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2nd Session

HOUSE OF REPRESENTATIVES

PROFILES OF EXISTING  
GOVERNMENT CORPORATIONS

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A STUDY

PREPARED BY THE

U.S. GENERAL ACCOUNTING OFFICE

FOR THE

COMMITTEE ON GOVERNMENT  
OPERATIONS



DECEMBER 1988

Printed for the use of the Committee on Government Operations

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PREFACE

To assist in fulfilling its oversight responsibilities, the Committee on Government Operations periodically compiles data regarding existing Government corporations. The results of its most recent study are being released to serve as a reference document for our congressional colleagues, other government entities, the academic community, and others.

This compilation, prepared for the committee by the U.S. General Accounting Office, is an updated version of an earlier unpublished study that GAO prepared for the committee in 1985. It contains organizational, financial, and legal profiles on 45 corporations authorized or established by the Congress, including information about each corporation's organization, budget, audit requirements, and financial structure. The legal profiles summarize each corporation's response to questions concerning 25 Federal laws related to administrative, social, economic, and environmental subject areas. The corporations were asked to comment on whether they consider themselves subject to these laws or, if they did not, whether these legal requirements have been administratively adopted.

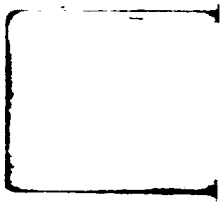
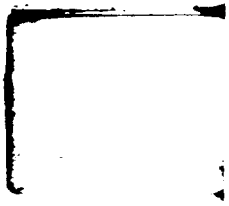
The committee greatly appreciates the invaluable assistance provided by GAO's Accounting and Financial Management Division in the preparation of this material.



JACK BROOKS  
Chairman

December 29, 1988

(III)







United States  
General Accounting Office  
Washington, D.C. 20548

Accounting and Financial  
Management Division

B-202461

December 28, 1988

The Honorable Jack Brooks  
Chairman, Committee on Government  
Operations  
House of Representatives

Dear Mr. Chairman:

In response to your request of September 1, 1988, we are providing you the update of our study Profiles of Existing Government Corporations. The detailed information on the 45 existing government corporations included in the study can be found in appendixes A and B. These appendixes include organizational and financial data about the corporations and identify various federal laws to which the corporations are subject. The information was provided by the corporations in response to a questionnaire which GAO administered. We trust this study will be useful to you. Please contact us if we may be of further assistance.

Sincerely yours,

  
Frederick D. Wolf  
Director

Enclosure

GAO/APMD-89-43PS

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## PROFILES OF EXISTING GOVERNMENT CORPORATIONS

I. BACKGROUND

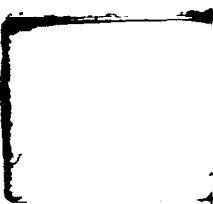
This study provides profiles on 45 active government corporations authorized or established by the Congress.<sup>1</sup> The individual profiles are presented in appendixes A and B. The following sections address (A) the history of the Government Corporation Control Act (GCCA), (B) the parameters used in defining a government corporation, (C) several past studies of government corporations, and (D) the objectives of the recently authorized National Commission on Executive Organization, which will include evaluating government corporations.

A. THE GOVERNMENT CORPORATION CONTROL ACT

Before the 1930s, there was no pressing need for general procedures to govern the management of government corporations. Most corporations were created to meet production needs during World War I and were liquidated quickly. Therefore, their financial control was not at issue when the Congress created the Bureau of the Budget and the General Accounting Office (GAO) in the Budget and Accounting Act of 1921.

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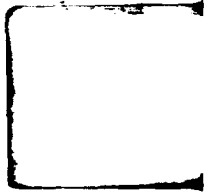
<sup>1</sup>Government corporations are federally chartered entities usually created to serve a public function of a predominately business nature.



During the 1930s, a number of government corporations were formed to help the economy. These corporations included the Commodity Credit Corporation, the Federal Deposit Insurance Corporation, the Federal National Mortgage Association, and the Tennessee Valley Authority. When these corporations were created, the law did not provide control procedures for them. Instead, control procedures developed through piecemeal administrative action. A 1934 Executive order directed government agencies, including corporations, to account for all receipts and expenditures to the General Accounting Office; however, many corporations were soon exempted. After 1934, various executive orders required that certain corporations submit annual estimates of administrative expenses to the Bureau of the Budget (now the Office of Management and Budget (OMB)) for approval. In 1936, corporations were statutorily precluded from incurring administrative expenses unless such expenses were specifically provided for in an appropriation act.

During the 1940s, several other corporations were created to support wartime production needs. By the mid-1940s, there were 63 wholly owned and 38 mixed-ownership federal corporations. At that time, the Congress recognized the need for effective control of these corporations.

Legislative control of government corporations actually occurred in two stages during 1945. Legislation enacted on



February 24, 1945, required GAO to audit the financial transactions of all government corporations. In December, the more comprehensive Government Corporation Control Act superseded these audit requirements.

The Government Corporation Control Act of 1945 resulted from a 2-year Senate study which concluded that there was no effective overall control over government corporations. Among the recommendations that grew from the study were that budgeting procedures should be improved and that GAO should be required to audit and report on government corporate activities to the Congress. In hearings following the study, the final legislation was also influenced by the Bureau of the Budget, GAO, and the Department of the Treasury.

The Act's purpose was to make the corporations accountable to the Congress for their operations while still allowing them the flexibility and autonomy needed for their commercial activities. Under the Act, corporations classified as wholly owned were required to prepare budgets for inclusion in the budget submitted by the President to the Congress. Some mixed-ownership government corporations were subject to oversight by the Secretary of the Treasury with respect to issuing obligations to the public and maintaining their accounts. GAO was required to audit the financial transactions of all corporations, except some mixed-ownership corporations which had no capital of the United States

invested in them. The Act also specified that only an act of Congress could create new government corporations. At the time the Act was passed, all government corporations then operating under state charters were to be dissolved and reincorporated under federal charter.

The Government Corporation Control Act is now codified in 31 U.S.C. 9101-9110 as a result of Public Law 97-258. The Act, as amended, identifies 23 government corporations,<sup>2</sup> which are defined as either wholly owned (31 U.S.C. 9101 (3)) or mixed-ownership government corporations (31 U.S.C. 9101 (2)). The Act describes requirements for (1) the budget submissions by wholly owned government corporations (31 U.S.C. 9103), (2) congressional action on budgets of wholly owned government corporations (31 U.S.C. 9104), (3) auditing and reporting by the Comptroller General (31 U.S.C. 9105-9106), and (4) government corporations maintaining Treasury accounts and issuing obligations (31 U.S.C. 9107-9108). A copy of the Act, as amended, is included as appendix G.

#### B. GAO'S WORKING DEFINITION OF A GOVERNMENT CORPORATION

This current study updates GAO's 1985 study. In that there is no generally accepted definition for a government corporation, GAO

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<sup>2</sup>Of these 23 corporations, one has been terminated, the U.S. Railway Association (April 1987), and two others--the Federal Intermediate Credit Bank and the Federal Land Bank--were combined to form the Farm Credit Bank (July 1988).



developed the inventory of government corporations included in its study by listing those corporations contained in the GCCA, other corporations identified elsewhere in the U.S. Code which are subject to one or more provisions of the Act, and other corporate entities that meet criteria established for prior GAO studies discussed below.

#### The 1985 Study

GAO's 1985 study, Reference Manual of Corporations Authorized or Established by Congress, contained an inventory of 44 corporations which were defined as entities established, created, or authorized by the Congress to operate as corporate entities. In compiling that inventory, GAO reviewed the characteristics of all congressionally chartered entities and used the following criteria from its 1983 report on government corporations to identify the corporations for inclusion in its 1985 study. (See section C for discussion of GAO's 1983 report.)

- The corporation should be chartered under the laws of the United States.
- The corporation should serve a public function of a predominately business nature that requires the authority to buy, or otherwise acquire, or sell property or other assets in its own name.

-- The corporation should be subject only to federal decisions, rules, administrative practices, and procedures that the Congress deems appropriate to a corporate activity.

It should be noted that application of those criteria results in the inclusion of entities which are not agencies of the U.S. government and entities classified in the federal budget as government-sponsored enterprises.<sup>3</sup>

Some entities were included in the 1985 listing although they did not meet all of the criteria. Specifically, GAO included in the 1985 inventory the Corporation for Public Broadcasting and the Legal Services Corporation because the Congress established them as corporate entities even though they primarily provide financial assistance rather than conduct business-type operations. Also, the U.S. Postal Service was included even though it is not a chartered corporation because its structure and operating functions were similar to other government corporations. The absence of a corporate charter was not deemed a sufficient reason to omit the Postal Service.

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<sup>3</sup>Such enterprises are established and chartered by the Federal Government to perform specific functions under the supervision of a Government agency.

Several federal entities were omitted from GAO's 1985 inventory because they did not meet GAO's criteria. GAO did not include:

- international banking institutions, such as the African Development Bank, because they are not U.S. corporations;
- some regulatory banking agencies, such as the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency, because they are governing bodies and were not chartered to operate as corporations; and
- patriotic and public service organizations which are federally chartered corporations, but which typically are comprised of private individuals who raise funds from the private sector for charitable purposes. (See appendix E for a list of federally chartered patriotic and public service corporations.)

The study also excluded the National Homeownership Foundation, which was unfunded, and the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., which is an international entity.

The 1988 Study

GAO's current study contains updated or new profile information on 45 government corporations. The following entities were added to the 1985 listing because they met the 1985 definition: the Federal Asset Disposition Association,<sup>4</sup> the Federal Agricultural Mortgage Corporation, the Financing Corporation, the National Endowment for Democracy, the National Fish and Wildlife Foundation, and the Farm Credit Bank. The following entities were deleted from the 1985 study because they were terminated or combined: the Solar Energy and Energy Conservation Bank, the United States Railway Association, the United States Synthetic Fuels Corporation, the Federal Intermediate Credit Bank, and the Federal Land Bank.

C. PAST EFFORTS TO STUDY GOVERNMENT CORPORATIONS

In the early 1980s, three organizations issued reports on government corporations: the National Academy of Public Administration (NAPA), the U.S. General Accounting Office, and the Congressional Research Service (CRS). The reports<sup>5</sup> discussed

<sup>4</sup>According to a Comptroller General Decision (B-226708, September 16, 1988), the Federal Asset Disposition Association was chartered as a federal savings and loan association, but it does not perform any of the basic functions of such an association. Instead, it is wholly owned and controlled by FSLIC and is, in fact, a wholly owned government corporation.

<sup>5</sup>See appendix F for a matrix of government corporations included in these reports.

various issues relating to government corporations, such as oversight, standards, accountability, and control. A summary of each report follows.

National Academy of Public Administration Report

The NAPA report<sup>6</sup> identified 39 government corporations. NAPA conducted this study to assist the Office of Management and Budget to (1) develop a strategy and administrative doctrine for both incorporated and unincorporated government enterprises, (2) clarify the uses and management of government enterprises, and (3) identify the conditions and purposes for which it is appropriate and desirable to create government enterprises.

NAPA made the following recommendations in specific issue areas:

- Federal government oversight should be strengthened by maintaining specialized staff solely responsible for comprehensive oversight of corporation activities.
- Laws applicable to government corporations should be reviewed to determine applicability to businesslike operations of the corporations.

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<sup>6</sup>Report on Government Corporations, September 1981.

- The Government Corporation Control Act should be revised to reflect the principles and criteria advanced in the NAPA report and to include a complete list of corporations, a continuing review of the corporations, and a complete set of management standards for the corporations.
- Government corporations should be uniformly classified to ensure that appropriate powers are granted and that corporate responsibilities and accountability are clear.
- The establishment of government corporations should conform to standard criteria, in order to include those enterprises which are revenue producing, potentially self-sustaining, and which require a legal entity for effective operations.
- Standard and uniform powers and responsibilities should be given to government corporations.

General Accounting Office Report

The GAO report<sup>7</sup> identified 47 government corporations. GAO made this review as part of its overall efforts to examine government corporations in the specific context of standards and controls.

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<sup>7</sup>Congress Should Consider Revising Basic Corporate Control Laws.  
(GAO/PAD-83-3, April 6, 1983).

GAO concluded in its report that the Congress should consider revising the basic corporate control laws to include a definition of a government corporation; criteria for classifying corporations into federal, mixed-ownership, and private; and general accountability standards for all government corporations. GAO also believed that the enabling legislation of the individual corporations should be amended for consistency with the laws' overall provisions.

Congressional Research Service Report

The CRS report<sup>8</sup> identified 31 government corporations. CRS conducted this study for the purpose of briefly (1) reviewing the history of government corporations, (2) evaluating the theoretical debates on-going at that time regarding their utility, and (3) analyzing the several legal, structural, and political characteristics of government corporations. The report also contained individual reviews of the 31 government corporations.

The issues raised by the CRS study were:

-- whether the Congress and the President should jointly

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<sup>8</sup>Administering Public Functions At The Margin Of Government: The Case of Federal Corporations, December 1, 1983.

develop doctrines to guide the establishment, operations, and oversight of government corporations, and

-- whether the present system of creating corporations based on individual need, with the characteristics and functions of each being determined by lawmakers at the time, should be continued.

D. NATIONAL COMMISSION ON EXECUTIVE ORGANIZATION

The enactment of Public Law 100-527 on October 25, 1988,<sup>9</sup> authorized the creation of the National Commission on Executive Organization. The President is authorized to form the Commission, and he has 30 days after the law's effective date (March 15, 1989) to determine whether to establish the Commission. If the President fails to notify the Congress within the 30-day period of his intent to establish the Commission, the authorization expires.


The Commission is to be composed of 16 members and is required to examine and make recommendations with respect to:

- (1) criteria for use in evaluating proposed changes in the structure of the executive branch of government, including criteria for evaluating and overseeing government-sponsored enterprises and government corporations;


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<sup>9</sup>This law is called the "Department of Veterans Affairs Act."



- 
- (2) the organization of the executive branch;
  - (3) the most effective and practicable structure of the President's Executive Office and criteria for this Office to use to evaluate and oversee the performance of the executive branch; and
  - (4) the most effective and practicable structure of the President's cabinet and means of its operation.

The Commission's report is due 12 months after appointment of all its members and is to be submitted to the President, the Senate, and the House of Representatives, along with a detailed statement of recommendations.



## II. GOVERNMENT CORPORATION PROFILE SUMMARY

The 45 corporation profiles in appendix A contain common attributes, such as the entity's budget status, legal status, and purpose. Appendix C provides detailed descriptions of each attribute contained in the profiles. The profile data for this study, which were originally compiled for GAO's 1985 study, were reviewed and updated by all but two of the corporations. The profiles for the Consolidated Rail Corporation and the Federal Home Loan Banks are not current because these organizations did not provide GAO with revised data. All of the new corporations supplied the requested data. None of the data were independently verified by GAO.

The individual profiles contain data on 60 attributes for each corporation. A summary of key attributes follows.

<u>Legal Status</u>	<u>Number of Corporations</u>
Wholly owned corporation	14
Mixed-ownership corporation	7
Other	24
<u>Purpose of Corporation</u>	
Banking related	10
Education related	3
Farm related	9
Housing related	6
Industrial related	8
Investment related	3
Other	6
<u>Budget Status</u>	
On budget	5
On budget and subject to GCCA	16
On budget but funds provided through related agency	6
On budget but excluded from budget totals	8
Excluded from budget	10
<u>Agency Status</u>	
Subordinate to an agency of the federal government	9
Independent agency of the federal government	8
Not specified in enabling legislation	16
Not an agency or establishment of the federal government	12
<u>External Financial Audit Requirements</u>	
Audit required by GAO	15
Audit required by independent public accountant	17
Audit required by GAO and IPA	12
No audit requirement	1
<u>Government Investment</u>	
Yes	30
No	15

### III. SUMMARY OF LAWS FOLLOWED BY GOVERNMENT CORPORATIONS

The legal information in GAO's 1985 reference manual focused on 21 federal laws addressing administrative, social, economic, and environmental subject areas. They represented a broad cross section of laws that may affect corporate operations. This study contains the same 21 laws plus 4 additional laws: prompt pay, anti-deficiency, financial integrity, and debt collection. As in the 1985 effort, the corporations were asked to provide their views as to whether they are subject to the laws and, if not, whether they have administratively adopted the legal requirements contained in these laws. GAO did not attempt to determine the accuracy of the corporations' responses. Some of the federal laws to which the corporations stated they were subject are contained in their enabling legislation. In other cases, whether or not a corporation concluded that it was subject to a particular law was based on its interpretation of the law and the corporation's enabling legislation. A brief description of the 25 laws and the corporations' assessments of each law's applicability are shown in appendix B, table B.1. The legal profiles for the Consolidated Rail Corporation and the Financing Corporation were not updated or completed because these organizations did not provide the requested data to GAO.

APPENDIX A  
GOVERNMENT CORPORATION PROFILES

This appendix contains the profiles on the 45 corporations included in this study. The profiles and their page references are listed below.

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Student Loan Marketing Association	218
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CORPORATION PROFILE  
CBC

**NAME:** Central Bank for Cooperatives (CBC)

**PURPOSE:** The CBC participates with the Regional Banks for Cooperatives in loans that exceed their individual lending capacities. It also handles international transactions of borrowing cooperatives.

**LEGAL AUTHORITY:** 12 U.S.C. 2121-2134; 2151-2260

**DATE CREATED:** June 16, 1933

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress

**LEGAL STATUS:** Mixed-ownership government corporation

**AGENCY STATUS:** Not specified in enabling legislation

**BOARD OF DIRECTORS:** The Board consists of 13 members. One member elected by each of the 12 District Farm Credit Boards and the thirteenth member (member-at-large) appointed by the governor of the Farm Credit Administration (FCA) with the advice and consent of the Federal Farm Credit Board.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The Federal Reserve Banks (FRBs) act as clearing agents for the 37 farm credit banks by maintaining accounts for each of them. FRBs buy and sell farm credit securities and hold varying amounts of these securities as a part of the open market operations of the Board of Governors of the Federal Reserve System. The executive departments, commissions, and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the FRS and the FRBs are authorized to make available upon FCA requests, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institutions.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the government.



CORPORATION PROFILE  
CBC

**TREASURY STATUS:** CBC may be designated by the Secretary of the Treasury as a depository of public money and as a fiscal agent of the government. For any year or part thereof in which the FCA Governor holds any stock in a bank of the Farm Credit System, such institution shall pay the U.S. a franchise tax based on a rate determined by the Secretary of the Treasury. CBC is a mixed-ownership government corporation under the Government Corporation Control Act (GCCA). Certain provisions of the GCCA are not applicable when federal capital is not invested.

**REPORTING STATUS:** None specified in the enabling legislation.

**LITIGATION STATUS:** CBC has the power to sue and be sued. No available information regarding lawsuits.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to audit and examination by FCA examiners and by independent certified public accountants as determined by the FCA governor. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers. Also subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit, in accordance with principles and procedures applicable to commercial type transactions, at least once every three years during periods in which U.S. capital is invested in CBC. GAO is to be reimbursed for the cost of the audit.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs; GAO when U.S. capital invested in CBC

**OTHER AUDIT REQUIREMENTS:** GAO has the authority to audit CBC.

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse for calendar year 1987<sup>a</sup>

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the System would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$830,234,000<sup>a</sup>

**APPROPRIATIONS EXPENDED:** None

EXPENSES: \$750,401,000  
NET INCOME (LOSS): \$79,833,000  
GRANTS ISSUED: None  
LOANS ISSUED: Not determinable  
LOAN PAYMENTS RECEIVED: \$658,234,000  
LOAN LOSSES: \$2,246,000  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: \$8,228,563,000  
LOAN LIMIT: None specified in enabling legislation  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$11,138,047,000  
GOVERNMENT INVESTMENT: Not determinable  
LIABILITIES: \$10,102,891,000  
TOTAL DEBT: \$9,654,159,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.<sup>b</sup>

GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$1,035,156,000  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$1,035,156,000  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: \$692,722,000  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$692,722,000  
INTEREST RECEIVED: \$821,527,000

## NOTES:

- a. The financing data presented herein, are the combined totals for the 12 District Banks for Cooperatives and the Central Bank for Cooperatives. This information was taken from the 1987 Farm Credit Banks Report to Investors.
- b. Enabling legislation does not specify a limit on government borrowing or on borrowing from other, but only borrowing in general. According to 12 U.S.C. 2154, the banks as a group are limited to borrowing a sum which does not exceed 20 times the capital and surplus of all the banks primarily liable on the proposed issue, or such lesser amount as the FCA shall establish by regulation.

CORPORATION PROFILE  
CCC

**NAME:** Commodity Credit Corporation (CCC)

**PURPOSE:** CCC is to stabilize, support and protect farm income and prices; assist in maintaining balanced and adequate supplies of agricultural commodities and their products; and facilitate the orderly distribution of commodities. CCC accomplishes its purposes by making loans, purchases, and payments (in cash, certificates or in commodities) to support agricultural prices; by procuring agricultural commodities for sale to others; by increasing domestic consumption of agricultural commodities through the development of new markets, marketing facilities and uses; and export commodities and aid in the development for foreign markets.

**LEGAL AUTHORITY:** 15 U.S.C. 714 et seq.

**DATE CREATED:** June 29, 1948

**LEGISLATED TERMINATION DATE:** None specified

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Agency within the Department of Agriculture

**BOARD OF DIRECTORS:** The Board consists of 8 members, all are appointed by the President. Secretary of Agriculture is an ex officio director and serves as Chairman of the Board. The management of the Corporation is vested in the Board, subject to the general supervision and direction of the Secretary of Agriculture.

**ADVISORY BOARD MEMBERS:** The advisory board consists of 5 members, all are appointed by the President. Members shall reflect broad agricultural and business experience. Not more than three members may be of one political party. The Board surveys the general policies of CCC including its policies in connection with the purchase, storage, and sale of commodities, operation of lending and price-support programs and advises the Secretary of Agriculture with respect thereto.

**PARENT AGENCY:** Department of Agriculture

**AFFILIATED AGENCIES:** The Department of Agriculture participates in policymaking through membership on the Board. Foreign Agricultural Service (FAS) and Agricultural Stabilization and Conservation Service (ASCS) utilize the services of CCC, while providing CCC both personnel and facilities on a reimbursable basis. The CCC's Export Credit Guarantee program is administered by the FAS; therefore there is continuing cooperation with the Departments of Commerce and State. Secretaries of the Navy, Army, & Interior, acting jointly through the Department of Defense, determine which materials are strategic and critical and the quantity and quality of such materials. CCC's operations are financed by borrowing from the Treasury. Office of Management and Budget (OMB), U.S. Department of Agriculture's Office of Inspector General, and the General Accounting Office monitor the monetary affairs of the Corporation.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). Annual business-type budget sent to the President must contain the estimated financial condition for the current and following fiscal years and the results of operations for the prior fiscal year. It shall also contain statements of financial condition, income and expense, sources and uses of money, and an analysis of surplus or deficit and other reports as needed. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** CCC shall submit an annual business report to the Secretary of Agriculture for transmission to the President and the Congress.

**LITIGATION STATUS:** While the CCC can be sued in its own name, litigation is handled by the Department of Justice under 28 U.S.C. 516. Although CCC may sue and be sued, no attachment, injunction, garnishment, or other similar process, intervening or final, shall be issued against the Corporation or its property.

CORPORATION PROFILE  
CCC

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial-type transactions. The CCC shall reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified

**OTHER AUDITOR:** None specified<sup>a</sup>

**AUDITED:** Fiscal year (FY) 1987 audited financial statements

**OPINION:** Qualified: CCC received a qualified opinion because it did not reflect estimated losses on foreign loans in its financial statements. CCC did not estimate these losses because there possible disclosure would be a highly sensitive issue involving international relations whose ultimate resolution rest with the departments of State and Treasury.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>b</sup>

**REVENUES:** \$13,229,802,000<sup>c</sup>

**APPROPRIATIONS EXPENDED:** \$25,362,443,000

**EXPENSES:** \$38,307,529,000<sup>d</sup>

**NET INCOME (LOSS):** \$1,056,047,000<sup>e</sup>

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$16,566,286,000<sup>f</sup>

**LOAN PAYMENTS RECEIVED:** \$13,893,675,000

**LOAN LOSSES:** None<sup>g</sup>

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$14,731,752,000

**LOAN LIMIT:** None

**INSURANCE OUTSTANDING:** None

INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: \$4,484,000,000  
GUARANTEES ISSUED: \$4,522,771,000  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$43,968,100,000  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$47,436,293,000  
TOTAL DEBT: \$32,529,473,000<sup>h</sup>  
GOVERNMENT DEBT: \$20,969,268,000  
GOVERNMENT LOAN LIMIT: \$30,000,000,000  
GOVERNMENT BORROWING: \$24,011,000,000  
REPAYMENT TO GOVERNMENT: \$27,913,684,000  
TOTAL EQUITY: (\$3,468,193,000)  
GOVERNMENT EQUITY: (\$3,468,193,000)  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: \$100,000,000  
TOTAL INTEREST EXPENSE: \$1,222,693,000  
INTEREST PAID GOVERNMENT: \$1,201,655,000  
INTEREST PAID OTHERS: \$21,038,000  
INTEREST RECEIVED: \$660,455,000

## NOTES:

- a. Although it is not specified in enabling legislation, CCC is frequently audited by the U.S. Department of Agriculture's Office of Inspector General regarding selected programs or activities.
- b. CCC now recognizes amounts due from appropriations for realized losses in the year earned. Substantially all of CCC's operating expenses are paid from an Agricultural Stabilization and Conservation Service (ASCS) consolidated fund account covering operating expenses for both CCC and ASCS activities. This consolidated account is funded by an ASCS appropriation and by transfer of CCC corporate funds subject to limitations specified in the annual appropriation act, user fees for warehouse examination work, and by various advances and reimbursements.
- c. Revenue includes sale of commodities, recoveries authorized for the National Wool Act, other income and interest income.
- d. Expenditures include cost of sales, cost of commodities donated, storage and handling expense, transportation expense, producer payments, grain reserve storage expense, payment-in-kind, National Wool Act payments, emergency feed program payments, loan and other charge-offs and other costs and recoveries, interest expense, operating expense (net), and net change in allowance for losses.
- e. Net income includes excess of costs and expense over revenue, anticipated appropriation for 1987, net loss before the cumulative effect of change in accounting and cumulative effect on prior years of changing recognition of appropriation.
- f. Loans issued includes commodity loan program and the storage facility loan program for 1987.
- g. An adjustment of allowance for loan losses including allowance for donations in the amount of \$79,907,000 was established.
- h. Total debt includes borrowing from the U.S. Treasury and obligations due the General Fund of the Treasury.



CORPORATION PROFILE  
COMSAT

**NAME:** Communications Satellite Corporation (COMSAT)

**PURPOSE:** COMSAT is to:

- furnish, for hire, channels of communication to U.S. common carriers and other authorized entities;
- own and operate satellite terminal stations when licensed by the Federal Communications Commission (FCC);
- plan, initiate, construct, own, manage, and operate itself, or in conjunction with foreign governments or businesses, a commercial satellite system; and
- participate in the International Maritime Satellite Organization as the sole designated operating entity of the United States.

**LEGAL AUTHORITY:** 47 U.S.C. 701-757

**DATE CREATED:** August 31, 1962. COMSAT was incorporated under the laws of the District of Columbia on February 1, 1963.

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Private for profit D.C. corporation.

**AGENCY STATUS:** Not an agency or establishment of the United States government.

**BOARD OF DIRECTORS:** The board has 15 members; members must be American citizens. Three of the 15 members are appointed by the President with the advice and consent of the Senate. The remaining twelve are elected annually by the stockholders. Six members shall be elected by the stockholders who are not communications common carriers, and the remaining six shall be elected by stockholders who are communications common carriers. There are exceptions to this provision.<sup>a</sup>

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** The FCC authorizes stock ownership by common carriers, ensures competitive bidding and equal access to channels, may require establishment of services, regulates technical operations and rates, authorizes stations, and approves debt and guarantees. State Department advises on foreign negotiations. The National Aeronautics and Space Administration advises and assists on research and development and furnishes services such as satellite launches.

CORPORATION PROFILE  
COMSAT

**BUDGET STATUS:** Not included in The Budget of the U.S. Government. FCC regulates rates.

**TREASURY STATUS:** None specified in enabling legislation.

**REPORTING STATUS:** Must submit annually a comprehensive and detailed report of operations, activities, and accomplishments to the President and the Congress.

**LITIGATION STATUS:** Litigation is handled by COMSAT's counsel.

**FINANCIAL AUDIT REQUIREMENTS:** None specified in enabling legislation. As a publicly held company, it is subject to Securities and Exchange Commission requirements.

**FINANCIAL AUDITOR:** Deloitte Haskins & Sells, CPAs.

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Deloitte Haskins & Sells, December 31, 1987

**OPINION:** Unqualified.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>b</sup>

**REVENUES:** \$333,651,000<sup>c</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$290,811,000<sup>d</sup>

**NET INCOME (LOSS):** (\$47,273,000)

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

LOANS OUTSTANDING: None

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: COMSAT International N.V., a wholly owned financing subsidiary of COMSAT has outstanding \$203,495,000 in long-term debentures, these debentures are guaranteed by COMSAT.

GUARANTEES ISSUED: See Guarantees Outstanding for details.

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$1,109,631,000

GOVERNMENT INVESTMENT: None

LIABILITIES: \$597,325,000<sup>e</sup>

TOTAL DEBT: \$296,430,000<sup>f</sup>

GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: None specified in enabling legislation.

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$512,306,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: (Stockholders Equity) \$512,306,000

CORPORATION PROFILE  
COMSAT

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.

TOTAL INTEREST EXPENSE: Not addressed in 1988 update.

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$11,196,000  
(Excludes \$29,109,000 of capitalized interest.)

INTEREST RECEIVED: \$5,091,000

## NOTES:

a. When the number of shares held by the common carriers is less than 45 percent but is equal to or greater than eight percent of the total outstanding shares, the number of directors that they may elect is specified in COMSAT's legislation in a formula designed to approximate their aggregate shareholdings. In no event may the common carrier shareholders elect more than six directors. However, when the shares they hold aggregate less than eight percent of the total outstanding shares, they shall vote with the other stockholders for the twelve directors.

b. --Cost of satellites lost is carried in the property accounts less insurance proceeds.

--Technical and information service revenue recognized by percentage-of-completion method.

--Research and development costs are expensed as incurred.

--Consolidation includes the accounts of wholly owned subsidiaries and its share of partnership investments (equity method).

c. Revenue includes operating revenues.

d. Expenses include total operating expenses.

e. Liabilities include total current liabilities, long-term debt, deferred income taxes, deferred investment tax credits, and deferred revenue and other liabilities.

f. Total debt includes 7-3/4 percent convertible subordinated debentures, 12-1/4 percent debentures, and 11-5/8 percent debentures.

**NAME:** Consolidated Rail Corporation (CONRAIL)\*

**PURPOSE:** Conrail was established to acquire, operate, and rehabilitate rail properties of railroads in reorganization and certain other transferrers in the midwest and northeast regions of the U.S. Conrail is authorized and directed to:

- acquire rail properties as designated in the final system plan (FSP),
- operate rail service over such rail properties except as provided under 45 U.S.C 744(e), 791(d)(3),
- rehabilitate, improve, and modernize such rail properties, and
- maintain adequate and efficient rail services.<sup>a</sup>

**LEGAL AUTHORITY:** 45 U.S.C. 741-794, 722

**DATE CREATED:** January 2, 1974b

**LEGISLATED TERMINATION DATE:**

**LEGAL STATUS:** For-profit corporation, deemed a common carrier by railroad under 49 U.S.C.1(3), incorporated under Pennsylvania state law.

**AGENCY STATUS:** Not an agency or instrumentality of the federal government.

**BOARD OF DIRECTORS:** The Board consists of thirteen members:  
--six elected by holders of Conrail debentures and Series A preferred stockholders,  
--three elected by Series B preferred stockholders,  
--two elected by common stockholders,  
--Chief Executive Officer of Conrail, and  
--Chief Operating Officer of Conrail.

The last two members are appointed by the Board and are not entitled to vote on election/removal of either. A vacancy is to be filled only by vote of the holders of the class of securities that initially elected such Director. The Chairman shall serve at the Board's pleasure.<sup>c</sup>

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation.

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\*THIS PROFILE INFORMATION WAS CONTAINED IN GAO'S 1985 REFERENCE MANUAL AND WAS NOT UPDATED BECAUSE THE CORPORATION DID NOT RESPOND TO A WRITTEN REQUEST TO PROVIDE REVISED INFORMATION.

**CORPORATION PROFILE  
CONRAIL**

**AFFILIATED AGENCIES:** Department of Transportation (DOT) is responsible for an undertaking to sell Conrail as a single entity to the private sector, subject to the ultimate approval of the Congress. DOT holds Conrail's Series B preferred stock and 85% of its common stock and elects five of Conrail's board members. The Interstate Commerce Commission (ICC) is Conrail's regulatory agency and grants Conrail authority to abandon lines in order to trim the rail system to an efficient and profitable operating level. The U.S. Railway Association (USRA)\*\* holds Conrail's Series A preferred stock and debentures, and selects six of Conrail's board members. USRA developed and implemented the Final System Plan, has made two determinations regarding Conrail's profitability, and acts as Conrail's oversight agency, monitor, and "banker."

**BUDGET STATUS:** Not directly included in the budget. Federal funding has been through USRA and reflected in their budget presentation. However, amounts requested to implement Conrail's workforce reduction program and to provide protection to Conrail employees deprived of employment due to actions taken under the Regional Rail Reorganization Act, as amended, and the Northeast Rail Service Act of 1981, appear on-budget within DOT.

**TREASURY STATUS:** Unspecified in Conrail's enabling legislation. Treasury has certain controls over USRA which indirectly affect Conrail. For example, the Secretary of Treasury determines the interest rate on loans made by USRA to Conrail and other railroads. Also, USRA is authorized to be appropriated \$3,629 million to be used for the purchase of Conrail securities. All sums received by USRA from the holding or disposition of these securities shall be deposited in the general fund of the Treasury.

**REPORTING STATUS:**

- USRA is required to submit to the Congress various reports on Conrail's activities and status.
- Secretary of DOT shall submit to the Congress every six months a report regarding DOT's plan to transfer Conrail to the private sector.
- A comprehensive and detailed report on all activities and accomplishments of Conrail during the preceding fiscal year shall be transmitted to the Congress and the President within 90 days after fiscal year-end.

\*\*The USRA was terminated effective April 1, 1987. Since CONRAIL did not update this profile, all references to USRA are currently incorrect.

CORPORATION PROFILE  
CONRAIL

**LITIGATION STATUS:** The enabling legislation does not specify whether or not Conrail can sue and be sued in its corporate name. USRA handled litigation regarding payments to bankrupt railroads for their assets. Conrail's legal division handles, with private counsel being retained when necessary, current litigation. As of 12/31/83, Conrail is involved in litigation concerning antitrust matters and challenges to the reasonableness of certain freight rates. The amount of any liability, if any, cannot be ascertained by management.

**FINANCIAL AUDIT REQUIREMENTS:** The General Accounting Office (GAO) is authorized to audit Conrail's programs, activities, and financial operations for any period during which federal funds provided pursuant to Chapter 16 of Title 45 U.S.C. are being used to finance current operations or federal funds have been invested therein pursuant to Chapter 16 of Title 45 U.S.C. The GAO has access to all books, accounts, and other papers of Conrail. USRA, GAO, and the Secretary of DOT shall have the authority to audit and examine Conrail until financial assistance is repaid under 45 U.S.C. 722.

**FINANCIAL AUDITOR:** GAO; USRA; Secretary of DOT; & Coopers & Lybrand, CPAs

**OTHER AUDIT REQUIREMENTS:** Same as "Financial Audit Requirements" above

**OTHER AUDITOR:** GAO, USRA, Secretary of DOT

**AUDITED:** Coopers and Lybrand, calendar-year 1983 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounts are maintained on an accrual basis. Financial statements are presented on a consolidated basis. "Plant and equipment, net" includes reduction for an allowance for disposition.

**REVENUES:** \$3,203,200,000<sup>d</sup>

**APPROPRIATIONS EXPENDED:** None<sup>e</sup>

**EXPENSES:** \$2,890,200,000<sup>f</sup>

**NET INCOME (LOSS):** \$313,000,000

**GRANTS ISSUED:** None

CORPORATION PROFILE  
CONRAIL

LOANS ISSUED: None

LOAN PAYMENTS RECEIVED: None

LOAN LOSSES: None

LOAN COMMITMENTS: None

LOANS OUTSTANDING: Not determinable

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: Not determinable<sup>f</sup>

GUARANTEES ISSUED: Not determinable

GUARANTEE COMMITMENTS: Not determinable

GUARANTEE LOSSES: Not determinable

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$5,702,800,000

GOVERNMENT INVESTMENT: Not determinable

LIABILITIES: \$2,734,200,000<sup>h</sup>

TOTAL DEBT: \$1,794,900,000<sup>i</sup>

GOVERNMENT DEBT: \$850,900,000

GOVERNMENT LOAN LIMIT: USRA is authorized to make loans to Conrail. USRA shall determine the form, terms, and conditions of the loans. USRA is authorized to issue a maximum of \$395 million (principal) in obligations to Conrail, AMTRAK, other regional railroads, and to state/local/regional transportation authorities. The limit on loans to Conrail itself is unspecified in the enabling legislation.



GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: Not determinable

TOTAL EQUITY: \$2,968,600,000

GOVERNMENT EQUITY: \$4,012,100,000

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: (\$1,043,500,000) deficit

GOVERNMENT EQUITY LIMIT: USRA may purchase up to \$3.6 billion in Conrail securities (\$1 billion in debentures and \$2.6 billion in Series A preferred stock). The enabling legislation does not specify the maximum amount of Conrail stock that the Department of Transportation has authority to own.

TOTAL INTEREST EXPENSE: \$87,100,000

INTEREST PAID GOVERNMENT: Not determinable

INTEREST PAID OTHERS: Not determinable

INTEREST RECEIVED: Not determinable

NOTES:

- a. Conrail transferred its commuter service to regional authorities and most intercity passenger service to AMTRAK on December 31, 1982. Since December 31, 1982, Conrail's purpose has been to provide adequate and efficient rail freight service throughout the northeast and upper midwest regions and to improve profitability to a degree that will enable the return of Conrail to private sector ownership. In 1983 Conrail's freight operations consisted of approximately 14,200 route miles, 100,000 freight cars, and 3,300 locomotives in a 15-state territory.
- b. Conrail was formed by the Regional Rail Reorganization Act which was enacted January 2, 1974. Conrail acquired the assets of bankrupt railroads (Penn Central and other northeast railroads) and began operations on April 1, 1976.
- c. As a practical matter, USRA, as holder of Series A preferred stock and debentures, elects six Conrail board members, and DOT, as holder of Series B preferred and common stock, elects five members.

CORPORATION PROFILE  
CONRAIL

- d. Total revenue figure does not include revenue from passenger service which was transferred to regional authorities and AMTRAK. Revenues include a non-recurring credit of \$27.5 million from sales of tax benefits under safe-harbor leasing regulations and \$14.9 million extraordinary credit for utilization of net operating loss (NOL) carryforward.

Calculated as: (in millions)

Operating revenue (freight)	\$3,076.4
Sale of tax benefits	27.5
Other items, net	84.4
Extraordinary credit for utilization of NOL carryforward	14.9
<b>Total revenues</b>	<u><b>\$3,203.2</b></u>

- e. Conrail has received no direct federal funds for operations or rehabilitation since June 1981. \$10 million was appropriated in 1983 to DOT for Conrail labor protection. This appropriation was made pursuant to 45 U.S.C. 797, 7971 and is considered to have been appropriated to the Secretary of Transportation for transfer to the Railroad Retirement Board for the payment of benefits to Conrail employees.

f. Calculated as: (in millions)

Operating expense	\$2,788.2
Interest charge	87.1
Charge equivalent to federal income tax	14.9
<b>Total expenses</b>	<u><b>\$2,890.2</b></u>

- g. Footnote 10 to Conrail's 1983 financial statements states that Conrail may be contingently liable under indemnification provisions related to sales of tax benefits and for guarantees of debt, aggregating approximately \$345 million at 12/31/83. The information provided does not specify the amount relating to guarantees of debt.

CORPORATION PROFILE  
CONRAIL

- h. In April 1983, Conrail obtained a \$100 million unsecured revolving line of credit at the prime rate from a group of banks led by Morgan Guaranty Trust Company of New York. The credit agreement is for general corporate purposes, contains restrictive covenants, has not been used as of 12/31/83, and was terminated on 1/1/85.

Calculated as: (in millions of dollars)

Current liabilities	\$ 895.5
Long-term debt	1,679.1
Casualty reserve	97.1
Other liabilities	<u>98.5</u>
Total liabilities	<u>\$2,774.2</u>

- i. Calculated as: (in millions of dollars)

Total long-term debt, less current maturities	\$1,679.1
Current maturities	<u>115.8</u>
Total debt	<u>\$1,794.9</u>

- j. Calculated as: (in millions of dollars)

Preferred stock with mandatory redemption (held by USRA)	\$2,311.5
Preferred stock without mandatory redemption:	
Series B preferred stock (held by DOT)	31.7
Common stock (voting shares held by DOT)	29.4
Additional paid-in capital	1,644.8
Stock held by subsidiary (non-voting common held by Conrail's Employee Stock Ownership Plan)	<u>(5.3)</u>
Total government equity	<u>\$4,012.1</u>

CORPORATION PROFILE  
CPB

**NAME:** Corporation for Public Broadcasting (CPB)

**PURPOSE:** CPB encourages the growth and development of noncommercial public radio and television broadcasting for instructional, educational, and cultural purposes, and serves as a financial sponsor and catalyst for "Public Television," i.e., T.V. not reliant upon commercial support. CPB contracts with or makes grants to existing and new public telecommunication entities to aid in financing the production or acquisition and national distribution of public telecommunications services by such entities. CPB assists in the financing of several system-wide activities, including national satellite interconnection services, and provides technical assistance, research, and planning services. CPB obtains grants and contracts from federal and nonfederal sources.

**LEGAL AUTHORITY:** 47 U.S.C. 396-399b

**DATE CREATED:** November 7, 1967

**LEGISLATED TERMINATION DATE:** None specified

**LEGAL STATUS:** Private, nonprofit corporation

**AGENCY STATUS:** Not an agency of the United States

**BOARD OF DIRECTORS:** The Board consists of 10 members, all are to be appointed by the President. Not more than six members may be of one political party. Chairman of the Board is to be elected annually by the Board. Directors are to represent education, cultural and civic affairs, arts, radio and television and must be U.S. citizens. Of the ten members, two must be selected from permittees and licensees of public T.V. and public radio stations. The term of office is five years.

**ADVISORY BOARD MEMBERS:** CPB is authorized to hire or accept the voluntary services of advisory boards.

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** CPB draws its federal funds from the U.S. Treasury. The Federal Communication Commission (FCC) enforces the "fairness doctrine" against noncommercial broadcast licensees. CPB has a continuing relationship with the Equal Employment Opportunity Commission (EEOC) in enforcing equal employment opportunity regulations upon the Public Broadcasting Service, National Public Radio, and other grantees. CPB provides grants to the Public Broadcasting Service and National Public Radio to support programs in public T.V. and radio, respectively.

**BUDGET STATUS:** On-budget. CPB is not legally required to participate in the Office of Management and Budget's review process, but has done so since 1973. CPB prepares its budget request using its own schedules and classifications. CPB shall also establish an annual budget for allocating amounts from the Public Broadcasting Fund. A formula for allocation is provided under 47 U.S.C. 396(k)(3)(A).

**TREASURY STATUS:** Federal funds are withdrawn from the Department of the Treasury. Appropriated funds are available until expended. CPB must certify to the Treasury the amounts of nonfederal funds received by public broadcasting entities before the Treasury makes available to CPB funds appropriated to the Public Broadcasting Fund. CPB has a multi-year authorization of funds with two-year advance appropriations. However, the appropriated funds are disbursed in a lump sum amount by the Treasury on a fiscal year basis.

**REPORTING STATUS:** CPB must submit annually to the Secretary of Health and Human Services a detailed report of operations, activities, accomplishments, financial conditions and recommendations including a detailed inventory of funds distributed by federal agencies to public telecommunications entities. A summary of the report is submitted to the President and the Congress each year.

**LITIGATION STATUS:** CPB may sue and be sued without clearance from the Department of Justice. CPB handles its own litigation, sometimes employing outside counsel.

**FINANCIAL AUDIT REQUIREMENTS:** Annual audit by independent certified or licensed public accountants in accordance with generally accepted auditing standards (GAAS). The General Accounting Office may audit the Corporation or their grantees or contractors for any fiscal year in which federal funds finance operations.

**FINANCIAL AUDITOR:** Independent Certified Public Accountants

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Peat Marwick Main & Co., fiscal year 1987 audit

**OPINION:** Unqualified

CORPORATION PROFILE  
CPB

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$20,696,293

**APPROPRIATIONS EXPENDED:** \$200,000,000

**EXPENSES:** \$214,580,858

**NET INCOME (LOSS):** \$6,115,435

**GRANTS ISSUED:** \$147,966,207

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** None

**LOAN LIMIT:** None specified in enabling legislation.

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

**INSURANCE COMMITMENTS:** None

**INSURANCE LOSSES:** None

**INSURANCE LIMIT:** None specified in enabling legislation.

**GUARANTEES OUTSTANDING:** None

**GUARANTEES ISSUED:** None

**GUARANTEE COMMITMENTS:** None

**GUARANTEE LOSSES:** None

**GUARANTEE LIMIT:** None specified in enabling legislation.

**ASSETS:** \$73,996,006

**GOVERNMENT INVESTMENT:** \$18,182,028

LIABILITIES: \$54,261,096  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$19,734,910  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$19,734,910  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: \$8,489,889

CORPORATION PROFILE  
EXIM

**NAME:** Export-Import Bank of the United States (EXIM)

**PURPOSE:** EXIM extends credit, and provides insurance and guarantees to U.S. and foreign banks, purchasers and governments to encourage export of U.S. industrial and agricultural goods and services. EXIM is also charged with facilitating the import of commodities and services and the exchange of these items between the United States and foreign entities.

**LEGAL AUTHORITY:** 12 U.S.C. 635-635t

**DATE CREATED:** July 31, 1945<sup>a</sup>

**LEGISLATED TERMINATION DATE:** September 30, 1992. (EXIM's charter has been periodically renewed by the Congress.)

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Independent agency of United States

**BOARD OF DIRECTORS:** The Board consists of five members; all are appointed by the President. The Board consists of the President and Vice President of the Bank and three other members. Not more than three members may be of one political party and not less than one member will be from the small business community. The Trade Representative and the Secretary of Commerce shall serve, ex officio and without vote, as additional members of the Board of Directors.

**ADVISORY BOARD MEMBERS:** The Advisory Board consists of twelve members. The members are appointed by EXIM's Board of Directors upon the recommendation of the Bank's President. Members are to represent production, commerce, finance, agriculture, labor, services, and state government. Three are to be from small businesses. The Advisory Board provides comments to the Congress annually on EXIM operations.

**PARENT AGENCY:** None specified in enabling legislation



**AFFILIATED AGENCIES:** EXIM maintains working relations with several agencies:

- the Small Business Administration in developing information regarding financing to small business concerns;
- the Commerce Department in consulting on the export of U.S. goods and services;
- the State Department concerning countries in violation of nuclear safeguard agreements, human rights, and foreign policies;
- the Treasury Department regarding the deposit of dividends as miscellaneous receipts;
- the Agriculture Department on agricultural commodity export and policies; and
- the U.S. International Trade Commission regarding EXIM's impact on industries and employment in the U.S.

EXIM also works with the U.S. Metric Board, the National Advisory Council on International Monetary and Financial Policies, and the Agency for International Development.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). EXIM is to prepare annually a business-type budget and submit it to the President. The budget is to contain statement of financial condition, income and expenses, sources and uses of money, analysis of surplus or deficit, and other statements as needed. It shall also contain estimated financial condition for the current and following fiscal year and results of operations in the prior year. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee. EXIM is authorized to borrow from the Treasury, the Federal Financing Bank, and other lenders.

**REPORTING STATUS:** EXIM provides an annual report to the Congress on its activities in general and specifically on all actions which have been taken to maintain the competitive position of key linkage industries in the United States.

