

## Note 19. Commitments

### Long-Term Operating Leases as of September 30, 2020, and 2019

| (In billions of dollars)                      | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
| General Services Administration .....         | 24.0        | 22.0        |
| Department of Veterans Affairs .....          | 4.3         | 4.2         |
| Department of State .....                     | 1.4         | 1.4         |
| Department of Health and Human Services ..... | 1.2         | 1.1         |
| U.S. Postal Service .....                     | -           | 4.6         |
| Other operating leases .....                  | 3.8         | 3.7         |
| Total long-term operating leases .....        | <u>34.7</u> | <u>37.0</u> |

The government has entered into contractual commitments that require future use of financial resources. It has significant amounts of long-term lease obligations. On October 1, 2019, USPS adopted FASB Accounting Standards Codification (ASC) 842, Leases. This new standard requires a lessee to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. As a result, beginning with FY 2020, the USPS operating lease liabilities and right-of-use assets are recognized on the balance sheet in other liabilities and property, plant, and equipment, respectively.

**Undelivered Orders and Other Commitments as of September 30, 2020, and 2019**

(In billions of dollars)

|  | 2020           | 2019           |
|--|----------------|----------------|
| <b>Undelivered Orders:</b>   |                |                |
| Department of Defense .....  | 395.0          | 381.7          |
| Department of Health and Human Services .....                          | 187.2          | 131.5          |
| Department of Education.....   | 138.6          | 121.6          |
| Department of Transportation.....                                      | 125.3          | 110.6          |
| Department of the Treasury .....                                       | 120.5          | 6.5            |
| Department of Agriculture .....  | 78.4           | 58.1           |
| Department of Homeland Security .....                                  | 60.6           | 43.9           |
| Department of Housing and Urban Development .....                      | 59.8           | 52.0           |
| Security Assistance Accounts.....                                      | 55.3           | 184.0          |
| Department of Energy.....  | 31.7           | 31.5           |
| Department of State.....   | 28.4           | 24.0           |
| Small Business Administration.....                                     | 21.6           | 1.0            |
| U.S. Agency for International Development .....                        | 19.5           | 18.2           |
| All other entities.....  | 146.6          | 133.9          |
| Total undelivered orders .....   | <u>1,468.5</u> | <u>1,298.5</u> |
| <b>Other Commitments:</b>  |                |                |
| GSE Senior Preferred Stock Purchase Agreements.....                    | 254.1          | 254.1          |
| U.S. Participation in the International Monetary Fund .....            | 156.3          | 151.4          |
| Callable Capital Subscriptions for Multilateral Development Banks..... | 123.3          | 121.7          |
| All other commitments .....  | 19.0           | 25.8           |
| Total other commitments .....  | <u>552.7</u>   | <u>553.0</u>   |

**Undelivered Orders and Other Commitments****Undelivered Orders - Unpaid**

Undelivered orders, included in this note disclosure, represent the value of goods and services ordered that have not yet been received and that have not been prepaid. As of September 30, 2020, and 2019, the total reported undelivered orders were \$1,468.5 billion and \$1,298.5 billion, respectively. The government is committed to contribute \$205.0 billion to capitalize the FRBs' established SPVs to protect the FRBNY and FRBB from potential losses from financing of the SPV programs as of September 30, 2020. The government has funded \$112.5 billion of this commitment as of September 30, 2020. Refer to Note 8—Investments in Special Purpose Vehicles and Note 29—Subsequent Events for additional information. In addition, SAA reported a decrease due to a conversion from FY 2019 to FY 2020 in their computer operating system that allowed for a more accurate status of funds being recorded in their financial statement activity.

**GSE Senior Preferred Stock Purchase Agreements**

As of September 30, 2020, and 2019, the maximum remaining potential commitment to the GSEs for the remaining life of the SPSPAs was \$254.1 billion, which was established on December 31, 2012. Refer to Note 9—Investments in Government-Sponsored Enterprises for a full description of the SPSPAs related commitments and contingent liability, if any, as well as additional information.

## U.S. Participation in the International Monetary Fund

The government participates in the IMF through a quota subscription and certain borrowing arrangements that supplement IMF resources. As of September 30, 2020, and 2019, the financial commitment, including funded portion, under the U.S. quota and borrowing arrangements was \$156.3 billion and \$151.4 billion, respectively. Refer to Note 2—Cash and Other Monetary Assets and Note 26—Disclosure Entities and Related Parties for additional information regarding the U.S. participation in the IMF.

## Callable Capital Subscriptions for Multilateral Development Banks

The government has callable subscriptions in certain MDBs, which are international financial institutions that finance economic and social development projects in developing countries. Callable capital in the MDBs serves as a supplemental pool of resources that may be redeemed and converted into ordinary paid in shares, if the MDB cannot otherwise meet certain obligations through its other available resources. MDBs are able to use callable capital as backing to obtain favorable financing terms when borrowing from international capital markets. To date, there has never been a call on this capital at any MDBs and none is anticipated. As of September 30, 2020, and 2019, the capital commitment to MDBs was \$123.3 billion and \$121.7 billion, respectively.

## Other Risks

### U.S. Contributions to International Organizations

The U.S. government enters into agreements to pay future contributions to international organizations in which it participates as a member. These contributions may include financial and in-kind support, including assessed contributions, voluntary contributions, grants, and other assistance to international organizations. Following are examples of international organizations and their underlying missions that are supported by U.S. contributions:

- Office of the United Nations High Commissioner for Refugees, which was established to safeguard the rights and well-being of refugees;
- International Committee of the Red Cross, which provides humanitarian protection and assistance for victims of armed conflict and other situations of violence;
- International Organization for Migration, which supports migration programs and the U.S. Refugee Assistance Program;
- North Atlantic Treaty Organization, which promotes conflict prevention and peaceful resolution of disputes;
- United Nations, which enables the world's nations to work together toward freedom, democracy, peace, and human rights;
- World Food Program, which provides emergency nutrition programming;
- Global Environment Facility, which is a multilateral trust fund that provides grants for global environmental projects;
- Green Climate Fund, which was established to support the efforts of developing countries to respond to the challenge of climate change;
- United Nations Children's Fund, which promotes humanitarian and developmental assistance to children and mothers in developing countries; and
- World Health Organization, which provides international health activities within the United Nations system and aids in health systems; including activities that address non-communicable and communicable diseases; environmental health; and natural and man-made emergencies.