

**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**  
**Board Meeting Minutes**  
**June 11-12, 2024**  
**Hybrid Meeting (In-person and via Zoom for Government)**

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For research purposes, please see the briefing materials at [www.fasab.gov](http://www.fasab.gov). Briefing materials for each session are organized by topic; references to these topics in the minutes are hyperlinked.

## **Attendance**

The following Federal Accounting Standards Advisory Board (FASAB or “the Board”) members were present throughout the meeting: Messrs. Scott (chair) and Bell, Ms. Bronner, Mr. Dacey, Mses. Harper and Johnson, and Messrs. Patton and Vicks. The executive director, Ms. Valentine, and FASAB counsel, Mr. Kirwan, were present throughout the meeting.

### ***Tuesday, June 11, 2024***

#### **Administrative Matters**

- **Clippings and Updates**

Mr. Scott asked the members if there were any comments on the clippings provided by staff. A member asked the other members what they thought of the April 29, 2024, *Wall*

*Street Journal* article titled *Auditors Balk at Regulator's Push to Expand Their Role*. The article noted the Public Company Accounting Oversight Board's (PCAOB) proposals on fraud detection, cyber risk and more. The proposal would take auditors far outside the parameters of their specialty, but the PCAOB believes that changes are needed.

Comments from other members included:

- Auditors would have to expand on how to find fraud. The proposal is pushing fraud detection, which is quite a change in auditing and its cost.
- Auditors will have to design their testing to look at very specific elements of compliance beyond matters that affect financial reporting.
- In the federal environment, the auditors identify laws that affect the determination of financial statement amounts, identify the clauses in those laws that would be relevant to the financial statements, and then test them.

Ms. Reese, Governmental Accounting Standards Board (GASB) senior project manager, provided a brief overview of GASB's recent activities.

Ms. Reese highlighted the following GASB projects:

- Financial reporting model reexamination – The goal is to enhance the effectiveness of the reporting model in providing information that is essential for decision-making, enhance users' ability to assess a government's accounting, and address certain application issues. GASB issued Statement No.103, *Financial Reporting Model Improvements*, in April 2024. The major topics in the Statement are management's discussion and analysis (MD&A), unusual or infrequent items, presentation of proprietary funds, major component unit presentation, and budgetary information.
- Classification of nonfinancial assets – The goal is to reconsider the existing classification of nonfinancial assets and other related sub-classifications. The proposal does not address recognition of capital assets but the presentation classifications in the note disclosures related to capital assets. The proposal requires certain capital assets to be reported as a separate classification and not buried in some other classification. The requirement includes capital assets held for sale, lease assets, subscription assets, intangible assets other than lease and subscription, and assets related to public-private partnerships.

The Board is considering respondent feedback on the exposure draft (ED), *Disclosure and Classification of Certain Capital Assets*, which was issued in September 2023. The Board expects to issue a final pronouncement in the third quarter of 2024.

- Revenue and expense recognition – The goal is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. The Board is reviewing feedback received on the June 2020 Preliminary Views document and working towards an exposure draft. The Board is redeliberating transactions that do not have performance obligations (category B transactions).
- Going concern uncertainties and severe financial stress – GASB is working toward a proposal to address issues related to disclosures for going concern uncertainties and severe financial stress. The Board agreed on a principles-based approach. A going concern and severe financial stress is a condition where the government is near insolvency. The Board considered 33 individual potential indicators to identify if an entity is “near insolvency.” The idea is to include a list of potential indicators to think about if an entity is near insolvency. The Board settled on only 13 of the 33 potential indicators and is working toward a preliminary views document in the fourth quarter of 2024.
- Infrastructure assets – This new project is the result of research on capital assets. The project will address issues related to accounting and financial reporting for infrastructure assets. The goal is to make the information (1) more comparable across governments and consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government’s economic condition, and (4) more reflective of the capacity of those assets to provide service and how that capacity may change over time.

The Board plans to retain current guidance to allow an alternative method of accounting for infrastructure assets but is adding an explicit requirement to reevaluate the estimated useful life periodically. Also, there would be a requirement to present information as required supplementary information (RSI) about estimated and actual amounts to maintain and preserve those assets. The Board is expected to issue a preliminary views document in the third quarter of 2024.

- Subsequent events (reexamination of Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*) – The objective of this project is to improve the accounting and financial reporting for subsequent events to address issues related to (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events. The Board has begun deliberations toward an ED of a proposed Statement by the end of 2024.

