



## Federal Accounting Standards Advisory Board

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**June 14, 2019**

### Memorandum

To: Members of the Board

*Ross Simms*

From: Ross Simms, Assistant Director

*Monica R. Valentine*

Through: Monica R. Valentine, Executive Director

Subj: **Reporting Model – TAB H<sup>1</sup>**

#### MEMBER ACTIONS REQUESTED:

- Provide responses to the questions on page 15 by June 24, 2019

### MEETING OBJECTIVES

The meeting objective is to determine the next steps toward completing the reporting model project, so that a proposal can be developed for exposure.

### BRIEFING MATERIAL

The briefing material includes this memorandum and the following attachment:

- **Attachment I:** Statement of Federal Financial Accounting Concepts (SFFAC) 8: *Federal Financial Reporting* provides concepts regarding federal financial reporting and a history of the reporting model project in the basis for conclusions section.

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<sup>1</sup> The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

## BACKGROUND

In September 2017, the Board issued SFFAC 8, *Federal Financial Reporting* to discuss the role of financial statements and required supplementary information (RSI), and provide a platform to address current and evolving reporting needs. The concepts also discuss reporting that considers the practice of providing data in useful formats, such as a format that permits users to drill-down from highly aggregated data to different levels of detail. See Attachment I: SFFAC 8, *Federal Financial Reporting*, for the complete text of the concepts statement and a history of the reporting model project.

Subsequently, the Board began conducting the reporting model project in two phases. Phase I focuses on issues that could be addressed in the near term—improving stewardship investment reporting and management’s discussion and analysis (MD&A). On February 22, 2019, the Board released an exposure draft (ED) regarding the stewardship investment reporting segment. The ED, titled *Omnibus Amendments: Rescinding Statement of Federal Financial Accounting Standards (SFFAS) 8 and Amending SFFAS 5, 6, and 49*, proposed rescinding SFFAS 8, *Supplementary Stewardship Reporting* and eliminating the required supplementary stewardship information category (RSSI). Research is currently on-going with respect to the MD&A improvements segment.

Phase II of the reporting model project has focused on the future reporting model. Users tend to focus on today’s issues; however, the Board wanted to be prepared to address future changes. Consequently, the Board sought to create a vision of what the overall set of financial statements would like in the future and make decisions (identify specific standards-setting projects) that would lead to that future model.

## STAFF ANALYSES AND ALTERNATIVES FOR NEXT STEPS

### 1. Previous Considerations for Enhancing the Reporting Model<sup>2</sup>

During the course of the reporting model project, the Board has considered various options for enhancing the reporting model. Those options have primarily focused on aspects of an integrated cost, budget, and performance model. The board has noted that users are concerned about matters such as the components of service costs, budgetary resources, the relationship between cost and budgetary information, and program accomplishments. In addition, users seek detailed, program level information while financial statements provide highly aggregated, entity level information. To facilitate an integrated cost, budget, and performance model, the Board pursued improving the reporting of an entity’s flow information (revenues, receipts, expenses, outlays, or changes in the entity’s net position during the period using accrual and budgetary bases of accounting). This initial approach aligns with the user-identified

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<sup>2</sup> The Board’s reporting model discussions primarily focused on information required by generally accepted accounting principles—financial statements and required supplementary information—rather than the general purpose federal financial report.

interests and, once the Board addresses flow information, the reporting model discussion could consider other aspects such as performance or electronic reporting. The Board also acknowledged that the reporting of flow information should be aligned with component reporting entity performance reporting efforts.

When the Board began the project, the existing reporting model provided accrual basis entity cost information in the statement of net cost (SNC), budgetary information in the statement of budgetary resources (SBR), the relationship between cost and budgetary information in a schedule of spending (SOF), and performance information in MD&A. The Board accordingly initiated efforts to improve these presentations.

#### SNC: Accrual Basis Information

The Board has noted that users were not solely interested in the financial value of reporting entity assets. Users were concerned about how assets were being used in operations,<sup>3</sup> and they sought to know whether resources could be better managed to reduce the likelihood of non-exchange revenue increases.<sup>4</sup> Without explicitly stating so, users sought information measured using accrual basis accounting regardless of the entity's source of financing and they expected this information without considering how federal managers actually manage resources. In other words, while some entities receive appropriations and their managers manage their budget spending rates (burn rate), citizens appear to expect them to also manage their costs.<sup>5</sup>

Respondents to the Board's annual planning surveys and other outreach efforts noted that the SNC could be improved by disaggregating the costs presented. FASAB staff noted that users sought more detailed information, such as the cost of major programs; however, the statement generally presents reporting entity costs by strategic goals, appropriation, or organizational component. To address concerns regarding the SNC, the Board discussed how to ideally classify component reporting entity costs on the face of the statement and members considered different schemes.

Some Board members supported the notion of presenting costs by program, such as a presentation of the reporting entity's top 25 programs. Other members, however, noted the challenges in defining the term "program" and questioned the practicality of preparing a program-based presentation. In addition, members noted that reporting entities are diverse, have broad missions, and cost information should be aligned with the component reporting entity's performance reporting process. Reporting entities consequently need the flexibility to classify cost information in a manner best suited to their operational environment. A variety of aggregations and classifications of costs in the SNC should be expected.<sup>6</sup>

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<sup>3</sup> SFFAC 1, par. 131

<sup>4</sup> FASAB, User Needs Study: Citizens, April 12, 2010, p. 12.

<sup>5</sup> In addition, analysts seek information as of a point in time to learn about the financial impact of policy decisions, such as direct loans and loan guarantees, deposit and pension insurance, natural disaster relief, and bail-outs of public enterprises, financial institutions, and private organizations.

<sup>6</sup> FASAB Minutes, October 24, 2012, p. 29.

The Board also reiterated that it focuses on developing guidance to meet the common information needs of a wide audience of users rather than trying to develop guidance for specific groups of users. Later, when developing concepts for financial reporting, the Board agreed that “aggregating and categorizing information by strategic goal is one means of providing information on the entity’s costs and accomplishments and its manner of financing.”<sup>7</sup>

Also, with respect to the consolidated financial report of the U.S. (CFR), some members supported a function-based scheme, such as presenting the cost of national defense, transportation, and agriculture, rather than the current component reporting entity approach. Members noted that the function-based classification approach is well-established in the federal government and is used for budget and other types of reporting to inform the public. Other members, however, noted that the approach had been used in earlier versions of the government-wide financial statements and it was determined that some function descriptions confused users. The lack of clear definitions makes it difficult to perform analyses. Instead, by presenting cost by component reporting entity, users can go directly from the CFR to the component reporting entity reports and review the details of their audited financial statements. The Board, consequently, did not agree on changes to the CFR SNC.

**Question 1:** Would the Board like to initiate a project to revisit the issue of how best to disaggregate costs on the face of the SNC?

#### SBR: Budgetary Basis Information

Regarding budgetary information, users noted that the SBR is challenging to understand, primarily because of the technical terms used and the format of the presentation. In addition, users may have advanced in their thinking and seek a budget to actual comparison instead of an SBR.

Regarding a budget to actual comparison, members noted that, among other reasons, FASAB’s role with respect to budgetary integrity is difficult to define and the spending (outlays) today relates to budgets approved (budgetary authority) over the past several years.<sup>8</sup> Also, budget analysts suggested that a budget to actual comparison would be more suitable for discretionary spending, which is decreasing in relation to mandatory spending. They noted that while discretionary spending programs often conform to the amount appropriated, mandatory spending frequently varies from budgeted amounts. The variances may be due to estimation errors, unanticipated changes in economic conditions, or policy changes.<sup>9</sup>

Some members also questioned whether budgetary information should be included in the component reporting entity model. The SBR is designed for internal users and the

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<sup>7</sup> SFFAC 8 par. 45.

<sup>8</sup> FASAB, February 2011 Minutes.

<sup>9</sup> FASAB, Federal Reporting Model – TAB E-3, April 14, 2012, p.13

Office of Management and Budget (OMB), publicly presents budgetary information. Users often refer to OMB's presentations for their analyses.

Members noted that the SBR is based on the *SF-133 Report on Budget Execution and Budgetary Resources*, and the statement facilitates auditing of budgetary amounts, such as receipts and outlays, that aggregate to the budget deficit amount. In addition, information on budget execution helps monitor monies raised through taxes and other means and ensures that those monies are used in accordance with requirements provided in law. Members also noted that the Board could focus on improving the format of the SBR or present budgetary information as a schedule rather than a basic financial statement.

Upon considering the various issues, the Board determined that users of component reporting entity financial reports need to know: 1) the budgetary activity during the period, 2) the extent to which budget authority has been used and remains available, and 3) whether additional funding may be needed. Information is needed on the amount of the entity's appropriations that have not been expended at the end of the period, the amount the entity has accumulated from prior period funding, and the amount of liabilities for which the entity has incurred but not received budget authority. The Board determined that information on budgetary activity and results will provide a more comprehensive and insightful understanding of the government's financial position, results of operations, financial condition, and operating performance than budgetary and financial information individually.<sup>10</sup> The format of the presentation and whether budgetary information could be presented as a schedule remains as a consideration.

**Question 2:** Given that the Board has determined that budgetary information should be presented in the reporting model, would the Board like to initiate a project to improve its reporting, including determining whether the information should be basic or RSI?

SOF: Budget and Accrual Reconciliation

Board members believed that explaining the relationship between cost and budget information is a key aspect of an integrated model; however, similar to the SBR, users noted that the SOF was challenging to understand. Board members acknowledged the shortcomings of the SOF, but noted that a reconciliation of the two bases of accounting contributes to the reporting objectives and could support the government-wide reporting process. Because a budget and accrual reconciliation initiative could be conducted timely, the Board decided to separate the budget and accrual reconciliation aspect from the overall reporting model project.

Subsequently, on October 27, 2017, the Board issued SFFAS 53, *Budget and Accrual Reconciliation (BAR)*. The BAR replaced the SOF and helps to explain the relationship between the reporting entity's net outlays on a budgetary basis and its net cost of operations during the reporting period.

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<sup>10</sup> SFFAC 8, par. 10.

