U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5110

TO: Rostin Behnam, Acting Chairman
Dawn Stump, Commissioner

FROM: Miguel A. Castillo, *CPA, CRMA*
Assistant Inspector General for Auditing

DATE: November 12, 2021

SUBJECT: CFTC Financial Statements Audit: Fiscal Year (FY) 2021

Annually the Office of the Inspector General (OIG) engages an independent public accountant (IPA) to perform a required audit of the Commodity Futures Trading Commission's (CFTC) financial statements. We contracted Williams Adley & Company, LLP (Williams Adley) to audit the financial statements of the CFTC as of September 30, 2021, and for the year then ended, to provide negative assurance on internal control and compliance with laws and regulations for financial reporting. We required that the audit be done in accordance with U.S. Generally Accepted Government Auditing Standards (GAGAS).

In its audit, Williams Adley found:

- The financial statements were fairly presented, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles;
- No deficiencies in internal control over financial reporting that are considered to be material or significant; and
- No instance of noncompliance with applicable laws and regulations.

In connection with the contract, we reviewed Williams Adley's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on CFTC's financial statements or internal control over financial reporting, or conclusions on whether CFTC's financial management systems substantially complied with FFMIA requirements, or on compliance with laws and other matters. Williams Adley is responsible for the attached auditor's report dated November 9, 2021 and the conclusions expressed therein. However, our review disclosed no instances where Williams Adley did not comply, in all material respects, with GAGAS.

Attached is a copy of Williams Adley's unmodified (clean) opinion and the financial statements of the CFTC. Please call me if any questions at (202) 418-5084.

Cc:

David Gillers, Chief of Staff
Summer Mersinger, Chief of Staff
Anthony C. Thompson, Chief Administrative Officer and Executive Director
Joel Mattingley, Chief Financial Officer
Keith A. Ingram, Accounting Officer
John Rogers, Senior Advisor
A. Roy Lavik, Inspector General
Judith A. Ringle, Deputy Inspector General and Chief Counsel

WILLIAMS ADLEY

Independent Auditor's Report

Chairman
U.S. Commodity Futures Trading Commission

Inspector General
U.S. Commodity Futures Trading Commission

In our audit of the fiscal year 2021 financial statements of the U.S. Commodity Futures Trading Commission (CFTC), we found:

- CFTC's financial statements as of and for the fiscal year ended September 30, 2021 (fiscal year 2021), are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; [1] and
- no reportable noncompliance for fiscal year 2021 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)[2] and other information included with the financial statements;[3] (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

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[1]A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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 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.

[2]The RSI consists of the "Management's Discussion and Analysis" and the "Combined Statement of Budgetary Resources".

[3]Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

Report on the Financial Statements

In accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*, we have audited CFTC's fiscal year 2021 financial statements. CFTC's financial statements comprise the balance sheet at September 30, 2021; the related statements of net cost, changes in net position, budgetary resources, and custodial assets for the fiscal year then ended; and the related notes to the financial statements.

We conducted our audit of the fiscal year 2021 financial statements in accordance with auditing standards generally accepted in the U.S.; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 21-04. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As shown in the Balance Sheet at September 30, 2021, and discussed in Notes 6 and 8 to the financial statements, CFTC has recorded an unfunded liability of $203,970,000. Such liability resulted from a whistleblower award approved by the Commission in October 2021. Such unfunded award has resulted in a total negative Cumulative Results of Operations of $101,152,016 at September 30, 2021. Our opinion is not modified for this matter.

Management's Responsibility

CFTC management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including 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 these financial statements based on our audit. U.S. generally accepted auditing standards, U.S. generally accepted government auditing standards, and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements 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 auditor's 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 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 of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audits also included performing such other procedures as we considered necessary in the circumstances.

Opinion on Financial Statements

In our opinion, CFTC's financial statements present fairly, in all material respects, CFTC's financial position as of September 30, 2021, and its net cost of operations, changes in net position, budgetary resources, and custodial assets for the fiscal year then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Prior Year Financial Statements

CFTC's financial statements as of and for the year ended September 30, 2020 were audited by other auditors, whose Independent Auditor's Report dated November 6, 2020, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CFTC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on CFTC's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

Report on Internal Control over Financial Reporting

In connection with our audit of CFTC's fiscal year 2021 financial statements, we considered CFTC's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to the CFTC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

CFTC management is responsible for maintaining effective internal control over financial reporting, including 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

In planning and performing our audit of CFTC's financial statements as of and for the year ended September 30, 2021, in accordance with U.S. generally accepted government auditing standards, we considered CFTC's internal control over financial reporting 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 CFTC's internal control over financial reporting. Accordingly, we do not express an opinion on CFTC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies[4] or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of the CFTC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any

[4] A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of the CFTC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CFTC's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of CFTC's fiscal year 2021 financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

CFTC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CFTC.

Auditor's Responsibility

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CFTC that have a direct effect on the determination of material amounts and disclosures in CFTC's financial statements, and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CFTC.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2021 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CFTC. Accordingly, we do not express such an opinion.

We assessed the current status of a prior year potential noncompliance with the Anti-deficiency Act, which is presented in *Appendix I.*

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, CFTC provided a response, which is presented in *Appendix II*. We did not audit CFTC's response and, accordingly, we express no opinion on the response.

Williams, Adley & Company-DC, LLP

Washington, DC

November 9, 2021

Our assessment of the current status of the prior year finding is presented below.

Prior Year Finding	Current Year Status
Potential Anti-deficiency Act (ADA) violation (Non-Compliance)	Closed. Williams Adley determined that CFTC completed its investigation into the potential ADA violation outstanding at September 30, 2020. CFTC determined that two ADA violations did occur over multiple previous years. As require by the Act, CFTC reported the ADA violations to Congress and the President on September 30, 2021.

U.S. COMMODITY FUTURES TRADING COMMISSION
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MEMORANDUM

TO: Miguel A. Castillo, Assistant Inspector General for Audits

FROM: Anthony C. Thompson
Chief Administrative Officer, Division of Administration

ANTHONY THOMPSON
Digitally signed by ANTHONY THOMPSON
Date: 2021.11.08 13:11:24 -05'00'

Joel Mattingley
Chief Financial Officer

JOEL MATTINGLEY
Digitally signed by JOEL MATTINGLEY
Date: 2021.11.08 11:49:13 -05'00'

DATE: November 8, 2021

SUBJECT: Management's Response to FY 2021 Draft Audit Report

Thank you for the opportunity to comment on the Office of the Inspector General's (OIG) draft FY 2021 Report of the Independent Auditors, Williams Adley, LLC. We appreciate the opportunity to review the draft report that expresses an Unmodified Opinion on the Financial Statements, Accompanying Notes, and Other Supplemental Information for the Year Ended September 30, 2021. Management Concurs with the report as written.

We appreciate the dialogue and open communication we have had throughout this audit. If you require further assistance, please contact Keith Ingram, Accounting Officer at 202-418-5612.