The Board tentatively decided that the proposal is not going to provide guidance when governments have to reissue a financial statement when subsequent events need to be considered. Also, the proposal is not going to provide detailed guidance related to comparative financial statements and should be applied at the reporting unit level.

- Electronic financial reporting (a monitoring activity) – GASB has been discussing implications of the Financial Data and Transparency Act—specifically the requirement for state and local governments to have procedures in place to provide financial statements electronically. GASB is discussing its role in providing guidance for these requirements. Staff is doing outreach in that area and developing a technology-agnostic taxonomy where personalized data tags can be created when the standardized ones do not fit for certain items. Staff has reached out to both the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board on their taxonomies to understand what their approaches were and the associated benefits and drawbacks. The Board has also discussed the due process.

There are several open questions surrounding electronic reporting that may be difficult for governments. For example, many governments have multiple legal entities, sometimes within one organization, so it is difficult to determine what entity the guidance applies to. Other questions include whether it applies to the legal organization or if it applies to the GASB reporting entity,

One member asked Ms. Reese a question related to GASB's electronic reporting project. The member asked Ms. Reese if GASB was looking at other resources as a reference point or creating the guidance itself without references. Ms. Reese stated GASB was looking at other taxonomies, like the state of Michigan. State and local governments develop taxonomies for their own purposes. Also, the Board is aware of what FASB has done. It is helpful to understand what a taxonomy is and what is needed in it.

Another member asked Ms. Reese about the financial reporting model reexamination project. The member asked which approach GASB had settled on—creating new requirements or changing the existing requirements for budgetary information. Ms. Reese stated the requirement is the same in that it is for the general fund and major special revenue funds. However, instead of having options for where it goes in the government's report, it will only be RSI. Also, having it as a basic statement is no longer an option. In addition, there are two budget variances required: the variance between original budget and final budget and the variance between final budget and actual amounts. There is also the requirement to include disclosures about significant budget variances.

Mr. Scott thanked Ms. Reese for keeping the Board informed of the GASB's activities.

## Agenda Topics

- **Reexamination of Existing Standards – Invitation to Comment**

Melissa Batchelor, assistant director, began the session on [topic A](#) by recapping that the Board had discussed preliminary research for the priority reexamination topics—Statement of Federal Financial Accounting Standards (SFFAS) 5, *Accounting for Liabilities of the Federal Government*; SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*; and SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*—at the April 2024 meeting. This meeting will focus on staff's preliminary research on the remaining issue areas for reexamination. This includes the remaining top-tier and second-tier issue areas identified through the Invitation to Comment (ITC) and results from the round table on SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*. The purpose of this research is to assist the Board with prioritizing reexamination issue areas.

Ms. Batchelor explained that the briefing materials included the following preliminary research:

- Preliminary Revenue (SFFAS 7) Research-Expanded
- Preliminary Research on Loan (SFFAS 2) Note Disclosures
- Preliminary Research on Remaining Issue Areas

Ms. Batchelor explained that it is important the Board has the information to prioritize the reexamination issue areas at the August 2024 Board meeting because the prioritization would be needed for the technical agenda session.

Ms. Batchelor explained that Board feedback prior to the meeting was very positive, as most members indicated that the research was comprehensive and helpful in understanding the issues for prioritization.

### **Question 1 – Does the Board have any specific questions or comments regarding the research provided for the remaining issue areas for reexamination?**

The majority of members agreed that the preliminary research was thorough and provided the necessary information for prioritization.

Certain members noted the preliminary research on the SFFAS 2 note disclosures was extremely helpful and suggested that there may be issues that could be readily addressed in loan disclosures. Staff noted that the round table meeting confirmed that, although few respondents indicated this as an area for reexamination in their ITC response, it is an appropriate area for reexamination.

A member expressed concern with the notion that SFFAS 7 should be reviewed in its entirety versus considering the option of discrete issue areas. The member explained that a massive revenue project could take years and may result in potentially critical issues not being addressed until the entire Statement is reexamined. It was agreed that staff would provide information about the discrete issues within the overall revenue area. With that information, the Board will have the option to decide whether to address revenue holistically or by discrete area. It was noted that members may also consider the option to move an issue area, such as revenue, to the research agenda.

