



October 12, 2017

Memorandum

To: Members of the Board

From: Grace Wu, Assistant Director

Wendy M. Payne /s/

Through: Wendy M. Payne, Executive Director

Subject: Summary of Note Disclosure Survey Results – **Tab H-2**

MEMBER ACTIONS REQUESTED:

- Review the discussion starting page 2 and provide preliminary responses to the questions to staff by October 23.

OBJECTIVE

To review the results of an online note disclosure survey and provide direction to the staff on next steps.

BRIEFING MATERIAL

- Staff Memo
- Attachment 2: Note Disclosure Survey Results Analysis
- Attachment 3: Detailed Note Disclosure Survey Results

BACKGROUND

On August 31, 2017, the Board initiated an online note disclosure (ND) survey. The objective of the ND survey was to solicit ideas for improving ND and identify areas where FASAB's guidance could aid in streamlining the reporting of ND in financial reports. The survey closed on September 25, 2017.

This ND survey was publicized to our Listserv and press contacts and, to encourage responses, we issued a reminder notice on September 14, 2017 to our Listserv. There were 129 people that joined the survey; about 67 actively participated in the survey. The survey was not statistically designed and had 27 questions. The number of responses on each question varies.

Attachment 2 *Note Disclosure Survey Results Analysis* summarizes the survey result.

Attachment 3 *Note Disclosure Survey Results* provides the full text of the survey result.

Overall, the respondents confirmed the need to improve the ND. The feedback suggested that reporting agencies are disclosing too much information that is not tailored to the needs of its primary users. Excessive information not only causes the readers to be lost in the content of NDs but also, buries the most important information. While few respondents indicated that no change on the ND is needed, about 87% of the respondents agreed that the current ND are too detailed and too complex to understand. The ND often is treated by the financial statements preparers as a compliance checklist to comply with law and regulation requirements. It lacks relevance, consistency, standardization and comparability among the federal agencies. While more than 8% of the respondents indicated that providing principle guidance probably would not help establish a uniform reporting structure, most respondents agreed that this would give flexibility to the agency while helping stick to the objective and increasing consistency by following the same guiding principles. The respondents discussed that the causes of the ND issues are varied. Sometime, it could be due to compliance with the OMB A-136, input from CEAR reviewers, or the auditor's requirements which are greater than those required by the FASAB standards. Below are the discussions of the key issues for this project.

KEY ISSUE DISCUSSION

Issue 1: Audiences of the Future ND Principles

Discussion:

Defining the primary audience and tailoring the current ND to the needs of the primary audience will help the Board to develop a principle-based concept framework to guide the preparers of ND. Knowing the primary audiences would help the preparer prepare the targeted ND content and complexity. In SFFAC 4, the Board has identified five audiences for the CFR: Citizens, Citizen Intermediaries, Congress, Federal Executives, and Program Managers. Further, the Board has stated that external user groups (that is, Citizens and Citizen Intermediaries), are the primary audiences for the consolidated Financial Report of the U.S. Government (CFR).

In survey question 12, we asked the respondent the question: "Do you use federal agency financial report notes for any analysis? If so, which disclosures and for what purpose? ". Among the 43 responses received, 26 of them used the ND, the others indicated that they didn't use it. While the citizens' usages are concentrated in debt equity ratio and GDP analyses, the federal financial community such as policy & program analysts, Office of Inspector General and decision makers used them to perform more complex analysis to support a range of functions such as comparative analyses, fluctuation analyses, identifying cost not covered by budgetary resources, and checking testimony and budget submission consistency, etc.

Question:

Based on the survey result, it seems that different respondents have different recommendations based on their unique preference of ND. Citizens do not analyze Government financial statements, and want to observe the ND to be as simple and direct as possible. The more involved component level ND is often used by the internal users and oversight bodies to support their operation and compliance functions. With further research, we might identify the primary users as internal users, oversight bodies, and citizen intermediaries.

Does the Board wish to address who the primary users of component reporting entity ND are? If the component ND had different primary users comparing to CFR, should the ND principle apply to the CFR ND too?

Issue 2: Principle-Based Framework with a Concentration on Providing Relevant Information

Discussion:

The responses to survey question 3: “Would principles that guide the Board’s development of ND requirements increase consistency of the ND and support streamlining the ND?” indicated that majority of the respondents support the idea of a principle-based framework. In question 9, we further asked: “In your opinion, and taking the nature of the agency into consideration, which ND provides the most value to the financial statement user and why?”, 41 responses answered and their answers consistently indicated that disclosures pertaining to the most material matters, major line items in the financial statements, or unique to the reporting agency provide the most value. Information requiring significant management judgment provides insight. In addition, information not clearly presented from the statements such as reporting entity, expenses, contingencies, and subsequent events are important.

The respondents also provided some suggestions to improve the ND. They discussed that the ND should be shorter and more narrowly focused; FASAB standards could allow more basic disclosures to be optional instead of making most of the disclosures mandatory; simplify, streamline and improve relevance by providing objective of the disclosure, avoiding notes with non-essential or immaterial information; adding simple baseline requirements; increasing management discretion regarding necessary disclosures; and simplifying the OMB A–136 guidance by reviewing the requirements not required by FASAB.

Question:

Focus on materiality was suggested in the response since it could potentially improve the ND relevance. After materiality analysis, some of the current required ND could be considered as non-essential or immaterial.

Based on the recommendations from the respondents, should we make more basic disclosures to be optional? Should we set up a simple baseline requirements? If so, how this can be accomplished?

Issue 3: Judgement

Discussion:

Although more than 45% of the respondents agreed that standards which emphasize judgement in preparing ND improve ND, Pros and Cons are both discussed by the respondents. The respondents agreed that judgement can assist in eliminating redundancy and unnecessary disclosure by publishing only essential information. Yet the judgement must be based on concepts and principles provided. They pointed out that emphasizing judgement could decrease consistency and comparability across federal agencies since it is subjective. In the answer to the question 8 regarding the sufficiency of the current materiality definition, some of them suggested that materiality can be expressed in both quantitative and qualitative terms. They stated that the Board should set some level of parameters by what it means by specific facts and circumstances.

Question:

When making materiality judgements, an entity needs to take into account how information could reasonably be expected to influence the primary users of its financial statements. While the survey didn’t have many good suggestions about how to apply the judgement for ND, the IFRS recent discussion papers discuss the idea of applying judgement. It states that the main

cause of the disclosure problem appears to be the difficulty in applying judgement. Whether information is material is a matter of judgement and depends on the facts involved and the circumstances of a specific entity. Judgements are often behavioral and some entities, auditors and regulators approach financial statements as compliance documents. To address the concerns, the Board of IFRS issued non-mandatory guidance in the form of a Practice Statement to help entities make judgements about whether information is material or not, when disclosing in the notes.

While the staff will use resources from IFRS and FASB conceptual framework to address the issue of materiality, do you have any suggestion of how judgment can be made? Should the materiality used for judgement be applied on a federal entity basis or consolidated government basis? And should it be expressed in both quantitative and qualitative terms?

Issue 4: Improve Clarity, Consistency, and Comparability

Discussion:

A majority of the respondents agreed that providing standardization would improve clarity, consistency, and comparability among the agencies. The language used in the ND should be less complex by reducing length and explaining government specific concepts in common language. Some agencies may find it helpful if the SFFAS provides illustrative notes. They also stated that the uniqueness of different agencies' programs provide natural limits to the issue of consistency as each government entity has its unique programs. The respondents provided some suggestions on improvement of ND such as FASAB could select those disclosures that would be similar across most agencies and concentrate on streamlining those disclosures (e.g., capital leases from the perspective of the lessee) to improve the clarity, consistency and comparability of ND. When selecting the disclosures to be streamlined, FASAB should remove from consideration certain disclosures that involve more judgment and which are made by fewer agencies.

Question:

Should we separate the NDs in two different categories as suggested by the respondents so that different principle would be applied for different categories?

MEMBER FEEDBACK

If you require additional information or wish to suggest another alternative not considered in the staff proposal, please contact staff as soon as possible. In most cases, staff would be able to respond to your request for information and prepare to discuss your suggestions with the Board, as needed, in advance of the meeting. If you have any questions or comments prior to the meeting, please contact me by telephone at (202) 512-7377 or by e-mail at wug@fasab.gov with a cc to paynew@fasab.gov.

The background features a light blue gradient at the top and bottom, with a dark blue diagonal band on the right side. A thick orange horizontal bar is positioned at the bottom right, overlapping the dark blue band.

Attachment 2: Note Disclosure Survey Results Analysis



Note Disclosure Survey Respondents

- 129 people began the survey, and 67 people completed it.
- 99/129 were Individuals.
- 12/129 responded as an Organization.
- 18/129 did not specify under what capacity they were responding.



Q1. In your opinion what are the major issues with the current note disclosures?

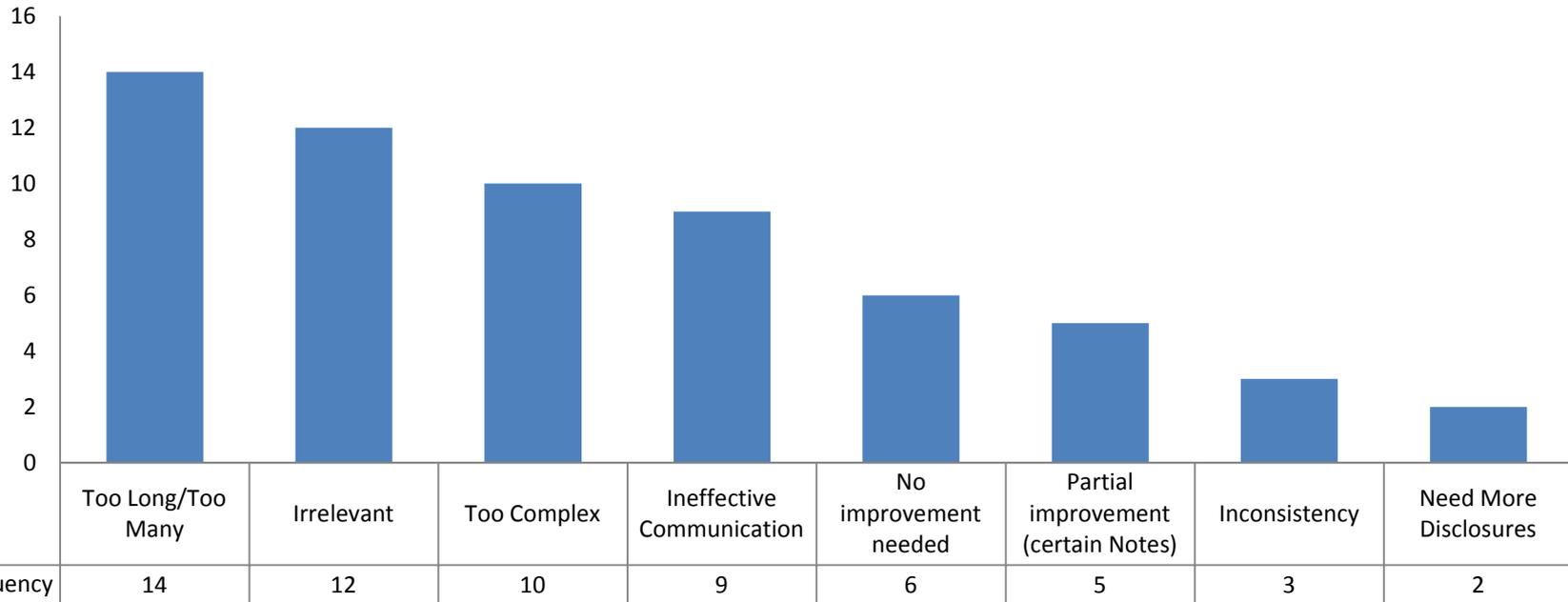
54 responded

- Even though there are **54** comments in response to this question, some comments address multiple issues that fall in different categories, which is reflected in the frequency of the categories on the next page. For example: “ Too many required notes and disclosures within each note are long and complicated ”. This example addresses **2** different issues in **1** comment.
- The issues/recommendations were categorized based on definition shown on the next page.

Q1. Problems with Note Disclosures (Continued)

Categories	Definition	Frequency
1. Too Long/Too Many	<i>Too much detail OR Excessive information OR Too many notes</i>	14
2. Irrelevant	<i>Information not relevant to the audience OR Irrelevant to the financial statements</i>	12
3. Too Complex	<i>Too difficult to understand and interpret OR Complex wording</i>	10
4. Ineffective Communication	<i>Lack of clarity OR Unsuitable communication style</i>	9
5. No improvement needed	<i>Nothing is wrong with the current note disclosures</i>	6
6. Partial improvement (certain Notes)	<i>Specified notes that have issues OR partial improvement is required</i>	5
7. Inconsistency	<i>Inconsistent with other Note Disclosures OR Lack of standardization</i>	3
8. Need More Disclosures	<i>Need of adding more information OR More disclosures required OR More guidance</i>	2

Q1. Issues/Recommendations (Continued)





Q1. In your opinion what are the major issues with the current note disclosures? (Continued)

54 responded

- Too detailed and not easily understandable for general public.
- Lack of clear reporting on where the entity spent its funds and the interconnection of program level data within the statements.
- Large number of required disclosures. Some notes are long and complicated, presenting an almost overwhelming amount of information.
- Some are too wordy and redundant with other reported information. Description can be hard to understand and unclear to the end user.
- Sometimes, notes are treated as a compliance checklist to comply with the OMB A-136, CEAR review, and the auditor's requirements which are not required by the FASAB standards.
- Lack of consistency, standardization and comparability among the agencies.
- Notes were mentioned for potential improvement: pension liability, budget and actual reconciliation (Statement of Financing), risk assumed, estimate type of notes such as environmental liability & loan, and disclosure FBWT balance by fund.



