



December 2, 2020

Memorandum

To: Members of the Board

From: Ross Simms, Assistant Director

Through: Monica R. Valentine, Executive Director

Subj: Reporting Model: Note Disclosures—**Tab C¹**

MEMBER ACTIONS REQUESTED:

- Respond to staff questions on page 10 by **December 11, 2020**

MEETING OBJECTIVES

1. To consider note disclosure concepts to include in a note disclosure concepts statement exposure draft (ED).
2. To discuss the types of information note disclosures may present.

PHASE

This project is in the development phase.

BRIEFING MATERIALS

You may electronically access all of the briefing materials at <http://www.fasab.gov/board-activities/meeting/briefing-materials/>. The briefing materials include the following:

Attachment 1: Staff Analysis (attached to the memorandum)

Attachment 2: Proposed Types of Note Disclosures illustrates how the proposed categories of information note disclosures present could encompass the scope of note disclosures the Board may consider.

¹ 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

During the October 2020 meeting, the Board continued to discuss note disclosure concepts and the types of information note disclosures may present. The Board agreed to enhance the purpose of note disclosures as discussed in Statement of Federal Financial Accounting Concepts (SFFAC) 2, *Entity and Display*, paragraph 68. However, the Board preferred to develop note disclosures concepts before deciding whether to amend SFFAC 2 or develop a new concepts statement.

In addition, staff asked the Board whether the proposed note disclosure concepts should include language explaining that the statement only discusses basic note disclosure concepts. The Board agreed that the proposed note disclosure concepts should include the explanatory language. Reporting entities may present additional information in note disclosures to better explain, clarify, or present information in financial statements.

The Board agreed that note disclosures may include information that explains less common items, such as sustainability information and tax expenditures. However, note disclosures would not include information to educate users on accounting fundamentals.

In addition, the Board considered the following types of information that note disclosures may present

- 1) Relevant information integral to understanding line items of financial statements
- 2) Context or background information regarding the reporting entity and its activities
- 3) Past events, current conditions, and circumstances not previously recognized but may affect an entity's operating performance and stewardship
- 4) Other information users may need to assess the government's accountability

The Board considered whether the concepts should discuss the budgetary integrity objective as a separate category of note disclosures and agreed that the concepts could integrate budgetary integrity into one of the four existing categories.

NEXT STEPS

Staff will incorporate the Board's conclusions in a revised list of the types of information note disclosures may present and begin preparing a note disclosure concepts ED.

MEMBER FEEDBACK

Please contact me as soon as possible to convey your questions or suggestions. Communication before the meeting will help make the meeting more productive. You can contact me by telephone at 202-512-2512 or by e-mail at simmsr@fasab.gov with a cc to valentinem@fasab.gov.

ATTACHMENT 1- STAFF ANALYSIS

The Board plans to develop a note disclosure concepts ED. Staff accordingly prepared an analysis to obtain the Board's feedback on topics needed to prepare the ED. The analysis discusses two topics: 1) types of note disclosures and 2) additional note disclosures concepts.

Topic 1: Types of Note Disclosures

To provide criteria for determining the information that note disclosures may present, the Board developed the following types of note disclosures:

- A. **Relevant information integral to understanding line items of financial statements**—Note disclosures may provide information to explain, describe, or supplement specific financial statement line items. A line item may not always provide enough information to demonstrate the reporting entity's accountability. Users may need information such as the nature, or terms regarding the item, restrictions on the use of the item, and/or methods and assumptions used in estimating the item.
- B. **Context or background information regarding the reporting entity and its activities**—Note disclosures may supplement financial statements to provide information regarding the entity's nature, services, and any special restrictions or privileges that apply to the entity. Financial statements may not always provide information that explains the entity's financing and the types of activities that may affect its financial position, net costs, changes in financial position, the need for future budgetary resources, or custodial activity. A reporting entity may receive budget authority through appropriations to administer numerous programs; may share program responsibilities with other entities; and may receive support from other reporting entities to help them provide services. In addition, the reporting entity may be required to engage in custodial activities that do not affect its net position, such as collecting taxes for other reporting entities. Users may need this information to assess the reporting entity's operating performance and stewardship.
- C. **Past events, current conditions, and circumstances not previously recognized but may affect an entity's operating performance and stewardship**—Note disclosures may present information about past events, current conditions, and circumstances that have not been recognized in financial statements but may affect the entity's future resources for providing services. Users may need this information to assess the government's ability to continue operating at its current levels. For example, existing or potential litigation, contingencies, or dependency on another entity for continuing operation may assist users in assessing the reporting entity's operating performance and

stewardship. Financial statements may not present this information because the item may not meet basic recognition criteria.

D. Other information to demonstrate the reporting entity's accountability—

Note disclosures may provide other information users may need to assess the government's accountability. Note disclosures may communicate an item of information that is highly important to a user's assessment; however, the item would not create a resource or changes in existing resources of the reporting entity or an obligation or changes in its existing obligations. The item may not affect the entity's financial position, net costs, changes in financial position, the need for future budgetary resources, or custodial activity. For instance, laws, regulations, or other arrangements may require a reporting entity to collect and manage an asset in which a non-federal entity owns. In this example, users may need information on the nature of this relationship, a schedule of the net assets, and a schedule of the activity.

To illustrate how these categories could encompass the scope of note disclosures the Board may consider, staff prepared Attachment 2: Types of Note Disclosures. The attachment provides tables showing the categorization of each note disclosure requirement for component reporting entities. Each table shows the financial reporting topic, the note disclosure requirements related to the topic, and the categorization of each requirement. For example, with respect to topic, accounts receivables, SFFAS 1, *Accounting for Selected Assets and Liabilities*, paragraph 52 requires the reporting entity to disclose the:

- a. major categories of accounts receivable by amount (gross and net) and type;
- b. methodology used to estimate the allowance for uncollectible amounts; and
- c. total dollar amount of the allowance for uncollectible accounts.

This requirement would be categorized as type A, relevant information integral to understanding line items of financial statements.

Staff prepared the tables using the Government Accountability Office, Financial Audit Manual, Volume 3, *Federal Financial Reporting Checklist*, August 31, 2020. Staff focused on component reporting entity requirements because component reporting entity reports provide disaggregated information that the Department of the Treasury may aggregate and present in the consolidated financial report of the U.S. government.

Question for the Board

- 1. Do members have suggestions for enhancing the types of note disclosures?**

Topic 2: Additional Note Disclosure Concepts

The Board's conceptual framework includes discussions on the users of financial reports and their information needs.² The framework explains the concept of a reasonable financial report user, noting that this user has appropriate knowledge of the federal government's activities and reviews and analyzes the information diligently.³ In addition, the concepts discuss the qualitative characteristics relevant to all means of presenting information in financial reports⁴ and a segment of the conceptual framework, SFFAC 2, discusses the different means of presenting information in financial reports.

Because different means of communicating information in financial reports are subject to different audit procedures, SFFAC 2 discusses the categories of information— basic information, required supplementary information (RSI), and other information. SFFAC 2 also describes different factors the Board may weight to distinguish between basic information and RSI, and the Board may encourage other information.⁵ With respect to basic information, the Board notes that financial statements represent the principal⁶ means of communicating accounting information about an entity's resources, obligations, revenues, and costs and provides model financial statements. The model financial statements illustrate basic information users need and support the objectives of federal financial reporting.

The concepts also explain that management may communicate information to those outside the entity by means of financial reporting other than financial statements. Either management may communicate the information because it is required to be disclosed by statute, regulation, or custom; or because management believes the information would be useful to those outside the entity.

In addition, SFFAC 2 illustrates the face of the following financial statements

- Balance Sheet - designed to report on the operating assets and liabilities related to the delivery of goods and services.
- Statement of Net Costs - reports the gross and net costs of providing government goods, services, and benefits and helps in assessing the cost of service efforts and accomplishments.
- Statement of Changes in Net Position – provides information on the changes in financial position from year to year and the causes of the changes.

² SFFAC 1, *Objectives of Federal Financial Reporting*, paragraphs 89 through 104.

³ SFFAC 9, *Materiality: Amending Statement of Federal Financial Accounting Concepts (SFFAC) 1, Objectives of Federal Financial Reporting, and SFFAC 3, Management's Discussion and Analysis*, footnote 12.2.

⁴ SFFAC 1, paragraphs 156 through 164.

⁵ SFFAC 2, paragraphs 73A through 73D.

⁶ Outreach to users and potential users, cultural factors, and delivery mechanisms, such as electronic innovations that affect the benefits of financial statement content.