A member explained that certain issues may be most appropriately dealt with through lower-level generally accepted accounting principles or other avenues, such as training. The member explained that it is important that all potential remedies be considered, especially with FASAB's resource limitations. Staff plans to provide a schedule and analysis of the reexamination issue areas against the prioritization factors for the Board's consideration at the August meeting. The schedule will include a section for other considerations, such as other potential remedies.

**Question 2 – Does the Board generally agree with staff recommendations for the factors for prioritizing reexamination issues?**

Ms. Batchelor explained that the Board had discussed the importance of determining the priority order of specific reexamination issue areas that should be added to the agenda. The Board confirmed that prioritization is for the order in which the projects will be addressed, and the Board will continue going through the specific issue areas in a prioritized manner until all issues have been addressed.

Staff suggested the following four factors for prioritization of reexamination issues:

- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Cost-benefit (includes streamlining and burden reduction)
- Critical nature of the issue
- Pervasiveness

Ms. Batchelor explained that it is important for the Board to be mindful that the factors are for the Board's use in the prioritization of reexamination issues (and would not be part of an official pronouncement), so staff suggested that the Board focus on ensuring general agreement with the factors.

A member suggested reducing the factors to clarification of standards and cost-benefit because there appeared to be some overlap. The Board generally agreed that the prioritization factors were appropriate, and it is natural for there to be some overlap.

A member suggested adding an additional factor to distinguish filling the gaps in the standards from clarifying the standards. The Board discussed the suggestion but generally agreed with the concepts and ideas behind the four established factors. The member suggested and the Board generally agreed that elevating “filling gaps in the standards” to the title and headline of the factor for clarifying the standards would highlight that it is included.

Certain members suggested that the cost-benefit factor may not be as clear as intended because it may imply that a cost-benefit analysis would be performed. A member suggested and the Board generally agreed that revising the title and headline to “streamlining and burden reduction” is more reflective of what the Board will be considering.

A member noted the importance of FASAB’s resources, as this will ultimately determine what projects can be added. Although the member did not believe it should be a decision factor for prioritization, it is a constraint that must still be considered. When considering which issue areas to add to the technical agenda, the Board may have to adjust due to resources. For example, the Board may need to consider whether to add one large issue versus three smaller issues. Ms. Batchelor explained that the Board had briefly discussed resources at the April meeting and agreed that resources should be considered further as appropriate within the prioritization, but not as a factor. Resources would be considered within the technical agenda setting session. Ms. Batchelor explained that staff plans to provide a schedule and analysis of the reexamination issue areas against the prioritization factors for the Board’s consideration at the August meeting. The schedule will include a section for other considerations, such as resources, which may not fall under one of the four factors.

A member explained that they would like to see staff’s recommendation for the suggested prioritization. Ms. Batchelor reiterated that staff plans to provide a schedule and analysis of the reexamination issue areas against the prioritization factors in the August briefing materials. Staff will provide general comments about how each of the issue areas may meet the factor, so there will be a range of how the issue areas meet each factor along with other considerations and staff notes. Staff will also include a suggested prioritization of the issues for the Board’s consideration.

- **Management’s Discussion and Analysis & Omnibus Concepts Amendments**

Ms. Gilliam, assistant director, introduced [topic B](#) on MD&A and Omnibus Concepts Amendments (OCA). The goal of the session was to ballot both documents. Staff distributed pre-ballot drafts to the Board on May 8, 2024. Four members had provided minor clarifying edits and almost all of these were included in the ballot drafts.

Staff sent the ballot drafts on May 31, 2024, with the June briefing materials. One member had provided two additional clarifying edits. The first edit was in the summary section of OCA to clarify how the MD&A concepts were consolidated into Statement of Federal Financial Accounting Concepts (SFFAC) 2, *Entity and Display*. The second edit was to remove paragraph A47.c from the basis for conclusions in MD&A because it was

no longer valid. The Board had replaced “short and long-term distinctions” with “plans” in the eighth footnote, making paragraph A47.c unnecessary.

Ms. Gilliam reviewed the final clarifying edits in OCA. These edits improved the explanations for how the Board amended SFFAC 2. Staff included these edits in the summary and notes disclosures sections in MD&A for conforming and consistency. All members agreed with these final edits.

All members approved the OCA ballot for issuance.