**CORPORATION PROFILE**  
**EXIM**

**LITIGATION STATUS:** Litigation is handled by the Department of Justice. EXIM may represent itself or contract for representation in proceedings outside the United States.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial corporate transactions. EXIM must reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation

**AUDITED:** GAO, fiscal year 1987 audit

**OPINION:** GAO issued an adverse opinion due to the materiality of the effect of not establishing a loan-loss reserve.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>D</sup>

**REVENUES:** \$1,268,100,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$1,729,000,000

**NET INCOME (LOSS):** (\$460,900,000)

**GRANTS ISSUED:** \$42,100,000

**LOANS ISSUED:** \$598,900,000

**LOAN PAYMENTS RECEIVED:** \$3,611,200,000 (Source: 1989 Budget)

**LOAN LOSSES:** \$6,000,000 (Net of recoveries)

**LOAN COMMITMENTS:** \$15,182,800,000

**LOANS OUTSTANDING:** \$11,213,300,000

**LOAN LIMIT:** \$40,000,000,000<sup>C</sup>

**INSURANCE OUTSTANDING:** \$8,339,400,000

**INSURANCE SOLD:** Not determinable

CORPORATION PROFILE  
EXIM

INSURANCE COMMITMENTS: \$3,819,900,000<sup>d</sup> (Source: 1989 Budget)  
INSURANCE LOSSES: \$10,200,000\*  
\*(net of recoveries)  
INSURANCE LIMIT: \$25,000,000,000\*  
GUARANTEES OUTSTANDING: \$6,948,600,000  
GUARANTEES ISSUED: Not determinable  
GUARANTEE COMMITMENTS: \$3,819,900,000<sup>d</sup> (Source: 1989 Budget)  
GUARANTEE LOSSES: \$10,500,000  
GUARANTEE LIMIT: \$25,000,000,000\*  
ASSETS: \$14,006,000,000  
GOVERNMENT INVESTMENT: \$443,000,000  
LIABILITIES: \$12,616,100,000  
TOTAL DEBT: \$12,463,500,000  
GOVERNMENT DEBT: \$12,463,500,000<sup>f</sup>  
GOVERNMENT LOAN LIMIT: \$6,000,000,000\*  
\*(at any one time from Treasury)  
GOVERNMENT BORROWING: \$511,000,000<sup>g</sup>  
REPAYMENT TO GOVERNMENT: \$2,315,900,000<sup>h</sup>  
TOTAL EQUITY: \$1,389,900,000<sup>i</sup>  
GOVERNMENT EQUITY: \$1,000,000,000 (in capital stock)  
APPROPRIATIONS TO EQUITY: \$78,100,000  
OTHER EQUITY: \$311,800,000  
GOVERNMENT EQUITY LIMIT: \$1,000,000,000  
TOTAL INTEREST EXPENSE: \$1,615,500,000  
INTEREST PAID GOVERNMENT: \$1,603,900,000  
INTEREST PAID OTHERS: \$11,600,000<sup>j</sup>  
INTEREST RECEIVED: \$1,219,300,000

## NOTES:

- a. Prior to taking its present name of the Export-Import Bank of the United States, the corporation was known as the Export-Import Bank of Washington. The latter was authorized as a banking corporation by Executive Order 6581 on February 2, 1934. The bank was continued as a U.S. agency by acts of the Congress in 1935, 1937, 1939 and 1940, and made an independent agency by the Export-Import Bank Act of 1945 on July 31, 1945. The name of the bank was then changed to its present name on March 13, 1968.
- b. Accounting records are maintained on an accrual basis with the exception of write-offs of loans and payment of claims on guarantees and insurance policies. Loans are written off and charged to income when the outstanding principal is determined uncollectible. Interest on delinquent loans receivable is accrued until determined by an individual-case basis that a particular loan should be nonaccruing. Claims, except for purchases of assets, are charged to income in the year paid. Later recoveries of amounts written off or of amounts which have been paid as claims are treated as income in the year received.
- c. The aggregate amount of loans, guarantees, and insurance shall not exceed \$40 billion at any one time. Loans are charged against the \$40 billion limitation at 100 percent of their authorized amounts. Guarantees and insurance are charged against the \$40 billion limit at not less than 25 percent of EXIM's contractual liability with the provision that the aggregate amount of guarantees and insurance so charged may not exceed \$25 billion outstanding at any one time. (See note e.)
- d. Includes insurance and guarantees.
- e. The aggregate amount of guarantees, insurance, coinsurance, and reinsurance which may be charged on a fractional reserve basis may not exceed \$25 billion outstanding at any one time. Guarantees and insurance up to \$25 billion are charged against the \$40 billion limit on the fractional basis. (See note c.)
- f. Notes payable to Federal Financing Bank.
- g. Calculated as:

Borrowing from the Federal Financing Bank	\$511,000,000
Total government borrowing	<u>\$511,000,000</u>

## h. Calculated as:

Repayments of Federal Financing	
Bank borrowing	\$2,315,900,000
Total repayment to the government	<u>\$2,315,900,000</u>

## i. Calculated as:

Capital stock held by the U.S. Treasury	\$1,000,000,000
*Reserve for contingencies and defaults	<u>389,900,000</u>
Total equity	<u>\$1,389,900,000</u>

\* (Appropriated Funds) \$78,100,000

## j. Calculated as:

Interest on Private Export Funding	
Corporation Borrowing	\$11,600,000
Total interest paid others	<u>\$11,600,000</u>

CORPORATION PROFILE  
FCBs

**NAME:** Farm Credit Banks (FCBs)<sup>a</sup>

**PURPOSE:** FCBs provide loans for farmers, ranchers, rural homeowners, owners of farm related businesses and commercial fishermen through associations formed under the Farm Credit System.

**LEGAL AUTHORITY:** 12 U.S.C. 2000 et seq.

**DATE CREATED:** July 6, 1988, by merging FLBs and FICBs

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation

**LEGAL STATUS:** Federally chartered instrumentalities of the United States

**AGENCY STATUS:** None specified in enabling legislation

**BOARD OF DIRECTORS:** Each Farm Credit Bank shall elect from its voting stockholders a board of directors of such number, for such term, in such manner, and with such qualifications as may be required in its bylaws, except that, at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System (FRS) and the Federal Reserve Banks (FRBs) are authorized to make available upon FCA request, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institutions. The FRBs act as clearing agents for the 37 farm credit banks by maintaining accounts for each of them. FRBs buy and sell farm credit securities and hold varying amounts of these securities as a part of the open market operations of the Board of Governors of the FRS.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the federal government.

CORPORATION PROFILE  
FCBs

**TREASURY STATUS:** FCBs may be designated by the Secretary of the Treasury as depositaries of public money and as fiscal agents of the Government.

**REPORTING STATUS:** None specified in enabling legislation

**LITIGATION STATUS:** See FCBs(FICBs) and FCBs(FLBs) which follow

**FINANCIAL AUDIT REQUIREMENTS:** See FCBs(FICBs) and FCBs(FLBs) which follow

**FINANCIAL AUDITOR:** See FCBs(FICBs) and FCBs(FLBs) which follow

**OTHER AUDIT REQUIREMENTS:** See FCBs(FICBs) and FCBs(FLBs) which follow

**OTHER AUDITOR:** See FCBs(FICBs) and FCBs(FLBs) which follow

**AUDITED:** See FCBs(FICBs) and FCBs(FLBs) which follow

**OPINION:** See FCBs(FICBs) and FCBs(FLBs) which follow

**ACCOUNTING PRINCIPLES:** See FCBs(FICBs) and FCBs(FLBs) which follow

**NOTES:**

- a. For financial information, see FCBs(FICBs) and FCBs(FLBs) which follow

**CORPORATION PROFILE**  
**FICBs (FICBs)**

**NAME:** Federal Intermediate Credit Banks (FICBs)

**PURPOSE:** FICBs provide short and intermediate term loan funds to Production Credit Associations (PCAs) and other institutions financing farmers, ranchers, rural homeowners, owners of farm-related businesses and commercial fishermen.

**LEGAL AUTHORITY:** 12 U.S.C. 2071-2079  
2151-2260

**DATE CREATED:** March 4, 1923<sup>a</sup>

**LEGISLATED TERMINATION DATE:** The FICBs merged with the Federal Land Banks to form Farm Credit Banks, effective July 6, 1988.

**LEGAL STATUS:** Mixed-ownership government corporation

**AGENCY STATUS:** None specified in the enabling legislation

**BOARD OF DIRECTORS:** The Board consists of seven members. The members of each Farm Credit District Board of Directors are also the members of the Board of Directors of FICBs in their respective districts. Two of the District Board members are elected by the Federal Land Bank Associations, two by the Production Credit Associations, two by the borrowers from or subscribers to the Guaranty Fund of the Banks for Cooperatives, and one is appointed by the Farm Credit Administration (FCA) governor with the advice and consent of the Federal Farm Credit Board.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System (FRS) and the Federal Reserve Banks (FRBs) are authorized to make available upon FCA request, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institutions. The FRBs act as clearing agents for the 37 farm credit banks by maintaining accounts for each of them. FRBs buy and sell farm credit securities and hold varying amounts of these securities as a part of the open market operations of the Board of Governors of the FRS.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the government.



**CORPORATION PROFILE**  
**FICBs (FICBs)**

**TREASURY STATUS:** FICBs may be designated by the Secretary of the Treasury as depositaries of public money and as fiscal agents of the Government. For any year or part thereof in which the FCA Governor holds any stock in a bank of the Farm Credit System such institution shall pay the U.S. as a franchise tax based on a rate determined by the Secretary of the Treasury. FICBs are mixed ownership government corporations under the Government Corporation Act (GCCA). Certain provisions of GCCA are not applicable when federal capital is not invested.

**REPORTING STATUS:** None specified in the enabling legislation.

**LITIGATION STATUS:** FICBs have the power to sue and be sued. No available information regarding lawsuits.

**FINANCIAL AUDIT REQUIREMENTS:**

--Subject to audit and examination by FCA examiners or by independent certified public accountants as determined by the FCA governor. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers.

--Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit, in accordance with principles and procedures applicable to commercial type transactions, at least once every three years during periods in which U.S. capital is invested in FICBs. GAO is to be reimbursed the cost of the audit.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs

**OTHER AUDIT REQUIREMENTS:** GAO has the authority to audit FICBs

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse, 1987

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the System would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$995,341,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$906,025,000

CORPORATION PROFILE  
FCBs (FICBs)

NET INCOME (LOSS): \$89,316,000  
GRANTS ISSUED: None  
LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: \$7,732,000  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: \$9,081,581,000  
LOAN LIMIT: None specified in enabling legislation  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$11,956,909,000  
GOVERNMENT INVESTMENT: Not determinable  
LIABILITIES: \$10,071,556,000  
TOTAL DEBT: \$9,973,488,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.<sup>b</sup>  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None

CORPORATION PROFILE  
FCBs (FICBs)

TOTAL EQUITY: \$1,885,351,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$1,885,351,000

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation

TOTAL INTEREST EXPENSE: \$810,512,000

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$810,512,000

INTEREST RECEIVED: \$987,876,000

## NOTES:

- a. Although established March 4, 1923, pursuant to Section 201(a) of the Farm Loan Act, as amended, FICBs were designated as federally chartered instrumentalities of the U.S. on December 10, 1971.
- b. Enabling legislation does not specify the limit on government borrowing or on borrowing from others, but only borrowing in general. According to 12 U.S.C. 2154, FICBs as a group are limited to borrowing a sum which does not exceed 20 times the capital and surplus of all the banks primarily liable on the proposed issue, or such lesser amount as the FCA shall establish by regulation.

CORPORATION PROFILE  
FCBs (FLBs)

**NAME:** Federal Land Banks (FLBs)

**PURPOSE:** FLBs makes long-term loans on farm or rural real estate through local Federal Land Bank Associations (FLBAs), for agricultural, aquatic, or other credit needs of farmers, ranchers, and producers/harvesters of aquatic products. FLBs also provide rural housing financing to rural residents for single-family, moderate priced dwellings in towns and villages where population does not exceed 2,500 persons.

**LEGAL AUTHORITY:** 12 U.S.C. 2011-2020  
2051-2055  
2151-2260

**DATE CREATED:** July 17, 1916<sup>a</sup>

**LEGISLATED TERMINATION DATE:** Eleven FLBs merged with the 12 Federal Intermediate Credit Banks to form Farm Credit Banks, effective July 6, 1988. One FLB is in liquidation.

**LEGAL STATUS:** Federally chartered mixed-ownership government corporation. Authority to invest in FLBs was deleted by the Farm Credit Amendments Act of 1985, P.L. 99-205.

**AGENCY STATUS:** None specified in the enabling legislation

**BOARD OF DIRECTORS:** The board consists of seven members, none are appointed by the President. The members of each Farm Credit District Board of Directors are also the members of the Board of Directors of FLBs in their respective districts. Two of the District Board members are elected by the Federal Land Bank Associations, two by the Production Credit Associations, two by the borrowers from or subscribers to the Guaranty Fund of the Banks for Cooperative, and one is appointed by the Farm Credit Administration (FCA) Governor with the advice and consent of the Federal Farm Credit Board.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**CORPORATION PROFILE  
FCBs (FLBs)**

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System (FRS) and the Federal Reserve Banks (FRBs) are authorized to make available upon FCA request, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institution. The FRBs act as clearing agents for the 37 farm credit banks by maintaining accounts for each of them. FRBs buy and sell farm credit securities and hold varying amounts of these securities as a part of the open market operations of the Board of Governors of the FRS.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the government.

**TREASURY STATUS:** FLBs may be designated by the Secretary of the Treasury as a depository of public money and as a fiscal agent of the government.

**REPORTING STATUS:** None specified in the enabling legislation.

**LITIGATION STATUS:** FLBs have the power to sue and be sued. No available information regarding lawsuits.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to examination by FCA examiners and audit by independent certified public accountants as determined by the FCA. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs.

**OTHER AUDIT REQUIREMENTS:** GAO has the authority to audit FLBs.

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse 1987

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the system would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

CORPORATION PROFILE  
FCBs (FLBs)

REVENUES: \$4,036,396,000  
APPROPRIATIONS EXPENDED: None  
EXPENSES: \$4,253,513,000  
NET INCOME (LOSS): (\$217,117,000)  
GRANTS ISSUED: None  
LOANS ISSUED: Not determinable  
LOAN PAYMENTS RECEIVED: Not determinable  
LOAN LOSSES: \$418,256,000  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: \$33,270,231,000  
LOAN LIMIT: None specified in enabling legislation  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$38,490,455,000  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$37,006,998,000  
TOTAL DEBT: \$36,959,068,000  
GOVERNMENT DEBT: None

CORPORATION PROFILE  
FCBs (FLBs)

GOVERNMENT LOAN LIMIT: None specified in enabling legislation<sup>b</sup>

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$1,483,457,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$1,483,457,000

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation

TOTAL INTEREST EXPENSE: \$3,803,796,000

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$3,803,796,000

INTEREST RECEIVED: \$3,822,281,000

## NOTES:

- a. Although established July 17, 1916, pursuant to Section 4 of the Federal Farm Loan Act, as amended, FLBs were designated as federally chartered instrumentalities of the U.S. on December 10, 1971.
- b. Enabling legislation does not specify a limit on government borrowing or borrowing from others, but only borrowing in general. According to 12 U.S.C. 2154, FLBs as a group are limited to borrowing a sum which does not exceed 20 times the capital and surplus of all the banks primarily liable on the proposed issue, or such lesser amount as the FCA shall establish by regulations.

CORPORATION PROFILE  
FAMC

**NAME:** Federal Agricultural Mortgage Corporation (FAMC)<sup>a</sup>

**PURPOSE:** FAMC provides for a secondary marketing arrangement for agricultural real estate mortgages that meet the underwriting standards of the corporation to:

- increase the availability of long-term credit to farmers and ranchers at stable interest rates;
- provide greater liquidity and lending capacity in extending credit to farmers and ranchers; and
- provide an arrangement for new lending to facilitate capital market investments in providing long-term agricultural funding, including funds at fixed rates of interest.

FAMC also is to enhance the ability of individuals in small rural communities to obtain financing for moderate-priced homes.

**LEGAL AUTHORITY:** 12 U.S.C. 2279aa

**DATE CREATED:** January 6, 1988

**LEGISLATED TERMINATION DATE:** Continues until dissolved by an act of Congress.

**LEGAL STATUS:** Federally chartered instrumentality of the United States.

**AGENCY STATUS:** None specified in enabling legislation

**BOARD OF DIRECTORS:** The board consists of 15 members: five elected by holders of common stock that are insurance companies, banks, or other financial institutions, five elected by holders of common stock that are Farm Credit Systems institutions, and five appointed by the President. The appointed members shall not be, or have been, officers or directors of any financial institutions or entities. The appointed members must be representatives of the general public, no more than three from the same political party, and at least two shall be experienced in farming and ranching.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** Institution of the Farm Credit System

**BUDGET STATUS:** None specified in enabling legislation

**TREASURY STATUS:** None specified in enabling legislation



**CORPORATION PROFILE  
FAMC**

**REPORTING STATUS:** The Corporation shall make and publish an annual report of condition as prescribed by the Farm Credit Administration. Each report shall contain financial statements prepared in accord with generally accepted accounting principles and contain such additional information as the Farm Credit Administration may by regulation prescribe. Audits and examinations shall occur at times the Farm Credit Administration determines, but never less than once a year. The Farm Credit Administration shall assess the Corporation any costs of the examinations. These examinations or audits are to be conducted by an independent public accountant.

**LITIGATION STATUS:** The FAMC may sue and be sued in its corporate capacity.

**FINANCIAL AUDIT REQUIREMENTS:** FAMC is to be examined by FCA examiners and as prescribed by FCA in accordance with the principles and procedures applicable to commercial corporate transactions.

**FINANCIAL AUDITOR:** FCA examiners and independent certified public accountants

**OTHER AUDIT REQUIREMENTS:** GAO shall perform financial audits as the Comptroller General deems necessary.

**OTHER AUDITOR:** GAO

**NOTES:**

- a. FAMC was not fully operational as of December 1, 1988, therefore, financial information is not available.

CORPORATION PROFILE  
FADA

**NAME:** Federal Asset Disposition Association (FADA)

**PURPOSE:** The sole purpose of FADA is to assist in strengthening the financial health of the FSLIC by using private sector management and marketing techniques to manage non performing assets in the FSLIC system at the lowest cost consistent with sound operations and to sell these assets as fast as is consistent with obtaining the best possible return for the FSLIC and its receiverships.

**LEGAL AUTHORITY:** Sections 406 (a) and (b) of the National Housing Act of 1934.

**DATE CREATED:** November 1, 1985

**LEGISLATED TERMINATION DATE:** The charter established FADA's duration as ten years.

**LEGAL STATUS:** Federal Savings and Loan Association

**AGENCY STATUS:** A Savings and Loan Association wholly owned by FSLIC

**BOARD MEMBERSHIP:** The Board consists of eight voting directors and three ex officio directors. The director, FSLIC, is an ex officio director, along with the President of FADA and the President, Federal Home Loan Bank of Chicago. The eight other board members are from various financial institutions.

**ADVISORY BOARD MEMBERSHIP:** None

**PARENT AGENCY:** None. (Federal Savings and Loan Insurance Corporation owns all FADA stock)

**AFFILIATED AGENCIES:** The Federal Home Loan Bank Board and the Federal Home Loan Bank of Topeka (on 1-1-89, Atlanta) are FADA's principal affiliated agencies. The Board chartered FADA and provides overall management oversight. As a member of the Federal Home Loan Bank System, FADA is required to acquire and hold stock of the Federal Home Loan Bank of Topeka (on 1-1-89, Atlanta).

**BUDGET STATUS:** Activities, receipts, and expenditures included in any report or budget required under 12 U.S.C. 1725(k)(4).

CORPORATION PROFILE  
FADA

**TREASURY STATUS:** None specified in enabling legislation.

**REPORTING STATUS:** Reports to FSLIC and the Bank Board in such form as required by Board regulations.

**LITIGATION STATUS:** Has the power to sue and be sued. Pursuant to terms of a January 1988 asset management contract, FADA will be indemnified by the FSLIC for some losses and expenses regarding litigation matters.

**FINANCIAL AUDIT REQUIREMENTS:** The Government Corporation Control Act requires GAO to audit FADA on whatever basis the Comptroller General determines to be appropriate. FADA is required by FSLIC to have annual financial audits and they are subject to examination by the Federal Home Loan Bank of Topeka (1-1-89, Atlanta).

**FINANCIAL AUDITOR:** Peat Marwick Main & Company

**OTHER AUDIT REQUIREMENTS:** Examinations by Federal Home Loan Bank of Topeka (1-1-89, Atlanta)

**OTHER AUDITOR:** GAO

**AUDITED:** December 31, 1987

**OPINION:** Qualified opinion due to uncertainty of estimated management fee income and the estimation process used for about one-half FADA's reported income.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with GAAP.

**REVENUES:** \$21,971,103

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$29,380,885

**NET INCOME (LOSS):** (\$7,014,120)

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

LOANS OUTSTANDING: None  
LOAN LIMIT: None  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None  
ASSETS: \$26,811,634  
GOVERNMENT INVESTMENT: \$25,000,000 - FSLIC purchased common stock  
LIABILITIES: \$12,387,157  
TOTAL DEBT: \$7,000,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$14,424,477  
GOVERNMENT EQUITY: \$25,000,000  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: \$25,000,000

TOTAL INTEREST EXPENSE: \$544,526

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$544,526

INTEREST RECEIVED: None shown separately on statements.

**NAME:** Federal Crop Insurance Corporation (FCIC)

**PURPOSE:** FCIC's purpose is to improve the economic stability of agriculture through a sound system of crop insurance.<sup>a</sup> FCIC offers nationwide federal crop insurance to agricultural producers and pays 30% of each producer's premium up to the 65% coverage level. FCIC offers insurance primarily through two basic program delivery systems: Agency sales and service contractors agencies (master marketers) and private insurance companies that FCIC reinsures. FCIC fixes insurance premium rates, adjusts and pays claims for insured crop production losses, assembles data to establish sound actuarial bases for agricultural commodity insurance, and conducts related research, surveys, programs, and investigations.

**LEGAL AUTHORITY:** 7 U.S.C. 1501-1520

**DATE CREATED:** February 16, 1938

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Agency of the U.S. Department of Agriculture (USDA)

**BOARD OF DIRECTORS:** The Board consists of seven members. FCIC's Board is composed of:

- Manager/Chief Executive Officer of FCIC appointed by the Secretary of USDA,
- Under Secretary or Assistant Secretary of USDA responsible for the federal crop insurance program,
- Under Secretary or Assistant Secretary of USDA responsible for USDA farm credit programs,
- one member, not otherwise a federal employee, experienced in the crop insurance business, and
- three farmers who are not otherwise federal employees, who are from different areas of the U.S., and who are policy holders.

The Board is appointed by and holds office at pleasure of the Secretary of USDA, who is prohibited from being on the Board. FCIC's management is vested in the Board subject to the general supervision of the Secretary of USDA.

**ADVISORY BOARD MEMBERS:** Not applicable<sup>b</sup>

**PARENT AGENCY:** Department of Agriculture

**AFFILIATED AGENCIES:** FCIC is instructed to use, to the maximum extent possible, the following USDA organizations: 1) the Soil Conservation Service, in classifying land as to risk and production capability, and in developing conservation practices; 2) the Forest Service, in developing a timber insurance plan; 3) the Agricultural Stabilization and Conservation Service, in determining individual producer yields and in serving as a local contact point for farmers; and 4) other federal agencies as deemed necessary.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). FCIC is to prepare and submit to the President an annual, business-type budget. The budget is to contain statements of financial condition, income and expense, sources and uses of money, analysis of surplus or deficit, and other statements as needed.<sup>c</sup> Statutory limits are imposed on administrative and capital expenses.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:**

- Complete business report is to be filed annually with the Secretary
- Annual report to the Congress concerning the results of its operations as to each commodity insured.
- Monthly report to the Senate Committee on Appropriation on producer participation in the Federal Crop Insurance Program, policy cancellation rate, and any marketing, reinsurance, or administrative changes that affect program costs.
- Upon completion of a pilot program of individual risk under-writing of crop insurance (this program ends after 1985 crop year), FCIC shall submit to the House and Senate a report on operations and evaluation of the pilot program.

CORPORATION PROFILE  
FCIC

**LITIGATION STATUS:** FCIC may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, intervening or final, shall be issued against FCIC or its property. Litigation for FCIC is handled by the Department of Justice with any assistance provided by regional attorneys of USDA's Office of General Counsel. U.S. District Courts, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction of all suits brought by or against FCIC.

**FINANCIAL AUDIT REQUIREMENTS:** Under the GCCA, the General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial corporate transactions. FCIC must reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO. GAO engaged Peat Marwick Main and Company.

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation

**AUDITED:** Fiscal year 1987 report not issued<sup>d</sup>

**OPINION:** Report not issued<sup>d</sup>

**ACCOUNTING PRINCIPLES:** FCIC policy is to adhere closely as possible to generally accepted accounting principles and practices utilized in commercial accounting. However, certain statutory objectives may be unique, thus no counterpart exists in the commercial field.

**REVENUES:** \$438,357,000<sup>e</sup>

**APPROPRIATIONS EXPENDED:** \$197,373,000

**EXPENSES:** \$771,722,000<sup>f</sup>

**NET INCOME (LOSS):** (\$135,992,000)

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None



LOANS OUTSTANDING: None

LOAN LIMIT: None specified in enabling legislation

INSURANCE OUTSTANDING: \$6,080,316,000<sup>g</sup>

INSURANCE SOLD: \$427,827,000

INSURANCE COMMITMENTS: Insurance in force is estimated to be \$7 to \$8 billion for FY88 and FY89. Premiums are estimated to be \$450 million to \$495 million for FY88 and FY89.

INSURANCE LOSSES: \$552,524,000

INSURANCE LIMIT: Unspecified dollar amount. The maximum coverage level FCIC may make available to producers is 75% of the recorded or appraised average crop yield.

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation

ASSETS: \$813,257,000

GOVERNMENT INVESTMENT: None

LIABILITIES: \$612,037,000

TOTAL DEBT: \$113,000,000

GOVERNMENT DEBT: \$113,000,000

GOVERNMENT LOAN LIMIT: None specified in enabling legislation. 7 U.S.C. 1516 (d) provides that borrowing authority may be exercised by FCIC only to such extent or in such amounts as are provided in appropriation acts.

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$201,220,000

GOVERNMENT EQUITY: \$2,383,122<sup>h</sup>

CORPORATION PROFILE  
FCIC

APPROPRIATIONS TO EQUITY: \$8,386

OTHER EQUITY: None

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation

TOTAL INTEREST EXPENSE: \$86,000

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$86,000

INTEREST RECEIVED: \$5,046,000

## NOTES:

- a. FCIC's Federal Crop Insurance covers unavoidable production losses due to such causes as hail, drought, excessive rain, wind, hurricanes, tornadoes, lightning, insect infestation, plant disease, floods, fires, and earthquakes. It does not cover loss due to neglect, poor farming practices, theft, or from low prices received for farm products. The law mandates FCIC to use, to the maximum extent possible, committees/associations of producers, private insurance companies and the resources, data, boards, and committees of federal agencies in carrying out the sales, servicing, and administrative functions of the crop insurance program. FCIC provides reinsurance to insurers including private insurance companies, reinsurers of such companies, or state or local governments that insure agricultural producers under a FCIC approved plan. In 1987, all-risk crop insurance was available in over 3,000 counties with policies covering 44 different commodities.
- b. The statutory provision providing for the appointment and compensation of an advisory committee was repealed by Public Law 96-365 effective September 26, 1980.
- c. Other budgetary requirements include the estimated financial condition and operations for the current and following fiscal years and results of operations for the prior fiscal year. The budget shall also provide for emergencies and contingencies.
- d. GAO engaged the CPA firm of Peat Marwick Main and Co. to audit fiscal year 1987. The report has not been issued as of November 28, 1988. The financial information was taken from this unissued report.

## e. Total revenue is comprised of:

	FY 1987
Premiums Earned	\$427,827,000
Interest Earned	5,046,000
Other	<u>5,484,000</u>
Total Revenues	<u>\$438,357,000</u>

## f. Calculated as:

	FY 1987
Insurance Losses	\$552,524,000
Insurance Servicing Costs	164,731,000
Administrative	<u>54,467,000</u>
Total Expenses	<u>\$771,722,000</u>

## g. Total insurance outstanding figure was extracted from the "Annual Report to Congress-1987." Table II/A reflects insurance outstanding of \$6,080,316,000 which is related to insured acreage of 49,121,000 acres within approximately 3,014 counties in 49 states.

## h. Calculated as:

Capital Stock	\$ 500,000
Paid in capital	<u>787,978</u>
Subtotal	1,287,978
Accumulated (Deficit)	<u>1,095,144</u>
Total	<u>\$2,383,122</u>

CORPORATION PROFILE  
FDIC

**NAME:** Federal Deposit Insurance Corporation (FDIC)

**PURPOSE:** The FDIC was established to promote and preserve public confidence in banks and protect the money supply through provision of insurance coverage for bank deposits and periodic examination of insured state-chartered banks which are not members of the Federal Reserve System. FDIC approves or disapproves mergers, consolidations, acquisitions, branches and assumption transactions between insured banks where the resulting banks are to be insured non-member state banks; provides supervision to maintain the safety and soundness of non-member state banks, serving as receiver for failed insured banks; and financially assists institutions to avert bank failure. Also, FDIC administers applicable consumer and securities laws and requires banks to comply with Federal Reserve regulations and to submit reports of condition.

**LEGAL AUTHORITY:** 48 Stat. 162; 12 U.S.C. 264; 64 Stat 873; 12 U.S.C. 1811-1831<sup>a</sup>

**DATE CREATED:** June 16, 1933<sup>a</sup>

**LEGISLATED TERMINATION DATE:** FDIC shall have succession until dissolved by an act of Congress.

**LEGAL STATUS:** Mixed-ownership government corporation.

**AGENCY STATUS:** FDIC is a government corporation operating as an independent regulatory agency.

**BOARD OF DIRECTORS:** There are three board members<sup>b</sup>, the Comptroller of the Currency who is a presidential appointee, and two others who shall be U.S. citizens and are appointed by the President, with the advice and consent of the Senate. Appointive members serve 6-years terms, and one is elected by the members of the Board as Chairman. No more than two Board members can be affiliated with the same political party.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation.

CORPORATION PROFILE  
FDIC

**AFFILIATED AGENCIES:** FDIC has access to reports of examination made by, and reports of condition made to, the Comptroller of the Currency, and any Federal Reserve (FR) bank, the Federal Home Loan Bank Board (FHLBB), and any Federal Home Loan Bank and all related revisions of reports of condition made to either agency. FDIC directors, after consultation with the Comptroller of the Currency, the FHLBB, and the Board of Governors of the FR System, may by regulation define certain banking terms, e.g., "cash items." The FHLBB has authority to appoint FDIC as the receiver for a federal savings bank whose insured status has been terminated by FDIC's Board. The Comptroller of the Currency has the authority to appoint FDIC as the receiver for any insured national bank, insured federal branch of a foreign bank, insured District bank, or any non-insured national bank or District bank. FDIC is required to consult the Board of Governors of the FR System or the Comptroller of the Currency when making an eligibility determination for state members banks or national banks regarding purchases of net worth certificates.

**BUDGET STATUS:** On budget and subject to the Government Corporation Control Act (GCCA). FDIC is not subject to the regular Office of Management and Budget's (OMB) review process. OMB does not provide a line item review nor is the FDIC subject to OMB apportionment control.

**TREASURY STATUS:** The Secretary of Treasury must approve each sale or purchase of U.S. obligations for FDIC's account which in the aggregate exceed \$100,000. The Secretary has authority to loan funds to FDIC on such terms as may be fixed by FDIC and the Secretary. The Secretary has authority to prepare forms of notes, debentures, or other obligations, subject to the approval of FDIC. The engraved plates, dyes, bed pieces, and other material executed in connection with the aforementioned obligations shall remain in the custody of the Secretary of Treasury. FDIC has the authority to borrow up to \$3 billion from the U.S. Treasury.

**REPORTING STATUS:** FDIC shall annually make a report of its operations to the Congress as soon as practicable after January 1st of each year. The FDIC's Board is required to transmit to Congress an annual report specifying the types and amounts of net worth certificates purchased from each depository institution. The Comptroller General is required to submit a copy of the financial audit report to the Congress, the President, the Secretary of Treasury, and FDIC. The Comptroller General is required to submit to Congress an audit report of the net worth certificate program of FDIC.<sup>c</sup>

**LITIGATION STATUS:** FDIC has the power to sue and be sued.

CORPORATION PROFILE  
FDIC

**FINANCIAL AUDIT REQUIREMENTS:** The financial transactions of FDIC shall be audited by GAO in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the U.S. FDIC shall be audited at least once in every 3 years. The Comptroller General is authorized to employ by contract the professional services of firms and organizations of CPAs, with the concurrence of FDIC, for temporary periods or for special purposes. FDIC is required to reimburse GAO for the cost of any such audit billed by the Comptroller General.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** 31 U.S.C. 701-799, known as the GAO Act; The Comptroller General shall conduct on a semiannual basis an audit of the net worth certificate program of FDIC.<sup>c</sup>

**OTHER AUDITOR:** Certified Public Accountants

**AUDITED:** GAO, CY 1987

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis. FDIC establishes an estimated allowance for loss at the time a bank fails. These allowances are reviewed every 6 months and adjusted as required, based on financial developments which occur during each six-month period.<sup>d</sup>

**REVENUES:** \$3,315,817,000<sup>e</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$3,267,292,000

**NET INCOME (LOSS):** \$48,525,000

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$5,544,780,000

**LOAN PAYMENTS RECEIVED:** \$3,209,808,000

**LOAN LOSSES:** \$8,584,294,000

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$5,771,421,000<sup>f</sup>

**LOAN LIMIT:** None specified in enabling legislation.

CORPORATION PROFILE  
FDIC

INSURANCE OUTSTANDING: \$1,700,000,000,000  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: \$3,064,911,000<sup>9</sup>  
INSURANCE LIMIT: \$100,000 per depositor of an insured bank.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$22,426,524,000  
GOVERNMENT INVESTMENT: \$16,098,874,000  
LIABILITIES: \$4,124,682,000  
TOTAL DEBT: \$2,827,594,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: \$3,000,000,000  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$18,301,842,000  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$18,301,842,000  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: No longer presented as a separate line entry on the annual financial audit.  
INTEREST PAID GOVERNMENT: None

CORPORATION PROFILE  
FDIC

INTEREST PAID OTHERS: No longer presented as a separate line entry on the annual financial audit.

INTEREST RECEIVED: \$1,534,937,000

## NOTES:

- a. FDIC was originally created by section 12B of the Federal Reserve Act, enacted by section 8 of the Banking Act of 1933. However, section 12B of the Federal Reserve Act was withdrawn from the Federal Reserve Act and made a separate act in the Act of September 21, 1950.
- b. The Comptroller of the Currency is included in this number, and is considered a presidential appointee on the Board by virtue of the office he holds as Comptroller.
- c. Reporting requirements concerning the net worth certificate program are to be repealed three years after October 13, 1991, per section 206 of Public Law 97-320, as amended.
- d. Summary of FDIC Allowance for Loss Policy: The FDIC records as a receivable the funds advanced for assisting and closing insured banks, and establishes an estimated allowance for loss shortly after the insured bank is assisted or closed. The allowance for loss represents the difference between the funds advanced and the expected repayment, based on the estimated cash recoveries from the assets of the assisted or failed bank, net of all liquidation costs. The FDIC does not record the estimated loss related to future bank failures because such estimates depend upon factors which cannot be assessed until after the bank is actually assisted or closed. The FDIC's entire Deposit Insurance Fund and borrowing authority are available for any assistance or closing activity.
- e. Amounts are rounded to the nearest thousand.
- f. Amount includes expense items.
- g. Net of allowance for losses.



CORPORATION PROFILE  
FFB

**NAME:** Federal Financing Bank (FFB)

**PURPOSE:** FFB assures coordination of federal and federally assisted borrowing programs with the overall economic and fiscal policies of the government, and assures that borrowing are financed in a manner least disruptive of private financial markets and institutions. To reduce borrowing costs, FFB is authorized to make commitments to purchase and sell, on terms and conditions determined by the bank, any obligation which is issued, sold, or guaranteed by a federal agency.

**LEGAL AUTHORITY:** 12 U.S.C. 2281-2296

**DATE CREATED:** December 29, 1973

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of Congress.

**LEGAL STATUS:** Corporate instrumentality of the U.S. government

**AGENCY STATUS:** None specified in the enabling legislation

**BOARD OF DIRECTORS:** The Board consists of five members; all appointed by the President. The Secretary of the Treasury shall be Board chairman. The other four members are appointed by the President from among the officers or employees of the Bank or of any federal agency.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation.<sup>a</sup>

**AFFILIATED AGENCIES:** Besides FFB's dealings with the Treasury Department, FFB has continuing relations with various other government agencies and corporations which use FFB's credit facilities.

**BUDGET STATUS:** Pursuant to Section 214 of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) all receipts and disbursements of the Federal Financing Bank with respect to any obligations which are issued, sold, or guaranteed by a Federal agency shall be treated as a means of financing such agency. FFB receipts and disbursements are included in the budget totals of such agency. Agency guarantees disbursed by FFB are counted as direct loans of the agency.

**CORPORATION PROFILE**  
**FFB**

**TREASURY STATUS:** Obligations purchased by FFB are subject to such terms and conditions as to yield a return not less than a rate determined by the Secretary of the Treasury taking into account the current market yields on outstanding Treasury securities of comparable maturity or as deemed appropriate, on FFB securities. The Secretary of the Treasury is authorized to use as a public debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act for the purpose of purchasing obligations issued by FFB to the Secretary.<sup>a</sup>

**REPORTING STATUS:** FFB is to transmit to the President and the Congress, an annual report of its operations and activities, as soon as practicable after the end of each fiscal year.

**LITIGATION STATUS:** FFB has the power to sue and be sued, complain, and defend in its corporate name.

**FINANCIAL AUDIT REQUIREMENTS:** FFB is subject to the audit provisions of the GCCA as they apply to a wholly owned government corporation. The General Accounting Office (GAO) is to perform a financial audit at least once every three years in a manner consistent with the principles and procedures applicable to commercial corporate transactions. GAO is to be reimbursed for the cost of such audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation. However, the Treasury Department's Office of the Inspector General reviews FFB's financial statements in those fiscal years when GAO does not perform an audit.

**AUDITED:** IG, fiscal year 1986 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>b</sup>

**REVENUES:** \$17,732,059,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$17,529,436,000

**NET INCOME (LOSS):** \$202,623,000

GRANTS ISSUED: None

LOANS ISSUED: \$34,020,289,853

LOAN PAYMENTS RECEIVED: \$30,662,952,918

LOAN LOSSES: None

LOAN COMMITMENTS: \$15,000,000,000

LOANS OUTSTANDING: \$156,858,268,000

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$162,000,559,000

GOVERNMENT INVESTMENT: None

LIABILITIES: \$161,927,510,000<sup>c</sup>

TOTAL DEBT: \$156,858,268,000

GOVERNMENT DEBT: \$141,858,278,000

GOVERNMENT LOAN LIMIT: FFB is authorized to borrow from the Treasury, with the Secretary's approval, without a statutory limit on the amount.

GOVERNMENT BORROWING: \$19,020,299,853 (gross)

REPAYMENT TO GOVERNMENT: \$30,662,952,918

CORPORATION PROFILE  
FFB

TOTAL EQUITY: \$73,049,000

GOVERNMENT EQUITY: \$73,049,000

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: None

GOVERNMENT EQUITY LIMIT: \$100,000,000. This limitation is on the appropriation authority to the Secretary of the Treasury for the purpose of providing capital to the FFB. All such capital has been repaid.

TOTAL INTEREST EXPENSE: \$17,527,949,000

INTEREST PAID GOVERNMENT: \$16,860,000,000

INTEREST PAID OTHERS: \$660,000,000

INTEREST RECEIVED: \$17,732,033,000

## NOTES:

a.-- The Department of Treasury is deemed the parent agency of FFB

--FFB is subject to the general supervision and direction of the Secretary of the Treasury.

--The Secretary of the Treasury was authorized to advance the funds for FFB's initial capitalization.

--The Chairman of FFB's Board is the Secretary of the Treasury, who appoints FFB's executive officers who, in turn, hold specific positions within the Treasury Department.

--FFB is authorized to acquire from the Treasury, on a reimbursable basis, staff support and facilities in conducting its operations.

--FFB is authorized, with the approval of the Secretary of the Treasury to issue publicly and have outstanding obligations, at any time, not in excess of \$15 billion.

--FFB is authorized to issue its obligations to the Secretary of the Treasury without statutory limitations.

--The Secretary of the Treasury approves financing plans on obligations issued or sold by any federal agency.

b.--In the financial statements, accrued interest receivable, rather than loans receivable, includes capitalized interest because FFB has loaned amounts sufficient for interest payments due, and FFB has borrowed from the Treasury to make such loans (mirror image affect).

--FFB charges its borrowers a semi-annual interest rate that is one-eighth of a percentage point more than the rate FFB pays the Treasury for borrowed funds to cover administrative costs. Accrued interest receivable includes capitalized interest.

--No allowance for losses is established because loan principal and interest are guaranteed by federal agencies and are backed by the full faith and credit of the U.S. government.

c. Total liabilities include accrued interest payable to the U.S. Treasury of \$4,519,438,000; other liabilities of \$592,000; and borrowing from the U.S. Treasury of \$141,858,278,000 and borrowing from the Civil Service Trust Fund of \$14,999,990,000.

CORPORATION PROFILE  
FHLBs

**NAME:** Federal Home Loan Banks (FHLBs)\*\*

**PURPOSE:** FHLBs serves as central banks for member associations by:

- lending funds in the form of advances to member institutions for savings withdrawals, seasonal needs, expansion of mortgage lending, and special purposes such as community investment;
- accepting deposits, and collecting and settling checks drafts and other items;
- providing services such as economic analyses, interest rate swaps, and letters of credit; and
- providing other services as authorized.

**LEGAL AUTHORITY:** 12 U.S.C. 1421-1449

**DATE CREATED:** July 22, 1932

**LEGISLATED TERMINATION DATE:** Succession until dissolved by the Board or by an act of Congress.

**LEGAL STATUS:** Mixed-ownership government corporation

**AGENCY STATUS:** Not specified in the enabling legislation

**BOARD OF DIRECTORS:** The Board consists of 14 members for each bank. Eight of the 14 directors shall be elected by the member institutions for 2-year terms. The remaining six shall be public-interest members appointed by the Federal Home Loan Bank Board (FHLBB) for 4-year terms. In any district which includes five or more states, the Board may, by regulation, increase the elective directors to a number not exceeding 13 and may increase the appointive directors to a number not exceeding three-fourths the number of elective directors.

**ADVISORY BOARD MEMBERS:** None

**PARENT AGENCY:** None specified in enabling legislation.<sup>a</sup>

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\*\*THIS PROFILE INFORMATION WAS CONTAINED IN GAO'S 1985 REFERENCE MANUAL AND WAS NOT UPDATED BECAUSE THE CORPORATION DID NOT RESPOND TO A WRITTEN REQUEST TO PROVIDE REVISED INFORMATION.

CORPORATION PROFILE  
FHLBs

**AFFILIATED AGENCIES:** The Department of the Treasury, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve Banks are authorized to make available to FHLBs for its use and the use of any FHLB, such reports, records and other information relating to the condition of institutions applying for advances. Also, the FHLBs are authorized as directed by the FHLBB to make loans to the Federal Savings and Loan Insurance Corporation. The Federal Service and Loan Advisory Council confers with FHLBB on special business conditions affecting FHLBs.

**BUDGET STATUS:** The budget statements are included in the federal budget documents under the section "government-sponsored enterprises" and are excluded from the budget totals.

**TREASURY STATUS:** The Secretary of the Treasury is authorized, at his discretion, to purchase any FHLB's obligation and to use as a public-debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act, upon such terms, conditions, or price as he shall determine. The purchase of obligations by the Secretary of Treasury shall not exceed \$4 billion. Each purchase of obligations by the Secretary of Treasury shall be upon terms and conditions he shall determine.

**REPORTING STATUS:** FHLBB shall, at least annually, require examination and reports of all FHLBs in such form as the Board shall prescribe.

**LITIGATION STATUS:** Each FHLB has the power to sue and be sued, to complain and to defend, in any court of competent jurisdiction, state or federal.

**FINANCIAL AUDIT REQUIREMENTS:** Under the Government Corporation Control Act (GCCA), GAO is to perform a financial audit on a calendar-year basis. GAO's audits shall not be limited to periods during which government capital is invested. Such audits shall be consistent with principles and procedures applicable to commercial corporate transactions, and GAO shall be reimbursed for the cost of the audit. FHLBB shall at least annually require examinations and reports of condition of all FHLBs in such form as the Board shall prescribe. Examiners appointed by the Board shall be subject to the same requirements, responsibilities and penalties applicable to examiners of national banks and Federal Reserve Banks.

**FINANCIAL AUDITOR:** GAO, Independent certified public accountants

**OTHER AUDIT REQUIREMENTS:** The Comptroller General shall evaluate the results of a program or activity the government carries out under existing law.

CORPORATION PROFILE  
FILES

OTHER AUDITOR: GAO

AUDITED: Unaudited preliminary statements for calendar-year 1984.

OPINION: Not applicable

ACCOUNTING PRINCIPLES: Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

REVENUES: \$9,360,138,000

APPROPRIATIONS EXPENDED: None

EXPENSES: \$8,478,016,000

NET INCOME (LOSS): \$882,122,000

GRANTS ISSUED: None

LOANS ISSUED: \$87,547,773,000

LOAN PAYMENTS RECEIVED: \$71,905,908,000

LOAN LOSSES: None

LOAN COMMITMENTS: \$3,506,232,000

LOANS OUTSTANDING: \$77,370,672,000<sup>b</sup>

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: \$1,790,000,000

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None



CORPORATION PROFILE  
FHLBs

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$96,996,175,000

GOVERNMENT INVESTMENT: \$15,938,736,000<sup>c</sup>

LIABILITIES: \$88,292,958,000

TOTAL DEBT: \$65,085,441,000

GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: \$4,000,000,000

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$8,703,217,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$8,703,217,000

GOVERNMENT EQUITY LIMIT: \$125,000,000 (not to exceed)

TOTAL INTEREST EXPENSE: \$8,088,366,000<sup>d</sup>

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: None

INTEREST RECEIVED: \$8,909,955,000<sup>e</sup>

## NOTES:

a. FHLBs are not autonomous. FHLBB oversees and regulates the FHLBs' operations. For example the:

--FHLBs operate within a framework established by FHLBB;

--FHLBB reviews the FHLBs' annual budgets, approves appointments of top personnel, and governs and sets systemwide operating policy; and

CORPORATION PROFILE  
FHLBB

--FHLBB assesses FHLBs for their pro rata share of the FHLBB's operating expenses during the year, of the cost of FHLBB's office building in Washington, D.C., and for the cost of capital expenditures for furniture, equipment, and furnishings for FHLBB's building.

b.	Advances to members	\$74,620,666,000
	Other loans-guaranteed	<u>2,750,006,000</u>
	Total loans outstanding	<u>\$77,370,672,000</u>
c.	U.S. Treasury obligations	\$ 789,050,000
	U.S. government agencies	-0-
	Federal funds sold	<u>15,149,686,000</u>
	Total investment in government securities	<u>\$15,938,736,000</u>
d.	Interest & concessions-consolidated obligations	\$6,727,179,000
	Interest on deposits	1,331,381,000
	Other interest	<u>29,806,000</u>
	Total interest expense	<u>\$8,088,366,000</u>
e.	Interest on advances	\$7,515,788,000
	Income from investments	1,387,328,000
	Interest and fees	<u>6,839,000</u>
	Total interest received	<u>\$8,909,955,000</u>

**NAME:** Federal Home Loan Mortgage Corporation (FHLMC)

**PURPOSE:** To provide mortgage lenders with an organized national secondary market into which they could sell originated conventional mortgage loans so lenders can obtain sufficient funds to meet housing credit demand. FHLMC facilitates housing credit by purchasing mortgages from lenders and selling securities backed by those mortgages to investors.

**LEGAL AUTHORITY:** 12 U.S.C. 1451-1459

**DATE CREATED:** July 24, 1970

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress.

**LEGAL STATUS:** Private corporation

**AGENCY STATUS:** None specified

**BOARD OF DIRECTORS:** FHLMC's Board is composed of the three members of the Federal Home Loan Bank Board who serve on the FHLMC board without additional compensation. The Chairman of the Federal Home Loan Bank Board shall be the Chairman of the Board of Directors. The Board appoints the President of FHLMC and determines the general policies for the Corporation.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation, however, the corporation's directors are, by statute, the same individuals who serve as members of the Federal Home Loan Bank Board.

**AFFILIATED AGENCIES:** FHLMC is authorized to purchase and make commitments to purchase residential mortgages from any Federal Home Loan Bank (FHLB), the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, the National Credit Union Administration, any member of the FHLB, or any other financial institution the deposit or account of which are insured by an agency of the United States. The Treasury may designate FHLMC as a depository of public money, or fiscal or other agent of the United States. FHLMC shall deposit with the Treasury sufficient funds when planning to retire its common stock.

**BUDGET STATUS:** FHLMC is a publicly chartered corporation. Some financial information is included in the budget documents but excluded from the budget totals for the government. In the federal budget, FHLMC is included under the section, "government-sponsored enterprises." FHLMC receives no congressional appropriations. It is self funded.