- Statement of Custodial Activities - for entities whose primary mission is to collect taxes or other revenues, this statement reports the sources and disposition of amounts collected and collectible.
- Statement of Budgetary Resources - presents information related to budgetary resources made available, the status of budgetary resources, and outlays.
- Budget and Accrual Reconciliation - explains the relationship between the outlays reported through budgetary accounting and the accrual basis of financial (i.e., proprietary) accounting.

Other conceptual guidance discusses the items of information that the face of financial statements should depict in words and numbers. The guidance discusses the definitions of assets, liabilities, net position, revenues and expenses, and the related recognition and measurement requirements.⁷

In addition, SFFAC 2 discusses other means of communicating information, including a statement of program performance measures (SPPM), management’s discussion and analysis, and footnotes. Of these presentations, footnotes are the only means of communicating basic information. The concepts statement discusses the purpose of note disclosures as follows

Financial information is also conveyed with **accompanying footnotes**, which are an integral part of the financial statements. Footnotes typically provide additional disclosures that are necessary to make the financial statements more informative and not misleading.⁸

However, during the October 2020 meeting, the Board determined that this text needed enhancement to discuss additional characteristics of note disclosures and their role. Also, the statement could be updated to use the term note disclosures rather than footnotes.

In addition, the conceptual framework needs criteria to guide the Board in determining the items of information that note disclosures may depict. The Board consequently developed the types of information note disclosures may present and Attachment 2: Types of Note Disclosures shows how each type may encompass the scope of existing note disclosure requirements.

During the note disclosures project, members have noted the need for particular concepts. Table 1: Comparison of Needed Note Disclosure Concepts with Existing

⁷ See SFFAC 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements* and SFFAC 7, *Measurement of the Elements of Accrual-Basis Financial Statements in Periods After Initial Recording*.

⁸ SFFAC 2, paragraph 68.

Concepts lists the concepts the Board suggested and provides a comparison of the suggested note disclosure concepts with existing concepts. Based on this comparison, the Board is currently discussing the concepts that existing concepts do not discuss and those existing concepts needing enhancement.

Table 1: Comparison of Needed Note Disclosure Concepts with Existing Concepts

Board Meeting	The Board noted a need for concepts regarding...	Existing concepts...	Staff Comment
April 2018	the role of note disclosures	state the following: Financial information is also conveyed with accompanying footnotes , which are an integral part of the financial statements. Footnotes typically provide additional disclosures that are necessary to make the financial statements more informative and not misleading. ⁹	Although existing concepts discuss the role of disclosures, the Board agreed to enhance the discussion.
April 2018, June 2020	the content of note disclosures or types of information note disclosures present	do not discuss this topic	Staff has prepared and the Board is currently discussing types of note disclosures. See Attachment 2: Proposed Types of Note Disclosures
August 2018	disclosure style (how to communicate disclosures)	do not discuss this topic	The Board noted that guidance on presenting note disclosures in financial reports could be provided in a best practices guide or Office of Management and Budget form and content guidance
October	items of information that	discuss elements of financial statements,	

⁹ SFFAC 2, paragraph 68.

Board Meeting	The Board noted a need for concepts regarding...	Existing concepts...	Staff Comment
2019	the face of financial statements should depict in words and numbers	recognition criteria, and measurement guidance ¹⁰	
August 2018, June 2020	distinguishing note disclosures and RSI	discuss factors the Board considers in distinguishing basic information (financial statements and notes) and RSI ¹¹	
December 2018	qualitative characteristics	discuss qualitative characteristics that apply to financial statements and notes ¹²	
October 2020	the user of the information	discusses that a reasonable user has appropriate knowledge of the federal government's activities and reviews and analyzes the information diligently ¹³	

Question for the Board

2. Does the Board have suggestions for additional note disclosure concepts?

¹⁰ SFFAC 5, and SFFAC 7.
¹¹ SFFAC 2, paragraph 73A through 73B.
¹² SFFAC 1, paragraph 156 to 164.
¹³ SFFAC 1, paragraph 164a, footnote 12.2

QUESTIONS FOR THE BOARD

- 1. Do members have suggestions for enhancing the types of note disclosures?**
- 2. Does the Board have suggestions for additional note disclosure concepts?**

Attachment 2: Proposed Types of Note Disclosures

The Board is considering the following types of information that note disclosures may present

- A. Relevant information integral to understanding line items of financial statements
- B. Context or background information regarding the reporting entity and its activities
- C. Past events, current conditions, and circumstances not previously recognized but may affect an entity's operating performance and stewardship
- D. Other information users may need to assess the government's accountability

The following tables show the financial reporting topic, the note disclosure requirements related to the topic, and the categorization of each type of note disclosure requirement.

Balance Sheet	Category	
1) For Stewardship PP&E, a line item on the balance sheet with a reference to a note that discloses information about heritage assets and stewardship land (SFFAS 29, par. 25 & 40)	D	

Statement of Changes in Net Position	Category	
1) The nature of an error in previously issued financial statements and the effect of its correction on relevant balances disclosed (SFFAS 21, par. 10 (c))	A	

Statement of Social Insurance & Statement of Changes in Social Insurance Amounts	Category	
1) A SCSIA may disclose on the statement's face, in the notes, or both the reasons for significant changes in the open group measure from the end of the previous reporting period (SFFAS 37, par. 2, 32, Appendix D)	A	

General Note Disclosures	Category	
<p>1) The reporting entity discloses that certain goods and services that are received from other federal entities are recognized at no cost or at a cost less than the full cost. (SFFAS 4, par. 113A as amended by SFFAS 55, par.6) The following is an illustrative example which should be tailored as needed:</p> <p style="padding-left: 40px;">Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed [by the component reporting entity] are recognized as imputed cost [in the Statement of Net Cost], and are offset by imputed revenue [in the Statement of Changes in Net Position]. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements. (SFFAS 4, par. 113A)</p>	B	
<p>2) The reporting entity includes the following in the summary of significant accounting policies:</p> <p style="padding-left: 40px;">“Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information” (SFFAS 56, par. 12)</p>	A	

Fund Balance with Treasury	Category	
1) The entity distinguishes the unobligated balance ¹⁴ , the obligated balance not yet disbursed ¹⁵ , and non-budgetary FBWT ¹⁶ categories of funds within FBWT in a note to the financial statements. (SFFAS 1, par. 37)	A	
2) The entity discloses and explains restrictions on unobligated balances related to future use (SFFAS 1, par. 38)	A	
3) The entity discloses any a) differences and the causes (if known) of such differences between FBWT in its general ledger accounts and the balance in its Treasury's accounts; and b) other information necessary for understanding the nature of fund balances (SFFAS 1, par. 39)	A	
4) Disclose information on unused funds in expired appropriations that are returned to Treasury at the end of a fiscal year. (SFFAS 1, par. 39)	A, B	

¹⁴ The unobligated balance is the amount of funds available to the entity against which no claims have been recorded. (SFFAS 1, par. 38)

¹⁵ The obligated balance not yet disbursed is the amount of funds against which budgetary obligations have been incurred, but disbursements have not been made. (SFFAS 1, par. 37)

¹⁶ Non-budgetary FBWT includes unavailable receipt accounts, clearing accounts and other accounts that do not represent budget authority, as well as non-entity FBWT that is recognized on the balance sheet. (SFFAS 1, par. 38)

Cash and Other Monetary Assets	Category	
1) Nonentity cash disclosed separately from entity cash (SFFAS 1, par. 29)	A	
2) If cash is restricted, is the nature and reason disclosed as additional information (SFFAS 1, par. 30)	A	

Investments	Category	
1) The market value of all marketable securities and all non-marketable market-based securities disclosed. (SFFAS 1, par. 72)	A	
2) For purposes of determining a market value, investments grouped by type of security, such as marketable or market-based Treasury securities (SFFAS 1, par. 72)	A	
3) Securities that have been reclassified as securities available for sale or early redemption disclosed (SFFAS 1, par. 73)	A	

Receivables	Category	
Accounts Receivable, Net		
1) Receivables not available to the entity disclosed in a note to the financial statements as non-entity assets, separate from receivables available to the entity (SFFAS 1, par. 43)	A	
2) The reporting entity discloses <ul style="list-style-type: none"> a) major categories of accounts receivable by amount (gross and net) and type; b) methodology used to estimate the allowance for uncollectible amounts; and c) total dollar amount of the allowance for uncollectible accounts. (SFFAS 1, par. 52) 	A	

