

STATEMENT OF SPENDING

A report on efforts to develop
a Statement of Spending for use
by federal entities

EXECUTIVE SUMMARY

A Proposal for a Statement of Spending

In December 2010, the Reporting Model Task Force of the Federal Accounting Standards Advisory Board (FASAB) presented the board with 10 recommendations for improving the annual *Financial Report of the United States Government*. The general intention of these recommendations was “to increase users’ access to, and understanding and use of, financial information in the Consolidated Financial Report (CFR) of the federal government, while avoiding costly requirements that do not add value.” One of the recommendations was that the board “establish minimum requirements for a Statement of Spending.” This recommendation called for a Statement of Spending to be prepared by federal entities, and for the statement to be included in the CFR.

In offering this recommendation, the task force envisioned a Statement of Spending that, at a minimum, should:

- Be designed to help the public learn where and how their tax dollars are being spent
- Present spending data in relation to net cost
- Include an explanation of the differences between spending and net cost

Concurrent with the development and submission of these recommendations to the FASAB, the Office of Federal Financial Management (OFFM) in the Office of Management and Budget (OMB), working in conjunction with the Chief Financial Officers Council (CFO Council), discussed the idea and implementation of a Statement of Spending, prepared in a user-friendly format, for the benefit of the general public. As a result of this collaboration, OFFM requested four federal agencies to serve as pilot agencies in preparing an unaudited Schedule of Spending for fiscal year 2011. These pilot agencies were provided with a sample format for the proposed Statement of Spending that displayed the spending of budgetary resources in four major sections:

1. What money was available to spend
2. How the money was spent
3. Who the money went to
4. How the money was given

(See a sample template of this format in Appendix A.)

Three of the agencies complied by preparing and issuing an unaudited Schedule of Spending with their Agency Financial Report (AFR) for the year ending September 30, 2011.

OFFM is expanding the requirement to prepare an unaudited Schedule of Spending section 1 and 2 to federal entities for the year ending September 30, 2012.

Potential Benefits of a Statement of Spending

A Statement of Spending would increase the accountability and transparency of federal government spending by providing aggregated information within the audited financial statements of federal entities. It would also provide a consistent and understandable framework for appreciating government websites that provide detailed information on government spending and procurement.

Information in a Statement of Spending would be more accessible to the general public than the current Statement of Budgetary Resources (SBR) that requires an understanding of the complex budgetary terms unique to the federal government.

Current Financial Reporting Policy and Guidance

Financial reporting is an important, basic tool in the management and oversight of most organizations. It is particularly important for the federal government because the government operates with fewer external restraints than other entities. The mission of the FASAB is to recommend accounting concepts and standards that produce understandable, relevant, and reliable information about the financial position, activities, and operational results of the federal government. The FASAB considers the information needs of key stakeholders and the usefulness of the information in relation to the cost of developing and providing it. It also looks at how accounting standards can address those informational needs compared to other available sources.

Federal financial reporting attempts to demonstrate accountability in the following ways:

Budgetary integrity — Public accountability for monies raised through taxes and other means, and for their expenditure

Operating performance — Evaluation of the service efforts, costs, and accomplishments of the reporting entity

Stewardship — Assessment of the impact on the country of the government's operations, debt, and investments

Systems and controls — Assessment of the adequacy of financial management systems and their relevant internal controls

It is anticipated that the OMB will continue working in concert with the CFO Council and in cooperation with the FASAB to develop and refine the Statement of Spending.

CLIFTONLARSONALLEN'S INTEREST IN THE STATEMENT OF SPENDING

Our Purpose

CliftonLarsonAllen (CLA) seeks to provide technical insight and ideas supportive of efforts by the OFFM and the CFO Council to promote the preparation of a Statement of Spending by federal entities. CLA formed an internal working group of two partners and three senior managers to understand the implementation challenges facing the federal government financial reporting community, and to initiate research efforts to gather financial statements, financial reports, and other available information relevant to preparing a Statement of Spending.

Our objective is to present CLA's insights regarding the preparation of a Statement of Spending and to share (without attribution) the perspectives of pilot agency preparers, potential preparers, users, and other stakeholders involved with, or interested in, establishing the Statement of Spending as an integral component of federal financial statements. We hope this research will be useful to the members and staff of the FASAB, the controller and members of the OFFM, members of the CFO Council, and those responsible for preparing schedules or statements of spending for federal entities.