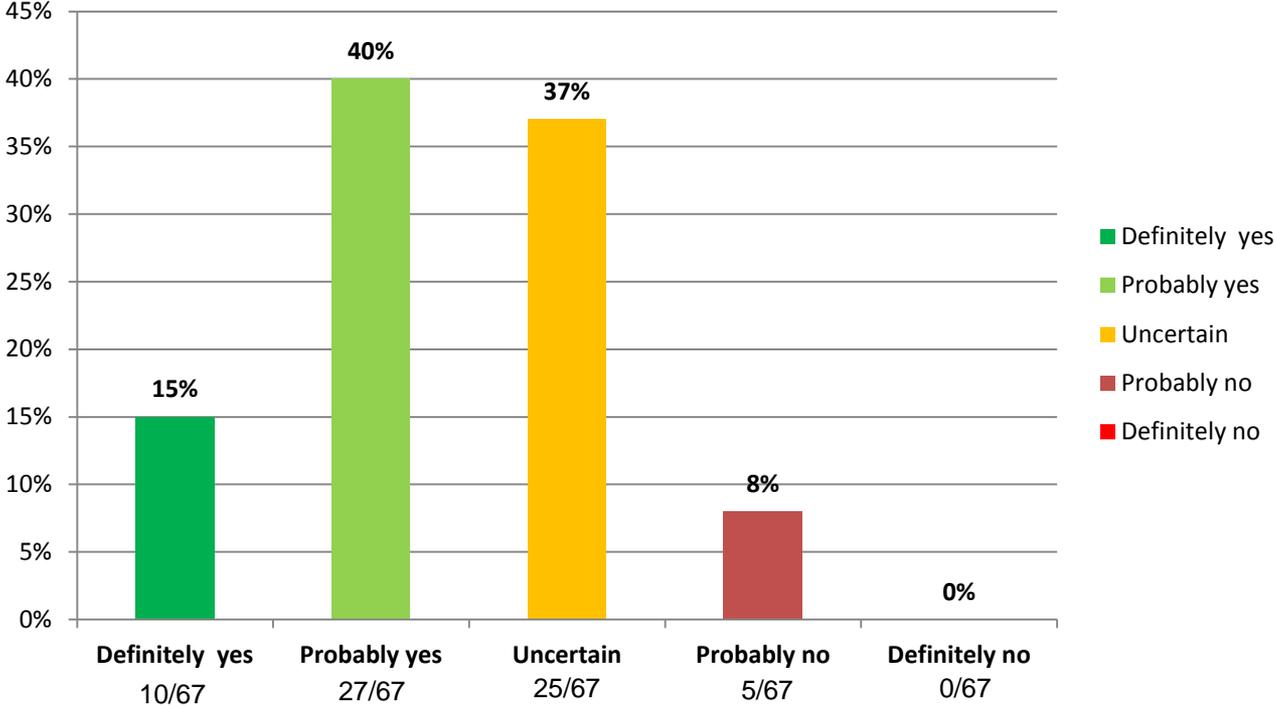
Q2. How can they be improved?

51 responded

- Possibly, keep the citizen's report for the basic fundamental information/notes. Leave the more involved notes in the financial statements.
- Convey information about important operations and performance to published performance goals and outcomes.
- Simplify, streamline and improve relevance by providing objective of the disclosure, avoiding notes with non-essential or immaterial information, adding simple baseline requirements, and increasing management discretion regarding necessary disclosures.
- Provide standardization. The language should be less complex. Reduce length and explain government specific concepts in common language. Some agencies may find it helpful if the SFFAS provides illustration notes.
- FASAB standards could allow more basic disclosures to be optional instead of making most of the disclosures mandatory. Agencies may be more willing to make disclosures if they were Required Supplementary Information instead of basic.
- Simplify the OMB A –136 guidance by reviewing the requirements not required by FASAB. Those that are not cost effective should be eliminated. Provide audit guidance to auditors to be flexible on certain disclosures that add no value to the average user.

Q3. Would principles that guide the Board's development of note disclosure requirements increase consistency of the note disclosure and support streamlining the note disclosure?

67 responded



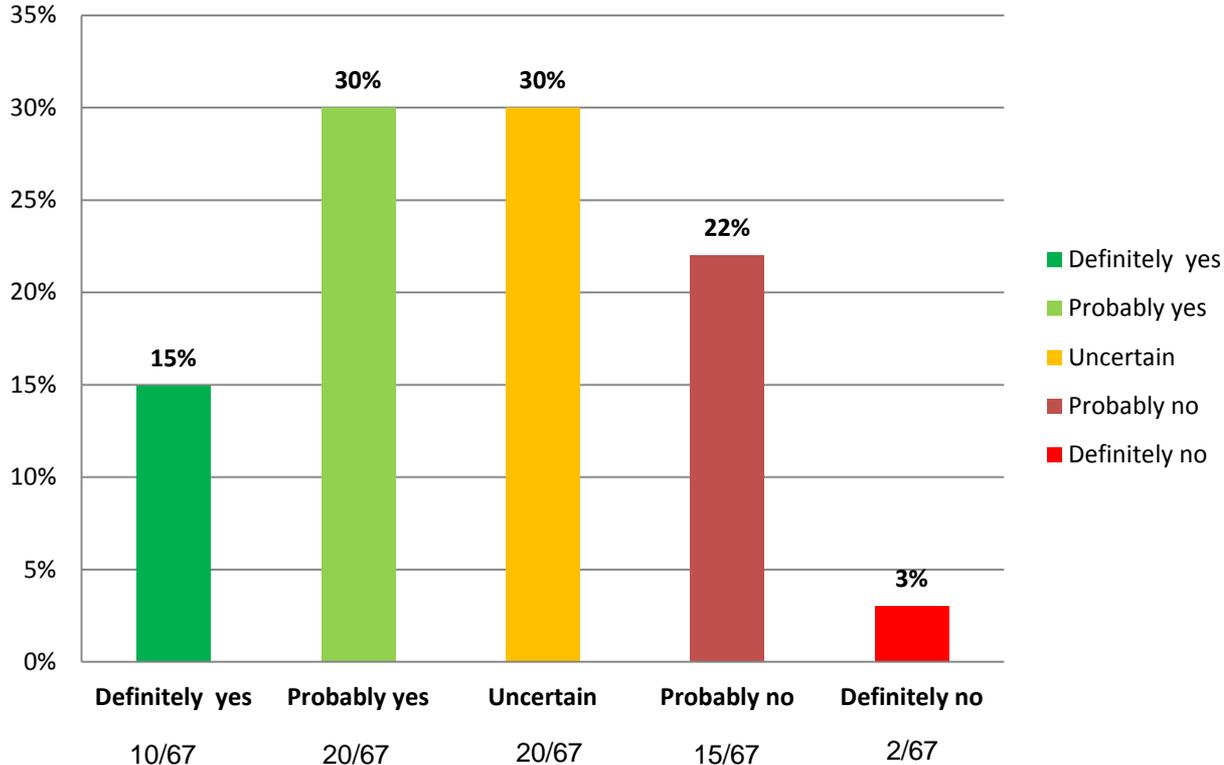
Q4. Please explain your answer. Why or why not?

40 responded

- Providing principle guidance would help establish a uniform reporting structure. It would give flexibility to the agency while helping stick to the objective and increasing consistency by following the same guiding principles.
- If disclosure is presented consistently, it would be easier to compare across government and for users to understand a broader spectrum of reports.
- Streamlining would help where the details in the notes obscuring or reducing comprehension of information in the notes.
- FASAB could select those disclosures that would be similar across most agencies and concentrate on streamlining those disclosures (e.g., capital leases from the perspective of the lessee). When selecting the disclosures to be streamlined, FASAB should remove from consideration certain disclosures that involve more judgment and which are made by fewer agencies.
- The uniqueness of different agencies' programs provide natural limits to the issue of consistency.

Q5. Would standards which emphasize judgement in preparing note disclosures lead to improvement in note disclosures?

67 responded



Q6. Please explain your answer. Why or why not?

45 responded

PROS

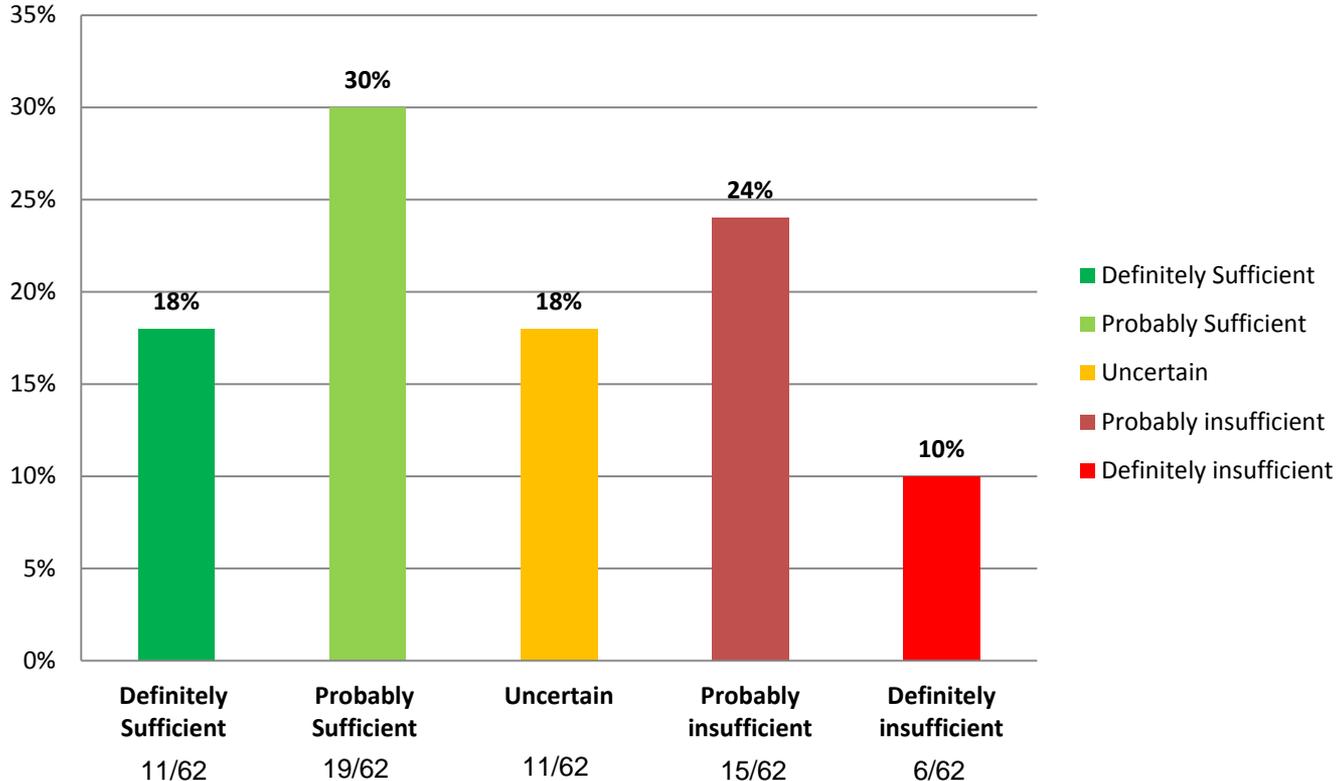
- Guidance will help making in judgements and explaining the reasoning for certain decisions.
- Management judgement can lead to better reporting - if the basis of judgement is explained and the alternative discussed.
- Judgement can assist in eliminating redundancy and unnecessary disclosure by publishing only essential information.

CONS

- Emphasizing judgement could decrease consistency and comparability across federal agencies since it is subjective. The reports across all agencies will be different given their unique programs.
- The potential for auditor and management disagreement increases as auditors usually ask for very specific requirements, especially for estimates in disclosures.

Q7. Do you think the definition of materiality is sufficient to guide the content in note disclosure?

62 responded



Q8. What suggested modifications and/or enhancements do you have for this definition if you think it is not sufficient?

21 responded

- “A judgement as to where a person reading the statements would make a different decision based on the inclusion or exclusion of the information.”
- “Add: Immaterial items generally do not change a reasonable person’s opinion/ material items generally change a reasonable person’s opinion.”
- “Something is material, if omitted or incorrect, would change the reader’s interpretation of the report, statement, or activity.” This can be expressed in quantitative or qualitative terms. The Board should set some level of parameters by what it means by specific facts and circumstances.
- “Judgment based on specific facts should be used to ensure the economic activity of an entity is appropriately represented in their respective financial statements.”
- It would be very helpful to have better mechanisms for agencies to seek authoritative guidance on specific topics and sets of circumstances that often arise during audit cycles. Such guidance often is needed with very short turn-around and with sufficient authority to address auditor concerns. It would also be helpful to have more guidance with possible setting of reporting thresholds that entities may rely on for making the determinations.

Q9. In your opinion, and taking the nature of the agency into consideration, which note disclosure provides the most value to the financial statement user and why?

41 responded

- Disclosures pertaining to the most material matters, major line items in the financial statements, or unique to the reporting agency provide the most value.
- Information about items requiring significant management judgment, like loan subsidy costs and certain types of liabilities, provide value. The disclosure should include information on the sensitivity of the estimates, and the risks inherent in key assumptions.
- Information not clearly presented from the statements such as reporting entity, expenses, contingencies, and subsequent events are important.
- Majority of the respondents considered the Summary of Significant Accounting Policies valuable. It provides a brief summary of the policies, activities and unique programs that the agency takes part in. It is a good overview for the reader.
- Others mentioned notes like debt, PP&E, liabilities, and cash. They believed these provided more insight into the real position of the entity.

Q10. Which note disclosure(s) do you believe should be streamlined or eliminated and why? Describe the disclosure problem you noticed and provide an explanation for its causes.

40 responded

- Notes related to Statement of Budgetary Resources.
- Fiduciary Activity: could be in separate report not in financial statement.
- Pension and other Actuarial Liabilities: complex and burdensome to prepare.
- Reconciliation of budgetary resources obligated to net cost of operation or Statement of Financing: too technical, not many people understand and use it .
- Notes with significant judgement and broad estimating techniques: much effort to prepare compared to the benefit to the reader.
- Non-entity Assets and funds from dedicated collections: It is difficulty for the public or congress to understand.
- Fund balance by fund type disclosure: do not provide any other insight to the user.
- Federal Credit Report Act (FCRA): too much information could be confusing. If OMB needs it, agencies can prepare a separate report to OMB.
- Statement of Social Insurance: too much information to most readers.

Q11. Is there information that would be valuable to the reader but is not currently disclosed in the financial statements or note? Please specify.