Ms. Gilliam then reviewed the final clarifying, conforming, and non-technical edits for the MD&A ballot draft. Members agreed to most of these edits, including updating the third footnote to include SFFAS 52, *Tax Expenditures*. Members asked staff to reference any other SFFASs that require separate RSI in MD&A that *Management’s Discussion and Analysis: Rescinding and Replacing SFFAS 15* would not affect. Members agreed to update paragraph A43 in the basis for conclusions to match changes made in the third footnote.

All but one member approved the ballot. Subsequent to the meeting Ms. Johnson informed staff that she would abstain from the vote.

Ms. Gilliam shared that she is creating an MD&A transition training that will be available in fiscal year (FY) 2025.

- **Technical Clarifications of Existing Standards – SFFAS 3**

Mr. Williams, senior analyst, introduced [topic C](#) by reminding members that on March 4, 2024, the Board released an ED of proposed Technical Bulletin (TB) titled *Seized and Forfeited Digital Assets* for a 45-day public comment period. For this meeting, staff provided an analysis of comment letter feedback on the five questions for respondents (QFRs) along with recommended updates to the draft TB.

**Question 1 – Does the Board agree with staff’s recommendation related to QFR 1?**

Based on respondent agreement with QFR 1 and staff’s analysis of the respondent comments, staff recommended no further changes to the TB guidance that clarifies that reporting entities should treat central bank digital currencies as monetary instruments and all other digital assets as nonmonetary property. The Board agreed with staff’s recommendation.

**Question 2 – Does the Board agree with staff’s recommendation related to QFR 2?**

Based on respondent agreement with QFR 2 and staff’s analysis of the respondent comments, staff recommended no further changes to the TB guidance that clarifies

market value measurement requirements for seized and forfeited digital assets. The Board agreed with staff's recommendation.

**Question 3 – Does the Board agree with staff's recommendation related to QFR 3?**

Based on respondent agreement with QFR 3, staff recommended no further changes to the TB guidance that clarifies note disclosure requirements for seized and forfeited digital assets. The Board agreed with staff's recommendation.

**Question 4 – Does the Board agree with staff's recommendation related to QFRs 4 and 5?**

Based on respondent feedback, staff recommended moving the sentence, "The U.S. government does not currently have a central bank digital currency" from paragraph 26 to a footnote in paragraph 17. A member recommended minor edits to the sentence to read, "As of the issuance date of this TB, the U.S. government does not have a central bank digital currency." The Board agreed with the recommendation.

Based on staff's analysis of the other respondent comments, staff recommended no further changes to the TB's authoritative guidance. The Board agreed with the recommendation.

**Question 5 – Does the Board agree with staff's recommended edit to the Summary section of the TB?**

Staff recommended editing a sentence in the summary section of the TB to read, "The TB further clarifies that reporting entities should treat central bank digital currencies as monetary instruments and all other digital assets as nonmonetary property when applying the requirements of SFFAS 3." The Board agreed with the recommendation.

**Question 6 – Does the Board agree with staff's recommended updates to the basis for conclusions?**

Based on staff's analysis of the key issues raised by respondents, staff recommended adding paragraphs A13-A19 to the draft basis for conclusions. The Board generally agreed with the recommended paragraphs. Some members recommended minor editorial changes to some of the paragraphs.

One member suggested adding language to paragraphs A5 and A17 emphasizing that the TB is intended to reduce preparer burden by addressing uncertainties with applying existing requirements in SFFAS 3, *Accounting for Inventory and Related Property*. The Board agreed to add the suggested language.

One member suggested further edits to paragraph A15 to clearly state that SFFAS 3 guidance does not require periodic revaluation or impairment loss accounting for seized and forfeited property, and that the Board determined that the TB does not need to clarify that point further for seized and forfeited digital assets. The member also

suggested removing language from A15 that stated that the TB should not add a new reporting requirement to revalue or account for impairment losses for seized and forfeited digital assets because the member did not believe that the Board had ever deliberated adding these reporting requirements in the TB. The Board agreed to the suggested changes to A15.

One member suggested adding language to paragraph A16 to indicate that it is possible that in addition to stablecoins, other current or future types of digital assets could be backed by reserve monetary assets and would not be reported as monetary instruments in accordance with the TB. The Board agreed to the suggested language.

Mr. Williams noted that there were no further outstanding issues and that staff recommended the Board move forward with issuing the TB. Mr. Scott polled the Board and no member objected to issuing the TB as a final pronouncement.

## **Adjournment**

The Board meeting adjourned for the day at 12:00 p.m.