Our Research Approach

CLA's working group interviewed individuals from FASAB, OMB, and the Government Accountability Office (GAO) to gain insights on the proposed Statement of Spending. In addition, CLA interviewed key individuals involved in the financial reporting process at the four pilot agencies selected by OMB, members of academia, and other stakeholders. (See Appendix B for a list of questions asked and Appendix C for a list of the individuals interviewed.) Finally, CLA reviewed the Financial Reporting Model Task Force Report to the FASAB, December 2010; the Draft OMB Template – Statement of Spending; the U.S. Nuclear Regulatory Commission's (NRC) fiscal year 2011 unaudited Schedule of Spending; and the General Services Administration's (GSA) fiscal year 2011 unaudited Schedule of Spending, and used the reports as a basis for our inquiries to the groups listed above.

The Proposed Statement of Spending Template

The OFFM Statement of Spending template found in Appendix A was divided into four separate but related views of how the reporting entity recognizes and disburses its resources. These four sections, and an overview of the generally applied mechanics required for the presentation of information, are outlined as follows:

Section 1: What money was available to spend?

This represents the total budgetary resources available to an entity in a particular fiscal year and beyond, which authorizes the entity to enter into new obligations and to liquidate them (i.e., all sources of authority provided to federal entities permitting them to incur financial obligations, including new budget authority, unobligated balances from a previous year, direct spending authority, and obligation limitations). The cumulative total amounts agreed to be spent represent the total budgetary resources, less any balances that were not obligated (i.e., available and unavailable, including those unavailable due to budget limitations) by the federal entity. These amounts are derived from an entity's financial systems and are reconciled to the SBR.

Section 2: How was the money spent?

This section displays the break out of outlays for the entity, grouped according to program or strategic goal. This is currently done by entities for the Statement of Net Cost. The current Statement of Spending template requires that costs be compiled by program/goal, and further broken out by object class (e.g., payroll, travel, rent, utilities, etc.). The total amount spent represents the total cash payments (i.e., cash basis) made to vendors, employees, grantees, and other federal entities for goods and services for a specific fiscal year. It does not capture all required costs incurred (i.e., accrual basis).

As required for federal financial reporting, each reporting entity must accumulate and report the costs of its activities on a regular basis for management information purposes. Costs may be accumulated through the use of cost accounting systems or through cost-finding techniques. Cost assignments should be performed using the following methods, listed in order of preference:

- Directly tracing costs wherever feasible and economically practicable
- Assigning costs on a cause and effect basis
- Allocating costs on a reasonable and consistent basis

The methodology management uses should be sufficient to capture all program costs in accordance with the Government Performance and Results Act (GPRA), Statements of Federal Financial Accounting Standards (SFFAS) No. 4 — Managerial Cost Accounting Concepts and Standards for the Federal Government, and SFFAS No. 30 — Inter-Entity Cost Implementation Amending SFFAS No. 4, Managerial Cost Accounting Standards and Concepts. It should be noted that SFFAS No. 4 allows “maximum flexibility for entity managers to develop costing methods that are best suited to their operational environment.”

Section 3: Who did the money go to?

This section requires the entity to identify the type of recipient receiving payments (i.e., individual, company, state or local government, other federal entity, nonprofit, and other types of entities) for qualified benefits or for which services were rendered to the entity. This cost data is not a current requirement within a federal government entity’s financial system of prescribed data elements. Therefore, each entity may need to rely on a series of ad-hoc reports and manual processes to assist in the compilation of the obligations by type of recipient. Consequently, this may increase the risk of errors in financial reporting.

Section 4: How was the money given?

This section requires the entity to specify the format (i.e., direct payment, grant, contract, loan, etc.) through which the funds were disbursed. As noted for Section 3, the compilation of these data may require use of ad-hoc reports and manual processes.

ISSUES TO BE RESOLVED

Our research revealed a number of issues revolving around three main points:

- Developing federal accounting and reporting standards and practices
- Systems requirements and implementation issues
- Organization and communications issues

This section presents a summary of the questions, observations, and potential follow-up actions associated with issues raised during our research.