## MD&A: Performance Information

The financial reporting objectives discuss users' need for information on accomplishments in relation to costs and various Board outreach efforts indicated that users expect integrated cost, budget, and performance information. Also, FASAB concepts call for a statement of program performance measures.<sup>11</sup> The statement would include performance measures for each of the reporting entity's major programs.

Existing guidance, Statement of Federal Financial Accounting Standards (SFFAS) 15, *Management's Discussion and Analysis*, requires reporting entities to address their performance in MD&A.<sup>12</sup> Reporting entities, however, are not always able to provide complete performance information in MD&A. Reporting entities noted that performance information may not be available until after they are required to issue their general purpose federal financial reports (GPFFR); therefore, they have started referring MD&A readers to more detailed annual performance reports (APRs).

When discussing how to improve the performance information aspect of the model, some members were concerned about the Board's role with respect to performance reporting and noted that, unlike some state, local, and other sovereign governments, the federal government has a legal framework and a process for reporting performance information. Reporting entities prepare APRs that provide detailed performance information required by the Government Performance and Results Act of 1993 (GPRA).

In addition, the GPRA Modernization Act of 2010 (GPRAMA) refined the GPRA requirements to facilitate more frequent, relevant data to inform decision makers. GPRAMA was intended to help advance the use of performance information in policy decisions such as budget allocations and requires: data on cross-cutting areas, performance information in a machine-readable format, making performance information available on a public website, and a central inventory of federal programs to help citizens understand the range of services the federal government performs.<sup>13</sup> Consequently, as part of the new requirements, performance information is centralized on a federal website, [www.Performance.gov](http://www.Performance.gov).

The Board discussed whether to permit reporting entities to refer users to the more detailed performance reports when preparing MD&A and members expressed concern that financial reports would not present the performance information needed to address the reporting objectives. In addition, members noted that information in APRs may not be aligned with the financial information presented in the reporting entity's GPFFR.

Although the Board has an ongoing project for improving MD&A, staff believes that research on performance reporting should be a separate project. Performance reporting is a broad topic and determining what performance information to present in GPFFRs

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<sup>11</sup> SFFAC 2, pars. 106-112.

<sup>12</sup> SFFAS 15, par. 1.

<sup>13</sup> Pub. L. No. 111-352, 124 Stat. 3866 (2011). GPRAMA amended the Government Performance and Results Act of 1993, Pub. L. No. 103-62, 107 Stat. 285 (1993).

should not be constrained by the scope of MD&A. The Board has stated that MD&A is intended for the vital few items.

In addition, the Board has agreed that performance information should be a component of the financial reporting model;<sup>14</sup> however, standards for providing the information have been limited to SFFAS 15. The standards state, “MD&A should provide a clear and concise description of the reporting entity and its mission, activities, program and financial performance...”

**Question 3:** Would the Board like to initiate a research project on performance reporting to determine what performance information should be presented in GPFFRs and its suggested format?

## 2. Electronic Reporting: The Means of Providing Data

The Board reviewed illustrations of electronic reporting capabilities and observed how technology augments financial reporting. The illustrations demonstrated how technology could provide a dynamic presentation, and help a diverse audience of potential users better access and understand information. For instance, artificial intelligence (AI) could address concerns about the different levels of expertise and interests that characterize potential users and address readability challenges given the high level of unique, technical terms used in government reporting. AI could converse with users and answer their questions or help them locate the information they need within the presentation. In addition, digitized financial statements could address concerns about providing access to program level detail and other data. Users could click on the aggregated amounts and drill down to more granular information. Data visualizations can also be used to help users understand reporting entity activities.

The illustrations also highlighted the limitations of paper-based reporting practices. For instance, electronic reporting could permit users to determine the level of aggregation needed and automatically search enormous amounts of data for analyses. The paper-based model, in contrast, requires users to rely on the levels of aggregation presented and manually perform steps to locate and analyze data. Standards-setters may accordingly require tables or schedules to assist users.

For instance, the Board has noted that different perspectives are needed to report on the financial health of the federal government and the financial statements may not have a single bottom line. The Board, consequently, agreed that financial statement metrics should be presented in a table in MD&A. Electronic reporting technology, however, could use the metrics to help a user understand changes in the government’s financial position and the impact of growing social insurance commitments.

Since the Board developed the reporting model discussed in SFFAC 2, *Entity and Display*, the means of delivering information and demonstrating accountability have evolved. For instance, reporting entities are providing electronic, open access to

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<sup>14</sup> See SFFAC 2, pars. 106-112, SFFAC 3, par.13, and SFFAC 8, pars. 59-64.

budgetary data and providing machine-readable performance information separate from GPFFRs. Open data fosters accountability and public trust<sup>15</sup> and electronic features help users interpret data. In addition, providing electronic access to disaggregated data can satisfy the needs of a broader range of users than providing aggregated data in a printed document. Also, the ease in data access could lead to increased examination of government activities. Aggregated data, however, can be useful in helping users answer common questions and understanding how disaggregated data might be used.

Australia is an example of a sovereign government that has started delivering financial and other information electronically, utilizing a single portal. The portal, <https://www.transparency.gov.au/>, provides a repository of financial reports and other information and treats agency financial reports as a data set rather than individual printed documents. Users have the option to view the financial data in a table or graph, compare different departments or agencies, and filter the data to see different time periods, budgeted data, and actual data. Also, because the reporting basis is electronic, the location of information within the report is not a concern. Users click on a menu to select the information they need or download the data themselves. Figure 1: Example of Australia's Transparency Portal provides an example of portal.

Australia encountered many of the same issues as the U.S., such as multiple users seeking different information, and they found that portable document formats were not useful for performing analyses. In addition, Australia realized that departments and agencies were diverse so they needed the flexibility to structure their reports as needed to accommodate different operations. Australia consequently started using hypertext markup language (HTML). Using HTML helps users access and perform analyses of the information, including numeric as well as textual information. See Figure 2: Example Comparison for an example this feature.

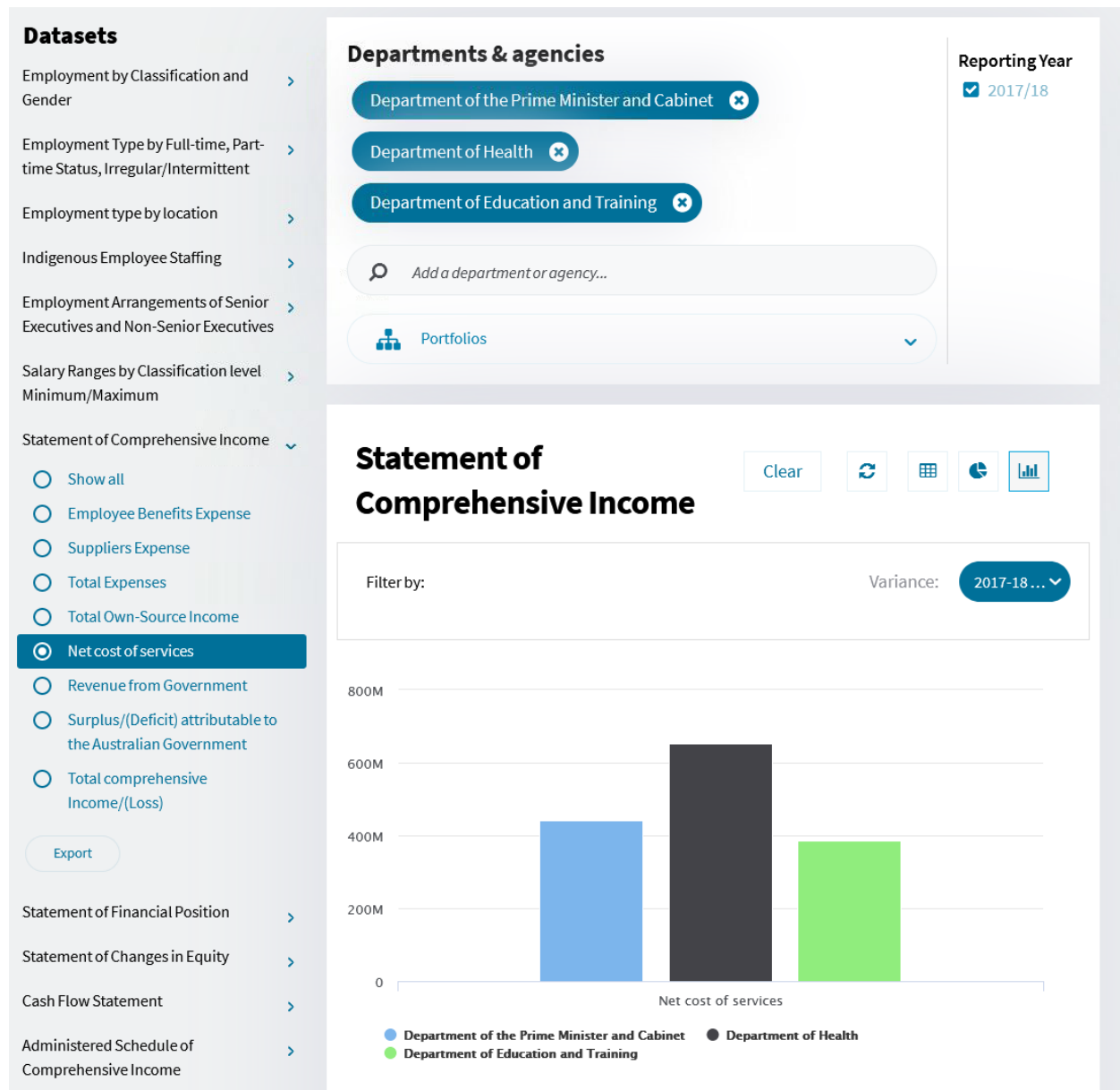
The Board noted that component reporting entities could be creative and use interactive technology to facilitate reporting. Existing standards do not prohibit reporting entities from using technology to enhance reporting and the Board has sought to develop reporting requirements that would continue to be relevant regardless of the technology used. Board members noted that a static set of financial statements is expected in the near term and the current audit model is based on a static set of information. This condition, however, does not necessarily prohibit reporting entities from linking the statements to richer detail.

