirement of fully depreciated assets	\$ -	\$ 327	\$ 8,559
Acquisition of equipment under finance lease	\$ -	\$ (31)	\$ (99)

<sup>1</sup> 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.