Developing Federal Accounting and Reporting Standards and Practices

Questions raised:

1. Should the Statement of Spending consider revenues/offsetting collections and show “net spending?”
2. How should the current template for the proposed Statement of Spending (see Appendix A) be structured to recognize circumstances where entities are funded through user fees, and when their program costs may not be reported as “budgetary resources used?”
3. Should there be reconciliation between outlays reported in the Statement of Spending and costs reported in the Statement of Net Cost?
4. Should there also be a reconciliation between the obligations incurred and reported in the Statement of Spending, and spending data reported at USASpending.gov?
5. Will the Statement of Spending fairly reflect the operations of a credit reform entity since the majority of the entity’s budgetary resources may be reported in the nonbudgetary column of the SBR?
6. How should the current template for the proposed Statement of Spending (see Appendix A) be structured to recognize the somewhat unique circumstances associated with credit programs?
7. Should definitional clarifications be provided for the difference between accrued costs, cash/gross outlays, and spending, and will those terms, if used throughout the various statements, confuse financial statement users?

8. Based on the concept statements of the FASAB, should the content of the proposed Statement of Spending ultimately be:
 - a. A basic financial statement
 - b. Included in a note to the basic financial statements
 - c. Required supplementary information (RSI)(Note: Inclusion as a basic statement or note to a basic statement implies that the content of the proposed Statement of Spending is “central” to understanding the financial position and results of operations of the reporting entity. Conversely, inclusion as RSI implies that the contents of the proposed Statement of Spending are “essential” for placing basic financial statements, and notes to basic financial statements, in an appropriate operational, economic, or historical context.)
9. The current template for the proposed Statement of Spending (see Appendix A) calls for four different structures of reported information. Is there equal value to each of the four sections, and does each section represent the same category of information relative to how the information would be viewed in relation to FASAB definitions of what should be in basic financial statements, notes, or RSI?
10. Can the content of the proposed Statement of Spending be presented through either modifying the format of the SNC or the SBR, or through the addition of a footnote to one or both of these existing statements without it being a separate statement?

Observations shared by interviewees:

1. The overall objectives and goals of the Statement of Spending are not clearly defined. In addition, its prospective value should be better articulated.
2. Ensure that potential users of the information in the Statement of Spending are as clearly identified as possible, and that there is a clear connection between the decisions or assessments they need to make and the information proposed for inclusion in the statement.
3. The current financial statements are general purpose and may not necessarily meet the needs of special interest parties.
4. OMB should expand the thoroughness of the guidance, including definitions of terms and other information.
5. If the Statement of Spending becomes a principal financial statement, additional detailed footnote disclosure requirements may be necessary. Other questions need to be addressed, for example, is the budget-to-actual comparison more meaningful than preparing the Statement of Spending? In what way would the Statement of Spending add value? Accrual and budget information should be included within the financial statements framework in order for readers to gain an appreciation of the operational environment in which the entities must manage.
6. The current Statement of Spending appears to be on a cash basis rather than accrual basis. This is not consistent with current accounting guidance and does not consider all costs/spending.
7. The currently proposed format is difficult to apply to credit and insurance programs operated by a number of federal entities. Perhaps credit programs could be given the flexibility of reformatting or adjusting the proposed format for the Statement of Spending to accommodate differences for the unique nature of transactions associated with credit programs.
8. General public readers of entity financial statements may be confused when costs/expenditures (accrual basis, SNC), outlays (cash basis), and spending (budgetary basis) are reported together in the financial statements.
9. Costs and spending are interrelated and may be viewed as the same within the federal financial reporting community. Therefore, would it make sense to provide additional details of costs within the SNC in a different format (e.g., more detailed break-out of where money was spent or a break-out by object class)?
10. Programs need to be clearly defined to facilitate consistency across the federal government to improve public understanding and government-wide reporting. The proposed Section 3 (“Who the money went to”) will be particularly challenging to prepare. Explore the feasibility of permitting readers to identify the states or localities in which the spending occurred.

Actions to be considered:

A number of issues can potentially be addressed by improving the general purpose financial statements of federal entities. However, the introduction of a new statement at this time needs to be considered in relation to the broader array of opportunities for improving federal financial reporting. In addressing the key concerns noted above, the following actions should be considered:

1. Determine the necessary framework and standards to be applied in preparing the Statement of Spending by making a firm decision as to whether the information will be presented as other accompanying information (OAI),

RSI; a basic financial statement (FS), or simply included in a note to the basic FS. In so doing, the appropriate standard can be developed.