**Question 4:** Would the Board like to continue a research project to determine the possible role of FASAB standards in providing machine-readable data in an open data environment?

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<sup>15</sup> GAO, *Open Data: Treasury Could Better Align USAspending.gov with Key Practices and Search Requirements*, GAO-19-72 (Washington, D.C.: Nov. 8, 2017).





**Figure 1: Example of Australia's Transparency Portal**

## Compare content

View  

Department of Education and Training  
17AE(1)(a)(iii)

### Our purpose, outcomes and programs

The department works to achieve its purpose within the context of delivering the Australian Government's outcomes as outlined in the Education and Training 2017–18 Portfolio Budget Statements.

**Purpose:** Maximising opportunity and prosperity through national leadership on education and training

**Outcome 1: Quality early learning and schooling**  
*Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.*

Programs under Outcome 1 are:

- 1.1 – Support for the Child Care System
- 1.2 – Child Care Benefit
- 1.3 – Child Care Rebate
- 1.4 – Child Care Subsidy
- 1.5 – Government Schools National Support
- 1.6 – Non-Government Schools National Support
- 1.7 – Early Learning and Schools Support

**Outcome 2: World-class tertiary education, training and research**  
*Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.*

Department of Human Services  
17AE(1)(a)(iii)

### 2.1 OUTCOME AND PROGRAM STRUCTURE

The department has one outcome and three programs.

Figure 3: Outcome and program structure, 2017–18

<b>OUTCOME 1:</b>
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.
<b>PROGRAM 1.1</b>
<i>Services to the Community—Social Security and Welfare</i>
The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to social security and welfare payments and services on behalf of the Australian Government.
<b>PROGRAM 1.2</b>
<i>Services to the Community—Health</i>
The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to health payments and services on behalf of the Australian Government.
<b>PROGRAM 1.3</b>
<i>Child Support</i>
The department's Child Support program is designed to ensure that both parents contribute to the cost of their children, according to their capacity.

**Figure 2: Example Comparison**

### 3. Data Quality and Integration

The Board recognized that governments are engaged in open data initiatives that allow users to freely access, analyze, and share data. The U.S. has launched [www.USASpending.gov](http://www.USASpending.gov) to permit open budgetary data and Board members have expressed interest in determining the nexus between aggregated financial statements and disaggregated data. Determining the relationships could help improve the quality of component reporting entity data used internally and externally and increase the relevance of intermediate aggregations of data.

In addition, over the past several years since the Chief Financial Officers (CFO) Act of 1990, the federal government has been moving toward shared mission support services, such as human resources (HR) and financial management. Generally accepted accounting principles (GAAP), administrative directives, and laws have contributed to the development of common definitions and disciplined processes

needed to integrate data and reduce the level of redundant systems across the federal government.

Key congressional actions included new laws to create uniform standards for financial reporting, promote agency use of information technology (IT) to deliver core mission support services, and establish funding mechanisms for agencies to modernize IT systems. Presidential administrations have also made it a priority to promote the use of shared services for HR and financial management activities for many years.

The Board also noted that component reporting entities face challenges in analyzing and transforming their data into readily understood, actionable information for executive decision-making; especially the linking of budget, costs, and performance. Preparers noted that they need “super users” trained in the nuances of how to generate meaningful reports through their agency’s financial system.<sup>16</sup>

Board members noted that the government could have a common body of data or single data source that internal and external users could access. Building toward this capability may involve identifying the attributes to assign to transactions and balances. While direct costs at the transaction level can be coded, overhead costs would require judgment and a process for assigning the costs to a particular responsibility segment. Decisions would need to be made on matters such as whether to associate costs with the reporting entity’s performance goals.

Determining common data and information useful across government may require a top-down perspective. The Board’s reporting model task force noted that the government-wide level would likely be the level where users would start their review and the federal government should adopt an electronic, web-based method of communicating information. The task force noted that this method would enable the federal government to meet more user needs more quickly and at a lower cost than the paper-based method currently used.<sup>17</sup>

**Question 5:** Would the Board like to initiate a project to: 1) determine what role financial statements might play in facilitating data quality and integration across the federal government and 2) based on a top-down assessment, determine what information might be needed across government, rather than for individual component reporting entities?

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<sup>16</sup> National Academy of Public Administration’s (NAPA), *Financial and Related Information for Decision-Making: Enhancing Management Information to Support Operational Effectiveness and Priority Goals*.

<sup>17</sup> FASAB, *Report of the Financial Reporting Model Task Force*, December 2010.

#### 4. Guidance on Financial Statements and Financial Reporting

The Board could consider a project to develop guidance to help users understand the relationship between financial statements and other publicly available financial reporting and how financial statements help support internal decision making. The guidance could help managers determine what financial information may be needed for managing their programs and could be used to help improve financial management systems.

Board members have noted that it would be difficult to satisfy all of the reporting objectives; however, an “anchor” is needed. Users need to know where they can access information that has been prepared in conformity with a set of standards.

The question is how to improve the linkage between the existing model and other items of information that would be informative to users. Government standards setters recognize that relevant information about their government may be available to users, but that information may not always be a part of the standards setter’s direct purview. For instance, the Department of the Treasury and OMB provide detailed reports of receipts, outlays, and balances and USASpending.gov provides open data. This reporting contributes to the federal reporting objectives.

Board members also observed that there are a number of benefits in preparing financial statements. For instance, the *Chief Financial Officers Act of 1990 – 20 Years Later: Report to the Congress and the Comptroller General* noted the evolution of reliable, timely, and useful information and increasing levels of credibility and confidence in government information.

The financial reporting community, however, may need to better understand the need for component entity financial statements in the age of open data and data integration. Congress passed the CFO Act to help address weaknesses in component reporting entity financial management systems and required audited financial statements. Also, the existing model is designed to provide less detail in the CFR and more detail at the component level; therefore, there may be adverse consequences to removing information from the component level.

Developing guidance could help explain the role of component reporting entity financial statements and discuss how the information could be used internally and externally. In addition, the guidance could assist in the development of nexus points for improving data quality and integration and, helping users locate program level detail.

**Question 6:** Would the Board like to pursue a project to develop guidance that would explain the relationship between financial statements and financial reporting?

#### 5. Continue Discrete Projects to Improve the Reporting Model

Since the Board initiated the reporting model project, the Board has conducted discrete projects to help guide the Board’s reporting model discussions and improve aspects of the model. See Table 1: Examples of Discrete Projects provides some examples of the

projects. Also, all the Board's existing projects contribute to improving aspects of the model. For instance, the land and note disclosures projects will help improve the basic information presented and the Board is evaluating existing standards. The Board could therefore continue conducting discrete projects rather than continuing an overall reporting model project. The discrete projects approach would enable more focused research and discussion of issues and the Board could periodically pause to assess the overall model.

**Question 7:** Would the Board like to focus on discrete projects to improve the reporting model rather than continuing an overall reporting model project?

Statement	Summary	Date Issued
Statement of Federal Financial Accounting Concepts (SFFAC) 6, <i>Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information.</i>	Provides guidance for determining whether information should be basic information, required supplementary information (RSI), or other accompanying information (OAI).	February 4, 2009
SFFAS 36, <i>Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government.</i>	Requires information about projected trends in the federal budget deficit or surplus and the federal debt and how these amounts relate to the national economy. This information complements the information from the federal government's balance sheets and operating statements.	September 28, 2009
SFFAC 7, <i>Measurement of the Elements of Accrual-Basis Financial Statements in Periods After Initial Recording</i>	Defines terms used in measuring assets, liabilities, and other elements and discusses areas for consideration by the Board when it deliberates measurement standards in the future.	August 16, 2011
SFFAC 8, <i>Federal Financial Reporting</i>	Discusses the role of financial statements and RSI and their relationship to other reported financial and non-financial information. The Statement also discusses 1) the content and presentation of financial statements and RSI for government-wide and component reporting entities, 2) the presentation of budgetary information	September 22, 2017

Statement	Summary	Date Issued
	in component reporting entity financial statements and RSI, 3) the presentation of performance information in financial statements and RSI, and 4) the summary-level information relating to financial statements and RSI.	
SFFAS 53, <i>Budget and Accrual Reconciliation (BAR)</i> .	The BAR explains the relationship between the entity's net outlays on a budgetary basis and the net cost of operations during the reporting period.	October 27, 2017
SFFAS 56, <i>Classified Activities</i>	Balances the need for financial reports to be publicly available with the need to prevent the disclosure of classified national security information or activities in publicly issued GPFFRs. The Statement allows financial presentation and disclosure to accommodate user needs in a manner that does not impede national security.	October 4, 2018

**Table 1: Examples of Discrete Projects**

## **NEXT STEPS**

The next steps for the project will be determined during the meeting.

## **MEMBER FEEDBACK**

If you have any questions or comments, please contact me by telephone at (202) 512-2512 or by email at [simmsr@fasab.gov](mailto:simmsr@fasab.gov) with a cc to Ms. Valentine at [valentinem@fasab.gov](mailto:valentinem@fasab.gov).

## QUESTIONS FOR THE BOARD

The following questions reflect alternative approaches for the reporting model's next steps.

**Question 1:** Would the Board like to initiate a project to revisit the issue of how best to disaggregate costs on the face of the SNC?

**Question 2:** Given that the Board has determined that budgetary information should be presented in the reporting model, would the Board like to initiate a project to improve its reporting, including determining whether budgetary information should be basic or RSI?

**Question 3:** Would the Board like to initiate a research project on performance reporting to determine what performance information should be presented in GPFFRs and its suggested format?

**Question 4:** Would the Board like to continue a research project to determine the possible role of FASAB standards in providing machine-readable data in an open data environment?

**Question 5:** Would the Board like to initiate a project to: 1) determine what role financial statements might play in facilitating data quality and integration across the federal government and 2) based on a top-down assessment, determine what information might be needed across government, rather than for individual component reporting entities?

**Question 6:** Would the Board like to pursue a project to develop guidance that would explain the relationship between financial statements and financial reporting?

**Question 7:** Would the Board like to focus on discrete projects to improve the reporting model rather than continuing an overall reporting model project?