Sincerely,

Anthony C. Thompson

CFTC

COMMODITY FUTURES TRADING COMMISSION

FY 2021

Financial Statements and Notes as of and for the Years Ended September 30, 2021 and 2020

Statement Run Date: 10/19/2021 9:31:17 AM

Version - 01

Prepared by:
CFTC Accounting Office

Financial Highlights

The following chart is an overview of the Commission's financial position, preceding a discussion of the agency's financial highlights for fiscal year 2021:

		2021		2020
CONDENSED BALANCE SHEETS				
Fund Balance with Treasury	$	207,788,240	$	103,929,404
Investments		-		117,000,000
Accounts Receivable, Net		26,983		52,632
Custodial Fines and Interest Receivable, Net		34,377,723		623,333,958
General Property, Plant and Equipment, Net		25,618,531		25,096,671
Advances and Prepayments		13,695,572		5,347,975
TOTAL ASSETS	$	281,507,049	$	874,760,640
Accounts Payable	$	11,208,649	$	8,202,137
Accrued Payroll and Unfunded Annual Leave		28,498,460		26,182,754
FECA and Unemployment Liabilities		623,369		597,032
Liability to the General Fund of the U.S. Government for Custodial Assets		34,377,723		623,333,958
Liability for Non-Fiduciary Deposit Funds		595,476		514,025
Deferred Lease Liabilities		15,925,725		18,650,707
Liability for Whistleblower Awards		203,970,000		3,627,027
Total Liabilities	$	295,199,402	$	681,107,640
Unexpended Appropriations - All Other Funds	$	87,459,663	$	86,262,124
Cumulative Results of Operations - Funds from Dedicated Collections		(92,073,033)		117,027,972
Cumulative Results of Operations - All Other Funds		(9,078,983)		(9,637,096)
Total Net Position	$	(13,692,353)	$	193,653,000
TOTAL LIABILITIES AND NET POSITION	$	281,507,049	$	874,760,640
CONDENSED STATEMENTS OF NET COST				
Gross Costs	$	514,901,590	$	301,322,839
Earned Revenue		-		(37,373)
TOTAL NET COST OF OPERATIONS	$	514,901,590	$	301,285,466
NET COST BY STRATEGIC GOAL				
Strategic Goal 1: Strengthen Derivatives Markets & Foster their Vibrancy	$	54,950,470		
Strategic Goal 2: Regulate Derivatives Markets in Interest of All Americans		46,228,173		
Strategic Goal 3: Encourage Innovation & Enhance Regulatory Experience of All		44,016,448		
Strategic Goal 4: Be Tough on Those Who Break the Rules		285,505,184		
Strategic Goal 5: Focus on Unique Mission & Improve Operational Effectiveness		84,201,315		
Strategic Goal 1: Market Integrity and Transparency			$	71,313,241
Strategic Goal 2: Financial Integrity and Avoidance of Systemic Risk				96,045,472
Strategic Goal 3: Comprehensive Enforcement				119,182,541
Strategic Goal 4: Domestic and International Cooperation and Coordination				14,744,212
TOTAL NET COST OF OPERATIONS	$	514,901,590	$	301,285,466

Figure 1: Financial Summary

PRINCIPAL FINANCIAL STATEMENTS
Commodity Futures Trading Commission
BALANCE SHEETS
As of September 30, 2021 and 2020

	2021	2020
ASSETS		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 207,788,240	$ 103,929,404
Federal Investments (Note 3)	-	117,000,000
Advances and Prepayments (Note 1H)	9,706,678	3,150,153
Total Intragovernmental	$ 217,494,918	$ 224,079,557
With the Public:		
Accounts Receivable, Net:		
Custodial Fines and Interest Receivable, Net (Note 4)	$ 34,377,723	$ 623,333,958
Accounts Receivable, Net (Note 4)	26,983	52,632
General Property, Plant, and Equipment, Net (Note 5)	25,618,531	25,096,671
Advances and Prepayments (Note 1H)	3,988,894	2,197,822
Total With the Public	$ 64,012,131	$ 650,681,083
TOTAL ASSETS	$ 281,507,049	$ 874,760,640
LIABILITIES		
Intragovernmental:		
Accounts Payable	$ 3,392,772	$ 532,641
Other Liabilities:		
Employer Contributions and Payroll Taxes Payable	1,779,989	1,746,140
Unfunded FECA and Unemployment Liability (Note 1N)	89,587	88,501
Other Liabilities (Without Reciprocals)	286,668	345,481
Deferred Lease Liabilities (Note 7)	725,714	-
Liability to the General Fund of the U.S. Government for Custodial Assets	34,377,723	623,333,958
Total Intragovernmental	$ 40,652,453	$ 626,046,721
With the Public:		
Accounts Payable	$ 7,815,877	$ 7,669,496
Federal Employee Benefits Payable:		
Actuarial FECA Liabilities (Note 1N)	533,782	508,531
Unfunded Annual Leave	18,531,860	15,791,557
Funded Employee Benefits	339,165	335,515
Other Liabilities:		
Accrued Funded Payroll	7,560,778	7,964,061
Liability for Non-Fiduciary Deposit Funds	595,476	514,025
Deferred Lease Liabilities (Note 7)	15,200,011	18,650,707
Liability for Whistleblower Awards (Note 8)	203,970,000	3,627,027
Total With the Public	$ 254,546,949	$ 55,060,919
Total Liabilities	$ 295,199,402	$ 681,107,640
Contingent Liabilities (Note 9)		
NET POSITION		
Unexpended Appropriations - Funds from Other than Dedicated Collections	$ 87,459,663	$ 86,262,124
Total Unexpended Appropriations	$ 87,459,663	$ 86,262,124
Cumulative Results of Operations - Funds from Dedicated Collections	$ (92,073,033)	$ 117,027,972
Cumulative Results of Operations - Funds from Other than Dedicated Collections	(9,078,983)	(9,637,096)
Total Cumulative Results of Operations	$ (101,152,016)	$ 107,390,876
Total Net Position	$ (13,692,353)	$ 193,653,000
TOTAL LIABILITIES AND NET POSITION	$ 281,507,049	$ 874,760,640

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

Commodity Futures Trading Commission
STATEMENTS OF NET COST
For the Years Ended September 30, 2021 and 2020

Note: In FY 2021, the Commission implemented the new CFTC Strategic Plan 2020-2024 with updated goals; as a result, the FY 2021 and FY 2020 net costs by strategic goal are presented separately rather than comparatively.

	2021	
NET COST BY GOAL		
STRATEGIC GOAL 1: STRENGTHEN DERIVATIVES MARKETS & FOSTER THEIR VIBRANCY		
Gross Costs	$	54,950,470
Less: Earned Revenue		-
NET COST OF OPERATIONS -- STRATEGIC GOAL 1	$	54,950,470
STRATEGIC GOAL 2: REGULATE DERIVATIVES MARKETS IN INTEREST OF ALL AMERICANS		
Gross Costs	$	46,228,173
Less: Earned Revenue		-
NET COST OF OPERATIONS -- STRATEGIC GOAL 2	$	46,228,173
STRATEGIC GOAL 3: ENCOURAGE INNOVATION & ENHANCE REGULATORY EXPERIENCE OF ALL		
Gross Costs	$	44,016,448
Less: Earned Revenue		-
NET COST OF OPERATIONS -- STRATEGIC GOAL 3	$	44,016,448
STRATEGIC GOAL 4: BE TOUGH ON THOSE WHO BREAK THE RULES		
Gross Costs	$	285,505,184
Less: Earned Revenue		-
NET COST OF OPERATIONS -- STRATEGIC GOAL 4	$	285,505,184
STRATEGIC GOAL 5: FOCUS ON UNIQUE MISSION & IMPROVE OPERATIONAL EFFECTIVENESS		
Gross Costs	$	84,201,315
Less: Earned Revenue		-
NET COST OF OPERATIONS -- STRATEGIC GOAL 5	$	84,201,315
GRAND TOTAL		
Gross Costs	$	514,901,590
Less: Earned Revenue		-
TOTAL NET COST OF OPERATIONS	$	514,901,590