CORPORATION PROFILE  
FHLMC

**TREASURY STATUS:** When retiring common stock, FHLMC must deposit sufficient funds in the U.S. Treasury. After designation by the Secretary of Treasury, FHLMC shall be a depository of public money, under such regulations as may be prescribed by the Treasury, and may also be employed as a fiscal or other agent of the United States.

**REPORTING STATUS:** None specified in enabling legislation.

**LITIGATION STATUS:** FHLMC may sue or be sued, complain and defend, in any state, federal or other court. It may also settle, adjust, and compromise, and with or without consideration or benefit, release or waive, in whole or in part, any claim or demand against the Corporation.

**FINANCIAL AUDIT REQUIREMENTS:** The General Accounting Office (GAO) shall perform a commercial-type audit as prescribed by the Comptroller General of the United States.

**FINANCIAL AUDITOR:** GAO; Arthur Andersen & Co., CPAs

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** CPA (Arthur Andersen & Co., December 31, 1987)

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>a</sup>

**REVENUES:** \$2,227,000,000<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$1,747,000,000<sup>c</sup>

**NET INCOME (LOSS):** \$301,000,000<sup>d</sup>

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** \$2,317,000,000<sup>e</sup>

**LOAN LOSSES:** \$31,000,000<sup>f</sup>

**LOAN COMMITMENTS:** None

LOANS OUTSTANDING: \$12,258,000,000<sup>g</sup>  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: \$212,635,000,000  
GUARANTEES ISSUED: \$75,018,000  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: \$88,000,000  
GUARANTEE LIMIT: None specified in enabling legislation.<sup>h</sup>  
ASSETS: \$25,674,000,000  
GOVERNMENT INVESTMENT: \$24,700,000  
LIABILITIES: \$24,492,000,000<sup>i</sup>  
TOTAL DEBT: \$19,547,000,000<sup>j</sup>  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$1,182,000,000<sup>k</sup>  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$1,182,000,000<sup>k</sup>  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: \$1,422,000,000

CORPORATION PROFILE  
FHLMC

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$1,422,000,000<sup>1</sup>INTEREST RECEIVED: \$2,213,000,000<sup>2</sup>

## NOTES:

## a. Additional accounting principles:

--The sold certificates, mortgage participation certificates (PCs), and guaranteed mortgage certificates (GMCs) are accounted for as sale of assets and the mortgage loans sold are excluded from the corporation's retained mortgage portfolio.

--PCs and GMCs are reflected in the balance sheet as contingent liabilities.

--Interest margin is recognized as income over the life of the related mortgage loans and is reported as "management and guarantee income" in the financial statements.

--FHLMC is exempt from all taxation imposed by any state or local authority, with the exception of any real property owned by the Corporation. Tax legislation eliminated FHLMC's exemption from federal income taxation effective January 1, 1985.

--Real estate acquired in settlement of loans is recorded at the lower of fair market value or the unpaid principal balance and accrued interest upon foreclosure. Costs of improving real estate owned are capitalized. Losses on sale of real estate owned are charged as incurred against the appropriate reserve based on whether the related loan was sold or retained by FHLMC.

b. Revenues include interest and discount on mortgage loans, interest on temporary cash investments, management and guarantee income, and other income.

c. Expenditures include long-term debt expense, short-term debt expense, provision for mortgage-loan losses, and administrative expenses.

d. Income before taxes	\$480,000,000
Income taxes	(179,000,000)
Net Income	<u>\$301,000,000</u>

- e. Although FHLMC does not issue loans, it receives loan repayments on mortgages it has purchased from lenders.
- f. This amount reflects the total foreclosure losses booked against the reserve for loan losses. FHLMC has an allowance for mortgage loan losses of \$96,000,000.
- g. This amount is net of discount of \$518 million and the portfolio valuation allowance of \$96 million.
- h. The Corporation has, however, established limitations governing the maximum principal obligations of conventional mortgages purchased by it and subsequently guaranteed through mortgage participation certificates and collateralized mortgage obligations. This limitation is adjusted annually by adding to the previously adjusted amount a percentage equal to the percentage increase of the national single-family house price during the previous 12 months.
- i. Liabilities include notes and bonds payable, accrued interest and other accrued expenses, principal and interest due to mortgage participation certificate investors, reserves for uninsured principal losses and subordinated borrowing.
- j. Total debt consists of notes and bonds payable and subordinated borrowing.
- k. Total equity includes non-voting common stock held by FHLBs, participating preferred stock held primarily by savings institutions which are members of the 12 FHLBS, capital in excess of par value, and retained earnings.
- l. Interest paid others includes interest on long and short-term debt expense.
- m. Interest received includes interest and discount on mortgage loans and interest on temporary cash investments, mortgage securities purchased under agreements to resell, and investments not fully subject to taxation.

CORPORATION PROFILE  
FHA

**NAME:** Federal Housing Administration Fund (FHA)

**PURPOSE:** FHA insures lending institutions against possible losses incurred in financing single family mortgages, multifamily mortgages, and loans either for home improvements or mobile home purchases. FHA also provides mortgage and loan insurance for cooperatives, condominiums, housing for the elderly, group practice medical facilities, nonprofit hospitals, multifamily rental housing construction, and nursing homes. Through FHA's special risk insurance fund, mortgage insurance is provided on behalf of mortgagors eligible for interest reduction payments who otherwise would not be eligible for mortgage insurance.

**LEGAL AUTHORITY:** 12 U.S.C. 1702 et seq.

**DATE CREATED:** June 30, 1934

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation

**LEGAL STATUS:** Wholly owned government corporation<sup>a</sup>

**AGENCY STATUS:** Agency within the Department of Housing and Urban Development (HUD)<sup>b</sup>

**BOARD OF DIRECTORS:** None specified in enabling legislation<sup>c</sup>

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** Department of Housing and Urban Development (HUD)

**AFFILIATED AGENCIES:** The Assistant Secretary for Housing is the Federal Housing Commissioner and the head of FHA. The Secretary of HUD administers the FHA Fund programs and, when carrying out the duties and powers related to the FHA Fund, has the authority, within statutory limits, to fix insurance premium rates high enough to cover all insurance claims and operating costs. HUD pays claims on insured mortgages from the FHA Fund and acquires in return either the defaulted mortgage note or the related property from the mortgages. HUD services the mortgage notes it receives, unless continued default leads HUD to foreclose and acquire the property. Some of these properties are sold for cash and other sales are consummated by purchase money mortgages whereby HUD becomes the mortgagee.



**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). The annual business-type budget sent to the President must contain the estimated financial condition and operations for the current and following fiscal years and results of operations in the prior year. It shall also contain statements of financial condition, income and expense, sources and uses of money, and an analysis of surplus or deficit and other reports needed. The budget shall also provide for emergencies and contingencies. Also, limitations on new insurance commitments are set in annual appropriations acts.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** The Secretary of HUD provides an annual report to the President for transmission to the Congress on operations and programs (including but not limited to FHA insurance, urban renewal, public housing, and rent supplement programs) under the jurisdiction of HUD. The report also contains recommendations for improving such programs and for new and alternative programs.

**LITIGATION STATUS:** Litigation is handled by the Department of Justice under 28 U.S.C. 516.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial-type transactions. FHA shall reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation. However, the HUD Inspector General performs periodic audits.

**AUDITED:** Fiscal year 1987 balance sheet audit in process. Fiscal year 1988 full audit in process. Data provided is 9/30/88 but should be considered unaudited.

**OPINION:** Not issued as yet.

CORPORATION PROFILE  
FHA

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$5,668,080,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$6,525,982,000

**NET INCOME (LOSS):** (\$857,902,000)

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$963,774,000

**LOAN PAYMENTS RECEIVED:** \$240,806,000

**LOAN LOSSES:** \$29,051,200

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$3,597,305,000

**LOAN LIMIT:** None specified in enabling legislation

**INSURANCE OUTSTANDING:** \$297,060,799,000

**INSURANCE SOLD:** Not yet available for FY 1988

**INSURANCE COMMITMENTS:** None

**INSURANCE LOSSES:** See NET INCOME (LOSS)

**INSURANCE LIMIT:** FY 88 annual limit was \$96,000,000,000.

**GUARANTEES OUTSTANDING:** Not Determinable

**GUARANTEES ISSUED:** Not Determinable

**GUARANTEE COMMITMENTS:** None

**GUARANTEE LOSSES:** Not Determinable

**GUARANTEE LIMIT:** None specified in enabling legislation

**ASSETS:** \$12,581,650,000

**GOVERNMENT INVESTMENT:** \$6,212,236,000

**LIABILITIES:** \$10,630,511,000

TOTAL DEBT: \$4,112,800,000  
GOVERNMENT DEBT: \$3,993,268,000  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation  
GOVERNMENT BORROWING: \$680,000,000  
REPAYMENT TO GOVERNMENT: \$218,166,000  
TOTAL EQUITY: \$1,951,139,000  
GOVERNMENT EQUITY: \$1,951,139,000  
APPROPRIATIONS TO EQUITY: \$4,693,034,000  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: \$338,628,000  
INTEREST PAID GOVERNMENT: \$313,469,000  
INTEREST PAID OTHERS: \$25,159,000  
INTEREST RECEIVED: \$830,943,000

## NOTES:

- a. FHA became a wholly owned government corporation in 1948 subject to the provisions of the Government Corporation Control Act (GCCA).
- b. FHA was transferred to the Department of Housing and Urban Development (HUD) at its inception in 1965.
- c. FHA does not have a board of directors. FHA is headed by a Federal Commissioner, who is one of the Assistant Secretaries of HUD, appointed by the President with the advice and consent of the Senate.

**CORPORATION PROFILE**  
**FLBAs**

**NAME:** Federal Land Bank Associations (FLBAs)

**PURPOSE:** FLBAs (the Agricultural Credit Act of 1987 calls for merging PCAs and FLBAs) accept applications for Federal Land Bank (FLB) loans and receive from such banks and disburse to the borrowers, the proceeds of such loans. They provide technical assistance to members, borrowers, applicants and other eligible persons and make available to them such financial services appropriate to their operations.

**LEGAL AUTHORITY:** 12 U.S.C. 2031-2034  
2051-2055  
2151-2260

**DATE CREATED:** July 17, 1916<sup>a</sup>

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress

**LEGAL STATUS:** None specified in the enabling legislation<sup>b</sup>

**AGENCY STATUS:** None specified in the enabling legislation

**BOARD OF DIRECTORS:** Not applicable<sup>c</sup>

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve Banks are authorized to make available upon the Farm Credit Administration's (FCA) request, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institution.

**BUDGET STATUS:** Excluded from the federal budget.

**TREASURY STATUS:** None specified in the enabling legislation

**REPORTING STATUS:** None specified in the enabling legislation

**LITIGATION STATUS:** FLBAs have the power to sue and be sued. No information is available regarding lawsuits.

CORPORATION PROFILE  
FLBAs

**FINANCIAL AUDIT REQUIREMENTS:** Subject to audit and examination by FCA examiners or by independent certified public accountants (CPAs) as determined by the FCA governor. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers. The FCA governor has directed that the FLBAs be examined at least once every 18 months.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs

**OTHER AUDIT REQUIREMENTS:** The General Accounting Office (GAO) has the authority to audit FLBAs

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse for calendar year 1987<sup>d</sup>

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the System would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$235,781,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$467,516,000

**NET INCOME (LOSS):** (\$231,735,000)

**GRANTS ISSUED:** None

**LOANS ISSUED:** Not determinable

**LOAN PAYMENTS RECEIVED:** Not determinable

**LOAN LOSSES:** Not determinable

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$4,027,000

**LOAN LIMIT:** None specified in enabling legislation

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$1,613,172,000  
GOVERNMENT INVESTMENT: \$639,000  
LIABILITIES: \$168,705,000  
TOTAL DEBT: Not applicable  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$1,444,468,000  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$1,444,468,000  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: Not determinable  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: Not determinable  
INTEREST RECEIVED: \$13,684,000

## NOTES:

- a. Although established July 17, 1916, pursuant to Section 7 of the Federal Farm Loan Act, as amended, FLBAs were designated as federally chartered instrumentalities of the U.S. on December 10, 1971.
- b. FLBAs are private entities, the voting stock of which, can be purchased only by eligible borrowers that include farmers, ranchers, and producers/harvesters of aquatic products.
- c. Enabling legislation does not specify the number and membership of the FLBA Board. It only indicates the existence of a Board of Directors, elected from FLBA's voting stockholders, for such terms, qualifications and manner as required by its bylaws.
- d. Financial information taken from the FCA 1987 Annual Report and represents the combined statement of all FLBAs.

CORPORATION PROFILE  
FNMA

NAME: Federal National Mortgage Association (FNMA)

PURPOSE: To establish secondary market facilities for home mortgages, to provide financing by private capital to the maximum extent feasible, to provide a degree of liquidity for mortgage investments, and to improve the flow of funds into residential mortgages. FNMA's mortgage activities generally meet the purchase standards imposed by private institutional mortgage investors. To provide greater liquidity to mortgage investments, FNMA may set aside mortgages it holds to issue and sell mortgage-backed securities.

LEGAL AUTHORITY: 12 U.S.C. 1716-1723d

DATE CREATED: June 27, 1934

LEGISLATED TERMINATION DATE: Succession until dissolved by an act of Congress.

LEGAL STATUS: Government-sponsored private corporation.<sup>a</sup>

AGENCY STATUS: Not specified in enabling legislation.

BOARD OF DIRECTORS: The Board consists of 13 members elected annually by the common stockholders and five members appointed annually by the President. Of the five presidential appointments, at least one person each shall be from the home-building industry, mortgage lending industry, and real estate industry.

ADVISORY BOARD MEMBERS: None specified in enabling legislation.

PARENT AGENCY: None specified in enabling legislation.

**AFFILIATED AGENCIES:**

- The Secretary of Treasury must approve the interest rate(s), maturity and issuance of FNMA obligations. Treasury approval is needed for FNMA to issue mortgage-backed securities and any obligations which are subordinated to any or all obligations. The Secretary may purchase FNMA securities.
- The Secretary of Housing and Urban Development (HUD) must approve issuance of stock, or securities convertible into stock and certain new programs for the purchase or sale of conventional mortgages.
- The Secretary of HUD may require part of FNMA's mortgage purchases be related to the national goal of adequate housing for low and moderate income families. HUD may set a debt-to-capital ratio for FNMA.



CORPORATION PROFILE  
FNMA

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the federal budget documents, but are excluded from the budget totals for the government. FNMA is not subject to the Government Corporation Control Act (GCCA).

**TREASURY STATUS:** Not subject to the GCCA. Approval of the Secretary of the Treasury is needed for:  
--issuance of debt obligations and  
--issuance and selling of securities based upon mortgages.

**REPORTING STATUS:** The Secretary of HUD may require FNMA to make such reports on its activities as he deems advisable.<sup>b</sup>

**LITIGATION STATUS:** FNMA has the power to sue and be sued, and to complain and to defend in any court of competent jurisdiction, state or federal. FNMA may sue or be sued without clearance from the Department of Justice or any other executive agency. FNMA handles all of its own litigation.

**FINANCIAL AUDIT REQUIREMENTS:** Not subject to the GCCA. The Secretary of HUD may examine and audit the books and financial transactions of FNMA.

**FINANCIAL AUDITOR:** Peat Marwick Main and Co., CPAs

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Peat Marwick Main and Co., calendar year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Financial statements are prepared in conformity with generally accepted accounting principles appropriate in the circumstances.

**REVENUES:** \$10,078,000,000<sup>c</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$9,702,000,000<sup>d</sup>

**NET INCOME (LOSS):** \$376,000,000<sup>e</sup>

**GRANTS ISSUED:** None

CORPORATION PROFILE  
FNMA

LOANS ISSUED: \$20,531,000,000 (mortgage purchases including refinancing less discount and deferred fees.)

LOAN PAYMENTS RECEIVED: \$15,398,000,000 (mortgage repayments, less discount amortized)

LOAN LOSSES: Not determinable

LOAN COMMITMENTS: \$4,900,000,000 (mandatory and standby commitments for mortgage portfolio)

LOANS OUTSTANDING: \$93,470,000,000 (represents mortgage portfolio carried at their unpaid principle balances less unamortized discount and deferred loan fees.)

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: \$140,000,000,000 (represents outstanding mortgage-backed securities)

GUARANTEES ISSUED: Not determinable

GUARANTEE COMMITMENTS: \$9,500,000,000 (mortgage-backed securities)

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$103,459,000,000

GOVERNMENT INVESTMENT: \$2,992,000,000 (U.S. Government and federal agency securities at cost)

LIABILITIES: \$101,648,000,000

TOTAL DEBT: \$97,057,000,000

GOVERNMENT DEBT: None

CORPORATION PROFILE  
FNMA

GOVERNMENT LOAN LIMIT: Secretary of the Treasury is authorized to purchase, as a public debt transaction obligation of FNMA up to a maximum of \$2.25 billion outstanding at any one time.

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$1,811,000,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$1,811,000,000<sup>f</sup>

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.

TOTAL INTEREST EXPENSE: \$8,953,000,000

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$8,953,000,000

INTEREST RECEIVED: \$9,843,000,000

## NOTES:

a. FNMA converted to a mixed-ownership government corporation in 1954 (Public Law 83-560). On September 1, 1968 FNMA was partitioned into two corporations (GNMA and FNMA). The corporation maintaining the name FNMA became a government-sponsored private corporation. FNMA maintains that legal status. FNMA is not a government-owned or controlled corporation.

b. Regulations issued by the Secretary of HUD in August 1978, require FNMA to submit to HUD the:

- annual business activities report,
- special plan for each calendar quarter, including estimates of mortgage commitments to be issued by FNMA, purchases and sales of mortgages, and amounts to be borrowed through issuance of debt securities other than discount notes, and
- nine regular reports submitted biweekly, monthly, or quarterly.

CORPORATION PROFILE  
FNMA

c. Calculated as:	
Total interest income	\$9,843,000,000
Total other income	<u>235,000,000</u>
Total revenues	<u>\$10,078,000,000</u>
d. Calculated as:	
Interest on borrowing and related costs	\$8,953,000,000
Total other expenses	557,000,000
Provision for income taxes	<u>192,000,000</u>
Total expenses	<u>\$9,702,000,000</u>
e. Calculated as:	
Total revenues	\$10,078,000,000
Less: total expenses	<u>(9,702,000,000)</u>
Net income	<u>\$ 376,000,000</u>
f. Calculated as:	
Common stock	\$ 512,000,000
Additional paid-in-capital	777,000,000
Retained earnings	<u>617,000,000</u>
Total	<u>\$1,906,000,000</u>
Less: Treasury stock, at cost	<u>(95,000,000)</u>
Total stockholders' equity	<u>\$1,811,000,000</u>

CORPORATION PROFILE  
FPI

**NAME:** Federal Prison Industries, Inc. (FPI)\*  
\*FPI also operates as UNICOR

**PURPOSE:** The purpose is to train inmates in industrial activities so that they may be more productive citizens upon their release. Inmate training is provided in entry-level skills, and enhanced through factory on-the job training and experience in skilled and semi-skilled occupations. FPI maintains some 80 industrial factories in 37 institutions selling goods and services to federal agencies, but not the public. The mission of UNICOR is to employ and train inmates through the operation of and earnings from industries producing quality products and services.

**LEGAL AUTHORITY:** 18 U.S.C. 4121-4128

**DATE CREATED:** June 23, 1934

**LEGISLATED TERMINATION DATE:** Not specified in enabling legislation

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Not specified in enabling legislation

**BOARD OF DIRECTORS:** The board consists of six members; all are appointed by the President. Members represent labor, industry, agriculture, retailers, consumers, the Secretary of Defense, and the Attorney General.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** Department of Justice

**AFFILIATED AGENCIES:** Accounts are maintained in the Treasury. Department of Defense (DOD) is authorized to provide property and equipment for employing or training military prisoners. FPI sells goods and services to many federal agencies. A board consisting of the Comptroller General, the Administrator of General Services Administration (GSA) and the President arbitrates disputes as to price, quality, character, and suitability of prison products.

CORPORATION PROFILE  
FPI

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). Annual budget sent to the President must contain estimated financial condition and operations for the current and following fiscal years and results of operations for the prior fiscal year. It shall also contain statements of financial condition, income and expense, sources and uses of money, an analysis of surplus or deficit, and other reports as needed. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. This requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** FPI is required to provide an annual report to Congress on the operation of the business and the condition of its funds.

**LITIGATION STATUS:** Litigation is handled by the Department of Justice, in consultation with agency counsel.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial-type transactions. FPI shall reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** Not specified in enabling legislation<sup>a</sup>

**OTHER AUDITOR:** Price Waterhouse<sup>b</sup>

**AUDITED:** Price Waterhouse, fiscal year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>c</sup>

**REVENUES:** \$307,515,051<sup>d</sup>

**APPROPRIATIONS EXPENDED:** None

EXPENSES: \$306,547,388\*

NET INCOME (LOSS): \$967,663

GRANTS ISSUED: None

LOANS ISSUED: None

LOAN PAYMENTS RECEIVED: None

LOAN LOSSES: None

LOAN COMMITMENTS: None

LOANS OUTSTANDING: None

LOAN LIMIT: 25 percent of net worth effective FY 1989,

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation

ASSETS: \$220,240,219

GOVERNMENT INVESTMENT: None

LIABILITIES: \$54,479,908

TOTAL DEBT: None

GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: 25 percent of net worth effective FY 1989

GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$165,760,311  
GOVERNMENT EQUITY: \$165,760,311  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: \$416,417  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$416,417  
INTEREST RECEIVED: None

## NOTES:

a. Department of Justice audits FPI field locations every three years. Also, the Bureau of Prisons performs audits (program reviews) of field locations every 18 months to two years.

b. Department of Justice and Bureau of Prisons.

c. Other accounting principles are: services and facilities provided FPI by Bureau of Prisons (BOP): 1) Director of BOP serves ex officio Commissioner of FPI at no cost to FPI, 2) BOP provides land and buildings to FPI on a rent-free basis, and 3) FPI field locations utilize BOP's legal counsel, personnel, financial and other services free of charge.

d. Includes sales and other operating income.

e. Includes cost of goods and services sold, other operating expenses, non-operating expenses, discontinued operations, and discontinued extraordinary items.



**NAME:** Federal Reserve Banks (FRBs)

**PURPOSE:** The functions of the Federal Reserve System include operating the payments mechanism, distributing coin and currency, examining banks, and fiscal-agency functions for the Treasury which are implemented through the twelve Federal Reserve Banks. The Reserve Banks also make advances to depository institutions to accommodate commerce, agriculture, and industry, and they perform supervisory and regulatory functions delegated to them by the Federal Reserve Board.

**LEGAL AUTHORITY:** 12 U.S.C. 221-522

**DATE CREATED:** December 23, 1913

**LEGISLATED TERMINATION DATE:** To have succession until dissolved by an act of Congress or until forfeiture of franchise for violation of law.

**LEGAL STATUS:** Chartered by Comptroller of the Currency.

**AGENCY STATUS:** None specified in enabling legislation.

**BOARD OF DIRECTORS:** There are nine board members; none of whom are presidential appointees.<sup>a</sup> The members of the Board hold office for three years. The Board is divided into Classes A, B, and C. Each class consists of three Board members. Class A members are chosen by and are representative of the stockholding banks. Class B and Class C members represent the public and consider the interests of agriculture, commerce, industry, services, labor, and consumers. Class B members are designated by the stockholding banks. Class C members are designated by the Board of Governors of the Federal Reserve System.

**ADVISORY BOARD MEMBERS:** None<sup>b</sup>

**PARENT AGENCY:** None. However, the Board of Governors of the Federal Reserve System exercises general supervision over the Banks but has no ownership interest.

**AFFILIATED AGENCIES:** FRBs are authorized by several statutes to act as depositories and fiscal agents of the U.S. They are also authorized to act as depositories, custodians, and fiscal agents for the Commodity Credit Corporation and the Farm Credit System.

**BUDGET STATUS:** Not included in the budget.

**CORPORATION PROFILE**  
**FRBs**

**TREASURY STATUS:** FRBs shall be depositaries of public money and financial agents of the Government when designated for that purpose by the Secretary of Treasury and under such regulations as may be prescribed by the Secretary. The Secretary is authorized to receive deposits of gold or of gold certificates or of Special Drawing Right certificates when tendered by any Federal Reserve Bank for credit to its account with the Board of Governors. The Secretary shall prescribe by regulation the form of receipt to be issued to the Federal Reserve Bank making the deposit.

**REPORTING STATUS:** The FRBs do not report to Congress. However, the Board of Governors of the Federal Reserve System is required to provide an annual report to Congress. The Board of Governors is required to order an examination of each Federal Reserve Bank at least once annually, and upon joint application of ten member banks the Board of Governors shall order a special examination and report of the condition of any Federal Bank. The Board is also required by statute to publish a weekly statement on the condition for each FRB. Under the Humphrey-Hawkins Act, the Board is required to transmit to Congress in February and July of each year reports on the System's monetary policies and to consult on these policies with Congress.

**LITIGATION STATUS:** Federal Reserve Banks can sue and be sued in their own name.

**FINANCIAL AUDIT REQUIREMENTS:** The Board of Governors is required to order an examination of each Federal Reserve Bank at least once annually, and upon joint application of ten member banks the Board of Governors shall order a special examination and report of the condition of any Federal Reserve Bank.

**FINANCIAL AUDITOR:** Division of Federal Reserve Bank Operations, Board of Governors of Federal Reserve System.

**OTHER AUDIT REQUIREMENTS:** 31 U.S.C. 714, known as the Federal Banking Agency Audit Act.

**OTHER AUDITOR:** GAO

**AUDITED:** Division of Federal Reserve Bank Operations, Board of Governors of the Federal Reserve System; CY 1987 Audit.

**OPINION:** Not applicable

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles.

**REVENUES:** \$19,644,100,000<sup>C</sup>

APPROPRIATIONS EXPENDED: None

EXPENSES: \$1,613,900,000<sup>d</sup>

NET INCOME (LOSS): \$18,030,200,000<sup>e</sup>

GRANTS ISSUED: None

LOANS ISSUED: Not determinable

LOAN PAYMENTS RECEIVED: Not determinable

LOAN LOSSES: Not determinable

LOAN COMMITMENTS: None

LOANS OUTSTANDING: \$3,815,798,000 (excluding FDIC - assumed indebtedness)

LOAN LIMIT: Unspecified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None

ASSETS: \$275,575,941,000

GOVERNMENT INVESTMENT: \$231,419,525,000

LIABILITIES: \$271,481,767,000 (net of capital surplus of \$4,094,174,000)

TOTAL DEBT: Unspecified

GOVERNMENT DEBT: Unspecified

CORPORATION PROFILE  
FRBs

GOVERNMENT LOAN LIMIT: None  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$4,094,174,000  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$4,094,174,000  
GOVERNMENT EQUITY LIMIT: Unspecified in enabling legislation.  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: Not determinable  
INTEREST RECEIVED: \$16,371,400,000

## NOTES:

a. The Chairman of the board of directors is selected by the Federal Reserve Board from among the three directors it appoints, and all Federal Reserve Board members are presidential appointees.

b. The banks are not statutorily required to have advisory boards, however, they do have informal advisory boards for agricultural, small business, and small bank matters. While the Banks do not have advisory boards; the Board of Governors of the Federal Reserve System has three Advisory Boards. The Federal Advisory Council is composed of twelve members, one from each Federal Reserve District, who are selected annually by the Board of Directors of the District Reserve Bank. The Consumer Advisory Council is composed of thirty members who represent consumer and creditor interests. The Thrift Institutions Advisory Council is composed of representatives from nonbank depository thrift institutions.

CORPORATION PROFILE  
FRB

## c. Calculated as:

Total current income	\$17,633,000,000
Reimbursements	109,300,000
Profits on sale of U.S. securities	41,900,000
All other profits	55,600,000
	<u>1,804,300,000</u>
Total revenue	<u>\$19,644,100,000</u>

## d. Calculated as:

Total current expense	\$1,256,300,000
All other	58,200,000
Board Expenditures	81,900,000
Cost of Federal Reserve Currency	170,700,000
Unreimbursed Treasury Services	<u>47,000,000</u>
Total expenses - Components not provided	<u>\$1,613,900,000</u>

## e. Calculated as:

Total revenue	\$19,644,100,000
Less: Total expense	<u>1,613,900,000</u>
Net income	<u>\$18,030,200,000</u>

CORPORATION PROFILE  
FSLIC

**NAME:** Federal Savings and Loan Insurance Corporation (FSLIC)

**PURPOSE:** FSLIC's purpose is to insure savings in all federal savings and loan associations, federal mutual savings banks, and in state-chartered institutions of the savings and loan type who apply and qualify for insurance. FSLIC insures the safety of savings, public unit accounts, and individual retirement and Keogh accounts up to \$100,000 for each qualified account in an insured institution. FSLIC is authorized to make loans to institutions in financial difficulty. In the event of liquidation, FSLIC acts as a receiver, or coreceiver upon the request of a state authority in cases involving state-chartered institutions. The prevention of default is a major objective of FSLIC. The protection of each investor is accomplished by making contributions to or by purchasing all or part of an association's assets.

**LEGAL AUTHORITY:** 12 U.S.C. 1725 et seq.

**DATE CREATED:** June 27, 1934

**LEGISLATED TERMINATION DATE:** FSLIC shall have succession until dissolved by an act of the Congress

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** FSLIC is an agency

**BOARD OF DIRECTORS:** The Board consists of three members; all appointed by the President. FSLIC is under the direction of the Federal Home Loan Bank Board (FHLBB) which consists of three members appointed by the President with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. The term of each member will be 4 years. The President is authorized to designate one FHLBB member as Chairman of the Board.

CORPORATION PROFILE  
FSLIC

**ADVISORY BOARD MEMBERS:** The Federal Savings and Loan Advisory Council is an independent advisory body which consults with the FHLBB in its administration of the Federal Home Loan Bank (FHLB) System and FSLIC. The Council consists of 24 members--one elected from each FHLB District and 12 appointed by the FHLBB annually. The elected members are generally chosen from the ranks of active savings and loan managers. The appointed members are chosen on the basis of leadership in a number of fields, including the home-financing and building industries.

The Federal Savings and Loan Industry Advisory Committee, created pursuant to section 21(i) of the FSLIC Recapitalization Act, reviews and makes recommendations concerning the Federal Home Loan Bank Board's activities, expenditures and receipts. The Committee, which is exempt from Federal Advisory Committee Act coverage, consists of 13 members, one elected annually from each FHLB District plus a Chairman appointed each year by the Chairman of the Bank Board. All members serve for terms of one year and must be officers of FSLIC-insured institutions.

**PARENT AGENCY:** FHLBB

**AFFILIATED AGENCIES:** Federal savings and loan associations and federal savings banks (except those that are insured by the Federal Deposit Insurance Corporation) are required to apply for insurance and pay the cost of examination related to obtaining the insurance. These financial institutions are required to pay the premium charges for insurance provided by FSLIC.

The Financing Corporation (FICO) is a mixed-ownership government corporation, chartered by the Federal Home Loan Bank Board pursuant to the FSLIC Recapitalization Act of 1987. FICO's sole purpose is to function as a financing vehicle for recapitalizing the FSLIC by issuing debentures, bonds and other obligations, the net proceeds of which are to be used solely to purchase redeemable capital stock and non-redeemable capital certificates issued by FSLIC, or to refund any previously issued obligations. FICO operates under the control of the Bank Board.

The Bank Board chartered the Federal Asset Disposition Association (FADA) in 1985 as a Federal Savings and Loan Association to assist the FSLIC in the management and disposition of receivership assets. All FADA's stock is owned by the FSLIC, which has invested \$25 million in FADA. The Association is governed by a 14 member Board of Directors with the Director of FSLIC a board member ex officio. Its charter is limited to ten years.

CORPORATION PROFILE  
FSLIC

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). The annual budget sent to the President must contain the estimated financial condition and operations for the current and following fiscal years and the condition and results of operations in the prior year. It shall also contain statements of financial condition, income and expense, source and uses of money, and an analysis of surplus or deficit and other reports as needed. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Upon the approval of the Secretary of Treasury, monies of FSLIC not required for current operations, shall be deposited in any Federal Reserve Bank or invested in obligations guaranteed by the United States. The Secretary of the Treasury is authorized to prescribe the regulations necessary to enable institutions to become depositories of public money and fiscal agents of the United States. The Secretary of the Treasury is authorized and directed to loan FSLIC on such terms as may be fixed by FSLIC and the Secretary. FSLIC is also subject to the Treasury provisions of the GCCA.

**REPORTING STATUS:** FSLIC is required to make an annual report to the Congress (via FHLBB) of its operation of insured institutions in default and maintain complete records of its administration of the assets of those institutions.

FSLIC is required to make reports to Congress on its recent and anticipated activities, receipts and expenditures on a quarterly and semiannual basis. The activities, receipts and expenditures of FADA are included in these reports.

In addition, the Federal Home Loan Bank Board is required to submit an annual report to Congress containing a description of the Board's existing and projected manpower and talent, the Board's goals and objectives and its plans for accomplishing them, and a summary of the operations, receipts, expenses and expenditures of the Board and its related entities during the preceding year.

**LITIGATION STATUS:** FSLIC has the power to sue and be sued. FSLIC uses the administrative and legal services of FHLBB.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The Comptroller General shall audit financial transactions of wholly owned government corporations. The Comptroller General shall audit FSLIC on a calendar-year-basis. The financial audit shall be conducted consistent with principles and procedures applicable to commercial corporate transactions. FSLIC shall reimburse the Comptroller General for the cost of the audit.

**FINANCIAL AUDITOR:** General Accounting Office (GAO)



CORPORATION PROFILE  
FSLIC

OTHER AUDIT REQUIREMENTS: None specified in enabling legislation

OTHER AUDITOR: None specified in enabling legislation

AUDITED: GAO, calendar-year 1987

OPINION: Qualified, "subject to the potential need for further Congressional action to enable the Corporation to resolve the industry's problems and meet its obligations..."

ACCOUNTING PRINCIPLES: Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

REVENUES: \$2,395,129,000<sup>a</sup>

APPROPRIATIONS EXPENDED: None

EXPENSES: \$10,950,978,000<sup>b</sup>

NET INCOME (LOSS): (\$8,555,849,000)

GRANTS ISSUED: None

LOANS ISSUED: \$128,958,000 net increase in 1987

LOAN PAYMENTS RECEIVED: Not readily available

LOAN LOSSES: Not readily available

LOAN COMMITMENTS: None

LOANS OUTSTANDING: \$1,227,754,000

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: Not readily available

INSURANCE SOLD: Not determinable

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: Not determinable

INSURANCE LIMIT: \$100,000 per account

GUARANTEES OUTSTANDING: \$2,300,000,000

GUARANTEES ISSUED: Not determinable but net 1987 decrease of \$1,300,000,000. Dec 86 = \$3.6 billion. Dec 87 = \$2.3 billion.

GUARANTEE COMMITMENTS: \$7,300,000,000  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$10,508,447,000  
GOVERNMENT INVESTMENT: \$2,967,412,000  
LIABILITIES: \$24,198,667,000<sup>c</sup>  
TOTAL DEBT: \$5,947,368,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: \$750,000,000<sup>d</sup>  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: (\$13,690,220,000)  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: (\$13,690,220,000)  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: \$316,717,000<sup>e</sup>  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$316,717,000<sup>e</sup>  
INTEREST RECEIVED: \$375,433,000

## NOTES:

a. Amounts have been rounded to the nearest thousand.

b. Amount includes \$316,717,000 interest on notes.

CORPORATION PROFILE  
FSLIC

c. The Corporation has established a loss allowance for future assistance to troubled (unresolved) institutions that is probable and estimable. The liability includes bid prices received by FSLIC and the estimable and probable resolution costs of the remaining thrifts in the FSLIC caseload; plus an additional allowance for institutions located in the Southwest that were not part of the FSLIC caseload as of Dec. 31, 1987. Changes in the Allowance for Loss On Unresolved Cases for the year ended Dec. 31, 1987 is

Balance: Beginning of year	\$10,500,000,000
Add: Provisions	<u>6,900,000,000</u>
Balance: End of Year	<u>\$17,400,000,000</u>

d. FSLIC has continuing authority to borrow from the Treasury for insurance purposes up to a limit of \$750 million outstanding at any one time. No borrowing under this authorization has ever been necessary.

e. Interest expense includes \$47,758,000 credited to Secondary Reserves, and \$55,707,000 paid to various financial institutions on outstanding promissory notes.

CORPORATION PROFILE  
FICO

**NAME:** The Financing Corporation (FICO)

**PURPOSE:** The Financing Corporation's purpose is to raise funds for recapitalizing the Federal Savings and Loan Insurance Corporation (FSLIC). To fulfill its purpose, the Financing Corporation is authorized to issue debentures, bonds, and other obligations, subject to limitations contained in the Act, the net proceeds of which it uses to purchase FSLIC nonvoting capital stock and nonredeemable capital certificates.

**LEGAL AUTHORITY:** P.L. 100-86, Title III

**DATE CREATED:** Legislation signed into law August 10, 1987; FICO chartered by the Federal Home Loan Bank Board on August 28, 1987.

**LEGISLATED TERMINATION DATE:** December 31, 2026

**LEGAL STATUS:** Mixed-ownership government corporation.

**AGENCY STATUS:** Not an agency.

**BOARD OF DIRECTORS:** Under law the Financing Corporation is under the management of a directorate composed of three members as follows:

- one member of the directorate is the Director of the Office of Finance of the Federal Home Loan Banks (FHLBanks); and
- two members are selected by the Federal Home Loan Bank Board from among the presidents of the FHLBanks and serve a one-year term, rotating among the FHLBanks until all have served. None of the members of the Directorate are appointed by the President of the United States.

**ADVISORY BOARD:** None specified in enabling legislation.

**PARENT AGENCY:** Federal Home Loan Bank Board chartered and supervises FICO.

**AFFILIATED AGENCIES:** In accordance with the Act, FICO transfers the net proceeds from each debt offering to FSLIC in exchange for FSLIC redeemable nonvoting capital stock and FSLIC nonredeemable capital certificates. The Federal Home Loan Banks are required by the Act to purchase up to \$3 billion in FICO stock of which \$2.2 billion is to be used to purchase noninterest-bearing securities to repay the outstanding debt at maturity.

**BUDGET STATUS:** The budget statements are included in the federal budget documents under the section "government-sponsored enterprises" and are excluded from the budget totals.

CORPORATION PROFILE  
FICO

**TREASURY STATUS:** In accordance with Section 21(h)(3) of the Federal Home Loan Bank Act 12 U.S.C. Section 1441 (Bank Act), FICO is subject to 31 U.S. Code Sections 9107 and 9108.

**REPORTING STATUS:** FICO, by implementing Federal Home Loan Bank Board resolutions 87-933 and 87-934, dated August 28, 1987, is required to submit reports to the Bank Board on a quarterly basis.

**LITIGATION STATUS:** FICO has the power to sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against FICO in any State or Federal court of competent jurisdiction.

**FINANCIAL AUDIT REQUIREMENTS:** The Comptroller General audits the financial transactions of FICO at least once every three years, in accordance with Section 21(h)(3) of the Bank Act and 31 U.S.C. 9105.

**FINANCIAL AUDITOR:** The Federal Home Loan Bank Board's Inspector General awards the contract for audit services to a public accounting firm. In addition, as noted above, GAO also has a requirement to audit FICO's financial transactions. Therefore in order to fulfill its audit responsibilities, avoid unnecessary duplication and expense, and make the most efficient use of its available resources, GAO, in 1987, reviewed the independent auditor's work and reports in lieu of conducting the audit itself.

**OTHER AUDIT REQUIREMENTS:** Financial audit performed annually.

**OTHER AUDITOR:** Deloitte, Haskins and Sells

**AUDITED:** Deloitte, Haskins and Sells December 31, 1987.

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$21,908,623

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$19,594,873

**NET INCOME (LOSS):** \$2,313,750<sup>a</sup>

**GRANTS ISSUED:** None

CORPORATION PROFILE  
FICO

LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: None  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: None  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$188,976,731  
GOVERNMENT INVESTMENT: \$154,424,120<sup>b</sup>  
LIABILITIES: \$1,231,162,981  
TOTAL DEBT: \$1,198,759,597  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: (\$1,042,186,250)<sup>a</sup>

GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: \$19,156,944  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: See "Total Interest Expense".  
INTEREST RECEIVED: \$2,924,454<sup>C</sup>

## NOTES:

- a. Results of operations indicate an excess of revenue over expenses of \$2,313,750. The \$2,313,750 represents accretion on the noninterest bearing securities held in a segregated account to repay the outstanding debt at maturity. The Financing Corporation's function is to raise funds for the recapitalization of FSLIC. In accordance with the Bank Act, the expenses for debt issue are paid by the thrift industry by a joint paying agent transferring FICO's portion of the regular insurance premiums. The administrative expenses are paid by the FHLBanks. In each case, the expenses charged in any calendar year must equal the expenses incurred. Therefore, the revenue figure represents only the income earned on the noninterest bearing securities held in the segregated account to repay the debt at maturity. The Financing Corporation records its holdings of the FSLIC nonvoting capital stock and nonredeemable capital certificates as a debit in its capital section. The FSLIC nonvoting capital stock and nonredeemable capital certificates, at present, are only contingently recoverable, the cash transfer for such capital stock and certificates, as directed by the Bank Act, are considered nonreciprocal distributions of equity to a related entity for the ultimate benefit of the thrift industry.

CORPORATION PROFILE  
FICO

- b. Book value of securities placed in a segregated account to repay principal of the debt outstanding at maturity. The Act requires FICO to purchase and hold in a segregated account sufficient noninterest bearing securities to repay the principal of all outstanding debt at maturity. To date, the FICO Directorate has required that those noninterest bearing securities be direct obligations of the United States or securities derived from direct obligations of the United States.
- c. Accretion on the noninterest bearing securities (\$2,313,750) represents the bulk of interest earned. The additional interest earned, \$610,704, was used to reduce the amount of assessments against the thrift industry to service the debt.



**NAME:** Gallaudet University (GU)<sup>a</sup>

**PURPOSE:** GU, a national institution, provides education and training to deaf persons by its operation/maintenance of:

- undergraduate liberal arts and sciences programs for deaf students;
- graduate programs for preparing teachers and other instructors of the deaf;
- Kendall Demonstration Elementary School for the Deaf (with day);
- preschool for young deaf children;
- Model Secondary School for the Deaf for high school age students (with day and residential facilities);
- research program focusing on problems related to deafness;
- college preparatory program for deaf students; and
- seven regional extension centers (California, Kansas, Massachusetts, Texas, Florida, Hawaii, and Puerto Rico) offering a variety of programs.

**LEGAL AUTHORITY:** Act of February 16, 1857 (11 Stat. 161) as amended by Public Law 83-420, as amended.<sup>b</sup>

**DATE CREATED:** February 16, 1857

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Private nonprofit educational institution, a body corporate.

**AGENCY STATUS:** None specified in enabling legislation.

**BOARD OF DIRECTORS:** There are 21 board members; none are Presidential appointees. GU's board consists of:

- one U.S. senator appointed by President of the Senate (2-year term),
- two representatives appointed by the Speaker of the House (2-year term), and
- 18 non-public members elected by the Board (3-year term)

The chairman is elected by the other Board members.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None

CORPORATION PROFILE  
GU

**AFFILIATED AGENCIES:** The Secretary of Education is charged with supervision of public business relating to GU and must approve GU's disposal of any or all real property to which the title is vested in GU or any predecessor corporation. GU's Board shall report annually to the Secretary of Education concerning GU's condition (student body, training/education, and financial information), and concerning the Model Secondary School for the Deaf. Public Law 95-355 authorized GU to make purchases through the General Services Administration. The General Accounting Office shall settle and adjust all GU's financial transactions and accounts in connection with the expenditure of appropriated funds for GU's benefit or for construction of facilities for its use.

**BUDGET STATUS:** On-budget. Federal appropriations for the University are included in the U.S. budget under the Department of Education (Payments to Special Institutions for the handicapped). The Department of Education has federal budget and audit responsibilities for Gallaudet University and the Model Secondary School for the Deaf, and the Kendall Demonstration Elementary School.

**TREASURY STATUS:** Federal appropriations for current operations which are not obligated prior to fiscal year end will lapse and revert to the U.S. Treasury.

**REPORTING STATUS:**

--GU shall report annually on the University, Model Secondary School for the Deaf and Kendall Demonstration Elementary School to the Secretary of Education who shall add comments and recommendations and submit the report to the Congress.

--The Convention of American Instructors of the Deaf shall report to the Congress, through GU's President, information of general public interest and value concerning the education of the deaf.

**LITIGATION STATUS:** GU has the right to sue and be sued.

**FINANCIAL AUDIT REQUIREMENTS:** GU shall have an annual independent audit made of its programs and activities.

**FINANCIAL AUDITOR:** Peat Marwick Main & Co., CPAs

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified

**AUDITED:** Peat Marwick Main & Co., fiscal year 1987 audit.

**OPINION:** Unqualified

## CORPORATION PROFILE

GU

**ACCOUNTING PRINCIPLES:** Financial statements are prepared on the accrual basis and in accordance with generally accepted accounting principles (GAAP) for colleges and universities. Accounts are maintained in accordance with the principles of "fund accounting" and all financial transactions are recorded and reporting by fund group.<sup>c</sup>

**REVENUES:** \$18,022,571

**APPROPRIATIONS EXPENDED:** \$62,000,000

**EXPENSES:** \$76,381,626<sup>d</sup>

**NET INCOME (LOSS):** \$495,437<sup>e</sup>

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$100,200

**LOAN PAYMENTS RECEIVED:** \$58,622

**LOAN LOSSES:** \$28,720

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$408,307 (Net of allowance for doubtful receivables of \$28,402.)

**LOAN LIMIT:** None specified in enabling legislation.

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

**INSURANCE COMMITMENTS:** None

**INSURANCE LOSSES:** None

**INSURANCE LIMIT:** None specified in enabling legislation.

**GUARANTEES OUTSTANDING:** None

**GUARANTEES ISSUED:** None

**GUARANTEE COMMITMENTS:** None

**GUARANTEE LOSSES:** None

**GUARANTEE LIMIT:** None specified in enabling legislation.

**ASSETS:** \$184,921,802<sup>f</sup>

CORPORATION PROFILE  
GU

GOVERNMENT INVESTMENT: Not determinable

LIABILITIES: \$11,424,928<sup>g</sup>

TOTAL DEBT: None

GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: None specified in enabling legislation.

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$173,496,874<sup>h</sup>

GOVERNMENT EQUITY: \$374,351 (in Perkins Loan Funds)

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$173,122,523

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.

TOTAL INTEREST EXPENSE: None

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: None

INTEREST RECEIVED: \$403,371<sup>i</sup>

## NOTES:

- a. Under the Act of February 16, 1857 the University was incorporated under the name, "Columbia Institution for the Instruction of the Deaf and Dumb, and the Blind." A February 23, 1865 amendment changed the corporate name to "The Columbia Institution for the Instruction of the Deaf and Dumb." 36 Stat. 1422 changed the name to the "Columbia Institution for the Deaf." In 1954 Public Law 83-420 changed the College's name to "Gallaudet College", and in 1986 Public Law 99-371 changed it to "Gallaudet University".
- b. Chapter 5 of Title 24 of the United States Code (24 U.S.C. 231-250), entitled "The Columbia Institution for the Deaf," was removed from the U.S. Code and is set out in Title 31 of the District of Columbia Code (D.C. Code SS 31-1801 to 31-1834).

c. In accordance with generally accepted accounting principles (GAAP) for colleges and universities, depreciation of fixed assets is not recorded. The statement of current funds, revenues, expenditures, and other changes, reported by GU, relates to the current reporting period and does not purport to present the results of operations or the net income or loss for the period as would a statement of revenues and expenses.

d. Expenses do not include mandatory transfer-loan fund matching grant.

e. Net Income is calculated as:

Revenues and appropriations	\$80,022,571
Less: expenses	(76,381,626)
Less: net transfers for expenditures in other funds	<u>(3,145,508)</u>
Total net income (net increase in current balances)	<u>\$ 495,437</u>

f. Assets are calculated as:

Current funds	\$ 23,582,117
Plant funds	156,093,703
Loan funds	421,145
Less: inter-fund receivables/payables	(5,166,536)
Endowment and similar funds	<u>9,991,373</u>
Total assets	<u>\$184,921,802</u>

g. Liabilities are calculated as:

Current funds-unrestricted	\$15,782,364
Current funds-restricted	570,502
Plant funds-unexpended	238,598
Less: inter-fund receivables/payables	<u>(5,166,536)</u>
Total liabilities	<u>\$11,424,928</u>

h. Total Equity and Other Equity is calculated as:

Current funds - unrestricted fund balance	\$ 6,244,101
- restricted fund balance	985,150
Plant funds - unrestricted fund balance	4,931,797
- net investment in plant	150,923,308
Loan funds - fund balance	421,145
Endowment and similar funds - fund balance	<u>9,991,373</u>
Total equity	<u>\$173,496,874</u>

## i. Interest Received is calculated as:

Other interest income	\$396,138
Interest on loans receivable	<u>7,233</u>
Total interest received	<u>\$403,371</u>

CORPORATION PROFILE  
GNMA

**NAME:** Government National Mortgage Association (GNMA)

**PURPOSE:** GNMA is to support several federally underwritten mortgage programs through the purchase and sale of mortgage securities. GNMA provides supplementary assistance to the secondary market for home mortgage investments. In addition, GNMA manages and liquidates federally owned mortgage portfolios and guarantees privately issued mortgage-backed securities. Mortgage purchase authority has been repealed except that GNMA may honor outstanding commitments.