**Question 8:** Is there another alternative the Board would like to pursue?

Upon considering the alternatives, the Board may determine that multiple approaches should be pursued. If so, consider the following question:

**Question 9:** Which alternative would the Board consider to be its highest priority in the near term?



Federal Accounting Standards Advisory Board

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# FEDERAL FINANCIAL REPORTING

## **Statement of Federal Financial Accounting Concepts 8**

September 22, 2017

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## THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or “the Board”) in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

An accounting standard is typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. The proposed standards are published in an exposure draft for public comment. In some cases, a discussion memorandum, invitation for comment, or preliminary views document may be published before an exposure draft is published on a specific topic. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standard with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information is available from FASAB or its website:

- [“Memorandum of Understanding among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board.”](#)
- [“Mission Statement: Federal Accounting Standards Advisory Board,” exposure drafts, Statements of Federal Financial Accounting Standards and Concepts, FASAB newsletters,](#) and other items of interest are posted on FASAB’s website at [www.fasab.gov](http://www.fasab.gov).

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## STATEMENTS OF FEDERAL FINANCIAL ACCOUNTING CONCEPTS

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Statements of Federal Financial Accounting Concepts (SFFACs) set forth objectives and fundamentals on which financial accounting and reporting standards are based. The objectives identify the goals and purposes of financial reporting and the fundamentals are the underlying concepts of financial accounting—concepts that guide the selection of transactions, events, and circumstances to be accounted for; their recognition and measurement; and the means of summarizing and communicating them to interested parties.

Concepts statements guide the Board's development of accounting and reporting standards by providing the Board with a common foundation and basic reasoning on which to consider the merits of alternatives. Also, knowledge of the objectives and concepts the Board considers should help users and others who are affected by or interested in federal financial accounting and reporting standards to understand better the purposes, content, and qualitative characteristics of information provided by federal financial accounting and reporting.

The conceptual framework addresses many of the fundamentals needed to support standards setting. FASAB developed the core of its conceptual framework in the early 1990s. At that time, financial management legislation and administrative directives focused on component entity reporting. Hence, FASAB's second concepts statement, *Entity and Display*, focused on the basis for defining a reporting entity and the display of component entity financial statements. Other concepts statements address financial reporting objectives, qualitative characteristics of information, the intended audience for the financial report of the U.S. Government (FR), elements of accrual basis statements and their measurement attributes, communication methods, and managerial cost accounting.

Through its ongoing conceptual framework project, FASAB has reviewed its early concepts statements and is establishing new statements as needed. The *FASAB Handbook of Accounting Standards and Other Pronouncements, As Amended (FASAB Handbook)* provides a full discussion of FASAB's SFFACs. The FASAB Handbook discusses the difference between SFFACs and generally accepted accounting principles and can be accessed at <http://www.fasab.gov/accounting-standards/>.

## SUMMARY

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This concepts statement discusses the role of financial statements<sup>1</sup> and required supplementary information (RSI) and their relationship to other reported financial and non-financial information. This Statement also discusses 1) the content and presentation of financial statements and RSI for government-wide and component reporting entities, 2) the presentation of budgetary information in component reporting entity financial statements and RSI, 3) the presentation of performance information in financial statements and RSI, and 4) the summary-level information relating to financial statements and RSI.

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<sup>1</sup> Disclosures are an integral part of financial statements.

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# INTRODUCTION

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## PURPOSE

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1. This Statement provides a platform to address current and evolving reporting needs and capabilities and discusses concepts to assist the Federal Accounting Standards Advisory Board (FASAB or “the Board”) in developing standards for improving the reporting models for the government-wide and component reporting entities.
2. In developing this Statement, the Board considered concepts that are most important to addressing users’ needs. As a result, some existing FASAB concepts such as those discussed in Statement of Federal Financial Accounting Concepts (SFFAC) 1, *Objectives of Federal Financial Reporting*, are reemphasized to clarify users’ needs. In addition, this Statement discusses principles the Board considered when developing the existing models and that the Board considered important for achieving the reporting objectives. The concepts and principles also explain the relationship between information required by generally accepted accounting principles (GAAP)<sup>2</sup> and other reported financial and non-financial information (ORFNI). Hereinafter, information required by GAAP will be referred to as financial statements<sup>3</sup> and required supplementary information (RSI).<sup>4</sup>
3. This Statement also assists preparers and users in understanding the purposes of financial statements and RSI and how this information relates to ORFNI.
4. This Statement enhances the Board’s conceptual framework regarding
  - a. the relationship between financial statements and RSI and ORFNI contributing to the financial reporting objectives,
  - b. the content and presentation of financial statements and RSI for government-wide and component reporting entities,
  - c. the presentation of budgetary information in component reporting entity financial statements and RSI,
  - d. the presentation of performance information in financial statements and RSI, and
  - e. the summary-level information relating to financial statements and RSI.
5. The enhancements to the conceptual framework address users’ need to better understand the variety of information available and its relationship to financial statements and RSI. Since FASAB developed its earlier concepts statements, the

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<sup>2</sup> The American Institute of Certified Public Accountants designated FASAB as the source of GAAP for federal reporting entities.

<sup>3</sup> Disclosures are an integral part of financial statements.

<sup>4</sup> Management’s Discussion and Analysis is a component of RSI.

range of data and information available to the public has evolved. This information includes reports that comprise financial statements and RSI, budgetary information, non-financial performance information, and information on systems and control.

6. Moreover, the enhancements address users' need to better understand 1) the relationships among budget, cost, and performance information for federal programs and services, 2) the government's financial condition, 3) component reporting entity budgetary information, and 4) the relationship between the government-wide and component reporting entities' financial statements and RSI.

## SCOPE

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7. As intended, the overall financial reporting objectives discussed in SFFAC 1 are broad. They reflect the diverse needs of federal financial information users and are designed to improve the quality (for example, relevance and consistency) of data available in a wide variety of reports.
8. This Statement clarifies SFFAC 1 by emphasizing the objectives most relevant for financial statements and RSI and, therefore, most important for the development of standards.
9. This Statement focuses primarily on concepts to support achieving the Operating Performance and Stewardship objectives. It also provides concepts for reporting budgetary information. The concepts will guide the development of standards for the government-wide and component reporting entity financial statements and RSI.
10. The Board develops GAAP for reporting on the financial results of operations, financial position, financial condition, and operating performance of the federal government and its component reporting entities, including the status of budgetary resources provided to component reporting entities. These basic items are complemented by a variety of financial measures and ORFNI. Financial statements and RSI that include information on budgetary activity and results will provide a more comprehensive and insightful understanding of the government's financial position, results of operations, financial condition, and operating performance than budgetary and financial information individually. Financial statements and RSI are part of a larger body of information available to users; this concepts statement discusses how financial statements and RSI relate to and complement this larger body of information.
11. The Board is charged with considering "the budgetary information needs of executive agencies and the needs of users of federal financial information"<sup>5</sup> and is committed to supporting efforts to ensure the accuracy and reliability of reporting on the budget. While budgetary and financial accounting information are presented on different bases of accounting, the information is, in effect, about different aspects of the same transactions. Thus, information is provided to assist users in understanding those aspects and their relationship.

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<sup>5</sup> FASAB "Memorandum of Understanding," (October 2009), 2.

12. This Statement discusses the types of information presented to meet various user needs. Figure 1: Information for Assessing Accountability and for Decision Making illustrates the relationship between financial statements and RSI and the larger body of information available to users for assessing the government and its components' accountability and for decision making.
13. The figure shows that information for assessing the government's accountability and for decision making includes financial reporting by federal reporting entities and reporting by others. This Statement focuses on financial reporting by federal reporting entities, which includes information required by GAAP and information required by others or reported voluntarily - ORFNI. Information required by GAAP consists of financial statements and RSI. ORFNI consists of financial and non-financial information such as performance information and information on the federal budget and the economy. This information is presented at the discretion of management or to satisfy other reporting requirements. Reporting by others includes other financial and non-financial information presented by the media, interest groups, or other non-federal reporting entities.
14. Figure 1 provides examples of the types of information that may be presented and is not intended to represent current or future financial reporting requirements. In addition, while each of the types of information presented in the figure may be condensed and presented as summary-level information, paragraphs 67 to 74 of this Statement discuss summary-level information with respect to financial statements and RSI.