2. Address the fact that it appears that both cash and accrual basis accounting are needed to provide the information users may need. Therefore, the Statement of Spending should address both, perhaps by use of one basis to display the information with reconciliation to the other basis of accounting.
3. Use the GPRA's framework to develop/expand common definitions for programs across entities to facilitate consistency, while using clear, distinct guidelines to facilitate accumulation of costs by fund or by major mission of the government. For example, a single program or multiple programs from different entities could be tied to a single objective/strategic goal of the government as a whole (e.g., reducing homelessness, job training, or access to low cost health care for all individuals). It may be possible to show multiple programs being used to achieve a single objective, or a single program achieving multiple objectives.

Systems Requirements and Implementation Issues

Questions raised:

1. Can financial systems currently used by federal entities be modified so program costs and obligations can be tracked in the same manner and to the level of detail required to support preparation of the Statement of Spending?
2. When fully evolved, will the annual financial reports containing a Statement of Spending be interactive, allowing a report reader to take a category from the Statement of Spending and drill down to determine the states and localities to which the spending was directed? This would be similar to what is facilitated through the recovery.gov website.
3. Is it necessary to construct a more uniform definition of programs and other data elements across entities to:
 - Support the preparation of a Statement of Spending for an individual entity
 - Support the preparation of a government-wide consolidated Statement of Spending to appear in the annual financial report of the U.S. government
4. As the Statement of Spending evolves, is it anticipated that the amount of federal government expenditures on a particular type of program, across all entities, can be reported, perhaps in conjunction with preparing the CFR issued by the U.S. Department of the Treasury? Should accounting data be captured and reported at the program level to allow the government to capture and report the aggregate costs of similar programs run by various entities? For example, it could then demonstrate how much the government spends in total for job training initiatives.
5. Does the preparation of the proposed Statement of Spending make it necessary to define standard data elements so that transactions can be properly recorded and classified in the general ledger system at the point of obligation?
6. How will the proposed content for the Statement of Spending relate to the capabilities established in the Department of the Treasury's new Governmentwide Treasury Account Symbol (GTAS) system so the entities can leverage the implementation efforts required for both initiatives?
7. In what way does the intent to require a Statement of Spending relate to the larger question of how entity financial systems are designed to facilitate the aggregation or disaggregation of information, in different ways to suit different user needs?
8. Will entities having significant technical systems limitations be encouraged to include a description of those limitations and a summary of activities, along with timelines, to overcome limitations within the management's discussion and analysis of the CFO report?
9. Would it be feasible to establish guidance related to how entities should record detailed transactions in order to provide information required for the Statement of Spending?
10. As this initiative evolves, will it be feasible for the supporting systems and reporting practices to directly or indirectly build greater assurance regarding the reliability of an entity's spending data reported at USASpending.gov?

Observations shared by interviewees:

1. Federal entities currently do not track program cost and obligations in the same manner. For example, governmental versus nongovernmental are used to distinguish expenditure type. However, obligations are not tracked at that same level. Therefore, it may be difficult for some entities to report for whom the money is obligated. Also, differing definitions (i.e., program defined by grouping similar activities, by appropriation symbols, or by sub-organizations) are used by each entity.

2. Additional guidance from OMB OFFM would help facilitate consistency between individual entities preparing the statement.
3. It may be better to show functional costs by goal and purpose (mission) rather than by entity.
4. Most entities do not comply with *SFFAS No. 4 — Managerial Cost Accounting*, do not have clean vendor databases, and would find it challenging to put together the level of detail required on a budgetary basis to report obligations by recipient.
5. Entity CFOs do not have assurance responsibilities over information that currently resides in the entity's procurement system, which is not audited but is downloaded to USASpending.gov.
6. Some of the information proposed for inclusion in the Statement of Spending is not currently recorded in entity general ledger systems. To report such information, it will be necessary to go back to the source system and organize information in the prescribed format (i.e., spending by type of recipient, etc.).
7. Congress and the public may still not understand the Statement of Spending or see the value.

Actions to be considered:

Many federal entities are still using legacy systems that do not have the infrastructure to code transactions so as to accumulate and report in accordance with the proposed Statement of Spending requirements. The following actions should be considered:

1. Upgrade the financial IT infrastructure capabilities to report information into new categories and different formats to satisfy user needs. IT financial systems should be able to allocate costs by function or object class (e.g., Medicare transportation, energy, education, labor, etc.).
2. Upgrade the current Federal Procurement Data System (FPDS) to accommodate transaction coding in a format useful for producing the information required by the Statement of Spending. This would also entail scrubbing the database to remove any duplicate vendors and other data inaccuracies, and establish proper clarification of vendor relationships between subsidiaries and/or properly categorize vendors (e.g., contractor, grantee, nonprofit, etc.).