**LEGAL AUTHORITY:** 12 U.S.C. 1716-1723d

**DATE CREATED:** August 8, 1968

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of Congress.

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Agency within the Department of Housing and Urban Development (HUD)

**BOARD OF DIRECTORS:** All powers and duties of GNMA are invested in the Secretary of HUD. The corporation is administered under the direction of the Secretary through the President of the Association. The president of GNMA shall be appointed by the President of the United States, by and with the consent of the Senate.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** HUD

**AFFILIATED AGENCIES:** GNMA mortgage activities are handled with the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). FNMA employees act as GNMA agents to buy, service, and sell mortgages. In addition, the FHLMC services mortgages. GNMA may act as trustee for trusts established by the Farmers Home Administration (FMHA) in the Department of Agriculture, HUD, the Veterans Administration (VA), Export-Import Bank, Small Business Administration, and the Department of Education. GNMA may purchase Federal Housing Administration (FHA) insured project loans and guarantee securities backed by loans insured or guaranteed by FHA, VA, or FMHA. The home mortgage program (single-family) was discontinued in the mid-1970's due to the lack of federal funding. On November 30, 1984 legislation was signed into law, the Housing and Urban-Rural Recovery Act of 1983, which repealed the authorization of new funding commitments under the Tandem programs.

CORPORATION PROFILE  
GNMA

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). GNMA shall prepare annually a business-type budget for submission to the President. The statements shall contain estimated financial condition for the current and following fiscal years and results of operations in the prior year. It shall also contain statements of financial condition, income and expense, sources and use of money, an analysis of surplus and deficit, and other statements as needed. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** None specified in enabling legislation

**LITIGATION STATUS:** Department of Justice (DOJ) handles major litigation. GNMA may not sue without DOJ clearance. However, it is free to be sued. Private attorneys handle litigation involving small dollars, supervised by HUD's general counsel. The private attorneys only handle single-family foreclosure actions which involve small dollar amounts.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be conducted consistent with principles and procedures applicable to commercial-type transactions. GNMA shall reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation, however GAO recommended an annual audit of GNMA.

**OTHER AUDITOR:** Annual audit by the IPA (FY 1987)-Price Waterhouse

**AUDITED:** Fiscal Year (FY) 1987 audited financial data (Price Waterhouse)

**OPINION:** Unqualified



CORPORATION PROFILE  
GNMA

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>a</sup>

**REVENUES:** \$540,900,000<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$650,900,000<sup>c</sup>

**NET INCOME (LOSS):** (\$110,000,000)

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$11,900,000 (mortgages purchased)

**LOAN PAYMENTS RECEIVED:** \$438,955,000 (mortgages liquidated)

**LOAN LOSSES:** \$247,761,000

**LOAN COMMITMENTS:** \$2,155,000

**LOANS OUTSTANDING:** \$457,861,000

**LOAN LIMIT:** None specified in enabling legislation.

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

**INSURANCE COMMITMENTS:** None

**INSURANCE LOSSES:** None

**INSURANCE LIMIT:** None in enabling legislation.

**GUARANTEES OUTSTANDING:** \$309,286,299,000<sup>d</sup>

**GUARANTEES ISSUED:** \$115,299,081,000

**GUARANTEE COMMITMENTS:** \$139,975,500,000

**GUARANTEE LOSSES:** \$10,930,000

**GUARANTEE LIMIT:** Set annually in appropriation acts. FY 1987 was \$150,000,000,000.

**ASSETS:** \$2,562,500,000

CORPORATION PROFILE  
GNMA

GOVERNMENT INVESTMENT: \$1,673,700,000  
LIABILITIES: \$959,900,000  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: \$1,500,000,000  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: \$736,000,000  
TOTAL EQUITY: \$1,602,600,000  
GOVERNMENT EQUITY: \$1,602,600,000  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: \$26,118,000  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$26,118,000  
INTEREST RECEIVED: \$254,900,000

## NOTES:

- a. Additional accounting principles are as follows:
- U.S. government securities are presented at cost, net of unamortized discount or premiums.
  - Advances to issuers represent advances made to issuers of GNMA mortgage-backed securities to fulfill GNMA's guaranty of timely principal and interest payment to MBS holders.
  - Fees received for GNMA's guaranty of mortgage-backed securities are recognized as earned on an accrual basis. Fees received for commitments to subsequently guarantee mortgage-backed securities and commitments to fund mortgage loans are recognized when received. Losses on assets acquired through liquidation and claims against HUD/FHA and the Veterans Administration (VA) are recognized when they occur. Unamortized purchase discounts are amortized over the lives of the mortgages.

CORPORATION PROFILE  
GNMA

- GNMA periodically monitors the financial condition and the operating results and statistics of issuers. Reserves are established to the extent management believes issuer defaults are probable, and Federal insurance and guarantees are insufficient to recoup GNMA advances.
  - Net investments in mortgages recorded at the unpaid principal balance.
  - Mortgage activities are handled by the Federal National Mortgage Association. Also, the Federal Home Loan Mortgage Corporation services mortgages that were previously bought and sold on GNMA's behalf.
  - GNMA reimburses the Department of Housing and Urban Development for facilities and equipment provided for GNMA's use.
  - Interest Income is generally recognized monthly.
  - GNMA acts as trustee for one government obligation trust which is not included in GNMA's financial statements. Trustor agencies, including GNMA, provide the funds necessary to pay trust debts and expenses.
- b. Revenues include interest income, mortgage-backed securities program fees, commitment and other loan fees, and other income.
  - c. Expenses include interest expense, Tandem plan expenses, fees for servicing mortgages, mortgage-backed securities program expenses, provision for loss on the mortgage-backed securities program, and administrative and other expenses.
  - d. Guarantees outstanding include bond type and pass-through guarantees.

**NAME:** Howard University (HU)

**PURPOSE:** HU provides students, irrespective of race, sex, creed, or national origin, the highest quality education at a reasonable cost and assists, through the use of its research resources, in the development of solutions to human and social problems. The University develops programs in teaching, research, and community service; facilitates the processes of education and of creating new knowledge; and prepares graduates for leadership roles in a rapidly changing society. The HU Hospital provides uncompensated service to the metropolitan D. C. area and provides comprehensive services to high-risk youths.

**LEGAL AUTHORITY:** 20 U.S.C. 121-129

**DATE CREATED:** March 2, 1867

**LEGISLATED TERMINATION DATE:** The Howard University shall have perpetual succession in deed and in law.

**LEGAL STATUS:** Private, nonprofit educational institution

**AGENCY STATUS:** None specified in enabling legislation

**BOARD OF DIRECTORS:** The Board of Trustees is comprised of 31<sup>a</sup> outstanding leaders from business, the professions, public affairs and academia, as well as student representatives. The University's undergraduates and graduates students select one trustee each for election to the Board. There are three alumni trustees. The University Senate, whose membership comprises all full-time faculty, faculty emeriti, deans, directors and executive administrators, selects both an undergraduates and a graduate faculty trustee.

**ADVISORY BOARD MEMBERS:** Howard University does not have an Advisory Board that manages activities for the entire university; however two newly formed advisory boards are helping the Small Business Development Center in the School of Business and Public Administration to expand and improve its services. The Corporate Advisory Board consists of executives from major corporations located in the Washington area. The General Advisory Council is composed of directors of local organizations working with small and minority businesses and owners of small businesses in Washington. It includes representatives of local government agencies which have a responsibility for promoting the growth of small and minority business.

**PARENT AGENCY:** None specified in enabling legislation.

## CORPORATION PROFILE

HU

**AFFILIATED AGENCIES:** The Secretary of Education carries out certain federal responsibilities for HU. The University shall at all times be open to the Department of Education and shall be inspected by the said Department at least once each year. HU is authorized to make purchases through the General Services Administration.

**BUDGET STATUS:** HU is supported in part by federal funds appropriated in the budget of the Department of Education.

**TREASURY STATUS:** None specified in enabling legislation.

**REPORTING STATUS:** The President and Directors of HU are required to report to the Secretary of Education on the condition of the institution on the first of July of each year.

**LITIGATION STATUS:** HU has the authority to sue and be sued.

**FINANCIAL AUDIT REQUIREMENTS:** None specified in enabling legislation however, the President and Directors of HU are required to report to the Secretary of Education on the condition of the institution on the first of July of each year. They must prepare a statement showing the receipts and disbursements of the institution and a statement of changes in financial position.

**FINANCIAL AUDITOR:** Peat Marwick Main & Co.

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Peat Marwick Main & Co., June 30, 1988.

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>B</sup>

**REVENUES:** \$410,657,997<sup>C</sup>

**APPROPRIATIONS EXPENDED:** \$170,175,084<sup>C</sup>

**EXPENSES:** \$387,079,070<sup>C</sup>

**NET INCOME (LOSS):** \$23,578,927 (Excess of revenues over expenditures and transfers)

**GRANTS ISSUED:** Not determinable

LOANS ISSUED: Not determinable  
LOAN PAYMENTS RECEIVED: Not determinable  
LOAN LOSSES: Not determinable  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: Not determinable  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$724,037,415<sup>C</sup>  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$191,373,166<sup>C</sup>  
TOTAL DEBT: \$109,568,858<sup>C</sup>  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$509,058,202  
GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$509,058,202  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: \$2,064,349  
INTEREST PAID GOVERNMENT: Not determinable<sup>d</sup>  
INTEREST PAID OTHERS: Not determinable<sup>d</sup>  
INTEREST RECEIVED: \$6,361,601

## NOTES:

- a. HU is governed by a Board of Trustees instead of a Board of Directors.
- b. HU also maintains its accounts in accordance with the principles of fund accounting.
- c. Includes all funds and account groups of Howard University and Howard University Hospital.
- d. The financial statements do not make a distinction between interest payable to the government or interest payable to others.

CORPORATION PROFILE  
IAF

**NAME:** Inter-American Foundation (IAF)

**PURPOSE:** IAF supports social and economic development in Latin America and the Caribbean. It makes grants primarily to private, indigenous organizations that carry out self-help projects benefiting poor people. IAF's grant-making activities include six programs areas: Agricultural and Rural Development, Urban Enterprises, Community Services, Education & Training, Cultural Expression, and Research & Learning. These activities impact four regions: Central/Caribbean, Andean, Brazil, and Southern Cone. IAF's purpose is also to strengthen the bonds of friendship and understanding among the peoples of this hemisphere and encourage democratic institutions fostering social and economic development.

**LEGAL AUTHORITY:** 22 U.S.C. 290f

**DATE CREATED:** December 30, 1969

**LEGISLATED TERMINATION DATE:** Succession unless dissolved by an act of Congress.

**LEGAL STATUS:** Nonprofit corporation

**AGENCY STATUS:** Agency of the United States

**BOARD OF DIRECTORS:** The number of board members was increased from seven to nine on October 24, 1986, pursuant to PL 99-529 Sec 403; all board members are presidential appointees. The board consists of six members appointed from private life, and three members from officers or employees of U.S. agencies concerned with inter-American affairs. Appointments are for a term of six years with eligibility for reappointment.

**ADVISORY BOARD MEMBERS:** There are 14 advisory board members. The members must be knowledgeable about developmental activities in the western hemisphere. The Advisory Council meets formally with IAF's Board of Directors once a year. Council member appointments are for three years. In addition, past IAF Board chairmen have been asked to serve as lifetime members.

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** The Secretary of State can authorize the detail of employees under his jurisdiction to IAF. The Agency for International Development (AID) has previously monitored IAF's requests for Social Progress Trust Fund monies. Upon liquidation of IAF, assets shall be transferred to the Treasury unless otherwise provided by the Congress.



CORPORATION PROFILE  
IAF

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). IAF is to prepare and submit annually to the President a business-type budget containing statements of financial condition, income and expense, sources and uses of money, analysis of surplus or deficit, and other statements as needed. The statements shall also contain estimated financial condition and operations for the current and following fiscal years and results of operations in the prior year. The budget shall also provide for emergencies and contingencies. IAF is subject to the regular Office of Management and Budget's budgetary process. IAF receives funds from congressional appropriations and from the Social Progress Trust Fund administered by the Inter-American Development Bank.

**TREASURY STATUS:** IAF's accounts, including a special donation account which has not exceeded \$50,000, are maintained by the Treasury or its designee. Interest earned on grantee invested funds is not required to be deposited in the Treasury if interest is used for purposes of the grant. IAF does not issue debts, if it did issue debt obligations, the provisions of the GCCA would apply.

**REPORTING STATUS:** None specified in enabling legislation.

**LITIGATION STATUS:** IAF may sue and be sued in its corporate name. IAF has its own General Counsel but may employ private counsel.

**FINANCIAL AUDIT REQUIREMENTS:** Under the GCCA, the General Accounting Office (GAO) is to perform a financial audit at least once every three years. IAF must reimburse the GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation. However, the Foundation has an internal audit office and contracts auditors in the field to review and certify grantee expenditures.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Fiscal Year 1987

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$17,395,000<sup>a</sup>

CORPORATION PROFILE  
IAF

APPROPRIATIONS EXPENDED: \$11,800,000<sup>b</sup>  
EXPENSES: \$30,840,512<sup>c</sup>  
NET INCOME (LOSS): (\$13,445,512)<sup>d</sup>  
GRANTS ISSUED: \$23,527,407<sup>e</sup> (includes other program expenses)  
LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: None  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: None  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$61,409,994<sup>f</sup>  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$582,294  
TOTAL DEBT: None  
GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$60,313,833<sup>9</sup>  
GOVERNMENT EQUITY: \$37,910,833  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$22,403,000<sup>9</sup>  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: None

## NOTES:

- a. The revenues of \$17,395,000 were extracted from the fiscal year (FY) 1987 budget of the United States. \$15,695,000 in revenues represent the amount IAF received from the Social Progress Trust Fund, which is administered by the Inter-American Development Bank and which receives monies directly by Congressional appropriation. \$1,700,000 represents funds received from the PL 99-349 program resulting from the sale of commodities furnished by the US government to Haiti. After these commodities were sold, the Haitian government transferred the equivalent of \$1,700,000 in Haitian gourdes to the Foundation for its use in funding development projects in Haiti.
- b. The total appropriation of \$11.8 million represents funds appropriated directly to IAF from Congress.
- c. Expenses are calculated as the sum of total administrative expenses (\$4,439,213), net loss on foreign currency exchange (\$2,873,892) grant disbursements from both Social Progress Trust Funds and appropriated funds (\$21,152,876) and other non-grant program disbursements (\$2,374,531).

CORPORATION PROFILE  
IAF

- d. Net loss is calculated as revenues \$17,395,000 less expenses \$30,840,512. The budget of the U.S. government fiscal year 1989 presents a net loss figure of \$10,075,000. The net loss on foreign currency exchange is not considered in the budget of the US government.
- e. Grant disbursements from Social Progress
- |  |                     |
|--|---------------------|
| Trust Fund Monies and Appropriated Funds | \$21,152,876        |
| Contracted services and other expenses   | <u>2,374,531</u>    |
| Total Programmatic Expenses              | <u>\$23,527,407</u> |
- f. Included under assets is over \$22 million due IAF from the Social Progress Trust Fund, total cash of over \$38 million, and \$900 thousand in other assets.
- g. Included under other equity is over \$22 million which is the deferred portion of the Social Progress Trust Fund.

CORPORATION PROFILE  
LSC

**NAME:** Legal Services Corporation (LSC)

**PURPOSE:** LSC provides financial support for legal assistance in noncriminal proceedings to persons financially unable to afford legal services. LSC provides financial assistance to qualified programs, and makes grants to and contracts with individual, firms, corporations, nonprofit organizations, partnership, and state and local governments for the above purposes.

**LEGAL AUTHORITY:** 42 U.S.C. 2996-29961

**DATE CREATED:** July 25, 1974

**LEGISLATED TERMINATION DATE:** None specified.

**LEGAL STATUS:** Private, nonmembership, nonprofit corporation

**AGENCY STATUS:** Shall not be considered a department, agency, or instrumentality of the federal government.

**BOARD OF DIRECTORS:** There are eleven board members; all are appointed by the President. No more than six members shall be of the same political party. A majority shall be members of the bar of the highest court of any state, and none shall be a full-time employee of the U.S. or be deemed officers or employees of the U.S. The term of office is three years. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term. The membership of the Board must include eligible clients and must be generally representative of the organized bar, attorneys providing legal assistance to eligible clients and the general public.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** LSC consults with the Office of Management and Budget and the governors of several states to establish maximum income levels for individuals eligible for legal assistance.

**BUDGET STATUS:** On-budget. LSC submits its budget directly to the Congress. The Office of Management and Budget may submit comments to the Congress of LSC's budget.

**TREASURY STATUS:** Federal appropriation withdrawn from the Department of the Treasury of an as-needed basis.

CORPORATION PROFILE  
LSC

**REPORTING STATUS:** Annual report to the President and the Congress. Annual audit report to be filed with the General Accounting Office (GAO). Annual financial audit reports of entities receiving financial assistance from LSC also to be filed with GAO.

**LITIGATION STATUS:** LSC shall participate in litigation only on behalf of itself and when LSC or a recipient is involved in interpretation of LSC act or its regulations.

**FINANCIAL AUDIT REQUIREMENTS:** Annual audit by an independent certified public accountant (CPA). GAO may audit financial transactions when federal funds are available to finance any portion of LSC's operations. LSC shall conduct or require entities receiving financial assistance to provide for an annual financial audit.

**FINANCIAL AUDITOR:** Peat, Marwick, Main & Co. (CPAs), and GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Peat, Marwick, Main & Co., fiscal year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>a</sup>

**REVENUES:** \$53,927

**APPROPRIATIONS EXPENDED:** \$305,500,000

**EXPENSES:** \$310,655,396

**NET INCOME (LOSS):** (\$5,101,469)

**GRANTS ISSUED:** \$299,758,720<sup>b</sup>

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

LOANS OUTSTANDING: None  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$32,580,176  
GOVERNMENT INVESTMENT: \$437,583  
LIABILITIES: \$26,693,052  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$5,887,124  
GOVERNMENT EQUITY: Not applicable  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$1,722,353  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: None

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: None

INTEREST RECEIVED: \$34,024

NOTES:

- a. Donated services represent the value of services contributed to the Corporation. The value of these services is the difference between the average of fees normally charged by the donors rendering the services and the pro bono publico rate charged to the Corporation.
- b. The amount includes expenditures on contracts.



CORPORATION PROFILE  
NCCB

**NAME:** National Consumer Cooperative Bank (NCCB)

**PURPOSE:** NCCB's purpose is to make available necessary financial and technical assistance to cooperative self-help endeavors as a means of strengthening the nation's economy. NCCB makes and services loans, credit commitments and guarantees; furnishes financially related services, technical assistance and the results of research; and issues its obligations within limitations imposed in 12 U.S.C. 3017. NCCB encourages the development of new and existing cooperatives that provide goods, services, housing and other facilities to their members. NCCB makes loans and offers its services throughout the United States, its territories and possessions, and in the Commonwealth of Puerto Rico.

**LEGAL AUTHORITY:** 12 U.S.C. 3001-3051

**DATE CREATED:** August 20, 1978

**LEGISLATED TERMINATION DATE:** Perpetual existence unless and until its charter is revoked or modified by an act of the Congress

**LEGAL STATUS:** Body corporate<sup>a</sup>

**AGENCY STATUS:** Not an agency<sup>a</sup>

**BOARD OF DIRECTORS:** The Board has 15 members: three appointed by the President. Board membership is as follows:

--Three are appointed by the President with the advice and consent of the Senate. One is selected from among proprietors of small business concerns, one is selected from among the officers of the agencies and departments of the U.S., and one is selected from among persons having extensive experience in the cooperatives field representing low-income eligible cooperatives.

--12 are elected by NCCB's Class B and C stockholders.

The terms are three years. Any member appointed by the President may be removed for cause by the President. The Board meets at least quarterly.

**ADVISORY BOARD MEMBERS:** NCCB's enabling legislation provides that the Bank shall have the power to establish one or more branch offices and one or more advisory councils in connection with any such branch offices, as may from time to time be authorized by the Board of Directors. No advisory board/committee is currently active.

**PARENT AGENCY:** None specified in enabling legislation.

**CORPORATION PROFILE**  
**NCCB**

**AFFILIATED AGENCIES:** The Secretary of Treasury shall set the interest rate for Class A notes, and must give approval for NCCB to pay a dividend or distribution on, or make any redemption or repurchase of any class of stock, when deferred interest on Class A notes shall not have been paid in full together with unpaid interest on such notes.

**BUDGET STATUS:** NCCB is not subject to the Government Corporation Control Act (GCCA) and its budget is not included in the U.S. budget.

**TREASURY STATUS:** NCCB is not subject to the GCCA. The Secretary of the Treasury shall set the interest rate for Class A notes and must give approval for NCCB to pay dividends or distributions on, or make any redemption or repurchase of any class of stock, when deferred interest on Class A notes shall not have been paid in full together with unpaid interest on such notes.

**REPORTING STATUS:** NCCB's Board is to report annually to the appropriate committees of the Congress on NCCB's capital, operations, and financial condition and make recommendations for legislation needed to improve its services.

**LITIGATION STATUS:** NCCB may sue and be sued in its corporate name and complain and defend in any court of competent jurisdiction, state and federal. Litigation and legal matters are no longer handled by an internal legal department. Shea & Gardner is general counsel.

**FINANCIAL AUDIT REQUIREMENTS:** The Farm Credit Administration (FCA) and the General Accounting Office (GAO) are authorized and directed to examine and audit NCCB. Reports regarding such examinations and audits shall be promptly forwarded to both Houses of Congress. NCCB is to reimburse the FCA for the cost of any examination or audit conducted by FCA. NCCB is not subject to the GCCA.

**FINANCIAL AUDITOR:** GAO, FCA, CPA (Price Waterhouse)

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation

**AUDITED:** Price Waterhouse, calendar year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>b</sup>

CORPORATION PROFILE  
NCCB

REVENUES: \$24,580,915  
APPROPRIATIONS EXPENDED: None  
EXPENSES: \$11,817,710  
NET INCOME (LOSS): \$12,728,871  
GRANTS ISSUED: None  
LOANS ISSUED: Not determinable  
LOAN PAYMENTS RECEIVED: Not determinable  
LOAN LOSSES: \$795,715\*  
\*(charge-offs net of recoveries)  
LOAN COMMITMENTS: \$115,808,259  
LOANS OUTSTANDING: \$263,193,025\*  
\*(loans and lease financing, net of allowance for possible credit losses)  
LOAN LIMIT: None specified in enabling legislation  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$338,884,386  
GOVERNMENT INVESTMENT: \$8,337,385  
LIABILITIES: \$217,016,450

CORPORATION PROFILE  
NCCB

TOTAL DEBT: \$260,924,122  
GOVERNMENT DEBT: \$184,270,000  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation<sup>d</sup>  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$66,827,936  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$66,827,936  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: \$8,329,494  
INTEREST PAID GOVERNMENT: \$3,228,979  
INTEREST PAID OTHERS: \$5,100,515  
INTEREST RECEIVED: \$28,660,799

## NOTES:

- a. NCCB was created and chartered a body corporate, as an instrumentality of the United States and a mixed-ownership government corporation. In 1981, the enabling legislation was amended deleting reference to NCCB being an instrumentality and a mixed-ownership government corporation. Also, in 1981, NCCB removed from the authority of the GCCA and its notes. Beyond its designation as a body corporate, the enabling legislation, as amended, does not specify NCCB's legal status or agency status.
- b. Accounts are maintained on an accrual basis except that the Bank discontinues the accrual of interest on loans when principal or interest payments are 90 days or more in arrears. If management considers the outstanding principal to be collectible, the loan remains on the books as a "nonaccrual" loan and the related interest income is recognized on a cash basis.

CORPORATION PROFILE  
NCCB

- c. Commencing October 1, 1985, NCCB shall not make any loan for the purpose of financing the construction, ownership, acquisition or improvement of any structure used primarily for residential purposes, if, after giving effect to such loan, the aggregate amount of all loans outstanding for such purposes would exceed 30 percent of NCCB's gross assets. The enabling legislation also provides that no organization shall be in eligible because it produces, markets or furnishes goods or services for facilities on behalf of its members as primary producers, unless the dollar volume of loans made by NCCB to such organization exceeds ten percent of the assets of the Bank.
- d. NCCB is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, or other evidence of indebtedness. NCCB's Board shall determine the time of issuance, interest rates, and terms and conditions. The total amount of such obligations outstanding at any one time shall not exceed ten times NCCB's paid-in capital and surplus.

**CORPORATION PROFILE**  
**NCHP**

**NAME:** National Corporation for Housing Partnerships (NCHP)

**PURPOSE:** Encourage maximum participation by private investors in programs and projects to provide low and moderate income housing. NCHP buys, owns, manages, leases, or otherwise acquires or disposes housing developments and projects through partnership, limited partnerships, and joint ventures with individuals, corporations, agencies, and organizations. NCHP also makes loans or grants to nonprofit organizations and limited dividend corporation and others.

**LEGAL AUTHORITY:** 42 U.S.C. 3931-3940: District of Columbia Business Corporation Act.

**DATE CREATED:** August 1, 1968; December 16, 1988 (incorporated in D.C.)

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Private for profit corporation

**AGENCY STATUS:** Not an agency of the United States

**BOARD OF DIRECTORS:** The Board consists of 15 members. Three members are appointed by the President and the remaining twelve members are elected by the stockholders.

**ADVISORY BOARD MEMBERS:** NCHP may hire or accept the voluntary services of advisory boards to aid the Corporation in carrying out its purposes.

**PARENT AGENCY:** None specified

**AFFILIATED AGENCIES:** Under the Corporation's programs of acquisition and equity refinancing of government assisted housing, both the National Housing Partnership (NHP) and the Department of Housing and Urban Development (HUD) conduct a detailed review of each project's physical and financial condition to ensure adequate provisions are made for repairs and maintenance. Also, the Corporation uses mortgage insurance provided by HUD to reduce mortgage financing costs and to rehabilitate old multifamily housing.

**BUDGET STATUS:** NCHP is not included in the federal budget.

**TREASURY STATUS:** None specified in enabling legislation

**CORPORATION PROFILE**  
**NCHP**

**REPORTING STATUS:** NCHP shall submit annually a comprehensive and detailed report of operations, activities, and financial condition of the Corporation and the Partnership to the President for transmittal to the Congress.

**LITIGATION STATUS:** None specified in enabling legislation

**FINANCIAL AUDIT REQUIREMENTS:** The accounts of the Corporation and of the Partnership shall be audited annually in accordance with generally accepted auditing standards (GAAS) by independent CPAs or independent licensed public accountants.

**FINANCIAL AUDITOR:** Touche Ross & Co., CPAs

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation

**AUDITED:** Touche Ross & Co., fiscal year 1988 audit<sup>a</sup>

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$46,049,491<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$30,067,063<sup>c</sup>

**NET INCOME (LOSS):** \$15,982,428<sup>c</sup>

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** None

**LOAN LIMIT:** None specified in enabling legislation

**INSURANCE OUTSTANDING:** None

CORPORATION PROFILE  
NCHP

INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$19,829,438  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$11,058,446<sup>d</sup>  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$8,770,992  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None



INTEREST PAID OTHERS: None

INTEREST RECEIVED: None

NOTES:

- a. In 1986 the shareholders of NCHP approved a merger and related transactions pursuant to which a new corporation, NHP, Inc., acquired 100 percent of the outstanding shares of NCHP and acquired all limited partnership interests of NCHP's affiliate, the National Housing Partnership (NHP). The consolidated financial statements of NHP, Inc. and Subsidiaries are audited. These statements include the accounts of NCHP, NHP, and other subsidiaries of NHP, Inc., not chartered by the U.S. Congress. NCHP's stand-alone financial statements are not audited.
- b. Revenues include income from, discontinued operations, arising primarily from the October 1987 sale of a subsidiary.
- c. Expenses do not include an income tax provision as taxes are provided at the parent company level. Thus, net income is before income taxes.
- d. Liabilities include deferred income.
- e. The amounts reported are from the consolidated financial statements of NCHP and its subsidiaries. They do not include the accounts of NHP or other subsidiaries of NHP, Inc. Consequently, the amounts reported here are different from those in the audited financial statements for NHP, Inc. and subsidiaries, as indicated above.

CORPORATION PROFILE  
CLF

**NAME:** National Credit Union Administration Central Liquidity Facility (CLF)

**PURPOSE:** CLF is to improve the financial stability of credit unions by meeting their liquidity needs and thereby encourage savings; support consumer and mortgage lending; and provide basic financial resources to all segments of the economy. Liquidity assistance is available through: 1) Short-term Adjustment Credit (30 to 90 days); 2) Seasonal Credit (90 to 180 days); 3) Protracted Adjustment Credit (credit of a longer term nature).

**LEGAL AUTHORITY:** 12 U.S.C. 1795-1795i, 1752a

**DATE CREATED:** November 10, 1978

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Mixed-ownership government corporation.

**AGENCY STATUS:** Agency within the National Credit Union Administration.

**BOARD OF DIRECTORS:** The CLF has three board members; each is appointed by the President. CLF is managed by the National Credit Union Administration (NCU) Board. The Board is broadly representative of the public interest. The President of the U.S. appoints the board members and designates the chairman. Not more than two members shall be members of the same political party. The term of office of each board member shall be six years.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** National Credit Union Administration.

**AFFILIATED AGENCIES:** Federal Reserve Banks are authorized to act as depositories, custodians, and/or fiscal agents.

**BUDGET STATUS:** On-budget. CLF undergoes the Office of Management and Budget (OMB) review process. OMB exercises financial and program controls through line-item budget review; apportionments; and limitations on administrative and capital expenditures, and borrowing authority.

**TREASURY STATUS:** CLF is subject to the Government Corporation Control Act. However, the Act's provisions regarding authorities of the Secretary of the Treasury do not apply to a mixed-ownership corporation when there is no government capital. CLF has no government capital.

CORPORATION PROFILE  
CLF

**REPORTING STATUS:** Annual report to the President and the Congress, no later than April 1 of each year on CLF's activities and additional reports as deemed necessary by the Congress.

**LITIGATION STATUS:** The Board on behalf of CLF may sue and be sued. Litigation is referred to NCUA General Counsel. The Board shall settle claims which are not in litigation and have not been referred to the Department of Justice.

**FINANCIAL AUDIT REQUIREMENTS:** CLF is subject to the Government Corporation Control Act. The act provides for an audit by the General Accounting Office during periods when there is government capital. The act also provides for an audit at least once every three years.

**FINANCIAL AUDITOR:** GAO; Price Waterhouse & Company, CPA's

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** FY 1987.

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>a</sup>

**REVENUES:** \$25,851,000<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$7,214,000

**NET INCOME (LOSS):** \$18,637,000 (less dividends of \$18,047,000 for a net transfer to retained earnings of \$590,000).

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$105,510,819

**LOAN PAYMENTS RECEIVED:** \$104,050,000

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** CLF may provide members with 90 day loan commitments. At September 30, 1987 there were approximately

CORPORATION PROFILE  
CLF

INTEREST RECEIVED: None

LOANS OUTSTANDING: \$111,544,000

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$481,493,000

GOVERNMENT INVESTMENT: None<sup>C</sup>

LIABILITIES: \$126,963,000

TOTAL DEBT: \$111,394,000

GOVERNMENT DEBT: \$111,394,000

GOVERNMENT LOAN LIMIT: Treasury is authorized to lend up to \$500,000,000 to the CLF, providing the need for funding is certified by the Board. Also, CLF has \$100,000,000 of permanent indefinite borrowing authority to meet emergency liquidity needs of credit unions. Gross obligation limit is twelve times the subscribed capital stock and surplus of the Facility.

GOVERNMENT BORROWING: \$483,375,500

REPAYMENT TO GOVERNMENT: \$476,031,500

TOTAL EQUITY: \$354,530,000

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$354,530,000

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.

TOTAL INTEREST EXPENSE: \$6,417,000<sup>d</sup>

INTEREST PAID GOVERNMENT: \$5,722,000

INTEREST PAID OTHERS: \$695,000

INTEREST RECEIVED: \$25,851,000

NOTES:

- a. On July 18, 1984, the Deficit Reduction Act of 1984 was signed into law making all operations of the CLF tax exempt retroactive to October 1, 1979. The National Credit Union Administration (NCUA) provides the CLF with miscellaneous services and supplies. In addition, the employees of the CLF are paid by NCUA. The CLF reimburses the NCUA on a monthly basis for these items.
- b. Revenue includes interest on loans to members and income from investments.
- c. The CLF's investments are deposits in federally insured financial institutions and shares and deposits in credit unions.
- d. Interest expense includes interest paid to Federal Financing Bank and on member deposits.

CORPORATION PROFILE  
NED

**NAME:** National Endowment for Democracy (NED)

**PURPOSE:** NED is a private, non-profit grantmaking organization created in 1983 to strengthen democratic institutions around the world through nongovernmental efforts. Through its worldwide grant program, the Endowment assists those abroad who are working for democratic goals. In this effort, it enlists the energies of private groups in the U.S. to work in partnership with democrats abroad.

**LEGAL AUTHORITY:** NED Articles of Incorporation. National Endowment for Democracy Act, P.L. 98-164, as amended

**DATE CREATED:** November 18, 1983

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation

**LEGAL STATUS:** Private, non-profit corporation, (501)(c)(3)

**AGENCY STATUS:** None specified in enabling legislation.

**BOARD OF DIRECTORS:** The Board consists of 17 members to be elected or appointed as provided by the bylaws of the corporation.

**ADVISORY BOARD MEMBERS:** The Endowment does not have an advisory board.

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** None

**BUDGET STATUS:** NED's funding is included as a line item in the United States Information Agency's (USIA) annual congressional appropriation.

**TREASURY STATUS:** NED receives the majority of its federal funds using the Letter of Credit-Treasury Financial Communications System (LOC-TFCS). Quarterly reporting of funds received under this system is required.

**REPORTING STATUS:** Not later than February 1, of each year, NED is required to submit an annual report for the preceding fiscal year to the President for transmittal to the Congress.

**LITIGATION STATUS:** None

CORPORATION PROFILE  
NED

**FINANCIAL AUDIT REQUIREMENTS:** Article IV of the grant agreement between USIA and NED requires NED's books to be audited annually by independent licensed public accountants certified or licensed by a regulatory authority.

**FINANCIAL AUDITOR:** Deloitte, Haskins & Sells

**OTHER AUDIT REQUIREMENTS:** None

**OTHER AUDITOR:** GAO, USIA, AID, IRS

**AUDITED:** Fiscal year ended September 30, 1987 by Deloitte, Haskins & Sells

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** NED's accounts are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$99,050 (Contributions)

**APPROPRIATIONS EXPENDED:** \$15,202,508

**EXPENSES:** \$15,146,712

**NET INCOME (LOSS):** \$160,978 (excess of revenues over expenses)

**GRANTS ISSUED:** \$13,901,599

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** None

**LOAN LIMIT:** None

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

**INSURANCE COMMITMENTS:** None

**INSURANCE LOSSES:** None

CORPORATION PROFILE  
NED

INSURANCE LIMIT: None  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None  
ASSETS: \$12,067,974  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$11,868,696  
TOTAL DEBT: \$10,152,513  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: Fund Balance \$199,278  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: None  
GOVERNMENT EQUITY LIMIT: None  
TOTAL INTEREST EXPENSE: \$1,734  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$1,734  
INTEREST RECEIVED: \$8,373 (\$7,900 returned to U.S. Treasury)



**CORPORATION PROFILE**  
**NFWF**

**NAME:** National Fish and Wildlife Foundation (NFWF)

**PURPOSE:** NFWF's purposes are (1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the U.S. Fish and Wildlife Service; and (2) to undertake and conduct such other activities as will further the conservation and management of the fish, wildlife, and plant resources of the United States, and its territories and possessions, for present and future generations of Americans.

**LEGAL AUTHORITY:** PL 98-244, as amended by PL 100-240

**DATE CREATED:** March 26, 1984

**LEGISLATED TERMINATION DATE:** Not Applicable

**LEGAL STATUS:** Charitable, non-profit (501)(c)(3)

**AGENCY STATUS:** Not an agency or establishment of the U.S.

**BOARD OF DIRECTORS:** The Board consists of nine members to be appointed by the Secretary of the Interior. Six must be knowledgeable and experienced in fish and wildlife conservation and three must be educated and experienced in the principles of fish and wildlife management.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None

**AFFILIATED AGENCIES:** None

**BUDGET STATUS:** For a ten-year period beginning October 1, 1984, there are authorized to be appropriated to the Department of the Interior not to exceed \$1,000,000 to be made available to the Foundation to (1) match, on a one-for-one basis, private contributions made to the Foundation; and (2) provide administrative services. This was raised to \$5,000,000 a year for 1988 through 1993.

**TREASURY STATUS:** None

**REPORTING STATUS:** The Foundation shall, as soon as practicable after the end of each fiscal year, transmit to Congress a report of its proceedings and activities during such year, including a full and complete statement of its receipts, expenditures, and investments.

CORPORATION PROFILE  
NFWP

LITIGATION STATUS: None pending

FINANCIAL AUDIT REQUIREMENTS: Audit as required under 36 U.S.C.  
1101-1103

FINANCIAL AUDITOR: Arthur Andersen & Co.

OTHER AUDIT REQUIREMENTS: None

OTHER AUDITOR: None

AUDITED: Arthur Andersen & Co. for Calender Year 1986 and 1987.

OPINION: Unqualified.

ACCOUNTING PRINCIPLES: NFWP's accounts are maintained and the  
financial statements prepared on the accrual basis of accounting  
according to generally accepted accounting principles (GAAP).

REVENUES: \$2,377,082

APPROPRIATIONS EXPENDED: \$691,737

EXPENSES: \$729,273

NET INCOME (LOSS): \$1,647,809

GRANTS ISSUED: \$423,025

LOANS ISSUED: None

LOAN PAYMENTS RECEIVED: None

LOAN LOSSES: None

LOAN COMMITMENTS: None

LOANS OUTSTANDING: None

LOAN LIMIT: None

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None  
ASSETS: \$1,279,596  
GOVERNMENT INVESTMENT: Not determinable  
LIABILITIES: \$8,980  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: Not applicable  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: Fund Balance \$3,270,616  
GOVERNMENT EQUITY: Not applicable  
APPROPRIATIONS TO EQUITY: Not applicable  
OTHER EQUITY: Not applicable  
GOVERNMENT EQUITY LIMIT: Not applicable  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: Not determinable

CORPORATION PROFILE  
NPF

NAME: National Park Foundation (NPF)

PURPOSE: NPF's purpose is to encourage private gifts of real and personal property or any income therein for the benefit of, or in connection with, the National Park Service (NPS), its activities, or services. NPF is to foster a stewardship ethic to preserve and utilize the National Park System's resources, to strengthen/improve the means by which NPS uses its financial resources to manage National Parks, to initiate and support programs which broaden/enhance NPS facilities, and acquire, manage and protect land tracts pending their addition to the National Park system. NPF undertakes special projects and publishes brochures and other materials on National Parks.

LEGAL AUTHORITY: 16 U.S.C. 19e-n

DATE CREATED: December 18, 1967

LEGISLATED TERMINATION DATE: NPF has perpetual succession.

LEGAL STATUS: Charitable non-profit corporation.

AGENCY STATUS: None specified in enabling legislation.

BOARD OF DIRECTORS: Enabling legislation requires at least eight members, one of which is a Presidential appointment, but is silent regarding the maximum number of board members. NPF's Board shall consist of:

- Secretary of the Interior (Chairman of the Board),
- Director of the National Park Service, ex officio (Secretary of the Board), and
- no less than six private U.S. citizens appointed by the Secretary of Interior whose terms are six years and are staggered. The Board is to meet at least one time each year and at the Chairman's call.

ADVISORY BOARD MEMBERS: None specified in enabling legislation

PARENT AGENCY: None specified in enabling legislation.

**CORPORATION PROFILE**  
**NPF**

**AFFILIATED AGENCIES:** NPF may utilize the services and facilities of the Department of Justice to the extent practicable without reimbursement. NPF may utilize the services of the Department of the Interior on request to the extent practicable without reimbursement. NPF is authorized to accept, receive, solicit, hold, administer and use any gifts, devises or bequests, either absolutely or in trust, of property, income or other interest for the benefit or in connection with the National Park Service. NPF may not accept such property or interest if it entails any expenditures other than from NPF's resources. NPF may accept even if it is encumbered, restricted or subject to beneficial interest of private persons if any current or future interest is for the benefit of the National Park Service.

**BUDGET STATUS:** NPF's budget status is not specified in its enabling legislation. NPF's budget is not included in the federal budget. NPF is not subject to the Government Corporation Control Act (GCCA).

**TREASURY STATUS:** NPF's Treasury status is not specified in its enabling legislation. NPF is not subject to the GCCA.

**REPORTING STATUS:** NPF shall transmit to Congress an annual report of its proceedings and activities, including a full and complete statement of its receipts, expenditures and investments. NPF shall include in its annual report to Congress a description of the projects undertaken and NPF's accomplishments regarding the Visitor Facility Fund. The Visitor Facility Fund program ended in FY 1985.

**LITIGATION STATUS:** NPF may utilize the services and facilities of the Department of Justice upon request to the extent practicable without reimbursement.

**FINANCIAL AUDIT REQUIREMENTS:** None specified in enabling legislation.

**FINANCIAL AUDITOR:** Arthur Andersen and Co., independent CPAs.

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** Arthur Andersen and Co., June 30, 1988

**OPINION:** Unqualified.

CORPORATION PROFILE  
NPF

ACCOUNTING PRINCIPLES: Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>c</sup>

REVENUES: \$1,414,281

APPROPRIATIONS EXPENDED: None<sup>d</sup>

EXPENSES: \$1,417,922

NET INCOME (LOSS): (\$3,641)

GRANTS ISSUED: None

LOANS ISSUED: None

LOAN PAYMENTS RECEIVED: None

LOAN LOSSES: None

LOAN COMMITMENTS: None

LOANS OUTSTANDING: None

LOAN LIMIT: None specified in enabling legislation.

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation.

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation.

ASSETS: \$8,521,408

GOVERNMENT INVESTMENT: Not determinable.

LIABILITIES: \$578,447  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: (Total Fund Balance) \$7,942,961  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: (Total Fund Balance) \$7,942,961  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: Not determinable<sup>e</sup>  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: Not determinable<sup>e</sup>  
INTEREST RECEIVED: Not determinable<sup>f</sup>

## NOTES:

- a. The Secretary of the Interior is included in this number because he is a presidential appointee by virtue of the office he holds.
- b. NPF does not have an advisory board. It does have an Executive Level Volunteer Program whereby citizens give of their time, training and talent to provide targeted, professional advice. This program is a project and not part of the governing body of NPS.
- c. NPF recognize annual associate contributions as income of the General Fund during the year received. Marketable securities are recorded at market value. Real property donated to NPF is valued at its fair market value at the date of contribution.

CORPORATION PROFILE  
NPF

- d. P.L. 97-433 authorized the Visitor Facilities Fund program beginning October 1, 1983, and ending September 30, 1989, for reconstruction, rehabilitation, replacement, improvement, relocation, or removal of visitor facilities within the National Park System. In April 1983, NPF entered into a cooperative agreement with the National Park Service (NPS) to manage this program. Technically, the Department of the Interior, through the NPS, receives the appropriation, and the NPS grants the Visitor Facilities Fund monies to NPF. No appropriations were made during FY 1983. This program was ended in FY 1985.
- e. NPF's financial statements do not present interest expense as a separate line item.
- f. NPF's financial statements do not present interest received as a separate line item. NPF's Statement of Activity for the year ended 6/30/88 shows \$507,719 as "investment income."



CORPORATION PROFILE  
AMTRAK

**NAME:** National Railroad Passenger Corporation (AMTRAK)

**PURPOSE:** AMTRAK's purpose is to provide modern, cost-efficient, and energy-efficient intercity rail passenger service. AMTRAK owns locomotives, passenger cars, and repair and maintenance facilities. It contracts with private railroads to operate on their tracks but also owns approximately 2,600 miles of track in the Northeast Corridor plus small segments of track near Albany, New York, and Kalamazoo, Michigan. AMTRAK owns or leases some of its stations, and operates an average of 210 trains per day, serving more than 500 station locations, over a system of approximately 24,000 route miles. It also provides auto-ferry service as a part of its basic passenger services and operates intercity rail passenger service points within the U.S. and points in Canada.

**LEGAL AUTHORITY:** 45 U.S.C. 501, 502, 541-645

**DATE CREATED:** October 30, 1970

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Mixed-ownership as a for-profit corporation.

**AGENCY STATUS:** Not an agency or establishment of the U.S. government.

**BOARD OF DIRECTORS:** There are nine board members; four are selected by the President (includes Secretary of DOT as ex officio member). The board consists of the Secretary of Transportation as an ex officio member, the President of the Corporation, two members selected by the President from a list of persons nominated by commuter authorities that operate over AMTRAK-owned rail properties, two selected by the preferred stockholders, and the three selected by the President with the advice and consent of the Senate. Of these latter three, one must be from a list recommended by the Railway Labor Executive Association, one a Governor of a state interested in rail transport, and one a representative of business with an interest in rail transport.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation.

**CORPORATION PROFILE**  
**AMTRAK**

**AFFILIATED AGENCIES:** As a common carrier by railroad, AMTRAK is subject to specified regulations of the Interstate Commerce Commission and subject to the same laws and regulations, primarily those administered by the Federal Railroad Administration and the Department of Labor, as other private railroads with respect to safety, collective bargaining, employee disputes, employees retirement, annuity, and unemployment systems, and other dealings with employees. AMTRAK contracts with U.S. Postal Service to carry mail. The Secretary of the Treasury and the Attorney General are required to maintain, in cooperation with AMTRAK, en route customs inspection and immigration procedures for international trains. The Attorney General has power to sue AMTRAK for violation of Rail Passenger Service Act. The Secretary of Transportation owns preferred stock, has the power to approve certain certificates of indebtedness, to guarantee AMTRAK loans, and to make legislative recommendations. Also, the Secretary of Transportation originally designated AMTRAK's basic route system in 1971 and has been required from time to time to make other designations or reports to the Congress on specific matters.

**BUDGET STATUS:** On-budget. Grants made to AMTRAK are included in the federal budget under the Department of Transportation (DOT). These operating and capital grants are financed through appropriations. Appropriations for AMTRAK's benefit are subject to apportionment by the Office of Management and Budget to DOT for approval of payment by the Treasurer.

**TREASURY STATUS:** Under the Government Corporation Control Act (GCCA), AMTRAK is subject to certain Treasury controls when federal funds are invested. This includes the Treasury prescribing the terms of obligations offered to the public. Also, the GCCA provides for Treasury approval, unless it is waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations.

**CORPORATION PROFILE**  
**AMTRAK****REPORTING STATUS:**

--AMTRAK must submit annually a comprehensive and detailed report of operations, activities, and accomplishments, including a statement of receipts and expenditures to the President and the Congress.

--Each six months, AMTRAK is to submit a report of the Performance Evaluation Center's activities and recommendations to committees of both houses of the Congress and to the Secretary of DOT.

--An annual report evaluating each route in the system is transmitted to each house of the Congress and the Secretary of DOT.

--Monthly reports of revenues and expenses, average passengers per day, and train on-time performance is to be sent to the Congress and released to the public.<sup>a</sup>

**LITIGATION STATUS:** AMTRAK has the power to sue and be sued in its corporate name and handles its own litigation. It is deemed to be a citizen of the District of Columbia for purposes of determining original jurisdiction in district courts of the United States.

**FINANCIAL AUDIT REQUIREMENTS:** AMTRAK's accounts shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulator authority of a state or other political subdivision of the United States. The audit report is to be included in the annual report required by 45 U.S.C. 548(b).

**FINANCIAL AUDITOR:** Arthur Andersen & Co., CPAs

**OTHER AUDIT REQUIREMENTS:** The Comptroller General of the U.S. is to conduct annually a performance audit of AMTRAK's activities and transactions in accordance with generally accepted management principles. The report shall be sent to the Congress, the President, the Secretary of Transportation, and AMTRAK.

