

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB PUBLISHES A NEW STATEMENT OF FEDERAL FINANCIAL ACCOUNTING STANDARD ENTITLED

Consolidated Financial Report of the United States Government Requirements: Implementing Statement of Federal Financial Accounting Concepts 4 “*Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government*”

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, announced the issuance of Statement of Federal Financial Accounting Standards 32, *Consolidated Financial Report of the United States Government Requirements: Implementing Statement of Federal Financial Accounting Concepts 4 “Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government.”* The statement amends disclosures required in the consolidated financial report (CFR) of the United States Government regarding assets such as inventory and related property, direct loans, and property, plant and equipment and liabilities such as loan guarantees, liabilities covered and not covered by budgetary resources, and liabilities related to whole life insurance and cleanup costs. Also, certain disclosures such as those regarding pricing policies are rescinded. The CFR is instead required to include references to relevant agency reports. A disclosure regarding significant accounting policies also is required.

These amendments primarily relate to standards issued prior to January 2003, when Statement of Federal Financial Accounting Concepts (SFFAC) 4 was issued. SFFAC 4 provides that “the CFR is a general purpose report that is aggregated from agency reports and tells users where to find information in other formats, both aggregated and disaggregated, such as individual agency reports, agency websites, and the President’s Budget.” Standards that predate SFFAC 4 did not distinguish between the CFR and component entity reports with respect to disclosures. With the amended disclosure requirements, the CFR can be a document focusing on the basic needs of citizens for highly summarized information as intended by SFFAC 4.

Chairman Mosso believes that “this standard removes barriers to improved reporting on the finances of the United States government by aligning requirements with the goal of having a citizen focused CFR.”

ABOUT FASAB

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable

and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

For more information on FASAB, please visit our website: www.fasab.gov.