

Memorandum

Non-Agenda Topics

October 13, 2022

To: Members of the Board
From: Monica R. Valentine, Executive Director
Subject: **Non-Agenda Project Updates** (Topic F)

INTRODUCTION

Staff is providing project updates on all active projects currently on the Board's technical agenda that will not be discussed at the October 2022 meeting.

Attachment 1 of this memo includes brief project updates on the following topics.

- Climate Related Financial Disclosures
- Intangible Assets Working Definition
- Land Implementation
- Leases
- Reexamination of Existing Standards
- Reporting Model – Budgetary Information
- Reporting Model – Concepts Omnibus
- SFFAS 38 Requirements Review

REQUEST FOR FEEDBACK

These topics do not include any questions for the Board or requests for member feedback. These topics will not be on the Board's discussion agenda for October. Members may provide input and submit follow-up questions on any of these projects to the related staff member at any time.

ATTACHMENTS

1. Project updates

Project Updates

Non-Agenda Topics

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Attachment 1

CLIMATE RELATED FINANCIAL DISCLOSURES

On August 30, 2022, staff sent a welcome email to climate task force members. The task force has 65 members divided into two working groups 1) TCFD and 2) Agency. Research is underway to learn about other government's [i.e., Canada and California] experience and lessons learned in implementing TCFD for reporting climate-related disclosures in their financial statements. Staff anticipates providing an education session on this information at the December 2022, Board meeting.

INTANGIBLE ASSETS WORKING DEFINITION

At the February 2022 meeting, staff proposed a non-authoritative definition of intangible assets for the Board's internal use. The Board overwhelmingly supported the proposed definition while providing thoughts and suggested edits that generally related to potential reporting requirement concerns. Staff has noted member comments for future deliberations if the Board ultimately approves a project to develop reporting guidance for intangible assets. Staff considers this objective complete and continues to focus time and resources on the software technology project.

LAND IMPLEMENTATION

As part of our monitoring, staff was notified by a reporting entity that one of their components noted significant discrepancies between two of their systems of record for land acreage and therefore, would like to defer reporting acreage until the next fiscal year (2023) so that a reconciliation of the data could be performed. Nevertheless, the expectation is that the component entity will report estimated acres this fiscal year-end.

Additionally, staff continues to answer questions and provide technical advice to reporting entities such as the most recent inquiry from the Architect of the Capitol (AOC). To date, staff has met with the following reporting entities: USDA, Forest Service, Interior, Justice (FBI), and the AOC.

LEASES OMNIBUS

As discussed during the August 2022 meeting, staff consulted with GASB staff regarding the omnibus amendment proposed to paragraph 19.b of SFFAS 54, *Leases*. Based on those consultations, FASAB staff determined that the Board should receive and consider additional information related to GASB omnibus actions pertaining to its lease term guidance. As a result, the Board's contingent approval of the related omnibus proposal is no longer valid.

Staff may or may not recommend further changes to the omnibus proposal recommended in August based on its review and consultations with GASB staff. This analysis and staff's decision on what to recommend to the Board is pending.

GASB staff shared internal working papers to inform additional staff analysis and consideration. Staff has begun, but not completed this analysis. At the December 2022 meeting, staff will present a completed analysis and recommended changes (if any) to the omnibus amendment.

REEXAMINATION OF EXISTING STANDARDS

With issuance of Technical Release 21, *Omnibus Technical Release Amendments 2022: Conforming Amendments*, more staff resources can now be devoted to work related to the Reexamination of Existing Standards project. Staff is in the final stages of drafting the Invitation to Comment (ITC). Next, the Draft ITC will be provided to targeted organizations, such as the CFO Council and Financial Statement Audit Network, to gain preliminary feedback on the ITC. The feedback will help ensure the ITC is clear, focused and does not overlook key questions that may assist the Board with the project. Staff anticipates providing the Board the Draft ITC at the December 2022 meeting.

REPORTING MODEL – BUDGETARY INFORMATION

The budgetary information project addresses certain issues related to accounting and financial reporting of government-wide and component reporting entity budgetary information. The project will consider improvements to existing guidance related to 1) the usefulness of the required U.S. budget surplus/deficit presentations and 2) the understandability of the required presentation for component reporting entity budgetary resources.

This project was put on hold in mid fiscal year 2021 while OMB and GAO are considering other efforts on this topic. OMB is considering proposed updates to A-136 encouraging entities to explain applicable Federal budget terms and concepts such as budgetary resources, appropriations, gross and net outlays, budgetary and non-budgetary, and distributed offsetting receipts.

During the technical agenda session at the August 2022 Board meeting, the Board voted to designate these efforts as a research topic as opposed to an active project. FASAB will continue to monitor this work and will assess whether any additional efforts are needed by FASAB.

REPORTING MODEL – OMNIBUS CONCEPTS

The Board last reviewed the draft *Omnibus Concepts Amendments* exposure draft (ED) at the December 2021 meeting. The draft ED proposes to amend the note disclosure and MD&A concepts in paragraphs 68 and 69 in SFFAC 2 and rescind SFFAC 3 in its entirety. Several member suggested edits were incorporated into the draft based on the December meeting discussion.

The Omnibus Concepts proposal has been drafted in conjunction with the Management's Discussion & Analysis proposal, and therefore the Board agreed to expose both proposals

together. Staff will present an Omnibus Concepts pre-ballot draft ED to the Board to review once the MD&A standards draft ED is also ready for pre-balloting.

SFFAS 38 REQUIREMENTS REVIEW

As discussed during the August 2022 meeting, SFFAS 38, *Accounting for Federal Oil and Gas Resources*, and Technical Bulletin 2011-1, *Accounting for Federal Natural Resources Other than Oil and Gas*, will need to be amended to conclude the open-ended proposal of determining whether to transition the oil and gas and other natural resources information to basic. Staff is drafting the amendments and will include staff's research on the topic in the basis for conclusions to support the Board's decision of leaving the natural resources information, as outlined in SFFAS 38 and Technical Bulletin 2011-1, in required supplementary information. Staff will provide draft omnibus amendment proposals to the Board sometime in the next several months for consideration.