

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

Audit Committee, Board of Directors and Credit Union Advisory Council –
National Association of State Credit Union Supervisors and
Trustees – National Institute for State Credit Union Examination
Arlington, Virginia

Opinion

We have audited the consolidated financial statements of National Association of State Credit Union Supervisors and National Institute for State Credit Union Examination, which comprise the consolidated statement of financial position as of December 31, 2025, the consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Association of State Credit Union Supervisors and National Institute for State Credit Union Examination as of December 31, 2025, and the results of their changes in net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Association of State Credit Union Supervisors and National Institute for State Credit Union Examination and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of State Credit Union Supervisors' and National Institute for State Credit Union Examination's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Association of State Credit Union Supervisors' and National Institute for State Credit Union Examination's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of State Credit Union Supervisors' and National Institute for State Credit Union Examination's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter – 2024 Consolidated Financial Statements

The 2024 consolidated financial statements were reviewed by us, and our report thereon, dated June 16, 2025, stated we were not aware of any material modifications that should be made to those consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the consolidated financial statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2025 consolidating schedules are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2024 consolidating schedules are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our review of the consolidated financial statements, and we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.



Burbank, California
May 21, 2026

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	(Audited) 2025	(Reviewed) 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,606,538	\$ 3,633,594
Certificates of deposit	425,603	410,759
Accounts receivable, net	191,216	98,528
Prepaid expenses	221,259	182,876
Total current assets	<u>4,444,616</u>	<u>4,325,757</u>
Noncurrent assets:		
Investments:		
Debt securities	2,207,595	2,009,798
Equity securities	691,678	629,617
Furniture and equipment, net	116,923	39,174
Operating lease right-of-use (ROU) asset, net	368,144	482,606
Other assets	15,957	15,957
Total noncurrent assets	<u>3,400,297</u>	<u>3,177,152</u>
Total assets	<u><u>\$ 7,844,913</u></u>	<u><u>\$ 7,502,909</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 252,877	\$ 321,322
Deferred income:		
Accreditation	69,000	117,000
Membership dues	1,466,652	1,496,366
Education	18,844	4,600
Current portion of operating lease liability	128,906	119,473
Total current liabilities	1,936,279	2,058,761
Noncurrent liabilities:		
Operating lease liability, net of current portion	278,175	407,081
Total liabilities	2,214,454	2,465,842
Net assets:		
Without donor restrictions	5,630,459	5,037,067
Total liabilities and net assets	<u><u>\$ 7,844,913</u></u>	<u><u>\$ 7,502,909</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
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**CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	(Audited) 2025	(Reviewed) 2024
REVENUES		
Regulator dues	\$ 1,414,156	\$ 1,404,588
Credit union dues	1,729,939	1,604,563
Associate member dues	132,000	133,000
Convention	174,000	178,375
Accreditation	162,000	123,000
Education	524,921	452,503
Donations	140,970	121,325
Interest and other	340,772	224,109
Total revenues	4,618,758	4,241,463
EXPENSES		
Program services	3,003,395	2,856,213
Supporting services	1,021,971	833,269
Total expenses	4,025,366	3,689,482
CHANGE IN NET ASSETS	593,392	551,981
NET ASSETS, BEGINNING OF YEAR	5,037,067	4,485,086
NET ASSETS, END OF YEAR	\$ 5,630,459	\$ 5,037,067