38 responded

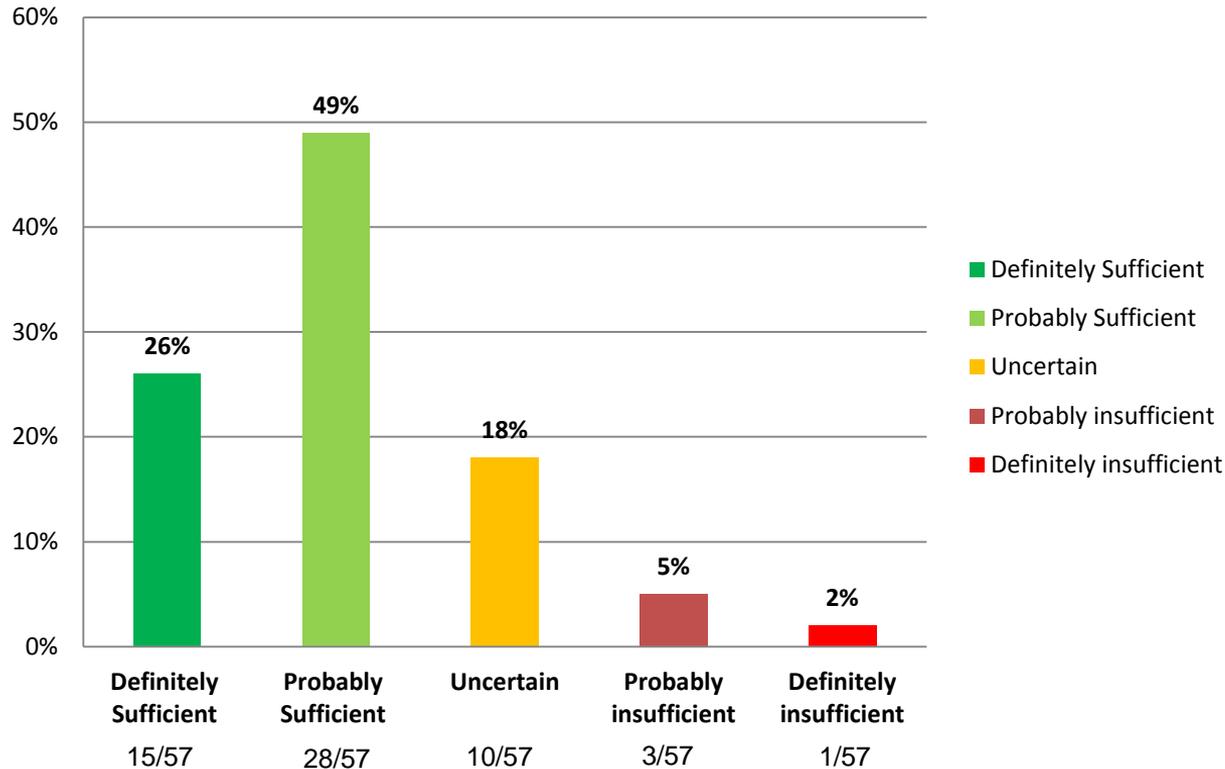
- Performance related information such as discussion of significant departures from budgetary execution, and operation & performance information for how to achieve published performance goals and outcomes.
- The benefits/value observed based on the expenditures.

Q12. Do you use federal agency financial report notes for any analysis? If so, which disclosures and for what purpose?

43 responded

- Various types of users—including citizens, decision-makers within the federal government, financial analysts, private firms, OIGs, performance/policy analysts, and performance report preparers—use the notes for analysis. However, use by financial report preparers was limited.
- These respondents utilized the notes to do comparative analysis, obtain information, comply with laws and regulations, perform fluctuation analyses, identify cost not covered by budgetary resources, and check testimony and budget submission consistency.
- In their analyses, respondents specifically mentioned using the following notes: Significant Accounting Policies, Debt, Liabilities, UDO, Related Party Transaction, Dedicated Collection, Treasury Judgement Fund, Pension, Insurance, Intragovernmental Costs, Exchange Revenue, Loan and Loan Guarantees, PP&E, Investments, and Contingent Liabilities, etc.

Q13. Do you think the current note disclosure on Significant Accounting Policies is sufficient?



57 responded

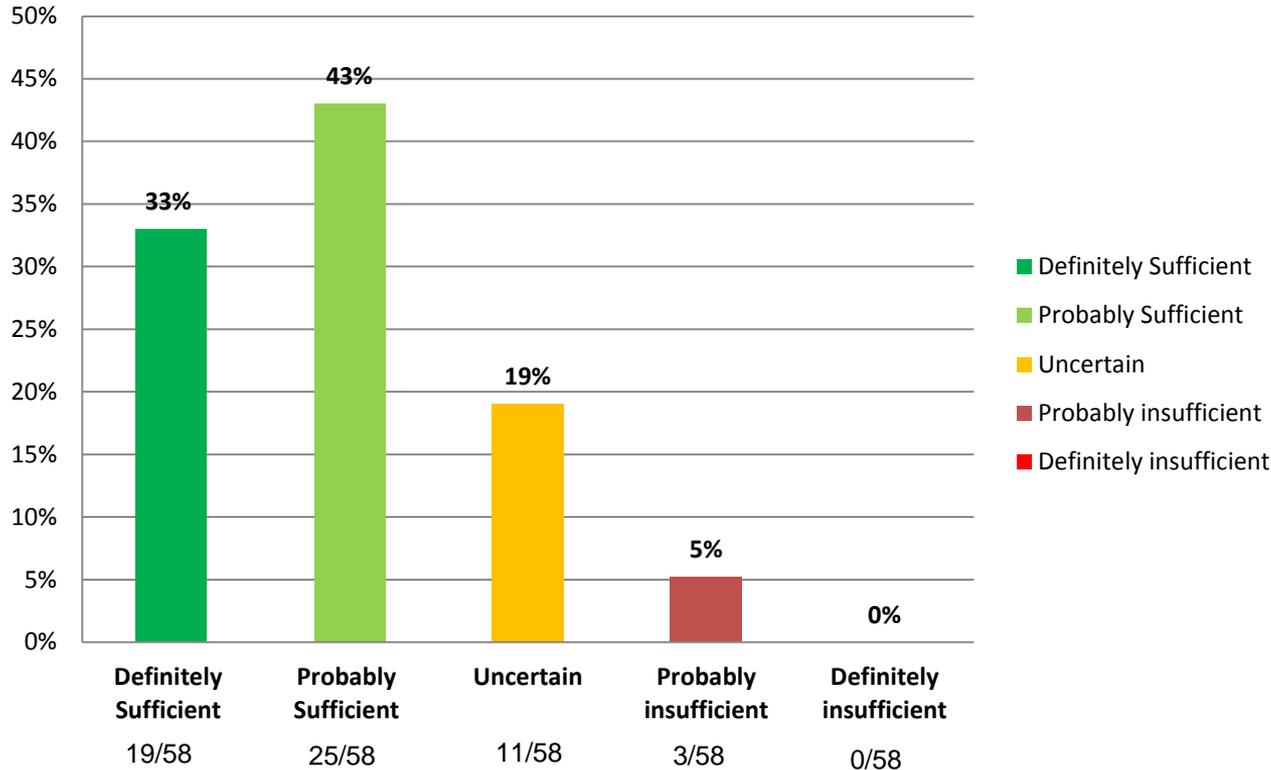
Question 14: Please offer any suggested improvement areas for the note.

2 responded

- “Compile a list of Summary of Significant Policies with cross-reference to specific SFFAS”.
- “Improve by explaining terms’ definitions more”.

Q15. Do you think the current note disclosure on Fund Balance with Treasury is sufficient?

58 responded



Q16. Please offer any suggested improvement areas for the note.

3 responded

- “Should cite more detail to support the note in appendix” – **Financial Analyst.**
- “Require further disclosures when FBWT is present” – **Financial Analyst.**
- “It’s not very useful. As an example, please point to anyone in the general public, ask them to review that note, and then ask them to explain what it means. I bet they won’t be able to answer the question. The note is understandable to preparers of financial statements themselves. That’s it.” – **Preparer of Financial Statements.**

Q17. Are you a financial report preparer?

- **18%** (20/111) of the respondents were financial report preparer while **82%** (91/111) were not.

111 responded

Q18. How many note disclosures does your agency include in its financial statements?

17 responded

- The number of note disclosures varied from **12** to **31**.
- The (mean/average) number of disclosures agencies include based on feedback is **23**.

Q19. In your view, how many of them are for compliance purpose only?

11 responded

- **11** of the **17** respondents from last question listed the number of note disclosures from compliance purpose.
- The number of note disclosures varied from **3** to **30**, indicating a high (variance/inconsistency) of notes required for compliance.
- The mean/average number of note disclosures required for compliance is **13**.

Q20. If so, which one(s) are compliance purpose only?

11 responded

- 4 respondents said that almost all notes are for compliance purpose.
- 1 respondent mentioned that it depends on the kind of notes.
- Other answers varied in terms of the notes required for compliance, they include sample notes such as FBWT, Nonentity Assets, Accounts Receivable, Cash and Other Monetary Assets, Inventory, General PP&E, Heritage Assets and Stewardship Land, Accounts Payable, Debt, Reconciliation of Net Cost of Operations to Budget, and Dedicated Collections.

Q21. Is there information in your agency's note disclosures that appears to be repetitive and included elsewhere in the AFR/PAR?

16 responded

- There is an even split between **'yes'** and **'no'**

50% said that there is repetitive information

50% said that there isn't repetitive information

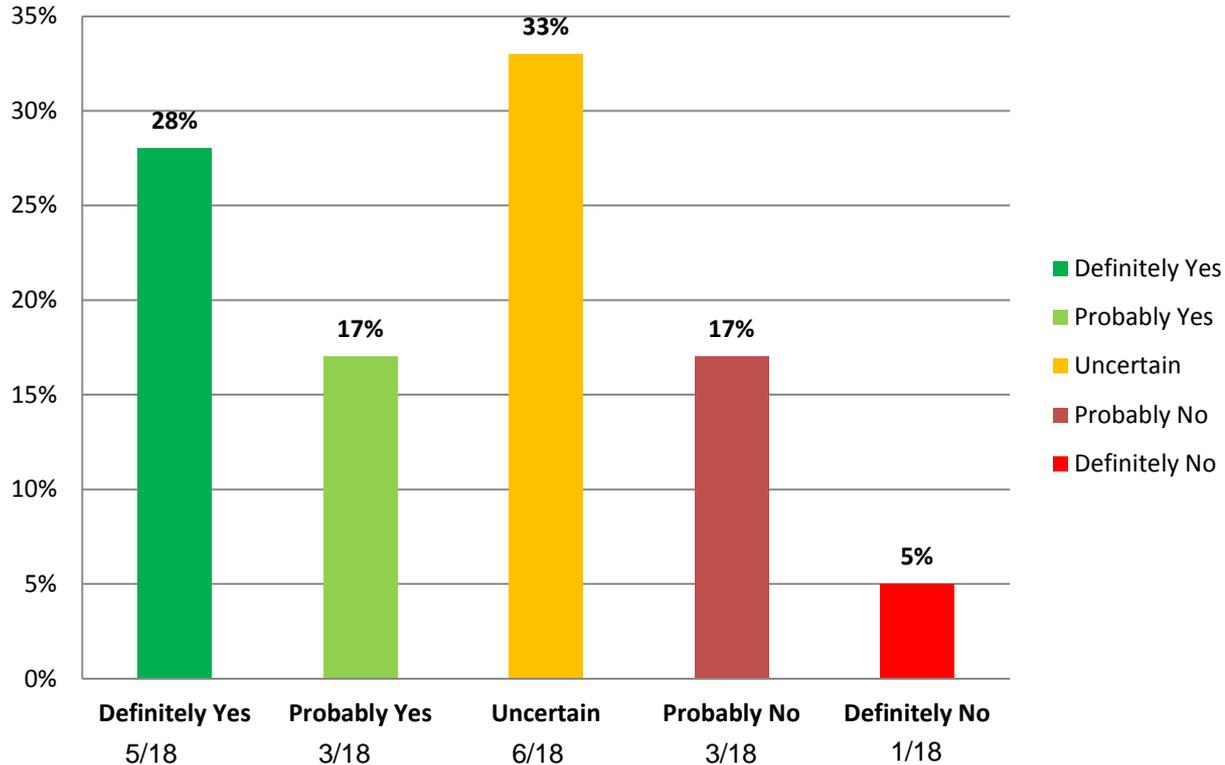
Q22. Please specify.

8 responded

- Note 1 summary of accounting policy.
- Federal vs. Nonfederal is on the balance sheet as well.
- Information about the agency's organization and structures is also in the MD&A.
- Net Cost, Leases, and Liabilities.
- Social Insurance basic information is repeated in social insurance RSI.

Q23. Would you like additional guidance on how to effectively present note disclosures?

18 responded



Q24. Please explain your answer.

10 responded

- There would be clarity on the requirements and intent of note disclosures.
- Notes need to focus on information that is significant to tax payers and not be treated as a compliance document .
- Relevance, completeness and understandability of note disclosures are currently being reviewed by many accounting standard setting bodies.
- Accountants could deal with technical information and any assistance that explains how to effectively communicate will be valuable.
- There should be a list of summary for Significant Accounting Policies and cross-reference to specific SFFAS.

Q25. If you participate in the AGA CEAR review, which note disclosures have you modified as part of the AGA CEAR review

11 responded,
6 responded
“N/A”

- MD&A
- Summary of significant accounting policies, Fund Balance with Treasury, inventory, PP&E and many others.

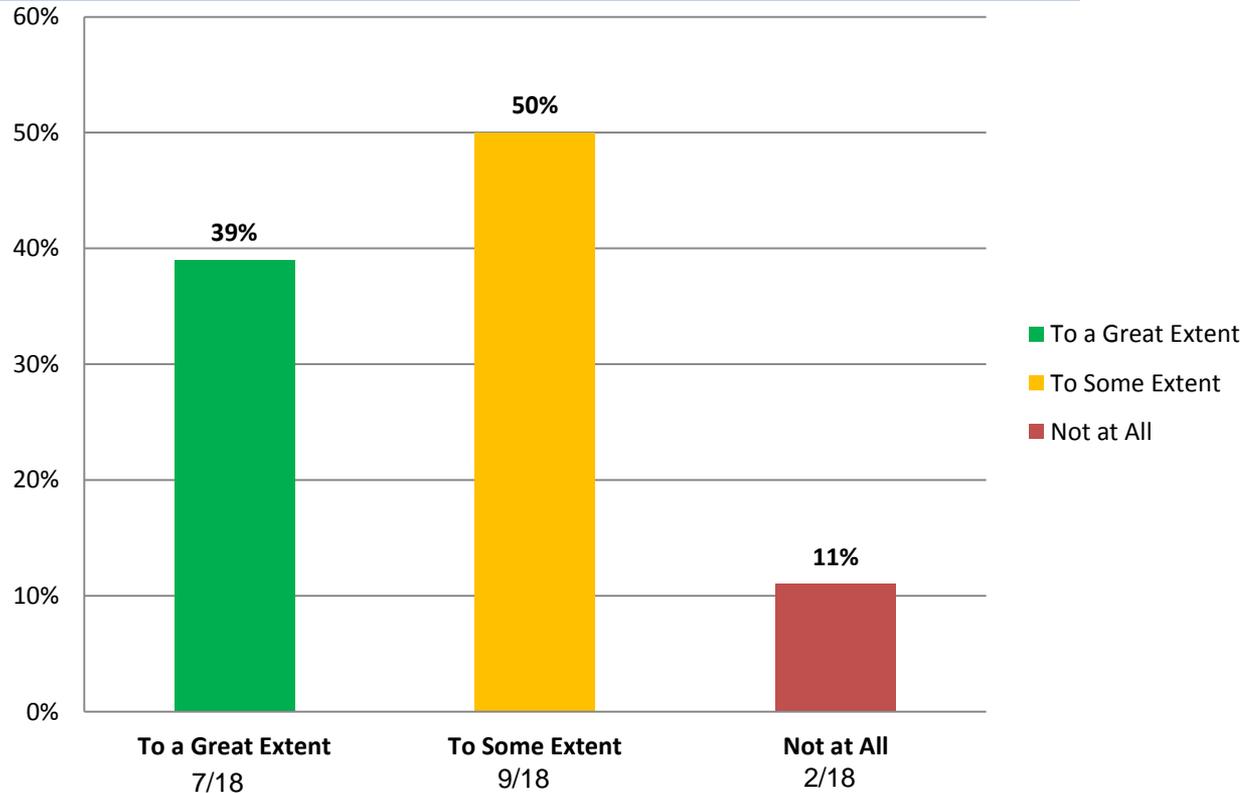
Q26. Why?