Receivables	Category	
<p>3) Interest accrued on uncollectible accounts receivable disclosed until</p> <ul style="list-style-type: none"> a) the interest payment requirement has been waived by the federal government; or b) the related debt has been written off. (SFFAS 1, par. 55) 	A	
Taxes Receivable, Net		
<p>4) The reporting entity discloses:</p> <ul style="list-style-type: none"> a) gross taxes receivable; b) allowance for uncollectible taxes receivable; c) net taxes receivable; and d) methodology used to estimate the allowance for uncollectible taxes (SFFAS 1, par. 52) 	A	

Direct Loans and Loan Guarantees (Receivables and Liabilities)	Category	
1) The reporting entity discloses events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions that have had a significant and measurable effect on subsidy rates, subsidy expenses, and subsidy reestimates (SFFAS 18, par. 11 (C))	A	
2) Loan modifications by program disclosed in the notes to the financial statements for <ul style="list-style-type: none"> a) the nature of the modification of direct loans or loan guarantees; b) the discount rate used in calculating the modification expense; and c) the basis for recognizing a gain or loss related to the modification (SFFAS 2, par. 56) 	A	
3) Concerning reported foreclosed assets acquired in full or partial settlement of a direct or guaranteed loan (pre-1992 and post-1991), information disclosed for <ul style="list-style-type: none"> a) valuation basis for foreclosed property; b) changes from prior-year's accounting methods; c) restrictions on the use/disposal of property; d) balances by categories (i.e., pre-1992 and post-1991 foreclosed property); e) number of properties held and average holding period by type or category; and f) number of properties for which foreclosure proceedings are in process at the end of the period. (SFFAS 3, par. 91) 	A	
4) The total amount of new direct loans and guaranteed loans disbursed for the current and prior year reported by program (SFFAS 2, par. 11 (A))	A	

Direct Loans and Loan Guarantees (Receivables and Liabilities)	Category	
5) For each loan program, the entity discloses the present value of these components of subsidy expense for new direct loans disbursed <ul style="list-style-type: none"> a) interest rate differential costs; b) default costs (net of recoveries); c) fees and other collections; d) other costs, and e) total subsidy expense for new direct loans. (SFFAS 18, par. 11 (A)) 	A	
6) The total subsidy expense for current and prior year's direct loans, modifications, and reestimates disclosed (SFFAS 18, par. 11 (A))	A	
7) For each program, the entity discloses the estimated subsidy rates for direct loans and loan guarantees in the current year's budget for the current year's cohorts for total subsidy cost and its components <ul style="list-style-type: none"> a) interest subsidy costs; b) default costs (net of recoveries); c) fees and other collections; and d) other costs (SFFAS 18, par. 11(B)) 	A	
8) If the entity uses trend data in the notes to display significant fluctuations in subsidy rates, these data are accompanied by an analysis that explains the underlying causes for the fluctuations (SFFAS 18, par. 11(B))	A	
9) The entity reconciliations of beginning and ending balances of (1) subsidy cost allowances for outstanding direct loans and (2) the liability for outstanding loan guarantees ¹⁷ include changes for <ul style="list-style-type: none"> a) interest subsidy costs, default costs, fees and other collections, and other subsidy costs; b) interest rate and technical/default 	A	

¹⁷ Required for post-1991 loan guarantees and encouraged for pre-1992 loan guarantees.

Direct Loans and Loan Guarantees (Receivables and Liabilities)	Category	
<ul style="list-style-type: none"> reestimates; and c) other adjustments (SFFAS 18, par. 10) 		
<p>10) Each loan guarantee program discloses:</p> <ul style="list-style-type: none"> a) face value of outstanding principal of guaranteed loans disbursed by a third party; and b) amount of outstanding principal that is guaranteed. (SFFAS 2, para. 23) 	A	
<i>Subsidy Expense</i>		
<p>11) For each program, the entity discloses the present value of these components of subsidy expense for new loan guarantees</p> <ul style="list-style-type: none"> a) interest supplement costs; b) default costs (net of recoveries); c) fees and other collections; d) other costs; and e) total subsidy expense for new loan guarantees. (SFFAS 18, par. 11 (A)) 	A	
<p>12) For each loan program, the entity disclose subsidy expense for</p> <ul style="list-style-type: none"> a) modifications of loan guarantees on guaranteed loans previously disbursed by a third party; and b) reestimates of the subsidy expense for loan guarantees, previously committed, by component: <ul style="list-style-type: none"> i) interest rate; and ii) technical/default (SFFAS 18, par. 11 (A)) 	A	

Direct Loans and Loan Guarantees (Receivables and Liabilities)	Category	
13) The total subsidy expense for current and prior year's loan guarantees, modifications, and reestimates disclosed (SFFAS 18, par. 11 (A))	A	

Inventory and Related Property, Net	Category	
<p>1) Inventory stocks, which are maintained because they are not readily available in the market or because there is more than a remote chance that they will eventually be needed (although not necessarily in the normal course of operations), classified as inventory held in reserve for future sale, and reported as either</p> <p>a) included in the inventory line item on the face of the financial statements with separate disclosure in the notes; or</p> <p>b) shown as a separate line item on the face of the financial statements (SFFAS 3, par. 27)</p>	A	
<p>2) Inventory stock that (1) exceeds the amount that can be sold in the foreseeable future and not meeting management's criteria to be held in reserve for future sales, (2) is no longer needed, and (3) is more economical to dispose than repair reported as either:</p> <p>a) included in the inventory line item on the face of the financial statements with separate disclosures in the notes; or</p> <p>b) shown as a separate line item on the face of the financial statements (SFFAS 3, par. 29)</p>	A	

Inventory and Related Property, Net	Category	
<p>3) Entity disclosure of inventory include</p> <ul style="list-style-type: none"> a) general composition; b) basis for determining inventory values (including the valuation method and any cost flow assumptions); c) changes from prior years' accounting methods, if any; d) balances for each of the following categories of inventory (unless otherwise presented on the financial statements): <ul style="list-style-type: none"> i) inventory held for current sale ii) inventory held in reserve for future sale iii) excess, obsolete, and unserviceable inventory iv) inventory held for repair e) difference between the carrying amount of the inventory before identification as excess, obsolete, or unserviceable, and its expected net realizable value; f) restriction on the sale of inventory; g) decision criteria for categorizing inventory; and h) changes in the criteria for categorizing inventory (SFFAS 3, par. 18, 28, 30, 31, 32 & 35) 	A	
<p>4) If, during any of the periods presented, the entity initially elected to apply an alternative valuation method (i.e. 'deemed cost') in establishing opening balances for one or more line items related to inventory, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply deemed cost in establishing opening balances for inventory; b) describes the method; and c) treats the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 48, par. 6 & 13, amending SFFAS 3, par. 26(a)(iii) and 26(a)(v)) 	A	

Inventory and Related Property, Net	Category	
Operating Materials and Supplies		
<p data-bbox="233 331 837 401"><u>Operating Materials Held in Reserve for Future Use</u></p> <p data-bbox="191 420 862 940">5) Operating materials and supplies which are maintained because they are not readily available in the market or because there is more than a remote chance that they will eventually be needed (although not necessarily in the normal course of operations), classified as operating materials and supplies held in reserve for future use, and reported as either</p> <ul style="list-style-type: none"> <li data-bbox="240 695 862 825">a) included in the operating materials and supplies line item on the face of the financial statements with separate disclosure in the notes; or <li data-bbox="240 846 862 940">b) shown as a separate line item on the face of the financial statements (SFFAS 3, par. 45) 	A	
<p data-bbox="233 966 857 1035"><u>Excess, Obsolete, and Unserviceable Operating Materials and Supplies</u></p> <p data-bbox="191 1056 846 1392">6) Operating materials and supplies identified as excess, obsolete, or unserviceable reported as either</p> <ul style="list-style-type: none"> <li data-bbox="240 1178 862 1308">a) included in the operating materials and supplies line item on the face of the financial statements with separate disclosure in the notes; or <li data-bbox="240 1329 862 1392">b) shown as a separate line item on the face of the financial statements (SFFAS 3, par. 47) 	A	

Inventory and Related Property, Net	Category	
<p>7) Entity disclosure of operating materials and supplies include</p> <ul style="list-style-type: none"> a) general composition; b) basis for valuation (including valuation method and any cost flow assumptions); c) change from prior years' accounting methods; d) balances in each operating material and supply category: <ul style="list-style-type: none"> i) operating materials and supplies held for use ii) operating materials and supplies held in reserve for future use iii) excess, obsolete, and unserviceable operating materials and supplies e) difference between the carrying amount of the operating materials and supplies before identification as excess, obsolete, or unserviceable and estimated net realizable value; f) restrictions on the use of materials and supplies, if any; g) decision criteria for identifying each category to which material and supplies are assigned; and h) changes in the criteria for identifying the category to which the operating materials and supplies are assigned (SFFAS 3, par. 37, 46, 48, 49, 50) 	<p>A</p>	