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025 (Audited)			2024 (Reviewed)		
	Programs	Management and General	Total	Programs	Management and General	Total
Salaries and employee benefits	\$ 1,691,811	\$ 545,282	\$ 2,237,093	\$ 1,614,717	\$ 445,695	\$ 2,060,412
Personnel, travel and training	131,717	111,120	242,837	139,357	84,299	223,656
Business fees and services	261,877	105,458	367,335	272,945	93,589	366,534
DCRI expense	41,701	-	41,701	42,482	-	42,482
Accreditation	74,159	-	74,159	33,874	-	33,874
Board and committees	-	76,026	76,026	-	53,277	53,277
Telephones, postage and printing	17,565	10,377	27,942	12,375	7,873	20,248
Supplies and equipment	6,023	1,457	7,480	4,294	3,699	7,993
Advertising and promotion	19,845	2,294	22,139	12,160	12,778	24,938
Office occupancy	83,064	56,726	139,790	78,550	46,808	125,358
Business insurance	6,980	4,767	11,747	7,280	4,339	11,619
Depreciation	14,435	3,616	18,051	12,193	2,199	14,392
Convention	134,076	-	134,076	150,308	-	150,308
Education	385,868	-	385,868	335,917	-	335,917
Receptions	5,829	17,959	23,788	7,282	10,590	17,872
Dues and subscriptions	122,642	70,811	193,453	131,834	59,680	191,514
Other	5,803	16,078	21,881	645	8,443	9,088
	<u>\$ 3,003,395</u>	<u>\$ 1,021,971</u>	<u>\$ 4,025,366</u>	<u>\$ 2,856,213</u>	<u>\$ 833,269</u>	<u>\$ 3,689,482</u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
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CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	(Audited) 2025	(Reviewed) 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 593,392	\$ 551,981
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,051	14,392
Gain on investments	(166,444)	(31,701)
Amortization of operating ROU asset	114,462	109,603
Repayments of operating lease liability	(119,473)	(110,551)
Changes in operating assets and liabilities:		
Accounts receivable	(92,688)	106,501
Prepaid expenses	(38,383)	88,234
Accounts payable and accrued expenses	(68,445)	(37,322)
Deferred income	(63,470)	(69,121)
Net cash provided by operating activities	<u>177,002</u>	<u>622,016</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	717,829	1,905,392
Proceeds from maturities of certificates of deposits	420,456	-
Purchase of certificates of deposits	(435,300)	(410,759)
Purchases of debt securities	(565,109)	(522,202)
Purchases of equity securities	(246,134)	(2,043,549)
Purchases of property and equipment	<u>(95,800)</u>	<u>(38,081)</u>
Net cash used in investing activities	<u>(204,058)</u>	<u>(1,109,199)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,056)	(487,183)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,633,594</u>	<u>4,120,777</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 3,606,538</u></u>	<u><u>\$ 3,633,594</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business: The National Association of State Credit Union Supervisors (NASCUS) is a 501(c)(6) nonprofit professional association organized under the laws of the District of Columbia on October 6, 1975 for the purpose of improving the supervision of state-chartered credit unions and to facilitate the administration of laws governing these institutions.

The National Institute for State Credit Union Examination (NISCUE) is a 501(c)(3) nonprofit educational foundation organized under the laws of the District of Columbia on June 9, 1982 to conduct and sponsor education programs for state regulators and examiners concerning credit unions and related topics in cooperation with NASCUS.

Consolidated Financial Statements: The consolidated financial statements of NASCUS and NISCUE (collectively, the Organization) are presented on a consolidated basis as the trustees who serve as the Board of NISCUE are appointed annually by NASCUS. These trustees may be removed upon consent of a majority of the Board of Directors of NASCUS. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation: The consolidated financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations*. Nonprofit organizations are required to report information regarding their financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. All of the Organization's net assets as of December 31, 2025 and 2024 are without donor restrictions.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value: FASB ASC 820, *Fair Value Measurements*, provides a framework for measuring fair value that requires an entity to determine fair value based on the exit price in the principal market for the asset or liability being measured. Fair value is defined as the exchange price that would be received on the measurement date to sell an asset or the price paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The guidance also establishes a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities.

- Level 1 asset and liability fair values are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 asset and liability fair values are based on observable inputs that include quoted market prices for similar assets or liabilities, quoted market prices that are not in an active market, or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 assets and liabilities are financial instruments whose value is calculated by the use of pricing models and/or discounted cash flow methodologies, as well as financial instruments for which the determination of fair value requires significant management judgment or estimation.

The Organization's financial instruments and other accounts that are subject to fair value measurement and/or disclosure are summarized in Note 9.

Cash and Cash Equivalents: The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. The Organization maintains cash balances that may exceed federally insured limits. Management does not believe that its cash balances present any significant credit risk.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit: The certificates of deposit are not considered to be cash and cash equivalents. Certificates of deposit with maturity dates less than one year are classified as certificates of deposit in current assets on the statements of financial position. The Organization has reflected certificates of deposit in the statements of financial position at cost, which approximates fair value.

Accounts Receivable: Accounts receivable and other receivables arising from exchange transactions are measured at amortized cost in accordance with FASB ASC 326, *Financial Instruments - Credit Losses*. The Organization primarily applies an aging/loss-rate method and considers factors such as historical credit experience with members and their current financial condition. Accounts receivable are generally short-term in nature and are considered fully collectible. Accordingly, no provision for credit losses was required for the years ended December 31, 2025 and 2024.