Continued on next page

Continued from previous page

	2020	
NET COST BY GOAL		
STRATEGIC GOAL 1: MARKET INTEGRITY AND TRANSPARENCY		
Gross Costs	$	71,322,207
Less: Earned Revenue		(8,966)
NET COST OF OPERATIONS -- STRATEGIC GOAL 1	$	71,313,241
STRATEGIC GOAL 2: FINANCIAL INTEGRITY AND AVOIDANCE OF SYSTEMIC RISK		
Gross Costs	$	96,057,547
Less: Earned Revenue		(12,075)
NET COST OF OPERATIONS -- STRATEGIC GOAL 2	$	96,045,472
STRATEGIC GOAL 3: COMPREHENSIVE ENFORCEMENT		
Gross Costs	$	119,197,019
Less: Earned Revenue		(14,478)
NET COST OF OPERATIONS -- STRATEGIC GOAL 3	$	119,182,541
STRATEGIC GOAL 4: DOMESTIC AND INTERNATIONAL COOPERATION AND COORDINATION		
Gross Costs	$	14,746,066
Less: Earned Revenue		(1,854)
NET COST OF OPERATIONS -- STRATEGIC GOAL 4	$	14,744,212
GRAND TOTAL		
Gross Costs	$	301,322,839
Less: Earned Revenue		(37,373)
TOTAL NET COST OF OPERATIONS	$	301,285,466

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

Commodity Futures Trading Commission
STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2021 and 2020

2021	Dedicated Collections	All Other Funds	Consolidated Total
UNEXPENDED APPROPRIATIONS:			
BEGINNING BALANCES	$ -	$ 86,262,124	$ 86,262,124
Appropriations Received	-	304,000,000	304,000,000
Other Adjustments (+/-)	-	(3,057,910)	(3,057,910)
Appropriations Used	-	(299,744,551)	(299,744,551)
Net Change in Unexpended Appropriations	-	1,197,539	1,197,539
TOTAL UNEXPENDED APPROPRIATIONS, ENDING	$ -	$ 87,459,663	$ 87,459,663
CUMULATIVE RESULTS OF OPERATIONS:			
BEGINNING BALANCES	$ 117,027,972	$ (9,637,096)	$ 107,390,876
Appropriations Used	-	299,744,551	299,744,551
Nonexchange Interest Revenue (Note 3)	53,886	-	53,886
Transfers In/Out Without Reimbursement	-	12,419	12,419
Imputed Financing Sources (Note 1M)	-	6,547,842	6,547,842
Net Cost of Operations	(209,154,891)	(305,746,699)	(514,901,590)
Net Change in Cumulative Results of Operations	(209,101,005)	558,113	(208,542,892)
TOTAL CUMULATIVE RESULTS OF OPERATIONS, ENDING	$ (92,073,033)	$ (9,078,983)	$ (101,152,016)
NET POSITION	$ (92,073,033)	$ 78,380,680	$ (13,692,353)

2020	Dedicated Collections	All Other Funds	Consolidated Total
UNEXPENDED APPROPRIATIONS:			
BEGINNING BALANCES	$ -	$ 61,509,442	$ 61,509,442
Appropriations Received	-	315,000,000	315,000,000
Other Adjustments (+/-)	-	(8,956,084)	(8,956,084)
Appropriations Used	-	(281,291,234)	(281,291,234)
Net Change in Unexpended Appropriations	-	24,752,682	24,752,682
TOTAL UNEXPENDED APPROPRIATIONS, ENDING	$ -	$ 86,262,124	$ 86,262,124
CUMULATIVE RESULTS OF OPERATIONS:			
BEGINNING BALANCES	$ 125,439,162	$ (4,800,343)	$ 120,638,819
Appropriations Used	-	281,291,234	281,291,234
Nonexchange Interest Revenue (Note 3)	1,082,980	-	1,082,980
Transfers In/Out Without Reimbursement	-	-	-
Imputed Financing Sources (Note 1M)	-	5,663,309	5,663,309
Net Cost of Operations	(9,494,170)	(291,791,296)	(301,285,466)
Net Change in Cumulative Results of Operations	(8,411,190)	(4,836,753)	(13,247,943)
TOTAL CUMULATIVE RESULTS OF OPERATIONS, ENDING	$ 117,027,972	$ (9,637,096)	$ 107,390,876
NET POSITION	$ 117,027,972	$ 76,625,028	$ 193,653,000

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

Commodity Futures Trading Commission
STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2021 and 2020

		2021		2020
BUDGETARY RESOURCES				
Unobligated Balance from Prior Year Budget Authority, Net (Note 10A)	$	51,006,213	$	28,143,967
Appropriations		304,000,000		315,000,000
Spending Authority from Offsetting Collections		63,234		1,031,801
TOTAL BUDGETARY RESOURCES	$	355,069,447	$	344,175,768
STATUS OF BUDGETARY RESOURCES				
New Obligations and Upward Adjustments	$	303,467,595	$	296,591,524
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts		123,018,339		143,318,572
Unapportioned, Unexpired Accounts		(80,060,414)		(103,626,536)
Unexpired Unobligated Balance, End of Year		42,957,925		39,692,036
Expired Unobligated Balance, End of Year		8,643,927		7,892,208
Unobligated Balance, End of Year (Total)		51,601,852		47,584,244
TOTAL BUDGETARY RESOURCES	$	355,069,447	$	344,175,768
OUTLAYS, NET				
Outlays, Net	$	314,164,705	$	315,934,006
Distributed Offsetting Receipts		(37,264)		(5,106)
AGENCY OUTLAYS, NET	$	314,127,441	$	315,928,900

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

Commodity Futures Trading Commission
STATEMENTS OF CUSTODIAL ACTIVITY
For the Years Ended September 30, 2021 and 2020

	2021	2020
TOTAL CUSTODIAL REVENUE		
SOURCES OF CASH COLLECTIONS:		
Registration and Filing Fees	$ 1,310,369	$ 1,165,011
Fines, Penalties, and Forfeitures	545,527,184	192,204,742
General Proprietary Receipts	37,264	5,106
Total Cash Collections	546,874,817	193,374,859
Change in Custodial Receivables	(588,956,235)	571,969,509
TOTAL CUSTODIAL REVENUE	$ (42,081,418)	$ 765,344,368
DISPOSITION OF COLLECTIONS		
AMOUNTS TRANSFERRED TO:		
Department of the Treasury	$ (546,874,817)	$ (193,374,859)
Total Disposition of Collections	(546,874,817)	(193,374,859)
Change in Custodial Liabilities	588,956,235	(571,969,509)
NET CUSTODIAL ACTIVITY	$ -	$ -

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

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Years Ended September 30, 2021 and 2020

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

The Commodity Futures Trading Commission (CFTC or Commission) is an independent agency of the executive branch of the Federal Government. Congress created the CFTC in 1974 under the authorization of the Commodity Exchange Act (CEA) with the mandate to regulate commodity futures and option markets in the United States. The agency's mandate was renewed and expanded under the Futures Trading Acts of 1978, 1982, and 1986; under the Futures Trading Practices Act of 1992; under the CFTC Reauthorization Act of 1995; under the Commodity Futures Modernization Act of 2000; and under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act, or the Act). Congress passed the Food, Conservation, and Energy Act of 2008, which reauthorized the Commission through FY 2013. In the absence of formal reauthorization, the CFTC has continued to operate through annual appropriations.

The CFTC is responsible for ensuring the economic utility of futures markets by encouraging their competitiveness and efficiency, ensuring their integrity, and protecting market participants against manipulation, abusive trade practices, and fraud.

On July 21, 2010, the Dodd-Frank Act was signed into law, significantly expanding the powers and responsibilities of the CFTC. According to Section 748 of the Act, there is established in the U.S. Department of the Treasury (Treasury) a revolving fund known as the CFTC Customer Protection Fund. The Customer Protection Fund shall be available to the Commission, without further appropriation or fiscal year limitation, for a) the payment of awards to whistleblowers; and b) the funding of customer education initiatives designed to help customers protect themselves against fraud or other violations of this Act or the rules and regulations thereunder.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations for the CFTC, as required by the Accountability of Tax Dollars Act of 2002. They are presented in accordance with the form and content requirements contained in OMB Circular A-136, *Financial Reporting Requirements*, as amended.

