
REPORT OF THE FASB CHAIRMAN

October 1, 2018 through December 31, 2018

ITEM 1: STANDARDS-SETTING ACTIVITIES

A. FINAL STANDARDS AND DOCUMENTS ISSUED FOR PUBLIC COMMENT

1. The Board issued the following final documents:
 - a. Accounting Standards Update No. 2018-16, *Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes*, issued October 25, 2018.
 - b. Accounting Standards Update No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, issued October 31, 2018.
 - c. Accounting Standards Update No. 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*, issued November 5, 2018.
 - d. Accounting Standards Update No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, issued November 15, 2018.
 - e. Accounting Standards Update No. 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, issued December 10, 2018.
2. The Board issued the following proposed documents for public comment:
 - a. Proposed Accounting Standards Update, *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials* (a consensus of the FASB Emerging Issues Task Force) (issued November 7, 2018). Comment deadline: December 7, 2018.
 - b. Proposed Accounting Standards Update, *Codification Improvements—Financial Instruments* (issued November 19, 2018). Comment deadline: January 18, 2018 (revised).

- c. Proposed Accounting Standards Update, *Leases (Topic 842): Codification Improvements for Lessors* (issued December 19, 2018). Comment deadline: January 15, 2019.
- d. Proposed Accounting Standards Update, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities* (issued December 20, 2018). Comment deadline: February 18, 2019.

B. CHANGES TO THE STANDARDS-SETTING AGENDA

- 1. The Board added the following projects to its agenda:
 - a. Extending Private Company Accounting Alternatives on Certain Identifiable Intangible Assets and Goodwill to Not-for-Profit Entities (October).
 - b. Identifiable Intangible Assets and Subsequent Accounting for Goodwill (October).
 - c. Codification Improvements—Financial Instruments—Credit Losses (Vintage Disclosure: Gross Writeoffs and Gross Recoveries) (November).
 - d. Codification Improvements—Share-Based Consideration Payable to a Customer (November).
 - e. Financial Instruments—Credit Losses—Targeted Transition Relief (November).
 - f. Codification Improvements—Lessors (December).
- 2. The Board also added to its agenda the Private Company Council project on the Practical Expedient to Measure Grant-Date Fair Value of Equity-Classified Share-Based Awards (December).

C. SIGNIFICANT TECHNICAL DECISIONS

- 1. Leases—Lessor Accounting
 - a. The Board decided to allow lessors who are not manufacturers or dealers to use cost as the fair value of the underlying asset at lease commencement in certain circumstances. The Board also decided to allow lessors within the scope of Topic 942, Financial Services—Depository and Lending, to present all “principal payments received under leases” within investing activities as opposed to operating activities.
 - b. The Board redeliberated and affirmed its decision to provide an accounting policy election for sales and other similar taxes not to be accounted for as lessor costs as provided in the proposed Accounting Standards Update.

- c. The Board redeliberated and decided to require that lessors exclude from variable payments all costs paid by a lessee directly to a third party. Additionally, the Board decided that costs not part of the consideration in the contract that are paid by a lessor directly to a third party and are reimbursed by a lessee are considered lessor costs that the lessor should account for as variable payments.
 - d. The Board redeliberated and affirmed its decision to clarify paragraph 842-10-15-40, subject to additional amendments that would further clarify how and when variable payments may be allocated to a lease component only.
2. Credit Losses
- a. The Board decided to allow entities, upon adoption of Topic 326, Financial Instruments—Credit Losses, to irrevocably elect the fair value option for financial assets within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost, that are eligible for the fair value option in Subtopic 825-10, Financial Instruments—Overall, on an instrument-by-instrument basis. The Board also decided not to allow entities an option to discontinue fair value measurements for financial assets measured at fair value and apply the guidance in Subtopic 326-20.
 - b. The Board redeliberated and affirmed its decisions to amend the guidance in Topic 326 to reduce transition complexity by amending paragraph 326-10-65-1 to require that nonpublic business entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, adopt the amendments in Update 2016-13 for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years and to clarify that operating lease receivables accounted for under Topic 842, Leases, are excluded from the scope of Subtopic 326-20.
 - c. The Board decided to amend the guidance in Topic 326 for each of the following topics:
 - i. *Recoveries*. The Board decided to reaffirm its prior decision that an entity should be required to include recoveries in determining the allowance for credit losses. The Board also decided to reverse its decision from the August 29, 2018 meeting that limited recoveries to amounts from the borrower in the allowance for credit losses.
 - ii. *Negative Allowances*. The Board decided that an entity should be permitted to record a negative allowance on financial assets so long as the negative allowance does not exceed the aggregate amount of previous or expected write-offs of the financial asset(s). For financial assets within the scope of the collateral-dependent guidance (see paragraphs 326-20-35-4 through 35-5), the Board decided that an entity should be permitted to record a negative

allowance for the increase in fair value so long as the net amount expected to be collected does not exceed amounts previously written off.