8 responded, 3
responded
“N/A”

- Edits or revisions to presentation for increased reader clarity.
- Repetitive detail within various notes.
- To provide a more concise note.
- There was a lack of clarity, missing information and duplication.

Q27. To what extent do you use judgement in preparing disclosures?

18 responded



FASAB Note Survey

The FREQ Procedure

Frequency Percent Row Pct Col Pct	Table of U3 by U4													
	U4(Please select from the following the capacity in which you are responding to this questionnaire:)													
	U3(Are you responding as an:)	0	Academia	Citizen	Decision-maker within the Federal Government	Financial Analyst	Independent Public Accounting Firm	Office of the Inspector General	Performance/Policy Analyst	Preparer of Financial Statements	Preparer of Performance Reports	Professional Organization	Other	Total
0	17 13.18 94.44 51.52	0 0.00 0.00 0.00	1 0.78 5.56 14.29	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	18 13.95
Individual	13 10.08 13.13 39.39	2 1.55 2.02 100.00	6 4.65 6.06 85.71	11 8.53 11.11 84.62	11 8.53 11.11 100.00	4 3.10 4.04 66.67	8 6.20 8.08 100.00	4 3.10 4.04 100.00	29 22.48 29.29 90.63	3 2.33 3.03 100.00	2 1.55 2.02 66.67	6 4.65 6.06 85.71	6 4.65 6.06 85.71	99 76.74
Organization	3 2.33 25.00 9.09	0 0.00 0.00 0.00	0 0.00 0.00 0.00	2 1.55 16.67 15.38	0 0.00 0.00 0.00	2 1.55 16.67 33.33	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 2.33 25.00 9.38	0 0.00 0.00 0.00	1 0.78 8.33 33.33	1 0.78 8.33 14.29	1 0.78 8.33 14.29	12 9.30
Total	33 25.58	2 1.55	7 5.43	13 10.08	11 8.53	6 4.65	8 6.20	4 3.10	32 24.81	3 2.33	3 2.33	7 5.43	7 5.43	129 100.00

Q2A If other, please describe.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:		
Individual		Other	Former Board member and Federal Controller
Individual		Other	Accounting and auditing professional
Individual		Other	Self
Individual		Other	Systems Accountant Policy
Individual		Other	Auditor with GAO

Q1. In your opinion, what are the major issues with the current note disclosures?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Academia	Did not see where projected pension liabilities are allocated to the agency where the retiree was employed and not included in the central agency from which the payment is made.
Individual	Academia	1. Don't identify extent of implementing full accrual financial statements. 2. Don't identify extent of deviating from International Public Sector Accounting Standards. 3. Don't allocate pension costs to appropriate agency for those pension plans maintained centrally.
Individual	Citizen	Too long and contains non-essential information that is boiler-plated from year-to-year.
Individual	Citizen	There is too much information that citizens dont care about.
Individual	Citizen	None
Individual	Decision-maker within the Federal Government	Some are too wordy and complicated with far more data than necessary to convey the financial information displayed.
Individual	Decision-maker within the Federal Government	None.
Individual	Decision-maker within the Federal Government	Nobody reads them and they provide no useful information.
Individual	Decision-maker within the Federal Government	difficult to automate and complex
Individual	Decision-maker within the Federal Government	-Too cumbersome to prepare for certain schedules, for example, combining statements reconciliation of net cost of operations to budget
Individual	Financial Analyst	no comment
Individual	Financial Analyst	sometimes too vague when researching cant find
Individual	Financial Analyst	Not enough detail
Individual	Financial Analyst	Too many
Individual	Financial Analyst	Description can be hard to understand
Individual	Financial Analyst	Government policies and politics that failed to structure federal financial reporting to be relevant and valued added performance reporting for civil service employees to prepare and the public will use
Individual	Financial Analyst	I don't see major issues with the current note disclosures.
Individual	Financial Analyst	Too many required notes and the disclosures within each note are long and complicated.
Individual	Independent Public Accounting Firm	Consistency, standardization, comparability, and utility. Many notes are treated like a compliance exercise, and the current AGA CEAR process only provides feedback so that a preparer complies with OMB guidance. If FASAB and OMB are not in agreement, only frustration and inconsistency will be the result.
Individual	Independent Public Accounting Firm	Preparer's are not educated enough on their responsibility or understanding of the objective of the notes. Thus, they rely on checklists, what the auditor's tells them, etc. vs. what management believes is proper.
Individual	Independent Public Accounting Firm	I have no input, as I my responsibilities in recent years have not included review of notes to financial statements.
Individual	Office of the Inspector General	They are potentially unclear to the end user.
Individual	Office of the Inspector General	Large number of disclosures, presenting an almost overwhelming amount of information.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Office of the Inspector General	For credit reform notes, large amounts of required info that only scratches the surface of the most important issues. Pages of information just to meet the minimum disclosure requirements, and a couple lines buried in it all addressing what is really most pressing from a cost and exposure standpoint.
Individual	Office of the Inspector General	too lengthy and not easily understood by the general public
Individual	Office of the Inspector General	It depends on the individual note, but some of the concepts underlying the information are just not straight forward to convey in a brief note.
Individual	Office of the Inspector General	The lack of clear reporting on what the entity spent its funds on. Depending on the entity, its not clear what has been obtained, and from whom.
Individual	Office of the Inspector General	Ideally they should be concise, easy to understand and address matters that are material to the users of the financial statements.
Individual	Performance/Policy Analyst	Relevance to citizens in terms of auditable measures and programmatic information that is comparable across entities.
Individual	Performance/Policy Analyst	Question of relevance
Individual	Performance/Policy Analyst	They are redundant with other reported information and too long.
Individual	Preparer of Financial Statements	They are too lengthy. The time spend completing the disclosures would be better spent analyzing the numbers.
Individual	Preparer of Financial Statements	Some Notes are required to include too much detail. Also, OMB Circular A-136 includes many Notes requirements that are not FASAB requirements.
Individual	Preparer of Financial Statements	The notes are cumbersome. The auditors obsess over the narrative which causes unnecessary changes.
Individual	Preparer of Financial Statements	Risk Assumed is very vague and can be interpreted different ways depending on the type of insurance you are involved in
Individual	Preparer of Financial Statements	The issue is not with the note disclosures per se. The issue is that we spend far too much taxpayer resources developing estimates (grant accruals, accounts payable accruals, environmental liabilities, etc), and defending those estimates to the auditors as though they are actuals. These disclosures are not used to manage programs more effectively, and it's very difficult to find any examples of where the reader uses or relies of them. And the new Budget Reconciliation note is going to be problematic because it is not a precise crosswalk from the trial balance. The auditors cannot and do not allow "judgment" in the preparation of these notes.
Individual	Preparer of Financial Statements	Too detailed for average American citizen
Individual	Preparer of Financial Statements	The most significant issue is making determinations related to the making or not making disclosures of matters that are not quantitatively material, but may be significant to potential users. With a scant volume of known users, making such determinations can be difficult when deciding what disclosures and level of details are sufficient. A second significant issue arises in collections and maintaining qualitative information required by some disclosures, particularly related to assets, such as deferred maintenance, potential impairments, future potential environmental liabilities, etc. Such qualitative and mostly non-financial information is very difficult to maintain in a current state, with a high degree of reliability/accuracy necessary for audit. The associated administrative recordkeeping can be very burdensome, generating resistance from program officials when the only need/use for such information is a financial disclosure contained in reporting used by very small communities.
Individual	Preparer of Financial Statements	While most of the notes provide relevant, useful information, there are several that are confusing to a casual user, specifically the Budgetary to Proprietary Reconciliation note (formerly the Statement of Financing).

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Preparer of Financial Statements	Public Perception that they are too complicated, too long and not informative
Individual	Preparer of Financial Statements	I do not see any major issues with the current note disclosures
Individual	Preparer of Financial Statements	Lack of standardization
Individual	Preparer of Financial Statements	Some notes need more guidance. At times we get dinged by the CEAR review for needing more information.
Individual	Preparer of Financial Statements	The presentation is too arcane and built around accounting jargon. Information on a program that touches multiple financial statement lines and notes is repeated several times in the different notes. The organization of notes, tied to individual statement lines, fragments the information and obscures the interconnection of program level data within the statements.
Individual	Preparer of Financial Statements	Too much is required and a nonprofessional wouldn't understand most of the federal government's financial statements or note disclosures.
Individual	Preparer of Financial Statements	Too many requirements.
Individual	Preparer of Performance Reports	understandability,overwheming, repetitive, an attempt to justify non-compliance with GAAP.
Individual	Preparer of Performance Reports	I don't have any major issues with the current note disclosures.
Individual	Preparer of Performance Reports	The note disclosures are fine. They can be communicated better. Perhaps some training could be offered to better communicate what the disclosures are and why they are in place.
Individual	Other	1. Reconciliation of budget and actual not intelligible. 2. Insufficient application of required environmental liabilities disclosures. 3. Don't appreciate the need to disclose FBWT balances by fund.
Individual	Other	Note disclosures should explain more fully what constitutes the classifications in the financial statements.
Organization	Decision-maker within the Federal Government	Some note disclosures are too voluminous and complicated, encompassing far more data than we believe is necessary to convey the financial information displayed. For example, in our opinion, there is a broad inconsistency across agencies with the presentation of Note 1. Some agencies have a large volume of information presented while others have minimal. We believe there should be standardization for note disclosures throughout the agencies. In addition, an evaluation of some note disclosures for value added would be appreciated. For example, we do not understand what value is added by including the dedicated collection footnote since the majority of the general public does not know what a dedicated collection is nor does. Therefore, in our opinion, it takes more time to prepare than adds value to the reader.
Organization	Preparer of Financial Statements	Respondee: US Department of Labor (DOL)/Office of the Chief Financial Officer (OCFO)/Financial Reporting Division (FRD). There are too many note disclosures that are Basic and mandatory.
Organization	Preparer of Financial Statements	Don't see any

Q2. How can they be improved?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Academia	Include this allocation
Individual	Academia	Include above information in the notes.
Individual	Citizen	Agencies should use plain English and avoid stuffing the notes with non-essential or immaterial information.
Individual	Citizen	1. Remove disclosures that are not useful, such as fiduciary activity. These should be in separate reports if useful and not in a government entities report since amounts are not recorded on the financial statements. 2. Remove the fund balance by fund type disclosure. The notes don't provide any other insight on information by fund type so how can users use such information? 3. Simplify the FCRA note disclosures by removing most of the FCRA note disclosures. There are so many tables and so much information that it is very confusing and most citizens have no idea what it means. If this is needed by OMB have the agencies separately report such to OMB. 4. REmove disclosures of apportionments by categories. How is this useful to citizens? Category B tends to have most of the amount and it is so generic what can citizens interpret from such. 5. Remove reconciliation of net cost to budget as this is not useful information and we receive sufficient information from the balance sheet statement of net cost and statement of budgetary resources.
Individual	Citizen	Not sure
Individual	Decision-maker within the Federal Government	Need to look at objective of the disclosure of whether it helps the reader to understand the presentation better or to bombard the reader with extraneous and unnecessary information. Auditors have asked for more and more information that takes so much time for preparers to disclose in the guise of 'standards requirements'. Question is how useful is it to the public when we have so much poured into the notes and one gets lost in the data? Has to streamline, simplify and start anew with baseline requirements.
Individual	Decision-maker within the Federal Government	They should include benefit information that provides some type of benefits for the costs incurred.
Individual	Decision-maker within the Federal Government	simplify and streamline...auditors keep requiring more and more info that is not necessary to meet the objective of a note.
Individual	Decision-maker within the Federal Government	Move them to other accompanying information as the combined statements are audited and validated.
Individual	Financial Analyst	no comment
Individual	Financial Analyst	attach copy of reference to the appendix
Individual	Financial Analyst	more disclosures
Individual	Financial Analyst	Have fewer
Individual	Financial Analyst	simplification of the notes and where it ties to the financial statements (strong crosswalk) would benefit a non-financial reader's understanding
Individual	Financial Analyst	The federal work force, needs to be managed to high performance. Resource funding should be top priority to train and maintain a the best professional work force. The federal work force must have leadership that is accountable for the success and failures of the missions and management of high performance and motivated staff under their supervision
Individual	Financial Analyst	The current note disclosures works fine.
Individual	Financial Analyst	Shorten the number of notes and the requirements for each note. KISS Keep it Simple ...
Individual	Independent Public Accounting Firm	Create an active connection between OMB reporting requirements and FASAB standards (and Treasury USSGL accounts, transactions, etc.). Having OMB and Treasury representing on the Board is not nearly enough.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Independent Public Accounting Firm	Suggest more training to CFO's and FM community.
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	Improving the clarity of the purpose and necessity of the note disclosure.
Individual	Office of the Inspector General	Reduce the number of note disclosures and the amount of information being presented.
Individual	Office of the Inspector General	Require more regarding risks.
Individual	Office of the Inspector General	Possibly, expend the citizen's report for the basic fundamental information/notes. Leave the more involved notes in the financial statements.
Individual	Office of the Inspector General	The reintroduction of the Schedule of Spending would assist. More information on what the relevant payroll expenses are?
Individual	Office of the Inspector General	Focus on materiality.
Individual	Performance/Policy Analyst	Incorporate auditable measures and programmatic information within the note disclosures that is comparable across entities.
Individual	Performance/Policy Analyst	Convey information about operations and performance where explanations about impact or importance of the information to published performance goals and outcomes. Combine RSSI information such as Deferred maintenance with GPPE section to increase relevance and complete the picture. Make them more complete and thus more accurate. Many are written from an accountant viewpoint and are fundamentally wrong from a functional perspective, or lack complete explanations.
Individual	Performance/Policy Analyst	They should be shorter and more narrowly focused.
Individual	Preparer of Financial Statements	Simplify the requirements. I realize this falls under OMB, but they continue to increase the number of disclosures and do you eliminate any.
Individual	Preparer of Financial Statements	Requirements that are required by A-136 but not required by FASAB should be reviewed, and those that are not cost effective and informative should be eliminated.
Individual	Preparer of Financial Statements	Be clear in how they language should be interpreted and include auditors in training
Individual	Preparer of Financial Statements	Better define Risk Assumed. provide illustrations of various types of Risk Assumed.
Individual	Preparer of Financial Statements	We need to rethink what users really need. We need to spend scarce financial resources providing information that will help make decisions and manage programs. Financial statements are not doing that.
Individual	Preparer of Financial Statements	Just present how level pertinent information
Individual	Preparer of Financial Statements	In increase in management discretion regarding necessary disclosures, as discussed in question 5 would provide some improvement in this regard. It would also be helpful if there were collaboration between the FASAB and OMB to provide more detailed guidance, such as via Circular A-136, that might establish reporting thresholds for certain disclosures and provide greater clarity regarding the levels of details entities must provide in disclosures.
Individual	Preparer of Financial Statements	Reduce length and explain government specific concepts in common language. Provide a glossary defining key government terms.
Individual	Preparer of Financial Statements	reduce the number
Individual	Preparer of Financial Statements	I do not have any suggestions for improvements