The principal financial statements have been prepared in all material respects from the agency's books and records in conformity with U.S. generally accepted accounting principles (GAAP), as prescribed for the Federal government by the Federal Accounting Standards Advisory Board (FASAB). The application and methods for applying these principles are appropriate for fairly presenting the entity's assets, liabilities, financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities. Accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

The books and records of the agency served as the source of information for preparing the financial statements in the prescribed formats. All agency financial statements and reports used to monitor and control budgetary resources are prepared from the same books and records. The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.

The Balance Sheets present the financial position of the agency. The Statements of Net Cost present the agency's operating results; the Statements of Changes in Net Position display the changes in the agency's equity accounts. The Statements of Budgetary Resources present the sources, status, and uses of the agency's resources and follow the rules for the Budget of the U.S. Government. The Statements of Custodial Activity present the sources and disposition of collections for which the CFTC is the fiscal agent, or custodian, for the Treasury General Fund Miscellaneous Receipt accounts.

Throughout these financial statements, assets, liabilities, revenues and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other federal entities. Intragovernmental earned revenues are collections or accruals of revenue from other federal entities, and intragovernmental costs are payments or accruals to other federal entities. The CFTC does not transact business among its own operating units, and therefore, intra-entity eliminations were not needed.

C. Budgetary Resources and Status

The CFTC is funded through congressionally approved appropriations. The CFTC is responsible for administering the salaries and expenses of the agency through the execution of these appropriations.

Congress annually enacts appropriations that provide the CFTC with the authority to obligate funds within the respective fiscal year for necessary expenses to carry out mandated program activities. All appropriations are subject to quarterly apportionment as well as Congressional restrictions.

The CFTC's budgetary resources for FY 2021 consist of:

- Unobligated balances of resources brought forward from the prior year,
- Recoveries of obligations made in prior years, and
- New resources in the form of appropriations and spending authority from offsetting collections.

Unobligated balances associated with resources expiring at the end of the fiscal year remain available for five years after expiration only for upward adjustments of prior year obligations, after which they are canceled and may not be used. All unused monies related to canceled appropriations are returned to Treasury and the canceled authority is reported on the Statements of Budgetary Resources and the Statements of Changes in Net Position.

D. Entity and Non-Entity Assets

Assets consist of entity and non-entity assets. Entity assets are those assets that the CFTC has authority to use for its operations. Non-entity assets are those held by the CFTC that are not available for use in its operations. Non-entity assets held by the CFTC include deposit fund balances, custodial fines, interest, penalties, and administrative fees receivable.

E. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of the CFTC's funds with Treasury in general, receipt, revolving, and deposit fund accounts. Appropriated funds recorded in general fund expenditure accounts are available to pay current liabilities and finance authorized purchases. Custodial collections recorded in the deposit fund and miscellaneous receipts accounts of the Treasury are not available for agency use. At fiscal year-end, receipt account balances are returned to Treasury or transferred to the Customer Protection Fund.

The CFTC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Treasury disburses funds for the agency on demand. Spending authority from offsetting collections is recorded in the agency's expenditure account and is available for agency use subject to certain limitations.

F. Investments

The CFTC has the authority to invest amounts deposited in the Customer Protection Fund in short-term market-based Treasury securities. Market-based Treasury securities are debt securities that the Treasury issues to Federal entities without statutorily determined interest rates. Although the securities are not marketable, the terms (prices and interest rates) mirror the terms of marketable Treasury securities. Investments are carried at their historical cost basis which approximates fair value due to their short-term nature.

Interest earned on the investments is a component of the Fund and is available to be used for expenses of the Customer Protection Fund. Additional details regarding Customer Protection Fund investments are provided in Note 3.

G. Accounts Receivable, Net

Accounts receivable consists of amounts owed by other federal agencies and the public to the CFTC and is valued net of an allowance for uncollectible amounts. The allowance is based on past experience in the collection of receivables and analysis of the outstanding balances. Accounts receivable primarily arise from the Civil Monetary Sanctions program, reimbursable operations, and earned refunds.

H. Advances and Prepayments

Advances and Prepayments consist of payments to federal and non-federal sources in advance of the receipt of goods and services. These payments are recorded as prepayments and recognized as expenses when the related goods and services are received. Intragovernmental prepayments reported on the Balance Sheet were made primarily to the U.S. Department of Interior for contract support. Prepayments to the public were primarily for software maintenance and subscription services.

I. General Property, Plant and Equipment, Net

Furniture, fixtures, equipment, information technology hardware and software, and leasehold improvements are capitalized and depreciated or amortized over their useful lives. The CFTC capitalizes assets annually if they have useful lives of at least two years and an individual value of $25,000 or more. Bulk or aggregate purchases are capitalized when the individual useful lives are at least two years and the purchase is a value of $25,000 or more. Property, plant and equipment that do not meet the capitalization criteria are expensed when acquired. Depreciation for equipment and amortization for software is computed on a straight-line basis using a 5-year life. Leasehold improvements are amortized over the remaining life of the lease. The Commission's assets are valued net of accumulated depreciation or amortization.

J. Liablities

The CFTC's liabilities include actual and estimated amounts that are likely to be paid as a result of transactions covered by budgetary resources for which Congress has appropriated funds or funding, or are otherwise available from reimbursable transactions to pay amounts due.

In addition to those liabilities covered by budgetary resources in existing legislation, the CFTC's liabilities also include those not requiring budgetary resources, and those not yet covered by budgetary resources. The CFTC liabilities not requiring budgetary resources include deferred lease liabilities, deposit funds, and custodial revenue deemed collectible but not yet collected at fiscal year-end. Liabilities that are not yet covered by budgetary resources but will require budgetary resources in the future include:

- Intragovernmental Federal Employees' Compensation Act (FECA) liabilities,
- Annual leave benefits that will be funded by annual appropriations as leave is taken,
- Actuarial FECA liabilities,
- Liability for whistleblower awards,
- Contingent liabilities, and
- Advances received for reimbursable services yet to be provided.

K. Accounts Payable

Accounts payable consists primarily of contracts for goods or services, such as operating leases, leasehold improvements, software development, information technology, telecommunications, and consulting and support services.

L. Accrued Payroll and Benefits and Annual Leave Liability

The accrued payroll liability represents amounts for salaries and benefits owed for the time since the payroll was last paid through the end of the reporting period. Total accrued payroll is composed of amounts to be paid to CFTC employees as well as the related intragovernmental payable for employer contributions and payroll taxes. The annual leave liability is the amount owed to employees for unused annual leave as of the end of the reporting period. At the end of each quarter, the balance in the accrued annual leave account is adjusted to reflect current balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken.

The agency's employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, the CFTC contributes an amount equal to one percent of the employee's basic pay to the tax deferred Thrift Savings Plan and matches employee contributions up to an additional four percent of pay. FERS and CSRS employees can contribute a portion of their gross earnings to the plan up to Internal Revenue Service limits; however, CSRS employees receive no matching agency contribution.

M. Retirement Plans and Other Employee Benefits

The CFTC imputes costs and the related financing sources for its share of retirement benefits accruing to its employees that are in excess of the amount of contributions and withholdings from the CFTC and its employees, which are mandated by law. The Office of Personnel Management (OPM), which administers federal civilian retirement programs, provides the cost information to the CFTC. The CFTC recognizes the government's portion of the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by Statement of Federal Financial Accounting Standards (SFFAS) 5, *Accounting for Liabilities of the Federal Government*.

Full costs include pension and ORB contributions paid out of the CFTC's appropriations as well as costs financed by OPM. The amount financed by OPM is recognized as an imputed financing source. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program are reported by OPM rather than CFTC.

N. FECA and Unemployment Liabilities

FECA provides income and medical cost protections to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which pays valid claims against the CFTC and subsequently seeks reimbursement from the CFTC for these paid claims. DOL's Unemployment Compensation For Federal Employees (UCFE) program provides unemployment compensation for Federal employees who lost their employment through no fault of their own. Accrued FECA and unemployment liabilities represent amounts due to DOL for claims paid on behalf of the agency.

