

MINUTES



**To:** FASB Board Members

**From:** Leases Team (Woo, x393)

**Subject:** Minutes of the June 9, 2010, Board Meeting: Leases **Date:** June 17, 2010

**cc:** FASB: Golden, Bielstein, Lott, Proestakes, Stoklosa, Mechanick, Zeyher, Helmus, Homant, Gonzales, Phillips, Woo, C. Smith, Brickman, Hood, Glotzer, Gabriele, Sutay, FASB Intranet, McGarity, Klimek  
FASAC: Chookaszian, Posta, Guasp; GASB: Finden, Avis; IASB: Leisenring, Francis, Knubley, Lian, Vatrenejak, Kim

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Leases

Basis for Discussion: FASB Memo No. 103—Lessor Accounting—Leveraged Leases

Length of Discussion: 10:00 AM to 10:30 AM (EDT)

Attendance:

Board members present: FASB: Herz, Linsmeier, Seidman, Siegal, L. Smith

Board members absent: None

Staff in charge of topic: FASB: Zeyher

Other staff at Board table: FASB: Stoklosa, Homant, Helmus, Gonzales, Phillips, Woo

Staff participating via videoconference:

IASB: Knubley, Lian, Kim

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to the development of a proposed Accounting Standards Update addressing leases.

The Board's technical plan calls for the document to be issued in the third quarter of 2010.

**Summary of Decisions Reached:**

The Board discussed the accounting for leveraged leases in relation to the joint leases project. The Board tentatively decided that lessors should account for leveraged leases consistent with the proposed new leases requirements. That is, there would not be a separate lease model for leveraged leases. (FASB: unanimous)

The Board also tentatively decided that lessors would apply the same transition requirements to current leveraged leases as is required by all other leases under the proposed new leases requirements. Lessors would recognize and measure all outstanding leases as of the date of initial application of the proposed new leases requirements using a simplified retrospective approach. Under that approach, the lessor's receivable would be measured at the present value of the remaining lease payments. The lessor's performance obligation would be measured on the same basis as the receivable. (FASB: 4 to 1)

The Board will continue its discussion of this project at the joint Board meeting in June.

**General Announcements:** None