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May 11, 2004

Wendy Comes, Executive Director
Federal Accounting Standards Advisory Board
Mailstop 6K17V
441 G Street, NW, Suite 6814
Washington, DC 20548

Dear Ms. Comes:

The Association of Government Accountants (AGA) Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft "*Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25*" (ED). The FMSB, comprising 21 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, reviews and responds to proposed standards and regulations of interest to AGA members.

This ED proposes amending SFFAS 25 to require disclosure of significant assumptions underlying the Statement of Social Insurance. The amendment would reclassify underlying significant assumptions as basic information rather than as required supplementary information. The FMSB members agree with the FASAB that disclosure of the significant assumptions is essential to fair presentation and support the ED's issuance. The reclassification and resulting disclosure in the notes or narrative as an integral part of the basic financial statements will improve the understandability and reliability of the financial information provided. Significant assumptions used in financial statements have always been an important required disclosure and are especially important given the dollar magnitude of social insurance programs.

The FMSB appreciates the opportunity to comment on the ED. We would be pleased to discuss this letter with you at your convenience. You can contact me at MurrayC@michigan.gov or (517) 334-8050 or Anna D. Gowans Miller, CPA, AGA's Technical Manager and facilitator for this project, at amiller@agacgfm.org or (703) 684-6931, ext. 203.

Sincerely,

Craig Murray, CPA, Chair,
AGA Financial Management Standards Board

cc. Jullin Renthrope, CGFM, CPA
AGA National President

