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Description of document: Federal Housing Finance Agency (FHFA) Financing Corporation (FICO) Annual Reports (Financial Statements and Reports), 2008-2018

Requested date: 01-February-2019

Release date: 26-March-2019

Posted date: 22-July-2019

Source of document: FOIA Request
Federal Housing Finance Agency
400 7th Street, SW
8th Floor
Washington, D.C. 20219
Fax: 202-649-1073
Email: foia@fhfa.gov

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From: Easter, Stacy <Stacy.Easter@fhfa.gov>
Sent: Tue, Mar 26, 2019 8:34 am
Subject: FHFA FOIA Request No.: 2019-FOIA-015
March 26, 2019

Re: FHFA FOIA Request No.: 2019-FOIA-015

This is in response to your Freedom of Information Act (FOIA) request, dated February 1, 2019. Your request was processed in accordance with the FOIA (5 U.S.C. § 552) and FHFA's FOIA regulation (12 CFR Part 1202).

You requested the following:

"a copy of the FICO Annual Reports for the years 2008 through present."

A search of FHFA files and records located documents responsive to your request. Please note that these reports are prepared for use by FHFA in regulating FICO and are not shared outside of the bank system. Therefore, the documents are being partially released (redacted) pursuant to exemption 4 of the Freedom of Information Act, 5 U.S.C. § 552 (b)(4), pertaining to trade secrets and commercial or financial information obtained from a person that is privileged or confidential; and exemption 8 (5 U.S.C. §552(b)(8)), pertaining to information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions. A copy of the releasable material is attached.

This is FHFA's final decision on your FOIA request. If you wish to appeal any aspect of FHFA's decision on your request, you must forward within 90 days:

- A copy of your initial request;
- A copy of this letter; and
- A statement of the circumstances, reasons, or arguments for seeking disclosure of the affected record(s).

The appeal must be sent either electronically by 5pm to foia@fhfa.gov or by mail to the "FOIA Appeals Officer" at 400 7th Street, SW, 8th Floor, Washington, DC 20019. The subject line, or the envelope and the letter of appeal, must be clearly marked "FOIA Appeal." Please note that all mail sent to FHFA via the United States Postal Service is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly. Your FOIA request is releasable to the public under subsequent FOIA requests. In responding to these requests, FHFA does not release personal information, such as home or email addresses, and home or mobile telephone numbers, which are protected from disclosure under FOIA Exemption 6 (5 U.S.C. § 552(b)(6)).

Additionally, you may seek dispute resolution services from the Office of Government Information Services (OGIS) at the National Archives and Records Administration. OGIS can

be reached at 8601 Adelphi Road – OGIS, College Park, Maryland 20740-6001; by email at ogis@nara.gov; by telephone at 202-741-5770 or toll free at 1-877-684-6448; or by facsimile at 202-741-5769.

Please note that all mail sent to FHFA via the United States Postal Service is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly. Your FOIA request is releasable to the public under subsequent FOIA requests. In responding to these requests, FHFA does not release personal information, such as home or email addresses, and home or mobile telephone numbers, which are protected from disclosure under FOIA Exemption 6 (5 U.S.C. § 552(b)(6)).

Your FOIA request is releasable to the public under subsequent FOIA requests. In responding to these requests, FHFA does not release personal information, such as home or email addresses and home or mobile telephone numbers which are protected from disclosure under FOIA Exemption 6 (5 U.S.C. § 552(b)(6)).

There are no fees associated with processing your request.

If you have any questions regarding the processing of your request, please contact me directly at Stacy.Easter@fhfa.gov.