In addition, the Commission's actuarial FECA liability represents the liability for future workers compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved cases. The Commission records an estimate for the FECA actuarial liability using the DOL's FECA model. The model considers the average amount of benefit payments incurred by the Commission for the past three fiscal years, multiplied by the medical and compensation liability to benefits paid ratio for the whole FECA program.

O. Leases

The CFTC does not have any capital lease liabilities. The operating leases consist of commercial property for the CFTC's headquarters and regional offices. Lease expenses are recognized on a straight-line basis.

P. Deposit Funds

Deposit funds are expenditure accounts used to record monies that do not belong to the Federal government. They are held awaiting distribution based on a legal determination or investigation. The CFTC Deposit Fund is used to collect and later distribute collections of monetary awards to the appropriate victims as restitution. The cash collections recorded in this fund are offset by a Deposit Fund liability. Activities in this fund are not fiduciary in nature because they are not legally enforceable against the government.

Q. Net Position

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations are appropriations that have not yet been used to acquire goods and services or provide benefits. Appropriations are considered expended, or used, when goods and services have been acquired by the CFTC or benefits have been provided using the appropriation authority, regardless of whether monies have been paid or payables for the goods, services, or benefits have been established.

Cumulative results of operations represent the excess of budgetary or other financing sources over expenses since inception. Cumulative results of operations are derived from the net effect of capitalized assets, expenses, exchange revenue, and unfunded liabilities.

R. Revenues

The CFTC receives reimbursement and earns revenue for the following activities:

- Reimbursement for travel, subsistence, and related expenses from non-federal sources for attendance at meetings or similar functions that an employee has been authorized to attend in an official capacity on behalf of the Commission;
- Reimbursement for Intergovernmental Personnel Act Mobility Program assignments from state and local governments, institutions of higher education, and other eligible organizations for basic pay, supplemental pay, fringe benefits, and travel and relocation expenses; and
- Reimbursement from non-federal sources for registration fees to cover the cost of expenses related to the CFTC's annual International Regulators Conference.

S. Net Cost of Operations

Net cost of operations is the difference between the CFTC's expenses and its earned revenue. The presentation of program results by strategic goals is based on the CFTC's current Strategic Plan established pursuant to the Government Performance and Results Act of 1993 (GPRA). In FY 2021, the Commission implemented the new CFTC Strategic Plan 2020-2024 with updated goals; as a result, the FY 2021 and FY 2020 net costs by strategic goal are presented separately rather than comparatively.

The mission statement of the CFTC is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation. For FY 2021, this mission was accomplished through the following five strategic goals, each focusing on a vital area of regulatory responsibility:

- Strategic Goal 1: Strengthen Derivatives Markets & Foster Their Vibrancy
- Strategic Goal 2: Regulate Derivatives Markets in Interest of All Americans
- Strategic Goal 3: Encourage Innovation and Enhance Regulatory Experience of All
- Strategic Goal 4: Be Tough on Those Who Break the Rules
- Strategic Goal 5: Focus on Unique Mission and Improve Operational Effectiveness

For FY 2020, the mission was accomplished through the following four strategic goals, each focusing on a vital area of regulatory responsibility:

- Strategic Goal 1: Market Integrity and Transparency
- Strategic Goal 2: Financial Integrity and Avoidance of Systemic Risk
- Strategic Goal 3: Comprehensive Enforcement
- Strategic Goal 4: Domestic and International Cooperation and Coordination

T. Custodial Activity

The CFTC collects penalties and fines levied against firms for violation of laws as described in the CEA as codified at 7 U.S.C. § 1, *et seq*, and the Commodities Futures Modernization Act of 2000, Appendix E of Public Law 106-554, 114 Stat. 2763. Unpaid fines, penalties and accrued interest are reported as custodial receivables, with an associated custodial liability. The receivables and the liability are reduced by amounts determined to be uncollectible. Revenues earned and the losses from bad debts are reported to Treasury.

Collections made by the CFTC during the year are deposited and reported into designated Treasury miscellaneous receipt accounts for:

- Registration and filing fees,
- Fines, penalties and forfeitures, and
- General proprietary receipts.

At fiscal year-end, custodial collections made by the CFTC are either returned to Treasury or when determined eligible, transferred to the Customer Protection Fund. The CFTC does not retain any amount for custodial activities including reimbursement of the cost of collection.

U. Use of Management Estimates

The preparation of the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, expenses, and custodial activities. Actual results could differ from these estimates.

V. Reconciliation of Net Outlays and Net Cost of Operations

In accordance with OMB Circular A-136, the Commission reconciles its budgetary outlays with its net cost of operations.

W. Funds from Dedicated Collections

The Customer Protection Fund was established to operate a whistleblower program and support customer education initiatives. See Note 1A for a description of the purpose of the Customer Protection Fund and its authority to use revenues and other financing sources. Deposits into the Customer Protection Fund are credited from monetary sanctions collected by the Commission in a covered judicial or administrative action where the full judgment is in excess of $1,000,000 and the collection is not otherwise distributed to victims of a violation of the Dodd-Frank Act or the underlying rules and regulations, unless the balance of the Customer Protection Fund at the time the monetary judgment is collected exceeds $100 million.

No new legislation was enacted as of September 30, 2021, that significantly changed the purpose of the fund or redirected a material portion of the accumulated balance. On July 6, 2021, Public Law 117-25 set aside $10 million from the Fund in a separate account to fund non-whistleblower costs when the unobligated balance of the Fund is insufficient. The $10 million will be available until October 1, 2022, at which time all unobligated amounts will be returned to the Fund.

X. Reclassifications

Balances reported in the FY 2020 Balance Sheet, Statement of Changes in Net Position, and notes 6, 11, and 12 have been reclassified and/or retitled to conform to the updated guidance provided in OMB Circular A-136 dated August 10, 2021. In addition, line item groupings such as "Other Liabilities" have been added as required by OMB Circular A-136 to support preparation of the governmentwide consolidated financial statements.

Note 2 Fund Balance with Treasury

A. Reconciliation to Treasury

There are no differences between the fund balances reflected in the CFTC Balance Sheets and the balances in the Treasury accounts.

B. Fund Balance with Treasury

Fund Balance with Treasury as of September 30, 2021, and 2020, consisted of the following:

		2021		2020
Unobligated Fund Balance				
Available	$	113,701,665	$	26,998,826
Unavailable		18,643,928		7,904,486
Obligated Balance Not Yet Disbursed		74,847,171		68,512,067
Non-Budgetary Fund Balance with Treasury		595,476		514,025
TOTAL FUND BALANCE WITH TREASURY	$	207,788,240	$	103,929,404

Obligated and unobligated balances reported for the status of Fund Balance with Treasury differ from the amounts reported in the Statement of Budgetary Resources due to the fact that budgetary balances are supported by amounts other than Fund Balance with Treasury. These amounts include Customer Protection Fund investments, uncollected payments from Federal sources, and unfunded lease obligations.

Note 3 Investments

The CFTC invests amounts deposited in the Customer Protection Funds in overnight short-term Treasury securities. Treasury overnight certificates of indebtedness are issued with a stated rate of interest to be applied to their par amount, mature on the business day immediately following their issue date, are redeemed at their par amount at maturity, and have interest payable at maturity.

The overnight certificates are Treasury securities whose interest rates or prices are determined based on the interest rates or prices of Treasury-related financial instruments issued or trading in the market, rather than on the interest rates or prices of outstanding marketable Treasury securities. The Commission may invest in other short-term or long-term Treasury securities at management's discretion.