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Preparer of Financial Statements	Provide standardization
Individual	Preparer of Financial Statements	More concise guidance.
Individual	Preparer of Financial Statements	Reorganize the notes to be based on either program activity or by financial cycles.
Individual	Preparer of Financial Statements	Simplify instead of constantly adding more requirements
Individual	Preparer of Financial Statements	Limit requirements. Be flexible on certain requirements. Provide audit guidance to auditors to be flexible on certain disclosures that add no value to the average user.
Individual	Preparer of Performance Reports	The language should be less complex. Should not replace what should have been disclosed in the financial statements.
Individual	Preparer of Performance Reports	I don't have any suggestions for improvement.
Individual	Preparer of Performance Reports	Discussed above. Lack of training.
Individual	Other	1. Change the format 2. Explain and then enforce the need for the information. 3. Determine the usefulness of the information and adjust accordingly.
Individual	Other	Difficulty is the classifications in the financial statements are difficult to relate to an agency's operations.
Organization	Decision-maker within the Federal Government	A review of the objectives of each note disclosure should be performed to determine whether the note provides clarity to its target audience. Ideally, the process for preparing note disclosures should be streamlined with simple baseline requirements among each agency.
Organization	Preparer of Financial Statements	FASAB standards could allow more Basic disclosures to be optional instead of making most of the disclosures mandatory. Agencies may be more willing to make disclosures if they were Required Supplementary Information instead of Basic. Also, some Agencies may find it helpful if the SFFAS provides sample language that is illustrative, but does not require the exact words to be used so that agencies have flexibility if they choose alternative language. SFFAS 27, paragraph 28, is a good example of illustrative language.

3. Would principles that guide the Board's development of note disclosure requirements increase consistency of the note disclosures and support streamlining the note disclosures?

	Definitely yes		Probably yes		Uncertain		Probably no		Definitely no		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	14.9	10	40.3	27	37.3	25	7.5	5	0.0	0	67
Responding											
Individual	14.3	9	41.3	26	36.5	23	7.9	5	0.0	0	63
Organization	25.0	1	25.0	1	50.0	2	0.0	0	0.0	0	4
Capacity											
0	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	1
Academia	50.0	1	50.0	1	0.0	0	0.0	0	0.0	0	2
Citizen	33.3	1	0.0	0	33.3	1	33.3	1	0.0	0	3
Decision-maker within the Federal Government	10.0	1	40.0	4	30.0	3	20.0	2	0.0	0	10
Financial Analyst	0.0	0	70.0	7	30.0	3	0.0	0	0.0	0	10
Independent Public Accounting Firm	50.0	2	25.0	1	25.0	1	0.0	0	0.0	0	4
Office of the Inspector General	14.3	1	42.9	3	28.6	2	14.3	1	0.0	0	7
Performance/Policy Analyst	0.0	0	50.0	2	50.0	2	0.0	0	0.0	0	4
Preparer of Financial Statements	16.7	3	27.8	5	50.0	9	5.6	1	0.0	0	18
Preparer of Performance Reports	33.3	1	33.3	1	33.3	1	0.0	0	0.0	0	3
Professional Organization	0.0	0	0.0	0	100.0	1	0.0	0	0.0	0	1
Other	0.0	0	50.0	2	50.0	2	0.0	0	0.0	0	4

Q4. Please explain your answer. Why or why not?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Academia	Consistency is always better
Individual	Academia	Each federal entity would report in a similar manner.
Individual	Citizen	Agencies often run their note disclosures through their IPAs, Public Affairs, Legislative Affairs, and General Counsel. Each of these activities "stuff" the notes to satisfy their own concerns and constituencies regardless of what the accounting standards say.
Individual	Citizen	Strengthening internal controls almost always helps reporting and accuracy.
Individual	Decision-maker within the Federal Government	We need some level of flexibility from management to provide additional information from the baseline requirements but with a limit or threshold. Also, the auditors have intrude on management roles in looking at what we can and cannot display to the point where I would question their independence.
Individual	Decision-maker within the Federal Government	The note disclosure in OMB Circular A-136 are fine.
Individual	Decision-maker within the Federal Government	FASAB is not know for streamlining. To the contrary, there has been a steady stream of new requirements and expanded guidance.
Individual	Decision-maker within the Federal Government	principles would give flexibility to the agency while helping all stick to the objective.
Individual	Decision-maker within the Federal Government	It definitely is a good idea; however, we do not have bandwidth to spare resources to support the development effort. It generally comes down as a data call that requires agencies to perform research and respond.
Individual	Financial Analyst	no comment
Individual	Financial Analyst	give good examples some may think note is ok but non worker may not know where to find info
Individual	Financial Analyst	Well developed and explained principles should inform the user's judgement on note disclosure
Individual	Financial Analyst	the expertise of the Board and thorough discussion of the changes supports the effort to streamline the note disclosures.
Individual	Financial Analyst	If everyone complies with the board's note disclosure requirements then they will be consistent across the Federal government. However, keeping them simple and straight forward will leave little for interpretation and will increase consistency.
Individual	Independent Public Accounting Firm	They would definitely help, but they should be intertwined with the OMB discussion above. An audit firm drives toward the standards and applies them based on their interpretation of the standards. If "clean opinion" entities and/or premier financial statement producers have currently unusable/uncomparable notes, a lack of future linkage between OMB and FASAB would only perpetuate the issue.
Individual	Independent Public Accounting Firm	Since the Departments have been preparing notes for almost 26 plus years, it seems that added principles would assist them.
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	Providing guidance would help establish a uniform reporting structure.
Individual	Office of the Inspector General	If the principles required more regarding risks (see question 1 above) then that would not streamline the notes, but would certainly add value.
Individual	Office of the Inspector General	The uniqueness of different agencies programs provide natural limits to the issue of consistency.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Office of the Inspector General	OMB really provides entities with the most guidance on how to comply with the FASAB standards.
Individual	Office of the Inspector General	Such principles would promote consistency and streamlining.
Individual	Performance/Policy Analyst	Maintaining standards of auditable measures and programmatic information comparable across entities requires consistency within the standards for auditors to then assess compliance.
Individual	Performance/Policy Analyst	Rather than developing principles for notes, I think the Board needs to commit to limiting note content to what is essential to understanding the statements. I believe that readers are overloaded with information.
Individual	Preparer of Financial Statements	Treasury and OMB seem to want everything included in the disclosures, streamlining the requirements by FASAB would be very helpful.
Individual	Preparer of Financial Statements	Each note has unique issues. For example, the credit reform note provides important information about default rates for various loan programs, but the reconciliation is not informative for readers, and should not be presented. Other reconciliations, such as the Budget to Accrual Reconciliation, possibly should be retained. Each note is unique, so I don't see how "principles" could be developed.
Individual	Preparer of Financial Statements	It would ensure all parties interpret words such as shall, should, can in the same manner
Individual	Preparer of Financial Statements	Board can set guidance but everyone still has to interpret and implement the same way
Individual	Preparer of Financial Statements	It would depend on the principles used and how the Board might communicate the application of those principles to particular topics. Without the visibility to gauge how that might play-out, the effects are not determinable.
Individual	Preparer of Financial Statements	If disclosure is presented consistently it will be easier to compare across government and for users to understand a broader spectrum of reports.
Individual	Preparer of Financial Statements	Because Government employees like guidance
Individual	Preparer of Financial Statements	It all depends on the agency / individual preparing the note. Some like to disclose everything, while others disclose the bare minimum.
Individual	Preparer of Financial Statements	Streamlining would help to reduce where the volume of details in the notes is obscuring, or reducing comprehension of information in the notes.
Individual	Preparer of Financial Statements	It increase consistency but at the same time it adds complexity.
Individual	Preparer of Performance Reports	They should be field tested and subject to a post-implementation review. costs and benefits should also be assessed.
Individual	Preparer of Performance Reports	If the note disclosures all followed the same guiding principles, there would be consistency.
Individual	Other	Don't understand the question
Individual	Other	Not sure.
Organization	Decision-maker within the Federal Government	We need some level of flexibility from management to provide additional information from the baseline requirements but with a limit or threshold.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. FASAB could select those disclosures that would be similar across most agencies and concentrate on streamlining those disclosures (e.g., capital leases from the perspective of the lessee). When selecting the disclosures to be streamlined, FASAB should remove from consideration certain disclosures that involve more judgment and which are made by fewer Agencies (e.g., social insurance).
Organization	Preparer of Financial Statements	I don't see issues in the notes currently for those we use.

5. Would standards which emphasize judgment in preparing note disclosures lead to improvement in note disclosures?

	Definitely yes		Probably yes		Uncertain		Probably no		Definitely no		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	14.9	10	29.9	20	29.9	20	22.4	15	3.0	2	67
Responding											
Individual	14.3	9	30.2	19	30.2	19	22.2	14	3.2	2	63
Organization	25.0	1	25.0	1	25.0	1	25.0	1	0.0	0	4
Capacity											
0	0.0	0	0.0	0	100.0	1	0.0	0	0.0	0	1
Academia	50.0	1	50.0	1	0.0	0	0.0	0	0.0	0	2
Citizen	33.3	1	0.0	0	0.0	0	33.3	1	33.3	1	3
Decision-maker within the Federal Government	10.0	1	40.0	4	30.0	3	20.0	2	0.0	0	10
Financial Analyst	10.0	1	20.0	2	40.0	4	30.0	3	0.0	0	10
Independent Public Accounting Firm	0.0	0	0.0	0	100.0	4	0.0	0	0.0	0	4
Office of the Inspector General	14.3	1	28.6	2	42.9	3	14.3	1	0.0	0	7
Performance/Policy Analyst	0.0	0	25.0	1	25.0	1	50.0	2	0.0	0	4
Preparer of Financial Statements	22.2	4	22.2	4	22.2	4	27.8	5	5.6	1	18
Preparer of Performance Reports	33.3	1	66.7	2	0.0	0	0.0	0	0.0	0	3
Professional Organization	0.0	0	0.0	0	0.0	0	100.0	1	0.0	0	1
Other	0.0	0	100.0	4	0.0	0	0.0	0	0.0	0	4

Q6. Please explain your answer. Why or why not?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	0	I do believe that judgement is an important factor in presenting note information. However, different groups such as prepares, auditors, and individual user groups are likely to arrive at differing opinions concerning the the judgements that are applied.
Individual	Academia	Good to see why certain decisions were made.
Individual	Academia	Consistency in presentation.
Individual	Citizen	Judgment often results in a free-for-all at agencies. This will lead to inconsistencies and lack of comparability. Also, such judgments might also lead to increased audit burden with those auditors who second-guess management assertions.
Individual	Citizen	Preparers need guidance on which disclosures to include so that there is consistency for comparability purposes.
Individual	Citizen	Same as above.
Individual	Decision-maker within the Federal Government	Only if the judgment is management judgment and not coercion of judgment by the auditors or by political influence.
Individual	Decision-maker within the Federal Government	The note disclosures in OMB Circular A-136 are fine.
Individual	Decision-maker within the Federal Government	If the standard is emphasizing the use of judgement then it seems we create an opportunity for anyone's opinion to count. It seems the standards should remove subjectivity.
Individual	Decision-maker within the Federal Government	While this would probably lead to inconsistency, it could lead to more useful information.
Individual	Decision-maker within the Federal Government	assuming the judgment is management judgment and not auditor judgment.
Individual	Financial Analyst	no comment
Individual	Financial Analyst	Not necessarily bu could improve disclosure by adding info in appendix
Individual	Financial Analyst	First concepts, next principles, last judgement. That is, judgement must be based on concepts and principles provided.
Individual	Financial Analyst	could lead to varied responses depending on the background of those involved in the process
Individual	Financial Analyst	This could depend on the standards that could be raised from different agency of what is a professional judgment.
Individual	Financial Analyst	Anything left to interpretation (judgment) will not be consistent.
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	The agencies are going to try to meet the minimum, but will typically only press beyond that if its good news. The risks and sensitivity of subsidy costs are driven by law and policy decisions. If those policy decisions raise subsidy costs, agencies are not typically incentivized to emphasize that.
Individual	Office of the Inspector General	The exercise of judgment may lead to better disclosures in the notes. Unfortunately, FASAB can't say that the notes are to be prepared for those knowledgeable about the programs.
Individual	Office of the Inspector General	Right now, entities can include more that what is required, based on their judgement, but most do not.
Individual	Office of the Inspector General	Depends on the clarity of the standards. Professional judgment is subjective.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Performance/Policy Analyst	Emphasizing judgment could decrease reporting consistency.
Individual	Performance/Policy Analyst	Comparability across entities brings more utility for the note disclosures to citizens.
Individual	Performance/Policy Analyst	Application of standards drive consistency and provide clarity of expectations.
Individual	Performance/Policy Analyst	I think the Board and the financial community need to commit to reducing the number and length of the notes, which means publishing only essential information.
Individual	Preparer of Financial Statements	OMB and Treasury should be required to only request the disclosures in the FASAB Standards.
Individual	Preparer of Financial Statements	Auditors and preparers often come to different conclusions when using judgment.
Individual	Preparer of Financial Statements	The potential for auditor and management disagreement increases
Individual	Preparer of Financial Statements	Over the course of time, auditors have gravitated more toward wanting to quantify EVERYTHING. Estimates must be proven with after the fact actual data as though the preparer had a crystal ball when the estimate was developed. It is really not clear who is using this data and for what. We are devoting significant taxpayer dollars to these efforts and in our more mature reporting environment of today, it is no longer clear that we are continuing to receive increasing benefits from the financial statements.
Individual	Preparer of Financial Statements	leads to many different interpretations
Individual	Preparer of Financial Statements	The more that an entity's management's judgement is the determining factor for determining necessary disclosures, the greater flexibility would be provided, which improves the reporting environment and provides greater assurance that internal management levels will understand and appreciate the value in maintaining information needed. However with greater entity-level discretion, there is greater risk of losing comparability across Federal entities.
Individual	Preparer of Financial Statements	Judgment can assist in eliminating redundancy and unnecessary disclosure. However, applying judgment will reduce the consistency of information reported by various entities.
Individual	Preparer of Financial Statements	Because Government employees like guidance
Individual	Preparer of Financial Statements	It would empower the individual that is writing the note.
Individual	Preparer of Financial Statements	Too much reliance on individual judgement could lead to excessive inconsistency in the note presentations.
Individual	Preparer of Financial Statements	Auditors don't like judgmental decisions they want someone to provide very specific requirements, or even better, a template for agencies to just fill in the amounts.
Individual	Preparer of Financial Statements	Preparers have the opportunity to use their judgment based on their unique environment without restriction.
Individual	Preparer of Performance Reports	It will to improvement, if the basis of judgement is explained and the alternative discussed.
Individual	Preparer of Performance Reports	It's frequently necessary to use some judgment in preparing disclosures. Having such standards would be helpful.
Individual	Other	Too often, preparers follow A-136 illustrative materials as if it is required.
Individual	Other	May explain the difference in what an agency is doing in their responsible area.
Organization	Decision-maker within the Federal Government	We need some level of flexibility from the standard to provide additional information from the baseline requirements but with a limit or threshold.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. If greater judgment is allowed in making disclosures which are made by fewer agencies, then this may improve the disclosure because the agency could describe with fewer restrictions their unique environment (e.g., social insurance). However, for disclosures that are made by

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
		most agencies, using less judgment would lead to greater consistency, make the Financial Report of the US Government easier to compile, and improve auditability at both the entity and governmentwide levels.
Organization	Preparer of Financial Statements	"Judgment" by individuals can vary greatly.