Sincerely,
Stacy J. Easter
FOIA/Privacy Officer
FOIA Public Liaison
Office of General Counsel | O G C
Federal Housing Finance Agency | F H F A
O: 202.649.3067 | C: 202.604.1024 | stacy.easter@fhfa.gov

Financing Corporation

Financial Statements and Reports

December 31, 2008

Index to Financial Statements and Reports
December 31, 2008

Report of Independent Auditors and Financial Statements..... I

**Report of Independent Auditors on Internal Control over Financial Reporting and
on Compliance and Other Matters II**

Report of Independent Auditors

To the Directorate and Shareholders of the
Financing Corporation:

In our opinion, (b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

These financial statements are the responsibility of FICO's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2009 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters, for the year ended December 31, 2008. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

(b)(4);(b)(8)



February 9, 2009

FINANCING CORPORATION
BALANCE SHEETS
As of December 31, 2008 and 2007

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES
For the Years Ended December 31, 2008 and 2007

**For the Year Ended
December 31, 2008**

**For the Year Ended
December 31, 2007**

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
For the Years Ended December 31, 2008 and 2007

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

**For the Year Ended
December 31, 2008**

**For the Year Ended
December 31, 2007**

(b)(4);(b)(8)

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

FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2008 and 2007

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

**Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Directorate and Shareholders of the
Financing Corporation:

We have audited the financial statements of the Financing Corporation ("FICO") as of and for the year ended December 31, 2008, and have issued our report thereon dated February 9, 2009. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered FICO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our audit opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a control deficiency, or combination of significant control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Directorate, management and shareholders of FICO and is not intended to be and should not be used by anyone other than those specified parties.

Priscilla Cooper, CPA

February 9, 2009

Financing Corporation

Financial Statements and Reports

December 31, 2009

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December 31, 2009

Report of Independent Auditors and Financial Statements

Report of Independent Auditors on Internal Control over Financial Reporting and
on Compliance and Other Matters

Report of Independent Auditors

To the Directorate and Shareholders of the
Financing Corporation:

In our opinion, (b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

These financial statements are the responsibility of FICO's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2010 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters, for the year ended December 31, 2009. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

(b)(4);(b)(8)

PricewaterhouseCoopers LLP

February 9, 2010

FINANCING CORPORATION
BALANCE SHEETS
As of December 31, 2009 and 2008

ASSETS

December 31, 2009

December 31, 2008

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES
For the Years Ended December 31, 2009 and 2008

**For the Year Ended
December 31, 2009**

**For the Year Ended
December 31, 2008**

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
For the Years Ended December 31, 2009 and 2008

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009 and 2008

**For the Year Ended
December 31, 2009**

**For the Year Ended
December 31, 2008**

(b)(4);(b)(8)

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

FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2009 and 2008

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Directorate and Shareholders of the
Financing Corporation:

We have audited the financial statements of the Financing Corporation ("FICO") as of and for the year ended December 31, 2009, and have issued our report thereon dated February 9, 2010. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered FICO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our audit opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a control deficiency, or combination of significant control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Directorate, management and shareholders of FICO and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

February 9, 2010

Financing Corporation

Financial Statements and Reports

December 31, 2010

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Report of Independent Auditors and Financial Statements.....I

Report of Independent Auditors on Internal Control over Financial Reporting and
on Compliance and Other Matters.....II



Report of Independent Auditors

To the Directorate and Shareholders of the
Financing Corporation:

In our opinion, (b)(4),(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8)

These financial statements are the responsibility of FICO's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2011 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters, for the year ended December 31, 2010. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

(b)(4),(b)(8)

PricewaterhouseCoopers LLP

February 9, 2011

FINANCING CORPORATION
BALANCE SHEETS
As of December 31, 2010 and 2009

ASSETS	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<div>(b)(4),(b)(8)</div>		

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES
For the Years Ended December 31, 2010 and 2009

For the Year Ended
December 31, 2010

For the Year Ended
December 31, 2009

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
For the Years Ended December 31, 2010 and 2009

Accumulated excess

(b)(4);(b)(8)

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

[illegible]

4

FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2010 and 2009

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)



Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Directorate and Shareholders of the
Financing Corporation:

We have audited the financial statements of the Financing Corporation ("FICO") as of and for the year ended December 31, 2010, and have issued our report thereon dated February 9, 2011. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered FICO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our audit opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Directorate, management and shareholders of FICO and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

February 9, 2011

Financing Corporation
Financial Statements and Reports
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December 31, 2011

Report of Independent Auditors and Financial Statements..... I

Report of Independent Auditors on Internal Control over Financial Reporting and on
Compliance and Other Matters.....II



Report of Independent Auditors

To the Directorate and Shareholders of the
Financing Corporation:

In our opinion (b)(4),(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8) These financial statements are the responsibility of FICO's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2012 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters, for the year ended December 31, 2011. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

(b)(4),(b)(8)

PricewaterhouseCoopers LLP

February 9, 2012

FINANCING CORPORATION
BALANCE SHEETS
As of December 31, 2011 and 2010

December 31, 2011

December 31, 2010

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES
For the Years Ended December 31, 2011 and 2010

**For the Year Ended
December 31, 2010**

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
For the Years Ended December 31, 2011 and 2010

(b)(4);(b)(8)

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

4

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2011 and 2010**

(b)(4),(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)



**Report of Independent Auditors on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Directorate and Shareholders of the Financing Corporation:

We have audited the financial statements of the Financing Corporation ("FICO") as of and for the year ended December 31, 2011, and have issued our report thereon dated February 9, 2012. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered FICO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our audit opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Directorate, management and shareholders of FICO and is not intended to be and should not be used by anyone other than those specified parties.

Princeton Cooper LLP

February 9, 2012

Financing Corporation
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December 31, 2012

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December 31, 2012

Report of Independent Auditors and Financial Statements..... I

Report of Independent Auditors on Internal Control over Financial Reporting and on
Compliance and Other Matters.....II



Independent Auditor's Report

To the Directorate and Shareholders of the
Financing Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FICO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion,

(b)(4);(b)(8)

(b)(4);(b)(8)

Emphasis of a Matter

(b)(4);(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2013 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance and other matters.

PricewaterhouseCoopers, LLP

February 11, 2013

FINANCING CORPORATION
BALANCE SHEETS
As of December 31, 2012 and 2011

December 31, 2012

December 31, 2011

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES
For the Years Ended December 31, 2012 and 2011

**For the Year Ended
December 31, 2012**

**For the Year Ended
December 31, 2011**

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
For the Years Ended December 31, 2012 and 2011

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2012 and 2011

**For the Year Ended
December 31, 2012**

**For the Year Ended
December 31, 2011**

(b)(4),(b)(8)

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

FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2012 and 2011

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8)



Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Directorate and Shareholders of the
Financing Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise of the balance sheets as of December 31, 2012 and 2011, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the years then ended, and the related notes to the financial statements. We issued our report thereon dated February 11, 2013.

Internal Control Over Financial Reporting

Management of FICO is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered FICO's internal control as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests



disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers, LLP

February 11, 2013

Financing Corporation Financial Statements and Reports

December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Directorate and Shareholders of the
Financing Corporation:

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, (b)(4);(b)(8)

(b)(4);(b)(8)

Emphasis of a Matter

(b)(4);(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2014 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters for the year ended December 31, 2013. The purpose of that report is to

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance.

February 12, 2014

**FINANCING CORPORATION
BALANCE SHEET**

December 31,

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENTS OF ASSESSMENTS, INVESTMENT INCOME AND EXPENSES

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENTS OF CAPITAL (DEFICIT)
YEAR ENDED DECEMBER 31, 2013 AND 2012**

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENTS OF CASH FLOWS**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS**

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

- Level 3 Inputs- Unobservable inputs for the asset or liability.

(b)(4);(b)(8)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Directorate and Shareholders of the
Financing Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise of the balance sheets as of December 31, 2013, and the related statement of assessments, investment income and expenses, of capital (deficit) and of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise FICO's basic financial statements, and have issued our report thereon dated February 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FICO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 12, 2014

Financing Corporation Financial Statements and Reports

December 31, 2015 and 2014

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Independent Auditor's Report

To the Directorate of the
Financing Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of assessments, investment income and expenses, of capital (deficit), of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, (b)(4),(b)(8)

(b)(4),(b)(8)



Emphasis of Matter

(b)(4);(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2016 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters for the year ended December 31, 2015. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance.

