

# Federal Accounting Standards Advisory Board

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## NEWS RELEASE

### **FASAB Requests Your Comments Regarding Deferral of the Transition of Long-Term Projections to Basic Information**

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB is seeking input on a proposed one-year deferral of the transition of the statement presenting long-term fiscal projections for the U.S. government and related disclosures from required supplementary information (RSI) to basic information. Basic information is the information deemed essential for the financial statements and notes to be presented in conformity with generally accepted accounting principles. RSI is information that a body that establishes GAAP requires to accompany basic information.

The American Institute of Certified Public Accountants has formed a task force to determine how the characteristics of the long-term projections would be covered by existing audit standards, consider necessary audit procedures, and develop reporting language that effectively communicates the inherent uncertainties in long-term fiscal projections. Due to the uncertainty associated with the development of such guidance and the corresponding issuance date of such guidance, it is difficult to begin preparations to present and audit the sustainability information presented as a basic financial statement and related disclosures for FY 2013. The one-year deferral should be sufficient for the task force to complete its work and provide the preparer community time to plan for implementation in light of that guidance.

Chairman Allen emphasized the importance of the effort. He noted “long-term fiscal projections help the reader to assess whether future budgetary resources are likely to be sufficient to sustain public services and this is an essential role for financial statements. The auditor’s role in providing assurance regarding conformance to the standards is also essential. Careful consideration needs to be given to how the auditor performs that role.”

Your views regarding the proposed deferral are sought. You are encouraged to provide the reasons for your views. The exposure draft requests comments by **January 31, 2013**. The exposure draft in PDF format is available at the FASAB website:

<http://www.fasab.gov/board-activities/documents-for-comment/exposure-drafts-and-documents-for-comment/>

## **ABOUT FASAB**

*The FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.*

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).