

Memorandum

Non-Agenda Topics

June 3, 2026

To: Members of the Board
From: Monica R. Valentine, Executive Director
Subject: Non-Agenda Project Updates (**Topic G**)

OBJECTIVE

Staff is providing project updates on all active projects currently on the Board's technical agenda and research topics that will not be discussed at the June 2026 meeting.

Attachment 1 of this memo includes brief updates on the following topics.

Technical Agenda Projects

- Direct Loans & Loan Guarantees Disclosures Reexamination
- GAAP Hierarchy Reexamination
- Land Post-implementation
- Public-Private Partnerships (P3) Measurement and Recognition

Research Topics

- Revenue Reexamination
- Reporting Entity Reorganizations and Abolishments

REQUEST FOR FEEDBACK

These topics do not include any questions for the Board or requests for member feedback. These topics will not be on the Board's discussion agenda for June.

Members may provide input and submit follow-up questions on any of these topics to the related staff member at any time.

ATTACHMENT

1. Updates

Updates

Non-Agenda Topics

June 3, 2026

Attachment 1

TECHNICAL AGENDA PROJECTS

DIRECT LOANS & LOAN GUARANTEES DISCLOSURES REEXAMINATION

At the April 2026 meeting, the Board discussed alternatives presented to reduce and streamline the loan note disclosure. The alternatives in staff's memo were:

- Alternative A: Eliminate/streamline certain loan disclosure requirements.
- Alternative B: Relocate certain loan disclosure requirements to Required Supplementary Information (RSI) instead of basic.

The consensus from the Board was a hybrid approach that combined both alternatives A and B. This approach was referred to as "alternative C." For alternative C, staff would perform a more detailed analysis of the loan disclosure requirements considered for potential change and present this to the Board. This approach would allow the Board members to deliberate whether specific loan disclosure requirements should be retained, eliminated, or relocated to RSI. The Board members provided suggestions on the type of research and analysis staff should consider when working on the proposal for alternative C.

Staff is currently doing the necessary research based on member feedback. Staff plans to present this research to the Board at a later meeting.

GAAP HIERARCHY REEXAMINATION

At the December 2025 meeting, the Board agreed with working group suggested approach that included establishing two basic characteristics (exposed for public comment with the Board's consideration of comments and approved by the Board) for inclusion in the federal GAAP hierarchy. Guidance that meets the basic characteristics for inclusion in the hierarchy should then be assessed against the distinguishing characteristics of the highest-level GAAP and lower-level GAAP to determine placement. The distinguishing characteristics focus on the intended purpose of the guidance and whether a document is formally voted on and issued by the Board versus under the oversight of the Board.

Based on analysis of these distinguishing characteristics, Statements of Federal Financial Accounting Standards (SFFASs or Statements) and Interpretations would continue to be the highest level of GAAP. Technical Bulletins (TBs), Technical Releases (TRs), and Staff Implementation Guides (SIGs) would tentatively be a lower level in the hierarchy. AICPA Guides and practices widely recognized and prevalent would be included in Other Accounting Literature (OAL).

The FASAB GAAP working group met to discuss the OAL. The working group considered a comprehensive list of administrative directives to identify those that may be considered critical today. Based on the assessment of the inventory of directives, the working group believed that budgetary accounting is the most critical area but also noted that form and content is also important. Auditor representatives noted the financial statements include the statement of budgetary resources, so there is concern that the budgetary guidance is not part of the federal GAAP hierarchy. Staff and the working group are continuing to develop options to address the concerns. Consistent with the ITC feedback, staff notes that there may be differences in the understanding of the federal GAAP hierarchy, how it is applied, and the relationship of OAL. The discussion of the application of the hierarchy and the relationship of OAL should be clarified as part of the reexamination.