Organization and Communications Issues

Questions raised:

1. Can the users and stakeholders of an entity's AFR, in which the Statement of Spending would be included, be better defined? Should entities seek to establish, formally identify, and disclose in some fashion, a fairly comprehensive listing of stakeholders in the operations and performance of the entity? For example: beneficiaries, contractors, involved third parties, and related governmental entities.
2. What level of proficiency in preparing a Statement of Spending is needed to move this from an experimental effort established by OMB and the CFO Council into a full-fledged requirement established as a reporting standard by FASAB?
3. When considered in relation to the various elements of the President's Management Agenda, are there opportunities to obtain expanded benefits from preparing a Statement of Spending? For example, could such reporting shed light on the existence of duplicative programs across entities or instances where there is cross subsidization of programs?
4. In what way can the current template for the Statement of Spending be improved? Can entities be encouraged to offer alternative formats for reporting information that is comparable but somewhat different?

Observations shared by interviewees:

1. Does the federal financial reporting community want to add another financial statement to the basic general purpose financial statements that will be subjected to audit scrutiny and which may require additional resources and time to prepare?
2. Larger entities may have significant difficulty preparing the proposed Statement of Spending due to system integration and data issues, and responsibilities that are divided between the financial reporting, procurement, and budget divisions.
3. There may be concern regarding an entity's clean opinion if the current Statement of Spending pilot is made mandatory and the entity is not able to generate accurate data at the requested level of detail.
4. Is it possible that budget constraints in fiscal year 2012 and thereafter might impede an entity's efforts to make the desired systems modifications or add additional resource burdens associated with the preparation of the required Statement of Spending?

Actions to be considered:

The general public and other key stakeholders outside the federal government do not understand budgetary terms and have difficulty in understanding information in federal financial reports. In addition, Congress seeks timely, easy-to-understand information to address issues. The need to make financial information more accessible and understandable is clear. The following actions could address some of the key concerns raised above:

1. Provide detailed guidance that includes clear definitions and clarification of terms.
2. Determine the target audience for the Statement of Spending and revisit the objectives. For example, why is it important for the public to know who the money went to?
3. Conduct more detailed research to determine different user needs and obtain the public's perspective on what they care about or what is important to them.
4. Incorporate the following areas of interest as previously expressed by FASAB members: (a) Explore ways of presenting information other than the standard financial statements, such as different levels of reporting for different users; (b) Provide simpler information on a more timely basis, such as quarterly; and (c) Consider ways to communicate what is important on major spending programs.
5. Since citizens appear to be more interested in using the internet to access financial information about the federal government, explore the possibility of bridging the expectation gap between the audited financial statements and information provided on websites such as USASpending.gov. In addition, the Statement of Spending does not show the general public how much is spent in their community, which would be of greater interest. Reported information could be expanded to show what is spent at the local level, and provide a link between federal taxes paid by the public in that location and the spending incurred there.

CONCLUSIONS

The federal government is one of the largest, most diverse, and most complex governmental entities in the world. Notions of accountability and transparency are diverse, both in their representations and in the expectations of the large array of federal government stakeholders. Disciplines developed and applied during the recent decades have enabled comprehensive and reliable reporting of summary information at the entity level and consolidated financial information at the government-wide level. At the same time, technology has expanded stakeholder access to disaggregated or discrete elements of information. The evolving design and application of a Statement of Spending offers a positive opportunity to bind together the highly aggregated and nomenclature-rich general purpose financial statements of the federal government with stakeholder interest in the detailed activities of government. This is accomplished through the presentation of content that is readily understandable and intuitively meaningful.

The proposed Statement of Spending is targeted to be a part of each entity's AFR or PAR, and must, therefore, be appropriately related through reconciliations with other general purpose financial statements. The Statement of Spending is not envisioned to become a summary report for the growing number of federal government websites that house unfiltered, transaction-level data concerning procurement, disbursement, asset management, and other information relating to the financial management and administration of the government.