- **Steering Committee Meeting**

The Committee discussed FASAB's FY 2025 and 2026 budgets, as well as other administrative matters.

## ***Wednesday, June 12, 2024***

## **Agenda Topics**

- **Climate-Related Financial Reporting**

Ms. Gilliam, assistant director, introduced [topic D](#) on climate-related financial reporting. She reviewed the project history. In June 2022, the Board had agreed to analyze the Task Force for Climate-Related Financial Disclosures' (TCFD) recommended disclosures as a starting point for developing a federal climate-related financial disclosure framework. From December 2022 through June 2023, staff had presented education sessions to familiarize the members with the TCFD recommended disclosures.

In June 2023, the International Sustainability Standards Board published the International Financial Reporting Standards (IFRS) S2, *Climate Related Disclosures* (S2). S2 included four core TCFD thematic areas (governance, strategy, risk management, and metrics and targets) and 11 TCFD recommended disclosures as its "core content."

At the August 2023 meeting, the Board agreed to begin developing the climate-related financial framework using IFRS S2.

At the December 2023 meeting the Board agreed on the following vision statement:

The vision for climate-related financial reporting is to provide users relevant information on the current and potential impact of climate-related events and risks on a federal reporting entity's financial position, condition, and operating performance.

Ms. Gilliam recommended changing "operating performance" to "key performance results" to use the same content the Board had agreed to in the MD&A guidance. Members agreed.

The goal for this meeting was to determine which S2 disclosures are relevant for FASAB's climate-related financial reporting framework.

Staff determined its recommendations by analyzing the results of the climate survey staff had conducted from January 12-February 29, 2024; reviewing the climate information included in FY 2023 agency financial reports; and comparing the approximately 158 S2 disclosures to the Board's climate-related financial reporting vision.

Staff had provided 11 proposed disclosures in the briefing materials.

**Question #1 – Do members agree with the recommended governance disclosure for the climate-related financial reporting framework?**

**Question #2 – Do members agree with the recommended strategy disclosures for the climate-related financial reporting framework?**

**Question #3 – Do members agree with the recommended risk management disclosures for the climate-related financial reporting framework?**

**Question #4 – Do members agree with the recommended metrics and targets disclosure for the climate-related financial reporting framework?**

Preliminary email comments indicated that members were interested in scaling down the 11 recommended disclosures. Staff merged the 11 recommended disclosures into the following three proposed disclosures for deliberation:

1. Discuss the material effects of climate-related events that have occurred on
  - a. the reporting entity's financial position, financial condition, or key performance results for the reporting period; and
  - b. the potential estimated financial effects going forward. Estimates may be disclosed in a single amount or a range.
2. Explain material impacts to the reporting entity's financial position, financial condition, or key performance results from adaptation, mitigation,

or resilience activities undertaken to manage climate-related risks or opportunities for physical, transition, or credit portfolio risks.

3. Discuss climate-related spending which occurred during the reporting period, the funding instruments used (i.e., loans or grants), and the climate services provided. If actual costs are not available, the explanation should include obligations incurred or associated outlays.

Ms. Gilliam noted this may remove the need for the four S2 classifications. Members wanted to use the term “reporting or reporting items” instead of “disclosures” because they believed climate-related information belongs in RSI and not in note disclosures.

Members discussed possible types of climate-related information for federal reporting, including climate-related events that occurred, adaptation and mitigation for resilience of agency infrastructure, property, plant, and equipment, and climate services for mission-based programs.

Ms. Gilliam noted that [sustainability.gov](https://www.sustainability.gov) houses nonfinancial climate reports, such as agency climate adaptation plans. These are mandated by Executive Orders that may not be available with a change in administration. Therefore, she recommends that members include any information from these reports that members find valuable.

Members discussed the proposed reporting items and provided staff with the following member comments, recommendations, and research requests.

### **Member Comments**

- Keep the framework at a high level.
- Consider that reporting estimates may be problematic for climate-related risks due to uncertainty and a lack of available information.
- Keep in mind that agencies have challenges separating climate-related spending from other operational costs for accrual accounting. Members compared this to tracking COVID costs, which was a challenge. The budget side was easier because of the specific appropriations for COVID. However, the accrual side was challenging because there were no precise numbers.
- Understand why the Board is considering climate as separate from other risks (for example, cybersecurity).
- Keep cost/benefit in mind when developing this framework.
- Include reporting of material changes, significant opportunities, and significant risks as part of the MD&A process.