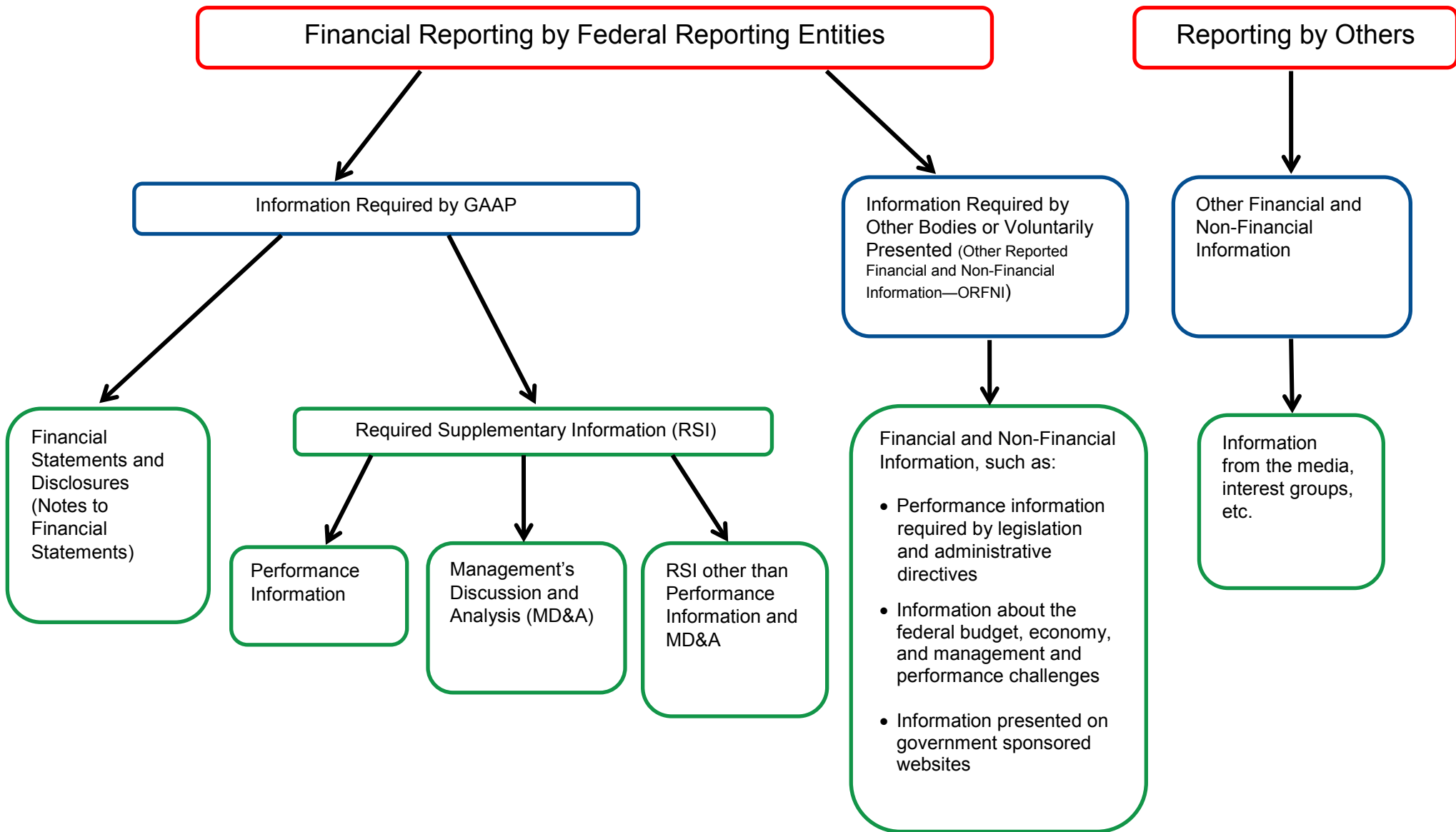


Figure 1: Information for Assessing Accountability and for Decision Making



## CONCEPTS

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### FEDERAL FINANCIAL REPORTING OBJECTIVES

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15. While users of federal financial information need information similar to that of private sector financial information users, they also need additional types of information. Private sector entities primarily obtain their resources through voluntary transactions with individuals or other organizations. However, the federal government primarily obtains its resources from the involuntary payment of taxes and borrowing. Users of federal financial information are concerned about matters such as
  - a. the sources of resources,
  - b. how the government used the resources it obtained,
  - c. what services the public received from the resources provided,
  - d. whether the resources provided were sufficient to cover the cost of services provided,
  - e. whether the government's financial ability to provide services improved or deteriorated, and
  - f. whether the services provided contributed to the accomplishment of the intended purposes.
16. Statement of Federal Financial Accounting Concepts (SFFAC) 1, *Objectives of Federal Financial Reporting*, provides additional discussion on the types of users of federal financial information, their financial information needs, and the objectives of reporting financial information. There are four overall reporting objectives that form the foundation for all other concepts:
  - a. **Budgetary Integrity.** Federal financial reporting should assist in fulfilling the government's duty to be publicly accountable for monies raised through taxes and other means and for their expenditure in accordance with the appropriations laws that establish the government's budget for a particular fiscal year and related laws and regulations.
  - b. **Operating Performance.** Federal financial reporting should assist report users in evaluating the service efforts, costs, and accomplishments of the reporting entity; the manner in which these efforts and accomplishments have been financed; and the management of the entity's assets and liabilities.
  - c. **Stewardship.** Federal financial reporting should assist report users in assessing the impact on the country of the government's operations and investments for the period and how, as a result, the government's and the nation's financial condition has changed and may change in the future.

- d. Systems and Control. Federal financial reporting should assist report users in understanding whether financial management systems and internal accounting and administrative controls are adequate to ensure that
  - i. transactions are executed in accordance with budgetary and financial laws and other requirements,
  - ii. transactions are consistent with the purposes authorized,
  - iii. transactions are recorded in accordance with federal accounting standards,
  - iv. assets are properly safeguarded to deter fraud, waste, and abuse, and
  - v. performance measurement information is adequately supported.
- 17. The report released by the Federal Accounting Standards Advisory Board (FASAB or “the Board”), titled *Clarifying FASAB’s Near-Term Role in Achieving the Objectives of Federal Financial Reporting*, affirmed these objectives and clarified that the Board’s primary focus should be on the Operating Performance and Stewardship objectives. With respect to the Stewardship objective, the Board’s focus is on the government’s financial condition rather than the nation’s financial condition.
- 18. SFFAC 2, *Entity and Display*, identifies the financial information needed to meet the objectives. It also recognizes some of the identified information that should be presented in financial statements and required supplementary information (RSI).

## FINANCIAL STATEMENTS AND RSI

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- 19. To achieve the reporting objectives, federal reporting entities may present financial statements, RSI, and other reported financial and non-financial information (ORFNI). To establish a platform for discussing the relationship between financial statements and RSI and ORFNI, this section discusses the role of financial statements, generally accepted accounting principles (GAAP) and principles relevant to financial statements, and the role of RSI.
- 20. Financial statements and RSI are two means of providing information collectively intended to assist users of federal financial information in assessing the financial results of operations, financial position, financial condition, and operating performance of the federal government and its component reporting entities, including the status of budgetary resources provided to component reporting entities.
- 21. Users of federal financial information need a variety of information to assess the government’s finances. However, the degree to which individual items meet certain qualitative characteristics may vary. Thus, as discussed in SFFAC 6, *Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information*, different means may be used to communicate this information and each is subjected to different audit procedures and reporting requirements under generally accepted government auditing standards (GAGAS). SFFAC 6 defines basic information as “information that is essential for financial statements and notes to be

presented in conformity with [GAAP]" and RSI as "information that a body that establishes GAAP requires to accompany basic information."<sup>6</sup>

22. GAAP provides criteria for categorizing, recognizing, measuring, and depicting the government's financial activities in financial statements. In addition, GAAP
  - a. is based on a common understanding of terms and elements, as well as the relationships among them;
  - b. ensures financial statements and RSI meet certain qualitative characteristics;<sup>7</sup> and
  - c. guides the preparation and exchange of information.
23. The Board develops GAAP for reporting on the financial results of operations and financial position of the government-wide and component reporting entities and to provide budgetary information to assist in monitoring the receipt and use of resources. Preparing financial statements that provide information on financial results of operations, financial position, and budgetary information necessitates different bases of accounting. For example, the accrual basis of accounting recognizes revenue when earned and recognizes costs when incurred to achieve an objective, such as providing or acquiring services. Reported budgetary information in the government-wide reporting entity uses primarily cash-based budgetary accounting to recognize budget receipts when cash is received and budget outlays when cash is disbursed. Budgetary accounting in component reporting entities recognizes events when the component reporting entity receives appropriations and when it enters into an agreement that obligates the government to make payments in the future, such as when it awards a contract.
24. Although a variety of projections may be used in preparing financial statements, long-term projections may be used to inform users on the sustainability of services. Long-term projections depict the results that may occur provided current policy regarding receipts and spending is maintained.
25. RSI accompanies financial statements and may include
  - a. performance information to help users evaluate the service efforts, costs, and accomplishments of the entity;
  - b. management's discussion and analysis (MD&A) to communicate management's insights about the reporting entity, increase users' understanding of the information presented and the usefulness of the information, and provide information about the entity's operations, service levels, successes, challenges, and future;<sup>8</sup> and

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<sup>6</sup> SFFAC 6, par. 4.

<sup>7</sup> SFFAC 1, par. 156-164 discuss the qualitative characteristics of information in financial reports.

<sup>8</sup> See SFFAC 3, *Management's Discussion and Analysis*, for concepts regarding MD&A.

- c. other information regarding the entity.

According to SFFAC 2, RSI “may be experimental in nature to permit the communication of information that is relevant and important to the reporting objectives while more experience is gained through resolution of accounting issues.”<sup>9</sup>

- 26. Financial statements and RSI include explanations to assist users in understanding the differences among the bases of accounting, the information provided, and the use of projections.
- 27. Financial statements and RSI may include narrative and graphic depictions to explain the relationships among items of information.

## OTHER REPORTED FINANCIAL AND NON-FINANCIAL INFORMATION AND ITS RELATIONSHIP TO FINANCIAL STATEMENTS AND RSI

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- 28. This section discusses the characteristics of ORFNI and its relationship to financial statements and RSI.
- 29. The government-wide and component reporting entities may present information that is not required by GAAP. These entities may present this information to help achieve the reporting objectives or comply with laws and administrative directives. Hereinafter this information will be referred to as *ORFNI*.
- 30. There may be limitations to ORFNI. For instance, ORFNI
  - a. may lack exposure to the same level of internal controls as financial statements and RSI,
  - b. may lack consistency with GAAP standards for financial statements and RSI,
  - c. may not meet the qualitative characteristics of financial statements and RSI, and/or
  - d. may not be subject to certain procedures required by GAGAS.
- 31. Multiple methods of presentation may help facilitate user needs. For example, financial statements, RSI, and ORFNI may be presented in a hierarchical structure that permits users to review both highly aggregated data and disaggregated data. The different levels of data help provide users with the information at levels of specificity relevant to their particular needs. For example, users may drill-down from the government-wide reporting entity’s financial statements to ORFNI in schedules provided by a component reporting entity.
- 32. Narrative descriptions or visual representations may enhance users’ understanding of the financial statements, RSI, and ORFNI and direct them to additional information.

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<sup>9</sup> SFFAC 2, par. 73C.

33. Financial statements and RSI provide information to assist users in assessing topics, such as the entity's financial results of operations, financial position, financial condition, and operating performance. While financial statements and RSI focus on the widespread needs of different users, ORFNI may be required by administrative directives or presented voluntarily to meet the specific needs of a user or user group. For example, a component reporting entity may present information to address a specific congressional concern.
34. ORFNI can also contribute to achieving the objectives of federal financial reporting. For instance, information on the risks that stem from major natural disasters or implicit guarantees assist users in assessing the government-wide reporting entity's financial condition. In addition, to comply with directives regarding performance reporting, component reporting entities may present information on how their activities benefit public health, safety, and welfare, their progress on achieving strategic objectives, or their actions to improve performance. ORFNI may also include information about the federal budget, the nation's economy, management and performance challenges, or financial information presented on government-sponsored websites.