Inventory and Related Property, Net	Category	
<p>8) If, during any of the periods presented, the entity initially elected to apply an alternative valuation method (i.e. 'deemed cost') in establishing opening balances for one or more line items related to operating materials and supplies, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply deemed cost in establishing opening balance for operating materials and supplies; b) describes the method used; and c) treats the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13. (SFFAS 48, par. 6 & 13, amending SFFAS 3, par. 26(a)(iii) and 26(a)(v)) 	A	
Stockpile Materials		
<p>9) When stockpile materials are authorized to be sold, the entity discloses</p> <ul style="list-style-type: none"> a) the carrying value of the materials; and b) any difference between the carrying amount of the stockpile materials held for sale and their estimated selling price (SFFAS 3, par. 55) 	A	
<p>10) Entity disclosure of stockpile materials include</p> <ul style="list-style-type: none"> a) general composition; b) basis for valuing stockpile materials, including valuation method and any cost flow assumptions; c) changes from prior year's accounting methods; d) restrictions on the use of the material; e) balances in each category of stockpile material (i.e., stockpile materials and stockpile materials held for sale); f) decision criteria for categorizing stockpile material as held for sale; and g) changes in criteria for categorizing stockpile materials as held for sale (SFFAS 3, par. 56) 	A	

Inventory and Related Property, Net	Category	
<p>11) If, during any of the periods presented, the entity initially elected to apply an alternative valuation method (i.e. 'deemed cost') in establishing opening balances for one or more line items related to stockpile materials, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply deemed cost in establishing opening balance for stockpile materials; b) describes the method; and c) treats the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 48, par. 6 & 13, amending SFFAS 3, par. 26(a)(iii) and 26(a)(v)) 	A	
Seized Property		
<p>12) Seized property disclosed in a note to the financial statements (SFFAS 3, par. 62)</p>	A	
<p>13) Entity disclosure of seized property by type in its custody include</p> <ul style="list-style-type: none"> a) explanation of what constitutes a seizure and a general description of the composition of seized property; b) valuation method(s); c) changes from prior years' accounting methods; d) analysis by type of seized property (e.g., monetary instruments, real property, tangible personal property) of change in seized property, including dollar value and number of seized properties, that are: <ul style="list-style-type: none"> i) on hand at the start of the year ii) seized during the year iii) disposed of during the year iv) on hand at the end of the year v) known liens or other claims against the property e) information on non-valued seized property that cannot be sold due to legal restrictions, but which may be either donated or destroyed subject to the same analysis of 	A	

Inventory and Related Property, Net	Category	
change, in accordance with (a) – (d), above (SFFAS 3, par. 66)		
14) The entity discloses the method of disposal of seized property (SFFAS 3, par. 66)	A	
Forfeited Property		
<p>15) Entity disclosure of forfeited property include</p> <ul style="list-style-type: none"> a) composition of the property; b) valuation method(s); c) restrictions on the use or disposition of forfeited property; d) changes from prior year's accounting methods; e) analysis by type of forfeited property (e.g., monetary instruments, intangible property, real property, and tangible personal property) of the changes in forfeited property by dollar amount and number of forfeitures that are: <ul style="list-style-type: none"> i) on hand at the beginning of the year ii) made during the year iii) disposed of during the year by method of disposition iv) on hand at the end of the year f) if available, an estimate of the value of property or funds to be distributed to other federal, state, or local agencies; U.S. territories; or foreign governments in future reporting periods; and g) information on non-valued forfeited property that cannot be sold due to legal restrictions, but may be either donated or destroyed, in accordance with (a) – (e), above (SFFAS 3, par. 71 & 78) 	A	

Inventory and Related Property, Net	Category	
Goods Held Under Price Support and Stabilization Programs		
16) A loss contingency arising from a purchase agreement is not recognized because it is less than probable or is not reasonably measurable, is the loss contingency disclosed if it is at least “reasonably possible that a loss may occur.” (SFFAS 3, par. 98)	C	
<p>17) The entity disclosure of goods held under price support and stabilization programs includes</p> <ul style="list-style-type: none"> a) basis for valuing commodities including valuation method and cost flow assumptions (e.g., FIFO, weighted average, moving average, specific identification); b) changes from prior years’ accounting methods; c) restrictions on the use, disposal, or sale of commodities; and d) analysis of the changes in dollar amount and volume of commodities, including those: <ul style="list-style-type: none"> i) on hand at the beginning of the year ii) acquired during the year iii) disposed of during the year by method of disposition iv) on hand at the end of the year v) on hand at year’s end and estimated to be donated or transferred during the coming period vi) that may be received as a result of surrender of collateral related to nonrecourse loans outstanding e) analysis of the dollar value and volume of purchase agreement commitments (SFFAS 3, par. 109) 	C	

General Property, Plant, & Equipment, Net	Category	
<p>1) The entity discloses in the notes to the financial statements a general description of</p> <ul style="list-style-type: none"> a) the G-PP&E remaining in use for which an impairment loss is recognized; b) the nature (e.g., damage or obsolescence) and amount of impairment; and c) the financial statement classification of the impairment loss (SFFAS 44, par. 21) 	A	
<p>2) Note disclosures are made in the period the impairment loss is recognized (SFFAS 44, par.21)</p>	A	
<p>3) The entity disclosure of its G-PP&E includes</p> <ul style="list-style-type: none"> a) the cost, associated accumulated depreciation, and book value by major class; b) the use and general basis of any estimates used; c) the estimated useful lives for each major class; d) the method(s) of depreciation for each major class; e) capitalization threshold(s) including any changes in thresholds(s) during the period; and f) restrictions on the use or convertibility of G-PP&E. (SFFAS 6, par. 45) 	A	

General Property, Plant, & Equipment, Net	Category	
<p>4) If, during any of the periods presented, the entity initially elected to apply an alternative valuation method (i.e. 'deemed cost') in establishing opening balances for one or more line items related to general PP&E, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply an alternative valuation method; b) describes the method used; and c) treat the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 50, par. 13, amending SFFAS 6, par. 40(h)(i) and 40(c)) 	A	
<p>5) If, during any of the periods presented, the entity initially elected to apply an alternative method by excluding one or more line items related to land and land rights from the opening balance of general PP&E, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply an alternative method; b) describes the method used; and c) treat the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 50, par. 13, amending SFFAS 6, par. 40(h)(ii) and 40(c)) 	A	

General Property, Plant, & Equipment, Net	Category	
<p>6) If the entity elected to apply an alternative method by excluding land and land rights from the opening balance of general PP&E, the entity does the following for excluded land</p> <ul style="list-style-type: none"> a) reference a related disclosure on the face of the balance sheet; and b) disclose for each reporting period: <ul style="list-style-type: none"> i) the number of acres held at the beginning of the period ii) the number of acres added during the period iii) the number of acres disposed during the period iv) the number of acres held at the end of the period (SFFAS 50, par. 13, amending SFFAS 6, par. 40(h)(ii)) 	A	
<p>7) If different alternative methods are elected by subcomponent entities consolidated into the reporting entity for land and land rights, the entity discloses the alternative method adopted by each significant subcomponent (SFFAS 50, par. 13, amending SFFAS 6, par. 40(h)(ii))</p>	A	
<p>8) The entity disclosure of capitalized software includes</p> <ul style="list-style-type: none"> a) the cost, associated amortization, and book value; b) the estimated useful life for each major class of software; and c) the method(s) of amortization (SFFAS 10, par. 35; SFFAS 6, par. 45) 	A	

General Property, Plant, & Equipment, Net	Category	
<p>9) If, during any of the periods presented, the entity initially elected to apply an alternative valuation method (i.e. 'deemed cost') in establishing opening balances for one or more line items related to internal use software, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply an alternative valuation method; b) describes the method; and c) treats the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 50, par. 15, amending SFFAS 10, par. 36(f)(i) and 36(c)) 	A	
<p>10) If, during any of the periods presented, the entity initially elected to prospectively capitalize one or more line items in establishing opening balances for internal use software, the entity</p> <ul style="list-style-type: none"> a) discloses that it elected to apply an alternative method; b) describes the method used; and c) treats the election as a change in accounting principle by reporting the change in accordance with SFFAS 21, par. 13 (SFFAS 50, par. 15, amending SFFAS 10, par. 36(f)(ii) and 36(c)) 	A	
<p>11) If different alternative methods are elected by subcomponent entities consolidated into the reporting entity for internal use software, the entity discloses the alternative method adopted by each significant subcomponent (SFFAS 50, par. 15, amending SFFAS 10, par. 36(f)(ii)(a))</p>	A	