LAND POST-IMPLEMENTATION

On September 26, 2025, the Board issued Technical Bulletin (TB) 2025-1, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*. Specifically, this TB primarily clarifies that (1) the categorization of land is based on current intent or the current intended purpose of its holdings, (2) sub-categorization is based on actual predominant use, (3) preparers have flexibility concerning the reporting of non-outer continental shelf submerged land as well as ownership and related acquisition assertions; (4) the accounting and reporting of land improvements remain consistent with SFFAS 6, (5) G-PP&E permanent land rights are expensed as incurred; (6) preparers have flexibility concerning ownership and related acquisition assertions by incorporating concepts from Technical Release 9 implementation guidance.

Staff has been notified by both a major land holding agency and its auditors that field work has commenced and that the auditors are awaiting information. The agency is hoping that the TB will help address matters concerning land ownership and acreage estimates raised during last year's audit. As previously noted, staff met with this agency's audit firm's team to discuss attestation procedures of land ownership, the Board's intent concerning estimating acreage, and the application of statistical sampling procedures on aggregated land holdings comprised of different (acquisition) vintages.

Staff will continue monitoring audit activity at the major land holding agencies and provide Board updates as we become aware of developments.

MD&A SIG

At the April 2026 meeting, the Board reviewed the proposed staff implementation guidance (SIG) 64.1 for SFFAS 64. That draft included recommendations from respondent comment letters and preliminary recommended edits from members. Members are reviewing the final SIG 64.1 in preparation for publication. Staff anticipates that SIG 64.1 will be available for preparers by the end of June 2026.

PUBLIC-PRIVATE PARTNERSHIPS (P3) MEASUREMENT AND RECOGNITION

The Public-Private Partnerships (P3) Measurement and Recognition Task Force (TF) held its inaugural meeting on March 9th to review the results of a straw poll conducted among users, preparers, and auditors. The polling results highlight a natural and expected tension between preparers and users. Furthermore, while some auditors slightly prefer a separate P3 asset class on the balance sheet (with corresponding P3 liabilities), they expressed doubt regarding whether the completeness assertion can be satisfactorily met under that model.

Stakeholder Perspectives:

- Preparers: Concerned about an increased reporting burden, preparers prefer to maintain existing disclosures under SFFAS 49.
- Users: Conversely, users are advocating for greater transparency. They favor establishing a separate P3 asset class on the balance sheet, complemented by robust SFFAS 49 narrative disclosures specifically focused on risk reporting.

Additionally, a smaller P3 Measurement and Recognition Working Group (WG) has met twice to identify various classification methods currently used to measure P3s. These approaches include:

- Capital assets
- Investment assets
- Reporting entities
- Subsidy classifications
- Appraised value methods (typically reserved for specific cases like divestitures or privatization)

As a potential compromise, staff is considering an approach that allows preparers to continue with existing measurement practices while refining SFFAS 49 disclosure requirements. This refinement would serve two primary purposes requiring that the P3 note disclosure: (1) act as a “traffic cop” to guide users toward related and relevant P3 information within the financial statements, and (2) emphasize and expanding upon risk reporting. All recommendations will be presented to the full Task Force to ensure a practical balance between the needs of users and the capabilities of preparers.

RESEARCH TOPICS

REVENUE REEXAMINATION

At the April 2025 Board meeting, the Board discussed resource limitations and project prioritization issues. It was noted that the staff member assigned to the revenue reexamination research project would be assigned to the proposed project on reporting entity reorganizations

and abolishments. The Board acknowledged that this would delay the continuation of research on the revenue reexamination project for the time being.

REPORTING ENTITY REORGANIZATIONS AND ABOLISHMENTS

At the August 2025 meeting, the Board discussed feedback received through the request for information and comment and additional research. Much of the information provided was tentative and characterized by considerable uncertainty, such as further executive, legislative, judicial branch actions or reviews.

Members agreed to move the project to the research agenda and develop a project prospectus. A few members discussed the importance of actively monitoring this area, responding to emerging issues, and developing the project prospectus.