## CONCEPTS FOR GOVERNMENT-WIDE AND COMPONENT REPORTING ENTITIES

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35. This section includes a discussion on 1) the types of information the government-wide reporting entity financial statements and RSI provide, 2) the types of information component reporting entity financial statements and RSI collectively provide, and 3) the relationship between the government-wide and component reporting entities.

### THE GOVERNMENT-WIDE REPORTING ENTITY

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36. The federal government is responsible for the nation's defense and general welfare and is a single economic entity made up of component reporting entities that provide services to individuals and organizations.
37. The federal government has unique capabilities to finance the services provided and accomplish its objectives. It has the power to levy taxes, charge fees, and borrow.
38. The federal government can borrow money to finance services when expenditures exceed receipts during a period.
39. Given the operations of the government-wide reporting entity, financial statements and RSI collectively provide information to assist users in understanding
  - a. the government's mission, organization, and relationship to component reporting entities;
  - b. the government's performance;
  - c. the government's sources and uses of resources and financial results for the period;

- d. the provisions in the tax code that reduce tax revenue;<sup>10</sup>
  - e. the government's assets, liabilities, and net position as of the end of the reporting period (financial position);
  - f. the long-term impact of the government's policies on debt held by the public;
  - g. the government's budget surplus or deficit for the period, including how the surplus or deficit relates to the government's net financial results and change in monetary assets during the period;
  - h. the government's investments in productivity and economic growth during the period (stewardship investments);
  - i. the relationship between the information presented in each financial statement and RSI;
  - j. the changes in amounts and types of elements presented in financial statements;
  - k. the future effects of existing, currently known demands, risks, uncertainties, events, conditions and trends; and
  - l. the possible future effects of anticipated future demands, events, conditions, trends, risks assumed, etc., management believes would be important to users.
40. SFFAC 1, specifically paragraphs 134 to 145 and paragraphs 180 to 182, discusses users' need for information regarding the government's financial position and financial condition and the relationship between the two concepts. Information on the government's financial position is the starting point for assessing the government's financial condition. SFFAC 1, paragraph 144, states the following:

Financial condition is a broader and more forward-looking concept than that of financial position. Reporting on financial condition requires financial and nonfinancial information about the national economy and society, as well as about the government itself...

Assisting users in understanding the government's financial condition requires multiple indicators,<sup>11</sup> including information regarding the changes in the government's financial position, the long-term impact of the government's policies on debt held by the public, and the sustainability of public services as discussed in SFFAC 1, paragraphs 140 to 142. Information on the government's financial position and financial condition is needed to assist users in assessing matters such as whether financial burdens were passed on by current-year taxpayers to future-year taxpayers without related benefits and the long-term sustainability of government policies.

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<sup>10</sup> For example, to encourage home ownership and stimulate residential construction, the federal government may enact tax provisions that reduce the tax liability for taxpayers who incur the costs associated with mortgage interest and local property taxes. These provisions are referred to as tax expenditures.

<sup>11</sup> SFFAC 1, footnote 14.

## COMPONENT REPORTING ENTITIES

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41. Component reporting entities receive budget authority through appropriations made in the legislative process. Their missions and reporting requirements are established in various laws enacted over time, resulting in a complex network of operations and services. Component reporting entities across the federal government are diverse and the scope and nature of each component reporting entity's activities can be diverse and at times overlap.
42. In light of the reporting objectives of component reporting entities, financial statements and RSI collectively provide information to assist users in understanding
  - a. the entity's mission, structure, goals, and objectives, including the relationships among the component reporting entity, other component reporting entities, and the government-wide reporting entity;
  - b. the entity's performance in achieving its goals and objectives;
  - c. the entity's sources and uses of resources and financial results for the period;
  - d. the entity's assets, liabilities, and net position as of the end of the reporting date (financial position);
  - e. the status of the entity's budgetary resources;
  - f. the investments in productivity and economic growth during the period, consistent with the mission of the component reporting entity;
  - g. the relationship between the information presented in each financial statement and RSI;
  - h. the changes in amounts and types of elements presented in financial statements;
  - i. the future effects of existing, currently known demands, risks, uncertainties, events, conditions and trends; and
  - j. the possible future effects of anticipated future demands, events, conditions, trends, etc., management believes would be important to users.
43. The Operating Performance objective of federal financial reporting states, in part, that users need information to help them evaluate the entity's costs and accomplishments and how those costs and accomplishments have been financed.<sup>12</sup>
44. Often, the accomplishment of component reporting entity goals, programs, and objectives is dependent on the delivery of services granted or contracted to state and local governments and for-profit and nonprofit organizations. Users of those component reporting entity financial statements may be interested in the percentage of

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<sup>12</sup> SFFAC 1, par. 122.

the component reporting entity budget authority allocated to these entities and how the component reporting entity measures the delivery of those services.

45. Aggregating and categorizing information by strategic goal is one means of providing information on the entity's costs and accomplishments and its manner of financing. Presenting such information in this manner assists users in understanding the entity's progress in achieving its strategic goals.
46. The Operating Performance objective also states users need information about
  - a. the costs of providing specific programs and activities and the composition of and changes in these costs;<sup>13</sup>
  - b. the efforts and accomplishments associated with federal programs and the changes over time and in relation to costs; and<sup>14</sup>
  - c. the efficiency and effectiveness of the government's management of its assets and liabilities.<sup>15</sup>
47. Information about a component reporting entity's financial position is important for achieving the Operating Performance objective and providing information on the entity's assets and liabilities. Because most component reporting entities are not independent economic entities and budget authority from Congress specifies the amount, purpose, and duration of their funding, readers should be referred to the government-wide reporting entity's financial statements for information about the financial position of the federal government. Such information is important for achieving the Stewardship objective. The Stewardship objective states users need information about whether
  - a. the government's financial position improved or deteriorated over the period,
  - b. future budgetary resources will likely be sufficient to sustain public services and to meet obligations as they come due, and
  - c. government operations have contributed to the nation's current and future well-being.

The government-wide reporting entity can tax and borrow funds while most component reporting entities do not possess such authority.

48. For component reporting entities that receive budget authority on an annual basis, users need to know 1) the budgetary activity during the period, 2) the extent to which budget authority has been used and remains available, and 3) whether additional funding may be needed. Information is needed on the amount of the entity's appropriations that have not been expended at the end of the period, the amount the

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<sup>13</sup> SFFAC 1, par. 126.

<sup>14</sup> SFFAC 1, par. 128.

<sup>15</sup> SFFAC 1, par. 130.



entity has accumulated from prior period funding, and the amount of liabilities for which the entity has incurred but not received budget authority.

49. Users need information to assess the financial condition of component reporting entities that derive their funding primarily from sources other than through annual appropriations. Some component reporting entities may be delegated authority to carry on their activities similarly to private-sector businesses or maintain their operations and meet their liabilities from revenues received from sources outside of the government-wide reporting entity. Citizens rely on the services provided and are concerned about their sustainability.

## CONCEPTS FOR BUDGETARY INFORMATION PRESENTED IN COMPONENT REPORTING ENTITY FINANCIAL STATEMENTS AND RSI

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50. Users need information about the budgetary resources provided to finance component reporting entity activities. The Budgetary Integrity objective states that federal financial reporting should assist the federal government in fulfilling its duty to be accountable for monies raised from the public and their use. Information about the amount of budgetary resources made available, the amount of budgetary resources used, and the amount that remains available assists users in monitoring the authority provided, its use, and whether resources remain available.
51. The budget process is the government's principal mechanism for Congress and the president to reach agreement on goals, allocate resources among competing needs, and assess the government's fiscal effect on economic stability and growth. While most attention is paid to the future-oriented roles of the budget process, budget execution is designed to monitor monies raised through taxes and other means and ensure that those monies are used according to the requirements provided in law.
52. In developing budget legislation, Congress decides on targets for spending and receipts, the deficit or surplus, and the limit on debt. Upon determining the targets, Congress provides component reporting entities with budget authority and may pass laws affecting receipts and other spending.<sup>16</sup>
53. Budget authority provided in appropriation acts is generally considered discretionary spending. Appropriations provide component reporting entities with the authority to incur obligations for specific purposes, amounts, and time periods. An appropriation can be limited to a single year or multiple years, or it can be available indefinitely.
54. Budget authority provided in laws other than appropriation acts, is generally considered mandatory spending.
55. Budget authority comprises the following capacities:

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<sup>16</sup> Analytical Perspectives, *Budget of the U.S. Government*, Fiscal Year 2016, p. 92.

- a. Appropriations—Provided in appropriation acts, authorizing laws, or other legislation, appropriations permit agencies to incur obligations and make payments.
  - b. Borrowing Authority—Usually provided in laws other than appropriation acts, borrowing authority permits agencies to incur obligations but requires them to borrow funds, usually from the general fund of the Treasury to make payments.
  - c. Contract Authority—Usually provided in laws other than appropriation acts, contract authority permits agencies to incur obligations in anticipation of the collection of receipts that can be used for payments.
  - d. Spending Authority from Offsetting Collections—Usually provided in laws other than appropriation acts, spending authority from offsetting collections permits agencies to credit offsetting collections to an expenditure account, incur obligations, and make payment using the offsetting collections.<sup>17</sup> Offsetting collections are deducted from gross spending or gross outlays to reflect the government's net transactions. They may result from business-like transactions with the public or intragovernmental transactions.<sup>18</sup>
56. When component reporting entities engage in transactions that require either an immediate or future outlay of cash, they incur an obligation using available budget authority. The use of budget authority reduces the component reporting entity's budgetary resources and the subsequent outlay of cash reduces the government-wide reporting entity's assets. For example, when a component reporting entity awards a contract, it uses budget authority and the government-wide reporting entity's cash is later reduced when disbursed to the contractor.
57. Budget authority is not always used in a single year. For example, budget authority enacted for the construction of a capital asset may include the estimated total cost for the project at the time the project begins. However, the component reporting entity may use that budget authority over several years and the outlay of cash may relate to budget authority provided in previous years as well as the current year.
58. Budgetary resources include new budget authority (including direct spending authority and obligation limitations) and unobligated balances of budget authority from prior years.<sup>19</sup>

<sup>17</sup> Analytical Perspectives, *Budget of the U.S. Government*, Fiscal Year 2016, pp.101-102.