Contributions and Grants Receivable: Unconditional promises to give and other contribution-type receivables are accounted for under FASB ASC 958-310, *Not-for-Profit Entities - Receivables*. At initial recognition, pledges are recorded at fair value. Subsequently, the Organization evaluates collectibility and records an allowance for doubtful pledges if events or changes in circumstances indicate that it is probable that the pledge will not be collected and the amount of loss can be reasonably estimated.

Debt Securities: Debt securities consist of fixed income bonds. Fixed income bonds are recorded at fair value with gains and losses included in the consolidated statements of activities.

Equity Securities: Equity securities are comprised of mid cap, large cap and international equity funds. Equity securities with readily determinable fair values are recorded at fair value with gains and losses included in the consolidated statements of activities. The Organization has an ownership interest in another entity. Equity securities without a readily determinable fair value are measured at cost, less any impairment.

Furniture and Equipment: Furniture and equipment are initially recorded at cost when purchased. Generally, furniture and equipment additions in excess of \$1,000 with an estimated useful life of three years are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

Impairment of Long-Lived Assets: The Organization reviews long-lived assets for impairment whenever changes in circumstances indicate that the carrying amount of any asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured using the amount by which the carrying amount of the assets exceeds the fair value of the assets. During the years ended December 31, 2025 and 2024, there were no events or changes in circumstances indicating that the carrying amount of property and equipment may not be recoverable.

Revenue Recognition:

Membership Dues – Members of NASCUS are financial regulators, credit unions, credit union leagues and other system organizations. Dues of the regulators are based on the assets of the credit unions they supervise as reflected on fourth quarter Call Report data. Dues paid by credit unions are based on the assets of the credit unions as reflected on their second quarter Call Report data. Associate membership is offered to affiliated credit union leagues and industry organizations at a flat annual dues fee of \$3,000 or \$4,000 for multi-state leagues. Revenue from membership dues is deferred and recognized ratably over the membership period.

Program Support and Sponsorships – Credit union leagues and industry organizations provide program support and sponsorships to NASCUS. Sponsorships for educational events are recognized at the time the event is held. Sponsorship revenue from the Dual Charter Resource Initiative (DCRI) is recognized monthly throughout the agreed upon sponsorship period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Examiner certification fees included in education programs revenue are deferred and recognized as revenue over a 12-month period.

Fees for educational programs and conventions are recognized at the time they are earned. Fees received in advance of educational events are deferred until the event is held.

Accreditation fees for state agencies are \$15,000 for onsite reviews every five years and \$2,000 for annual reviews. Fees are recognized upon performance and completion of the review.

Contributions and donations with no exchange requirement or barrier to meet are recognized in the year received. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions and net assets that are received and whose restrictions expire in the same fiscal year are recorded as without donor restrictions in the year received. For the years ended December 31, 2025 and 2024, the Organization did not receive any restricted contributions.

Functional Expenses: Directly identifiable expenses are charged to programs and management and general services. Expenses related to more than one function are charged to programs and management and general services on the basis of time estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes: NASCUS is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC) and relevant state tax regulations. NISCUE is exempt from federal and state income taxes under IRC Section 501(c)(3) and relevant state tax regulations. Accordingly, no provision for federal or state income taxes has been reflected in the accompanying consolidated financial statements.

The Organization evaluates its uncertain tax positions, if any, on a continual basis. As of December 31, 2025 and 2024, management does not believe any uncertain tax positions exist.

Subsequent Events: Subsequent events have been evaluated through May 21, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	(Audited) 2025	(Reviewed) 2024
Cash and cash equivalents	\$ 3,606,538	\$ 3,633,594
Certificates of deposit	425,603	410,759
Accounts receivable, net	191,216	98,528
	<u>\$ 4,223,357</u>	<u>\$ 4,142,881</u>

NOTE 3 – CERTIFICATES OF DEPOSIT

As of December 31, 2025 and 2024, the Organization had certificates of deposit totaling \$425,603 and \$410,759 respectively. These certificates ranged in maturity from January 2026 to November 2026, earning interest at rates ranging from 3.39% to 3.61%.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 4 – INVESTMENTS

The composition of investments as of December 31, 2025 and 2024 is summarized as follows:

	(Audited) 2025	(Reviewed) 2024
Debt securities, at fair value:		
Fixed income bonds	\$ 2,207,595	\$ 2,009,798
Equity securities:		
Plexcity, at cost	30,000	30,000
Equity funds, at fair value	661,678	599,617
	<u>691,678</u>	<u>629,617</u>
	<u>\$ 2,899,273</u>	<u>\$ 2,639,415</u>

Information pertaining to investment strategies is as follows:

- Fixed income provides stability and protection in a deflationary environment.
- Equity investment provides the increase in the value of the principal amount invested.