7. Do you think this definition of materiality is sufficient to guide content in note disclosures?

	Definitely sufficient		Probably sufficient		Uncertain		Probably insufficient		Definitely insufficient		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	17.7	11	30.6	19	17.7	11	24.2	15	9.7	6	62
Responding											
Individual	15.5	9	32.8	19	17.2	10	24.1	14	10.3	6	58
Organization	50.0	2	0.0	0	25.0	1	25.0	1	0.0	0	4
Capacity											
0	0.0	0	0.0	0	0.0	0	50.0	1	50.0	1	2
Academia	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	1
Citizen	33.3	1	66.7	2	0.0	0	0.0	0	0.0	0	3
Decision-maker within the Federal Government	11.1	1	22.2	2	55.6	5	11.1	1	0.0	0	9
Financial Analyst	30.0	3	20.0	2	10.0	1	30.0	3	10.0	1	10
Independent Public Accounting Firm	25.0	1	25.0	1	25.0	1	25.0	1	0.0	0	4
Office of the Inspector General	0.0	0	71.4	5	0.0	0	14.3	1	14.3	1	7
Performance/Policy Analyst	0.0	0	33.3	1	33.3	1	33.3	1	0.0	0	3
Preparer of Financial Statements	23.5	4	17.6	3	5.9	1	35.3	6	17.6	3	17
Preparer of Performance Reports	0.0	0	33.3	1	33.3	1	33.3	1	0.0	0	3
Other	33.3	1	33.3	1	33.3	1	0.0	0	0.0	0	3

Q8. What suggested modifications and/or enhancements do you have for this definition if you think it is not sufficient?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual		0 Materiality is very vague term. Auditors has too much flexibility in defining the materiality. different auditors treat it differently. Auditee is at the receiving end.
Individual		0 Is it helpful to readers of Agency financial statements that different agencies have widely varying materiality thresholds for PP&E. An agency with a high threshold may appear to have less property that an Agency with a low materiality threshold.
Individual	Decision-maker within the Federal Government	subjective
Individual	Financial Analyst	Most FASAB standards indicate that materiality is determined by the effect on the financial statements and a judgment as to whether or not a person reading the statements would make a different decision based on the inclusion or exclusion of the information.
Individual	Financial Analyst	a certain percentage of an item or if an audit disclosed something it should be shown
Individual	Financial Analyst	Add: Immaterial items generally do not change a reasonable person's opinion. or: Material items generally change a reasonable person's opinion.
Individual	Financial Analyst	think most people would want to see a dollar value associated with the Materiality statement.
Individual	Independent Public Accounting Firm	Provide context for the preparer in exercising judgment, such as immaterial items are small relative to their category, not a significant in relation to net income or fund balance depending upon where the item is...
Individual	Office of the Inspector General	I don't know. Materiality for an agency is one thing and for the Government as a whole something else. This could lead to agencies providing data on immaterial items (agency) for the purpose of Government-wide reporting.
Individual	Office of the Inspector General	Something is material, if omitted or incorrect, would change the reader's interpretation of the report, statement, or activity. This can be expressed in quantitative or qualitative terms. The Board should set some level of parameters by what it means by specific facts and circumstances.
Individual	Performance/Policy Analyst	The preparers will use judgment and document that judgment; however, auditors will go by the FAM that does give guidelines for materiality. In order to decrease unnecessary findings, a range of determining materiality would be beneficial from a FASAB perspective in terms of something to compare when judgment is used % of total assets or % of total cost or something that should not exceed; however, judgment based on specific facts should be used to ensure the economic activity of an entity is appropriately represented in their respective financial statements.
Individual	Preparer of Financial Statements	Based on auditor comments, a clearer description, such as a percentage would be very helpful. It will alleviate some discussions with auditors.
Individual	Preparer of Financial Statements	Judgment is OK for qualitative materiality, but there should be an annual government-wide quantitative standard for certain types of items, such as capitalized PP&E. The lack of a consistent standard creates a nightmare for Treasury when consolidating buy/sell PP&E transactions when agencies have different thresholds.
Individual	Preparer of Financial Statements	Allows for Management auditor disagreement
Individual	Preparer of Financial Statements	The "exercise of considerable judgment" is problematic, as it is often difficult to preparers to reach definitive stances when weighing the significance of many variables that may apply to a set of facts and circumstances. This language also creates significant deliberation and settling of differences in opinion with auditors when their independent judgment differs from management's determination. It would be very helpful to have better mechanisms for agencies to seek authoritative guidance on specific topics and sets of circumstances that often arise during audit cycles. Such guidance often is needed with very short turn-around and with sufficient authority to address auditor concerns. As noted in question 2, it would also be

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
		helpful to have more guidance with possible setting of reporting thresholds that entities may rely on for making the determinations.
Individual	Preparer of Financial Statements	Either define materiality or do not speak to it. The definition is vague and does not add value or meaning to the financial statement process.
Individual	Preparer of Financial Statements	YYou may want to include percentages or ammounts
Individual	Preparer of Financial Statements	Realistically the "exercise of considerable judgement" is reduced to series of standard calculations that result in a set dollar amount. Any judgement or decision made by the prepares then need to then be document sufficiently to persuade the independent auditors that the decision was correct.
Individual	Preparer of Financial Statements	See previous comment about judgment and auditors.
Individual	Preparer of Performance Reports	There's no hard criteria. Therefore, most preparers will take the easy way out and say that something is immaterial and does not apply to them.
Organization	Preparer of Financial Statements	The CPAs that audit our statements do have a materiality calculation that they use, but this is not apparent to anyone reading the notes as to what that level was.

Q9. In your opinion, and taking the nature of agency operations into consideration, which note disclosure provides the most value to a financial statement user and why?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	0	1. Summary of Significant Accounting Policies. It summarizes the most and gives overall operational working and policies knowledge to the reader.
Individual	Academia	explanation of accounting policies and explanation of debt
Individual	Citizen	Statement of Significant Accounting Policies. It usually provide a quick/brief summary of the policies selected by the agency.
Individual	Decision-maker within the Federal Government	Note 1 is certainly a good overview for the reader, liabilities (meeting materiality thresholds depending on definition of materiality to be defined), combined SBR, and if applicable, earned revenues (again based on materiality). Ultimately, notes should be viewed from a materiality standpoint to determine which should be disclosed.
Individual	Decision-maker within the Federal Government	Note 1. Summary of sign accounting policies.
Individual	Decision-maker within the Federal Government	Probably the SBR since funding is what people are most interested in.
Individual	Decision-maker within the Federal Government	Note 1 helps set the context
Individual	Financial Analyst	no comment
Individual	Financial Analyst	-Contingent Liabilities Debt
Individual	Financial Analyst	Fund Balance with Treasury/being able to tie together the proprietary and budgetary account balances and related financial statements.
Individual	Financial Analyst	Yes, the Department of Energy should have more details note disclosure for environmental liabilities
Individual	Financial Analyst	The methodology used in compiling the statements. It explains how the statements are reported.
Individual	Independent Public Accounting Firm	GPP&E and Inventory and Related Property notes are generally helpful from the "clean opinion" entities.
Individual	Independent Public Accounting Firm	FBWT: Because it tells the user how much of the FB W Treasury is available for new obligations and how much is committed to cover obligations, etc. a/r and investments, and the covered and uncovered liabilities, as well as entity and non entity assets... and then note 1 if done properly the SNC note is also informative. Especially if agencies used it against the performance of programs. deferred maintenance (although not part of notes) provides good information regarding future needed costs to maintain infrastructure.
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	no opinion
Individual	Office of the Inspector General	Funds from Dedicated Collections useful summary of disparate information that would require an extensive amount of knowledge to piece together from various documents if it were not presented in the financial statements.
Individual	Office of the Inspector General	Note disclosure that provides information about items requiring significant management judgment, like loan subsidy costs and certain types of liabilities. The disclosure should include info about sensitivity of the estimates, and the risks inherent in key assumptions.
Individual	Office of the Inspector General	reporting entity; expenses; Contingencies; Subsequent Events info not clearly presented from the statements
Individual	Office of the Inspector General	Entitlement Benefits Due and Payable. Reflects the short-term liability for Government benefits.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Office of the Inspector General	That depends on the user. For decision makers it depends on the nature of the agency. At department of education the most significant would potentially be direct loans and loan guarantees. For the National Park service it would possibly be Stewardship PP&E. The public may be more interested and get more value out of the explanation of the difference between the SBR and the budget of the US Government.
Individual	Office of the Inspector General	Disclosures pertaining to the most material matters provide the most value.
Individual	Performance/Policy Analyst	Statement of Net Cost when presented by programs because it provides the tax payer with an appreciation of what the agency does and how much those major programs cost.
Individual	Preparer of Financial Statements	Note 1--it provides the information about the organization, its mission, the accounting methodologies followed, etc.
Individual	Preparer of Financial Statements	Note 1, because it describes the reporting entity and various aspects of accounting policy, in particular those that are unique to federal reporting entities. Also, the Note on Investments required by par. 27-28 of SFFAS 27 is also very informative and important.
Individual	Preparer of Financial Statements	Debt, Leases, Liabilities, Cash
Individual	Preparer of Financial Statements	Liabilities not covered by budgetary resources because it reports the liabilities of the federal government that are unfunded.
Individual	Preparer of Financial Statements	To me it depends on who the audience is. I work on the FR so the audience to me is Mr. & Mrs. Tax Payer. With that in mind, I say that Cash, Accounts and Taxes Receivable, Loans Receivable and Loans Guarantees Liabilities (streamlined), Environmental and Disposal Liabilities (hot topic right now), Collections of Refunds of Federal Revenue, and Social Insurance. Folks want to know how much money the Government has on hand, what's due to come in, what's due to go out and how it's used for popular programs that affect everyday living.
Individual	Preparer of Financial Statements	The most valuable disclosures are those providing greater detail of major line items in the statements, such as asset-type breakouts for PP&E, the nature of receivables, types of debt and leases with future payment requirements, limitations on use of assets (esp. FBWT).
Individual	Preparer of Financial Statements	Significant Accounting Policies. This note lays the ground work to understand the statements as a whole.
Individual	Preparer of Financial Statements	summary of significant accounting policies
Individual	Preparer of Financial Statements	The notes that breakdown larger balances presented on the statements. General PPE(Net); Liabilities; Other Liabilities; Intragovernmental Costs. These provide details that may be of interest to the public and decision makers.
Individual	Preparer of Financial Statements	Breakdown of assets and liabilities; breakdown of statement of net cost
Individual	Preparer of Financial Statements	It depends. A note disclosure that is material to the reporting agency. A note disclosure that is unique to the reporting agency and that agency is the primary agency for that note disclosure.
Individual	Preparer of Performance Reports	Not sure.
Individual	Preparer of Performance Reports	Significant Accounting Policies disclosure provides useful information to the reader.
Individual	Preparer of Performance Reports	Significant Accounting Policies (if we're just listing one). Contingent liabilities would be my second place choice.
Individual	Other	Summary of significant accounting policies Loans and Loan Guarantees Liabilities not Covered by Budgetary Resources Environmental liabilities when properly applied
Organization	Decision-maker within the Federal Government	Note 1 is a good overview for the reader, providing general high-level information regarding the various footnotes. The Liability footnotes (depending on materiality), combined SBR, and if applicable, earned

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
		revenues (again based on materiality) provide more detail to the reader regarding agency operations. Ultimately, note disclosures should be examined from a materiality standpoint to determine what needs to be disclosed.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. A disclosure on activity/programs that are unique to an Agency may provide the most value to the reader. Disclosures that focus on the future unfunded liabilities of the Federal government may provide the most valuable information to the reader of a general purpose financial statement.
Organization	Preparer of Financial Statements	Cash, capital equipment and debt. These areas provide more insight into the real position of the entity.