Stewardship PP&E	Category	
<p>1) The entity disclosure of stewardship PP&E includes</p> <ul style="list-style-type: none"> a) a statement explaining how they relate to the mission of the entity; and b) a description of the entity's stewardship policies for heritage assets and stewardship land (SFFAS 29, par. 25 & 40) 	D	
<p>2) The entity presents a concise description of each major category of heritage asset and stewardship land use in a note to the financial statements (SFFAS 29, par. 25 & 40)</p>	D	
<p>3) The entity discloses physical unit information for heritage assets and stewardship land use for each major category of stewardship PP&E inclusive of</p> <ul style="list-style-type: none"> a) the number of physical units by major category for which the entity is the steward as of the end of the reporting period (heritage assets should be classified by collection or non-collection type); and b) the number of physical units by major category that were acquired and the number of physical units by major category that were withdrawn during the reporting period (SFFAS 29, par. 25 & 40) 	D	
<p>4) The entity's disclosure includes a description of the methods of acquisition and withdrawal by major category of heritage assets and stewardship land use inclusive of</p> <ul style="list-style-type: none"> a) the number of physical units of transfers between Federal entities; and b) the number of physical units (if material) and fair value (if known and material) acquired through donation or devise during the reporting period (SFFAS 29, par. 25 & 40) 	D	

Stewardship PP&E	Category	
5) The entity discloses that multi-use heritage assets are recognized and presented with G-PP&E in the basic financial statements and that additional information for the multi-use heritage assets is included with the stewardship PP&E information (SFFAS 29, par. 27)	A, D	
6) The entity's disclosure includes a reference to deferred maintenance and repairs information reported in the required supplementary information (SFFAS 29, par. 41)	D	

Leases	Category	
<p>Disclosures for Intragovernmental Leases</p> <p>1) Lessees should disclose the following regarding intragovernmental lease activities (which may be grouped for purposes of disclosure):</p> <p>a. A general description of significant intragovernmental leasing arrangements, including general lease terms with any applicable specific intragovernmental requirements.</p> <p>b. Annual lease expense in total and by major leased PP&E category. (SFFAS 54, par. 37)</p>	A	
<p>2) Lessors should disclose the following regarding intragovernmental lease activities (which may be grouped for purposes of disclosure):</p> <p>a. A general description of significant leases, including a breakdown of the number of leases with federally-owned assets and privately-owned assets.</p> <p>b. Future lease payments that are to be received to the end of the lease term for each of the five subsequent fiscal years and in five-year increments thereafter (SFFAS</p>	A	

Leases	Category	
54, par. 38)		
<p>Component Reporting Entity Disclosure Requirements for Lessees</p> <p>3) Lessees should disclose the following regarding lease activities (which may be grouped for purposes of disclosure), other than short-term leases:</p> <ul style="list-style-type: none"> a. A general description of its leasing arrangements, including: <ul style="list-style-type: none"> i. the basis, terms, and conditions on which variable lease payments not included in the lease liability are determined ii. the existence, terms, and conditions of residual value guarantees provided by the lessee b. The total amount of lease assets and the related accumulated amortization, to be disclosed separately from other PP&E assets c. The amount of lease expense recognized for the reporting period for variable lease payments not previously included in the lease liability d. Principal and interest requirements to the end of the lease term, presented separately, for the lease liability for each of the five subsequent years and in five-year increments thereafter. e. The amount of the annual lease expense and the discount rate used to calculate the lease liability (SFFAS 54, par. 54) 	A	
<p>Component Reporting Entity Disclosures for Lessors</p> <p>4) Lessors should disclose the following regarding lease activities (which may be grouped for purposes of disclosure), other</p>	A	

Leases	Category	
<p>than short-term leases:</p> <ul style="list-style-type: none"> a. A general description of its leasing arrangements, including the basis, terms, and conditions on which any variable lease payments not included in the lease receivable are determined b. The carrying amount of assets on lease by major classes of assets, and the amount of related accumulated depreciation c. The total amount of revenue (for example, lease revenue, interest revenue, and any other lease-related revenue) recognized in the reporting period from leases d. The amount of revenue recognized in the reporting period for variable lease payments and other payments not previously included in the lease receivable, including revenue related to residual value guarantees and termination penalties 		
<p>5) In addition to the disclosures in paragraph 67, if a federal entity's principal ongoing operations consist of leasing assets through the use of non-intragovernmental leases, the federal entity should disclose a schedule of future lease payments that are included in the lease receivable, showing principal and interest, for each of the five subsequent years and in five-year increments thereafter. (SFFAS 54, pars 67 and 68)</p>	A	

Other Assets	Categories	
1) Advances and prepayments are shown as assets and disclosed in the notes to the financial statements (SFFAS 1, par. 59)	A	
2) Advances and prepayments that are made to federal entities reported separately from those made to nonfederal entities (SFFAS 1, par. 61)	A	

Liabilities	Category	
<p>1) Liability line items on the face of the Balance Sheet aggregate the following types and are separately disclosed in the notes</p> <ul style="list-style-type: none"> a) Liabilities covered by budgetary resources b) liabilities not covered by budgetary resources, and c) liabilities not requiring budgetary resources (SFFAS 1, par. 80 & 86) 	A	

Federal Employee and Veteran's Benefits	Category	
OPEB		
<i>Federal Employee and Veterans Benefits – Pension, ORB and OPEB</i>		
1) The administrative entity at a minimum, discloses actuarial liabilities and the assumptions used to calculate the liability for pensions, ORB, OPEB and related expenses (SFFAS 5, par. 67 & 83)	A	
2) If the assumptions for a pension plan differ from the assumptions used by the three primary plans—Civil Service Retirement System (CSRS), Federal Employees Retirement System (FERS), and Military Retirement System (MRS)—the administrative entity discloses how and why the assumptions differ from those of the primary plans (SFFAS 5, par. 67 & 157)	A	
3) For the period, the administrative entity separately discloses individual components of pension, ORB, and OPEB retirement expense for <ul style="list-style-type: none"> a) normal cost; b) interest on the liability balance; c) prior (and past) service costs from plan amendments (or the initiation of a new plan); d) actuarial (gains)/losses; e) any (gains)/losses due to a change in the medical inflation rate assumption (for ORB); and f) other expenses (SFFAS 5, par. 72 & 88) 	A	
4) The administrative entity discloses a reconciliation of beginning and ending pension, ORB, and OPEB liability balances with the following components and format: <p style="margin-left: 40px;">Beginning liability balance;</p> <p style="margin-left: 40px;">Expense:</p> <ul style="list-style-type: none"> <li style="margin-left: 80px;">Normal cost; <li style="margin-left: 80px;">Interest on the liability balance; <li style="margin-left: 40px;">Actuarial (gain)/loss: <ul style="list-style-type: none"> <li style="margin-left: 40px;">From experience; <li style="margin-left: 40px;">From assumption changes; <li style="margin-left: 80px;">Prior service costs; <li style="margin-left: 80px;">Other; <li style="margin-left: 80px;">Total expense; <p style="margin-left: 40px;">Less amounts paid; and</p> <p style="margin-left: 40px;">Ending liability balance.</p> <p style="text-align: right;">38</p> <p>(SFFAS 33, par. 22 & 23)</p>	A	
5) The administrative entity breaks out the actuarial (gains) and losses into	A	

Environment & Disposal Liabilities	Category	
<p>10) The entity disclosures of cleanup costs include</p> <ul style="list-style-type: none"> a) sources (i.e., applicable laws and regulations) of cleanup requirements; b) method for assigning estimated total cleanup costs to current operating periods (e.g., physical capacity versus passage of time); c) unrecognized portion of estimated total cleanup costs associated with PP&E; d) material changes in total estimated cleanup costs due to changes in laws, technology, or plans; e) portion of change in an estimate (noted in (d)) that relates to prior-period operations; f) the nature of estimates; and g) information regarding possible changes due to inflation, deflation, technology, or applicable laws and regulations (SFFAS 6, par. 107-111) 	A	

Other Liabilities	Category	
<p>1) The entity discloses and/or classifies the portion of other liabilities</p> <ul style="list-style-type: none"> a) that are payable to federal entities (intragovernmental liabilities) and to non-federal entities; and b) that are current and noncurrent. (SFFAS 1, par. 83 & 85) 	A	