**OTHER AUDITOR:** GAO

**AUDITED:** Arthur Andersen & Co., fiscal year 1987 audit.

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounts are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$973,510,000

CORPORATION PROFILE  
AMTRAK

APPROPRIATIONS EXPENDED: None<sup>b</sup>  
EXPENSES: \$1,672,025,000  
NET INCOME (LOSS): (\$698,515,000)  
GRANTS ISSUED: None  
LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: None  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: None  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$3,837,764,000  
GOVERNMENT INVESTMENT: Not determinable<sup>c</sup>  
LIABILITIES: \$3,766,106,000<sup>d</sup>  
TOTAL DEBT: \$3,362,963,000<sup>e</sup>  
GOVERNMENT DEBT: \$1,119,635,000<sup>f</sup>

CORPORATION PROFILE  
AMTRAK

GOVERNMENT LOAN LIMIT: None (guarantee loan authority has been used)<sup>f</sup>

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$71,658,000

GOVERNMENT EQUITY: \$9,079,984,000<sup>g</sup>

APPROPRIATIONS TO EQUITY: Same as Government Equity<sup>g</sup>

OTHER EQUITY: (\$9,008,326,000)<sup>g</sup>

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.

TOTAL INTEREST EXPENSE: \$1,752,000

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: \$1,752,000

INTEREST RECEIVED: Not determinable.

## NOTES:

- a. In addition to the reporting requirements mentioned herein, the Secretary of DOT is to provide to the President and the Congress, as part of DOT's annual report to the Congress, an annual report on the effectiveness of chapter 14 of title 45 of the U.S. Code (Rail Passenger Service) in meeting the requirements for a balanced national transportation system, together with any legislative recommendations.
- b. For fiscal year 1987, Congress appropriated \$602,000,000 to the Secretary of Transportation to enable the Secretary to make operating and capital grants to AMTRAK. AMTRAK reports only operating revenues on its Statement of Operations. All federal appropriations made for the benefit of AMTRAK flow through AMTRAK's Statement of Changes in Capitalization.
- c. AMTRAK includes \$133,418,000 of short-term investments on its balance sheet as of September 30, 1987. AMTRAK's financial statements do not specify whether these investments are in government or private securities.

CORPORATION PROFILE  
AMTRAK

d. Liabilities are composed of:

Current liabilities	\$ 216,226,000
Long-term obligations	3,350,787,000
Casualty reserves	68,919,000
Deferred credits	<u>130,174,000</u>
Total liabilities	<u>\$3,766,106,000</u>

e. Total Debt is Calculated as:

Current portion of long-term obligations	\$ 12,176,000
Notes payable	1,119,635,000
Equipment obligations	10,547,000
Mortgage notes payable	<u>2,220,605,000</u>
Total debt	<u>\$3,362,963,000</u>

- f. On September 30, 1983, AMTRAK had borrowed under notes payable to the Federal Financing Bank (FFB) up to its maximum federal guaranteed loan authority of \$880 million. The Federal Railroad Administration (FRA) paid this obligation plus \$239,635,000 in accrued interest on AMTRAK's behalf on October 5, 1983. AMTRAK and the U.S. government executed a new note in the amount of \$1,119,635,000 on October 5, 1983. This note matures on November 1, 2082, and will be renewed for successive 99-year terms. Interest is payable only in the event of prepayment or acceleration of the principal.

CORPORATION PROFILE  
AMTRAK

## g. Government equity (and appropriations to equity) calculated as: (in thousands):

Preferred stock issued to the federal government, \$100 par value, 56,300,000 shares authorized, 48,864,029 shares outstanding in 1987	\$4,886,403
Other paid-in capital: federal capital payments	146,989
Federal operating payments	<u>4,046,592</u>
Total government equity	<u>\$9,079,984</u>
Common stock, \$10 par value, 10,000 shares authorized, 9,385,695 shares outstanding	\$ 93,857
Other paid-in capital:	
Railroad capital payments	108,997
State capital payments	13,979
Accumulated deficit before federal operating payments	<u>( 9,225,159)</u>
Total Other Equity	<u>(89,008,326)</u>

AMTRAK is provided funds through federal and state payments for operations, capital improvements, and acquisitions. AMTRAK is required to issue to the Secretary of Transportation cumulative preferred stock (no stated dividends), with liquidation and dividend preferences to common stockholders.

CORPORATION PROFILE  
NRC

**NAME:** Neighborhood Reinvestment Corporation (NRC)

**PURPOSE:** NRC promotes reinvestment in older neighborhoods by local financial institutions in cooperation with the community, residents, and local government. NRC continues the joint efforts of the federal financial supervisory agencies and the Department of Housing and Urban Development (HUD), as the successor to the Urban Reinvestment Task Force.

**LEGAL AUTHORITY:** 42 U.S.C. 8101-8107

**DATE CREATED:** October 31, 1978

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress

**LEGAL STATUS:** Public, nonprofit corporation

**AGENCY STATUS:** Not a department, agency, or instrumentality of the federal government

**BOARD OF DIRECTORS:** The Board has six members; all are required to be holding presidential appointments. NRC's board is comprised of:

- the Chairman of the Federal Home Loan Bank Board or a member of the Federal Home Loan Bank Board to be designated by the Chairman;
- the Secretary of HUD;
- the Chairman of the Federal Deposit Insurance Corporation or the appointive member of the Board of Directors of the Federal Deposit Insurance Corporation if so designated by the Chairman;
- the Chairman of the Board of Governors of the Federal Reserve System, or a member of the Board of Governors of the Federal Reserve System to be designated by the Chairman;
- the Comptroller of the Currency; and
- the Chairman of the National Credit Union Administration or a member of the Board of the National Credit Union Administration to be designated by the Chairman.

A director who is necessarily absent from a meeting of the board, or of a committee of the board, may participate in such meeting through a duly designated representative who is serving pursuant to appointment by the President of the United States, by and with the advice and consent of the Senate, in the same department, agency, corporation, or instrumentality as the absent director, or in the case of the Comptroller of the Currency, through a duly designated Deputy Comptroller.



**CORPORATION PROFILE**  
**NRC**

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** NRC may contract with the Office of Neighborhood Reinvestment of the Federal Home Loan Banks for staff, services, etc. Board members and instrumentalities of the federal government are authorized to provide funds, services, etc., with or without reimbursement. NRC has power to award contracts and grants to local governmental bodies, neighborhood housing services corporations, etc., engaged in neighborhood preservation activities.

**BUDGET STATUS:** On-budget. NRC annually prepares a business-type budget for submission to OMB under rules and regulations as the President may establish. The budget, including the President's revisions, is transmitted to the Congress as part of the annual federal budget.

**TREASURY STATUS:** None specified in the enabling legislation. NRC receives appropriated funds, in which disbursements are controlled by the Treasury through the issue of a warrant. The Treasury may waive this requirement if sufficient safeguards exist.

**REPORTING STATUS:** NRC must submit an annual report to the President and the Congress.

**LITIGATION STATUS:** NRC may sue or be sued, complain and defend, in any state, federal, or other court.

**FINANCIAL AUDIT REQUIREMENTS:** Annual audit by independent certified public accountants (CPAs) in accordance with generally accepted auditing standards (GAAS). The General Accounting Office (GAO) may audit the Corporation or their grantees or contractors for any fiscal year in which federal funds finance operations. GAO shall audit NRC at least once every three years. NRC shall conduct or require grantees or contractors to provide for an annual financial audit.

**FINANCIAL AUDITOR:** Price Waterhouse (CPAs), and GAO

**OTHER AUDIT REQUIREMENTS:** Group pension plan as required by the Department of Labor

**OTHER AUDITOR:** Bert W. Smith & Co., Chartered

**AUDITED:** Price Waterhouse, fiscal year 1984 audit through FY 1987. GAO reviewed FY 1987 audit of Price Waterhouse.

CORPORATION PROFILE  
NRC

OPINION: Unqualified

ACCOUNTING PRINCIPLES: Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

REVENUES: \$1,185,293<sup>a</sup>

APPROPRIATIONS EXPENDED: \$19,000,000

EXPENSES: \$20,167,185

NET INCOME (LOSS): \$18,108

GRANTS ISSUED: \$5,190,242<sup>b</sup>

LOANS ISSUED: \$1,000,000

LOAN PAYMENTS RECEIVED: None

LOAN LOSSES: None

LOAN COMMITMENTS: None

LOANS OUTSTANDING: \$1,000,000

LOAN LIMIT: None specified in enabling legislation

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation

ASSETS: \$7,450,478

GOVERNMENT INVESTMENT: None  
LIABILITIES: \$6,507,542  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$942,936  
GOVERNMENT EQUITY: \$600,607  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$342,329  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: \$962,102

## NOTES:

- a. Revenues include funds received from local governments, interest and other income.
- b. When funds are committed, a grant is recognized; unexpended grant funds are recorded as liabilities.

CORPORATION PROFILE  
OPIC

**NAME:** Overseas Private Investment Corporation (OPIC)

**PURPOSE:** OPIC assists U.S. private investors in making investments in developing countries to promote social and economic development. OPIC offers investors assistance in finding investment opportunities, political risk insurance, investment guarantees, and direct loans. OPIC conducts financing, insurance, and reinsurance operations on a self-sustaining basis, and utilizes private credit and investment institutions and guaranty authority to mobilize capital funds.

**LEGAL AUTHORITY:** 22 U.S.C. 2191 et seq.

**DATE CREATED:** December 30, 1969

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Wholly owned government corporation.

**AGENCY STATUS:** Agency of the United States.

**BOARD OF DIRECTORS:** The board has 15 members; all 15 members are appointed by the President. The Director of the U.S. International Development Cooperation Agency serves as ex officio Board chairman. The U.S. Trade Representative serves as ex officio vice-chairman. The remaining thirteen members include the President of OPIC and four officials of the U.S. government, who shall include an official of the Department of Labor. Of the remaining eight, two shall be experienced in small business, one in organized labor, and one in cooperatives. In addition, none of the eight shall be officials or employees of the U.S. government.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** OPIC operates under the policy guidance of the Secretary of State. OPIC is affiliated with the U.S. International Development Cooperation Agency.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). OPIC is to prepare annually a business-type budget and submit it to the President. The budget is to contain statements of financial condition, income and expense, sources and uses of money, analysis of surplus or deficit, and other statements as needed. It shall also contain estimated financial condition and operations for the current and following fiscal years and results of operations in the prior year. In addition, the Office of Management and Budget establishes limits on OPIC's authority to provide direct funding for projects.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, Treasury may delegate the responsibility regarding obligations to an agency officer or employee. Also, \$50 million in OPIC capital stock is held by the U.S. Treasury.

**REPORTING STATUS:** OPIC's annual report to the Congress shall include an assessment of the economic and development impact and benefits of their projects, projects refused assistance due to human rights violations, and projects receiving assistance although violations exist.

**LITIGATION STATUS:** OPIC may represent itself or contract for representation in all legal and arbitral proceedings.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. Independent CPA firm to perform a financial and compliance audit at least once every three years. At request of Congress or if GAO considers it necessary, GAO shall audit financial statements.

**FINANCIAL AUDITOR:** Peat Marwick Main & Co.

**OTHER AUDIT REQUIREMENTS:** The Inspector General (IG) of the Agency for International Development (AID) may conduct reviews, investigations, and inspections of OPIC's operations and activities. He also conducts security activities. The IG shall report to the board and be reimbursed by OPIC. GAO may conduct audits at the request of Congress or if it considers it necessary.

**OTHER AUDITOR:** Inspector General of AID and GAO.

**AUDITED:** Peat Marwick Main & Co., fiscal year 1987.

CORPORATION PROFILE  
OPIC

OPINION: Unqualified

ACCOUNTING PRINCIPLES: Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

REVENUES: \$116,906,000

APPROPRIATIONS EXPENDED: None<sup>a</sup>

EXPENSES: \$14,915,000

NET INCOME (LOSS): \$101,991,000<sup>b</sup>

GRANTS ISSUED: None

LOANS ISSUED: \$12,849,000

LOAN PAYMENTS RECEIVED: \$2,791,000

LOAN LOSSES: \$3,400,000<sup>c</sup>

LOAN COMMITMENTS: (Undisbursed) \$21,600,000

LOANS OUTSTANDING: \$45,942,000<sup>d</sup>

LOAN LIMIT: The amount in the Direct Investment Fund is subject to appropriation limits.

INSURANCE OUTSTANDING: \$5,089,000,000

INSURANCE SOLD: \$1,763,000,000

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: \$458,000 Loss on claims settlements for Political Risk Insurance.

INSURANCE LIMIT: \$8,066,000,000 - subject to appropriation limit<sup>e</sup>

GUARANTEES OUTSTANDING: \$307,900,000

GUARANTEES ISSUED: \$85,323,000<sup>f</sup>

GUARANTEE COMMITMENTS: (Undisbursed) \$373,000,000

GUARANTEE LOSSES: None

GUARANTEE LIMIT: \$1,000,000,000 - subject to appropriation limit<sup>g</sup>

**ASSETS:** \$1,207,493,000  
**GOVERNMENT INVESTMENT:** \$1,081,223,000  
**LIABILITIES:** \$20,605,000  
**TOTAL DEBT:** None  
**GOVERNMENT DEBT:** None  
**GOVERNMENT LOAN LIMIT:** \$100,000,000 is authorized for claims settlements.  
**GOVERNMENT BORROWING:** None  
**REPAYMENT TO GOVERNMENT:** None  
**TOTAL EQUITY:** \$1,186,888,000  
**GOVERNMENT EQUITY:** \$1,186,888,000  
**APPROPRIATIONS TO EQUITY:** None  
**OTHER EQUITY:** None  
**GOVERNMENT EQUITY LIMIT:** None specified in enabling legislation.  
**TOTAL INTEREST EXPENSE:** None  
**INTEREST PAID GOVERNMENT:** None  
**INTEREST PAID OTHERS:** None  
**INTEREST RECEIVED:** \$85,080,000<sup>9</sup>

**NOTES:**

a. Appropriations prior to January 1, 1975, totaled \$106 million. Section 240B of the Foreign Assistance Act of 1961, as amended, requires OPIC to return these appropriated funds to the U.S. Treasury. During fiscal year (FY) 1982, OPIC returned \$50 million. In November 1983, the remaining \$56 million was returned to the U.S. Treasury.

**b. Calculated as:**

Total revenues	\$116,906,000
Total expenses	<u>(14,915,000)</u>
Net Income	<u>\$101,991,000</u>

CORPORATION PROFILE  
OPIC

c. This amount represents the expense for the Provision for Uncollectible Direct Investment Loans.

d. Loans Outstanding is Calculated as:

Direct Investment Fund	
Loans outstanding (net)	\$39,717,000
Allowance for uncollectible loans	<u>6,225,000</u>
Loans outstanding (gross)	<u>\$45,942,000</u>

e. The Foreign Assistance Act requires, effective October 1, 1981, that insurance and guarantees may be issued only to the extent or in the amounts provided in congressional appropriation acts.

f. Financial information was extracted from the Budget of the U.S. Government for Fiscal Year 1989.

g. Interest received is Calculated as:

Investment Guarantee Fees	\$ 6,978,000
Direct investment interest	3,985,000
Interest on U.S. Treasury Securities	71,651,000
Other interest and income	<u>2,466,000</u>
Total interest received	<u>\$85,080,000</u>



**CORPORATION PROFILE**  
**PADC**

**NAME:** Pennsylvania Avenue Development Corporation (PADC)

**PURPOSE:** To ensure suitable development, maintenance, and use of the area adjacent to Pennsylvania Avenue between the Capitol and the White House and the elimination of blight. To develop a plan for the uses, both public and private, of this land. To provide financing for land acquisition and for public works projects.

**LEGAL AUTHORITY:** 40 U.S.C. 871-885

**DATE CREATED:** October 27, 1972

**LEGISLATED TERMINATION DATE:** Upon completion of development plan.

**LEGAL STATUS:** Wholly owned government corporation.

**AGENCY STATUS:** Independent agency of the United States.

**BOARD OF DIRECTORS:** The board has twenty-three members; thirteen are appointed by the President.<sup>a</sup> Voting members include:

- Secretaries of Interior, Treasury, Housing & Urban Development, and Transportation,
- Administrator of General Services Administration,
- Mayor of the District of Columbia (D.C.)
- Chairman of D.C. City Council, and
- Eight private citizens appointed by the President.

Non-voting members include representatives from eight federal and local planning and art entities.

**ADVISORY BOARD MEMBERS:** The advisory board consists of seven board members. Advisory board members are appointed by the Chairman from tenants and owners of property within the development area. The Advisory Board is not presently operational.

**PARENT AGENCY:** None specified in enabling legislation.

**AFFILIATED AGENCIES:** National Park Service may transfer land to the Corporation within the development area to facilitate implementation of the development plan. Many agencies have dealings with PADC and are represented on the Board.

CORPORATION PROFILE  
PADC

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). A business-type budget is to be submitted annually containing statements of financial condition, income and expense, sources and uses of money, and analysis of surplus or deficit, and other statements needed. It shall also contain estimated financial condition and operations for the current and following fiscal years and results of operations in the prior year. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. This requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If agency agrees, Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** Must submit annually a comprehensive and detailed report of operations, activities, and accomplishments as well as actions taken or planned to enhance the historic and architectural values of structures.

**LITIGATION STATUS:** Department of Justice conducts all litigation arising out of activities of the Corporation.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) shall perform a financial audit at least once every three years. PADC is to reimburse GAO for the cost of the audit. The audit shall be consistent with principles and procedures applicable to commercial corporate transactions.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None

**AUDITED:** GAO, fiscal year 1985 <sup>b</sup>

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$6,312,612<sup>c</sup>

CORPORATION PROFILE  
PADC

APPROPRIATIONS EXPENDED: \$2,514,073  
EXPENSES: \$13,230,371  
NET INCOME (LOSS): (\$4,403,687)  
GRANTS ISSUED: None  
LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: None  
LOAN COMMITMENTS: None specified in enabling legislation.  
LOANS OUTSTANDING: None  
LOAN LIMIT: None  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$208,079,969  
GOVERNMENT INVESTMENT: \$114,981,700  
LIABILITIES: \$93,098,270  
TOTAL DEBT: \$92,943,243  
GOVERNMENT DEBT: \$92,943,243  
GOVERNMENT LOAN LIMIT: \$120,000,000

GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: \$26,250,174  
TOTAL EQUITY: \$114,981,700  
GOVERNMENT EQUITY: \$122,902,593<sup>d</sup>  
APPROPRIATIONS TO EQUITY: \$122,902,593  
OTHER EQUITY: (\$7,920,893)<sup>e</sup>  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: \$10,397,457  
INTEREST PAID GOVERNMENT: \$84,586  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: \$2,152,751

## NOTES:

- a. Of the thirteen voting members appointed by the President, five are presidential appointees as a result of the office they hold.
- b. While the last financial audit covered the Pennsylvania Avenue Development Corporation's 1985 financial statements, the financial data included in this profile is for fiscal year 1987.
- c. All financial figures are rounded to the nearest dollar. Revenue includes sale of land, rental income, interest income, and miscellaneous income.
- d. Government Equity includes unexpended appropriations and invested capital.
- e. Other Equity includes donations and other items and cumulative results of operations.

CORPORATION PROFILE  
PBGC

**NAME:** Pension Benefit Guaranty Corporation (PBGC)

**PURPOSE:** PBGC was established to protect the retirement incomes of plan participants and their beneficiaries covered under private-sector, defined benefit pension plans. PBGC's mission includes:

- encouraging the continuation and maintenance of voluntary pension plans for the benefit of the participants,
- providing for the timely and uninterrupted payment of pension benefits under applicable plans, and
- maintaining insurance premiums established by the PBGC under 29 U.S.C. 1306 at the lowest level consistent with carrying out the Corporation's obligation.<sup>a</sup>

**LEGAL AUTHORITY:** 29 U.S.C. 1301-1461

**DATE CREATED:** September 2, 1974

**LEGISLATED TERMINATION DATE:** Not specified in enabling legislation.

**LEGAL STATUS:** Wholly owned government corporation.

**AGENCY STATUS:** The enabling legislation states that PBGC is established within the Department of Labor.

**BOARD OF DIRECTORS:** There are three board members; each member is a presidential appointment. PBGC's Board consists of the Secretaries of Labor, Commerce, and the Treasury. The Secretary of Labor is the Chairman and the Chairman shall cause a copy of the corporate bylaws to be published in the Federal Register at least annually. The Board has the authority to adopt, alter, supplement, or repeal corporate bylaws.

**ADVISORY BOARD MEMBERS:** There are seven advisory board members; each member is a presidential appointee. PBGC has an Advisory Committee which consists of the following members:

- Two represent the interests of the employee organizations (labor).
- Two represent the interests of employers maintaining pension plans (business).
- Three represent the interests of the general public. The President designates the Chairman. No more than four members are to be from the same political party.

Terms are for three years. Meetings are held at least six times annually. The Federal Advisory Committee Act does not apply.

CORPORATION PROFILE  
PBGC

**PARENT AGENCY:** Department of Labor

**AFFILIATED AGENCIES:** The Secretaries of Labor and Treasury must notify PBGC whenever certain reportable events (as defined in 29 U.S.C. 1343 (b)) occur or whenever any other event occurs which either Secretary believes indicates that a plan may not be sound. PBGC may make arrangements with other agencies for cooperation in the performance of its functions. Each department, agency, or establishment of the United States shall provide PBGC with such information and facilities as PBGC may request for its assistance. The Attorney General or his representative is to receive from PBGC for appropriate action such evidence as may be found to warrant consideration for criminal prosecution.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). PBGC is to prepare a business-type budget and submit it to the President. The budget is to contain statements of financial condition, income and expense, source and use of money, analysis of surplus or deficit, and other statements as needed. It shall also contain estimated financial condition and operations for the current and following fiscal years and results of operations in its prior year. PBGC receives annual apportionments from the Office of Management and Budget (OMB). Administrative costs included therein are allocated by quarters. Other costs are allocated on an annual basis. PBGC develops its budget within standard Labor and OMB guidelines. PBGC's budget is submitted to its Board of Directors and Labor for review, evaluation, modification, and approval. The Congressional Appropriations Committees review and approve PBGC's budget.

**TREASURY STATUS:** Subject to the GCCA. PBGC may borrow up to \$100 million from the U.S. Treasury. PBGC may request the Treasury to invest PBGC's excess cash in U.S. issued or guaranteed obligations. The Treasury has limited PBGC's return on its investment of premiums by restricting the types of securities in which PBGC may invest.

**REPORTING STATUS:** PBGC shall transmit to the President and Congress an annual business report including financial statements, an actuarial evaluation of the expected operations and status of funds established under 29 U.S.C. 1305 for the next five years, and a detailed statement of the actuarial assumptions and methods used in making such evaluation.

**LITIGATION STATUS:** PBGC has the power to sue and be sued in its corporate name. PBGC maintains its own legal staff and can institute litigation without prior Department of Justice approval. PBGC can also hire outside counsel.

CORPORATION PROFILE  
PBGC

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be consistent with principles and procedures applicable to commercial corporate transactions. PBGC must reimburse GAO for the cost of the audit.

**FINANCIAL AUDITOR:** GAO

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None

**AUDITED:** Fiscal Year 1987 unaudited financial statements.

**OPINION:** Not applicable<sup>b</sup>

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and actuarial standards. Investments are recorded at market value.

**REVENUES:** \$549,025,000<sup>c</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** (\$1,752,474,000)<sup>d</sup>

**NET INCOME (LOSS):** \$2,301,499,000

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$1,554,000<sup>e</sup>

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** (\$9,069,000)

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$8,925,000 Gross/\$3,656,000 Net of reserve for uncollectible amounts.

**LOAN LIMIT:** None specified in enabling legislation.

**INSURANCE OUTSTANDING:** Not determinable

**INSURANCE SOLD:** Not determinable

**INSURANCE COMMITMENTS:** None

CORPORATION PROFILE  
PBGC

INSURANCE LOSSES: (\$66,772,000)  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$2,276,946,000  
GOVERNMENT INVESTMENT: \$627,190,000  
LIABILITIES: \$3,757,087,000  
TOTAL DEBT: None  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: \$100,000,000  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: (\$1,480,141,000) accumulated results of operations deficit.  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: No owners of the corporation other than the U.S. government.  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None  
INTEREST RECEIVED: \$87,878,000 (includes dividends)



## NOTES:

a. In addition to the purpose and responsibilities outlines, PBGC provides financial assistance through single employer and multi-employer programs. Under the former program, PBGC guarantees payment of a covered plan's basic benefits if that plan terminates without sufficient assets to pay those benefits. Under the latter, PBGC provides financial assistance to plans which are unable to pay basic benefits. The plans are obligated to repay such assistance.

b. GAO's last audit of PBGC's financial statements was for fiscal year 1980. GAO issued a disclaimer of opinion due to material accounting and estimating problems, internal control problems, and other factors beyond PBGC's control.

c. Revenues include premium income of \$284,365,000 and investment and other income of \$264,660,000.

d. Amount includes infrequent event arising from plan restoration \$1,814,514,000 CR Less \$62,040,000 Expenses

CORPORATION PROFILE  
PCAs

**NAME:** Production Credit Associations (PCAs)

**PURPOSE:** PCAs (The Agricultural Credit Act of 1987 calls for merging PCAs and FLBAs.) make, guarantee or participate with other lenders in short and intermediate term loans and other similar financial assistance to farmers, ranchers, rural homeowners, selected farm-related businesses, and commercial fishermen. PCAs provide technical assistance to borrowers, applicants, and members and may make available to them financial related services appropriate to their on-farm and aquatic operations.

**LEGAL AUTHORITY:** 12 U.S.C. 2091-2098  
2151-2260

**DATE CREATED:** June 16, 1933<sup>a</sup>

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of Congress

**LEGAL STATUS:** Not specified in the enabling legislation<sup>b</sup>

**AGENCY STATUS:** Not specified in the enabling legislation

**BOARD OF DIRECTORS:** Not applicable<sup>c</sup>

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Federal Reserve Banks are authorized to make available upon the Farm Credit Administration's (FCA) request, to FCA or any institution of the Farm Credit System, all reports, records, or other information on conditions of any organization receiving loans or deposits from such Farm Credit Institution.

**BUDGET STATUS:** Excluded from the federal budget totals.

**TREASURY STATUS:** None specified in the enabling legislation

**REPORTING STATUS:** None specified in the enabling legislation

**LITIGATION STATUS:** PCAs have the power to sue and be sued. No information is available regarding lawsuits.

CORPORATION PROFILE  
PCAs

**FINANCIAL AUDIT REQUIREMENTS:** Subject to audit and examination by FCA examiners or by independent certified public accountants (CPAs) as determined by the FCA governor. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs

**OTHER AUDIT REQUIREMENTS:** GAO has the authority to audit PCAs

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse for calendar year 1987<sup>d</sup>

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the System would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$1,039,909,000

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$1,038,913,000

**NET INCOME (LOSS):** \$996,000

**GRANTS ISSUED:** None

**LOANS ISSUED:** Not determinable

**LOAN PAYMENTS RECEIVED:** Not determinable

**LOAN LOSSES:** \$73,300,000

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$9,077,566,000

**LOAN LIMIT:** None specified in enabling legislation

**INSURANCE OUTSTANDING:** None

**INSURANCE SOLD:** None

CORPORATION PROFILE  
PCAs

INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$11,256,038,000  
GOVERNMENT INVESTMENT: Not determinable  
LIABILITIES: \$9,144,694,000  
TOTAL DEBT: \$8,857,473,000  
GOVERNMENT DEBT: None  
GOVERNMENT LOAN LIMIT: None specified in enabling legislation  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None  
TOTAL EQUITY: \$2,111,342,000  
GOVERNMENT EQUITY: None  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: \$2,111,342,000  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
TOTAL INTEREST EXPENSE: \$781,398,000  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: \$781,398,000  
INTEREST RECEIVED: \$958,714

## NOTES:

a. Although established June 16, 1933 pursuant to Section 20 of the Farm Credit Act of 1933, PCAs were designated as federally chartered instrumentalities of the U.S. on December 10, 1971.

b. PCAs are private entities, the voting stock of which, can be purchased only by eligible borrowers that include farmers, ranchers, and producers/harvesters of aquatic products.

c. Enabling legislation does not specify the number and membership of the PCA Board. It only indicates the existence of a board for such terms, qualifications and manner as required by its bylaws.

d. Financial information taken for the FCA 1987 Annual Report and represents the combined statement for all PCAs.

CORPORATION PROFILE  
BCs

**NAME:** Regional Banks For Cooperatives (BCs)

**PURPOSE:** BCs make loans of all kinds to agriculture, aquatic and public utility cooperatives within their respective territories

**LEGAL AUTHORITY:** 12 U.S.C. 2121-2134  
2151-2260

**DATE CREATED:** June 16, 1933<sup>a</sup>

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress

**LEGAL STATUS:** Mixed-ownership government corporation

**AGENCY STATUS:** None specified in enabling legislation

**BOARD OF DIRECTORS:** The Board consists of seven members. The members of each Farm Credit District Board of Directors are also the members of the Board of Directors of BCs in their respective districts. Two of the District Board members are elected by the Federal Land Bank Associations, two by the Production Credit Associations, two by the borrowers from or subscribers to the Guaranty Fund of the Banks for Cooperatives, and one is appointed by the Farm Credit Administration (FCA) governor, with the advice and consent of the Federal Farm Credit Board.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

**AFFILIATED AGENCIES:** The executive departments, commissions and independent establishments of the U.S. government, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System (FRS) and the Federal Reserve Banks (FRBs) are authorized to make available upon FCA request, to FCA or any institution of the Farm Credit System all reports, records, or other information on conditions of any organization receiving loans or deposits from such farm credit institution. The FRBs act as clearing agents for the 37 farm credit banks by maintaining accounts for each of them. FRBs buy and sell farm credit securities and hold varying amounts of these securities as a party of the open market operations of the Board of Governors of the FRS.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the government.

CORPORATION PROFILE  
BCs

**TREASURY STATUS:** BCs may be designated by the Secretary of the Treasury as a depository of public money and as a fiscal agent of the government. For any year or part thereof in which the FCA Governor holds any stock in a bank of the farm credit system, such institution shall pay the U.S. a franchise tax based on a rate determined by the Secretary of the Treasury. BCs are mixed-ownership government corporations under the Government Corporation Control Act (GCCA). Certain provisions of the GCCA are not applicable when federal capital is not invested.

**REPORTING STATUS:** None specified in enabling legislation

**LITIGATION STATUS:** BCs has the power to sue and be sued. No available information regarding lawsuits.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to audit and examination by FCA examiners or by independent certified public accountants as determined by the FCA governor. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of the Farm Credit Act and in servicing all eligible borrowers. Also, subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years, during periods in which U.S. capital is invested in BCs, in accordance with principles and procedures applicable to commercial type transactions. GAO is to be reimbursed for the cost of the audit.

**FINANCIAL AUDITOR:** FCA examiners and independent CPAs

**OTHER AUDIT REQUIREMENTS:** GAO has the authority to audit BCs

**OTHER AUDITOR:** GAO

**AUDITED:** Price Waterhouse for calendar year 1987<sup>b</sup>

**OPINION:** The opinion for the entire Farm Credit System was qualified due to the uncertainty of whether the System would be able to return to profitability as a going concern.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

CORPORATION PROFILE  
BCs

## NOTES:

- a. Although established June 16, 1933, pursuant to Section 2 and 30 of the Farm Credit Act of 1933, as amended, BCs were designated as federally chartered instrumentalities on December 10, 1971.
- b. Refer to the CBC corporation profile for BCs financial data.



CORPORATION PROFILE  
RTB

**NAME:** Rural Telephone Bank (RTB)

**PURPOSE:** To obtain an adequate supply of supplemental funds to the extent feasible from non-federal funds and to make loans to corporations and public bodies for the purpose of financing or refinancing the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, and systems.

**LEGAL AUTHORITY:** 7 U.S.C. 941-950b

**DATE CREATED:** May 7, 1971

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Wholly owned government corporation.

**AGENCY STATUS:** Agency within the Department of Agriculture in the Rural Electrification Administration. When 51 percent of the Class A stock has been retired, the organization is to cease being an agency and become a mixed-ownership corporation.

**BOARD OF DIRECTORS:** The board has 13 members; seven are appointed by the President.<sup>a</sup> The makeup of the board is as follows: three members are employees of the Department of Agriculture but are not of the Rural Electrification Administration, two are members from the public but are not employees of the federal government, three are members from eligible cooperative borrowers, three are members from eligible commercial borrowers, the Administrator of the Rural Electrification Administration (REA), and the Governor of the Farm Credit Administration. When 51 percent of the Class A stock has been retired, the five presidential appointees are to resign and the organization is to cease being an agency and become a mixed-ownership corporation.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** Department of Agriculture

**AFFILIATED AGENCIES:** RTB utilizes the facilities and services of employees of REA and Department of Agriculture without cost. Treasury maintains accounts for RTB and may purchase debt issued. RTB is subject to the supervision and direction of the Secretary of Agriculture.

CORPORATION PROFILE  
RTB

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). Annual business-type budget sent to the President must contain estimated financial condition and operations for the current and following fiscal years and results of operations in the prior year. It shall also contain statements of financial condition, income and expense, sources and uses of money, an analysis of surplus or deficit, and other reports as needed. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. This requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** RTB's Board makes an annual report to the Secretary of Agriculture for transmission to the Congress on administration of the Bank and any other matters including recommended legislation.

**LITIGATION STATUS:** Litigation is handled by the Department of Justice under 28 U.S.C. 516. Also, the bank may sue and be sued in its own name.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. RTB shall reimburse GAO for the cost of the audit. The audit shall be consistent with the principles and procedures applicable to commercial corporate transactions.

**FINANCIAL AUDITOR:** GAO, fiscal year 1987 audit.

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** GAO, September 30, 1987.

**OPINION:** Unqualified.

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).<sup>b</sup>

REVENUES: \$119,422,986  
APPROPRIATIONS EXPENDED: None  
EXPENSES: \$77,004,389  
NET INCOME (LOSS): \$42,418,597  
GRANTS ISSUED: None  
LOANS ISSUED: \$185,115,000  
LOAN PAYMENTS RECEIVED: \$39,307,039  
LOAN LOSSES: Not determinable<sup>C</sup>  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: \$1,446,602,857  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$1,531,653,719  
GOVERNMENT INVESTMENT: \$805,155  
LIABILITIES: \$776,343,171  
TOTAL DEBT: \$758,762,000  
GOVERNMENT DEBT: \$758,762,000

CORPORATION PROFILE  
RTB

GOVERNMENT LOAN LIMIT: Cannot exceed 20 times RTB's equity.

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$755,310,548

GOVERNMENT EQUITY: \$477,240,000

APPROPRIATIONS TO EQUITY: \$28,710,000

OTHER EQUITY: \$278,070,548<sup>d</sup>

GOVERNMENT EQUITY LIMIT: \$600,000,000

TOTAL INTEREST EXPENSE: \$76,502,367

INTEREST PAID GOVERNMENT: \$76,502,367

INTEREST PAID OTHERS: None

INTEREST RECEIVED: \$119,422,986

NOTES:

a. Two of the seven members include the Administrator of the Rural Electrification Administration (REA) and the Governor of the Farm Credit Administration who are presidential appointees and serve ex officio.

b. Additional accounting principles: An amount equal to at least 50 percent of the outstanding capital stock is set up in a reserve for contingencies to offset and liquidate operating losses and deficits. Also, RTB utilizes facilities and services of employees of REA and the Department of Agriculture without cost.

c. RTB has an allowance for loan losses in the amount of \$5.3 million. No loans have been written off.

d. Other equity includes investment of others, patronage capital, and reserve for contingencies.

CORPORATION PROFILE  
SLSDC

**NAME:** Saint Lawrence Seaway Development Corporation (SLSDC)

**PURPOSE:** SLSDC is to provide a safe, efficient, and effective water artery for maritime commerce, in both peacetime and national emergency. SLSDC is responsible for the development, operation, and maintenance of that part of the seaway between Montreal and Lake Erie, within the territorial limits of the U.S. SLSDC coordinates and participates with the Saint Lawrence Seaway Authority of Canada in the operation and ownership of a toll-bridge company, and in the negotiation of (1) rules for vessel/cargo measurement, (2) toll rates/charges, and (3) division of revenues.

**LEGAL AUTHORITY:** 33 U.S.C. 981-990

**DATE CREATED:** May 13, 1954

**LEGISLATED TERMINATION DATE:** Succession in its corporate name - perpetual life.

**LEGAL STATUS:** Wholly owned government corporation

**AGENCY STATUS:** Government corporation within the Department of Transportation.

**BOARD OF DIRECTORS:** SLSDC does not have a Board of Directors. Management of the corporation is vested in an Administrator, appointed by the President, by and with the advice and consent of the Senate. The Administrator serves a 7-year term.

**ADVISORY BOARD MEMBERS:** There are five advisory board members; each is appointed by the president. Not more than three members shall belong to the same political party. The Board meets at least quarterly at the discretion of the Administrator. The function of the Advisory Board is to review general corporate policies including established rules of vessel/cargo measurement, rates of charges and tolls, and to advise the Administrator on those activities.

**PARENT AGENCY:** Department of Transportation (DOT).

**CORPORATION PROFILE**  
**SLSDC**

**AFFILIATED AGENCIES:** SLSDC is subject to the direction and supervision of the Secretary of Transportation. SLSDC's power project activities are to be coordinated with the Saint Lawrence Authority of Canada and N.Y. state's designee, or other Federal Energy Regulatory Commission (FERC) licensees. The Office of Personnel Management and the Department of Labor determine contributions to the retirement and disability fund and compensate the fund respectively. SLSDC may issue revenue bonds payable (to a maximum of \$140 million face value) to the Secretary of Treasury, who shall also establish the cost of the Saint Lawrence Bridge and approaches as a basis for applying toll revenues from users.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). SLSDC prepares a business-type budget and submits it annually to the President. SLSDC's budget for expenditures is approved annually by the Office of Management and Budget and is submitted by the President to the House and Senate Appropriations Committees. Legislated limits are established for accrued expenditures and for administrative expenses.

**TREASURY STATUS:** Subject to the GCCA. Accounts are to be maintained in the Treasury or its designee, unless the requirement is waived by the Secretary of the Treasury. The requirement is not applicable to temporary accounts of not more than \$50,000 in any one bank. The Treasury shall prescribe the terms of obligations offered to the public. Treasury approval is required, unless waived, for transactions over \$100,000 for U.S. government obligations or guaranteed obligations. If the agency agrees, the Treasury may delegate the responsibility regarding obligations to an agency officer or employee.

**REPORTING STATUS:** The annual report on operations is to be sent to the President and the Congress. Special reports are to be sent to Congress when a seaway project modification exceeds an estimate of \$1,000,000. The Treasury receives quarterly reports on SLSDC's financial condition and monthly cash reports.

**LITIGATION STATUS:** SLSDC may sue and be sued in its corporate name. However, N.Y. District Court has held that SLSDC is a federal agency and cannot be sued in its own name for negligence. SLSDC has used the Department of Justice for its litigation.

CORPORATION PROFILE  
SLSDC

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit at least once every three years. The audit shall be conducted consistent with principles and procedures applicable to commercial-type transactions. SLSDC shall reimburse GAO for the cost of the audit. Additional audits of SLSDC operations may be conducted by DOT at no cost to SLSDC.

**FINANCIAL AUDITOR:** GAO, Department of Transportation

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None specified in enabling legislation.

**AUDITED:** GAO, calendar year 1984 audit.

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP). SLSDC includes in its balance sheet costs of certain features of the Seaway International Bridge Corporation, Lt., a wholly owned subsidiary of the St. Lawrence Seaway Authority of Canada.<sup>a</sup>

**REVENUES:** \$9,357,593

**APPROPRIATIONS EXPENDED:** \$2,000,000

**EXPENSES:** \$12,036,011

**NET INCOME (LOSS):** (\$2,678,418)

**GRANTS ISSUED:** None

**LOANS ISSUED:** None

**LOAN PAYMENTS RECEIVED:** None

**LOAN LOSSES:** None

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** None

**LOAN LIMIT:** None specified in enabling legislation.

**INSURANCE OUTSTANDING:** None

CORPORATION PROFILE  
SLSDC

INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$107,486,447  
GOVERNMENT INVESTMENT: None  
LIABILITIES: \$2,109,598  
TOTAL DEBT: None  
GOVERNMENT DEBT: None<sup>b</sup>  
GOVERNMENT LOAN LIMIT: \$3,200,000 (unused borrowing authority)<sup>c</sup>  
GOVERNMENT BORROWING: None  
REPAYMENT TO GOVERNMENT: None<sup>d</sup>  
TOTAL EQUITY: \$105,376,849<sup>e</sup>  
GOVERNMENT EQUITY: \$109,976,000<sup>b</sup>  
APPROPRIATIONS TO EQUITY: None  
OTHER EQUITY: (\$4,599,151) accumulated deficit  
GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
TOTAL INTEREST EXPENSE: None  
INTEREST PAID GOVERNMENT: None  
INTEREST PAID OTHERS: None



CORPORATION PROFILE  
SLSDC

INTEREST RECEIVED: \$594,437 (interest on deposits in minority banks)

NOTES:

a. Features of the Saint Lawrence Seaway International Bridge Corporation, Ltd. capitalized on SLSDC's balance sheet under "plant in service" include land rights, relocation costs, and costs incurred in building the superstructure of the South Channel Bridge. The total cost of \$8.75 million is being depreciated. SLSDC also holds an investment in Saint Lawrence Seaway International Bridge Corporation, Ltd. debenture bonds. Any revenues received by SLSDC from this investment is to be returned to the U.S. Treasury as miscellaneous receipts. No revenue has been received since 1961.

b. On December 18, 1982, the Congress cancelled SLSDC's outstanding revenue bonds of \$109,976,000 (P.L. 97-369, 96 Stat. 1782), which were payable to the U.S. Treasury. The amount of cancelled debt was converted to invested capital on SLSDC's balance sheet.

c. SLSDC's enabling legislation states it may issue revenue bonds payable to a maximum face value of \$140 million to the Secretary of the Treasury (33 U.S.C. 985f). However, not more than 50 percent of all bonds may be issued in any one year. P.L. 91-469 (84 Stat. 1038) amended 33 U.S.C. 985 by cancelling the interest payments. Also, P.L. 97-369 cancelled SLSDC's obligation to repay borrowings. The revenue bonds issued through December 31, 1982, totalled \$136.8 million. Therefore, SLSDC's remaining unused borrowing authority is \$3.2 million. Since SLSDC does not have revolving fund borrowing authority, repayments would not restore the borrowing authority.

d. Prior to the cancellation of its debt, the SLSDC had returned \$26,824,000 to the U.S. Treasury to reduce the debt principal. In addition, interest payments of \$37,600,000 were made until interest payments were cancelled.

e. Total equity is calculated as:

Invested capital (government equity)	\$109,976,000
Less: Accumulated deficit	<u>(4,599,151)</u>
Total equity	<u>\$105,376,849</u>

CORPORATION PROFILE  
SIPC

**NAME:** Securities Investor Protection Corporation (SIPC)

**PURPOSE:** SIPC provides protection against financial loss to customers of failed broker-dealers and thereby, promotes investor confidence in the nation's securities markets.

**LEGAL AUTHORITY:** 15 U.S.C. 78aaa-78111

**DATE CREATED:** December 30, 1970

**LEGISLATED TERMINATION DATE:** Succession until dissolved by an act of the Congress

**LEGAL STATUS:** Nonprofit membership corporation

**AGENCY STATUS:** Not an agency or establishment of the U.S. government

**BOARD OF DIRECTORS:** The Board has seven members; five are appointed by the President, subject to Senate approval. Three of the five represent the securities industry and two are from the general public. One director is appointed by the Secretary of the Treasury and one by the Federal Reserve Board from among the officers and employees of those organizations. The Chairman and Vice Chairman are designated by the President from the public directors.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation<sup>a</sup>

**AFFILIATED AGENCIES:** Securities and Exchange Commission (SEC)<sup>a</sup>

**BUDGET STATUS:** Not included in the federal budget. However, the Securities and Exchange Commission (SEC) is authorized to make loans of up to \$1 billion to SIPC in the event that the SIPC fund is insufficient to satisfy the claims of customers of failed brokerage firms. If such loans are made, they would be reflected in the budget. The SEC would obtain these funds through borrowing from the Treasury. SIPC has not needed these loans and the unobligated amount is reported on-budget.

**TREASURY STATUS:** To enable the SEC to make the loans described in Budget Status above, the SEC is authorized to issue to the Treasury notes or other obligations in an amount not to exceed \$1 billion, in such terms and denominations, bearing such maturities and subject to such terms and conditions, as may be described by the Secretary of the Treasury.

CORPORATION PROFILE  
SIPC

**REPORTING STATUS:** SIPC is required to submit to the SEC an annual report, including audited financial statements with such comments thereon as it may deem appropriate. The SEC transmits such report to the President and to the Congress.

**LITIGATION STATUS:** SIPC has the power to sue and be sued, complain and defend, in its corporate name and through its own counsel, in any state, federal or other court.

**FINANCIAL AUDIT REQUIREMENTS:** SIPC's financial statements shall be examined by an independent public accountant or firm of independent public accountants, selected by SIPC and satisfactory to the SEC.

**FINANCIAL AUDITOR:** Ernst and Whinney, CPA

**OTHER AUDIT REQUIREMENTS:** The SEC may examine SIPC corporate reports and records.

**OTHER AUDITOR:** SEC

**AUDITED:** Ernst and Whinney, calendar year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$29,117,129

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$31,469,421

**NET INCOME (LOSS):** (\$2,352,292)

**GRANTS ISSUED:** None

**LOANS ISSUED:** \$30,415,537<sup>b</sup>

**LOAN PAYMENTS RECEIVED:** \$3,103,658<sup>b</sup>

**LOAN LOSSES:** \$27,311,879<sup>b</sup>

**LOAN COMMITMENTS:** None

**LOANS OUTSTANDING:** \$9,300,000

CORPORATION PROFILE  
SIPC

LOAN LIMIT: Maximum of \$500,000 per customer including up to \$100,000 on claims for cash (as distinct from claims for securities)

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation

ASSETS: \$388,949,177

GOVERNMENT INVESTMENT: \$371,670,812 (excludes accrued interest receivable)

LIABILITIES: \$40,745,211

TOTAL DEBT: None

GOVERNMENT DEBT: None

GOVERNMENT LOAN LIMIT: \$1,000,000,000

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: None

TOTAL EQUITY: \$350,556,258

GOVERNMENT EQUITY: None

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: \$350,556,258

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation

TOTAL INTEREST EXPENSE: None

INTEREST PAID GOVERNMENT: None

INTEREST PAID OTHERS: None

INTEREST RECEIVED: \$28,181,761

NOTES:

- a. SIPC has a close relationship with the SEC because the SEC:
- has control over SIPC's membership, bylaws and rules,
  - may examine SIPC's corporate reports and financial records, and
  - is authorized to make loans to SIPC in the event the SIPC fund is insufficient to satisfy the claims of customers of failing brokerage firms.

b. Net advances \$27,311,879  
Recoveries (payments received) 3,103,658  
Loans issued (advances) \$30,415,537

CORPORATION PROFILE  
SLMA

**NAME:** Student Loan Marketing Association (SLMA)

**PURPOSE:** SLMA's purpose is to serve as a secondary market and warehousing facility for student loans, to provide liquidity for student loan investments, and to provide other services relating to the Guaranteed Student Loan Program or in support of student credit needs as specified in the enabling legislation. SLMA provides liquidity through direct purchases of student loans from lenders and by warehousing, which provides lenders with capital advances when they are secured by student loans or by government or agency securities. SLMA is authorized, at the request of appropriate state and federal officials, to make direct loans to students in capital shortage areas; and to advance funds to states which will provide loans to students.

**LEGAL AUTHORITY:** 20 U.S.C. 1087-2

**DATE CREATED:** June 23, 1972

**LEGISLATED TERMINATION DATE:** SLMA shall have succession until dissolved

**LEGAL STATUS:** Private corporation

**AGENCY STATUS:** SLMA's enabling legislation classifies it as a private corporation. The legislation further specifies that SLMA shall, for the purposes of section 355(2) of title 12 of the U.S. code, deemed to be an agency of the United States.<sup>a</sup>

**BOARD OF DIRECTORS:** The Board consists of 21 members; seven are appointed by the President. Educational institutions which hold SLMA voting common stock have the authority to elect seven board members and the holders of voting common stock which are banks or other financial institutions shall elect seven board members. The President shall appoint the remaining seven directors, who shall be representative of the general public. One of the 21 board members is designated Chairman by the President. The Board shall meet at the call of the Chairman, but at least semiannually. The Chairman shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws or by the Board of Directors, and such persons shall be the executive officers of the SLMA.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

CORPORATION PROFILE  
SLMA

**AFFILIATED AGENCIES:** The Secretary of the Treasury is authorized to purchase and hold at any one time obligations of SLMA in an amount up to \$1,000,000,000. Prior to October 1, 1984, the Secretary of Education was authorized to guarantee when payment of principal and interest on obligations issued by SLMA was due.