Q10. Which note disclosure(s) do you believe could be streamlined or eliminated and why? Describe the disclosure problem you noticed and provide an explanation of its causes.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	0	All notes have some value. But for average reader some notes are of no significance. Dedicated collections, Fiduciary activity, reconciliation of budgetary resources obligated to net cost of operation and transfers without reimbursement.
Individual	Academia	none noted
Individual	Citizen	Anything dealing with the Statement of Budgetary Resources.
Individual	Citizen	1. Remove disclosures that are not useful, such as fiduciary activity. These should be in separate reports if useful and not in a government entities report since amounts are not recorded on the financial statements. 2. Remove the fund balance by fund type disclosure. The notes don't provide any other insight on information by fund type so how can users use such information? 3. Simplify the FCRA note disclosures by removing most of the FCRA note disclosures. There are so many tables and so much information that it is very confusing and most citizens have no idea what it means. If this is needed by OMB have the agencies separately report such to OMB. 4. Remove disclosures of apportionments by categories. How is this useful to citizens? Category B tends to have most of the amount and it is so generic what can citizens interpret from such. 5. Remove reconciliation of net cost to budget as this is not useful information and we receive sufficient information from the balance sheet statement of net cost and statement of budgetary resources.
Individual	Decision-maker within the Federal Government	The Pension and Other Actuarial Liabilities disclosure for our Department is burdensome while we have to follow FASB ASC 175, the requirement that we have to breakdown the plans into asset classes at various different levels in the fair value hierarchy for the pension benefit plans with assets cost significant time and resource to prepare. Intragovernmental costs could be consolidated at the US FR rather than at each agency's level especially since data of transactions are provided to Treasury's BFS via GTAS and GFRS.
Individual	Decision-maker within the Federal Government	RNCOB or Statement of Financing. Not many readers can understand it.
Individual	Decision-maker within the Federal Government	All of them. When you compare the burden/effort it takes to compile and audit F/N to the benefit they provide, I don't believe they're worth it. F/S however, provide sufficient support that adequate controls exist. I admit that argument can be applied to F/N but I don't believe they are worth it.
Individual	Decision-maker within the Federal Government	pension and other actuarial lib is a problem intergovernmental note should be eliminated
Individual	Financial Analyst	no comment
Individual	Financial Analyst	N/A
Individual	Financial Analyst	FASAB standards
Individual	Financial Analyst	Uncertain at this time
Individual	Financial Analyst	N/A
Individual	Financial Analyst	Too many to name here. Many are too complicated and not understandable by the taxpayer or other users of the financial statements.
Individual	Independent Public Accounting Firm	No comment at this time.
Individual	Independent Public Accounting Firm	not of reconciliation of outlays to obligations as a schedule. All the information is already displayed. I suggest a written note to explain the material items, but maybe not necessary to
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	no opinion

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Office of the Inspector General	Non-Entity Assets limited value Liabilities Not Covered by Budgetary Resources needs clarification. The requirement should focus on liabilities that will need additional budgetary resources in the future. Not all liabilities will necessarily require budgetary resources/appropriations. For example, liabilities for seized assets will be met by either the forfeiture of the asset or return of the asset.
Individual	Office of the Inspector General	Statement Of Social Insurance (streamlined). The notes for SOSI present way too much information for the average reader.
Individual	Office of the Inspector General	All the required note disclosures serve a purpose for some agency. They are not all material for every agency. Based on the upcoming changes to Lease accounting standards, I don't think the lease reporting will be as significant.
Individual	Office of the Inspector General	No comment.
Individual	Performance/Policy Analyst	N/A
Individual	Performance/Policy Analyst	The loan and loan guarantee note is extremely detailed and does not provide useful information.
Individual	Preparer of Financial Statements	Entity vs. non-entity; not covered by budgetary resources; and dedicated collections should be eliminated. This information is very difficult for the public, and even Congress, to understand.
Individual	Preparer of Financial Statements	These note numbers are OMB A-136 Notes numbers: Note 3 eliminate fund balance by fund type not required by FASAB Note 8 B delete Direct Loans Obligated Prior to FY 1992 if amounts are immaterial. Note 8N delete reconciliation Note 21: Delete amounts from this this note. The descriptions of the funds can be here or in Note 1. Note 28 Consider deleting this Note. Note 29 Consider deleting this Note. Note 30 Consider deleting this Note. Note 32 Even SSA and HHS don't provide a separate Note for this. This note and Notes 31 and 33 should be consolidated into a single note that explains SBR concepts in a reader-friendly way.
Individual	Preparer of Financial Statements	Net Cost, Contingent Legal, Leases, SBR
Individual	Preparer of Financial Statements	All footnotes and financial statement amounts that are based on estimates such as: environmental grants accruals, accounts payable accruals, environmental liabilities, etc. We need to carefully study the full cost of developing these estimates, defending the estimates, performing "lookbacks" at the estimates, etc. in relation to the benefit, if any, received by the reader of the financial statements.
Individual	Preparer of Financial Statements	loans just need summary information, average readers don't really care about cost and subsidy information
Individual	Preparer of Financial Statements	Disclosure requiring significant levels of judgement and broad estimating techniques seem least useful and most likely to be misleading. This includes elements such as asset retirement obligations for environmental cleanup for long-lived assets, deferred maintenance, and asset impairment valuations. Such disclosures and associated balances on balances sheets, require significant use of long-term projections that by definition are at most risk of error or revaluation from year-to-year. Related estimating techniques are also of most risk of auditors questioning management's judgement. It is preferable that such activity should be removed entirely or at least shifted from the set of basic information into other accompanying information that has a lower expected level of precision. Current requirements related to bridging budgetary balances of resources and obligations to net revenues and costs are mostly accounting reconciliations with little to no use by users. We have never found users interested in such budget-to-cost reconciliation.
Individual	Preparer of Financial Statements	Federal Credit Reform. A-136 dictates the minimum disclosure. For some agencies this amount of disclosure is not appropriate based upon relative size of credit activity to the activity as a whole. Additionally, it may be that much of the disclosure reported is for the benefit of Treasury and OMB. Possibly this additional detail would be better to be reported in GFRS.
Individual	Preparer of Financial Statements	most of the rest
Individual	Preparer of Financial Statements	

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
		Non-entity assets; FBWT breakdown by type of fund; Cash & Other Monetary Assets; Liabilities not Covered by Budgetary Resources; Funds from Dedicated Collections; Reconciliation of net cost to budget (already in the process to change)
Individual	Preparer of Financial Statements	It seems the Summary of Significant Accounting policies, Credit Reform, the Statement of Net Cost and the Reconciliation of Budgetary Resources Obligated to the Net Cost of Operations Note disclosures need to be streamlined
Individual	Preparer of Performance Reports	Not in a position to opine on this matter.
Individual	Preparer of Performance Reports	I haven't noticed any problems.
Individual	Preparer of Performance Reports	I don't know that I have a global answer to this. Depends on the agency and its programs.
Individual	Other	Fund Balance with Treasury Reconciliation of Budget and Actual
Organization	Decision-maker within the Federal Government	The Pension and Other Actuarial Liabilities disclosure for our Department is burdensome while we have to follow FASB ASC 175, the requirement that we have to breakdown the plans into asset classes at various different levels in the fair value hierarchy for the pension benefit plans with assets cost significant time and resource to prepare. We believe that Intragovernmental costs could be consolidated within the US Financial Report rather than at each agency level especially since data of transactions are provided to Treasury's Bureau of Fiscal Service via GTAS and GFRS. In addition, the Fund Balance of Treasury guidance needs to be clarified and streamlined. Across agencies, the reader cannot really compare the notes simply because the interpretation of guidance leads to drastically varied presentations of information. Also, as previously mentioned, we believe it would be beneficial to examine the importance of the dedicated collections footnote since the average reader may not understand what a dedicated collection is.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. The reconciliation of budgetary resources obligated to the net cost of operations seems too technical for the reader of a general purpose financial statement. This is an example of a disclosure that could be converted from Basic to RSI and made optional. Also, it would seem that the average reader would not be interested in the disaggregation of FBWT into Revolving Fund, Trust Fund, Special Fund, and General Fund. For the investments disclosure, for Agencies that report only special-issue Treasury securities for whom the Agency would be the only purchaser, a market value of the securities seems irrelevant and this requirement should be eliminated.

Q11. Is there information that would be valuable to the reader but is not currently disclosed in the financial statements or note? Please specify.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	0	It is not directly related to financial but more of performance audit. The review of talent of employees and preparation of future leadership. This will be important from continuity of the organization point of view.
Individual	Academia	see earlier comment relative to allocation of pension liabilities to the agency in which the retiree worked.
Individual	Citizen	Yes, how they apply materiality or what factors they use to determine qualitative and quantitative materiality.
Individual	Citizen	We don't need more information and instead need shorter easier to understand reports.
Individual	Decision-maker within the Federal Government	OMB Circular A-136 is fine for note disclosures.
Individual	Decision-maker within the Federal Government	Benefits/value of the expenditures made. We should have a statement/footnote of expenses (and benefits) by program.
Individual	Decision-maker within the Federal Government	no
Individual	Financial Analyst	no comment
Individual	Financial Analyst	support for information.
Individual	Financial Analyst	-Emergency funding such as natural disasters.
Individual	Financial Analyst	None
Individual	Financial Analyst	Uncertain at this time
Individual	Financial Analyst	Cost of tracking and preparing financial data
Individual	Financial Analyst	Can't think of any right now. My position is that currently there are too many required disclosures.
Individual	Independent Public Accounting Firm	Greater discussion of ADAs, a requirement to discuss significant departures from budgetary execution procedures as per Treasury would be extremely helpful. The requirement for significant accounting policies is great; however, budgetary gamesmanship/gimmickry has tremendous impact on FBwT and SNC. A discussion of how different appropriations/funding sources (e.g. "significant budgetary execution policies") impacts accounting would be extremely helpful.
Individual	Independent Public Accounting Firm	No input.
Individual	Office of the Inspector General	no opinion
Individual	Office of the Inspector General	I don't know.
Individual	Office of the Inspector General	Schedule of Spending is no longer required by OMB.
Individual	Office of the Inspector General	No comment.
Individual	Performance/Policy Analyst	N/A
Individual	Performance/Policy Analyst	Convey information about operations and performance where explanations about impact or importance of the information to achieving or failing to achieve published performance goals and outcomes.
Individual	Performance/Policy Analyst	No.
Individual	Preparer of Financial Statements	Not to my knowledge.
Individual	Preparer of Financial Statements	

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
		There should be a little more information about the SCA and what's in it. Also, the Note on Liabilities Not Covered should include a third category, Liabilities that Do Not Required Budgetary Resources (liabilities for non-fiduciary deposit funds). Agencies currently report these inconsistently as either Covered or Not Covered.
Individual	Preparer of Financial Statements	No most information is stated multiple times within the AFR
Individual	Preparer of Financial Statements	More forward looking information, such as what belongs in the MD&A, rather than footnotes. It is more informative to the reader of the AFR and PAR to know what challenges are coming down the pike that the agency will be facing. How the economy is changing, how technology is changing our environment, etc. How we need to be better prepared for those changes.
Individual	Preparer of Financial Statements	Can't think of any at this time
Individual	Preparer of Financial Statements	Currently there are no requirements for reporting in statements or disclosures, of the major categories of types of expenditures entities make to show what Federal agencies are buying/paying for. With the anticipated removal from Circular A-136 of the Schedule of Spending (which was not required by accounting standards), the presentation of such details, such as by OMB Object Classification, will only be included in agency reports as desired by agency management. While this seems to be useful information to financial statement users, similar information is now becoming more readily available though DATA Act reporting that started in FY 2017, which could reduce the need for future inclusion in financial statement presentations, yet is not designed to tie to costs recorded in financial statements.
Individual	Preparer of Financial Statements	A survey of the public may be a more appropriate forum to make this determination.
Individual	Preparer of Financial Statements	no
Individual	Preparer of Financial Statements	I think most taxpayers are more interested in simple metrics: how much and from what source were collections; how much was spent and for what; how much is owed by the government
Individual	Preparer of Financial Statements	It appears section II of the Schedule of Spending (not required OI in FY 2017),"how was the money spent" is valuable to the tax payers.
Individual	Preparer of Performance Reports	A more detailed analysis of the impact of related party transactions.
Individual	Preparer of Performance Reports	Nothing I can think of.
Individual	Preparer of Performance Reports	The Statement of Net Cost is organized by Strat Goal. But what then? So many organizations do such a poor job of defining their strategic goals, that it doesn't always provide insight into where the money went and what the outcomes were.
Organization	Decision-maker within the Federal Government	N/A
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. Not applicable.

Q12. Do you use federal agency financial report notes for any analysis? If so, which disclosures and for what purpose?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	0	In federal government notes are used from year to year comparison. The accountants are so much busy meeting compliance requirement that no one has time to analyze the notes. The focus is on compliance requirement as there is no bottom line impact like it is in private sector.
Individual	0	No
Individual	Academia	debt to GDP ratio to see how it compare to other countries
Individual	Citizen	Yes. Operating performance and percent of federal GDP that an entity contributes to overall GDP.
Individual	Decision-maker within the Federal Government	UDOs, Significant Accounting policies footnote, Gross Costs by Strategic Goals, Liabilities not currently covered by budgetary resources.
Individual	Decision-maker within the Federal Government	Note 1. Summary of sign accounting policies for Basis of Presentation. Note 2. for related parties information.
Individual	Decision-maker within the Federal Government	None.
Individual	Decision-maker within the Federal Government	no
Individual	Financial Analyst	no
Individual	Financial Analyst	no
Individual	Financial Analyst	-debt, liabilities
Individual	Financial Analyst	Sometimes, such as a way to determine the reason for certain work efforts
Individual	Financial Analyst	No
Individual	Financial Analyst	N/A
Individual	Financial Analyst	Don't use any.
Individual	Independent Public Accounting Firm	Note 9 and 10 (per Treasury numbering)for relative comparative analysis. Since DoD is not to a clean opinion, and they have half of the federal budget, the comparative analysis is speculation at best when DoD is included.
Individual	Independent Public Accounting Firm	see above for response to item 9. all that is useful.
Individual	Independent Public Accounting Firm	No.
Individual	Office of the Inspector General	Yes many different disclosures to check for compliance with laws & regs.
Individual	Office of the Inspector General	Funds from Dedicated Collections risk analysis for future performance audits. Imputed Financing Sources just the four major items, Judgment Fund, Pension, Health Insurance, and Life Insurance. Used to inform employees of the additional expenses paid for by the Dept on their behalf.
Individual	Office of the Inspector General	Yes. Comparative analysis of the following year's interim financial information.
Individual	Office of the Inspector General	Intragovernment costs and exchange revenue. Determine the consistency of revenue reporting at a more granular level.
Individual	Office of the Inspector General	No comment,
Individual	Performance/Policy Analyst	N/A