## Member Recommendations

- Keep the second proposed reporting item because it is related to climate risk, which was the focus of the project when the Board added it to the technical agenda.
- Merge the first and third proposed reporting items.
- Include trend information to report how climate-related costs are increasing over time.
- Promote flexibility to allow agencies to tell their story while including common threads of information to weave comparative information for government-wide reporting.
- Report climate-related information in RSI.
- Understand how much of a material change is climate-related.
- Include a separate RSI section in MD&A about forward-looking information.
  - What climate-related risks is the agency facing (for its own resilience or for climate-service programs)?
  - What is the strategy to address these risks and how does the entity prioritize these risks?
  - What is the agency trying to accomplish?
  - Is there funding to address these risks?
    - What has been spent?
    - Is there an available budget to address risks?
    - How much could it cost to address these risks in the future?
- Address this project in a multi-phased approach. What can be accomplished now and what can be accomplished when more information becomes available?

## Member Requested Research

- Define climate services and climate-related events.
- Determine how the Federal Emergency Management Agency distinguishes a climate-related event from a non-climate-related event.

- Research the availability of information to report federal spending for climate-related events.
- Research the capability of agencies to report spending for climate-related events.
- Determine which standards the Board should amend to address climate-related reporting.
- Determine if GASB's modified approach for infrastructure assets could be beneficial.
- Ascertain what climate-related types of information federal entities are including in their financial reports. For example, what is the Department of Housing and Urban Development discussing about estimated costs associated with the risk and its implications for community development block grants?
- Determine which agencies include climate-related costs in the statement of net cost.
- Research which states include climate-related information in their financial reports, such as California, Kentucky, and Florida. For example, Kentucky is trying to capture information about the costs associated with every aspect of preparedness for climate-related resilience.

The Board meeting adjourned for lunch.

- **Overview of the FY 2023 Financial Report of the U.S. Government**

Mr. Bell briefed the Board on the FY 2023 consolidated financial report of the U.S. Government (CFR), noting that the CFR consolidates over 180 reporting entities, including the 24 Chief Financial Officers (CFO) Act agencies, 40 significant entities, and more than 120 other smaller entities. Mr. Bell's full presentation can be found at [topic E](#).

Mr. Bell discussed the extensive CFR preparation and audit process involving the Department of the Treasury, the Office of Management and Budget, and the Government Accountability Office.

Mr. Bell's presentation included discussion of the changes in key financial position and condition metrics, including but not limited to the deficit, net cost, total tax and other revenues, debt, and sustainability measures. The budget deficit increased \$319.7 billion from \$1.4 trillion in FY 2022 to \$1.7 trillion in FY 2023. Net operating cost decreased \$753.8 billion from \$4.1 trillion in FY 2022 to \$3.4 trillion in FY 2023, largely due to losses from changes in assumptions and the student debt relief program. Mr. Bell highlighted the agencies that contributed significantly to the increases and decreases in

net cost as well as assets and liabilities. He also noted that intragovernmental differences have been reduced to an immaterial amount.

Federal debt held by the public (public debt) increased by \$2 trillion to \$26 trillion as of the end of FY 2023. Mr. Bell also discussed the projected trends in social insurance and fiscal sustainability amounts as discussed in the FY 2023 CFR.

Mr. Dacey noted that the government-wide audit resulted in a disclaimer. Of the 24 CFO agencies, 19 received unmodified audit opinions, two agencies received qualified opinions (Department of Agriculture and Department of Labor), and three received disclaimers (Department of Defense, Small Business Administration, and Department of Education). He also noted the significant progress made in addressing some of the ongoing challenges.

## **Adjournment**

The Board meeting adjourned for the day at 3:30 p.m.

## **Appointments Panel Meeting**

The Appointments Panel met in closed session on June 5, 20, and 28, 2024, to discuss personnel issues associated with the current member vacancy. A determination had been made in writing by the U.S. Government Accountability Office, the U.S. Department of the Treasury, and the Office of Management and Budget, as required by section 10(d) of the Federal Advisory Committee Act, 5 U.S.C. 1009(d), that the meeting may be closed to the public in accordance with 5 U.S.C. 552b(c)(2) and (6). During this closed session, the discussions related solely to internal personnel rules and practices of the sponsor agencies, consistent section 552b(c)(2).