Commitments and Contingencies	Category	
<p>1) The entity discloses contingencies that are</p> <ul style="list-style-type: none"> a) reasonably possible (i.e., neither probable nor remote) to result in a future outflow (or an additional outflow), and b) probable to result in a future outflow (or an additional outflow) for which a loss amount or range cannot be reasonably measured. (SFFAS 5, par. 40) 	C	
<p>2) For contingencies that existed as of the end of the reporting period/year-end, the related contingent liability and/or disclosure reflects all information available through the date of the audit report with respect to the likelihood and measurement of the contingency (SFFAS 5, par. 35 and footnote 17)</p>	A, C	
<p>3) For contingencies that the likelihood of future outflows is probable, the entity discloses the nature of the contingency and one of the following:</p> <ul style="list-style-type: none"> a) For contingent losses that are reasonably measurable, disclose that the amount that has been recorded as a liability, b) For contingent losses that a range of amounts may be estimated, and some amount within the range is a better estimate than any other amount in the range, disclose the amount recognized 	A, C	

Commitments and Contingencies	Category	
<p>(i.e., the better estimate),</p> <p>c) For contingent losses that a range of amounts of losses is estimated, and no amount within the range is a better estimate than any other amount, disclose the amount recognized (i.e., the minimum amount in the range) as well as the range, or</p> <p>d) For contingent losses that an amount or range of amounts cannot be reasonably measured, include a statement within the disclosure that an estimate cannot be made and that no liability has been recorded for such contingency</p>		
<p>4) For contingencies that are reasonably possible to result in future outflows (including additional outflows), the entity discloses (i) the nature of the contingency, (ii) that no liability is recognized for reasonably possible contingencies, and (iii) one of the following</p> <p>a) an estimate of the possible liability; or</p> <p>b) an estimate of the range of the possible liability; or</p> <p>c) a statement that such an estimate cannot be made (SFFAS 5, par. 36, 38, 40, & 41, as amended by SFFAS 12)</p>	C	
<p>5) If information about remote contingencies, or related to remote contingencies, is included in general purpose federal financial reports, the information is labeled to avoid the misleading implication that there is more than a remote chance of a loss of that amount (SFFAS 5, par. 42)</p>	C	
<p>6) The entity recognizes and/or discloses contingent liabilities including those arising from treaties and other international agreements. (SFFAS 5, par. 39—42)</p>	C	

Funds from Dedicated Collections	Category	
<p>1) The entity discloses all funds from dedicated collections for which it has program management responsibility by either a list (by official title), or a statement indicating where the list can be obtained (e.g., a website reference or contact information) (SFFAS 27, as amended by SFFAS 43, par. 21)</p>	<p>A</p>	
<p>2) If more than one component entity is responsible for carrying out the program financed with revenues and other financing sources that are dedicated collections, and separate portions of the program can be clearly identified with a responsible component entity, the reporting entity report its portion of the program (SFFAS 27, par. 20, as amended by SFFAS 43, par. 12)</p>	<p>A</p>	
<p>3) The entity disclosures for each selected individual fund from dedicated collections and in the aggregate for all remaining funds from dedicated collections include</p> <ul style="list-style-type: none"> a) condensed information about assets and liabilities showing investments in Treasury securities, other assets, liabilities due and payable, other liabilities, cumulative results of operations and net position; b) condensed information providing gross cost, exchange revenue, net cost, nonexchange revenues by major type and all other, and other financing sources by major type and all other, and change in net position; c) a description of each fund's purpose, how the entity accounts for and reports the fund, and its authority to use those revenues and other financing sources; d) the sources of revenue or other financing for the period and an explanation of the extent to which they are inflows of resources to the entity or the result of intragovernmental flows; 	<p>A</p>	

Funds from Dedicated Collections	Category	
<p style="text-align: center;">and</p> <p>e) any change in legislation during or subsequent to the reporting period and before the issuance of the financial statements that significantly changes the purpose of the fund or that redirects a material portion of the accumulated balance (SFFAS 27, par. 22-23 as amended by SFFAS 43, par. 12)</p>		
<p>4) The total net position of all funds from dedicated collections shown in the note disclosure agree with the net position of funds from dedicated collections shown on the entity's Balance Sheet (SFFAS 27, par. 25, as amended by SFFAS 43, par. 12)</p>	A	

Stewardship PP&E Obtained Through Transfer, Donation, or Devise	Category	
<p>1) Transfers of heritage assets and stewardship land between Federal entities (by the number of physical units by major category) and the fair value and number of physical units by major category of heritage assets and stewardship land acquired through donation or devise are disclosed (SFFAS 29)</p>	A, D	

Exchange Revenues	Category	
<p>1) A reporting entity that provides goods or services to the public or other government entity discloses</p> <ul style="list-style-type: none"> a) a pricing policy that differs from the full cost or market pricing guidance set forth in OMB Circular No. A-25 and the possible effect on demand and revenue if prices were raised to reflect the market or full cost; b) exchange transactions with the public in which prices are set by law or executive order and are not based on full cost or market price, or the possible effect on demand and revenue if prices were raised to reflect the market or full cost; c) the nature of intragovernmental exchange transactions in which goods or services are provided free or at less than full cost and the reasons for differences between billing and full cost; and d) the full amount of any expected loss when specific goods or services are provided or made to order under a contract and a loss is both probable and measurable. (SFFAS 7, par. 46 & 47) 	<p>B</p>	

Budgetary Resources Statement Disclosures	Category	
Net Adjustments to Unobligated Bal. Brought Forward, Oct 1		
1) The entity discloses and explains material adjustments during the reporting period to budgetary resources available at the beginning of the year that are necessary to reconcile the beginning balance to the prior year's ending balance and explain the adjustments (SFFAS 7, paragraph 79d)	A	
Terms of Borrowing Authority Used		
2) The entity discloses repayment requirements, financing sources for repayment, and other terms of borrowing authority used SFFAS 7, par. 79c)	A	
Available Borrowing/Contract Authority, End of Period		
3) The amount of available borrowing and contracting authority at the end of the period disclosed (SFFAS 7, par. 79b)	A	
Undelivered Orders at the End of the Period		
4) The amount of budgetary resources obligated for undelivered orders at the end of the period separately discloses Federal, non-federal, paid, and unpaid amounts (SFFAS 7, par. 79a)	A	
Permanent Indefinite Appropriations		
5) The entity discloses the existence, purpose, and availability of permanent indefinite appropriations (SFFAS 7, par. 79e)	A	
Legal Arrangements Affecting the Use of Unobligated Balances		

Budgetary Resources Statement Disclosures	Category	
6) The entity discloses information about legal arrangements affecting the use of unobligated balances of budget authority such as time limits, purpose, and obligation limitations (SFFAS 7, par. 79f)	A	
Explanation of Differences Between SBR and Budget of the US Government		
7) The entity disclosures identify and explain material differences between: <ul style="list-style-type: none"> a) The budgetary resources, obligations, and net outlay amounts from the prior year SBR and the actual amounts from the “Detailed Budget Estimates by Agency” found in the Appendix of the Budget: and b) The distributed offsetting receipts amount from the prior year SBR and the actual amount from the “Federal Budget by Agency and Account” in the Analytical Perspectives of the Budget.(SFFAS 7, par. 79g) 	D	
Unfunded Liabilities		
8) The amount, and an explanation that includes identification of balance sheet components, when recognized unfunded liabilities do not equal the total financing sources yet to be provided	A, D	
Contributed Capital		
9) The entity discloses the amount of any contributed capital (e.g., donation) received during the reporting period (SFFAS 7, paragraph 79i)	A	

Custodial Revenues	Category	
1) The collecting entity discloses and explains the <ul style="list-style-type: none"> a) basis of accounting when application of the general rule for recognizing 	A	

Custodial Revenues	Category	
<p>nonexchange revenue (i.e., specifically identifiable, legally enforceable, and reasonably estimable) results in a modified cash basis of accounting;</p> <p>b) specific potential accruals that are not made as a result of using the modified cash basis accounting;</p> <p>c) practical and inherent limitations affecting the accrual of taxes and duties; and</p> <p>d) use of accrual-based accounting, if applicable (SFFAS 7, par. 5, 6, 48 & 64)</p>		
<p>2) If trust fund revenues are not recorded in accordance with applicable law, the collecting and recipient entities disclose the reasons (SFFAS 7, par. 66)</p>	A	

