

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Defers Effective Date of the Transition to Basic Information for Long-Term Projections

The Federal Accounting Standards Advisory Board (FASAB) today issued Statement of Federal Financial Accounting Standards 45, *Deferral of the Transition to Basic Information for Long-Term Projections*.

“Comprehensive projections provide essential information to users of the federal government’s financial statements. However, the audit community is considering the need to revise existing audit guidance regarding projections. This deferral will allow time for them to do so. In the meantime, all the required information will be provided but will undergo auditor review rather than a full audit,” said FASAB Chairman Tom Allen.

The deferral is effective upon issuance. In fiscal year 2014 the transition to basic information will occur without further Board action. As a result the following will be provided as basic information:

A basic financial statement will present for all activities:

- i. the present value of projected receipts and non-interest spending under current policy without change,
- ii. the relationship of these amounts to projected Gross Domestic Product (GDP), and
- iii. changes in the present value of projected receipts and non-interest spending from the prior year.

Disclosures will explain and illustrate:

- i. the assumptions underlying the projections,
- ii. factors influencing trends, and
- iii. significant changes in the projections from period to period.

Significant explanatory information and trends will continue to be presented in required supplementary information.

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.

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