U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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February 13, 2020

The Honorable Michael Crapo
Chairman
The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Maxine Waters
Chairwoman
The Honorable Patrick T. McHenry
Ranking Member
Committee on Financial Services
House of Representatives

Financial Audit: Federal Deposit Insurance Corporation Funds' 2019 and 2018 Financial Statements

This report transmits the GAO auditor's report on the results of our audits of the 2019 and 2018 financial statements of the two funds that the Federal Deposit Insurance Corporation (FDIC) administers—the Deposit Insurance Fund (DIF) and the Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund (FRF). The auditor's report is incorporated in the enclosed *Federal Deposit Insurance Corporation 2019 Annual Report*.

As discussed more fully in the auditor's report that begins on page 113 of the enclosed agency annual report, we found

- the financial statements of the DIF and of the FRF as of and for the years ended December 31, 2019, and 2018, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- FDIC maintained, in all material respects, effective internal control over financial reporting relevant to the DIF and to the FRF as of December 31, 2019; and
- with respect to the DIF and to the FRF, no reportable instances of noncompliance for 2019 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

Section 17 of the Federal Deposit Insurance Act, as amended, requires GAO to annually audit the financial statements of the DIF and of the FRF.[1] In addition, the Government Corporation Control Act requires that FDIC annually prepare and submit audited financial statements to

[1]Act of September 21, 1950, Pub. L. No. 797, § 2[17], 64 Stat. 873, 890, *classified as amended at* 12 U.S.C. § 1827.

Congress and authorizes GAO to audit the statements.[2] This report responds to these requirements.

We are sending copies of this report to the Chairman of the FDIC Board of Directors, the Chairman of the FDIC Audit Committee, the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Secretary of the Treasury, the Director of the Office of Management and Budget, interested congressional committees and members, and other interested parties. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-3133 or dalkinj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

James R. Dalkin
Director
Financial Management and Assurance

Enclosure

(Job Code 103221)

[2]31 U.S.C. §§ 9101-9110.