ANTICIPATED FUTURE EFFORTS TO PERMANENTLY ESTABLISH A STATEMENT OF SPENDING

By the Office of Federal Financial Management (OFFM/OMB)

1. Update OMB Circular A-136, Financial Reporting Requirements, to include comprehensive guidance for federal entities in the preparation of a Statement of Spending for inclusion as "unaudited, other accompanying information" in the AFR/PAR for the year ending September 30, 2012.
2. Continue to refine an understanding of the many ways in which the proposed Statement of Spending can be utilized by the readers of AFRs and PARs to better understand:
 - The financial position and/or operational, economic, or historical context for the entity's financial operations
 - Assessments that can be made on the basis of information provided in the Statement of Spending
 - The decisions by Congress and other stakeholders that can be enhanced by information provided by the Statement of Spending
3. Encourage FASAB to actively consider the contents of the proposed Statement of Spending and issue a standard requiring the presentation of such information in accordance with the FASAB's concept statements regarding communication methods in general purpose external financial reports.
4. Conduct surveys to obtain user input on Statements of Spending published by federal entities in conjunction with their AFR/PAR for fiscal year 2012 and future years.

5. Work through the CFO Council and other appropriate coordinating councils to review, consider, and improve the manner in which entity-level programs are defined.
6. Present the Statement of Net Cost showing the following columns:
 - Cost (by program and by object class)
 - Budget appropriation (by program and by object class)
 - Budget-to-actualThis format would incorporate both accrual and budget information. Then, add a footnote to reconcile net cost to outlays and provide a detailed explanation of terms used (e.g., obligations, outlays, spending, etc.).
7. Consider the adequacy of required disclosures in the notes to the basic financial statements that describe the principal differences between accrual and budgetary basis terminology. These notes would enhance the reader's understanding of the principal financial statements and footnotes. For example, outlays versus gross costs, obligations versus spending versus gross costs, etc.

By FASAB

1. Reconsider the December 2010 report of the Financial Reporting Model Task Force, which recommended that a Statement of Spending be prepared by federal entities and included in the Consolidated Financial Report (CFR) of the U.S. government.
2. Consider requesting FASAB staff to study the content of the proposed Statement of Spending and to assess how that content relates to information presented in the SNC and SBR, or to the data that underlies information currently presented in the SNC and the SBR, and to report their findings to the board.
3. Consider requesting FASAB staff to assess how the specific information included in a proposed Statement of Spending relates to the board's concept statements about how information is presented in general purpose financial reports accompanying basic financial statements.
4. Informed by the FASAB studies, assess the necessity for, and manner in which, the content of the proposed Statement of Spending should be reconciled to other basic financial statements now required.

By Entity Chief Financial Officers

1. Continue to monitor efforts by OFFM to finalize guidance regarding the preparation of a Statement of Spending.
2. Upon the issuance of an updated version of OMB Circular A-136, identify the requirements and:
 - Assess the capabilities of entity financial reporting staff to prepare the required statement
 - Assess the capability of the entity's IT system for systems modifications that may be required to compile the statement or other special reports
3. Prepare a comprehensive workplan of all steps necessary to prepare the Statement of Spending for fiscal year 2012 and subsequent future years.
4. Communicate with OFFM concerning any significant technical systems impediments that might limit the entity's ability to prepare the Statement of Spending, and provide an action plan with estimated costs and time frames for building the capacity to prepare a Statement of Spending for inclusion in the AFR/PAR of subsequent fiscal years.
5. Provide training and education opportunities to financial report preparation and IT financial system support staff, regarding OMB guidance and the anticipated benefits associated with preparing a Statement of Spending.
6. Discuss the audit implications associated with the preparation of a Statement of Spending with the entity's inspector general and external auditor. Also, raise the possibility of limited scope reviews of the Statement of Spending.

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APPENDIX A – SAMPLE STATEMENT OF SPENDING PROVIDED BY OFFM TO IMPLEMENTING AGENCIES

Agency Name
Statement of Spending for the Fiscal Year Ended September 30, 2009 in thousands