During FY 2021, the Commission redeemed $117,000,000 in investments to make funds readily available for the needs of the Fund. Such redemptions resulted in the liquidation of investments owned at September 30, 2020. Related nonexchange interest revenue for the years ended September 30, 2021, and 2020, was $53,886 and $1,082,980, respectively.

Intragovernmental Investments in Treasury Securities

The Federal Government does not set aside assets to pay future claims or other expenditures associated with funds from dedicated collections deposited into the Customer Protection Fund. The dedicated cash receipts collected by the Commission as a result of monetary sanctions are deposited in the Treasury, which uses the cash for general Government purposes. As discussed above and in Note 1F, the Commission invests the majority of these funds in Treasury securities. These Treasury securities are an asset of the Commission and a liability of the Treasury. Because the Commission and the Treasury are both components of the Government, these assets and liabilities offset each other from the standpoint of the Government as a whole. For this reason, the investments presented by the Commission do not represent an asset or a liability in the U.S. Government-wide financial statements.

Treasury securities provide the Commission with authority to draw upon the Treasury to pay future claims or other expenditures. When the Commission requires redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same manner in which the Government finances all expenditures.

Note 4 Accounts Receivable, Net

Accounts receivable consist of amounts owed the CFTC by other Federal agencies and the public. Accounts receivable are valued at their net collectible values. Non-custodial accounts receivable are primarily for overpayments of expenses to other agencies, or vendors, and repayment of employee benefits. Historical experience has indicated that most of the non-custodial receivables are collectible and that there are no material uncollectible amounts.

Custodial receivables (non-entity assets) are those for which fines and penalties have been assessed and levied against businesses or individuals for violations of the CEA or Commission regulations. Violators may be subject to a variety of sanctions including fines, injunctive orders, bars or suspensions, rescissions of illegal contracts, and disgorgements.

An allowance for uncollectible accounts has been established and included in accounts receivable on the balance sheets. Although historical experience has indicated that a high percentage of custodial receivables prove uncollectible, the Commission determines the collectability of each individual judgment based on knowledge of the financial profile of the debtor obtained through the course of the investigation and litigation of each case, including efforts to identify and freeze assets at the beginning of cases, when any remaining assets are most likely to be recoverable. Accounts are re-estimated quarterly based on account reviews and the agency's determination that changes to the net realizable value are needed.

Accounts receivable, net consisted of the following as of September 30, 2021, and 2020:

	2021	2020
Custodial Receivables, Net:		
Civil Monetary Penalties, Fines, and Administrative Fees	$ 564,068,210	$ 770,558,920
Civil Monetary Penalty Interest	752,519	1,683,400
Registration and Filing Fees	1,185,107	1,539,855
Less: Allowance for Loss on Penalties, Fines, and Administrative Fees	(530,927,060)	(148,609,005)
Less: Allowance for Loss on Interest	(701,053)	(1,676,140)
Less: Allowance for Loss on Registration and Filing Fees	-	(163,072)
TOTAL CUSTODIAL RECEIVABLES, NET	$ 34,377,723	$ 623,333,958
Other Accounts Receivable	26,983	52,632
TOTAL ACCOUNTS RECEIVABLE, NET	$ 34,404,706	$ 623,386,590

Note 5 General Property, Plant and Equipment, Net

Property, Plant and Equipment as of September 30, 2021, and 2020, consisted of the following:

2021 Major Class	Service Life and Method	Cost	Accumulated Amortization/ Depreciation	Net Book Value
Equipment	5 Years/Straight Line	$ 41,886,926	$ (36,273,805)	$ 5,613,121
IT Software	5 Years/Straight Line	29,052,822	(26,121,269)	2,931,553
Software in Development	Not Applicable	5,425,314	-	5,425,314
Leasehold Improvements	Remaining Life of Lease/Straight Line	32,953,470	(24,624,583)	8,328,887
Construction in Progress	Not Applicable	3,319,656	-	3,319,656
TOTAL GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET		$ 112,638,188	$ (87,019,657)	$ 25,618,531

2020 Major Class	Service Life and Method	Cost	Accumulated Amortization/ Depreciation	Net Book Value
Equipment	5 Years/Straight Line	$ 42,630,427	$ (35,707,899)	$ 6,922,528
IT Software	5 Years/Straight Line	29,742,235	(27,158,953)	2,583,282
Software in Development	Not Applicable	5,370,715	-	5,370,715
Leasehold Improvements	Remaining Life of Lease/Straight Line	31,292,870	(21,072,724)	10,220,146
Construction in Progress	Not Applicable	-	-	-
TOTAL GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET		$ 109,036,247	$ (83,939,576)	$ 25,096,671

Note 6 Liabilities not Covered by Budgetary Resources

As of September 30, 2021, and 2020, the following liabilities were not covered by budgetary resources:

		2021		2020
Liabilities Not Requiring Budgetary Resources:				
Intragovernmental - Liability to the General Fund of the U.S. Government for Custodial Assets	$	34,377,723	$	623,333,958
Intragovernmental - Deferred Lease Liabilities		725,714		-
Deferred Lease Liabilities		15,200,011		18,650,707
Liability for Non-Fiduciary Deposit Funds		595,476		514,025
Total Liabilities Not Requiring Budgetary Resources	$	50,898,924	$	642,498,690
Other Liabilities Not Covered by Budgetary Resources:				
Intragovernmental - Unfunded FECA and Unemployment Liability	$	89,587	$	88,501
Unfunded Annual Leave		18,531,860		15,791,557
Actuarial FECA Liabilities		533,782		508,531
Liability for Whistleblower Awards		203,970,000		3,627,027
TOTAL LIABILITIES NOT COVERED BY BUDGETARY RESOURCES	$	274,024,153	$	662,514,306

Liabilities not covered by budgetary resources of $274,024,153 and $662,514,306 represent 92.83 and 97.27 percent of the Commission's total liabilities of $295,199,402 and $681,107,640 as of September 30, 2021, and 2020, respectively.

Note 7 Leases

The CFTC has operating leases for its locations in Washington D.C., Chicago, New York, and Kansas City. The CFTC has no real property. Future estimated minimum lease payments are not accrued as liabilities and are expensed on a straight-line basis.

As of September 30, 2021, future estimated minimum lease payments are as follows:

Fiscal Year	Non-Federal (Non-Cancellable)	Federal (Cancellable)	Total
2022	$ 20,088,229	$ 126,380	$ 20,214,609
2023	17,880,606	126,380	18,006,986
2024	18,239,105	126,380	18,365,485
2025	18,603,371	126,380	18,729,751
2026	-	126,380	126,380
Thereafter	-	1,243,051	1,243,051
Total Future Scheduled Rent Payments	$ 74,811,311	$ 1,874,951	$ 76,686,262
Future Lease-Related Operating Costs *(Estimated)*	5,249,103	1,657,760	6,906,863
TOTAL FUTURE MINIMUM LEASE PAYMENTS	$ 80,060,414	$ 3,532,711	$ 83,593,125

The amounts in the table above include the future minimum lease payments for the Commission's existing lease arrangements described by location on the page below. In 2016, the Commission executed a memorandum of understanding with the General Services Administration (GSA) to address all of its future space needs. In its FY 2020 appropriation, the Commission received an additional $31,000,000 for move, replication, and related costs associated with replacement leases for the Commission's facilities. As of September 30, 2021, the Commission has entered into an occupancy agreement with GSA for space in Kansas City. This agreement may be cancelled with 120 days' notice. As new occupancy agreements are entered into with GSA for its other locations, the Commission will incorporate these new intragovernmental leases into its future estimated lease payments.

CFTC recognizes leases expenses on a straight-line basis because the Commission's lease payment amounts vary at negotiated times and reflect increases in rental costs, allowances or credits from landlords, and financed tenant improvements. Consistent with the utility of its office space, the Commission records deferred lease liabilities representing expense amounts in excess of payments to date. Non-federal deferred lease liabilities as of September 30, 2021, and 2020, were $15,200,011 and $18,650,707, respectively. As of September 30, 2021, the Commission also recorded federal deferred lease liabilities of $725,714 as a result of the new GSA occupancy agreement entered into in FY 2021.

