

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Financial Performance Reporting Project Team (Lapins)  
**Subject:** Minutes of Board Meeting **Date:** April 4, 2018  
**cc:** Toches

*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: Financial Performance Reporting—Disaggregation

Basis for Discussion: Board Memo No. 5 and Appendix B

Length of Discussion: 1:00 p.m.to 1:40 p.m. EDT

Attendance:

Board members present: Golden, Kroeker, Botosan, Hunt, Schroeder (via phone), and Siegel

Board members absent: Monk

Staff in charge of topic: Mottley and Cole

Other staff at Board table: Proestakes, Lapins, Roe, and Cosper

Outside participants: n/a

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

The Board met to discuss issues related to the financial performance reporting project. The Board has yet to determine the type and timing of a due-process document.

**Tentative Board Decisions:**

This was a non-decision-making Board meeting and no tentative decisions were made.

*Identifying the Lines to Be Disaggregated*

The Board discussed the staff's suggested terminology to describe the lines from the income statement to be the focus of the disaggregation, in particular lines that represent the cost of revenue and selling, general, and administrative expenses. The Board decided to continue to focus on these lines for disaggregation and directed the staff to develop a principles-based approach to describing these lines.

*How the Lines Would Be Disaggregated*

The Board then discussed different approaches for describing the basis for disaggregating those lines. A number of Board members suggested basing the disaggregation on the way an entity internally reviews the components and the accounting system information that maps and allocates the components into those lines.

*Next Steps*

The Board directed the staff to perform additional outreach with public business entities to understand what lines on their income statements typically represent the following activities:

1. Activities associated with the cost of revenue or fulfillment of performance obligations
2. Activities associated with marketing, selling, and general and administrative expenses.

The outreach will seek feedback on the following issues: (1) if, and how, an entity reviews the components of these lines for internal reporting purposes, (2) on what level the accounting information systems track the components, and (3) how the components are rolled up into consolidated lines.

**General Announcements:** None.