<sup>18</sup> Analytical Perspectives, *Budget of the U.S. Government*, Fiscal Year 2016, pp. 99-100.

<sup>19</sup> Government Accountability Office, *A Glossary of Terms Used in the Federal Budget Process* [GAO-05-734SP](#) (Washington, D.C.: Sept. 1, 2005).

## PERFORMANCE RESULTS

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59. Financial statements and RSI provide information to assist users in assessing the 1) amount of financial and non-financial resources required to provide services (efforts), 2) accomplishments of services, 3) efficiency and effectiveness of providing services, and 4) changes in the performance of services over time.
60. Users are concerned about the government's progress in accomplishing its goals. The reporting objectives consider these concerns and state "financial reporting should provide information that helps the reader to determine ... the efforts and accomplishments associated with federal programs and the changes over time and in relation to costs[.]"<sup>20</sup>
61. SFFAC 1, paragraphs 192 to 210, provides concepts for considering how financial statements and RSI might contribute to reporting on performance results. The concepts discuss the categories of performance measures that help address the financial reporting objectives—measures of efforts and accomplishments and measures that relate efforts to accomplishments (efficiency and effectiveness measures).
62. SFFAC 1 also states cost is a component of efforts, efficiency, and effectiveness measures, and measuring cost is a function of accounting and the financial reporting system.<sup>21</sup>
63. SFFAC 3, *Management's Discussion and Analysis*, notes performance information is an integral part of financial reporting,<sup>22</sup> and paragraphs 42-49 of SFFAC 3 discuss concepts for presenting performance information as RSI. Statement of Federal Financial Accounting Standards (SFFAS) 4, *Managerial Cost Accounting Standards and Concepts*, paragraphs 41 through 66, discusses the role of managerial cost accounting in financial reporting, including the following language:
- Measuring and reporting actual performance against established goals is essential to assess governmental accountability. Cost information is necessary in establishing strategic goals, measuring service efforts and accomplishments, and relating efforts to accomplishments.<sup>23</sup>
64. Financial statements and RSI also provide explanatory information to help users understand reported measures and the factors that may have affected the reported performance. SFFAC 1, paragraphs 211 and 212, discuss the limitations of performance measurement. For example, measures of efforts and accomplishments may not indicate why performance is at the reported level. Therefore, financial statements and RSI also provide explanatory information to help users understand

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<sup>20</sup> SFFAC 1, par. 14.

<sup>21</sup> SFFAC 1, par. 193.

<sup>22</sup> SFFAC 3, par. 13.

<sup>23</sup> SFFAS 4, par. 58.

performance measures and the factors that may have affected the reported performance.

## SUMMARY-LEVEL INFORMATION

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65. For reports to be understandable to different audiences, different reports may be necessary to provide information relevant to the needs of the expected report users, with suitable amounts of detail, explanation, and related narrative.<sup>24</sup>
66. Information in financial statements and RSI may be condensed and provided as a presentation of summary-level information.
67. Presenting layers of information may be useful for communicating needed information. Different levels help users locate the detail they may need for their specific analysis. The top level may provide highly aggregated information while lower levels provide increasingly more detailed information. However, all lower level information need not be presented in the report itself. Lower level information may be either electronically linked or provided in other reports, with information on how to obtain such reports provided.
68. The highly aggregated top level, or summary level, may be most useful to citizens and is likely the level where they will begin their review. Citizens need a succinct but comprehensive picture of the reporting entity's activities. They may not have extensive knowledge of accounting and budgeting concepts to fully understand disaggregated financial and non-financial information and the relationship among different items. Accordingly, understandability is an important characteristic of summary-level information.
69. With respect to data, citizens may rely on visual representations rather than tabular presentations and extensive narratives.
70. To help inform users of the reporting entity's finances, information at the summary level assists users in assessing
  - a. the purpose or the intent of the summary level, informing users of the type of information they might expect to see and the relationship to the government-wide and/or component reporting entity, as appropriate;
  - b. the scope of the summary level, so users understand the information the level includes;
  - c. basic performance goals and measures;
  - d. sources and uses of resources and financial results;
  - e. assets, liabilities, and net financial position as of the end of the reporting period;

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<sup>24</sup> SFFAC 1, par.159.

- f. the status of budgetary resources;
  - g. challenges facing the entity;
  - h. financial condition to include sustainability information; and
  - i. trends.
71. Financial information presented in relation to performance goals and measures may assist users in understanding the summary-level information presented.
72. A graphic presentation of other levels, including their relationships or links, may assist users in identifying and accessing sources for additional information.

## APPENDIX A: BASIS FOR CONCLUSIONS

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This appendix discusses some factors considered significant by Board members in reaching the conclusions in this Statement. It includes the reasons for accepting certain approaches and rejecting others. Individual members gave greater weight to some factors than to others. The concepts enunciated in this Statement—not the material in this appendix—should guide the development of standards for specific transactions, events, or conditions.

### PROJECT HISTORY

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- A1. This project is part of the Board's conceptual framework initiative. After several years of progress in federal financial reporting, FASAB decided to revisit its conceptual framework with a focus on ensuring accounting standards are based on a sound and comprehensive framework of objectives and concepts. The conceptual framework project began in 2006. At that time, Board members were concerned the reporting objectives were broad, and some members sought to better define the role of GAAP-based financial statements in achieving them. Also, some preparers were concerned about the need for certain financial statements, such as the component reporting entity balance sheet. Accordingly, the Board began the conceptual framework initiative by revisiting the reporting objectives. The Board affirmed the original reporting objectives and subsequently completed concepts defining elements, identifying measurement attributes, and distinguishing between basic information and RSI. The Board also began engaging the federal reporting community in discussions regarding the government-wide and component reporting entity reporting models.

#### User Needs and Reporting Community Outreach

- A2. In 2006, FASAB staff conducted a series of roundtable discussions to determine whether the objectives remained valid and appropriate and to help define the role of the Board in achieving these objectives. Roundtable participants provided their views on whether the objectives continued to reflect the information needs of users and whether these objectives were being achieved. The participants believed the reporting objectives remained valid, and they noted the objectives could be accomplished by reports and similar materials other than financial statements. Consequently, in November 2006, the Board agreed to retain the broad objectives and issued its report titled *Clarifying FASAB's Near-Term Role in Achieving the Objectives of Federal Financial Reporting*. The report discusses the Board's primary and secondary focuses relative to the reporting objectives.
- A3. After completing SFFAC 6, the Board began discussing the need for conceptual guidance that describes the reporting model and how it relates to the reporting objectives. The concepts would guide the Board in determining the financial statements that contribute to the achievement of the reporting objectives and help focus on "what should be" versus "what is." The former would help achieve the objectives and ensure the statements are useful to readers. Members also questioned whether a relationship should exist among financial statements, such as the balance sheet and a statement of net cost, and how the model compares with the reporting models of other governments. As a result, staff (1) researched the diverse needs of users and how they access

information; (2) surveyed other countries and their reporting models; and (3) conducted discussions with preparers, citizen intermediaries, Congressional staff, program managers, executives, auditors, state and local government planners and analysts, and experts in federal financial reporting.

- A4. Meanwhile, the Board continued its deliberations on social insurance and long-term sustainability reporting, projects that would significantly affect the existing reporting model and raise conceptual questions that should be addressed in the conceptual framework initiative. Board members discussed conceptual issues such as the purpose of the balance sheet and its elements. Eventually, the Board developed the conceptual framework needed to better explain unique governmental accounting issues, such as why
- a. the power to tax is not an asset but nonetheless is relevant to assessing the sustainability or the financial condition of the federal government,
  - b. deficits have short- and long-term implications,
  - c. the timing of cash flows is important, and
  - d. the point estimates on the balance sheet have limitations for assessing financial condition.
- A5. Accordingly, the Board decided to consider these and other reporting concepts in the reporting model project.
- A6. FASAB staff provided the Board with a series of reports and discussion papers. In summary, staff noted users needed information regarding
- a. the cost of programs,
  - b. the performance of programs,
  - c. the sustainability of programs, and
  - d. how actual spending compared to the budget.
- A7. Also, users needed plain language, understandable information, as well as the ability to access additional information and prepare their own reports.

#### Task Forces and Additional Research

- A8. The Board organized the reporting model task force to consider the user needs and reporting community survey results and provide suggestions for the reporting model to the Board. In December 2010, the task force completed its work and presented recommendations to enhance the reporting model. In general, the task force focused on what could be accomplished in the near future. The team also focused on the Financial Report of the U.S. Government (FR) because the public would likely start with the FR to learn about the fiscal health of the federal government. Consequently, the task force recommended (1) the adoption of a centralized, web-based method of reporting financial and performance information, (2) changes to particular financial statements, and (3)



additional disclosures. Task force members believed the success of these recommendations required raising public awareness of federal financial reporting.