The following table describes the Commission's existing lease arrangements for buildings and multifunction devices, including major asset categories by location and associated lease terms.

BUILDINGS (FEDERAL, CANCELLABLE)	
Kansas City	Occupancy Agreement with GSA for office space from February 1, 2021, through January 31, 2036.[1]
BUILDINGS (NON-FEDERAL, NON-CANCELLABLE)	
Location	*Lease Terms*
Washington, D.C.	Lease of office space from October 5, 1995, through September 30, 2025, subject to annual escalation amounts[2] and including allowances for leasehold improvements and rent offsets.
New York	Lease of office space from November 16, 2001, through April 30, 2022, with no escalation clauses or option to renew.
Chicago	Lease of office space from March 10, 2002, through June 30, 2022, including proportionate share of operating expenses and taxes for premises and allowances for leasehold improvements and rent offsets.
MULTIFUNCTION DEVICES (FEDERAL)	
Location	*Lease Terms*
Washington, D.C., New York, and Kansas City	Two-year rental of multifunction printers through the U.S. Government Printing Office with three one-year options to renew.

[1] In FY 2021, the Commission entered into an Occupancy Agreement with GSA for space in Kansas City that serves as a replacement for the lease the Commission held with a non-federal vendor that ended in FY 2021.
[2] If market rent were $100 per square foot with a 10 percent annual escalation and a $10 operating expense base, then 98 percent of the applicable market rent would be $98 per square foot with a 10 percent escalation and a $10 operating base.

Note 8 Liability for Whistleblower Awards

As mentioned in Note 1A, the Customer Protection Fund will be used to pay awards to whistleblowers if they voluntarily provide original information to the CFTC that leads to the successful enforcement by the CFTC of a covered judicial or administrative action in which monetary sanctions exceeding $1 million are imposed. Whistleblowers are entitled to appeal any decisions by the Commission in regards to claims made against the Fund.

At the time the whistleblower voluntarily provides information to CFTC, they have no guarantee or promise that the Commission will exchange funds in return for that information. In accordance with federal accounting standards, the Commission records liabilities for these nonexchange transactions when they are due and payable. The Commission therefore records a liability for pending whistleblower payment after the whistleblower has been formally notified of an award and the related sanction, or some portion thereof, has been collected. The liability will be paid when the appeal period has ended and the whistleblower has provided necessary banking information. As of September 30, 2021, and September 30, 2020, the Commission recorded liabilities for pending payments to whistleblowers of approximately $203,970,000 and $3,627,027, respectively. During FY 2021, the Commission disbursed $3,459,871 in whistleblower awards, which primarily consisted of $3,002,027 from pending payments and $411,854 from accounts payable at the end of FY 2020. Accounts payable as of September 30, 2021, includes $1,476 for awards that have been finalized as of the end of FY 2021.

In addition to the pending payments to whistleblowers, the Commission had 20 additional whistleblower claims currently under review as of September 30, 2021. These additional claims, depending on whether the whistleblowers are determined to be eligible for an award and the related sanctions have been collected, could result in total future payments ranging from $0 to $592,223,596.

Note 9 Contingent Liabilities

The CFTC records contingent liabilities for legal cases in which payment has been deemed probable and for which the amount of potential liability has been estimated, including judgments that have been issued against the agency and which have been appealed. Additionally, the Commission discloses legal matters in which an unfavorable outcome is reasonably possible. In FY 2021, the Commission was involved in a matter where an unfavorable outcome is reasonably possible, but the potential loss is not reasonably estimable.

Note 10 Statements of Budgetary Resources

The Commission corrected a violation of the recording statute in FY 2016 by recording its obligations for all future building lease payments in accordance with OMB Circular A-11. The recording of these previously unrecorded obligations resulted in negative unobligated balances in its salaries and expenses general expenditure funds because budgetary resources have not been made available to the Commission to fund these multi-year leases (see the Combining Statements of Budgetary Resources in the Required Supplementary Information section immediately following the notes). The effect on the status of the Commission's budgetary resources and reconciliation to the U.S. Budget is detailed in the note disclosures below.

A. Net Adjustments to Unobligated Balance Brought Forward, October 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2021, and 2020, consisted of the following:

	2021	2020
Unobligated Balance Brought Forward, October 1	$ 47,584,244	$ 27,115,398
Cancellation of Deficient Fund Balance	-	3,043,741
Recoveries of Prior Year Obligations	6,479,879	6,940,912
Other Changes in Unobligated Balance	(3,057,910)	(8,956,084)
UNOBLIGATED BALANCE FROM PRIOR YEAR BUDGET AUTHORITY, NET	$ 51,006,213	$ 28,143,967

B. Undelivered Orders

The amount of budgetary resources obligated for undelivered orders as of September 30, 2021, and 2020, consisted of the following:

	2021	2020
Undelivered Orders - Federal		
Paid	$ 9,706,678	$ 3,150,153
Unpaid	14,688,689	12,922,345
Total Undelivered Orders - Federal	$ 24,395,367	$ 16,072,498
Undelivered Orders - Non-Federal		
Paid	$ 3,988,894	$ 2,197,822
Unpaid	119,043,648	140,635,202
Total Undelivered Orders - Non-Federal	$ 123,032,542	$ 142,833,024
TOTAL UNDELIVERED ORDERS	$ 147,427,909	$ 158,905,522

The amount of undelivered orders represents the value of unpaid and paid obligations recorded during the fiscal year, and upward and downward adjustments of obligations that were originally recorded in a prior fiscal year. Non-federal unpaid undelivered orders include the Commission's unfunded future lease payments as of September 30, 2021, and 2020, as follows:

	2021	2020
Unfunded Lease Obligations Brought Forward, October 1	$ 103,626,536	$ 126,714,806
Change in Unfunded Lease Obligations	(23,566,122)	(23,088,270)
TOTAL REMAINING UNFUNDED LEASE OBLIGATIONS	$ 80,060,414	$ 103,626,536

C. Explanations of Differences between the Statement of Budgetary Resources and Budget of the United States Government

The CFTC had material differences between the amounts reported in the Statement of Budgetary Resources dated September 30, 2020, and the actual amounts reported in the Budget of the U.S. Government for FY 2020. These differences are related to unfunded lease obligations that are being funded each fiscal year through annual appropriations (see table below). These unfunded obligations will cease to be a reconciling difference when the last unfunded lease ends in FY 2025.

	Budgetary Resources
CFTC FY 2020 Statement of Budgetary Resources	$ 344,175,768
Less Amounts in Customer Protection Fund	(144,591,877)
Less Amounts in Expired Accounts	(8,954,773)
Less New Budget Authority Used to Liquidate Deficiencies	(23,088,270)
Plus Unfunded Lease Obligations Brought Forward, October 1	126,714,806
Plus Rounding to Nearest Million (+/-)	(255,654)
BUDGET OF THE U.S. GOVERNMENT	$ 294,000,000

The Budget of the U.S. Government with actual numbers for FY 2021 has not yet been published. The expected publish date is February 2022. A copy of the Budget may be obtained from OMB's website.

D. Distributed Offsetting Receipts

Distributed offsetting receipts are amounts that an agency collects from the public or from other Government agencies that are used to offset or reduce an agency's budget outlays. The Commission's distributed offsetting receipts generally consist of miscellaneous collections for such items as Freedom of Information Act requests, vendor refunds, and lost or damaged property that cannot be applied to other funds.

Note 11 Reconciliation of Total Net Cost of Operations to Net Outlays

The schedule presented in this note reconciles the Total Net Cost of Operations reported in the Statements of Net Cost with Net Outlays reported in the Statements of Budgetary Resources. Differences between net costs and net outlays are primarily the result of timing differences and paying for assets that are used over more than one reporting period.

