



Comptroller General
of the United States

United States Government Accountability Office
Washington, DC 20548

February 2, 2007

Subject: *Fiscal Stewardship: A Critical Challenge Facing Our Nation*

Members of the 110th Congress:

As you know, in Congressional hearings and elsewhere I have been speaking about the need to address our nation's large and growing long-term fiscal imbalance. The American people and their elected representatives need to understand the facts, why we should start sooner rather than later, and what types of changes need to be considered. This package of materials is designed to help.

First and foremost, a new publication entitled *Fiscal Stewardship: A Critical Challenge Facing Our Nation* is enclosed. It is designed to provide, in a relatively brief and understandable form, selected budget and financial information regarding our nation's current financial condition, long-term fiscal outlook, and possible ways forward. We hope you find this useful.

I've also enclosed several other publications and guides that you and other policymakers may find of use in understanding and explaining these issues:

1. *The Nation's Long-Term Fiscal Outlook: September 2006 Update* (GAO-06-1077R). GAO's long-term simulations are updated three times a year. The first 2007 update will be available at www.gao.gov before the middle of February.
2. *Understanding the Similarities and Differences between Accrual and Cash Deficits* (GAO-07-117SP) and its supplement (GAO-07-341SP) updating the figures for fiscal year 2006.
3. *Understanding the Primary Components of the Annual Financial Report of the United States Government* (GAO-05-958SP). This document helps those interested in going beyond the Fiscal Stewardship publication to reading the entire *Financial Report of the United States Government*.
4. *Statement of the Comptroller General of the United States* transmitting GAO's report on the United States government's consolidated financial statements for fiscal years 2006 and 2005.

You can find these documents and much more at our website, www.gao.gov, which I invite you to visit soon. Please don't hesitate to contact me or GAO's Office of Congressional Relations if you have any questions or if you desire any additional information. I look forward to working with you in the 110th Congress and beyond.

Sincerely,

David M. Walker
Comptroller General
of the United States

Enclosures