Statement of Social Insurance and Statement of Changes in Social Insurance Amounts	Category	
<p>1) Significant assumptions used in making estimates and projections disclosed (SFFAS 17, par. 25, SFFAS 26, par. 5, 8)</p>	A	
<p>2) The fund balance at the valuation date discloses the accumulated excess of all past cash receipts, including interest on investments, over all past cash disbursements within the social insurance program (SFFAS 17, par. 27(3)(h))</p>	A	
<p>3) The entity discloses that the actuarial net present value of the excess of future scheduled expenditures related to benefit payments paid to or on behalf of current participants (i.e., closed group) is calculated by subtracting the actuarial present value of future contributions and tax income paid by and for current participants from the actuarial present value of the future scheduled expenditures (SFFAS 17, par. 27(3)(i))</p>	A	

Statement of Social Insurance and Statement of Changes in Social Insurance Amounts	Category	
4) The disclosed information covers the current year and each of the four preceding years (SFFAS 17, par. 27(3)(j))	A	
5) The entity provides a brief statement explaining that <ul style="list-style-type: none"> a) the SOSI amounts are estimates based on current conditions; b) such conditions may change in the future; and c) actual cost may vary, sometimes greatly, from the estimated cost (SFFAS 37, par. 35, 36) 	A	
6) In relation to the statement of changes in the social insurance amounts (SCSIA), the entity discloses in the notes associated with the SCSIA (or on the face of the SCSIA) the reasons for the changes in the open group measure for the two year period (SFFAS 37, par. 32)	A	

Fiduciary Activities	Category	
1) The entity presents a statement to indicate that fiduciary assets are not assets of the entity and are not recognized on the balance sheet (SFFAS 31, par. 17)	D	
2) The entity presents, for all periods, a Schedule of Fiduciary Activity that discloses <ul style="list-style-type: none"> a) beginning balance of Fiduciary net assets; b) inflows from the fiduciary activities by category (e.g., fiduciary revenues, contributions, investment earnings, gain/loss on disposition, net) and outflows by category (e.g., benefit payments, refunds, administrative 	D	

Fiduciary Activities	Category	
<p>expenses);</p> <p>c) change in net assets; and</p> <p>d) ending balance of net assets (SFFAS 31, par. 18b)</p>		
<p>3) A Schedule of Fiduciary Net Assets discloses the current and prior period ending balances for</p> <p>a) cash and any other assets by category (e.g., receivables, investments); and</p> <p>b) liabilities by category.</p> <p>(SFFAS 31, par. 18c)</p>	D	
<p>4) The entity provides a variance analysis addressing significant changes from the prior period (SFFAS 31, par. 18c)</p>	D	
<p>5) Entity disclosures for non-monetary fiduciary assets describe</p> <p>a) composition of the assets;</p> <p>b) the method(s) of valuation; and</p> <p>c) changes from prior period accounting methods. (SFFAS 31, par. 18c)</p>	D	
<p>6) Non-valued fiduciary assets, disclosed in a Schedule of Changes in Non-Valued Fiduciary Assets, includes</p> <p>a) a description of non-valued fiduciary assets;</p> <p>b) beginning quantity;</p> <p>c) quantity received;</p> <p>d) quantity disposed of;</p> <p>e) net increase/decrease in non-valued, fiduciary assets; and</p> <p>f) ending total quantity (SFFAS 31, par. 18d)</p>	D	

Fiduciary Activities	Category	
<p>7) If separate audited financial statements are issued for an individual fiduciary activity that is presented individually in accordance with the acceptable criteria, disclosures include</p> <ul style="list-style-type: none"> a) the basis of accounting used and auditor's opinion on the current or most recent financial statements; b) the reason(s) stated by the auditors if the auditor's opinion was not unmodified, and a reference to the audit opinion for further information; and c) how the reader can obtain a copy of the financial statements and the audit opinion thereon (SFFAS 31, par. 18e & 22) 	D	
<p>8) If the separate audited financial statements for an individual fiduciary activity are prepared with a fiscal year-end other than September 30, information is provided for the fiduciary activity's most recent fiscal year (SFFAS 31, par. 18e)</p>	D	
<p>9) When more than one entity administers a fiduciary activity, and the separate portions of the activity can be clearly identified with a responsible entity, each entity discloses its portion, including the identification of the other entities that administer the activity (SFFAS 31, par. 19)</p>	D	
<p>10) If separate portions of the activity cannot be identified, the entity with program management responsibility discloses the fiduciary activity (SFFAS 31, par. 19)</p>	D	
<p>11) For entities with several distinct fiduciary activities, a summary of financial information is provided for each fiduciary activity presented individually (SFFAS 31, par. 18 & 20)</p>	D	

Fiduciary Activities	Category	
12) The entity considers both quantitative and qualitative criteria when selecting fiduciary activities to be presented individually (SFFAS 31, par. 21)	D	
13) Prior year information is not displayed in the initial year of implementation (SFFAS 31, par. 23)	D	
14) In the reporting periods following the initial year of implementation, prior period amounts are disclosed (SFFAS 31, par. 23)	D	

Restatements	Category	
<p>1) The entity disclosure for restatement of financial statements due to material errors for known amount(s) of the misstatement includes</p> <ul style="list-style-type: none"> a) the nature of the error (e.g., a description of the action or failure to act causing or leading to the error), the reason for the restatement and the effect of the correction on relevant balances; and b) the actions management took after discovering the error (SFFAS 21, par. 10(c)) 	A	

Reconciliation of Net Cost of Operations to Net Outlays	Category	
1) The entity presents a reconciliation that explains the relationship between the net cost of operations and net outlays by the entity during the reporting period (SFFAS 7, par. 80 as amended by SFFAS 53 par. 2)	A	

Reconciliation of Net Cost of Operations to Net Outlays	Category	
<p>2) The net cost of operations is adjusted by</p> <ul style="list-style-type: none"> a) components of net cost that are not part of net outlays (e.g.; depreciation and amortization expenses of assets previously capitalized, change in asset/liabilities), b) components of net outlays that are not part of the net cost (e.g., acquisition of capital assets), c) other temporary timing differences (SFFAS 7, par. 81 as amended by SFFAS 53 par. 2) 	A	
<p>3) The adjustments presented and explained in detail and in a manner that best clarifies the relationship between net outlays and the accrual basis amounts used in financial accounting (SFFAS 7, par. 82 as amended by SFFAS 53 par. 2)</p>	A	
<p>4) The agency present with the reconciliation a narrative explaining the purpose, the nature, and the line items of the reconciliation (SFFAS 7, par. 82 as amended by 53, par. 2)</p>	A	
<p>5) For non-cash outlays, the amount and nature is disclosed (SFFAS 7, par. 82 as amended by 53, par. 2)</p>	A	

Public-Private Partnerships	Category	
<p>1) If disclosure is required, based upon the assessment of conclusive risk characteristics and suggestive risk characteristics, note disclosures</p> <ul style="list-style-type: none"> a) generally accompany the related asset and /or liability contained in the financial statements; and b) present information in an integrated manner so that they are concise, meaningful, transparent, and not repetitive (SFFAS 49, par. 23) 	A, D	

Public-Private Partnerships	Category	
2) Note disclosure include the initial period and all annual periods thereafter where an entity is a party to P3 arrangement/transaction (SFFAS 49, par. 24)	A, D	
3) Note disclosure include <ul style="list-style-type: none"> a) the purpose, objective, and rationale for the P3 arrangement or transaction; b) the relative benefits/revenues being received in exchange for the government’s consideration—monetary and non-monetary; and c) the entity’s statutory authority for entering into the P3 (SFFAS 49, par. 24(a)) 	A, D	
4) Note disclosures include a description of federal and non-federal funding for the P3 over its expected life including the mix and amounts of such funding (where applicable). For any amounts that are not available, the disclosures indicate such. (SFFAS 49, par. 24(b))	A, D	
5) Note disclosures include the operational and financial structure of the P3, including the entity’s rights and responsibilities, including <ul style="list-style-type: none"> a) a description of the contractual terms governing payments to and from the government over the expected life of the P3 arrangement or transaction to include: <ul style="list-style-type: none"> i) explanation of how the expected life was determined; ii) the time periods payments are expected to occur; iii) whether payments are made directly to each partner or indirectly through a their-party, such as, military housing allowances; and iv) in-kind contributions/services and 	A, D	

