



American Institute of CPAs  
1455 Pennsylvania Avenue, NW  
Washington, DC 20004

January 29, 2013

Ms. Wendy M. Payne, Executive Director  
Federal Accounting Standards Advisory Board  
Mailstop 6H19  
441 G Street, NW, Suite 6814  
Washington, DC 20548

Dear Ms. Payne:

The American Institute of Certified Public Accountants (AICPA) has reviewed the Federal Accounting Standards Advisory Board (FASAB) Exposure Draft (ED), *Deferral of the Transition to Basic Information for Long-Term Projections*, and is pleased to offer its comments. We fully support the FASAB proposal to defer, for one year, the effective date of the provision in Statement of Federal Financial Accounting Standards (SFFAS) 36, *Comprehensive Long-Term Projections for the U.S. Government*, that would transition the presentation of certain long-term fiscal projections and related disclosures in the consolidated financial report of the U.S. government from required supplementary information (RSI) to basic information.

The following section of this letter provides our response to the specific question raised in the ED regarding the deferral.

### **SPECIFIC ED QUESTION**

*Q1. Do you agree or disagree with the proposed one-year deferral of the effective date for the transition of the statement presenting long-term fiscal projections for the U.S. government and related disclosures from required supplementary information (RSI) to basic information required in SFFAS 36, Comprehensive Long-Term Projections for the U.S. Government? The new effective date would provide for full implementation of SFFAS 36 for reporting periods beginning after September 30, 2013. Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A4).*

As noted above, we fully support the FASAB's proposal to defer for one-year the phased-in implementation originally established in SFFAS 36. This deferral will allow the audit community, working with the federal community, the time needed to consider audit issues related to the presentation of forward-looking information in the basic financial statements, such as that required by SFFAS 36 and SFFAS 17, *Accounting for Social Insurance*. It also will provide the federal preparer community time to better plan for their audits under any revised guidance that is issued.

As described in the ED, the AICPA's Auditing Standards Board has formed a Prospective Information Task Force (task force). Among the issues being considered by the task force are: (a) whether it is appropriate for an auditor's report to state that long-term projections

(such as those required by the FASAB) are fairly presented, in all material respects, in accordance with generally accepted accounting principles, when they are subject to significant uncertainties; and (b) whether it may be more appropriate for an auditor to report on such long-term projections under AT section 301, *Financial Forecasts and Projections*, of the AICPA's attestation standards, instead of reporting under the AICPA's auditing standards. AT 301 is a standard specifically designed for auditing forward-looking information and includes report language that many believe better communicates the inherent limitations to users regarding the significant uncertainties related to such forward-looking information.

After deliberating these issues, it may be determined that changes will be needed to existing AICPA authoritative literature to address the conclusions reached. For example, Statement of Position (SOP) 04-1, *Auditing the Statement of Social Insurance*, may need revision, as well as AT 301. The deferral of the effective date proposed by the FASAB will allow for an appropriate consideration of the issues and time for any needed changes to the related AICPA standards and guidance.

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The AICPA appreciates the opportunity to comment on the ED. Representatives of the AICPA would be pleased to discuss these comments with you at your convenience.

Sincerely,



Susan S. Coffey, CPA  
Senior Vice President  
Public Practice & Global Alliances

cc: ASB Prospective Information Task Force  
Mary Foelster  
Charles E. Landes  
Daniel J. Noll  
Judith Sherinsky