- A9. In February 2011, the Board discussed the task force recommendations. Members discussed systems constraints and challenges and noted many of the recommendations could be adopted voluntarily by preparers. However, Board members did note the conceptual framework to guide accounting standards remained incomplete and out of date. The Board, at this time, also discussed its priorities and plans and revisited its *Strategic Directions* report. The Board reaffirmed its conclusions in the *Clarifying FASAB's Near-Term Role in Achieving the Objectives of Federal Financial Reporting* report and noted factors that would likely influence federal financial reporting. Those factors included the notion that citizens and citizen intermediaries are the primary audience for the FR, which implies FASAB standards should focus on the FR and should primarily consider citizens' information needs. Additionally, the Board confirmed component reporting entity reports should support the needs of the FR.
- A10. Later in 2011, the Board discussed the report, *The Chief Financial Officers Act of 1990 – 20 Years Later: Report to the Congress and the Comptroller General (CFO Act Report)*. The report recommended Congress consider directing FASAB, the Office of Management and Budget (OMB), and the Government Accountability Office to evolve the financial reporting model. Consequently, the Board reviewed the reporting model of component reporting entities and conducted discussions with CFOs and various groups to determine the information of value to users.
- A11. Given the range of issues identified during the discussions with CFOs and various groups, the Board decided the project should be segmented into three separate projects—improving cost, improving performance, and improving budgetary reporting. FASAB organized task forces for each project. This approach allowed members to better focus on issues that needed to be addressed.
- A12. In 2012, the three task forces proceeded to discuss these issues and subsequently recommended the Board revisit SFFAS 4. The task forces believed adequate cost guidance was necessary to support users of budget and performance information and provide cost information that met expectations. Upon reviewing the task force recommendations, the Board determined the project would involve matters outside of the Board's domain and would require coordination with the Department of the Treasury and OMB. Also, members again raised concerns about systems constraints and challenges in presenting integrated cost, budget, and performance information.
- A13. Subsequently, the Board engaged with the National Academy of Public Administration (NAPA) to learn more about the needs of executives and managers. Members also learned about preparers' needs for resources to guide financial information development. The research informed the Board on (1) the availability of financial and related information, (2) the effective use of financial data by senior managers, (3) the current and desired role of the CFO, and (4) the options most likely helpful in closing those gaps between the current and desired role of the CFO. The NAPA team conducted interviews with federal executives and senior managers with operating responsibility for agencies, bureaus, offices, divisions, or comparable organizational units.



A14. NAPA's report, *Financial and Related Information for Decision-Making: Enhancing Management Information to Support Operational Effectiveness and Priority Goals*, discussed the following topics:

- a. Data generally are highly accurate and granular, but federal agencies face challenges in analyzing and transforming data into readily understood, actionable information for executive decision making—especially the linking of budget, costs, and performance.
- b. The degree to which financial data are effectively used for decision making is heavily driven by each organization's revenue source (user fee-based versus appropriation-based) and operational approach.
- c. CFO organizations will increasingly need to offer valuable decision-making support to executives and senior managers, including sophisticated cost and performance analysis.

#### Developing Ideal Reporting Models without Constraints

A15. At this point, Board members noted they needed models of the ideal presentation to serve as the end-goal for the project and help guide their direction. Also, given that raising concerns about existing systems and challenges directed the discussions away from “what should be,” the Board determined development of ideal models would not be constrained by considering existing systems and what the Board could accomplish immediately. In addition, the models would take a holistic view and consider the other conceptual issues discussed previously and include explanations on why the resulting construct should be considered ideal. Consequently, the Board decided to develop conceptual, ideal models that integrate budget, cost, and service performance information.

#### Flow Information: The Starting Point for Developing Ideal Models

A16. During the April 2014 meeting, FASAB members presented their views of ideal reporting models. The presentations addressed the Budgetary Integrity objective generally and each of the sub-objectives of the Operating Performance objective. Also, with respect to the Stewardship objective, the Board decided to focus on the federal government as the entity rather than the nation's economy. In addition, in June of 2014, the Board decided not to revisit the reporting objectives or clarify the role of FASAB with respect to the objectives. Instead, the Board began developing the ideal reporting model by focusing on the flows and the flow statements that would help achieve the reporting objectives.

A17. Based on feedback from the reporting community, users still needed to better understand flow information, such as cost and budgetary information and how they relate. The Board considered how cost and budgetary information should be disaggregated and addressed how to reconcile cost and budget at a level that would be clear to users.

A18. However, members expressed concern about whether the concepts should include illustrations of financial statements and whether concepts should reflect an “aspirational” reporting model or simply describe current practice. Consequently, the Board developed an inventory of concepts and topics that might be included in the concepts statement.

Upon completing the inventory, the Board would deliberate which items should be retained in the concepts statement.

#### Inventory of Concepts and Framework for an Exposure Draft

- A19. In February 2015, the Board began developing an inventory of concepts that would help guide development of the reporting models and in December 2015 decided on a framework or outline to guide development of an exposure draft (ED) concepts statement. The Board agreed the framework needed to be comprehensive and include new and existing concepts and topics members had suggested during the project.
- A20. Subsequently, staff began using the framework to develop the ED. The Board determined the guidance should focus on information required by GAAP—financial statements and RSI—rather than information presented in a general purpose federal financial report (GPFFR). GPFFRs are broader and refer to financial statements, RSI, and ORFNI. The Board determined the concepts should discuss the purposes of financial statements and RSI and ORFNI to assist users in understanding their relationships.
- A21. The Board also determined the concepts should discuss component reporting entity budgetary information, performance results information, and summary level information. Throughout the project, the Board discussed the need to clarify the role of financial statements and RSI with respect to budgetary and performance information. The Board considered that both budgetary and performance information include data derived from financial systems and transactions affected by GAAP. Including concepts on budgetary and performance information would assist the Board in contributing to the reporting objectives and requiring information that helps users understand the relationships among budget, cost, and performance information.
- A22. Regarding summary level information, the Board considered citizens' feedback and concluded that citizens are more likely to understand a summary-level presentation of financial and non-financial information than a detailed presentation. Concepts would assist the Board in determining the guidance that might be needed for summary-level information.

## SUMMARY OF OUTREACH EFFORTS AND RESPONSES

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- A23. The Board issued the ED, *Federal Financial Reporting*, on September 29, 2016 and requested comments by January 6, 2017.
- A24. Upon release of the ED, the Board provided notices to the following organizations:
  - a. The *Federal Register*
  - b. *FASAB News*
  - c. The *Journal of Accountancy*, *AGA Today*, the *CPA Journal*, *Government Executive*, and the *CPA Letter*
  - d. The CFO Council, the Council of the Inspectors General on Integrity and Efficiency, and the Financial Statement Audit Network

- e. Committees of professional associations generally commenting on exposure drafts in the past
- A25. The Board followed this broad announcement with direct mailings to the following:
- a. House Committee on Oversight and Government Reform, Subcommittee on Government Operations
  - b. House Transportation Committee, Subcommittee on Economic Development
  - c. House Committee on the Budget
  - d. Senate Committee on Homeland Security and Government Affairs and the following subcommittees:
    - i. Subcommittee on Federal Spending Oversight and Emergency Management
    - ii. Subcommittee on Regulatory Affairs and Federal Management
  - e. Senate Committee on the Budget
  - f. Senate Committee on the Environment and Public Works
  - g. Senator Patty Murray, ranking member of the Senate Subcommittee on Labor, Health and Human Services, and Education, member of the Senate Committee on the Budget, and member of the Senate Committee on Veterans' Affairs.
  - h. Senator Tom Carper, ranking member of the Senate Committee on Homeland Security and Governmental Affairs, member of the Senate Committee on Environment and Public Works, and member of the Senate Committee on Finance
  - i. CPA Caucus
- A26. The Board received 16 comment letters from preparers, auditors, professional associations, and citizens. The respondents generally agreed with the broad concepts proposed and provided comments and suggestions that the Board may consider when it deliberates future financial reporting standards.
- A27. The Board considered each response, weighing the merits of the points raised and made revisions to the ED to clarify the intent of the concepts. Some respondent comments and resulting actions are summarized below.

#### Other Reported Financial and Non-Financial Information (ORFNI) and Types of Reports, Electronic Reporting, and Public Access to Government Data

- A28. Some respondents provided comments regarding ORFNI and how it might be enhanced with discussions on (1) types of ORFNI, (2) the role of transactional information or information provided through implementation of laws such as the Digital Accountability and Transparency Act of 2014 (DATA Act), (3) electronic reporting and its relationship to financial statements and RSI, and (4) the relationship between ORFNI and component reporting entity annual financial reports.
- A29. To afford the flexibility needed to address future financial reporting issues, the Board determined the concepts should be broad. The requirements specified in laws and OMB circulars are subject to change and the contents of specific reports, websites, and other means of providing access to financial information are subject to change as well. In addition, some reporting intended for general audiences may include information required by GAAP while other reporting may not. Explicit discussion of existing practices may cause the Board to revise the Statement each time changes occur. While these

comments may be helpful for future standard setting, no adjustments were made to the concepts statement.

Required Supplementary Stewardship Information (RSSI), Management's Discussion and Analysis (MD&A), Financial Statements, Required Supplementary Information (RSI), and Other Accompanying Information (OAI)

- A30. Some respondents suggested providing guidance distinguishing the categories of information, such as financial statements, RSI, and MD&A. Others suggested providing guidance regarding Required Supplementary Stewardship Information (RSSI). Another respondent suggested clarifying the concepts used to distinguish when projections might be used in financial statements and when projections might be considered RSI. In addition, a respondent suggested eliminating the separate categories of RSI, RSSI, and other accompanying information (OAI). Although helpful for future standard setting, no adjustments were made to the concepts statement.
- A31. SFFAC 6 discusses the distinction among the categories of information and permits the Board discretion in deciding which category should be used for an item of information. FASAB's standards specify what items should be in a category. For instance, while SFFAC 3 discusses concepts for information in MD&A, SFFAS 15, *Management's Discussion and Analysis*, requires MD&A items as RSI.
- A32. SFFAS 8, *Supplementary Stewardship Reporting*, requires items to be presented in RSSI. An elimination of the RSSI category would be accomplished through standards rather than concepts. The Board expects existing practice to continue until members have examined and deliberated on the issue and, if warranted, amends SFFAS 8.

#### Component Reporting Entity Financial Position

- A33. Respondents discussed the importance of information about a component reporting entity's financial position. The Board revised paragraph 50 of the ED to emphasize that component reporting entities are not independent economic entities but their financing is distinct from the government-wide reporting entity's financing.

## BOARD APPROVAL

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- A34. This statement was approved unanimously. Written ballots are available for public inspection at FASAB's offices.

## APPENDIX B: ABBREVIATIONS

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CFO	Chief Financial Officer
ED	Exposure Draft
FR	Financial Report of the U.S. Government
FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GPFFR	General Purpose Federal Financial Report
MD&A	Management's Discussion and Analysis
NAPA	National Academy of Public Administration
OAI	Other Accompanying Information
OMB	Office of Management and Budget
ORFNI	Other Reported Financial and Non-Financial Information
RSI	Required Supplementary Information
RSSI	Required Supplementary Stewardship Information
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards

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