	<u>FY 2009</u>	<u>FY 2008</u>	Crosswalk to the SBR
What Money is Available to Spend?			
Total Resources	\$1,165,205	\$1,028,812	Total Budgetary Resources (Line 7)
Less Amount Not Agreed to be Spent	\$74,308	\$78,877	Unobligated Balance (Line 9)
Less Amount Not Available to be Spent	<u>\$6,818</u>	<u>\$113</u>	Unobligated Balance Not Available (Line 10)
Total Amounts Agreed to be Spent	<u>\$1,084,079</u>	<u>\$949,822</u>	Obligations Incurred (Line 8)
How was the Money Spent?			
<i>Ensure Adequate Protection of Public Health and Safety and the Environment</i>			
Direct Payments to the Public	\$19,983	\$17,680	
Payroll	\$499,567	\$442,002	
Travel	\$169,853	\$150,281	
Other	\$39,965	\$25,360	
<i>Ensure Adequate Protection in the Secure Use and Management of Radioactive Materials</i>			
Rent, Utilities, and Communications	\$129,887	\$114,921	
Land and Structures	\$39,965	\$35,360	
Other	<u>\$99,913</u>	<u>\$88,400</u>	
Total Spending	<u>\$999,133</u>	<u>\$884,004</u>	Gross Outlays- Line 19 SBR
Amount Remaining to be Spent	<u>\$84,946</u>	<u>\$65,818</u>	Obligations Transferred (Line 15) + Recoveries of Prior Year Unpaid Obligations, Actual (Line 16) + Changes in Uncollected Customer Payments, From Federal Sources (Line 17) + Obligated Balance, Net, End of Period (Line 18) - Obligated Balance, Net (Line 12)
Total Amounts Agreed to be Spent	<u>\$1,084,079</u>	<u>\$949,822</u>	Obligations Incurred (Line 8)
Who did the Money go to?			
For Profit	\$216,816	\$189,964	
Government	\$433,632	\$379,929	
Higher Education	\$32,522	\$28,495	
Individuals	\$325,224	\$284,947	
Not-For-Profits	\$43,363	\$37,993	
Other	<u>\$32,522</u>	<u>\$28,495</u>	
Total Amounts Agreed to be Spent	<u>\$1,084,079</u>	<u>\$949,822</u>	Obligations Incurred (Line 8)
How was the Money Given?			
Grants	\$216,816	\$189,964	
Contracts	\$433,632	\$379,929	
Loans and Guarantees	\$32,522	\$28,495	
Direct Payments	\$325,224	\$284,947	
Insurance	\$43,363	\$37,993	
Other	<u>\$32,522</u>	<u>\$28,495</u>	
Total Amounts Agreed to be Spent	<u>\$1,084,079</u>	<u>\$949,822</u>	Obligations Incurred (Line 8)

APPENDIX B – QUESTIONS ASKED BY CLA WORK GROUP MEMBERS OF INTERVIEWEES

1. What will be the value added, if any, and who will it benefit?
2. Who are the users/stakeholders of the statement?
3. What is the intent of the Statement of Spending?
4. What are the implementation challenges experienced or envisioned?
5. Will this give greater assurance over the entity's spending data reported at USASpending.gov?
6. Should definitional clarifications be provided for the difference between accrued costs, cash/gross outlays and spending, and will those terms used throughout the various statements confuse the financial statement users?
7. Should there be an additional statement, footnote, or just required supplementary information (e.g., a schedule)?
8. Should there be reconciliation between outlays reported in the Statement of Spending and costs reported in the Statement of Net Cost?
9. Should there also be a reconciliation between the obligations reported in the Statement of Spending and spending data reported at USASpending.gov?
10. Should the statement/schedule consider revenues/offsetting collections and show net spending?
11. Will the statement fairly reflect the operations of a credit reform entity since the majority of the entity's budgetary resources may be reported in the non-budgetary column of the SBR?
12. How can the existing template be improved?

APPENDIX C – LIST OF INTERVIEWEES

Federal Accounting Standards Advisory Board (FASAB)

- Wendy Payne, Executive Director
- Ross Simms, Assistant Director

Office of Management and Budget (OMB)

- Regina Kearney, Director

Government Accountability Office (GAO)

- Bob Dacey, Chief Accountant
- Pete Knopes, Financial Reporting Division

U.S. Department of Labor (DOL)

- Stanley Karczewski, Director of Financial Reporting and Compliance

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- Marvin Phaup, Professor

University of Maryland (UMD)

- Tony McCann, Professor

APPENDIX D – RELATED REFERENCE MATERIALS

1. Financial Reporting Model Task Force Report to the FASAB, December 2010
2. Draft OMB Template – Statement of Spending
3. NRC FY 2011 Schedule of Spending (unaudited)
4. GSA FY 2011 Schedule of Spending (unaudited)

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