**BUDGET STATUS:** Government-sponsored enterprise, privately owned, whose budget statements are included in the budget documents but excluded from the budget totals for the government.

**TREASURY STATUS:** The Secretary of the Treasury must approve the issuance of obligations by SLMA.

**REPORTING STATUS:** SLMA is required to transmit to the President and the Congress a report of its operations and activities during each year. A report of a financial audit for each fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than six months following the close of the fiscal year. A copy of each report shall be furnished to the Secretary of Education and to SLMA.

**LITIGATION STATUS:** SLMA can sue and be sued. Litigation is handled by SLMA's legal department and, where appropriate, by outside counsel.

**FINANCIAL AUDIT REQUIREMENTS:** Accounts of SLMA must be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent licensed public accountants or by independent certified public accountants (CPAs).

**FINANCIAL AUDITOR:** Arthur Young & Company (CPAs)

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation

**OTHER AUDITOR:** None specified in enabling legislation

**AUDITED:** Arthur Young & Company, December 31, 1987

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis, and financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

**REVENUES:** \$1,668,105,000<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

**EXPENSES:** \$1,487,088,000<sup>c</sup>

CORPORATION PROFILE  
SMA

NET INCOME (LOSS): \$181,017,000

GRANTS ISSUED: None

LOANS ISSUED: \$5,704,388,000<sup>d</sup>

LOAN PAYMENTS RECEIVED: \$1,991,571,000<sup>e</sup>

LOAN LOSSES: None

LOAN COMMITMENTS: \$9,155,508,000

LOANS OUTSTANDING: \$18,400,228,000 (net)

LOAN LIMIT: None specified in enabling legislation

INSURANCE OUTSTANDING: None

INSURANCE SOLD: None

INSURANCE COMMITMENTS: None

INSURANCE LOSSES: None

INSURANCE LIMIT: None specified in enabling legislation

GUARANTEES OUTSTANDING: None

GUARANTEES ISSUED: None

GUARANTEE COMMITMENTS: None

GUARANTEE LOSSES: None

GUARANTEE LIMIT: None specified in enabling legislation

ASSETS: \$22,863,544,000

GOVERNMENT INVESTMENT: \$986,970,000

LIABILITIES: \$22,179,331,000

TOTAL DEBT: \$21,442,576,000<sup>f</sup>

GOVERNMENT DEBT: \$4,940,000,000\*

\*(loans currently outstanding to the Federal Financing Bank)

GOVERNMENT LOAN LIMIT: The Secretary of Treasury is authorized to purchase and hold up to \$1,000,000,000 of obligations at any one time.<sup>g</sup>



GOVERNMENT BORROWING: None  
 REPAYMENT TO GOVERNMENT: \$30,000,000  
 TOTAL EQUITY: \$684,231,000  
 GOVERNMENT EQUITY: None  
 APPROPRIATIONS TO EQUITY: None  
 OTHER EQUITY: \$684,213,000  
 GOVERNMENT EQUITY LIMIT: None specified in enabling legislation  
 TOTAL INTEREST EXPENSE: \$1,269,447,000  
 INTEREST PAID GOVERNMENT: \$304,414,000\*  
 \*(Interest paid to the Federal Financing Bank)  
 INTEREST PAID OTHERS: \$965,033,000  
 INTEREST RECEIVED: \$1,668,105,000

## NOTES:

a. 12 U.S.C. 355(2) states that every federal reserve bank has the power to buy and sell in the open market any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, any agency of the United States.

b. Calculated as:

Interest on insured student loans purchased	\$ 864,475,000
Warehousing advances	545,091,000
Income from investments, principally interest	<u>258,539,000</u>
Total revenues	<u>\$1,668,105,000</u>

c. Calculated as:

Interest on servicing costs	\$ 75,385,000
Interest expense	1,269,447,000
Operating expenses	50,409,000
Federal income taxes	81,439,000
Net deferred income	<u>10,408,000</u>
Total expenses	<u>\$1,487,088,000</u>

d. Calculated as:

Warehousing advances	\$2,480,898,000
Insured student loans purchased	<u>3,223,490,000</u>
Total loans issued	<u>\$5,704,388,000</u>

CORPORATION PROFILE  
SLMA

## e. Calculated as:

Payments on warehousing advances	\$ 650,926,000
Installment payments of insured student loans purchased	969,308,000
claims and resales of insured student loans purchased	<u>371,337,000</u>
Total loan repayments received	<u>\$1,991,571,000</u>

## f. Calculated as:

Short-term borrowings	\$ 6,571,270,000
Long-term notes	14,671,501,000
Convertible subordinated debentures	<u>199,805,000</u>
Total debt	<u>\$21,442,576,000</u>

g. SLMA is unable to undertake further borrowings from the Federal Financing Bank since the expiration of October 1, 1984, of the authority of the Secretary of Education to guarantee SLMA's debt.

**NAME:** Tennessee Valley Authority (TVA)

**PURPOSE:** TVA was created for the unified development of resources and advancement of economic growth in the Tennessee Valley region. TVA's program of activities include flood control, navigational development, electric power production, fertilizer development, recreation improvement, and forestry and wildlife development. TVA operates dams and reservoirs for the promotion of navigation, flood control, and hydro-electric generation. TVA also provides and operates facilities for the generation and transmission of electric energy and markets such power to states, counties, municipalities, corporations, and others.

**LEGAL AUTHORITY:** 16 U.S.C. 831-831dd

**DATE CREATED:** May 18, 1933

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation.

**LEGAL STATUS:** Wholly owned government corporation.

**AGENCY STATUS:** TVA is an agency of the U.S. government.

**BOARD OF DIRECTORS:** The board has three members; each member is a presidential appointee. Board membership requirements:  
--terms are for nine years with one appointment expiring every three years,  
--members must be U.S. citizens,  
--members may not engage in any other business during their term in office,  
--members compensation is covered by 5 U.S.C. 5314-5315,  
--members shall not have financial interest in any corporation engaged in the electric power or fertilizer business or in any businesses competing with TVA, and  
--a member may be removed from office by the President or concurrent resolution of Senate and House.

**ADVISORY BOARD MEMBERS:** None specified in enabling legislation.

**PARENT AGENCY:** None specified in enabling legislation.

CORPORATION PROFILE  
TVA

**AFFILIATED AGENCIES:** The Federal Energy Regulatory Commission receives a copy of any cost data submitted by TVA to the Congress under 16 U.S.C. 831n. The Secretary of Transportation must approve the location and plans for alteration, reconstruction, or relocation of bridges adversely affected by the construction or modification of dams by TVA when the owner of such a bridge is to be compensated by TVA for costs necessary to protect, alter, reconstruct, relocate, or replace such bridge. The Secretary of Labor shall determine prevailing rates of wages when disputes arise under 16 U.S.C. 831b involving appropriate wage rates to be paid to laborers and mechanics employed by TVA or performing work under contracts with TVA. Upon the request of the Secretary of the Army, TVA shall allot and deliver to the Department of Army, without cost, power needed for operation of navigational facilities, and TVA shall manufacture and sell to the Army, at cost, explosives or their nitrogenous content. Army may approve construction plans submitted to TVA for review under 16 U.S.C. 831y-1 if the TVA Board fails to approve such plans within 60 days of submission to the Board. TVA has access to the Patent and Trademark Office and the right to copy patents. For relationship with the Treasury Department, see TREASURY STATUS.

**BUDGET STATUS:** On-budget and subject to the Government Corporation Control Act (GCCA). TVA is to prepare annually a business-type budget and submit it to the President. The budget is to contain statements of financial condition, income and expense, source and use of money, analysis of surplus or deficit and other statements as needed. It shall also contain estimated financial condition and operations for the current and following fiscal years and results of operations in the prior years. The budget shall also provide for emergencies and contingencies.

**TREASURY STATUS:** Subject to GCCA. TVA's bank accounts, except for certain amounts under \$50,000, are maintained by the Treasury. Treasury approval is needed for U.S. or guaranteed obligation sales/purchases over \$100,000. TVA is to pay into the Treasury each March 31 its gross proceeds less (1) expense payable, (2) a continuing fund of \$1 million, and (3) such additional amounts as the TVA Board deems shall be necessary to fund corporate activities described in 16 U.S.C. 831y. TVA advises the Secretary of the Treasury on terms and conditions of its proposed bond issues. The Secretary is directed to purchase interim obligations TVA issues under 16 U.S.C. 831n-4 for financing the power program when the Secretary does not approve the date of issuance or rate of interest on the proposed issue of such bonds. TVA may deposit bond proceeds with Federal Reserve Bank. Beginning with FY 1961, TVA shall make annual payments from excess net power proceeds into the Treasury as required under 16 U.S.C. 831n-4 as a return on net appropriation investment in power facilities plus repayments of such investment.

**REPORTING STATUS:**

- Board must file with the President and Congress each March a financial statement and a complete business report including an itemized statement of the power at each power station; detailed employee information; statement or allocation of cost of dams, steam plants, or other similar improvements completed during the year; a statement of total cost of all power generated at all power stations, average cost/kilowatt hour, rates at which sold, to whom sold, and copies of all contacts for sale of power.
- Cost data, analyses, and recommendations regarding electric energy shall be reported to Congress from time to time and made available to the Federal Energy Regulatory Commission and others.

**LITIGATION STATUS:** TVA may sue and be sued in its own name. TVA is liable to direct lawsuit, and the opposition party has a right to trial by jury in those instances when one is otherwise available. TVA has litigation authority outside the Department of Justice and can represent itself with attorneys of its own choosing. TVA is authorized to handle the final settlement of all claims and litigation by or against TVA.

**FINANCIAL AUDIT REQUIREMENTS:** Subject to the GCCA. The General Accounting Office (GAO) is to perform a financial audit annually and at such other times as the Comptroller General shall determine.<sup>a</sup> TVA may arrange for audits of its accounts by certified public accounting (CPA) firms.

**FINANCIAL AUDITOR:** GAO, Coopers and Lybrand (CPAs).

**OTHER AUDIT REQUIREMENTS:** None specified in enabling legislation.

**OTHER AUDITOR:** None

**AUDITED:** Coopers and Lybrand, fiscal year 1987 audit.

**OPINION:** Qualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis. Power accounts are kept in accordance with generally accepted accounting principles and the uniform system prescribed by the Federal Energy Regulatory Commission.

**REVENUES:** \$5,223,979,000<sup>b</sup>

**APPROPRIATIONS EXPENDED:** None

CORPORATION PROFILE  
TVA

EXPENSES: \$4,926,928,000<sup>c</sup>  
NET INCOME (LOSS): \$297,051,000<sup>d</sup>  
GRANTS ISSUED: None  
LOANS ISSUED: \$63,219,821<sup>e</sup>  
LOAN PAYMENTS RECEIVED: \$80,259,811  
LOAN LOSSES: \$1,394,458  
LOAN COMMITMENTS: Not determinable  
LOANS OUTSTANDING: \$231,200,177  
LOAN LIMIT: None specified in enabling legislation.  
INSURANCE OUTSTANDING: Nuclear liability \$715,000,000,  
Nuclear property \$500,000,000/\$1,075,000,000  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation.  
GUARANTEES OUTSTANDING: \$1,150,000<sup>e</sup>  
GUARANTEES ISSUED: \$1,000,000<sup>e</sup>  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation.  
ASSETS: \$25,575,169,000<sup>f</sup>  
GOVERNMENT INVESTMENT: Not determinable<sup>g</sup>  
LIABILITIES: \$21,215,844,000<sup>h</sup>  
TOTAL DEBT: \$17,913,357,000 (TVA can borrow up to a total of \$30 billion at any one time to assist in financing its power program.<sup>i</sup>  
GOVERNMENT DEBT: \$16,533,357,000<sup>j</sup>

CORPORATION PROFILE  
TVA

GOVERNMENT LOAN LIMIT: None specified in enabling legislation.  
 GOVERNMENT BORROWING: \$21,700,000,000<sup>k</sup>  
 REPAYMENT TO GOVERNMENT: \$20,530,306,000<sup>l</sup>  
 TOTAL EQUITY: \$4,359,325,000  
 GOVERNMENT EQUITY: \$3,855,432,000 (appropriation investment)  
 APPROPRIATIONS TO EQUITY: Same as government equity shown above  
 OTHER EQUITY: \$503,893,000<sup>m</sup>  
 GOVERNMENT EQUITY LIMIT: None specified in enabling legislation.  
 TOTAL INTEREST EXPENSE: \$1,232,842,000 (net interest charges)  
 INTEREST PAID GOVERNMENT: Not determinable  
 INTEREST PAID OTHERS: Not determinable  
 INTEREST RECEIVED: \$67,862,000

## NOTES:

a. According to TVA, the GAO audit-related provisions of 16 U.S.C. 831h were intended by Congress to be superceded (although not technically repealed) by the provisions of the GCCA.

## b. Revenues are calculated as:

Total operating revenue--power program	\$5,156,117,000
Interest income--power program	<u>67,862,000</u>
Total revenue--power program	<u>\$5,223,979,000</u>

The calculation of total revenue presented herein does not include revenue generated from non-power programs because the financial statement provide net expense amounts only.

## c. Expenses are calculated as:

Operating expenses--power program	\$3,300,013,000
Amortization of loss	185,163,000
Other	54,676,000
Net interest expense	1,232,842,000
Net expense--non-power programs	<u>154,234,000</u>
Total expenses	<u>\$4,926,928,000</u>

## d. Net Income is calculated as:

Total revenue--power program	\$5,223,979,000
Less: Total expenses	<u>(4,926,928,000)</u>
Net income	<u>\$ 297,051,000</u>

e. Loans Issued, Pay Received, Losses and Guarantees Outstanding & Issued Financial information was extracted from the Appendix, Budget of the U.S. Government Fiscal Year 1989.

## f. Assets are calculated as:

Assets--power program	\$24,317,346,000
Assets--non-power programs	<u>1,257,823,000</u>
Total assets	<u>\$25,575,169,000</u>

g. Government Investment: NTVA has made investments of power funds to provide for the accumulation of funds required for bond retirement and decommissioning of nuclear plants. As of 9/30/87 these funds totalled \$710,599,000. The nature of these investment funds (public or private) is usually apparent only in the financial statements of corporations substantially involved in investment businesses. Such information is not available in TVA's financial statements.

## h. Liabilities are calculated as:

Liabilities--power program	\$21,133,308,000
Liabilities--non-power programs	<u>82,536,000</u>
Total liabilities	<u>\$21,215,844,000</u>

## i. Total Debt is Calculated as:

Long-term debt held by public	\$ 1,380,000,000
Long-term debt held by FFB	<u>16,125,000,000</u>
Total-long-term debt	17,505,000,000
Less: Discount	<u>(2,643,000)</u>
	17,502,357,000
Short-term debt held by U.S. Treasury	150,000,000
Short-term debt held by FFB	<u>261,000,000</u>
Total debt outstanding	<u>\$17,913,357,000</u>

## j. Government Debt is calculated as:

Total debt	\$17,913,357,000
Less: Long term debt held by public	<u>(1,380,000,000)</u>
Total government debt	<u>\$16,533,357,000</u>



## k. Gov't Borrowing is calculated as:

Long-term bond issues	\$ 1,600,000,000
Short-term note issues*	<u>20,100,000,000</u>
Total government borrowing	<u>\$21,700,000,000</u>

\* This item primarily represents the continuous refinancing of short-term notes over the course of the year.

## l. Repayment to Gov't is calculated as:

Redemption on debt	\$20,436,000,000
Return on appropriation investment	74,306,000
Repayments of appropriation investment	<u>20,000,000</u>
Total repayment to government	<u>\$20,530,306,000</u>

## m. Other Equity is calculated as:

Retained earnings reinvested in power program	\$2,395,723,000
Accumulated net expense of non-power program	<u>(1,891,830,000)</u>
Total other equity	<u>\$ 503,893,000</u>

CORPORATION PROFILE  
USPS

**NAME:** United States Postal Service (USPS)

**PURPOSE:** USPS is to provide prompt, reliable, and efficient postal services to patrons in all areas and all communities (including rural areas and small towns where post offices are not self-sustaining) at fair and reasonable rates. USPS's responsibilities include maintaining an efficient system of collection, sorting, and delivery of mail services; establishing and maintaining postal facilities throughout the nation; and establishing postal classifications, rates, and fees.

**LEGAL AUTHORITY:** 39 U.S.C. 101 et seq.

**DATE CREATED:** August 12, 1970

**LEGISLATED TERMINATION DATE:** None specified in enabling legislation

**LEGAL STATUS:** Independent establishment of the executive branch of the U.S. government

**AGENCY STATUS:** None specified in enabling legislation, however, it states that USPS is an independent establishment of the executive branch.

**BOARD OF DIRECTORS:** The Board has 11 members; nine members are appointed by the President. No more than five or the nine governors appointed by the President may be from the same political party. Governors shall be chosen to represent the general public interest and shall not represent special interest groups. Terms of office are nine years and are staggered. Governors shall appoint, fix pay and term, and have power to remove the Postmaster General, who shall be a voting member of the Board. Governors and the Postmaster General shall appoint, fix pay and term, and have power to remove the Deputy Postmaster General, also a voting Board member. No officer/employee of the U.S. may serve concurrently as a governor. A governor may hold any other office/employment not inconsistent or in conflict with his duties, responsibilities, and powers as an officer of the U.S. government in the Postal Service.

**ADVISORY BOARD MEMBERS:** Not applicable

**PARENT AGENCY:** None specified in enabling legislation

CORPORATION PROFILE  
USPS

**AFFILIATED AGENCIES:** The Postal Rate Commission (PRC) submits recommended decisions to the USPS's Board of Governors on rate and fee changes and mail classification schedule changes, holds hearings on certain rate and service complaints, and hears appeals from USPS determinations to close or consolidate small post offices. PRC's budget is submitted to governors and considered approved unless overall total is unanimously revised. PRC's expenses are paid from the Postal Service Fund. The Bureau of Engraving and Printing designs, engraves, and prints most postage stamps. The National Labor Relations Board has jurisdiction over unfair labor practice charges and representation elections affecting USPS employees. The Department of Labor administers Workers Compensation and regulates Fair Labor Standards and Occupational Safety and Health. USPS may refer matters uncollectible through administrative action to the General Accounting Office (GAO) for collection. The Department of State receives a copy of and reviews postal conventions concluded with foreign governments. Federal Mediation and Conciliation Service assists in resolving labor disputes. The Secretaries of Defense and Transportation arrange with USPS to provide postal services through personnel designated by them at Armed Forces posts. The Secretary of Transportation sets rates for foreign and Alaskan transportation of mail by air carrier.

**BUDGET STATUS:** On-budget.<sup>a</sup> USPS submits to the Office of Management and Budget (OMB) an annual budget program (business-type budget). Its appropriation requests must be included in the President's budget, with his recommendations but without revision.

**TREASURY STATUS:** The Postal Service Fund (PSF), a revolving fund established in the U.S. Treasury, is available to USPS without fiscal year limitation to carry out the provisions of Title 39 of U.S. Code. Treasury approval is required for USPS to invest in securities and to deposit PSF monies in Federal Reserve Banks, depositories for public funds, or other mutually agreed upon places. The Secretary may guarantee USPS obligations. USPS is to advise/consult with Treasury concerning amounts, terms, and conditions of debt issued. The Treasury provides USPS with quarterly allotments of appropriated funds. The Federal Financing Bank generally purchases USPS securities.

CORPORATION PROFILE  
USPS**REPORTING STATUS:**

- Annual budget program submitted to OMB
- Semiannual reports on USPS's investigative activities submitted to Board by Postmaster General, and upon the Board's approval, the reports are sent to the Congress
- Annual report submitted by Postmaster General to Board, and upon Board's approval, report is sent to the President and the Congress
- Annual comprehensive statement to postal oversight committees

**LITIGATION STATUS:** USPS has the power to sue and be sued in its official name. Justice provides USPS legal representation as it may require, but with prior consent of the Attorney General, USPS may employ attorneys to conduct litigation brought by/against USPS or its officers/employees in matters affecting USPS. The General Counsel, established with USPS, is appointed by and serves at the pleasure of the Postmaster General.

**FINANCIAL AUDIT REQUIREMENTS:** At least annually, USPS shall obtain an independent certified public accountant's (CPA) certification of the accuracy of USPS financial statements used in determining and establishing postal rates. Also, USPS is authorized to obtain additional CPA audits and reports as it sees fit.

**FINANCIAL AUDITOR:** Arthur Young & Company, independent certified public accountants

**OTHER AUDIT REQUIREMENTS:** Accounts and operations of USPS are audited by the Comptroller General, and reports thereon are made to the Congress to the extent and at such times as he may determine.

**OTHER AUDITOR:** GAO

**AUDITED:** Arthur Young & Company, fiscal year 1987 audit

**OPINION:** Unqualified

**ACCOUNTING PRINCIPLES:** Accounting records are maintained on an accrual basis and financial statements are prepared in accordance with generally accepted accounting principles (GAAP). Workers' compensation costs are charged to income in the year of injury at the net discounted present value of the total estimated cost of claims based on estimates of length of time claims will be paid depending upon severity of injury, age, assumed mortality, and other factors.

**REVENUES:** \$31,885,298,000<sup>b</sup>

APPROPRIATIONS EXPENDED: \$650,000,000  
EXPENSES: \$32,727,984,000<sup>c</sup>  
NET INCOME (LOSS): (\$222,686,000)  
GRANTS ISSUED: None  
LOANS ISSUED: None  
LOAN PAYMENTS RECEIVED: None  
LOAN LOSSES: None  
LOAN COMMITMENTS: None  
LOANS OUTSTANDING: None  
LOAN LIMIT: None specified in enabling legislation  
INSURANCE OUTSTANDING: None  
INSURANCE SOLD: None  
INSURANCE COMMITMENTS: None  
INSURANCE LOSSES: None  
INSURANCE LIMIT: None specified in enabling legislation  
GUARANTEES OUTSTANDING: None  
GUARANTEES ISSUED: None  
GUARANTEE COMMITMENTS: None  
GUARANTEE LOSSES: None  
GUARANTEE LIMIT: None specified in enabling legislation  
ASSETS: \$32,087,213,000  
GOVERNMENT INVESTMENT: \$4,592,129,000  
LIABILITIES: \$31,948,986,000<sup>d</sup>  
TOTAL DEBT: \$4,727,823,000<sup>e</sup>  
GOVERNMENT DEBT: \$4,353,400,000<sup>f</sup>  
GOVERNMENT LOAN LIMIT: \$10,000,000,000<sup>g</sup>

CORPORATION PROFILE  
USPS

GOVERNMENT BORROWING: None

REPAYMENT TO GOVERNMENT: \$135,800,000

TOTAL EQUITY: \$138,227,000

GOVERNMENT EQUITY: \$3,040,251,000\*  
\*(capital contributions of the U.S. government)

APPROPRIATIONS TO EQUITY: None

OTHER EQUITY: (\$2,902,024,000)\*  
\*(accumulated deficit)

GOVERNMENT EQUITY LIMIT: None specified in enabling legislation

TOTAL INTEREST EXPENSE: \$208,295,000

INTEREST PAID GOVERNMENT: \$195,097,000

INTEREST PAID OTHERS: \$13,198,000

INTEREST RECEIVED: \$327,186,000

## NOTES:

- a. The Office of Management and Budget returned USPS to on-budget by administrative action for fiscal year 1986 and thereafter. From FY 1974 through FY 1985, USPS operating and capital accounts had appeared in an annexed off-budget section of the annual federal budget documents, and only the annual appropriations to USPS had appeared on-budget.
- b. Calculated as:
- |                   |                         |
|-------------------|-------------------------|
| Operating revenue | \$31,528,112,000        |
| Interest income   | <u>327,186,000</u>      |
| Total revenues    | <u>\$31,855,298,000</u> |
- c. Calculated as:
- |                    |                         |
|--------------------|-------------------------|
| Operating expenses | \$32,519,689,000        |
| Interest expense   | <u>208,295,000</u>      |
| Total expenses     | <u>\$32,727,984,000</u> |
- d. Calculated as:
- |                                      |                         |
|--------------------------------------|-------------------------|
| Total current liabilities            | \$ 5,603,132,000        |
| Long-term debt, less current portion | 4,434,623,000           |
| Other liabilities                    | <u>21,911,231,000</u>   |
| Total liabilities                    | <u>\$31,948,986,000</u> |

## e. Calculated as:

6-7/8% Postal Service Bonds, Series A, due February 1, 1997	\$ 250,000,000
Notes payable to Federal Financing Bank	4,353,400,000
Mortgage notes payable	<u>124,423,000</u>
Total debt	<u>\$4,727,823,000</u>

- f. "Government debt" is calculated as the sum of notes payable to the Federal Financing Bank. (See note g/ above.)
- g. USPS is authorized to borrow money and to issue/sell obligations, the total amount of which outstanding at any one time shall not exceed \$10 billion. In any one fiscal year (FY) the net increases in the amount of obligations issued for capital improvements shall not exceed \$1.5 billion. In any one FY the net increase in the amount of obligations issued for purpose of defraying operating expenses shall not exceed \$500 million.

**APPENDIX B**  
**LAWS FOLLOWED BY GOVERNMENT CORPORATIONS**

This appendix contains the responses provided by the 45 corporations as to whether or not they are subject to the 25 legal requirements discussed below. Table B.1 contains the individual coded responses provided by the corporations. The following codes are used in table B.1:

- S - Subject to act's requirements
- A - Administratively adopts act's requirements
- N - Not subject to and did not administratively adopt the act's requirements
- O - Corporation did not respond

1. **The Privacy Act of 1974**  
The Privacy Act of 1974 (5 U.S.C. 552a), limits the collection, maintenance, use, and dissemination of personal information by agencies, as defined in 5 U.S.C. 552a(1) and 552(e), and grants individuals access to information about themselves.
2. **The Freedom of Information Act**  
The Freedom of Information Act of 1966 (5 U.S.C. 552), provides persons the right of access to a broad range of records and materials related to the performance of agency activities, other than those specifically excluded by the Act.
3. **The Government in the Sunshine Act**  
The Government in the Sunshine Act (5 U.S.C. 552b), provides the extent to which an agency, as defined in 5 U.S.C. 552b and 552(e), shall open its meetings to the public, and/or otherwise publicize the discussions and actions which took place.
4. **Employee Classification**  
The Employee Classification requirements of chapter 51 of title 5, United States Code (5 U.S.C. 5101 - 5115), generally provides for the classification of employees employed by an agency, as defined in 5 U.S.C. 5102(a)(1)(A) and 5 U.S.C. 105.
5. **Pay Rates and Rate Systems**  
The Pay Rates and Rate Systems requirements of subchapter III, chapter 53 of title 5, United States Code (5 U.S.C. 5331-5338), provides the general pay rates, and subchapter IV, chapter 53 of title 5, United States Code (5 U.S.C. 5341-5349), provides the prevailing rate systems, for employees of agencies, as defined in 5 U.S.C. 5331 and 5 U.S.C. 5342 respectively.



6. **Travel and Subsistence Allowance**  
The Payment of Travel and Subsistence expenses and Travel Allowances for employees of an agency are covered under chapter 57 of title 5, United States Code (5 U.S.C. 5701-5752), which generally provides for payment of travel and subsistence expenses, and travel allowances for employees of an agency, as defined in 5 U.S.C. 5701 (1)(A) and 5 U.S.C. 105.
7. **The Federal Property and Administrative Services Act**  
The Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 251-260), generally provides that executive agencies (as defined in section 3 of the Act (40 U.S.C. 472(a))) shall make purchases and contracts for property and services by advertising as provided by section 303 of the Act (41 U.S.C. 253); except that agencies may negotiate without advertising in the situations specified in section 302 of the Act (41 U.S.C. 252(c)) in which case the conditions contained in section 304 of the Act (41 U.S.C. 254) apply.
8. **The Anti-Kickback (Copeland) Act**  
The Anti-Kickback (Copeland) Act of 1934 (18 U.S.C. 874; 40 U.S.C. 276c), generally prohibits "kickbacks" of compensation paid under a contract of employment in Federally financed or assisted construction activities.
9. **The Davis-Bacon Act**  
The Davis-Bacon Act (40 U.S.C. 276a-276a-7), generally requires that laborers and mechanics employed on Federally funded or assisted projects be paid wage rates and benefits which prevail for corresponding classes of workers on similar projects in the same locality.
10. **The Contract Work Hours and Safety Standards Act**  
The Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), generally requires the conditions that must be made a part of Federally funded or assisted contracts, such as the 8 hour workday, 40 hour workweek, and 1 1/2 times the basic rate of pay for overtime compensation for laborers and mechanics.
11. **The Contract Disputes Act**  
The Contract Disputes Act of 1978 (41 U.S.C. 601-613), provides for the establishment of boards of contract appeals and the process for hearings and deciding disputes regarding contract claims between a contractor and an executive agency, defined in 41 U.S.C. 601(2) as including wholly owned Government corporations (as defined in 31 U.S.C. 9101(3)).

12. **The Civil Rights Act**  
The Civil Rights Act of 1964, title VI, (42 U.S.C. 2000d et seq.), generally prohibits discrimination because of race, color, or national origin in programs or activities receiving Federal financial assistance.
13. **The Age Discrimination Act**  
The Age Discrimination Act of 1975 (42 U.S.C. 1601 et seq.), generally prohibits unreasonable discrimination on the basis of age in programs or activities receiving Federal financial assistance.
14. **The Rehabilitation Act**  
The Rehabilitation Act of 1973, Section 504, (29 U.S.C. 794), generally prohibits discrimination against qualified individuals on the basis of handicap in programs or activities receiving Federal financial assistance.
15. **The Small Business Act (d-f)**  
The Small Business Act (15 U.S.C. 644 (d-f)), generally provides that preference or priority be given to small businesses, which will perform a substantial amount of their work within areas of concentrated unemployment or underemployment or within labor surplus areas.
16. **The Small Business Act (j)**  
The Small Business Act (15 U.S.C. 644 (j)), generally requires that each procurement of goods and services subject to small purchase procedures, which has an anticipated value of less than \$10,000, be reserved for small business concerns.
17. **The National Environmental Policy Act**  
The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), generally provides that proposals for major Federal actions which significantly affect the environment include an environmental impact statement.
18. **The Clean Air Act Amendments of 1970**  
The Clean Air Act Amendments of 1970 (42 U.S.C. 7606(a)), generally prohibits Federal contracts with an entity to perform the contract at a facility (1) at which a violation of the act occurred and (2) the entity was convicted for the violation under 42 U.S.C. 7413(c)(1).
19. **The Clean Air Act Amendments of 1977**  
The Clean Air Act Amendments of 1977 (42 U.S.C. 7506(c)), prohibits Federal financial assistance for any activity not conforming to the state implementation plan required under 42 U.S.C. 7410 for attaining national ambient air quality standards.

20. **The Federal Water Pollution Control Act Amendments of 1972**  
The Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1368), generally prohibits Federal contracts with an entity to perform the contract at a facility (1) at which a violation of the act occurred and (2) the entity was convicted for the violation under 33 U.S.C. 1319(c).
21. **The Federal Tort Claims Act**  
The Federal Tort Claims Act, as amended, provides at 28 U.S.C. 2672 that claims for money damages for personal and property injury or loss, caused by the negligent or wrongful act of an employee, may be settled or compromised in accordance with regulations prescribed by the Attorney General; but that any settlement or compromise in excess of \$25,000 must have the prior approval of the Attorney General or his designee.
22. **The Federal Managers' Financial Integrity Act of 1982**  
The Federal Managers' Financial Integrity Act of 1982, Sections 2 and 4, (31 U.S.C. 3512 (b),(c)), requires that heads of executive agencies evaluate and report on their internal control and accounting systems.
23. **The Prompt Payment Act**  
The Prompt Payment Act (31 U.S.C. 3901-3906) requires that agencies pay for property and services within specified timeframes, and that interest penalties be paid for delinquent payments.
24. **The Debt Collection Act**  
The Debt Collection Act, Section 11, (31 U.S.C. 3717) requires agencies to assess interest and penalties on debts owed the United States unless otherwise governed by statute, regulation, or contract.
25. **The Anti-Deficiency Act**  
The Anti-Deficiency Act (31 U.S.C. 1341) prohibits officers and employees of the United States from making expenditures or obligations exceeding amounts available in an appropriation or fund.

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SEVERED LAWS

<u>LAWS</u>	<u>Central Bank for Coopera- tives</u>	<u>Commodity Credit Corporation</u>	<u>Communi- cation Satellite Corporation</u>	<u>Consoli- dated Railway Corporation</u>
Privacy Act of 1974	N	S	N	N
Freedom of Information Act	N	S	N	N
Sunshine Act	N	S	N	N
Employee Classification	N	S	N	N
Pay Rates & Rate Systems	N	S	N	N
Travel & Subsistence Allowance	N	S	N	N
Property & Admin Services Act	N	N	N	N
Anti Kickback (Copeland) Act	N	S	N	S
Davis Bacon Act	N	S	N	N
Work Hours & Safety Stds	N	S	N	N
Contract Disputes Act	N	S	N	N
Civil Rights Act	N	S	N	S
Age Discrimination Act	N	S	N	S
Rehabilitation Act	N	S	N	S
Small Business Act (d-f)	N	S	N	N
Small Business Act (j)	N	S	N	N
Environmental Policy Act	N	S	N	N
Clean Air Amends 1970	N	S	N	N
Clean Air Amends 1977	N	S	N	N
Federal Water Control Act	N	S	N	N
Federal Tort Claims Act	N	S	N	N
Financial Integrity Act	N	A	A	O
Prompt Payment Act	N	S	N	O
Debt Collection Act	N	A	N	O
Anti-Deficiency Act	N	N	N	O

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Corporation for Public Broad- casting</u>	<u>Export Import Bank</u>	<u>Farm Credit Banks</u>	<u>Federal Agricul- tural Mortgage Corporation</u>
Privacy Act of 1974	A	S	N	N
Freedom of Information Act	A	S	N	N
Sunshine Act	A	S	N	N
Employee Classification	N	S	N	N
Pay Rates & Rate Systems	N	S	N	N
Travel & Subsistence Allowance	N	S	N	N
Property & Admin Services Act	N	S	N	N
Anti Kickback (Copeland) Act	N	S	N	N
Devis Bacon Act	N	S	N	N
Work Hours & Safety Stds	N	S	N	N
Contract Disputes Act	N	S	N	N
Civil Rights Act	N	S	N	N
Age Discrimination Act	N	S	N	N
Rehabilitation Act	N	S	N	N
Small Business Act (d-f)	N	S	N	N
Small Business Act (j)	N	S	N	N
Environmental Policy Act	N	S	N	N
Clean Air Amends 1970	N	S	N	N
Clean Air Amends 1977	N	S	N	N
Federal Water Control Act	N	S	N	N
Federal Tort Claims Act	N	S	N	N
Financial Integrity Act	N	N	N	N
Prompt Payment Act	N	S	N	N
Debt Collection Act	N	S	N	N
Anti-Deficiency Act	N	S	N	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Federal Asset Disposition Association</u>	<u>Federal Crop Insurance Corporation</u>	<u>Federal Deposit Insurance Corporation</u>	<u>Federal Financing Bank</u>
Privacy Act of 1974	N	S	S	S
Freedom of Information Act	N	S	S	S
Sunshine Act	N	N	S	N
Employee Classification	N	S	A	S
Pay Rates & Rate Systems	N	A	N	S
Travel & Subsistence Allowance	N	A	A	S
Property & Admin Services Act	N	N	N	S
Anti Kickback (Copeland) Act	N	S	S	N
Davis Bacon Act	N	S	S	N
Work Hours & Safety Stds	N	S	S	N
Contract Disputes Act	N	S	N	S
Civil Rights Act	S	S	S	N
Age Discrimination Act	S	S	N	N
Rehabilitation Act	N	S	A	N
Small Business Act (d-f)	N	S	N	N
Small Business Act (j)	N	S	N	N
Environmental Policy Act	N	S	S	N
Clean Air Amendments 1970	N	S	S	N
Clean Air Amendments 1977	N	S	S	N
Federal Water Control Act	N	S	S	N
Federal Tort Claims Act	N	S	S	N
Financial Integrity Act	N	A	N	N
Prompt Payment Act	N	N	S	S
Debt Collection Act	N	S	N	S
Anti-Deficiency Act	N	S	N	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAWS</u>	<u>Federal Home Loan Bank</u>	<u>Federal Home Loan Mortgage Corporation</u>	<u>Federal Housing Adminis- tration</u>	<u>Federal Land Bank Associa- tions</u>
Privacy Act of 1974	N	S	S	N
Freedom of Information Act	N	S	S	N
Sunshine Act	N	N	N	N
Employee Classification	N	N	S	N
Pay Rates & Rate Systems	N	N	S	N
Travel & Subsistence Allowance	N	N	S	N
Property & Admin Services Act	N	N	S	N
Anti Kickback (Copeland) Act	N	N	S	N
Davis Bacon Act	N	N	S	N
Work Hours & Safety Stds	N	N	S	N
Contract Disputes Act	N	N	N	N
Civil Rights Act	N	N	S	N
Age Discrimination Act	N	A	S	N
Rehabilitation Act	N	N	S	N
Small Business Act (d-f)	N	N	S	N
Small Business Act (j)	N	N	S	N
Environmental Policy Act	N	N	S	N
Clean Air Amends 1970	N	N	S	N
Clean Air Amends 1977	N	N	S	N
Federal Water Control Act	N	N	S	N
Federal Tort Claims Act	N	S	S	N
Financial Integrity Act	N	N	S	N
Prompt Payment Act	N	N	S	N
Debt Collection Act	N	N	S	N
Anti-Deficiency Act	N	N	S	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Federal National Mortgage Association</u>	<u>Federal Prison Industries</u>	<u>Federal Reserve Banks</u>	<u>Federal Savings and Loan Insurance Corporation</u>
Privacy Act of 1974	N	S	A	S
Freedom of Information Act	N	S	A	S
Sunshine Act	N	N	N	S
Employee Classification	N	S	N	S
Pay Rates & Rate Systems	N	S	N	S
Travel & Subsistence Allowance	N	S	N	S
Property & Admin Services Act	N	S	A	S
Anti Kickback (Copeland) Act	N	S	A	N
Davis Bacon Act	N	S	N	N
Work Hours & Safety Stds	N	S	A	S
Contract Disputes Act	N	S	N	S
Civil Rights Act	N	S	A	N
Age Discrimination Act	N	S	A	N
Rehabilitation Act	N	S	A	S
Small Business Act (d-f)	N	S	A	S
Small Business Act (j)	N	S	A	S
Environmental Policy Act	N	S	A	S
Clean Air Amends 1970	N	S	A	S
Clean Air Amends 1977	N	S	A	S
Federal Water Control Act	N	S	A	S
Federal Tort Claims Act	N	S	N	S
Financial Integrity Act	N	S	A	A
Prompt Payment Act	N	S	A	S
Debt Collection Act	N	S	A	S
Anti-Deficiency Act	N	S	A	S



Table B. 1: CONFIRMATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Financing Corporation</u>	<u>Gallaudet University</u>	<u>Government National Mortgage Association</u>	<u>Howard University</u>
Privacy Act of 1974	O	N	S	N
Freedom of Information Act	O	N	S	N
Sunshine Act	O	N	N	N
Employee Classification	O	N	S	N
Pay Rates & Rate Systems	O	N	S	N
Travel & Subsistence Allowance	O	N	S	N
Property & Admin Services Act	O	N	A	N
Anti Kickback (Copeland) Act	O	N	N	S
Davis Bacon Act	O	N	N	S
Work Hours & Safety Stds	O	N	N	S
Contract Disputes Act	O	N	N	N
Civil Rights Act	O	S	A	S
Age Discrimination Act	O	S	N	S
Rehabilitation Act	O	S	N	S
Small Business Act (d-f)	O	N	N	N
Small Business Act (j)	O	N	N	N
Environmental Policy Act	O	N	N	N
Clean Air Amends 1970	O	N	N	S
Clean Air Amends 1977	O	N	N	S
Federal Water Control Act	O	N	N	S
Federal Tort Claims Act	O	N	S	N
Financial Integrity Act	O	N	N	N
Prompt Payment Act	O	N	S	N
Debt Collection Act	O	N	N	N
Anti-Deficiency Act	O	N	S	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Inter- America Foundation</u>	<u>Legal Services Corporation</u>	<u>National Consumer Cooperative Bank</u>	<u>National Corporation for Housing Partnerships</u>
Privacy Act of 1974	S	N	N	N
Freedom of Information Act	S	S	N	N
Sunshine Act	S	S	N	N
Employee Classification	S	N	N	N
Pay Rates & Rate Systems	S	N	N	N
Travel & Subsistence Allowance	S	N	N	N
Property & Admin Services Act	S	N	N	N
Anti Kickback (Copeland) Act	S	N	N	N
Devis Bacon Act	S	N	N	N
Work Hours & Safety Stds	S	N	N	N
Contract Disputes Act	S	N	N	N
Civil Rights Act	S	N	N	N
Age Discrimination Act	S	N	N	N
Rehabilitation Act	S	N	N	N
Small Business Act (d-f)	N	N	N	N
Small Business Act (j)	N	N	N	N
Environmental Policy Act	N	N	N	N
Clean Air Amends 1970	N	N	N	N
Clean Air Amends 1977	N	N	N	N
Federal Water Control Act	N	N	N	N
Federal Tort Claims Act	S	N	N	N
Financial Integrity Act	S	N	N	N
Prompt Payment Act	S	N	N	N
Debt Collection Act	S	N	N	N
Anti-Deficiency Act	S	N	N	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>National CIA Central Liquidity Facility</u>	<u>National Endowment for Democracy</u>	<u>National Fish and Wildlife Foundation</u>	<u>National Park Foundation</u>
Privacy Act of 1974	S	N	N	N
Freedom of Information Act	S	S	N	N
Sunshine Act	S	A	N	N
Employee Classification	S	N	N	N
Pay Rates & Rate Systems	A	N	N	N
Travel & Subsistence Allowance	A	S	N	N
Property & Admin Services Act	A	A	N	N
Anti Kickback (Copeland) Act	S	N	N	N
Davis Bacon Act	S	N	N	N
Work Hours & Safety Stds	S	N	N	N
Contract Disputes Act	N	N	N	N
Civil Rights Act	A	S	N	N
Age Discrimination Act	S	S	N	N
Rehabilitation Act	A	S	N	N
Small Business Act (d-f)	S	N	N	N
Small Business Act (j)	S	N	N	N
Environmental Policy Act	N	N	N	N
Clean Air Amends 1970	A	N	N	N
Clean Air Amends 1977	A	N	N	N
Federal Water Control Act	A	N	N	N
Federal Tort Claims Act	S	S	N	N
Financial Integrity Act	A	N	N	N
Prompt Payment Act	S	N	N	N
Debt Collection Act	S	N	N	N
Anti-Deficiency Act	S	N	N	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAWS</u>	<u>National Railroad Passenger Corporation</u>	<u>Neighbor- hood Rain- vestment Corporation</u>	<u>Overseas Private Investment Corporation</u>	<u>Pennsyl- vania Avenue Develop- ment Corp</u>
Privacy Act of 1974	N	N	S	S
Freedom of Information	S	S	S	S
Sunshine Act	N	S	S	A
Employee Classification Act	N	N	S	S
Pay Rates & Rate Systems	N	N	S	S
Travel & Subsistence Allowance	N	N	S	S
Property & Admin Services Act	N	N	N	S
Anti Kickback (Copeland) Act	N	N	S	S
Devis Bacon Act	A	N	S	S
Work Hours & Safety Stds	A	N	S	S
Contract Disputes Act	N	N	S	S
Civil Rights Act	N	N	N	S
Age Discrimination Act	S	N	N	S
Rehabilitation Act	S	N	A	S
Small Business Act (d-f)	N	N	S	S
Small Business Act (j)	N	N	S	S
Environmental Policy Act	N	N	N	S
Clean Air Amends 1970	N	N	N	S
Clean Air Amends 1977	N	N	N	S
Federal Water Control Act	N	N	N	S
Federal Tort Claims Act	N	N	N	S
Financial Integrity Act	N	N	S	N
Prompt Payment Act	N	N	S	S
Debt Collection Act	N	N	S	S
Anti-Deficiency Act	N	N	S	S

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

<u>LAW</u>	<u>Pension Benefit Guaranty Corporation</u>	<u>Production Credit Associa- tions</u>	<u>Regional Banks for Coopera- tives</u>	<u>Rural Telephone Bank</u>
Privacy Act of 1974	S	N	N	S
Freedom of Information Act	S	N	N	S
Sunshine Act	N	N	N	N
Employee Classification	A	N	N	S
Pay Rates & Rate Systems	A	N	N	S
Travel & Subsistence Allowance	S	N	N	N
Property & Admin Services Act	N	N	N	S
Anti Kickback (Copeland) Act	S	N	N	S
Devis Bacon Act	S	N	N	S
Work Hours & Safety Stds	S	N	N	S
Contract Disputes Act	S	N	N	N
Civil Rights Act	S	N	N	S
Age Discrimination Act	S	N	N	S
Rehabilitation Act	S	N	N	S
Small Business Act (d-f)	S	N	N	N
Small Business Act (j)	S	N	N	N
Environmental Policy Act	S	N	N	S
Clean Air Amends 1970	S	N	N	S
Clean Air Amends 1977	S	N	N	S
Federal Water Control Act	S	N	N	N
Federal Tort Claims Act	S	N	N	S
Financial Integrity Act	A	N	N	S
Prompt Payment Act	S	N	N	S
Debt Collection Act	S	N	N	S
Anti-Deficiency Act	S	N	N	S

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

LAWS	Saint Lawrence Senary Development Corporation	Securities Investor Protection Corporation	Student Loan Marketing Associa- tion	Tennessee Valley Authority	U.S. Postal Service
Privacy Act of 1974	S	N	N	S	S
Freedom of Information Act	S	N	N	S	S
Sunshine Act	N	N	N	S	S
Employee Classification	S	N	N	N	N
Pay Rates & Rate Systems	S	N	N	N	N
Travel & Subsistence Allowance	S	N	N	S	N
Property & Admin Services Act	S	N	N	N	A
Anti Kickback (Copeland) Act	S	N	N	S	S
Devis Bacon Act	S	N	N	N	S
Work Hours & Safety Stds	S	N	N	S	S
Contract Disputes Act	S	N	N	S	S
Civil Rights Act	S	A	N	S	S
Age Discrimination Act	S	A	N	S	S
Rehabilitation Act	S	A	N	S	S
Small Business Act (d-f)	S	N	N	S	N
Small Business Act (j)	S	N	N	S	N
Environmental Policy Act	S	N	N	S	S
Clean Air Amends 1970	S	N	N	S	A
Clean Air Amends 1977	S	N	N	S	A
Federal Water Control Act	S	N	N	S	A
Federal Tort Claims Act	S	N	N	N	S
Financial Integrity Act	N	A	N	N	N
Prompt Payment Act	S	A	N	S	S
Debt Collection Act	S	A	N	N	N
Anti-Deficiency Act	S	N	N	S	N

Table B. 1: CORPORATION RESPONSES TO APPLICABILITY OF SELECTED LAWS

Note:

1. The Corporation for Public Broadcasting provided extensive responses to the 25 legal requirements. The complete response follows this table.



## CORPORATION FOR PUBLIC BROADCASTING

Paul E. Symczak  
Vice President,  
General Counsel and Secretary

December 8, 1988

Gary L. Kepplinger, Esq.  
Associate General Counsel  
Office of the General Counsel  
U.S. General Accounting Office  
ATTN: Robert Coufal  
Room 614  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Kepplinger:

As the result of a recent meeting with your associate, Robert W. Wagner, Jr., of the U.S. General Accounting Office (GAO), CPB has been asked to respond to the GAO's update of its questionnaire on government corporation policy requirements. Mr. Wagner pointed that when the original survey was conducted in 1985, the Corporation for Public Broadcasting (CPB) agreed to respond to Enclosure II, which asked for financial information pertaining to the Corporation. CPB, however, did not respond to Enclosure I, which seeks to determine whether the Corporation is subject to various federal laws indicated in the survey.

In the preface to the final report of the 1985 survey, it was stated that CPB's willingness to respond to Enclosure II was based on the fact that it received federal funding. As a matter of correcting the record, it should be noted that CPB's response to Enclosure II was based on the fact that the GAO has authority under the Public Broadcasting Act of 1967, as amended, to audit CPB's financial records. The financial information requested by the survey was in the hands of the GAO already or was available to the GAO upon request. Therefore, CPB had no problem in providing it.

Enclosure I, however, presents a different problem. It presumes that CPB is an entity which is covered by the definitions contained in 31 U.S.C. 9101. It has been a long held and strongly maintained position of the Corporation that it is not a government corporation of any type.

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Volume 2 of the Manual created from the 1985 survey contains a category of corporations called "Other." It includes those established or authorized by Congress. In fact, CPB was authorized by Congress to be incorporated as the result of action of private individuals who had been named to the CPB Board. CPB's legal existence is described in the Public Broadcasting Act of 1967 (47 U.S.C. 396, et seq.) and under the District of Columbia Nonprofit Corporation Act (D.C. Code, Section 29-501, et seq.).