Public-Private Partnerships	Category	
<p>donations;</p> <p>b) the amounts received and paid by the government during the reporting period(s); and</p> <p>c) the amounts estimated to be received and paid in aggregate over the expected life of the P3 (SFFAS 49, par. 24(c))</p>		
<p>6) Note disclosures include</p> <p>a) identification of the contractual risks of loss the P3 partners are undertaking including a description of the contractual risk and the potential effect on cash flows if the risks were realized; and</p> <p>b) remote risks of loss limited to those included in the terms of the contractual P3 arrangements or transactions. If disclosed, an explanation included that avoids the misleading inference that there is more than a remote chance of loss (SFFAS 49, par. 24(d))</p>	A, D	
<p>7) As applicable, note disclosures include</p> <p>a) associated amounts recognized in the financial statements such as gains or losses and capitalized items;</p> <p>b) significant instances of non-compliance with legal and contractual provisions governing the P3 arrangement/transaction;</p> <p>c) whether the private partner(s), including any Special Purpose Vehicle, have borrowed or invested capital contingent upon the reporting entity's promise to pay whether implied or explicit; and</p> <p>d) description of events of termination or default. (SFFAS 49, par. 24(e))</p>	A, D	

Disclosure Entities and Related Parties	Category	
Disclosure Entities		
1) For organizations classified as a disclosure entity, the reporting entity integrates the disclosures so that concise, meaningful, and transparent information is provided (SFFAS 47, par.73)	B	
2) For each significant disclosure entity and aggregation of disclosure entities, the reporting entity discloses information to meet the following objectives <ul style="list-style-type: none"> a) Relationship and organization b) Relevant activity c) Future exposures (SFFAS 47, par.74) 	B	
Related Parties		
3) The agency discloses for related party relationships of such significance to the reporting entity that it would be misleading to exclude information about such relationships the: <ul style="list-style-type: none"> a) Nature of the reporting entity relationship with the party, including the name of the party or if aggregated, a description of the related parties. b) Other information that would provide an understanding of the relationship and potential financial reporting impact, including Government ownership interest, financial-related exposures to risk of loss or potential gain to the reporting entity resulting from the relationship (SFFAS 47, par.89) 	B	

Insurance Programs	Category	
Disclosure for Exchange Transaction Insurance Programs Other Than Life Insurance		
1) The entity's disclosures are integrated so that concise, meaningful, and transparent information is provided in a comprehensive note regarding the insurance program and related balances, or by providing references to relevant notes elsewhere in the GPFFR	A	

Insurance Programs	Category	
(SFFAS 51, par. 39)		
<p>2) The entity provides the following information for each material insurance portfolio and/or in aggregate for all remaining insurance portfolios, and/or individual insurance arrangements:</p> <ul style="list-style-type: none"> a) What is insured or guaranteed, for whom, and what other government agencies and/or commercial insurance programs administer or assume risk for any part of the program, b) Full costs,¹⁸ premiums collected, appropriations used, and borrowing needed during the reporting period, as well as the ability to repay borrowing, c) Investing activities, such as buying treasury securities, d) Arrangement duration and renewal characteristics, such as non-cancelable or guaranteed renewals, e) Premium pricing policies (in accordance with SFFAS 7, par. 46) including risk characteristics used in determining premiums and any requirements to set premium prices that do not cover the full estimated cost to settle claims, f) The nature and magnitude of uncertainty of estimated amounts to be paid to settle future claims, including: <ul style="list-style-type: none"> i) the basis and estimation method ii) significant risk assumptions and factors, including relevant trend information iii) how much risk, if any, is shared by 	A	

¹⁸ See SFFAS 4, Managerial Cost Accounting Standards and Concepts, par. 80-104.

Insurance Programs	Category	
<p style="text-align: center;">third parties</p> <p>g) The total amount of coverage provided through insurance in-force as of the end of the reporting period,¹⁹</p> <p>h) Any event(s) that caused a material change in the amounts recognized during the reporting period, such as low probability high impact adverse events, changes in laws, and/or actuarial assumptions (SFFAS 51, par. 40)</p>		
<p>3) The entity provides information for changes in the liability balance for unpaid insurance claims provided as follows:</p> <p>a) Beginning balance</p> <p>b) Claims expense</p> <p>c) Claims adjustment expenses (CAE)²⁰</p> <p>d) Payments to settle claims</p> <p>e) Recoveries and other adjustments</p> <p>f) Ending balance (SFFAS 51, par. 41)</p>	A	
NonExchange Transaction Insurance Programs		
<p>4) The entity's disclosures are integrated so that concise, meaningful, and transparent information is provided in a comprehensive note regarding the insurance program and related balances, or by providing references to relevant notes elsewhere in the GPFFR but which related to the insurance program (SFFAS 51, par. 50)</p>	A	
<p>5) The entity provides the following information for each material insurance portfolio, and/or in aggregate for all remaining insurance portfolios, and/or individual insurance arrangements:</p> <p>a) What is insured or guaranteed, for whom, and what other government agencies and/or commercial insurance</p>	A	

¹⁹ An explanation should be included that avoids the misleading inference that there is more than a remote likelihood that claims equal to the entire insurance in-force amount will be filed at the same time

²⁰ CAE should be recognized for claims occurring prior to the end of the current reporting period

Insurance Programs	Category	
<p>programs administer or assume risk for any part of the program</p> <p>b) Full costs,²¹ premiums collected, appropriations used, and borrowing needed during the reporting period, as well as the ability to repay borrowing</p> <p>c) Investing activities, such as buying treasury securities</p> <p>d) Any event(s) that caused a material change in the amounts recognized during the reporting period, such as low probability high impact adverse events, changes in laws, and/or actuarial assumptions (SFFAS 51, par. 51)</p>		
<p>6) The entity provides information for changes in the liability balance for unpaid insurance claims provided as follows:</p> <p>a) Beginning balance</p> <p>b) Claims expense</p> <p>c) CAE²²</p> <p>d) Payments to settle claims</p> <p>e) Recoveries and other adjustments</p> <p>f) Ending balance (SFFAS 51, par. 52)</p>	A	
Life Insurance Programs		
<p>7) The entity classifies all subsequent events relating to the liability for future policy benefits as nonrecognized events, and as applicable, disclose in accordance with SFFAS 39, paragraph 15. (SFFAS 51, par. 60)</p>	C	

²¹ See SFFAS 4, Managerial Cost Accounting Standards and Concepts, par. 80-104.

²² Claims Adjusted Expenses should be recognized for claims occurring prior to the end of the current reporting period

Insurance Programs	Category	
<p>8) The entity's disclosures are integrated so that concise, meaningful, and transparent information is provided in a comprehensive note regarding the insurance program and related balances, or by providing references to relevant notes elsewhere in the GPFFR but which related to the insurance program. (SFFAS 51, par. 66)</p>	C	
<p>9) The entity provides the following information for each material insurance portfolio, and/or in aggregate for all remaining insurance portfolios, and/or individual insurance arrangements</p> <ul style="list-style-type: none"> a) The type of life insurance and specific characteristics of those products, such as when and how benefits are paid and what other government agencies or commercial insurance programs administer and/or assume risk for any part of the program b) Premium pricing policies (in accordance with SFFAS 7, par. 46) including risk characteristics used in determining premiums and requirements to set premium prices that do not cover the full estimated cost to settle claims c) Full costs,²³ premiums collected, appropriations used, and borrowing needed during the reporting period, as well as the ability to repay borrowing d) Investing activities, such as buying treasury securities e) The nature and magnitude of uncertainty to estimate the amounts to be paid to settle future claims, including the basis and estimation method <ul style="list-style-type: none"> i) Significant risk assumptions and factors, including relevant trend information ii) How much risk, if any, is shared by third parties 	A	

²³ See SFFAS 4, Managerial Cost Accounting Standards and Concepts, par. 80-104.

Insurance Programs	Category	
<ul style="list-style-type: none"> f) The total value of life insurance policies issued—insurance in-force—at the end of the reporting period, which represents the maximum risk exposure²⁴ g) The net cash surrender value of policies at the end of the reporting period, including appropriate information to aid in avoiding the misleading inference that there is a more than remote likelihood that 100% of all policies will cancel at the end of the reporting period h) Any event(s) that caused a material change in the amounts recognized during the reporting period, such as low probability high impact adverse events, changes in laws, and/or actuarial assumptions (SFFAS 51, par. 67) 		
<p>10) The entity provides information for changes in the liability balance for unpaid insurance claims provided as follows:</p> <ul style="list-style-type: none"> a) Beginning balance b) Claims expense c) CAE²⁵ d) Payments to settle claims e) Recoveries and other adjustments f) Ending balance (SFFAS 51, par. 68) 	A	

Subsequent Events	Category	
<p>1) The entity discloses nonrecognized events required to keep the basic information or RSI from being misleading (SFFAS 39, par.15)</p>	C	

²⁴ An explanation should be included that avoids the misleading inference that there is more than a remote likelihood that claims equal to the entire insurance in-force amount will be filed at the same time.

²⁵ Claims Adjusted Expenses should be recognized for claims occurring prior to the end of the current reporting period.

