



**Report by US Federal  
Accounting Standards  
Advisory Board**

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March 8, 2010



# Disclaimer

- Views expressed are those of the speaker. The Board expresses its views in official publications.

# Overview

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- Recently Completed Projects
  - Comprehensive Long-Term Fiscal Projections (SFFAS 36 – Sept 2009)
  - Social Insurance – Additional Requirements (est. April 2010)
  - Natural Resources (est. April 2010)
- Current Projects
  - Measurement
  - Federal Financial Reporting Model
  - Deferred Maintenance
  - Evaluating Existing Standards
    - Property, plant & equipment
    - Earmarked funds



# SFFAS 36 - Comprehensive Long-term Fiscal Projections

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- Basic Information (audited)
  - the present value of projected receipts and non-interest spending under current policy without change with relationship to projected GDP
  - changes in the present value of projected receipts and non-interest spending from the prior year
  - the assumptions underlying the projections
  - factors influencing trends
  - significant changes in the projections from period to period



# SFFAS 36 - Comprehensive Long-term Fiscal Projections, cont.

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- Required Supplemental Information
  - the projected trends in:
    - the relationship between receipts and spending
    - deficits or surpluses
    - Treasury debt held by the public as a share of GDP
  - possible results using alternative scenarios
  - the likely impact of delaying corrective action when a fiscal gap exists (“cost of delay”)



# Social Insurance – Additional Requirements (est. April 2010)

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- Together in one section in management's discussion and analysis -- critical information about costs, assets and liabilities, social insurance commitments, budget flows, and the long-term fiscal projections
- A new summary section within the statement of social insurance displaying open and closed group measures
- A new basic financial statement to present the reasons for changes during the reporting period in the open group measure reported on the statement of social insurance



# Natural Resources (est. April 2010)

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- A schedule of estimated federal oil and gas petroleum royalties:
  - the **present value** of future federal royalty receipts on proved reserves known to exist as of the reporting date
  - the amounts to be distributed to others (state governments)
- Required Supplemental Information for 3 years beginning in FY2012





# Current Projects



# Measurement Attributes

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- A statement of concepts to assist the board in establishing standards
- Identifies how ‘initial amounts’ and ‘re-measured amounts’ contribute to meeting reporting objectives
- Defines a suite of measurement attributes
- Considering needs in the federal environment, for example:
  - Value in use
  - Constant dollar reporting



# Federal Reporting Model

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- Concerns exist regarding the benefits of accrual basis financial statements relative to the cost of preparing them
- FASAB conducting a user needs study
- Federal CFO Council preparing a proposal
- Recently developed a report on experiences in other countries with the assistance of OECD and its members (report will be available soon at <http://www.fasab.gov/conceptsfinan.html>)
  - Thank you for the assistance!



# Cost Accounting

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- Evaluating the effectiveness of existing managerial cost accounting standards
- Surveying federal agencies
  - Learn more about practices
  - Identify best practices
- Focus on linking cost to performance and efforts to encourage that linkage



# Deferred Maintenance and Asset Impairment

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- Deferred maintenance viewed as critical management issue
- Experimental reporting has been underway since 1998
- Issues:
  - Definitions
  - Measurement techniques
  - Relevant metrics
- Task force of facilities managers formed to assist



# Evaluating Existing Standards

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- Why
  - Cost/benefit issues?
  - Communication challenges
  - Expectations
- How
  - Outreach to preparers, auditors and “users”
  - Development of options
- Property, plant and equipment
- Earmarked funds



# Contact and Website Information

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- General inquiries can be directed to [fasab@fasab.gov](mailto:fasab@fasab.gov)
- Phone: 202 512-7350
- [www.FASAB.gov](http://www.FASAB.gov)
  - Listserv
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