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Performance/Policy Analyst	Consistency in communicating in testimony, budget submissions, etc.
Individual	Performance/Policy Analyst	No.
Individual	Preparer of Financial Statements	Yes, we use the notes to discuss variances. Many times, we locate issues by investigating the reasons for the variances. The other information is not as valuable.
Individual	Preparer of Financial Statements	As a citizen, I've looked at USDA and Education Notes to see default rates for various loan programs. As a preparer, I've looked at Notes of other agencies, such as SSA, for good examples of how to disclose various items at my agency.
Individual	Preparer of Financial Statements	Outside of flux analysis and Treasury reporting no
Individual	Preparer of Financial Statements	The only analysis performed over the footnotes is analysis to support the accuracy of the notes themselves. Otherwise, we need to be honest--it's difficult to find anyone using this information.
Individual	Preparer of Financial Statements	No
Individual	Preparer of Financial Statements	Notes are used very rarely. When used, it is mostly to get an idea of what balances other agencies may report, compared to activity our agency has, to gain perspective of the magnitude of certain activities and identify agencies we may wish to work with to address common issues.
Individual	Preparer of Financial Statements	We review all disclosures for flux from prior year. This analysis may lead to identifying data anomalies that need to be addressed.
Individual	Preparer of Financial Statements	No.
Individual	Preparer of Financial Statements	No
Individual	Preparer of Financial Statements	yes
Individual	Preparer of Performance Reports	In various Canadian governments, they are reviewed to understand the trend and practices in the US that we can learn from.
Individual	Preparer of Performance Reports	I don't use financial report notes for analysis, generally. Part of my job is providing information for financial reports.
Individual	Preparer of Performance Reports	Yes. PP&E, Investments, Contingent Liabilities, Stewardship PP&E
Individual	Other	Loans and Loan Guarantees
Organization	Decision-maker within the Federal Government	Yes, we do use the AFR for analysis. For example, we use it to research UDOs and significant accounting policies. In addition, we also review line items such as gross costs by strategic goals and liabilities not currently covered by budgetary resources. Furthermore, we also use the AFR to analyze line fluctuations that we submit with explanations for significant balance changes to auditors, Treasury, and OMB.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. The notes of other Agencies provide good examples of note disclosures as to their completeness and level of detail. We have also referred to other Agencies' notes in interpreting specific guidance. For example, a fiduciary fund was transferred from GAO to DOL. One of the factors that we considered in determining whether to treat the fund as a fiduciary fund was how GAO treated the fund as a fiduciary fund.
Organization	Preparer of Financial Statements	NO

13. Do you think the current note disclosure on Significant Accounting Policies is sufficient?

	Definitely sufficient		Probably sufficient		Uncertain		Probably insufficient		Definitely insufficient		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	26.3	15	49.1	28	17.5	10	5.3	3	1.8	1	57
Responding											
Individual	28.3	15	47.2	25	18.9	10	5.7	3	0.0	0	53
Organization	0.0	0	75.0	3	0.0	0	0.0	0	25.0	1	4
Capacity											
0	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	1
Academia	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	1
Citizen	33.3	1	33.3	1	33.3	1	0.0	0	0.0	0	3
Decision-maker within the Federal Government	37.5	3	50.0	4	12.5	1	0.0	0	0.0	0	8
Financial Analyst	20.0	2	60.0	6	10.0	1	10.0	1	0.0	0	10
Independent Public Accounting Firm	0.0	0	0.0	0	75.0	3	25.0	1	0.0	0	4
Office of the Inspector General	14.3	1	85.7	6	0.0	0	0.0	0	0.0	0	7
Performance/Policy Analyst	66.7	2	0.0	0	33.3	1	0.0	0	0.0	0	3
Preparer of Financial Statements	33.3	5	40.0	6	20.0	3	0.0	0	6.7	1	15
Preparer of Performance Reports	33.3	1	33.3	1	0.0	0	33.3	1	0.0	0	3
Other	0.0	0	100.0	2	0.0	0	0.0	0	0.0	0	2

Q14. Please offer any suggested improvement areas for the note.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	Improve by explaining term definitions more
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. Compile a list of Summary of Significant Policies with cross-reference to specific SFFAS.

15. Do you think the current note disclosure on Fund Balance with Treasury is sufficient?

	Definitely sufficient		Probably sufficient		Uncertain		Probably insufficient		Definitely insufficient		All
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	Total Cases
Total	32.8	19	43.1	25	19.0	11	5.2	3	0.0	0	58
Responding											
Individual	33.3	18	40.7	22	20.4	11	5.6	3	0.0	0	54
Organization	25.0	1	75.0	3	0.0	0	0.0	0	0.0	0	4
Capacity											
0	0.0	0	100.0	2	0.0	0	0.0	0	0.0	0	2
Academia	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	1
Citizen	33.3	1	33.3	1	33.3	1	0.0	0	0.0	0	3
Decision-maker within the Federal Government	37.5	3	50.0	4	12.5	1	0.0	0	0.0	0	8
Financial Analyst	20.0	2	30.0	3	30.0	3	20.0	2	0.0	0	10
Independent Public Accounting Firm	25.0	1	0.0	0	75.0	3	0.0	0	0.0	0	4
Office of the Inspector General	0.0	0	100.0	7	0.0	0	0.0	0	0.0	0	7
Performance/Policy Analyst	33.3	1	66.7	2	0.0	0	0.0	0	0.0	0	3
Preparer of Financial Statements	60.0	9	20.0	3	13.3	2	6.7	1	0.0	0	15
Preparer of Performance Reports	33.3	1	33.3	1	33.3	1	0.0	0	0.0	0	3
Other	50.0	1	50.0	1	0.0	0	0.0	0	0.0	0	2

Q16. Please offer any suggested improvement areas for the note.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	should cite more detail to support the note in appendix
Individual	Financial Analyst	Require further disclosures when FBWT is present.
Individual	Preparer of Financial Statements	It's not very useful. As an example, please point to anyone in the general public, ask them to review that note, and then ask them to explain what it means. I bet they won't be able to answer the question. That note is understandable to the preparers of financial statements themselves. That's it.

17. Are you a financial report preparer?

	Yes		No		All
	%	Number of Cases	%	Number of Cases	Total Cases
Total	18.0	20	82.0	91	111
Responding					
Individual	16.2	16	83.8	83	99
Organization	33.3	4	66.7	8	12
Capacity					
0	0.0	0	100.0	16	16
Academia	0.0	0	100.0	2	2
Citizen	0.0	0	100.0	6	6
Decision-maker within the Federal Government	23.1	3	76.9	10	13
Financial Analyst	9.1	1	90.9	10	11
Independent Public Accounting Firm	16.7	1	83.3	5	6
Office of the Inspector General	0.0	0	100.0	8	8
Performance/Policy Analyst	0.0	0	100.0	4	4
Preparer of Financial Statements	40.6	13	59.4	19	32
Preparer of Performance Reports	66.7	2	33.3	1	3
Professional Organization	0.0	0	100.0	3	3
Other	0.0	0	100.0	7	7

Q18. How many note disclosures does your agency include in its financial statements?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Decision-maker within the Federal Government	24
Individual	Financial Analyst	30
Individual	Independent Public Accounting Firm	31
Individual	Preparer of Financial Statements	26
Individual	Preparer of Financial Statements	17
Individual	Preparer of Financial Statements	26
Individual	Preparer of Financial Statements	18
Individual	Preparer of Financial Statements	24
Individual	Preparer of Financial Statements	21
Individual	Preparer of Financial Statements	12
Individual	Preparer of Financial Statements	16
Individual	Preparer of Financial Statements	31
Individual	Preparer of Performance Reports	20
Individual	Preparer of Performance Reports	23
Organization	Decision-maker within the Federal Government	30
Organization	Preparer of Financial Statements	24
Organization	Preparer of Financial Statements	18

Q19. In your view, how many of them are for compliance purposes only?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	30
Individual	Preparer of Financial Statements	11
Individual	Preparer of Financial Statements	3
Individual	Preparer of Financial Statements	26
Individual	Preparer of Financial Statements	17
Individual	Preparer of Financial Statements	6
Individual	Preparer of Financial Statements	3
Individual	Preparer of Financial Statements	16
Individual	Preparer of Performance Reports	4
Organization	Preparer of Financial Statements	18
Organization	Preparer of Financial Statements	4

Q20. If so, which one(s) are for compliance purposes only?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	all
Individual	Preparer of Financial Statements	Nonentity Assets, Accounts Receivable, Cash and Other Monetary Assets, Inventory, General PP&E, Heritage Assets and Stewardship Land, Not Covered by Budgetary Resources, Accounts Payable, Debt, Reconciliation of Net Cost of Operations to Budget, and Dedicated Collections.
Individual	Preparer of Financial Statements	1. FBWT Note 2. Funds from Dedicated Collections 3. Budget to Accrual Note.
Individual	Preparer of Financial Statements	All are compliance
Individual	Preparer of Financial Statements	All except for the summary of significant accounting policies. That one is probably useful.
Individual	Preparer of Financial Statements	long-term fiscal projections, fiduciary activities, funds from dedicated collections, federal debt securities held by the public, debt and equity securities,
Individual	Preparer of Financial Statements	most/many
Individual	Preparer of Financial Statements	Apportionment Categories of Obligations; Undelivered Orders at End of the Period; Incidental Custodial Activity
Individual	Preparer of Performance Reports	It depends on the type of financial statements involved.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. All, EXCEPT for those disclosures on Social Insurance, Debt, Disaggregated Statement of Net Costs, Funds from Dedicated Collections, Material concentration of risk, and Subsequent events.
Organization	Preparer of Financial Statements	Fair Value Measurements, Reimbursement Arrangements with Third-Party Payors, Commitments under noncancelable leases, functional expenses, reclassifications

Q21. Is there information in your agency's note disclosures that appears to be repetitive and included elsewhere in the AFR/PAR?

	Yes		No		All
	%	Number of Cases	%	Number of Cases	Total Cases
Total	50.0	8	50.0	8	16
Responding					
Individual	58.3	7	41.7	5	12
Organization	25.0	1	75.0	3	4
Capacity					
Decision-maker within the Federal Government	0.0	0	100.0	3	3
Financial Analyst	0.0	0	100.0	1	1
Independent Public Accounting Firm	100.0	1	0.0	0	1
Preparer of Financial Statements	55.6	5	44.4	4	9
Preparer of Performance Reports	100.0	2	0.0	0	2

Q22. Please specify.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Independent Public Accounting Firm	note 1 w/ mission and reporting entity.
Individual	Preparer of Financial Statements	Federal vs. Nonfederal is on the Balance Sheet itself.
Individual	Preparer of Financial Statements	Information about the agency's organization and structure is also in the MD&A, in great detail.
Individual	Preparer of Financial Statements	Most Notes, Leases, Net Cost, Liabilities
Individual	Preparer of Financial Statements	MD&A
Individual	Preparer of Performance Reports	Sorry, my perspective is from a Canadian government's point of view which may not be relevant in your context.
Individual	Preparer of Performance Reports	There's repetition, but it's by design. Not everyone will read the footnotes, so we end up repeating some info elsewhere to make sure the point gets communicated.
Organization	Preparer of Financial Statements	Social Insurance Basic information is repeated in social insurance RSI.

Q23. Would you like additional guidance on how to effectively present note disclosures?

	Definitely yes		Probably yes		Uncertain		Probably no		Definitely no		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	27.8	5	16.7	3	33.3	6	16.7	3	5.6	1	18
Responding											
Individual	21.4	3	14.3	2	42.9	6	14.3	2	7.1	1	14
Organization	50.0	2	25.0	1	0.0	0	25.0	1	0.0	0	4
Capacity											
Decision-maker within the Federal Government	33.3	1	33.3	1	0.0	0	0.0	0	33.3	1	3
Financial Analyst	0.0	0	0.0	0	0.0	0	100.0	1	0.0	0	1
Independent Public Accounting Firm	0.0	0	0.0	0	100.0	1	0.0	0	0.0	0	1
Preparer of Financial Statements	18.2	2	18.2	2	45.5	5	18.2	2	0.0	0	11
Preparer of Performance Reports	100.0	2	0.0	0	0.0	0	0.0	0	0.0	0	2

Q24. Please explain your answer.

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Decision-maker within the Federal Government	We follow OMB Circular A-136.
Individual	Financial Analyst	Accountants in our agency should be clear on the requirements and intent of the note disclosures.
Individual	Preparer of Financial Statements	Eliminate auditor change of opinion from year to year
Individual	Preparer of Financial Statements	Clear guidance on what is required at FR level vs. Agency statments
Individual	Preparer of Financial Statements	We follow the guidance and submit the AFR to CEAR yearly for their review. I don't think any additional guidance will be a value.
Individual	Preparer of Financial Statements	It seems Notes need to focus on significant and important to the tax payers than compliance.
Individual	Preparer of Performance Reports	The current issues with note disclosure and their relevance, completeness and understandability are currently being reviewed by many accounting standard setting bodies (whether private or public sector) across the world.
Individual	Preparer of Performance Reports	Accountants can be poor writers. Plus, they're dealing w/ technical info. Any assistance that explains how to effectively communicate technical info would be valued.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. Compile a list of Summary of Significant Accounting Policies and cross-reference to specific SFFAS.
Organization	Preparer of Financial Statements	I look to our CPAs to advise on any changes needed

Q25. If you participate in the AGA CEAR review, which note disclosures have you modified as part of the AGA CEAR review?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	not applicable
Individual	Independent Public Accounting Firm	more modifications in MD*A section
Individual	Preparer of Financial Statements	1
Individual	Preparer of Financial Statements	N/A
Individual	Preparer of Financial Statements	Summary of significant accounting policies; fund balance with Treasury; inventory.
Individual	Preparer of Financial Statements	na
Individual	Preparer of Financial Statements	N/A
Individual	Preparer of Performance Reports	N/A
Individual	Preparer of Performance Reports	Several. Significant Acctg Policies, FBWT, Inventory, PP&E, Stewardship PP&E, Commitments and Contingencies, many others
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. Mainly we modified MD&A: Program performance overview and Financial performance overview.
Organization	Preparer of Financial Statements	NA

Q26. Why?

Are you responding as an:	Please select from the following the capacity in which you are responding to this questionnaire:	
Individual	Financial Analyst	We haven't participated since we began receiving a disclaimer of opinion on our audits.
Individual	Preparer of Financial Statements	Repetitive detail within various Notes.
Individual	Preparer of Financial Statements	N/A
Individual	Preparer of Financial Statements	Edits or revisions to presentation for increased reader clarity.
Individual	Preparer of Financial Statements	na
Individual	Preparer of Financial Statements	To provide a more concise note.
Individual	Preparer of Performance Reports	Duplicate info. Missing info. Lack of clarity.
Organization	Preparer of Financial Statements	Respondee: DOL/OCFO/FRD. CEAR comments provided good suggestions where we could improve.

Q27. To what extent do you use judgment in preparing disclosures (for example, by omitting immaterial disclosures or details identified in disclosure requirements by standards or OMB Circulars)?

	To a great extent		To some extent		Not at all		All Total Cases
	%	Number of Cases	%	Number of Cases	%	Number of Cases	
Total	38.9	7	50.0	9	11.1	2	18
Responding							
Individual	42.9	6	42.9	6	14.3	2	14
Organization	25.0	1	75.0	3	0.0	0	4
Capacity							
Decision-maker within the Federal Government	33.3	1	66.7	2	0.0	0	3
Financial Analyst	0.0	0	0.0	0	100.0	1	1
Independent Public Accounting Firm	100.0	1	0.0	0	0.0	0	1
Preparer of Financial Statements	27.3	3	63.6	7	9.1	1	11
Preparer of Performance Reports	100.0	2	0.0	0	0.0	0	2