NOTE 5 – FURNITURE AND EQUIPMENT

The composition of furniture and equipment is summarized as follows:

	(Audited) 2025	(Reviewed) 2024
Furniture and fixtures	\$ 71,377	\$ 68,835
Computers, software and equipment	156,128	155,265
	<u>227,505</u>	<u>224,100</u>
Accumulated depreciation	(110,582)	(184,926)
	<u>\$ 116,923</u>	<u>\$ 39,174</u>

Depreciation expense amounted to \$18,051 and \$14,392 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 – LEASES

The Organization rents its office under an operating lease that expires in November 2028. The ROU asset and lease liability of \$368,144 and \$407,081, respectively, as of December 31, 2025 are recognized based on the present value of minimum lease payments over the remaining lease term. As the lease does not provide an implicit rate, the Organization applied a risk-free discount rate for the estimated duration of the lease to determine the present value of future payments. The amortization of the operating lease asset and the accretion of operating lease liability are reported together as fixed lease expense and are included in office occupancy expense. The fixed lease expense is recognized on a straight-line basis over the remaining life of the lease.

As of December 31, 2025 and 2024, the weighted average remaining lease term was 2.9 years and 3.9 years, respectively, and the weighted average remaining discount rate was 4.24%. Operating lease cost for the years ended December 31, 2025 and 2024 amounted to \$139,790 and \$125,358, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 6 – LEASES (CONTINUED)

The future maturities of the operating lease liability as of December 31, 2025:

Lease Liabilities Maturing In:	
2026	143,702
2027	148,013
2028	139,529
Total minimum lease payments	431,244
Less imputed interest	(24,163)
Total operating lease liability	<u>\$ 407,081</u>

NOTE 7 – LINE OF CREDIT

On March 24, 2017, NASCUS obtained a \$150,000 commercial line of credit with a bank with a maturity date of November 25, 2026. Draws on the line of credit are payable on demand, and terms include the interest rate equal to the current one-month prime rate as published in the *Wall Street Journal* plus 25 basis points, adjusted on the first day of every month. The effective interest rate is 7.00% as of December 31, 2025. The Organization had no outstanding draws on the line of credit as of December 31, 2025 and 2024.

NOTE 8 – RETIREMENT PLAN

Defined Contribution Plan: On January 1, 1994, NASCUS adopted the CUNA Mutual Group's Credit Union Benefits Service Individual Account Master and Capital Accumulation Plan, which is a pre-tax IRC Section 401(k) plan. CUNA Mutual Group rebranded as TruStage in 2022 and continues to manage NASCUS's plan. Employees are eligible to participate in the plan immediately upon their date of hire. Employees who participate in the plan may make voluntary contributions not to exceed federal IRS limits. The plan provides for immediate vesting in the employer's contribution. During the years ended December 31, 2025 and 2024, NASCUS contributed \$44,883 and \$41,370, respectively, to the plan.

NOTE 9 – FAIR VALUE

Fair values of securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or on discounted cash flow models using the expected payment characteristics of the underlying mortgage instruments.

The fair value of assets measured on a recurring basis is as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025 (Audited)				
Fixed income bonds	\$ 2,207,595	\$ 2,207,595	\$ -	\$ -
Equity funds	661,678	661,678	-	-
	<u>\$ 2,869,273</u>	<u>\$ 2,869,273</u>	<u>\$ -</u>	<u>\$ -</u>
2024 (Reviewed)				
Fixed income bonds	\$ 2,009,798	\$ 2,009,798	\$ -	\$ -
Equity funds	599,617	599,617	-	-
	<u>\$ 2,609,415</u>	<u>\$ 2,609,415</u>	<u>\$ -</u>	<u>\$ -</u>

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 10 – NET ASSETS

The NASCUS Board maintained a Board Designated Stabilization Reserve Fund, initially established in 2007 at 25% of the budgeted annual expenditures and increased in 2017 to a minimum of 50%. In December 2023, the NASCUS Board approved a plan to move toward a full-year's reserve over a 3-year period with a goal of reaching that level in FY2026.

