



U.S. COMMODITY FUTURES TRADING COMMISSION

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ALERT!

The CFTC's independent auditor, KPMG LLP, has determined and advised the CFTC that all prior period CFTC financial statements audited by KPMG LLP [FY 2005 through FY 2008 and FY2010 through 2014] contain a material error and should no longer be relied upon.

KPMG LLP's modified opinion [[click here](#)] on CFTC's fiscal year 2015 financial statements, dated January 15, 2016, states the following:

U.S. generally accepted accounting principles require a lease obligation to be recorded at the inception of the lease in the amount necessary to cover the legal and contractual obligations including the estimated total payments expected to arise under the full term of the contract. CFTC has recorded as obligations only the annual portion of the lease payments due each year in the accompanying combined statements of budgetary resources. Not recording the required obligations at the inception of the lease resulted in an understatement of obligations of approximately \$194 million and \$212 million, respectively, as of September 30, 2015 and 2014.

KPMG separately communicated:

CFTC OIG should take timely and appropriate steps to ensure that any third party in receipt of these prior period audited financial statements (and auditor's reports) is informed of the error and is informed that they should no longer rely on the financial statements or auditor's reports.

This matter also impacted CFTC's FY 2009 financial statements audited by Clifton Larson Allen LLP. Subsequent to a [U.S. Comptroller General decision](#) on the matter, Clifton Larson Allen LLP determined the issue highlighted is likely to have a material effect on the 2009 financial statements of the CFTC. Accordingly, they concluded their opinion dated November 13, 2009 can no longer be relied upon and requested that the financial statements and their report also be removed from the CFTC's website. As such, the financial statements referred to have been removed from the OIG's webpage. The original financial statements audited by KPMG and Clifton Larson Allen LLP can be obtained from the agency's website www.cftc.gov.