PricewaterhouseCoopers, LLP

February 8, 2016

**FINANCING CORPORATION
BALANCE SHEET**

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENT OF ASSESSMENTS, INVESTMENT INCOME, AND EXPENSES

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CAPITAL (DEFICIT)
YEAR ENDED DECEMBER 31, 2015 AND 2014**

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CASH FLOWS**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS**

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Directorate of the
Financing Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise the balance sheet as of December 31, 2015, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FICO's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers, LLP

February 8, 2016

Financing Corporation Financial Statements and Reports

December 31, 2016 and 2015

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Report of Independent Auditors

To the Board of Directors of the
Financing Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of assessments, investment income and expenses, of capital (deficit), of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, (b)(4),(b)(8)

(b)(4),(b)(8)



Emphasis of Matter

(b)(4);(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2017 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters for the year ended December 31, 2016. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

February 10, 2017

**FINANCING CORPORATION
BALANCE SHEET**

(b)(4);(b)(8)

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

FINANCING CORPORATION
STATEMENT OF ASSESSMENTS, INVESTMENT INCOME, AND EXPENSES

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CAPITAL (DEFICIT)
YEAR ENDED DECEMBER 31, 2016 AND 2015**

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CASH FLOWS**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS**

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of the
Financing Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise the balance sheet as of December 31, 2016, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FICO's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 10, 2017

Financing Corporation Financial Statements and Reports

December 31, 2017 and 2016

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Report of Independent Auditors

To the Board of Directors of the
Financing Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of assessments, investment income and expenses, of capital (deficit), of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the FICO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FICO's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, (b)(4),(b)(8)

(b)(4),(b)(8)

Emphasis of Matter

(b)(4),(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2018 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters for the year ended December 31, 2017. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

February 12, 2018

**FINANCING CORPORATION
BALANCE SHEET**

(b)(4),(b)(8)

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

FINANCING CORPORATION
STATEMENT OF ASSESSMENTS, INVESTMENT INCOME, AND EXPENSES

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CAPITAL (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

(b)(4),(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CASH FLOWS**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS**

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of the
Financing Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise the balance sheet as of December 31, 2017, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FICO's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, wherein FICO did not have adequate controls over the calculation of accrued interest payable on long-term obligations, which we consider to be a significant deficiency. Accounting principles generally accepted in the United States of America requires that income and expense items be recorded on an accrual basis. During 2017, FICO recorded the monthly costs of servicing long-term obligations using a contractual expense schedule that was prepared during January 2017 and not updated for maturities of obligations repaid in October and November of 2017. Management did not operate a designed control over accrued interest payable on long-term obligations at December 31, 2017. As a result, costs of servicing long-term obligations and accrued interest payable on long-term obligations as well as the associated assessment revenue and deferred assessments were overstated by \$20,109,000 as of December 31, 2017.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

FICO's Response to Findings

FICO's response to the findings identified in our audit was to enhance certain procedures related to internal control over financial reporting related to the calculation of accrued interest payable on long-term obligations. FICO's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 12, 2018

Financing Corporation Financial Statements and Reports

December 31, 2018 and 2017

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Report of Independent Auditors

To the Board of Directors of the
Financing Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the Financing Corporation ("FICO"), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of assessments, investment income and expenses, of capital (deficit), and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to FICO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, (b)(4),(b)(8)

(b)(4),(b)(8)

Emphasis of Matter

(b)(4);(b)(8)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2019 on our consideration of FICO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended December 31, 2018. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FICO's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

February 12, 2019

**FINANCING CORPORATION
BALANCE SHEET**

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF ASSESSMENTS, INVESTMENT INCOME, AND EXPENSES**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CAPITAL (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

(b)(4);(b)(8)

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

**FINANCING CORPORATION
STATEMENT OF CASH FLOWS**

Year Ended December 31,

(b)(4);(b)(8)

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

**FINANCING CORPORATION
NOTES TO FINANCIAL STATEMENTS**

(b)(4);(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4);(b)(8)

(b)(4),(b)(8)

(b)(4),(b)(8)



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of the
Financing Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Financing Corporation ("FICO"), which comprise the balance sheet as of December 31, 2018, and the related statements of assessments, investment income and expenses, of capital (deficit) and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2019 which included a paragraph regarding FICO's plan for dissolution.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FICO's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FICO's internal control. Accordingly, we do not express an opinion on the effectiveness of FICO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FICO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 12, 2019