The balance of net assets without donor restrictions as of December 31, 2025 is as follows:

	General Fund	Reserve Fund	Total
NASCUS net assets:			
Balance, January 1, 2025	\$ 2,832,830	\$ 1,901,134	\$ 4,733,964
Increase in net assets	637,422	-	637,422
Transfer of net assets	(1,454,456)	1,454,456	-
Balance, December 31, 2025	<u>\$ 2,015,796</u>	<u>\$ 3,355,590</u>	5,371,386
NISCUE net assets			<u>259,073</u>
			<u>\$ 5,630,459</u>

The balance of net assets without donor restrictions as of December 31, 2024 is as follows:

	General Fund	Reserve Fund	Total
NASCUS net assets:			
Balance, January 1, 2024	\$ 2,350,715	\$ 1,818,525	\$ 4,169,240
Increase in net assets	564,724	-	564,724
Transfer of net assets	(82,609)	82,609	-
Balance, December 31, 2024	<u>\$ 2,832,830</u>	<u>\$ 1,901,134</u>	4,733,964
NISCUE net assets			<u>303,103</u>
			<u>\$ 5,037,067</u>

NOTE 11 – COMMITMENTS

NASCUS has committed to hotel space for future conferences and meetings through 2026. These contracts have guaranteed minimum revenue amounts, and NASCUS may be subject to substantial penalties in the event of cancellation.

NASCUS has an employment contract with the President/Chief Executive Officer, which will be terminated on December 31, 2026. Starting January 2023, and annually thereafter, the CEO is entitled to an annual bonus/incentive of up to 20% of then base salary if he is still employed on the date when such payments are customarily made. In 2024, the CEO's bonus was equal to 25% of his base salary, which was a one-time exception to the contract term due to the strong financial performance of the Organization.

NOTE 12 – REVENUE FROM CONTRACTS WITH MEMBERS

The Organization's services that fall within the scope of ASC 606, *Revenue from Contracts with Customers*, are recognized as revenue as the Organization satisfies its obligations to the members.

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 12 – REVENUE FROM CONTRACTS WITH MEMBERS (CONTINUED)

The following table presents revenue from contracts with members within the scope of ASC 606 for the years ended December 31, 2025 and 2024:

	(Audited) 2025	(Reviewed) 2024
Regulator dues	\$ 1,414,156	\$ 1,404,588
Credit union dues	1,729,939	1,604,563
Associate member dues	132,000	133,000
Convention	174,000	178,375
Accreditation	162,000	123,000
Education	524,921	452,503
	<u>\$ 4,137,016</u>	<u>\$ 3,896,029</u>

Regulator Membership: Membership fees are based on the assets under supervision for each state agency. Annual bills are sent out in April; the membership period is from July 1 to June 30. Any amounts received prior to July 1 are deferred and recognized monthly starting in July.

Credit Union Membership: Membership fees are based on the asset size of the Organization. Annual bills are sent in December; the membership period is from January 1 to December 31. Any amounts received prior to December 31 are deferred and recognized monthly starting in January.

Associate Member Dues: Membership is a flat rate of \$3,000 per year or \$4,000 for multi-state leagues. Annual bills are sent in December; the membership period is from January 1 to December 31. Any amounts received prior to December 31 are deferred and recognized monthly starting in January.

Accreditation: This revenue stream relates to the state credit union regulatory agencies. It is a voluntary program with 31 accredited agencies. There is a full onsite review of the state agency every five years. The full review fee is \$15,000. In addition, there is an annual charge of \$2,000 for an annual report in the off years. Agencies are allowed to make payments each year towards the \$15,000 in advance of the full accreditation year. Fees are recognized upon performance and completion of the review. Fees received in advance of the performance of the review are deferred until earned.

Education and Conventions: NASCUS holds various events throughout the year. The larger events are the Directors Colleges (primarily attended by credit union members) and the State System Summit Conference. There are also various webinars and special schools with state agencies for specific training for the regulators. Fees for education are recognized at the time they are earned. Fees received in advance of educational events are deferred until the event is held.

Revenue recognition described in the paragraphs above is determined to be at the point in time when the performance obligations are met.