- iii. *Vintage Disclosures: Gross Write-offs and Gross Recoveries.* The Board decided to clarify that gross recoveries and gross write-offs should be presented by vintage year and class of financing receivable within the credit quality information vintage disclosure described in paragraph 326-20-50-6.
 - iv. *Vintage Disclosures: Line-of-Credit Arrangements That Convert to Term Loans.* The Board decided that an entity should be required to disclose amounts of line-of-credit arrangements that are converted to term loans by origination year when an additional credit decision after the original credit decision was made by the entity. The Board also decided that an entity should not be required to disclose amounts of line-of-credit arrangements that are converted to term loans by origination year if no additional credit decision after the original credit decision was made by the lender or that are converted to term loans because of a troubled debt restructuring. Instead, an entity should disclose these line-of-credit arrangements in a separate column within the vintage disclosure.
 - v. *Contractual Extensions.* The Board decided that an entity should be required to evaluate extension or renewal options (excluding those that are accounted for as derivatives in Topic 815, Derivatives and Hedging) that are included in the original or modified contract and are not unconditionally cancellable by the entity in determining the contractual term of a financial asset or assets.
3. Nonemployee Share-Based Payments—Codification Improvements
 - a. The Board clarified the accounting for share-based payments that are made as consideration payable to a customer and decided that such payments would be measured and classified using the guidance in Topic 718.
 4. Government Assistance: Disclosures by Business Entities about Government Assistance
 - a. The Board continued its redeliberations and decided that the scope of the amendments would apply to grants of assets, tax assistance, low-interest-rate loans, loan guarantees, and forgiveness of liabilities.
 5. Disclosure Framework—Disclosure Review—Income Taxes
 - a. The Board made the following decisions:
 - i. To remove the disclosure in the proposed Update that would have required all entities to provide a description of an enacted change in tax law that is probable to have an effect in a future period.

- ii. To affirm the proposed amendment that would require all entities to disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign. The Board also decided to amend the proposed disclosure to clarify that entities should disclose pretax income (or loss) from continuing operations before intracompany eliminations.
- iii. To affirm the proposed amendment that would require all entities to disclose income tax expense (or benefit) and income taxes paid disaggregated between domestic and foreign. The Board decided to remove the proposed amendment that would have required all entities to disclose income taxes paid to any country that is significant to the total amount of income taxes paid.
- iv. To remove the proposed disclosure that would have required all entities to provide an explanation of the circumstances that caused a change in the assertion about the indefinite reinvestment of undistributed foreign earnings and the corresponding amount of those earnings. The Board also decided to remove the existing guidance that requires all entities to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.
- v. To remove the proposed amendment that would have required all entities to disclose the aggregate of cash, cash equivalents, and marketable securities held by foreign subsidiaries.
- vi. To remove the proposed disclosure that would have required public business entities to disclose, within the reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period, settlements using existing deferred tax assets separate from those that have been or will be settled in cash.
- vii. To affirm the proposed disclosure that would require public business entities to disclose the line items in the statement of financial position in which unrecognized tax benefits are presented and the related amounts of such unrecognized tax benefits with a minor clarification. The Board also decided to affirm the proposed amendment that would remove the disclosure that requires entities to disclose unrecognized tax benefits that could change in the next 12 months.
- viii. To affirm the proposed disclosure that would require public business entities to disclose the amount and explanation of the valuation allowance recognized or released during the reporting period.