It is CPB's desire to maintain reasonable and cooperative relationships with the federal government. Therefore, the Corporation agrees to respond to the full survey questionnaire for the 1988 update. CPB will cooperate under the specific understanding that this letter will be included in its response and that no editing of the CPB response will be made by GAO before the information is collated and transmitted to Congress. CPB's primary concern is that it not be forced to take any action which would erode its position as a non-governmental entity. This status is critical for CPB to accomplish the objectives of the Public Broadcasting Act.

Most of the questions contained in Enclosure I will necessarily result in a negative answer from CPB. The simple reason is that as a private, non-governmental organization, CPB is not subject to federal laws which govern federal corporations or other federal agencies. CPB's position as a private corporation is well established in both the language of the Public Broadcasting Act and the legislative history that accompanies it. For example, in 47 U.S.C. 396(a)(7), the Act provides "a private corporation should be created to facilitate the development of public telecommunications and to afford maximum protection from extraneous interference and control." (emphasis added) Correspondingly, 47 U.S.C. 396(b) provides: "There is authorized to be established a nonprofit corporation, to be known as the 'Corporation for Public Broadcasting', which will not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this section, and, to the extent consistent with this section, to the District of Columbia Nonprofit Corporation Act." (emphasis added)

Furthermore, in 47 U.S.C. 396(c)(2), members of the CPB Board of Directors are specifically prohibited from being regular full-time employees of the United States and in subsection (d)(2), there is a further statement that the members of the Board shall not, by reason of membership, be deemed to be officers or employees of the United States.

Most compelling, however, is the provision in 47 U.S.C. 396(g)(1)(D) that authorizes the Corporation to "carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the public telecommunications entities and systems from interference with, or control of, program content or other activities." It is this provision that forms

the primary reason for CPB's existence. The federal government is prohibited under the U.S. Constitution from engaging in activities which could constrain the First Amendment rights of broadcasters. Because of the potential for such prior restraint that is associated with providing money to public broadcasters in the United States, the federal government was forced to create a totally private organization through which to channel the federal contribution and to which to give instructions on how that contribution was to be used. That entity is the Corporation for Public Broadcasting and its status as a non-governmental entity is paramount in its ability to execute the obligations of the Public Broadcasting Act.

Finally, in 47 U.S.C. 398(a) the Public Broadcasting Act addresses exactly the point that is relevant to the exercise of control by federal law or federal agencies over CPB. That provision provides that "[n]othing contained in section 390 to 399 of this title shall be deemed ...to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over public telecommunications, or over the Corporation or any of its grantees or contractors, or over the charter or bylaws of the Corporation, or over the curriculum, program of instruction, or personnel of any educational institution, school system, or public telecommunications entity."

Similarly, in 47 U.S.C. 398(c) provides: "Noting in this section shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the content or distribution of public telecommunications programs and services, or over the curriculum or program of instruction of any educational institution or school system."

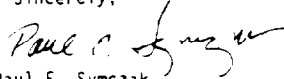
The legislative history that accompanies the passage of the 1967 Act and its amendments is replete with references to the absolute necessity for CPB to be a non-governmental entity. These references reflect the basic philosophy undergirding the creation of the Corporation as described in the Report of the Carnegie Commission on Educational Television entitled: Public Television - A Program for Action, that formed the basis for the Public Broadcasting Act.

In summary, these multiple references to CPB's statutory authority make it clear that CPB is not to be an entity of the federal government or subject to those laws and regulations which are prescribed for federal entities. Instead, when Congress felt the need to impose certain restrictions or regulations on CPB, it chose to do so by specific amendment to the Public Broadcasting Act, not by extension of federal law to public broadcasting. Therefore, in responding to the specific questions of Enclosure I, I will be referring to this cover letter as a means to explain the reason for CPB's position that the Corporation is not subject to the statutory requirements listed in each question.

In addition, I am providing a document which reflects the review of Enclosure II (items 16.a. through 34) by CPB's Director of Financial Management, Richard M. Morrison. Since the original Enclosure II questionnaire was prepared by someone other than CPB (presumably by GAO), Mr. Morrison could not verify or update responses -- the origin of which was unclear to him. The balance of Enclosure II is reviewed at the end of CPB's responses to Enclosure I.

Please feel free to call me directly if you have any questions.

Sincerely,



Paul E. Syczak  
Vice President, General Counsel  
and Secretary

U.S. GENERAL ACCOUNTING OFFICE  
GOVERNMENT CORPORATION POLICY REQUIREMENTS

RESPONSES TO QUESTIONS IN ENCLOSURE I

- 1.a. No
- b. Yes
- c. Yes. CPB's policies on protection of the privacy of its employees are specified in the CPB Personnel Manual and in CPB practice. Both of these procedures are appropriate for a private company.
- d. N/A
- 2.a. No
- b. Yes
- c. For the reasons described in the cover letter, the Corporation is not subject to the Freedom of Information Act. However, in 1974, the Corporation, in an informal agreement with Congress, agreed to the fullest implementation of the freedom of information principles in CPB's operations, consistent with its private status and Constitutionally protected activities in the area of broadcast program support. In exchange of correspondence between the CPB president and Congressman William Moorehead, CPB outlined the principles under which it would follow the spirit of the Freedom of Information Act.
- d. N/A
- 3.a. No
- b. Yes
- c. The Corporation has fully implemented the provision of the Public Broadcasting Act found at 47 U.S.C. 396(g)(4) which requires "All meetings of the Board of Directors of the Corporation, including any committee of the Board, shall be open to the public under such terms, conditions, and exceptions as are forth in subsection (k)(4) of this section."
- d. N/A

4. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter establishing the fact that CPB is a non-governmental entity and its employees are not employees of the federal government.)
5. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for background on why CPB employees are not covered by any federal provision regarding pay rates or prevailing rates systems. However, CPB is governed by 47 U.S.C. 396(e)(1) which provides "No officer or employee of the Corporation may be compensated by the Corporation at an annual rate of pay which exceeds the rate of basic pay in effect from time to time for level I of the Executive Schedule under section 5312 of Title 5... No officer of the Corporation, other than the Chairman or a Vice Chairman, may receive any salary or other compensation from any source other than the Corporation for services rendered during the period of his employment by the corporation.")
6. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for justification of non-applicability of federal travel and subsistence policies on CPB. However, CPB has created its own policies for reimbursement of employees for reasonable expenses incurred while in the service of the Corporation. Those policies are contained in separate administrative manuals created by, and maintained by, the Corporation.)
7. a. No  
b. No  
c. N/A

- d. (Please refer to cover letter for justification of why CPB is not an executive agency of the federal government. Please also refer to 47 U.S.C. 396(C)(3) which provides "...the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act [D.C. Code, Section 29-501 et seq.]". By this provision, CPB is given the normal authority of lawfully organized corporations to purchase property and services. There is no provision in this Act that requires CPB to advertise for these purchases of property and services. However, as a matter of practice, CPB does solicit for bids for the purchase of most goods and services while maintaining the right to use a sole source supplier when circumstances are justified.)
8. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for explanation of why Corporation activities are not federally financed or assisted construction activities. Also please see 47 U.S.C. 396, et seq., in general for a description of CPB authorized activities which do not include construction activities.)
9. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for explanation of why CPB activities are not federally funded or assisted. Therefore, applicable classes of workers and similar projects are not a standard that applies to CPB. However, as all companies engaged in interstate commerce, CPB complies with the Fair Labor Standard Act and the Wage and Hour Act provisions for its employees.)
10. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for explanation of CPB's non-federal status. However, CPB does comply with the Fair Labor Standard Act and the Wage and Hour Act with regard to payment of overtime. CPB employment policies provide for a 9 hour workday, with one hour off for lunch; a 40 hour workweek, and time and a half basic rate of pay for overtime compensation for all employees who are non-exempt under the Fair Labor Standard Act.)

11. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for explanation of why CPB's activities included under this provision and CPB would not be considered a wholly owned government corporation.)
12. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for explanation of why recipients of CPB funds are not receiving federal financial assistance. However, see also 47 U.S.C. 398(b)(1) which provides "Equal opportunity in employment shall be afforded to all persons by the Public Broadcasting Service and National Public Radio (or any successor organization) and by all public telecommunications entities receiving funds pursuant to subpart C (hereinafter in this subsection referred to as 'recipients')" in accordance with the equal employment opportunity regulations of the Commission, and no person shall be subjected to discrimination in employment by any recipient on the grounds of race, color, religion, national origin, or sex." It is by this provision that Congress has imposed on the recipients of funds from CPB the equivalent to the concept found in Title 6 of the Civil Rights Act of 1964. In addition, CPB's own EEO and affirmative action policies guarantee these same protections to CPB employees and applicants for employment at CPB.)
13. a. No  
b. No  
c. N/A  
d. (Please refer to cover letter for description of why recipients of CPB funds are not receiving federal financial assistance. However, as a corporation governed by the laws of the District of Columbia, CPB complies in full with the District's Human Rights Act provisions which prohibit unreasonable discrimination on the basis of age.)
14. a. No  
b. No  
c. N/A

- d. Relevant to Section 504 of the Rehabilitation Act of 1973, CPB has been specifically found not to be providing federal financial assistance in specific litigation on that issue resolved by the U.S. Court of Appeals for the Ninth Circuit (Greater Los Angeles Council for the Deaf, et al. v. CPB, KCET, et al.) However, CPB's corporate policies and practice prevent it from discriminating against qualified individuals on the basis of handicap. This policy is specified in the CPB Personnel Manual and its Affirmative Action Plan.
- 15.a. No
- b. No
- c. N/A
- d. Because of the specific nature of CPB's charge as described in the Public Broadcasting Act, the provision of the Small Business Act is not relevant to CPB. However, in the CPB purchase of goods and services for the operation of the Corporation, CPB's policy is to make preference for small businesses, particularly those which may be owned by minorities or by women. This policy is described in the CPB Administration Office Policy, which is part of the CPB Corporate and Policy Procedures handbook.
- 16.a. No
- b. No
- c. N/A
- d. (Please refer to the answer listed in 15.d.)
- 17.a. No
- b. No
- c. N/A
- d. The activities of the Corporation, as described in the Public Broadcasting Act, do not affect the physical environment and, therefore, would not require an environmental impact statement. In addition, as described in the cover letter, actions of CPB are not major federal actions.
- 18.a. No
- b. No
- c. N/A



- d. The activities of CPB, as described in the Public Broadcasting Act, are not relevant to the provisions of the Clean Air Act Amendments of 1977. Furthermore, as described in the cover letter, contracts let by CPB are not federal contracts.
- 19.a. No
- b. No
- c. N/A
- d. (Please see response to question 18.d.)
- 20.a. No
- b. No
- c. N/A
- d. The activities of CPB, as described in the Public Broadcasting Act, are not relevant to the provisions of the Federal Water Pollution Control Act Amendments of 1972. Furthermore, the contracts let by CPB are not federal contracts.
- 21.a. No
- b. No
- c. N/A
- d. (As described in the cover letter, the Corporation, not being a federal entity, is not subject to the Federal Tort Claims Act. The Corporation is fully responsible for all torts and damages resulting therefrom and cannot avail itself of the settlement provisions described by the Attorney General. It is not an instrumentality of the United States.)
- 22.a. No
- b. No
- c. N/A
- d. (As described in the cover letter, CPB would not be included under the Federal Managers' Financial Integrity Act of 1982, since CPB financial managers are not employees of the federal government. However, the Corporation is required under 47 U.S.C. 396(1) to have its accounts audited regularly by independent certified public accountant; to make that annual report available to Congress; to permit the General Accounting

Office to review any financial transactions of the Corporation under procedures and principles established by the Comptroller General; and to keep such books and records as are necessary for an effective audit to be performed. By business practice, CPB has an internal audit department staffed by a director of audit and eight auditors whose obligations it is to track CPB's expenditure of CPB funds by the CPB recipients and to evaluate CPB's internal controls and accounting systems. The establishment and efficient running of this office has been CPB's policy since the Corporation was organized.)

23. a. No
- b. No
- c. N/A
- d. (As described in the cover letter, CPB is not a federal agency subject to the provisions of the Prompt Payment Act. However, CPB's own administrative regulations require that it process all payments for property and services within an expeditious and reasonable timeframe; in most cases, within 10 days after the invoice has been received. This is part of standard CPB operating procedure.)
24. a. No
- b. No
- c. N/A
- d. (As described in the cover letter, CPB is not a federal agency subject to Section 11 of the Debt Collection Act. Furthermore, CPB's transactions involve no money of the United States, and debts owed to CPB are not debts owed to the United States.)
25. a. No
- b. No
- c. N/A
- d. (As described in the cover letter, CPB is not a federal agency and is not subject to the provisions of the Anti-Deficiency Act. However, the Public Broadcasting Act requires that CPB funds be spent in a prudent and financially responsible manner (47 U.S.C. 396(D)(2)(a)). In addition, CPB is subject to the laws which govern private companies and the fiduciary obligations that those companies have for the wise and prudent expenditure of its money. CPB receives its appropriation on

the first day of the fiscal year and that appropriation is available to the corporation until expended. (See Section 396(k)(1)(D). Therefore, CPB is governed by standard business provisions of responsibility and prudence, but is permitted to incur a deficit if the prudent course of business demands it.)

## APPENDIX C

GOVERNMENT CORPORATION PROFILE GLOSSARY

NAME	Name as defined in enabling legislation and abbreviation
LEGAL AUTHORITY	Enabling legislation
DATE CREATED	Date corporation was originally created by law
LEGISLATED TERMINATION DATE	Date corporation ceases to exist under present law
LEGAL STATUS	Form of corporation per enabling legislation, or interpretation of the U.S. Budget, U.S. Government manual, and other published sources
AGENCY STATUS	Whether or not the corporation is an agency of the government based on enabling legislation
PURPOSES AND MAJOR RESPONSIBILITIES	Summary of major activities based on enabling legislation, corporation's annual reports, and other published sources
BOARD OF DIRECTORS	Number of Board members based on law; number appointed by the President of the United States; membership eligibility requirements specified in law
ADVISORY BOARD	If applicable, number of Advisory Board members based on law; number appointed by the President of the United States; membership eligibility requirements specified in law
PARENT AGENCY	Federal agency responsible for control of the corporation
AFFILIATED AGENCIES	By law, Federal agencies and related entities the corporation coordinates and consults with

BUDGET STATUS	Budgetary controls imposed by law and inclusion/exclusion from U.S. budget
TREASURY STATUS	Department of Treasury controls imposed by law
REPORTING STATUS	Legal requirements to periodically issue reports of activities to the Congress and/or the President of the United States
LITIGATION STATUS	Legal status regarding lawsuits
FINANCIAL AUDIT REQUIREMENTS	Legal requirements for the audit of the corporation's financial statements
FINANCIAL AUDITOR	By law, independent financial auditor responsible for conducting the financial audits of the corporation
OTHER AUDIT REQUIREMENTS	Legal requirements for performance and other financial audits not listed above
OTHER AUDITOR	Organization responsible for conducting other audits of the corporation
AUDITED	Fiscal year or calendar year of the financial data presented herein and the auditor's name, if any
OPINION	Type of opinion rendered by auditor on the corporation's financial statements:  Unqualified- Statements are presented fairly in accordance with generally accepted accounting principles (GAAP)

Qualified- Statements are presented fairly in accordance with GAAP "except for" or "subject to" certain matters discussed in the auditors' report

Adverse- The financial statements are not presented in accordance with GAAP

Disclaimer- The auditor was unable to render an opinion on the financial statements

ACCOUNTING  
PRINCIPLES

Significant accounting principles followed by the corporation

REVENUES

All annual income reported by the corporation in its financial statements, excluding Federal appropriations

APPROPRIATIONS  
EXPENDED

Congressional appropriations reported by the corporation as income per the annual financial statements

EXPENSES

All amounts expended by the corporation in conducting its operations as reported per annual financial statements

NET INCOME OR (LOSS)

Revenues and appropriations minus expenses per the annual financial statements

GRANTS ISSUED

The amount of grants given to others by the corporation per the annual financial statements

LOANS ISSUED	The amount of loans made to others by the corporation per the annual financial statements
LOAN PAYMENTS RECEIVED	Amount of loan repayments per the annual financial statements
LOAN LOSSES	The amount of loans which were determined to be uncollectible per the annual financial statements
LOANS OUTSTANDING	The total loans outstanding per the annual financial statements
LOAN LIMIT	The legal limit of loans which the corporation can have outstanding
LOAN COMMITMENTS	Commitments for loans per notes to the annual financial statements
INSURANCE OUTSTANDING	The total amount of insurance in force per the annual financial statements
INSURANCE SOLD	Amount of insurance underwritten during the period per the annual financial statements
INSURANCE LOSSES	Insurance losses minus recoveries per the annual financial statements
INSURANCE LIMIT	Legal limit for insurance in force
INSURANCE COMMITMENTS	Insurance which the corporation is committed to issue per the annual financial statements
GUARANTEES OUTSTANDING	Amount of outstanding guarantees, usually of loans by others, per the annual financial statements

GUARANTEES ISSUED	Amount of guarantees issued to other people per the annual financial statements
GUARANTEE LOSSES	Amount of guaranteed losses minus recoveries per the annual financial statements
GUARANTEE LIMIT	Legal limit for guarantees which the corporation can issue at any one time
GUARANTEE COMMITMENTS	Guarantees which the corporation has agreed to issue per the annual financial statements
ASSETS	Property and other resources of the corporation per the annual financial statements
GOVERNMENT INVESTMENT	Amount invested in government securities per the annual financial statements
LIABILITIES	Debts and obligations of the corporation per the annual financial statements
TOTAL DEBT	Amount of outstanding liabilities represented by debt instruments per the annual financial statements
GOVERNMENT DEBT	Portion of debt owed to the government per the annual financial statements
GOVERNMENT LOAN LIMIT	Legal limit of debt the corporation may borrow from the government
GOVERNMENT BORROWING	All borrowing from the government during the period per the annual financial statements
REPAYMENT TO GOVERNMENT	All repayments to the government during the period per the annual financial statements



TOTAL EQUITY	Total amount of the owners' equity per the annual financial statements
GOVERNMENT EQUITY	Total amount the government has invested in the corporation per the annual financial statements
APPROPRIATIONS TO EQUITY	Amount of appropriation(s) included in government equity of the corporation during the period per the annual financial statements -- excludes appropriations reported as income
OTHER EQUITY	Investment by others in the corporation and retained earnings
GOVERNMENT EQUITY LIMIT	Legal limit of the government's investment in the corporation
TOTAL INTEREST EXPENSE	Total amount of interest expense per the annual financial statements
INTEREST PAID GOVERNMENT	Amount of interest expense attributed to government borrowings per the annual financial statements
INTEREST PAID OTHERS	Amount of interest paid to other parties per the annual financial statements
INTEREST RECEIVED	The amount of interest received by the corporation per the annual financial statements.

## APPENDIX D

DIRECTORY OF ORGANIZATIONS AND CHIEF OPERATING OFFICIALS

-- C --

## Central Bank for Cooperatives

(see Farm Credit Administration)

Commodity Credit Corporation  
Department of Agriculture  
South Building, Room 3086  
14th Street & Independence Avenue, SW  
Washington, DC 20250

Mailing address:  
P.O. Box 2415  
Washington, DC 20013

Mr. Milton Hertz  
Administrator

(202) 475-5490

Consolidated Rail Corporation  
Six Penn Center  
Philadelphia, PA 19103

Mr. Richard D. Sandborn  
President

(215) 977-5156

Communication Satellite Corporation  
950 L'Enfant Plaza, SW  
Washington, DC 20024

Mr. Irving Goldstein  
President and Chief Executive  
Officer

(202) 863-6433

Corporation for Public Broadcasting  
1111 16th Street, NW  
Washington, DC 20036

Mr. Donald E. Ledwig  
President and Chief Executive  
Officer

(202) 955-5275

-- E --

**Export-Import Bank of the United States**  
Room 1210  
811 Vermont Avenue, NW  
Washington, DC 20571

Mr. John A. Bohn, Jr.  
President and Chairman

(202) 566-8864

-- F --

**Farm Credit Banks**  
(see Farm Credit Administration)

**Farm Credit Administration**  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Mr. Frank W. Naylor, Jr.  
Chairman

(703) 883-4010

**Federal Agricultural Mortgage Corporation**  
(see Farm Credit Administration)

**Federal Asset Disposition Association**  
Suite 200  
801 17th Street, NW  
Washington, DC 20006

Mr. Gerald P. Carmen  
President and Chief Executive  
Officer

(202) 467-0606

**Federal Crop Insurance Corporation**  
Department of Agriculture  
South Building, Room 4096  
14th Street & Independence Avenue, SW  
Washington, DC 20250

Mr. John Marshall  
Manager

(202) 447-6795

**Federal Deposit Insurance  
Corporation**  
Room 6034  
550 17th Street, NW  
Washington, DC 20429

Mr. L. William Seidman  
Chairman

(202) 898-6974

**Federal Financing Bank**  
Room 3040  
Main Treasury Building  
Washington, DC 20220

Mr. Charles D. Haworth  
Secretary

(202) 566-5951

**Federal Home Loan Banks**  
Federal Home Loan Bank Board  
2nd Floor  
1700 G Street, NW  
Washington, DC 20552

Mr. Patrick G. Barbakos  
Director  
Office of District Banks

(202) 377-6720

**Federal Home Loan Mortgage  
Corporation**  
1759 Business Center Drive  
Reston, VA 22090

Mailing address:  
P.O. Box 4115  
Reston, VA 22090

Mr. Leland C. Brendsel  
President and Chief Executive  
Officer

(703) 759-8500

Federal Housing Administration  
Room 9100  
451 7th Street, NW  
Washington, DC 20410

Mr. Thomas T. Demery  
Assistant Secretary for  
Housing-Federal Housing Commissioner

(202) 755-6600

Federal Land Bank Associations  
(see Farm Credit Administration)

Federal National Mortgage  
Association  
3900 Wisconsin Avenue, NW  
Washington, DC 20016

Mr. Roger E. Birk  
President and Chief  
Operating Officer

(202) 752-6710

Federal Prison Industries, Inc.  
Room 654  
320 First Street, NW  
Washington, DC 20534

Mr. Michael Quinlan  
Director

(202) 724-3250

Federal Savings and Loan Insurance  
Corporation  
10th Floor  
801 17th Street, NW  
Washington, DC 20006

Mr. Stuart Root  
Director

(202) 254-2025

Federal Reserve Banks  
Federal Reserve System  
Room B-2046  
20th Street & Constitution Avenue, NW  
Washington, DC 20551

The Honorable Alan Greenspan  
Chairman of the Board of Governors  
of the Federal Reserve System

(202) 452-3201

Financing Corporation  
655 15th Street, NW  
Washington, DC 20005

Mr. Austin Dowling  
Director

(202) 272-4900

-- G --

Gallaudet University  
800 Florida Avenue, NE  
Washington, DC 20002

Dr. I. King Jordan  
President

(202) 651-5005

Government National Mortgage Association  
Suite 6100  
HUD Building  
451 7th Street, SW  
Washington, DC 20410

Mr. Mark Buchman  
President

(202) 755-5926

-- H --

Howard University  
2400 Sixth Street, NW  
Washington, DC 20001

Dr. James E. Cheek  
President

(202) 636-6040

-- I --

Inter-American Foundation  
1515 Wilson Boulevard  
Rosslyn, VA 22209

Ms. Deborah Szekely  
President

(703) 841-3810

-- L --

Legal Services Corporation  
400 Virginia Avenue, SW  
Washington, DC 20024

Mr. Terrance J. Wear  
President

(202) 863-1839

-- N --

National Cooperative Bank  
1630 Connecticut Avenue, NW  
Washington, DC 20009

Mr. Thomas Condit  
President

(202) 745-4731

National Corporation for Housing Partnerships  
Suite 700  
1225 I Street, NW  
Washington, DC 20005

Mr. J. Roderick Heller, III  
President and Chief Executive  
Officer

(202) 347-6247

National Credit Union Administration-  
Central Liquidity Facility  
8th Floor  
1776 G Street, NW  
Washington, DC 20456

Mr. Floyd Lancaster  
President

(202) 357-1140

National Endowment for Democracy  
Suite 203  
1101 15th Street, NW  
Washington, DC 20005

Mr. Carl Gershman  
President

(202) 293-9072

National Fish and Wildlife Foundation  
Room 2725  
18th & C Streets, NW  
Washington, DC 20240

Mr. Charles A. Collins  
Executive Director

(202) 343-1040

National Park Foundation  
1850 K Street  
P.O. Box 57473  
Washington, DC 20037

Mailing address:  
P.O. Box 57473  
Washington, DC 20037

Mr. John L. Bryant, Jr.  
President

(202) 785-4500

National Railroad Passenger  
Corporation (AMTRAK)  
400 North Capital Street, NW  
Washington, DC 20001

Mr. Graham Claytor, Jr.  
President and Chief Executive  
Officer

(202) 383-3960



Neighborhood Reinvestment Corporation  
Suite 800  
1325 G Street, NW  
Washington, DC 20005

Mr. William A. Whiteside  
Executive Director

(202) 376-2410

-- O --

Overseas Private Investment Corporation  
Suite 402 C  
1615 M Street, NW  
Washington, DC 20527

Mr. Craig A. Nalen  
President and Chief Executive  
Officer

(202) 457-7000

-- P --

Pennsylvania Avenue Development Corporation  
Suite 1220 North  
1331 Pennsylvania Avenue, NW  
Washington, DC 20004-1703

Mr. M. J. Brodie  
Executive Director

(202) 724-9073

Pension Benefit Guaranty Corporation  
Room 7000  
2020 K Street, NW  
Washington, DC 20006

Ms. Kathleen Utgoff  
Executive Director

(202) 778-8810

Production Credit Associations  
(see Farm Credit Administration)

-- R --

**Regional Banks for Cooperatives**  
(see Farm Credit Administration)

**Rural Telephone Bank**  
Rural Electrification Administration  
Department of Agriculture  
14th Street & Independence Avenue, SW  
Washington, DC 20013

Mr. Harold V. Hunter  
Governor

(202) 382-9540

-- S --

**Saint Lawrence Seaway Development Corporation**  
Room 5424  
400 7th Street, SW  
Washington, DC 20590

Mr. James L. Emery  
Administrator

(202) 366-0091

**Securities Investor Protection Corporation**  
Suite 800  
805 15th Street, NW  
Washington, DC 20005

Mr. Theodore H. Focht  
President and General Counsel

(202) 371-8300

**Student Loan Marketing Association**  
1050 Thomas Jefferson Street, NW  
Washington, DC 20007

Mr. Edward A. Fox  
President and Chief Executive  
Officer

(202) 333-8000

-- T --

Tennessee Valley Authority  
400 W. Summit Hill Drive  
Knoxville, TN 37902

Mr. William F. Willis  
General Manager

(615) 632-3871

-- U --

U.S. Postal Service  
U.S. Postal Service Headquarters  
Washington, DC 20260

The Honorable Anthony M. Frank  
Postmaster General

(202) 268-2500

## APPENDIX E

PATRIOTIC AND PUBLIC SERVICE  
FEDERALLY CHARTERED CORPORATIONS

This appendix contains a list of patriotic and public service organizations which are private corporations established under federal law. These federally chartered corporations are typically comprised of private individuals who raise funds for charitable purposes. The legal requirements for these corporations are primarily in Title 36 of the U.S. Code.

Agricultural Hall of Fame  
 American Chemical Society  
 American Council of Learned Societies  
 American Ex-Prisoners of War  
 American Gold Star Mothers, Inc.  
 American Historical Association  
 American Legion  
 American National Red Cross  
 American National Theater and Academy  
 American Society of International Law  
 American Symphony Orchestra League  
 American War Mothers  
 AMVETS (American Veterans of World War II, Korea, and Vietnam)  
 Army and Navy Union of the United States of America  
 Aviation Hall of Fame  
 Belleau Wood Memorial Association  
 Big Brothers-Big Sisters of America  
 Blinded Veterans Association  
 Blue Star Mothers of America  
 Board for Fundamental Education  
 Boys' Clubs of America  
 Boy Scouts of America  
 Catholic War Veterans of the United States of America, Inc.  
 Civil Air Patrol  
 Congressional Medal of Honor Society of the United States of America  
 Daughters of Union Veterans of the Civil War 1861-1865  
 Disabled American Veterans  
 Former Members of Congress  
 Foundation of the Federal Bar Association  
 Future Farmers of America  
 General Federation of Women's Clubs  
 Girl Scouts of the United States of America  
 Gold Star Wives of America  
 Italian American War Veterans of the United States  
 Jewish War Veterans of the United States of America, Inc.  
 Jewish War Veterans, U.S.A., National Memorial, Inc.  
 Ladies of the Grand Army of the Republic  
 Legion of Valor of the United States of America, Inc.

Little League Baseball, Inc.  
 Marine Corps League  
 Military Chaplains Association of the United States of America  
 Military Order of the Purple Heart of the United States of  
 America, Inc.  
 National Academy of Public Administration  
 National Academy of Sciences  
 National Aviation Hall of Fame  
 National Conference on Citizenship  
 National Conference of State Societies, Washington, District of  
 Columbia  
 National Council on Radiation Protection Measurements  
 National Federation of Music Clubs  
 National Fund for Medical Education  
 National Music Council  
 National Safety Council  
 National Ski Patrol System, Inc.  
 National Society, Daughters of the American Colonists  
 National Society of the Daughters of the American Revolution  
 National Society of the Sons of the American Revolution  
 National Woman's Relief Corps, Auxiliary to the Grand Army of the  
 Republic  
 National Yeomen F  
 Naval Sea Cadet Corps  
 Navy Club of the United States of America  
 Navy Wives Clubs of America  
 Non Commissioned Officers Association of the United States of  
 America  
 Pacific Tropical Botanical Garden  
 Paralyzed Veterans of America  
 Pearl Harbor Survivors Association  
 Polish Legion of America Veterans, U.S.A.  
 Reserve Officers Association of the United States  
 Sons of Union Veterans of the Civil War  
 Southeastern University  
 369th Veterans' Association  
 United Service Organizations, Inc.  
 United Spanish War Veterans  
 United States Blind Veterans of the World War  
 United States Capitol Historical Society  
 United States Submarine Veterans of World War II  
 United States Olympic Committee  
 Veterans of Foreign Wars of the United States  
 Veterans of World War I of the United States of America  
 Vietnam Veterans of America, Inc.  
 Women's Army Corps Veterans' Association

## APPENDIX F

## MATRIX OF ORGANIZATIONS INCLUDED IN GOVERNMENT CORPORATION STUDIES

<u>Corporations</u>	<u>NAPA Study 1981</u>	<u>GAO Study 1983</u>	<u>CRS Study 1983</u>	<u>GAO Study 1985</u>	<u>GAO Study 1988</u>
Central Bank for Cooperatives.....	X	X		X	X
Commodity Credit Corporation.....	X	X	X	X	X
Communication Satellite Corporation.....		X		X	X
Consolidated Rail Corporation.....	X	X	X	X	X
Corporation for Public Broadcasting.....	X	X	X	X	X
Export Import Bank.....	X	X	X	X	X
Farm Credit Banks.....					X
Federal Agricultural Mortgage Corp.....					X
Federal Asset Disposition Association....					X
Federal Crop Insurance Corporation.....	X	X	X	X	X
Federal Deposit Insurance Corporation....	X	X	X	X	X
Federal Financing Bank.....	X	X	X	X	X
Federal Home Loan Banks.....	X	X	X	X	X
Federal Home Loan Mortgage Corporation...	X	X	X	X	X
Federal Housing Administrative Fund.....				X	X
Federal Intermediate Credit Banks.....	X	X		X	
Federal Land Bank Associations.....	X	X		X	X
Federal Land Banks.....	X	X		X	
Federal National Mortgage Association....	X	X	X	X	X
Federal Prison Industries, Inc.....	X	X	X	X	X
Federal Reserve Banks.....		X		X	X
Federal Savings and Loan Insurance Corp..	X	X	X	X	X
Financing Corporation.....					X

MATRIX OF ORGANIZATIONS INCLUDED IN GOVERNMENT CORPORATION STUDIES

<u>Corporations</u>	<u>NAPA Study 1981</u>	<u>GAO Study 1983</u>	<u>CRS Study 1983</u>	<u>GAO Study 1985</u>	<u>GAO Study 1988</u>
Gallaudet University.....		X		X	X
Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc.....		X			
Government National Mortgage Assoc ....	X	X	X	X	X
Howard University.....		X		X	X
Inter-American Foundation.....	X	X	X	X	X
Legal Services Corporation.....	X	X	X	X	X
National Consumer Cooperative Bank.....	X	X	X	X	X
National Corp for Housing Partnerships..	X	X		X	X
National Credit Union Administration Central Liquidity Facility.....	X	X	X	X	X
National Endowment for Democracy.....					X
National Fish and Wildlife Foundation...					X
National Homeownership Foundation.....		X			
National Park Foundation.....	X	X	X	X	X
National Railroad Passenger Corporation..	X	X	X	X	X
Neighborhood Reinvestment Corporation... X	X	X	X	X	X
New Community Development Corporation... X	X	X			
Northeast Commuter Services Corporation.		X			
Overseas Private Investment Corporation.. X	X	X	X	X	X
Pennsylvania Avenue Development Corp... X	X	X	X	X	X
Pension Benefit Guaranty Corporation... X	X	X	X	X	X
Production Credit Associations.....	X	X		X	X
Regional Banks for Cooperatives.....		X		X	X
Rural Telephone Bank.....	X	X	X	X	X

MATRIX OF ORGANIZATIONS INCLUDED IN GOVERNMENT CORPORATION STUDIES

<u>Corporations</u>	<u>NAPA Study 1981</u>	<u>GAO Study 1982</u>	<u>CRS Study 1983</u>	<u>GAO Study 1985</u>	<u>GAO Study 1988</u>
Saint Lawrence Seaway Development Corp.	X	X	X	X	X
Securities Investor Protection Corp....	X	X	X	X	X
Solar Energy & Energy Conservation Bank	X	X		X	
Student Loan Marketing Association.....	X	X	X	X	X
Tennessee Valley Authority.....	X	X	X	X	X
U.S. Postal Service.....	X	X	X	X	X
U.S. Railway Association.....	X	X	X	X	
U.S. Synthetic Fuels Corporation.....	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>—</u>
<b>Total Corporations</b>	<u>39</u>	<u>47</u>	<u>31</u>	<u>44</u>	<u>45</u>



APPENDIX G

GOVERNMENT CORPORATION CONTROL ACT  
AS CODIFIED AND AMENDED

UNITED STATES CODE

1982 EDITION

CONTAINING THE GENERAL AND PERMANENT LAWS  
OF THE UNITED STATES, IN FORCE  
ON JANUARY 14, 1983

Prepared and published under authority of Title 2, U.S. Code, Section 285b  
by the Office of the Law Revision Counsel of the House of Representatives



VOLUME THIRTEEN

TITLE 30—MINERAL LANDS AND MINING  
TO  
TITLE 35—PATENTS

UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1983

REFERENCES IN TEXT

The Omnibus Budget Reconciliation Act of 1981, referred to in text, is Pub. L. 97-35, AUG. 13, 1981, 95 Stat. 357, as amended. For complete classification of this Act to the Code, see Tables.

SUBTITLE VI—MISCELLANEOUS

Chap.	Sec.	
91	Government Corporations.....	9101
93	Sureties and Surety Bonds.....	9301
95	Government Pension Plan Protection..	9501
97	Miscellaneous.....	9701

CHAPTER 91—GOVERNMENT CORPORATIONS

Sec.	Definitions
9101	Establishing and acquiring corporations.
9102	Budgets of wholly owned Government corporations.
9103	Congressional action on budgets of wholly owned Government corporations.
9104	Audits.
9105	Audit reports.
9106	Accounts.
9107	Obligations.
9108	Exclusion of a wholly owned Government corporation from this chapter.
9109	

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 3501 of this title; title 2 section 651; title 3 sections 4101, 8147; title 7 section 943; title 12 sections 1438, 1723a, 1725, 1749a, 1789, 2151, 2293; title 15 sections 713a-4, 714c; title 18 section 838; title 20 section 1082; title 22 sections 2901, 290h-6, 2199, 2395; title 38 section 4208; title 40 sections 474, 481, 483, 490, 491; title 42 sections 294h, 1437h, 4124, 8773; title 45 section 741; title 49 App. section 1537; title 50 section 533; title 50 App. section 1941g.

§ 9101. Definitions

In this chapter—

- (1) "Government corporation" means a mixed-ownership Government corporation and a wholly owned Government corporation.
- (2) "mixed-ownership Government corporation" means—
  - (A) Amtrak.
  - (B) the Central Bank for Cooperatives.
  - (C) the Federal Deposit Insurance Corporation.
  - (D) the Federal Home Loan Banks.
  - (E) the Federal Intermediate Credit Banks.
  - (F) the Federal Land Banks.
  - (G) the National Credit Union Administration Central Liquidity Facility.
  - (H) the Regional Banks for Cooperatives.
  - (I) the Rural Telephone Bank when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).
  - (J) the United States Railway Association.
  - (K) Repealed. Pub. L. 97-258, § 2(XI), Sept. 13, 1982, 96 Stat. 1062; Pub. L. 97-452, § 1(26), Jan. 12, 1983, 96 Stat. 2478.
- (3) "wholly owned Government corporation" means—
  - (A) the Commodity Credit Corporation.
  - (B) the Export-Import Bank of the United States.

- (C) the Federal Crop Insurance Corporation.
- (D) Federal Prison Industries, Incorporated.
- (E) the Federal Savings and Loan Insurance Corporation.
- (F) the Government National Mortgage Association.
- (G) the Overseas Private Investment Corporation.
- (H) the Pennsylvania Avenue Development Corporation.
- (I) the Pension Benefit Guaranty Corporation.
- (J) the Rural Telephone Bank until the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).
- (K) the Saint Lawrence Seaway Development Corporation.
- (L) the Secretary of Housing and Urban Development when carrying out duties and powers related to the Federal Housing Administration Fund.
- (M) the Tennessee Valley Authority.

(Pub. L. 97-258, § 1, 2(XI), Sept. 13, 1982, 96 Stat. 1041, 1062; Pub. L. 97-452, § 1(26), Jan. 12, 1983, 96 Stat. 2478.)

HISTORICAL AND REVISION NOTES

1982 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9101(1)	(no source)	Dec. 8, 1945, ch. 557, § 201, 59 Stat. 609; July 26, 1958, ch. 741, § 201(a)(2), 31, 70 Stat. 897; Oct. 30, 1970, Pub. L. 91-513, § 200, 84 Stat. 1346; Mar. 7, 1971, Pub. L. 92-12, § 4, 85 Stat. 37; Jan. 3, 1974, Pub. L. 93-126, § 1209(e)(1), 88 Stat. 402, 1098; Pub. L. 94-110, § 612(a), 90 Stat. 104, Aug. 20, 1976, Pub. L. 94-351, § 301(a), 92 Stat. 513; Nov. 10, 1978, Pub. L. 95-508, § 1004, 92 Stat. 2724; Aug. 13, 1981, Pub. L. 97-35, § 300(h)(1), 95 Stat. 440.
9101(2)	31 856	Dec. 8, 1945, ch. 577, § 101, 59 Stat. 397; Aug. 10, 1948, ch. 623, § 501(b)(1)(A) (proposed), 62 Stat. 1263; June 30, 1949, ch. 286, § 13, 63 Stat. 384; May 12, 1964, ch. 281, 14, 69 Stat. 95; July 26, 1958, ch. 741, § 201(a)(1), 70 Stat. 897; June 30, 1964, Pub. L. 88-577, § 502(c), 72 Stat. 372; Oct. 4, 1981, Pub. L. 97-253, § 3(u), 75 Stat. 74; May 25, 1987, Pub. L. 99-19, § 4, 91 Stat. 29; Aug. 1, 1988, Pub. L. 99-448, § 807(e), 1719(d), 82 Stat. 544; 619; Dec. 30, 1960, Pub. L. 91-175, § 501, 63 Stat. 528; Oct. 27, 1972, Pub. L. 92-378, § 13, 86 Stat. 1274; Sept. 1, 1974, Pub. L. 93-406, § 4072(g)(2), 88 Stat. 1068.
9101(3)	31 846	Dec. 8, 1945, ch. 577, § 101, 59 Stat. 397; Aug. 10, 1948, ch. 623, § 501(b)(1)(A) (proposed), 62 Stat. 1263; June 30, 1949, ch. 286, § 13, 63 Stat. 384; May 12, 1964, ch. 281, 14, 69 Stat. 95; July 26, 1958, ch. 741, § 201(a)(1), 70 Stat. 897; June 30, 1964, Pub. L. 88-577, § 502(c), 72 Stat. 372; Oct. 4, 1981, Pub. L. 97-253, § 3(u), 75 Stat. 74; May 25, 1987, Pub. L. 99-19, § 4, 91 Stat. 29; Aug. 1, 1988, Pub. L. 99-448, § 807(e), 1719(d), 82 Stat. 544; 619; Dec. 30, 1960, Pub. L. 91-175, § 501, 63 Stat. 528; Oct. 27, 1972, Pub. L. 92-378, § 13, 86 Stat. 1274; Sept. 1, 1974, Pub. L. 93-406, § 4072(g)(2), 88 Stat. 1068.

Clause (1) is included because a number of the provisions of the chapter apply to mixed-ownership and wholly owned Government corporations, and the term "Government corporation" provides a simple phrase to refer to both of those kinds of corporations.

In clause (2XA), "Amtrak" is substituted for "National Railroad Passenger Corporation" to conform to section 103(1) of the Rail Passenger Service Act (45 U.S.C. 502(1)).

In clause (2XI), the words "when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a))" are added because of 7943(c) and 950(a).

In clause (3), the words "Regional Agricultural Credit Corporations" are omitted because the corporations were merged with and liquidated by the Regional Agricultural Credit Corporation of Washington, D.C. which was dissolved on April 16, 1949. The words "Farmers Home Corporation" are omitted because the corporation never was activated. The words "Federal Surplus Commodities Corporation" are omitted because the corporation and the Division of Marketing and Marketing Agreements were consolidated into the Surplus Marketing Administration, which was merged into the Agricultural Marketing Administration, which was dissolved on March 14, 1947. The words "Reconstruction Finance Corporation" are omitted because the corporation was abolished on June 30, 1957.

The words "Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Rubber Reserve Company" are omitted because the corporations and companies were dissolved on July 1, 1945. The words "War Damage Corporation" are omitted because the corporation was terminated on January 22, 1947. The words "the RPC Mortgage Company" are omitted because the company was transferred to the Reconstruction Finance Corporation, which was abolished on June 30, 1957. The words "Disaster Loan Corporation" are omitted because the corporation was dissolved on July 1, 1945. The words "Inland Waterways Corporation" are omitted because the corporation was liquidated on July 19, 1943. The words "Warrior River Terminal Company" are omitted because the company was transferred to the Inland Waterways Corporation, which was liquidated on July 13, 1943.

The words "Virgin Islands Corporation" are omitted because the corporation was dissolved on July 1, 1946. The words "United States Spruce Production Corporation" are omitted because the corporation was dissolved on December 12, 1944. The words "Institute of Inter-American Affairs" are omitted because the institute was transferred to the Foreign Operations Administration, which was abolished on May 9, 1958. The words "Institute of Inter-American Transportation" are omitted because the institute was dissolved August 24, 1949. The words "Inter-American Educational Foundation, Incorporated" are omitted because the foundation was succeeded by the Institute of Inter-American Affairs, which was transferred to the Foreign Operations Administration, which was abolished on May 9, 1958. The words "Inter-American Navigation Corporation" are omitted because the corporation was dissolved on February 23, 1947. The words "Prenclradio, Incorporated" are omitted because Prenclradio, Incorporated was dissolved May 10, 1948. The words "Cargoes, Incorporated" are omitted because Cargoes, Incorporated was dissolved April 30, 1945. The words "Export-Import Bank of the United States" are substituted for "Export-Import Bank of Washington" because of section 1(a) of the Act of March 13, 1948 (Pub. L. 80-267, 62 Stat. 47). The words "Petroleum Reserves Corporation" are omitted because the corporation was transferred to the Office of Economic Warfare, which was consolidated into the Foreign Economic Administration, which was transferred to the Reconstruction Finance Corporation and changed to the War Assets Corporation. The War Assets Corporation was dissolved as soon as practicable after March 28, 1946. The words "Rubber Development Corporation" are omitted because the certificate of incorporation expired on June 30, 1947. The words "U. S. Commercial Company" are omitted because the company was liquidated after June 30, 1948. The words "Smaller War Plants Corporation" are omitted because the

corporation was abolished on June 30, 1947. The words "Defense Homes Corporation" are omitted because the corporation was liquidated on June 30, 1948. The words "Home Owners Loan Corporation" are omitted because the corporation was dissolved on February 2, 1954. The words "United States Housing Corporation" are omitted because the corporation was terminated on September 8, 1953. The words "Panama Railroad Company" (subsequently changed to "Panama Canal Company" by section 21(a)(3) of the Act of September 28, 1950 (ch. 1049, 64 Stat. 1038)) are omitted because of 22 ch. 81. The words "Tennessee Valley Associated Cooperatives, Incorporated" are omitted because the corporation was dissolved on January 18, 1950.

In clause (3XJ), the words "until the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a))" are added because of 7943(c) and 950(a). Clause (L) is substituted for the "Federal Housing Administration" because of section 5 of the Department of Housing and Urban Development Act (Pub. L. 85-174, 79 Stat. 669).

1963 ACT

This amends 31:9101(2) because the National Consumer Cooperative Bank is no longer a mixed-ownership Government corporation. Section 396(h)(1) and (i) of the Omnibus Budget Reconciliation Act of 1961 (Pub. L. 97-35, 95 Stat. 440) provided that the Bank would cease being a mixed-ownership Government corporation on the day after the Final Government Equity Redemption Date. Section 501(36) of the Act of December 23, 1961 (Pub. L. 97-191, 95 Stat. 1440) provided that the Redemption Date was December 31, 1961.

AMENDMENTS

1963—Par. (2)(K). Pub. L. 97-452 struck out subpar. (K), which had already been struck out by Pub. L. 97-258. See 1962 Amendment note below.

1962—Par. (2)(K). Pub. L. 97-258, § 2(X)(1), struck out subpar. (K) relating to the National Consumer Cooperative Bank.

EFFECTIVE DATE OF 1962 AMENDMENT

Amendment effective Sept. 13, 1962, see section 2(i) of Pub. L. 97-452, set out as a note under section 3331 of this title.

EFFECTIVE DATE OF 1963 AMENDMENT

Section 2(i) of Pub. L. 97-258 provided in part that the amendment striking out subpar. (K) of par. (2) is effective Jan. 1, 1962.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1108 of this title; title 2 section 651; title 5 section 5147; title 7 section 943; title 12 sections 1757, 2293; title 16 section 838; title 41 sections 403, 601.

§ 9102. Establishing and acquiring corporations

An agency may establish or acquire a corporation to act as an agency only by or under a law of the United States specifically authorizing the action.

(Pub. L. 97-258, Sept. 13, 1962, 95 Stat. 1042.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9102	31:269(a).	Dec. 4, 1945, ch. 697, § 204(a), 59 Stat. 692.

The word "agency" is substituted for "officer or agency of the Federal Government or by any Government corporation" and "agency or instrumentality of the United States" because of section 101 of the revised title, for consistency, and because a Government corporation is an "instrumentality of the United States Government." The word "establish" is substituted for "created, organized" to eliminate unnecessary words. The words "on or after December 6, 1945" are omitted as executed. The words "law of the United States" are substituted for "Act of Congress" for consistency.

§ 9103. Budgets of wholly owned Government corporations

(a) Each wholly owned Government corporation shall prepare and submit each year to the President a business-type budget in a way and before a date, the President prescribes by regulation for the budget program.

(b) The budget program for each wholly owned Government corporation shall—

(1) contain estimates of the financial condition and operations of the corporation for the current and following fiscal years and the condition and results of operations in the last fiscal year;

(2) contain statements of financial condition, income and expense, and sources and use of money, an analysis of surplus or deficit, and additional statements and information to make known the financial condition and operations of the corporation, including estimates of operations by major activities, administrative expenses, borrowings, the amount of United States Government capital that will be returned to the Treasury during the fiscal year, and appropriations needed to restore capital impairments; and

(3) provide for emergencies and contingencies and otherwise be flexible so that the corporation may carry out its activities.

(c) The President shall submit the budget programs submitted by wholly owned Government corporations (as changed by the President) as part of the budget submitted to Congress under section 1105 of this title. The President thereafter may submit changes in a budget program of a corporation at any time.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1042.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9103(a)	31 847:1st sentence.	Dec. 6, 1945, ch. 567, § 102, 59 Stat. 598; Sept. 12, 1949, ch. 946, § 105, 64 Stat. 554.
9103(b)	31 847:2d-last sentence.	
9103(c)	31 908.	Dec. 6, 1945, ch. 567, § 103, 59 Stat. 598.

