

161CC. EXAMINATIONS.

(a) *Right to make.* The Director shall examine, or cause an examination to be made into, the affairs of every association subject to the provisions of this sub-title at least once every three (3) years, and at such other times as the Director may deem necessary. If an association is not audited at least once every three (3) years in a manner satisfactory to the Director, the examination of such association may include an audit. IF ANY SUCH AUDIT IS MADE, IT SHALL BE PERFORMED BY ONE OR MORE CERTIFIED PUBLIC ACCOUNTANTS. The Director, the Deputy Director, or his examiner shall have free access to all books and papers of an association which relate to its business, and books and papers kept by any officer, agent, or employee, relating to or upon which any record of its business is kept.

(b) *Federal examinations.* The Director in lieu of such examination and audit may accept an examination and audit made or accepted by a federal home loan bank, the Federal Home Loan Bank Board, or by the Federal Savings and Loan Insurance Corporation.

161DD. APPORTIONMENT OF PROFITS.

The board of directors of any association shall apportion the profits of the association, at least annually and as much more often as the by-laws may prescribe; and each apportionment shall be made in accordance with the following procedure:

(1) A proper allocation first shall be made to the general reserve fund.

~~(2) Additional allocations then may be made to such special reserves as the board of directors may establish or may have established.~~

(2) ADDITIONAL ALLOCATIONS THEN MAY BE MADE TO SUCH SPECIAL RESERVES AS THE BOARD OF DIRECTORS MAY ESTABLISH OR MAY HAVE ESTABLISHED.

(3) Dividends then may be declared on all free share accounts in accordance with the provisions of this Article and the by-laws of the association.

(4) The residue of such profits may be held as "undivided profits," subject to use in the same manner as profits generally.

161EE. RESERVES.

(a) *Minimum allocation.* Each association shall maintain a general reserve fund which shall be used solely for the purpose of absorbing losses and to which the board of directors shall allocate such portion of the association's profits as the board may determine; except that whenever the total amount of such reserve is less than six per cent (6%) of the aggregate withdrawal value of the association's free share accounts, the allocation to such reserve upon each apportionment of profits shall be not less than ten per cent (10%) of the profits being apportioned, or such lesser portion as will increase such reserve to the required total amount.

(b) *Special reserves.* The board of directors may establish and