		2021		2020
TOTAL NET COST OF OPERATIONS	$	514,901,590	$	301,285,466
Components of Net Cost That Are Not Part of Net Outlays:				
Depreciation and Amortization	$	(4,566,312)	$	(6,031,004)
Gain/(Loss) on Disposal		(34,252)		(412,170)
Increase/(Decrease) in Assets:				
Accounts Receivable		(25,649)		(1,950)
Decrease in Advances and Prepayments		-		(345,320)
(Increase)/Decrease in Liabilities:				
Accounts Payable		(3,006,512)		13,217,453
Salaries and Benefits		424,597		(3,178,787)
Liability for Whistleblower Awards		(200,342,973)		16,653,119
Other Liabilities (Unfunded Leave, Unfunded FECA, Actuarial FECA)		(2,766,640)		(3,151,507)
Other Financing Sources:				
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to CFTC		(6,547,842)		(5,663,309)
Transfers (in)/out without reimbursement		(12,419)		-
Total Components of Net Cost That Are Not Part of Net Outlays	$	(216,878,002)	$	11,086,525
Components of Net Outlays That Are Not Part of Net Cost:				
Acquisition of Capital Assets	$	7,847,406	$	4,644,995
Increase in Advances and Prepayments		8,347,597		-
Nonexchange Interest Revenue (Excluding Interest Receivable)		(53,886)		(1,082,980)
Total Components of Net Outlays That Are Not Part of Net Cost	$	16,141,117	$	3,562,015
Outlays, Net	$	314,164,705	$	315,934,006
Distributed Offsetting Receipts		(37,264)		(5,106)
AGENCY OUTLAYS, NET	$	314,127,441	$	315,928,900

Note 12 Funds from Dedicated Collections

Funds from dedicated collections arise from disgorgement and penalty collections and are transferred to the Customer Protection Fund, established by the Dodd-Frank Act. The collections are transferred from the custodial receipt account if they are found to be eligible before the end of each fiscal year. In cases where the collection has been returned to Treasury in error, the Commission can recover the funds. The collections will fund the Commission's whistleblower awards program and customer education initiatives.

The Dodd-Frank Act provides that whistleblower awards shall be paid under regulations prescribed by the Commission. An important prerequisite to implementation of the whistleblower awards program is the issuance of rules and regulations describing its scope and procedures. The Commission issued revised rules effective July 31, 2017.

No eligible collections have been transferred into the fund since it reached its legislative maximum during FY 2014. The following chart presents the Fund's balance sheets, statements of net costs, and statements of changes in net position as of and for the years ended September 30, 2021, and 2020:

	2021	2020
BALANCE SHEETS		
Fund Balance with Treasury	$ 113,344,846	$ 5,351,553
Investments	-	117,000,000
Accounts Receivable, Net	-	842
General Property, Plant and Equipment, Net	-	7,161
Advances and Prepayments	7,844	9,685
TOTAL ASSETS	$ 113,352,690	$ 122,369,241
Accounts Payable	$ 898,447	$ 1,234,029
Accrued Funded Payroll	200,819	219,313
Unfunded Annual Leave	356,457	260,900
Liability for Whistleblower Awards	203,970,000	3,627,027
Total Liabilities	$ 205,425,723	$ 5,341,269
Cumulative Results of Operations - Funds from Dedicated Collections	(92,073,033)	117,027,972
Total Net Position	$ (92,073,033)	$ 117,027,972
TOTAL LIABILITIES AND NET POSITION	$ 113,352,690	$ 122,369,241
STATEMENTS OF NET COST		
Gross Costs	$ 209,154,891	$ 9,494,170
TOTAL NET COST OF OPERATIONS	$ 209,154,891	$ 9,494,170
STATEMENTS OF CHANGES IN NET POSITION		
Beginning Cumulative Results of Operations	$ 117,027,972	$ 125,439,162
Nonexchange Interest Revenue	53,886	1,082,980
Net Cost of Operations	(209,154,891)	(9,494,170)
Net Change in Cumulative Results of Operations	$ (209,101,005)	$ (8,411,190)
TOTAL NET POSITION, ENDING	$ (92,073,033)	$ 117,027,972

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Commodity Futures Trading Commission
COMBINING STATEMENTS OF BUDGETARY RESOURCES BY MAJOR ACCOUNT
For the Years Ended September 30, 2021 and 2020

2021	Customer Protection Fund	Salaries and Expense	Information Technology	Combined
BUDGETARY RESOURCES				
Unobligated Balance from Prior Year Budget Authority, Net (Note 10A)	$ 119,887,663	$ (70,827,132)	$ 1,945,682	$ 51,006,213
Appropriations	-	304,000,000	-	304,000,000
Spending Authority from Offsetting Collections	50,815	12,419	-	63,234
TOTAL BUDGETARY RESOURCES	$ 119,938,478	$ 233,185,287	$ 1,945,682	$ 355,069,447
STATUS OF BUDGETARY RESOURCES				
New Obligations and Upward Adjustments	$ 8,862,632	$ 294,598,457	$ 6,506	$ 303,467,595
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts	111,075,846	11,942,493	-	123,018,339
Unapportioned, Unexpired Accounts	-	(80,060,414)	-	(80,060,414)
Unexpired Unobligated Balance, End of Year	111,075,846	(68,117,921)	-	42,957,925
Expired Unobligated Balance, End of Year	-	6,704,751	1,939,176	8,643,927
Unobligated Balance, End of Year (Total)	111,075,846	(61,413,170)	1,939,176	51,601,852
TOTAL BUDGETARY RESOURCES	$ 119,938,478	$ 233,185,287	$ 1,945,682	$ 355,069,447
OUTLAYS, NET				
Outlays, Net	$ 9,006,707	$ 303,469,727	$ 1,688,271	$ 314,164,705
Distributed Offsetting Receipts	-	(37,264)	-	(37,264)
AGENCY OUTLAYS, NET	$ 9,006,707	$ 303,432,463	$ 1,688,271	$ 314,127,441

2020	Customer Protection Fund	Salaries and Expense	Information Technology	Combined
BUDGETARY RESOURCES				
Unobligated Balance from Prior Year Budget Authority, Net (Note 10A)	$ 143,572,792	$ (119,582,735)	$ 4,153,910	$ 28,143,967
Appropriations	-	315,000,000	-	315,000,000
Spending Authority from Offsetting Collections	1,019,085	12,716	-	1,031,801
TOTAL BUDGETARY RESOURCES	$ 144,591,877	$ 195,429,981	$ 4,153,910	$ 344,175,768
STATUS OF BUDGETARY RESOURCES				
New Obligations and Upward Adjustments	$ 26,250,571	$ 268,039,403	$ 2,301,550	$ 296,591,524
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts	118,341,306	24,972,265	5,001	143,318,572
Unapportioned, Unexpired Accounts	-	(103,626,536)	-	(103,626,536)
Unexpired Unobligated Balance, End of Year	118,341,306	(78,654,271)	5,001	39,692,036
Expired Unobligated Balance, End of Year	-	6,044,849	1,847,359	7,892,208
Unobligated Balance, End of Year (Total)	118,341,306	(72,609,422)	1,852,360	47,584,244
TOTAL BUDGETARY RESOURCES	$ 144,591,877	$ 195,429,981	$ 4,153,910	$ 344,175,768
OUTLAYS, NET				
Outlays, Net	$ 32,096,783	$ 256,483,379	$ 27,353,844	$ 315,934,006
Distributed Offsetting Receipts	-	(5,106)	-	(5,106)
AGENCY OUTLAYS, NET	$ 32,096,783	$ 256,478,273	$ 27,353,844	$ 315,928,900