In subsection (a), the word "President" is substituted for "Office of Management and Budget" because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President. The words "in a way, and before a date, the President prescribes by regulation for the budget program" are substituted for "under such rules and regulations as the President may establish as to the date of submission, the form and con-

tent, the classifications of data, and the manner in which such budget program shall be prepared and presented" to eliminate unnecessary words.

In subsection (b), before clause (1), the words "budget program" are substituted for "budget program" for consistency and to eliminate unnecessary words. In clause (1), the words "actual" and "completed" are omitted as surplus. In clause (2), the words "as are necessary or desirable" types of "together with" and "funds" are omitted as surplus. In clause (3), the words "as authorized by law" are omitted as surplus.

In subsection (c), the words "as changed" are substituted for "as modified, amended, or revised" to eliminate unnecessary words. The word "submit" is substituted for "transmitted" for consistency. The word "annual" is omitted as surplus. The word "thereafter" is added for clarity. The text of 31 848 (last par.) is omitted as unnecessary.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 12 sections 1749bbb-13, 1757; title 15 section 833; title 42 sections 295n-3d, 4017; title 48 section 1574b.

§ 9104. Congressional action on budgets of wholly owned Government corporations

(a) Congress shall—

(1) consider budget programs for wholly owned Government corporations the President submits;

(2) make necessary appropriations authorized by law;

(3) make corporate financial resources available for operating and administrative expenses; and

(4) provide for repaying capital and the payment of dividends.

(b) This section does not—

(1) prevent a wholly owned Government corporation from carrying out or financing its activities as authorized under another law;

(2) affect section 26 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831); or

(3) affect the authority of a wholly owned Government corporation to make a commitment without fiscal year limitation.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1043.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9104(a)	31 848:1st sentence.	Dec. 6, 1945, ch. 567, § 104, 59 Stat. 598; restored July 30, 1947, ch. 358, § 107, 61 Stat. 584.
9104(b)	31 848:2d-last sentence.	

In subsection (a), the words "budget programs for wholly owned Government corporations" are substituted for "Budget programs" for clarity and consistency. The words "legislation" "be enacted", "as may be", "for expenditure", "corporate funds or other", "or limiting the use thereof", "as the Congress may determine", and "funds" are omitted as surplus.

In subsection (b), the word "existing" is omitted as surplus. In clause (1), the word "another" is added for clarity. In clause (3), the words "contracts or other" and "reference to" are omitted as surplus.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in title 5 sections 3109, 5721, 7903, title 12 section 1749bbb-13, title 15 sections 633, 713a-10, title 22 section 2195, title 41 section 5a, title 42 sections 295h-3d, 4017, title 44 section 309, title 48 section 1574b.

**§ 9105 Audits**

(a)(1) Under regulations of the Comptroller General, the Comptroller General shall audit financial transactions of—

(A) wholly owned Government corporations, and

(B) mixed-ownership Government corporations during periods in which capital of the United States Government is invested in a mixed-ownership Government corporation.

(2) The Comptroller General shall audit each Government corporation at least once every 3 years. The Comptroller General shall audit the Federal Savings and Loan Insurance Corporation and Federal home loan banks on a calendar year basis.

(b) In conducting an audit under subsection (a) of this section, the Comptroller General—

(1) to the greatest extent the Comptroller General considers practicable, shall use reports of examinations of a Government corporation that a supervising administrative agency makes and

(2) without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), may make a contract for professional services with a firm or organization for a temporary period or special purpose.

(c) An audit under subsection (a) of this section shall be conducted consistent with principles and procedures applicable to commercial corporate transactions where the accounts of a Government corporation usually are kept. A Government corporation shall—

(1) make available to the Comptroller General for audit all records and property of, or used by, the corporation that are necessary for the audit, and

(2) provide the Comptroller General with facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, or custodians.

(d) Regulations prescribed under subsection (a) of this section may provide that any part of an account of an accountable official about a financial transaction of a wholly owned Government corporation sent to the Comptroller General for settlement may be kept at the office of the corporation and that the Comptroller General may settle any part of the account on the basis of an examination during an audit. This subsection does not affect the authority of the Tennessee Valley Authority under section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831h(b)).

(e) The Comptroller General shall pay the cost of an audit under this section. A Government corporation shall reimburse the Comptroller General for the cost of the audit as determined by the Comptroller General. The Comptroller General shall deposit the reimbursement in the Treasury as miscellaneous receipts. Except as expressly provided by law, a

Government corporation may not pay the cost of a private audit of the financial records of the corporation.

(f) An audit under subsection (a) of this section is in place of an audit of the financial transactions of a Government corporation the Comptroller General is required to make in reporting to Congress or the President under another law.

(g) Necessary amounts are authorized to be appropriated to the Comptroller General to carry out this section.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1043.)

**HISTORICAL AND REVISION NOTES**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
§ 9105(a)	31 850 1st sentence 1st-18th, 30th-40th words, 4th-last sentence.	Dec. 6 1948 ch. 587 § 106, 59 Stat. 599, Aug. 30, 1964, Pub. L. 88-518 § 2(a), 78 Stat. 698, Jan. 2, 1975, Pub. L. 93-404 § 601(a), 88 Stat. 1992.
	31 857 1st sentence 1st-20th, 28th-last words, 4th-last sentence.	Dec. 6 1948 ch. 587 § 302, 59 Stat. 606, Aug. 30, 1964, Pub. L. 88-518 § 1(a), 78 Stat. 698, Jan. 2, 1975, Pub. L. 93-404 § 601(c), 88 Stat. 1992.
§ 9105(b)	31 860 a-last, proviso (b).	Dec. 6 1948 ch. 587 § 301, 59 Stat. 601.
§ 9105(c)	31 850 1st sentence 17th-20th words, 3d, 3d sentence; 31 857 1st sentence 27th-28th words, 3d, 3d sentence; 31 850 1st sentence, proviso.	
§ 9105(d)	31 850 a 7 words before 1st comma, 1st proviso; (d).	
§ 9105(e)	31 850 (c); 31 850 a 7 words between 1st comma and 1st proviso.	

In the section, the words "Comptroller General" are substituted for "General Accounting Office" for consistency.

In subsection (a), the words "rules and of the United States" are omitted as surplus. The words "United States" are added for consistency. The text of 31 850 4th sentence and 857 4th sentence and the words "Effective July 1, 1974" are omitted as executed.

In subsection (b)(1), the words "pursuant to law" are omitted as surplus.

In subsection (b)(2), the words "may make a contract" are substituted for "is authorized in his discretion to employ by contract" to eliminate unnecessary words.

In subsection (c), before clause (1), the words "at the place or places" and "of the respective corporations" are omitted as surplus. The words "A Government corporation shall" are added for clarity. In clause (1), the words "make available . . . for audit all records" are substituted for "The representatives of . . . shall have access to all books, accounts, financial records, reports, files, and all other papers" for consistency and because of the restatement. The words "things, or" are omitted because they are included in "property". In clause (2), the word "full" is omitted as surplus.

Subsection (d) is substituted for 31 850 1st sentence, proviso, words before 7th comma because of the restatement.

In subsection (e), the words "The Comptroller General shall pay the cost of an audit" are substituted for "The expenses of auditing the financial transactions of wholly owned and mixed-ownership Government

corporations as provided in sections 850 and 857 of this title shall be borne out of appropriations to the General Accounting Office" to eliminate unnecessary words. The words "full" and "otherwise" funds of any be used to of the offices" are omitted as surplus. The words "except the cost of such audits contracted for and undertaken prior to April 25, 1945" are omitted as executed.

Subsection (g) is substituted for 31:860(a) words between 1st comma and 1st proviso) for clarity and consistency.

**SECTION REPEALED TO IN OTHER SECTIONS**

This section is referred to in section 9106 of this title; title 12 sections 1431, 1789; title 18 sections 831n-4, 838i; title 20 section 1082.

**§ 9106. Audit reports**

(a) The Comptroller General shall submit to Congress a report on each audit of a Government corporation under section 9105 of this title not later than 6.5 months after the end of the last year covered by the audit. The report shall state the scope of the audit and include—

- (1) a statement (showing intercorporate relations) of assets, liabilities, capital, and surplus or deficit;
- (2) a statement of surplus or deficit analysis;
- (3) a statement of income and expenditures;
- (4) a statement of sources and the use of money;
- (5) specifically each financial transaction or undertaking the Comptroller General believes was carried out or made without authority of law;
- (6) comments and information the Comptroller General considers necessary to keep Congress informed about the operations and financial condition of the Government corporation, including a statement of impaired capital noticed and recommendations for the return of capital of the United States Government or the payment of dividends the Comptroller General believes should be made; and
- (7) other recommendations the Comptroller General considers advisable.

(b) The Comptroller General shall give the President, the Secretary of the Treasury, and the Government corporation a copy of the report when it is submitted to Congress.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1044.)

**HISTORICAL AND REVISION NOTES**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9106(a)	31:851 (1st-3d sentences).	Dec. 6, 1945, ch. 567, § 106, 59 Stat. 599; Aug. 26, 1964, Pub. L. 88-518, § 2(b), 78 Stat. 694; Jan. 2, 1975, Pub. L. 93-294, § 601(b), 89 Stat. 1992.
	31:854 (1st-3d sentences).	Dec. 6, 1945, ch. 567, § 205, 59 Stat. 600; Aug. 26, 1964, Pub. L. 88-518, § 1(b), 78 Stat. 693; Jan. 2, 1975, Pub. L. 93-294, § 601(d), 89 Stat. 1993.
9106(b)	31:851 (last sentence), 31:854 (last sentence).	

In subsection (a), before clause (1), the words "of a Government corporation" are added for clarity. In clause (3), the words "program, expenditure, or

other" "observed in the course of the audit", and "of law" are omitted as surplus. In clause (6), the word "statement" is substituted for "report" for consistency. The words "noted in the audit" are omitted as surplus. The word "made" is substituted for "accomplished" for consistency. In clause (7), the word "other" is added for clarity because of the restatement. The words "with respect thereto" are omitted as surplus.

In subsection (b), the words "The Comptroller General" are added for clarity.

**SECTION REPEALED TO IN OTHER SECTIONS**

This section is referred to in title 16 sections 831n-4, 838i; title 42 section 8777.

**§ 9107. Accounts**

(a) With the approval of the Comptroller General, a Government corporation may consolidate its cash into an account if the cash will be expended as provided by law.

(b) The Secretary of the Treasury shall keep the accounts of a Government corporation. If the Secretary approves, a Federal reserve bank or a bank designated as a depository or fiscal agent of the United States Government may keep the accounts. The Secretary may waive the requirements of this subsection.

(c)(1) Subsection (b) of this section does not apply to maintaining a temporary account of not more than \$50,000 in one bank.

(2) Subsection (b) of this section does not apply to a mixed-ownership Government corporation when the corporation has no capital of the Government.

(3) Subsection (b) of this section does not apply to the Federal Intermediate Credit Banks, the Central Bank for Cooperatives, the Regional Banks for Cooperatives, or the Federal Land Banks. However, the head of each of those banks shall report each year to the Secretary the names of depositories where accounts are kept. If the Secretary considers it advisable when an annual report is received, the Secretary may make a written report to the corporation, the President, and Congress.

(Pub. L. 97-258, §§ 1, 2 (X2), Sept. 13, 1982, 96 Stat. 1044, 1062; Pub. L. 97-452, § 1 (27), Jan. 12, 1983, 96 Stat. 2478.)

**HISTORICAL AND REVISION NOTES**

**1982 Act**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9107(a)	31:976.	Aug. 24, 1946, ch. 568, § 209, 60 Stat. 662.
9107(b)	31:977 (1st sentence less last proviso).	Dec. 6, 1945, ch. 577, § 302, 59 Stat. 601; July 30, 1965, ch. 381, § 301 (X2), 79 Stat. 697; Aug. 26, 1978, Pub. L. 95-391, § 301(b), 92 Stat. 514; Aug. 15, 1981, Pub. L. 97-28, § 139 (X2), 95 Stat. 448.
9107(c)(1)	31:977 (1st sentence less last proviso).	
9107(c)(2)	31:980 (X) 1st sentence related to 31:977.	Dec. 6, 1945, ch. 577, § 302 (X) 1st sentence related to § 301, 59 Stat. 602.
9107(c)(3)	31:977 (last sentence).	

In subsection (a), the words "After June 30, 1949" are omitted as executed. The words "Government corporation" are substituted for "corporations or agencies

subject to this chapter" because of section 910(1) of the revised title. The words "notwithstanding the provisions of any other law" and "or more for banking and checking purposes" and "including amounts appropriated from whatever source derived" are omitted as surplus. The words "If the cash will be expended as provided by law" are substituted for 31 870a proviso to eliminate unnecessary words.

In subsections (b) and (c), the words "banking or checking" are omitted as surplus.

In subsection (b), the words "Secretary of the Treasury" are substituted for "Treasurer of the United States" because of the source provisions restated in section 321(c) of the revised title. The words "wholly owned and mixed-ownership" and "under such conditions as he may determine" are omitted as surplus.

In subsection (c)(1), the words "establishment and" and "in any one bank" are omitted as surplus.

In subsection (c)(3), the words "head of each" are added for consistency.

1983 Act

This amends 31 9107(c)(3) and 9108(d)(2) because the National Consumer Cooperative Bank is no longer a mixed-ownership Government corporation. Section 398(h)(2) and (3) and (i) of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35, 95 Stat. 440) provided that references to the Bank in sections 302 and 303(d)(2d sentence) of the Government Corporation Control Act would be deleted on the day after the Final Government Equity Redemption Date. Section 501(36) of the Act of December 23, 1981 (Pub. L. 97-101, 95 Stat. 1440) provided that the Redemption Date was December 31, 1981.

AMENDMENTS

1983—Subsec. (c)(3) Pub. L. 97-452 struck out "the National Consumer Cooperative Bank," following "Regional Banks for Cooperatives," which had already been struck out by Pub. L. 97-258. See 1982 Amendment note below.

1982—Subsec. (c)(3) Pub. L. 97-258, § 2(h)(2), struck out "the National Consumer Cooperative Bank," following "Regional Banks for Cooperatives."

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment effective Sept. 13, 1982, see section 2(i) of Pub. L. 97-452, set out as a note under section 3331 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 2(i) of Pub. L. 97-258 provided in part that the amendment to subsec. (c)(3) is effective Jan. 1, 1982.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 12 sections 1431, 1749a.

§ 9106. Obligations

(a) Before a Government corporation issues obligations and offers obligations to the public, the Secretary of the Treasury shall prescribe—

- (1) the form, denomination, maturity, interest rate, and conditions to which the obligations will be subject;
- (2) the way and time the obligations are issued; and
- (3) the price for which the obligations will be sold.

(b) A Government corporation may buy or sell a direct obligation of the United States Government, or an obligation on which the principal, interest, or both, is guaranteed, of more than \$100,000 only when the Secretary approves the purchase or sale. The Secretary

may waive the requirement of this subsection under conditions the Secretary may decide.

(c) The Secretary may designate an officer or employee of an agency to carry out this section if the head of the agency agrees.

(d)(1) This section does not apply to a mixed-ownership Government corporation when the corporation has no capital of the Government.

(2) Subsections (a) and (b) of this section do not apply to the Rural Telephone Bank (when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a))), the Federal Intermediate Credit Banks, the Central Bank for Cooperatives, the Regional Banks for Cooperatives, and the Federal Land Banks. However, the head of each of those banks shall consult with the Secretary before taking action of the kind described in subsection (a) or (b). If agreement is not reached, the Secretary may make a written report to the corporation, the President, and Congress on the reasons for the Secretary's disagreement.

(Pub. L. 97-258, §§ 1, 2(d)(2), Sept. 13, 1982, 96 Stat. 1045, 1062; Pub. L. 97-452, § 1(27), Jan. 12, 1983, 96 Stat. 2478.)

HISTORICAL AND REVISION NOTES

1982 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9106(a)	31 888(a)	Dec. 8, 1945, ch. 557 (3021am) (d)(1) sentence related to (3021) 99 Stat. 901; July 28, 1982, ch. 741, (3019a) to Stat. 997; May 7, 1971, Pub. L. 91-12, § 2, 86 Stat. 37, Aug. 20, 1972, Pub. L. 92-331, § 301(c), 87 Stat. 514, Aug. 13, 1981, Pub. L. 97-25 (398(h)(2)), 95 Stat. 441.
9106(b)	31 888(b)	
9106(c)	31 888(c)	
9106(d)	31 888(d) (am. 1st sentence related to 31 887)	

In subsections (a) and (b), the words "on or after December 8, 1945" are omitted as executed. The words "wholly owned or mixed-ownership" are omitted because of section 910(1) of the revised title.

In subsection (a), before clause (1), the word "Before" is substituted for "which are" for clarity. The words "bonds, notes, debentures, and other similar" are omitted as surplus. The words "as have been" are omitted as executed. In clause (1), the words "terms and" are omitted as surplus. The restatement of the source provisions does not affect other existing laws.

In subsection (b), the word "Government" is added for consistency. The words "for its own account and in its own right and interest, at any one time aggregating" and "his approval with respect to any transaction or classes of transactions subject to the provisions of . . . for such period of time and" are omitted as surplus.

In subsection (c), the word "agency" is substituted for "Federal agency" because of section 101 of the revised title. The words "any of the functions vested in him by" and "for such purpose" are omitted as surplus.

In subsection (d)(2), the words "(when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act

of 1936 (7 U.S.C. 950(a))" are added because of 7 943(c) and 950(a). The words "head of each" are added for consistency. The words "be required to" are omitted as surplus.

**1983 ACT**

This amends 31.9107(c)(3) and 9108(d)(2) because the National Consumer Cooperative Bank is no longer a mixed-ownership Government corporation. Section 1964(h)(2) and (3) and (1) of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35, 95 Stat. 440) provided that references to the Bank in sections 302 and 303(d)(2d sentence) of the Government Corporation Control Act would be deleted on the day after the Final Government Equity Redemption Date. Section 501136) of the Act of December 23, 1981 (Pub. L. 97-101, 95 Stat. 1440), provided that the Redemption Date was December 31, 1981.

**AMENDMENTS**

1983—Subsec. (d)(2). Pub. L. 97-452 struck out "the National Consumer Cooperative Bank," following "the Regional Banks for Cooperatives," which had already been struck out by Pub. L. 97-258. See 1982 Amendment note below.

1982—Subsec. (d)(2). Pub. L. 97-258, § 21(X2), struck out "the National Consumer Cooperative Bank," following "Regional Banks for Cooperatives."

**EFFECTIVE DATE OF 1983 AMENDMENT**

Amendment effective Sept. 13, 1982, see section 211) of Pub. L. 97-452, set out as a note under section 3331 of this title.

**EFFECTIVE DATE OF 1982 AMENDMENT**

Section 211) of Pub. L. 97-258 provided in part that the amendment to subsec. (d)(2) is effective Jan. 1, 1982.

**§ 9109. Exclusion of a wholly owned Government corporation from this chapter**

When the President considers it practicable and in the public interest, the President shall include in the budget submitted to Congress under section 1105 of this title a recommendation that a wholly owned Government corporation be deemed to be an agency (except a corporation) under chapter 11 of this title and for fiscal matters. If Congress approves the recommendation, the corporation is deemed to be an agency (except a corporation) under chapter 11 and for fiscal matters for fiscal years beginning after the fiscal year of approval and is not subject to this chapter. The corporate entity is not affected by this section.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1045.)

**HISTORICAL AND REVISION NOTES**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9109	31.953.	Dec. 6, 1949, ch. 677, § 107, 69 Stat. 599.

The word "President" is substituted for "Director of the Office of Management and Budget" because sections 161 and 162(a) of Reorganization Plan No. 2 of 1976 (eff. July 1, 1976, 94 Stat. 2068) designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President. The words "with the approval of the President" are omitted because of the re-arrangement. The word "considers" is substituted for "deems" for consistency. The words "in connection with the budget program of such corporation" are

omitted as surplus. The words "submitted to Congress under section 1105 of this title" are added for clarity. The words "deemed to be" are substituted for "treated as if it were" for consistency. The word "agency" is substituted for "Government agency" and "establishment" because of section 101 of the revised title and for consistency. The words "if it were", "appropriations, expenditures, receipts, accounts, and other", and "in connection with the budget program for any (fiscal year)" are omitted as surplus. The words "deemed to be" are substituted for "regarded as" for consistency.

**CHAPTER 93—SURETIES AND SURETY BONDS**

- Sec. 9301. Definitions.
- 9302. Prohibition against surety bonds for United States Government personnel.
- 9303. Use of Government obligations instead of surety bonds.
- 9304. Surety corporations.
- 9305. Authority and revocation of authority of surety corporations.
- 9306. Surety corporations acting outside area of incorporation and place of principal office.
- 9307. Civil actions and judgments against surety corporations.
- 9308. Civil penalty.
- 9309. Priority of sureties.

**§ 9301. Definitions**

In this chapter—

- (1) "person" means an individual, a trust, an estate, a partnership, and a corporation.
- (2) "Government obligation" means a public debt obligation of the United States Government and an obligation whose principal and interest is unconditionally guaranteed by the Government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1046.)

**HISTORICAL AND REVISION NOTES**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9301	6:1510(b), last sentence.	

In clause (1), the words after the semicolon are omitted as unnecessary because of the restatement. Clause (2) is substituted for 6:1510(b) for consistency and to eliminate unnecessary words.

**§ 9302. Prohibition against surety bonds for United States Government personnel**

An agency (except a mixed-ownership Government corporation) may not require or obtain a surety bond for a member of the uniformed services or an officer or employee of the United States Government in carrying out official duties. This section does not affect the personal financial liability of the member, officer, or employee.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1046.)

**HISTORICAL AND REVISION NOTES**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9302	31:1201.	June 6, 1972, Pub. L. 92-310, § 101, 86 Stat. 201.



# UNITED STATES CODE

1982 EDITION

SUPPLEMENT IV

CONTAINING THE GENERAL AND PERMANENT LAWS OF  
THE UNITED STATES, ENACTED DURING THE  
98TH CONGRESS AND 99TH CONGRESS

Prepared and published under authority of Title 2, U.S. Code, Section 285b,  
by the Office of the Law Revision Counsel of the House of Representatives



JANUARY 15, 1983, TO JANUARY 5, 1987

VOLUME FIVE

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

TO

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UNITED STATES

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## SUBTITLE VI—MISCELLANEOUS

## CHAPTER 91—GOVERNMENT CORPORATIONS

Sec.  
9110. Standards for depository institutions holding securities of a Government-sponsored corporation for customers.

## AMENDMENTS

1986—Pub. L. 99-571, title II, § 201(b)(2), Oct. 28, 1986, 100 Stat. 3224, added item 9110.

## CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 3501 of this title; title 2 section 651, title 5 sections 4101, 8147, title 7 section 943, title 12 sections 1431, 1723a, 1725, 1789, 2293, title 15 sections 713a-4, 714c, title 16 section 538f, title 20 sections 1082, 1132g-1, title 22 sections 290f, 290h-4, 2199, 2395, title 38 section 4206, title 40 sections 474, 481, 483, 490, 491, title 41 section 403, title 42 sections 294h, 1437h, 4124, 8775, title 45 section 741, title 49 App. section 1537, title 50 App. section 1941g.

## § 9101. Definitions

## ABOLITION OF UNITED STATES RAILWAY ASSOCIATION AND TRANSFER OF FUNCTIONS

The United States Railway Association was abolished effective Apr. 1, 1987, with all powers, duties, rights, and obligations of Association relating to Consolidated Rail Corporation under the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) transferred to Secretary of Transportation on Jan. 1, 1987, and any securities of Corporation held by Association transferred to Secretary of Transportation on Oct. 21, 1986, see section 1341 of Title 45, Railroads.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1105, 1344 of this title; title 2 section 651, title 5 section 8147, title 7 section 943, title 12 sections 1797, 2293, title 16 section 838f, title 41 section 601.

## § 9102. Establishing and acquiring corporations

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 19 section 2061.

## § 9103. Budgets of wholly owned Government corporations

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 12 sections 1749bbb-13, 1757, title 15 section 633, title 19 section 2061, title 42 sections 295h-3d, 4017, title 48 section 1574b.

## § 9104. Congressional action on budgets of wholly owned Government corporations

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 5 sections 3109, 5721, 7903, title 12 section 1749bbb-13, title 15 section 633, title 22 section 2199, title 41 section 5a, title 42 sections 295h-3d, 4017, title 44 section 309, title 48 section 1574b.

## § 9106. Audits

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 9108 of this title; title 12 sections 1431, 1789, title 16 sections 831n-4, 838f.

## § 9106. Audit reports

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 16 sections 831n-4, 838f, title 22 section 2199, title 42 section 8777.

## § 9107. Accounts

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 12 section 1431, title 20 section 1132g-1.

## § 9108. Obligations

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 12 section 1431.

## § 9110. Standards for depository institutions holding securities of a Government-sponsored corporation for customers

(a) The Secretary shall prescribe by regulation standards for the safeguarding and use of obligations that are government securities described in subparagraph (B) or (C) of section 3(a)(42) of the Securities Exchange Act of 1934. Such regulations shall apply only to a depository institution that is not a government securities broker or a government securities dealer and that holds such obligations as fiduciary, custodian, or otherwise for the account of a customer and not for its own account. Such regulations shall provide for the adequate segregation of obligations so held, including obligations which are purchased or sold subject to resale or repurchase.

(b) Violation of a regulation prescribed under subsection (a) shall constitute adequate basis for the issuance of an order under section 5239(a) or (b) of the Revised Statutes (12 U.S.C. 93(a) or (b)), section 8(b) or 8(c) of the Federal Deposit Insurance Act, section 5(d)(2) or 5(d)(3) of the Home Owners' Loan Act of 1933, section 407(e) or 407(f) of the National Housing Act, or section 206(e) or 206(f) of the Federal Credit Union Act. Such an order may be issued with respect to a depository institution by its appropriate regulatory agency and with respect to a federally insured credit union by the National Credit Union Administration.

(c) Nothing in this section shall be construed to affect in any way the powers of such agencies under any other provision of law.

(d) The Secretary shall, prior to adopting regulations under this section, determine with respect to each appropriate regulatory agency and the National Credit Union Administration Board, whether its rules and standards adequately meet the purposes of regulations to be promulgated under this section, and if the Secretary so determines, shall exempt any depository institution subject to such rules or standards from the regulations promulgated under this section.

(e) As used in this subsection—

(1) "depository institution" has the meaning stated in clauses (i) through (vi) of subparagraph 19(b)(1)(A) of the Federal Re-

So in original. Probably should be "section".

serve Act and also includes a foreign bank, an agency or branch of a foreign bank, and a commercial lending company owned or controlled by a foreign bank (as such terms are defined in the International Banking Act of 1978).

(2) "government securities broker" has the meaning prescribed in section 3(a)(43) of the Securities Exchange Act of 1934.

(3) "government securities dealer" has the meaning prescribed in section 3(a)(44) of the Securities Exchange Act of 1934.

(4) "appropriate regulatory agency" has the meaning prescribed in section 3(a)(34)(G) of the Securities Exchange Act of 1934.

(Added Pub. L. 99-571, title II, § 201(b)(1), Oct. 28, 1986, 100 Stat. 3223.)

#### REFERENCES IN TEXT

Section 3(a)(34)(G), (42)(B), (43), (44) of the Securities Exchange Act of 1934, referred to in subsections (a) and (e)(2)-(4), is classified to section 78c(a)(34)(G), (42)(B), (C), (43), (44) of Title 15, Commerce and Trade.

Section 8(b) or 8(c) of the Federal Deposit Insurance Act, referred to in subsection (b), is classified to section 1818(b), (c) of Title 12, Banks and Banking.

Section 5(d)(2) or 5(d)(3) of the Home Owners' Loan Act of 1933, referred to in subsection (b), is classified to section 1464(d)(2), (3) of Title 12.

Section 407(e) or 407(f) of the National Housing Act, referred to in subsection (b), is classified to section 1730(e), (f) of Title 12.

Section 206(e) or 206(f) of the Federal Credit Union Act, referred to in subsection (b), is classified to section 1786(e), (f) of Title 12.

Clauses (i) through (w) of subparagraph (section) 19(b)(1)(A) of the Federal Reserve Act, referred to in subsection (e)(1), are classified to section 461(b)(1)(A)(i) to (v) of Title 12.

The International Banking Act of 1978, referred to in subsection (e)(1), is Pub. L. 95-308, Sept. 17, 1978, 92 Stat. 607, which enacted sections 347d, 611a, and 3101 to 3108 of Title 12, amended sections 72, 378, 614, 615, 618, 619, 1813, 1817, 1818, 1820, 1821, 1822, 1823, 1828, 1829b, 1831b, and 1841 of Title 12, and enacted provisions set out as notes under sections 36, 247, 601, 611a, and 3101 of Title 12. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 12 and Tables.

#### EFFECTIVE DATE PROMULGATION OF REGULATIONS

Section effective 270 days after Oct. 28, 1986, except that the Secretary of the Treasury and each appropriate regulatory agency shall publish for notice and public comment within 120 days after Oct. 28, 1986, initial implementing regulations to become effective as temporary regulations 210 days after Oct. 28, 1986, and as final regulations not later than 270 days after Oct. 28, 1986, see title IV of Pub. L. 99-571, set out as a note under section 78c-3 of Title 15, Commerce and Trade.

#### TRANSITIONAL AND SAVINGS PROVISIONS

For transitional and savings provisions of Pub. L. 99-571, see section 301 of Pub. L. 99-571, set out as a note under section 78c-3 of Title 15, Commerce and Trade.

### CHAPTER 93—SURETIES AND SURETY BONDS

#### § 9303. Use of Government obligations instead of surety bonds

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 11 section 348; title 26 sections 5177, 5403, 7102, 7488.

#### § 9304. Surety corporations

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 9305, 9306, 9307, 9308 of this title; title 5 section 8478; title 12 section 1766; title 29 sections 502, 1112, 1363.

#### § 9305. Authority and revocation of authority of surety corporations

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 9304, 9307, 9308 of this title; title 5 section 8478; title 12 section 1766; title 29 sections 502, 1112, 1363.

#### § 9306. Surety corporations acting outside area of incorporation and place of principal office

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 9304, 9305, 9307, 9308 of this title; title 5 section 8478; title 12 section 1766; title 29 sections 502, 1112, 1363.

#### § 9307. Civil actions and judgments against surety corporations

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 9306, 9308 of this title; title 5 section 8478; title 12 section 1766; title 29 sections 502, 1112, 1363.

#### § 9308. Civil penalty

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 9307 of this title; title 5 section 8478; title 12 section 1766; title 29 sections 502, 1112, 1363.

#### § 9309. Priority of sureties

##### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 22 section 1631c; title 50 App. section 34.

### CHAPTER 95—GOVERNMENT PENSION PLAN PROTECTION

##### CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in title 10 sections 1464, 1465.

#### § 9502. Definitions

In this chapter—

(1) "Government pension plan"—

(A) means a pension, annuity, retirement, or similar plan (except a plan covered under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) or a plan or program financed by contributions required under chapter 21 or 22 of the Internal Revenue Code of 1986 (26 U.S.C. 3101 et seq., 3201 et seq.)) established or maintained by an agency, for any of its officers or employees, regardless of the number of participants covered by the plan; and

[See main edition for text of (B), (2)]

(As amended Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095.)

# UNITED STATES CODE ANNOTATED

**Title 31**  
**Money and Finance**  
§ 3721 to End

**1988**  
**Cumulative Annual Pocket Part**

Replacing 1987 pocket part in back of volume

Includes the Laws of the  
100th CONGRESS, FIRST SESSION (1987)

For close of Notes of Decisions  
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For Later Laws and Cases  
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## 31 § 7506

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contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

- (1) the committee that reported such bill or resolution; and
- (2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or
- (B) the Committee on Government Operations of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives)

(Added Pub. L. 98-502, § 2(a), Oct. 19, 1984, 98 Stat. 2833.)

**Legislative History.** For legislative history and purpose of Pub. L. 98-502, see 1984 U.S. Code Cong. and Adm. News, p. 3955.

## § 7507. Effective date: report

(a) This chapter shall apply to any State or local government with respect to any of its fiscal years which begin after December 31, 1984.

(b) The Director, on or before May 1, 1987, and annually thereafter, shall submit to each House of Congress a report on operations under this chapter. Each such report shall specifically identify each Federal agency or State or local government which is failing to comply with this chapter.

(Added Pub. L. 98-502, § 2(a), Oct. 19, 1984, 98 Stat. 2834.)

**Legislative History.** For legislative history and purpose of Pub. L. 98-502, see 1984 U.S. Code Cong. and Adm. News, p. 3955.

## SUBTITLE VI—MISCELLANEOUS

### CHAPTER 91—GOVERNMENT CORPORATIONS

Sec

9110 Standards for depository institutions holding securities of a Government-sponsored corporation for customers.

## § 9101. Definitions

In this chapter—

- (1) "Government corporation" means a mixed-ownership Government corporation and a wholly owned Government corporation.
- (2) "mixed-ownership Government corporation" means—

*[See main volume for text of (A) to (J)]*

(K) The Financing Corporation.

*[See main volume for text of (3)]*

(As amended Pub. L. 100-86, Title III, § 303, Aug. 10, 1987, 101 Stat. 597.)

1982 Act

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9101(1)	(no source)	Dec. 6, 1945, ch. 557, § 201, 59 Stat. 600; July 26, 1956, ch. 741, § 201(a)(2), (3), 70 Stat. 667; Oct. 30, 1970, Pub. L. 91-518, § 804, 84 Stat. 1340; May 7, 1971, Pub. L. 92-12, § 4, 85 Stat. 37; Jan. 2, 1974, Pub. L. 93-236, §§ 202(g)(1), 301(f) (last sentence), 87 Stat. 992, 1009; Feb. 3, 1976, Pub. L. 94-210, § 612(b), 90 Stat. 108; Aug. 20, 1978, Pub. L. 95-
9101(2)	31:856	

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Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9101(3)	31 846	351 § 301(a); 92 Stat. 513, Nov. 10, 1978; Pub. L. 95-610 § 1805, 92 Stat. 3724, Aug. 13, 1981; Pub. L. 97-35 § 106(h)(1), 95 Stat. 440; Dec. 6, 1945, ch. 577, § 101, 59 Stat. 597; Aug. 10, 1948, ch. 432, § 501(h) (new proviso), 62 Stat. 1283; June 30, 1949, ch. 285 § 13, 63 Stat. 356; May 13, 1954, ch. 201, § 6, 68 Stat. 95; July 26, 1956, ch. 741, § 201(a)(1), 70 Stat. 667; June 30, 1958, Pub. L. 85-477, § 502(c); 72 Stat. 272, Oct. 4, 1961, Pub. L. 87-353, § 3(u), 75 Stat. 774; May 25, 1967, Pub. L. 90-19, § 4, 81 Stat. 20; Aug. 1, 1968, Pub. L. 90-448, §§ 807(e), 7719(d), 82 Stat. 544, 610; Dec. 30, 1969, Pub. L. 91-175, § 501, 83 Stat. 825; Oct. 27, 1972, Pub. L. 92-578, § 15, 86 Stat. 1274; Sept. 2, 1974, Pub. L. 93-406, § 4002(g)(3), 88 Stat. 1005

1987 Amendment. Par. (2)(K). Pub. L. 100-86, § 303, added subpar. (K).

**Separability of Provisions.** If any provision of Pub. L. 100-86 or the application thereof to any person or circumstances is held invalid, the remainder of Pub. L. 100-86 and the application of the provision to other persons not similarly situated or to other circumstances not to be affected thereby, see section 1205 of Pub. L. 100-86, set out

as a note under section 226 of Title 12, Banks and Banking.

**Legislative History.** For legislative history and purpose of Pub. L. 100-86 see 1987 U.S. Code Cong. and Adm. News, p. 489.

**West's Federal Practice Manual**

Overseas Private Investment Corporation, see § 2167.

§ 9103. Budgets of wholly owned Government corporations

**Explanatory Notes**

In subsection (a), the word "President" is substituted for "Office of Management and Budget" because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President. The words "in a way, and before a date, the President prescribes by regulation for the budget program" are substituted for "under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented" to eliminate unnecessary words.

In subsection (b), before clause (1), the words "budget program" are substituted for "budget

program shall be a business-type budget, or plan of operation" for consistency and to eliminate unnecessary words. In clause (1), the words "actual" and "completed" are omitted as surplus. In clause (2), the words "as are necessary or desirable", "types of", "together with", and "funds" are omitted as surplus. In clause (3), the words "as authorized by law" are omitted as surplus.

In subsection (c), the words "as changed" are substituted for "as modified, amended, or revised" to eliminate unnecessary words. The word "submit" is substituted for "transmitted" for consistency. The word "annual" is omitted as surplus. The word "thereafter" is added for clarity. The text of 31-848 (last par.) is omitted as unnecessary.

§ 9104. Congressional action on budgets of wholly owned Government corporations

**Explanatory Notes**

In subsection (a), the words "budget programs for wholly owned Government corporations" are substituted for "Budget programs" for clarity and consistency. The words "legislation . . . be enacted", "as may be", "for expenditure", "corporate

funds or other", "or limiting the use thereof", "as the Congress may determine", and "funds" are omitted as surplus.

§ 9105. Audits

(a)(1) Under regulations of the Comptroller General, the Comptroller General shall audit financial transactions of—

[See main volume for text of (A) and (B), (2)]

(3)(A) Notwithstanding any other provision of law and under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the Federal Asset Disposition Association on whatever basis the Comptroller General determines to be necessary.

(B) The Federal Asset Disposition Association shall—

(i) make available to the Comptroller General for audit all records and property of, or used or managed by, the Association which may be necessary for the audit; and

(ii) provide the Comptroller General with facilities for verifying transactions with the balances or securities held by any depository, fiscal agent, or custodian.

(C) For purposes of this paragraph, the term "Federal Asset Disposition Association" means the savings and loan association established by the Federal Savings and Loan Insurance Corporation under section 406 of the National Housing Act to manage and liquidate nonperforming assets on behalf of such Corporation in accordance with such section.

(4) Federal Agricultural Mortgage Corporation.—

(A) Audits authorized.—Notwithstanding any other provision of law and under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the Federal Agricultural Mortgage Corporation on whatever basis the Comptroller General determines to be necessary.

(B) Cooperation of Corporation required.—The Federal Agricultural Mortgage Corporation shall—

(i) make available to the Comptroller General for audit all records and property of, or used or managed by, the Association which may be necessary for the audit; and

(ii) provide the Comptroller General with facilities for verifying transactions with the balances or securities held by any depository, fiscal agent, or custodian.

[See main volume for text of (b) to (g)]

(As amended Pub.L. 100-86, Title IV, § 403, Aug. 10, 1987, 101 Stat. 609; Pub.L. 100-233, Title VII, § 703, Jan. 6, 1988, 101 Stat. 1706.)

**References in Text.** Section 406 of the National Housing Act, referred to in subsec. (a)(3)(C), is classified to section 1729 of Title 12, Banks and Banking.

**1987 Amendment.** Subsec. (a)(3), Pub.L. 100-86, § 403, added par. (3).

**Separability of Provisions.** If any provision of Pub.L. 100-86 or the application thereof to any person or circumstances is held invalid, the re-

mainder of Pub.L. 100-86 and the application of the provision to other persons not similarly situated or to other circumstances not to be affected thereby, see section 1205 of Pub.L. 100-86, set out as a note under section 226 of Title 12, Banks and Banking.

**Legislative History.** For legislative history and purpose of Pub.L. 100-86 see 1987 U.S. Code Cong. and Adm. News, p. 489.

§ 9107. Accounts

1982 Act

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9107(a)	31:870	Aug. 24, 1949, ch. 506, § 309, 63 Stat. 662.
9107(b)	31:867 (1st sentence less last proviso)	Dec. 6, 1945, ch. 577, § 302, 59 Stat. 601; July 26, 1956, ch. 741, § 201(a)(4), 70 Stat. 667; Aug. 20, 1978, Pub.L. 95-351, § 301(b), 92 Stat. 514; Aug. 13, 1981, Pub.L. 97-35, § 396(h)(2), 95 Stat. 440.
9107(c)(1)	31:867 (1st sentence less proviso)	
9107(c)(2)	31:868(d) (1st sentence related to 31:867)	Dec. 6, 1945, ch. 577, § 303(d) (1st sentence related to § 302), 59 Stat. 602.
9107(c)(3)	31:867 (last sentence)	

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§ 9108. Obligations

1982 Act

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
9108(a)	31 §68(a)	Dec. 6, 1945, ch. 557, § 303 (less (d) (1st sentence related to § 302)), 59 Stat. 604; July 26, 1956, ch. 741, § 201(a)(4), 70 Stat. 667; May 7, 1971, Pub. L. 92-12, § 5, 85 Stat. 17; Aug. 20, 1978, Pub. L. 95-251, § 301(c), 92 Stat. 514; Aug. 13, 1981, Pub. L. 97-35, § 196(h)(3), 95 Stat. 441.
9108(b)	31 §68(b)	
9108(c)	31 §68(c)	
9108(d)	31 §68(d) (less 1st sentence related to 31 §67)	

Explanatory Notes

• • • • •  
 In subsection (a), before clause (1), the word "Before" is substituted for "which are" for clarity. The words "bonds, notes, debentures, and other similar" are omitted as surplus. The words "as  
 • • • • •  
 have been" are omitted as executed. In clause (1), the words "terms and" are omitted as surplus. The restatement of the source provisions does not affect other existing laws.  
 • • • • •

§ 9109. Exclusion of a wholly owned Government corporation from this chapter

Explanatory Notes

The word "President" is substituted for "Director of the Office of Management and Budget" because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President. The words "with the approval of the President" are omitted because of the restatement. The word "considers" is substituted for "deemed" for consistency. The words "in connection with the budget program of such corporation" are omitted as surplus. The words "submitted to Congress  
 under section 1105 of this title" are added for clarity. The words "deemed to be" are substituted for "treated" as if it were for consistency. The word "agency" is substituted for "Government-agency" and "establishment" because of section 101 of the revised title and for consistency. The words "if it were", "appropriations, expenditures, receipts, accounts, and other", and "in connection with the budget program for any fiscal year" are omitted as surplus. The words "deemed to be" are substituted for "regarded as" for consistency.

§ 9110. Standards for depository institutions holding securities of a Government-sponsored corporation for customers

(a) The Secretary shall prescribe by regulation standards for the safeguarding and use of obligations that are government securities described in subparagraph (B) or (G) of section 3(a)(42) of the Securities Exchange Act of 1934. Such regulations shall apply only to a depository institution that is not a government securities broker or a government securities dealer and that holds such obligations as fiduciary, custodian, or otherwise for the account of a customer and not for its own account. Such regulations shall provide for the adequate segregation of obligations so held, including obligations which are purchased or sold subject to resale or repurchase.

(b) Violation of a regulation prescribed under subsection (a) shall constitute adequate basis for the issuance of an order under section 5239(a) or (b) of the Revised Statutes (12 U.S.C. 93(a) or (b)), section 8(b) or 8(c) of the Federal Deposit Insurance Act, section 5(d)(2) or 5(d)(3) of the Home Owners' Loan Act of 1933, section 407(e) or 407(f) of the National Housing Act, or section 206(e) or 206(f) of the Federal Credit Union Act. Such an order may be issued with respect to a depository institution by its appropriate regulatory agency and with respect to a federally insured credit union by the National Credit Union Administration.

(c) Nothing in this section shall be construed to affect in any way the powers of such agencies under any other provision of law.

(d) The Secretary shall, prior to adopting regulations under this section, determine with respect to each appropriate regulatory agency and the National Credit Union Administration Board, whether its rules and standards adequately meet the purposes



of regulations to be promulgated under this section, and if the Secretary so determines, shall exempt any depository institution subject to such rules or standards from the regulations promulgated under this section.

(e) As used in this subsection—

(1) "depository institution" has the meaning stated in clauses (i) through (vi) of subparagraph 19(b)(1)(A) of the Federal Reserve Act and also includes a foreign bank, an agency or branch of a foreign bank, and a commercial lending company owned or controlled by a foreign bank (as such terms are defined in the International Banking Act of 1978).

(2) "government securities broker" has the meaning prescribed in section 3(a)(43) of the Securities Exchange Act of 1934.

(3) "government securities dealer" has the meaning prescribed in section 3(a)(44) of the Securities Exchange Act of 1934.

(4) "appropriate regulatory agency" has the meaning prescribed in section 3(a)(34)(G) of the Securities Exchange Act of 1934.

(Added Pub. L. 99-571, Title II, § 201(b)(1), Oct. 28, 1986, 100 Stat. 3223.)

**References in Text.** Subparagraph (B) or (C) of section 3(a)(42) of the Securities Exchange Act of 1934, referred to in subsec. (a), is subpar. (B) or (C) of section 3(a)(42) of Act June 6, 1934, c. 404, Title I, as added by section 102(d) of Pub. L. 99-571, which is classified to subparagraph (B) or (C) of section 78c(a)(42) of Title 15, Commerce and Trade.

Section 5239(a) or (b) of the Revised Statutes (12 U.S.C. 93(a) or (b)), referred to in subsec. (b), is classified to section 93(a) or (b) of Title 12, Banks and Banking.

Section 5(d)(2) or 5(d)(3) of the Home Owners' Loan Act of 1933, referred to in subsec. (b), is section 5(d)(2) or (3) of Act June 13, 1933, c. 64, 48 Stat. 132, which is classified to section 1464(d)(2) or (3) of Title 12.

Section 8(b) or 8(c) of the Federal Deposit Insurance Act, referred to in subsec. (b), is section 2 (8(b) or (c)) of Act Sept. 21, 1950, c. 967, 64 Stat. 879, which is classified to section 1818(b) or (c) of Title 12.

Section 407(e) or 407(f) of the National Housing Act, referred to in subsec. (b), is section 407(e) or (f) of Act June 27, 1934, c. 847, Title IV, 48 Stat. 1260, which is classified to section 1730(e) or (f) of Title 12.

Section 206(e) or 206(f) of the Federal Credit Union Act, referred to in subsec. (b), is section 206(e) or (f) of Act June 26, 1934, c. 750, Title II, as added Oct. 19, 1970, Pub. L. 91-468, § 1(3), 84 Stat. 1003, which is classified to section 1784(e) or (f) of Title 12.

Clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act, referred to in subsec. (e)(1), are cl. (i) through (vi) of section 19(b)(1)(A) of Act Dec. 23, 1913, c. 6, 38 Stat. 27D, which are classified to clauses (i) through (vi), respectively, of section 461(b)(1)(A) of Title 12.

The International Banking Act of 1978, referred to in subsec. (e)(1), is Pub. L. 95-369, Sept. 17, 1978, 92 Stat. 607, which enacted sections 347d, 611a, and 3101 to 3108 of Title 12, amended sections 72, 378, 614, 615, 616, 619, 1813, 1815, 1817, 1818, 1820, 1821, 1822, 1823, 1828, 1829b, 1831b, and 1841 of Title 12, and enacted provisions set out as notes under sections 34, 247, 401,

611a, and 3101 of Title 12. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 12 and Tables volume.

Section 3(a)(43) of the Securities Exchange Act of 1934, referred to in subsec. (e)(2), is section 3(a)(43) of Act June 6, 1934, c. 404, Title I, as added by section 102(d) of Pub. L. 99-571, which is classified to section 78c(a)(43) of Title 15, Commerce and Trade.

Section 3(a)(44) of the Securities Exchange Act of 1934, referred to in subsec. (e)(3), is section 3(a)(44) of Act June 6, 1934, c. 404, Title I, as added by section 102(d) of Pub. L. 99-571, which is classified to section 78c(a)(44) of Title 15.

Section 3(a)(34)(G) of the Securities Exchange Act of 1934, referred to in subsec. (e)(4), is section 3(a)(34)(G) of Act June 6, 1934, c. 404, Title I, as added by section 102(b) of Pub. L. 99-571, which is classified to section 78c(a)(34)(G) of Title 15.

**Effective Date; Promulgation of Regulations.** Section to take effect 270 days after Oct. 28, 1986, except that the Secretary of the Treasury and each appropriate regulatory agency shall publish, for notice and comment, within 120 days after Oct. 28, 1986, initial implementing regulations to become effective as temporary regulations 210 days after Oct. 28, 1986 and as final regulations not later than 270 days after Oct. 28, 1986, see sections 401 and 402 of Pub. L. 99-571, set out as notes under section 78o-5 of Title 15, Commerce and Trade.

**Transitional and Savings Provisions.** For effect of this section on judicial and administrative proceedings pending on the effective date hereof, on the discretion of the Federal Reserve Bank of New York, and on the jurisdiction of the Commodity Futures Trading Commission, see section 301 of Pub. L. 99-571, set out as a note under section 78o-5 of Title 15, Commerce and Trade.

**Legislative History.** For legislative history and purpose of Pub. L. 99-571, see 1986 U.S. Code Cong. and Adm. News, p. 5395.

#### Library References

Deposits and Escrows ◉2.  
C.J.S. Depositories § 3.