

## Accounting and Auditing Policy Committee (AAPC) Meeting Minutes

May 10, 2023, 1:00 PM ET

Virtual via Zoom for Government

### Attendance

#### Members

Present: Ms. Monica Valentine (AAPC Chair)  
Mr. Brian Casto (Treasury)  
Ms. Carol Johnson (OMB)  
Mr. Prasad Kotiswaran (CFOC)  
Ms. Kim Laurance (CFOC)  
Ms. Sarah Nelson (CIGIE)  
Mr. Joseph O'Neill (GAO)  
Mr. Robert Smalskas (CFOC)

Apologies: Mr. Alvin Brown (CIGIE)  
Mr. Troy Meyer (CIGIE)  
Dr. Dorothy Potter (At-large)

#### Staff

Ms. Sherry Lee, Senior Analyst  
Mr. Ricky Perry, Assistant Director  
  
Mr. Juan Garay, General Counsel

### Welcome, Administrative Matters ([Agenda Item #1](#))

The meeting began at 1:00 PM. Ms. Valentine began the meeting by welcoming members. She noted that the objective of the meeting was to discuss a few outstanding items discussed during the April AAPC meeting related to draft updates to Technical Release (TR) 20, *Implementation Guidance for Leases*; finalize those items; and ballot, approve, and release an expose draft (ED) soon after the meeting.

Mr. Perry called roll.

### Leases – Updates to Technical Release (TR) 20 ([Agenda Item #2](#))

Mr. Perry directed committee members to the project plan, [attachment C](#). He noted that the project remains on schedule. Mr. Perry noted that the comment deadline for the ED would be no later than June 30. This deadline would provide staff with time to review and analyze responses prior to the committee's next meeting.

Mr. Perry then directed members to page 2 of [attachment A](#). He summarized the five items requiring follow-up Committee discussion, as reflected in the material.

#### Item 1

The Committee approved the proposed conforming revisions to paragraph 78 of TR 20 for reasons described in attachment A.

#### Item 2

The Committee approved the proposed paragraphs 8A and 8B of TR 20 for reasons described in attachment A.

### Item 3

A few members expressed concerns regarding the divergence of proposed paragraph 45A from analogous Governmental Accounting Standards Board (GASB) guidance. Mr. O'Neill noted that he may submit an alternative view on the proposed paragraph. Ms. Johnson indicated her intention of joining the alternative view. *(Staff note: After follow-up consultation with members concerned by the paragraph, Ms. Valentine elected to remove the proposed question following the meeting. Members were informed of this change prior to receiving ballot copies after the meeting. An issue paper on this topic will be presented to the Board at a future meeting, after which the AAPC may take actions based on staff consultations with the Board.)*

Members also discussed proposed paragraph 52A. Some members found the last sentence of the draft paragraph to be confusing, while others did not view the sentence as necessary for purposes of answering the proposed question. Members elected to remove the sentence from the draft. Mr. Perry and Mr. Casto also discussed offline consultations in which they explored broadening the question-and-answer to include the amortization of the lease asset. Ultimately, staff recommended that the AAPC not broaden the question, given the topic area under which the guidance is included and the clarity provided for amortizing lease assets under SFFAS 54, *Leases*. The committee agreed with the recommendation.

### Item 4

Mr. Perry summarized follow-up staff consultations and research pertaining to paragraph 91 of TR 20. Mr. O'Neill provided minor editorial improvements to the drafted replacement language, which members agreed to implement.

### Item 5

Members discussed adding details related to taxes and insurance to the basis for conclusions. Mr. Perry noted that the draft basis already included rationale for technical differences between FASAB and GASB guidance. *(Staff note: See staff note under item 3 above.)*

### Other items

Mr. O'Neill provided technical comments and a suggested edit to paragraph 10. Members agreed to implement the changes.

### **Wrap-up, Next Steps (Agenda Item #3)**

The Committee will review any alternative views and a final ballot draft before releasing the ED for public comment. *(Staff note: No alternative views were submitted; see staff note above.)*

The Committee will review and discuss comments on the ED at its next meeting. Mr. Perry noted that the August AAPC meeting may need to be postponed, pending certain due process uncertainties that could affect timing. *(Staff note: Following the June Board meeting, the AAPC meeting originally scheduled for August 2 was postponed to September 8 to provide staff with additional time to process concurrent exposure documents and comment letters.)*

### **Adjournment**

Ms. Valentine thanked the Committee for a productive meeting.

The meeting adjourned at 3:30 PM.