NOTE 13 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash accounts with high credit quality financial institutions. As of December 31, 2025 and 2024, balances are insured by the National Credit Union Administration and Federal Deposit Insurance Corporation up to \$250,000 with each depositor institution. Balances in excess of insured limits as of December 31, 2025 and 2024 were approximately \$300 and \$58,000, respectively.

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**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATING SCHEDULE – STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025 (AUDITED)

	<u>NASCUS</u>	<u>NISCUE</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,399,965	\$ 206,573	\$ -	\$ 3,606,538
Certificates of deposit	425,603	-	-	425,603
Accounts receivable, net	191,216	55,910	(55,910)	191,216
Prepaid expenses	221,259	-	-	221,259
	<u>4,238,043</u>	<u>262,483</u>	<u>(55,910)</u>	<u>4,444,616</u>
Total current assets				
Noncurrent assets:				
Investments:				
Debt securities	2,207,595	-	-	2,207,595
Equity securities	691,678	-	-	691,678
Furniture and equipment, net	116,923	-	-	116,923
ROU asset, net	368,144	-	-	368,144
Other assets	15,957	-	-	15,957
	<u>3,400,297</u>	<u>-</u>	<u>-</u>	<u>3,400,297</u>
Total noncurrent assets				
Total assets	<u>\$ 7,638,340</u>	<u>\$ 262,483</u>	<u>\$ (55,910)</u>	<u>\$ 7,844,913</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Account payable and accrued expenses	\$ 305,377	\$ 3,410	\$ (55,910)	\$ 252,877
Deferred income:				
Accreditation	69,000	-	-	69,000
Membership dues	1,466,652	-	-	1,466,652
Education	18,844	-	-	18,844
Current portion of operating lease liability	128,906	-	-	128,906
	<u>1,988,779</u>	<u>3,410</u>	<u>(55,910)</u>	<u>1,936,279</u>
Total current liabilities				
Noncurrent liabilities:				
Operating lease liabilities, net of current portion	278,175	-	-	278,175
	<u>2,266,954</u>	<u>3,410</u>	<u>(55,910)</u>	<u>2,214,454</u>
Total liabilities				
Net assets:				
Without donor restrictions	5,371,386	259,073	-	5,630,459
	<u>5,371,386</u>	<u>259,073</u>	<u>-</u>	<u>5,630,459</u>
Total liabilities and net assets	<u>\$ 7,638,340</u>	<u>\$ 262,483</u>	<u>\$ (55,910)</u>	<u>\$ 7,844,913</u>

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATING SCHEDULE – STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024 (REVIEWED)

	<u>NASCUS</u>	<u>NISCUE</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,325,671	\$ 307,923	\$ -	\$ 3,633,594
Certificates of deposit	410,759	-	-	410,759
Accounts receivable, net	204,048	100,700	(206,220)	98,528
Prepaid expenses	182,876	-	-	182,876
Total current assets	<u>4,123,354</u>	<u>408,623</u>	<u>(206,220)</u>	<u>4,325,757</u>
Noncurrent assets:				
Investments:				
Debt securities	2,009,798	-	-	2,009,798
Equity securities	629,617	-	-	629,617
Furniture and equipment, net	39,174	-	-	39,174
ROU asset, net	482,606	-	-	482,606
Other assets	15,957	-	-	15,957
Total noncurrent assets	<u>3,177,152</u>	<u>-</u>	<u>-</u>	<u>3,177,152</u>
Total assets	<u>\$ 7,300,506</u>	<u>\$ 408,623</u>	<u>\$ (206,220)</u>	<u>\$ 7,502,909</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Account payable and accrued expenses	\$ 422,022	\$ 105,520	\$ (206,220)	\$ 321,322
Deferred income:				
Accreditation	117,000	-	-	117,000
Membership dues	1,496,366	-	-	1,496,366
Education	4,600	-	-	4,600
Operating lease liability	119,473	-	-	119,473
Total current liabilities	<u>2,159,461</u>	<u>105,520</u>	<u>(206,220)</u>	<u>2,058,761</u>
Noncurrent liabilities:				
Operating lease liabilities, net of current portion	407,081	-	-	407,081
Total liabilities	<u>2,566,542</u>	<u>105,520</u>	<u>(206,220)</u>	<u>2,465,842</u>
Net assets:				
Without donor restrictions	<u>4,733,964</u>	<u>303,103</u>	<u>-</u>	<u>5,037,067</u>
Total liabilities and net assets	<u>\$ 7,300,506</u>	<u>\$ 408,623</u>	<u>\$ (206,220)</u>	<u>\$ 7,502,909</u>

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATING SCHEDULE – STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025 (AUDITED)

	NASCUS	NISCUE	Elimination	Total
REVENUES				
Regulator dues	\$ 1,414,156	\$ -	\$ -	\$ 1,414,156
Credit union dues	1,729,939	-	-	1,729,939
Associate member dues	132,000	-	-	132,000
Convention	181,350	-	(7,350)	174,000
Accreditation	162,000	-	-	162,000
Education	619,818	-	(94,897)	524,921
Donations	-	165,970	(25,000)	140,970
Interest and other	375,423	3,468	(38,119)	340,772
Total revenues	4,614,686	169,438	(165,366)	4,618,758
EXPENSES				
Salaries and employee benefits	2,237,093	-	-	2,237,093
Personnel, travel and training	242,837	-	-	242,837
Business fees and services	364,898	2,437	-	367,335
DCRI expenses	41,701	-	-	41,701
Accreditation	74,159	-	-	74,159
Board and committees	76,026	-	-	76,026
Telephones, postage and printing	27,942	-	-	27,942
Supplies and equipment	7,480	-	-	7,480
Advertising and promotion	22,139	-	-	22,139
Office occupancy	139,790	-	-	139,790
Business insurance	11,747	-	-	11,747
Depreciation	18,051	-	-	18,051
Convention	134,076	-	-	134,076
Education	315,203	199,031	(128,366)	385,868
Receptions	23,788	-	-	23,788
Dues and subscriptions	193,453	-	-	193,453
Other	46,881	12,000	(37,000)	21,881
Total expenses	3,977,264	213,468	(165,366)	4,025,366
CHANGE IN NET ASSETS	637,422	(44,030)	-	593,392
NET ASSETS, BEGINNING OF YEAR	4,733,964	303,103	-	5,037,067
NET ASSETS, END OF YEAR	\$ 5,371,386	\$ 259,073	\$ -	\$ 5,630,459

**NATIONAL ASSOCIATION OF STATE CREDIT UNION SUPERVISORS AND
NATIONAL INSTITUTE FOR STATE CREDIT UNION EXAMINATION**

CONSOLIDATING SCHEDULE – STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024 (REVIEWED)

	NASCUS	NISCUE	Elimination	Total
REVENUES				
Regulator dues	\$ 1,404,588	\$ -	\$ -	\$ 1,404,588
Credit union dues	1,604,563	-	-	1,604,563
Associate member dues	133,000	-	-	133,000
Convention	184,675	-	(6,300)	178,375
Accreditation	123,000	-	-	123,000
Education	523,736	-	(71,233)	452,503
Donations	-	171,325	(50,000)	121,325
Interest and other	257,073	5,155	(38,119)	224,109
Total revenues	4,230,635	176,480	(165,652)	4,241,463
EXPENSES				
Salaries and employee benefits	2,060,412	-	-	2,060,412
Personnel, travel and training	223,656	-	-	223,656
Business fees and services	364,117	2,417	-	366,534
DCRI expenses	42,482	-	-	42,482
Accreditation	33,874	-	-	33,874
Board and committees	53,277	-	-	53,277
Telephones, postage and printing	20,248	-	-	20,248
Supplies and equipment	7,993	-	-	7,993
Advertising and promotion	24,938	-	-	24,938
Office occupancy	125,358	-	-	125,358
Business insurance	11,619	-	-	11,619
Depreciation	14,392	-	-	14,392
Convention	150,308	-	-	150,308
Education	264,763	174,806	(103,652)	335,917
Receptions	17,872	-	-	17,872
Dues and subscriptions	191,514	-	-	191,514
Other	59,088	12,000	(62,000)	9,088
Total expenses	3,665,911	189,223	(165,652)	3,689,482
CHANGE IN NET ASSETS	564,724	(12,743)	-	551,981
NET ASSETS, BEGINNING OF YEAR	4,169,240	315,846	-	4,485,086
NET ASSETS, END OF YEAR	<u>\$ 4,733,964</u>	<u>\$ 303,103</u>	<u>\$ -</u>	<u>\$ 5,037,067</u>