- ix. To affirm the proposed disclosure that would modify the existing rate reconciliation requirement for public business entities to be consistent with SEC Regulation S-X, which requires separate disclosure for any reconciling item that amounts to more than 5 percent of the amount computed by multiplying the income before tax by the applicable statutory federal income tax rate. The Board also decided to affirm the proposed disclosure that would require public business entities to explain year-to-year changes in the reconciling items included in the rate reconciliation.
 - x. To remove the proposed requirement for public business entities to disclose the non-tax-effected amount of carryforwards. The Board also decided to add a requirement for public business entities to disclose the valuation allowance associated with the tax-effected amounts of federal, state, and foreign carryforwards.
 - xi. To amend the proposed disclosure that requires entities other than public business entities to disclose the non-tax-effected amount of carryforwards by requiring those entities to show credit carryforwards separate from loss carryforwards.
 - xii. To require a disclosure of interim taxes paid for all entities that prepare interim financial statements.
6. Certain Identifiable Assets in a Business Combination and Subsequent Accounting for Goodwill
- a. The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot to extend the amendments in Accounting Standards Update No. 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill* (a consensus of the Private Company Council), and Accounting Standards Update No. 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination* (a consensus of the Private Company Council), to not-for-profit entities.

ITEM 2: PREAGENDA RESEARCH

A. CHANGES TO THE RESEARCH AGENDA

- 1. The chairman added a project to the research agenda and authorized the staff to prepare an Invitation to Comment on measurement and other Topics related to revenue contracts with customers under Topic 805 (October).
- 2. The Board moved its research project on accounting for certain identifiable intangible assets in a business combination and subsequent accounting for goodwill for public business entities and not-for profits to its technical agenda and split it into

two projects—one on extending the current private company alternatives in these areas to not-for-profit entities and the other a broader project focused primarily on public business entities. See Item 1B above. (October).

B. SIGNIFICANT RESEARCH ACTIVITIES

1. The staff performed research on:
 - a. Share-based compensation awarded by private companies
 - b. Various issues related to accounting for equity securities and equity method investments.

C. ACTIVITIES OF THE FINANCIAL ACCOUNTING STANDARDS ADVISORY COUNCIL (FASAC) AND FASB ADVISORY COMMITTEES

1. FASAC meeting:
 - a. Five Board members, the technical director, and several FASB staff members participated in the December 13, 2018 FASAC meeting. The following topics were discussed: technology case study, distinguishing liabilities and equity (including convertible debt), and relative benefits and costs of disclosures in generally accepted accounting principles (GAAP).
2. The following advisory committee meetings were held:
 - a. A public meeting of the Small Business Advisory Committee (SBAC) was held on November 8, 2018. Five Board members and several FASB staff members participated. Topics included accounting for certain identifiable intangible assets in a business combination and subsequent accounting for goodwill for public entities and not-for-profits, distinguishing liabilities from equity (including convertible debt), consolidation reorganization and targeted improvements, an implementation update on leases (Topic 842), and an open discussion on small public company considerations.
 - b. A private and public meeting of the Investor Advisory Committee (IAC) was held on November 29, 2018. Five Board members, the FASB technical director, and several FASB staff members participated. The meeting topics included income tax disclosures, segment reporting, distinguishing liabilities from equity, anti-dilutive earnings per share (EPS) hedge transactions, and the U.S. Securities and Exchange Commission (SEC) disclosure update and simplification. IAC members also provided observations on the adoption of the revenue recognition standard (Topic 606, Revenue from Contracts with Customers) and the standard on leasing (Topic 842, Leases).
3. Advisory committee membership changes:

- a. NAC members Deborah Gillespie and John Kroll completed their terms ending in December 2018. Two NAC members were appointed in December 2018 to a four-year term beginning on January 1, 2019: Alyssa Federico, Foundation for the Carolinas, and Andrew Paluf, University of Notre Dame.
- b. IAC member Jill Lehman completed her term ending in December 2018. SBAC members Timothy Caffrey and John Zimmer completed their terms ending in December 2018.

D. INTERACTION WITH PRIVATE COMPANY STAKEHOLDERS

1. All six Board members, the technical director, and several FASB staff members participated in the October 9, 2018 Private Company Council (PCC) meeting. The PCC discussed and provided input on FASB projects, including consolidation, lease implementation, distinguishing liabilities from equity (including convertible debt), disclosure framework: disclosure review—income taxes, and share-based compensation (SBP). The accounting for cryptocurrencies also was discussed. In coordination with this meeting, the PCC met privately with the American Institute of Certified Public Accountants' (AICPA) Private Companies Practice Section (PCPS) Technical Issues Committee (TIC) to discuss matters of mutual interest.
2. Five of the six Board members, the technical director, and several FASB staff members participated in the December 11, 2018 PCC meeting. The PCC discussed and provided input on FASB projects, including government assistance disclosures by business entities, the Invitation to Comment on certain identifiable intangible assets and subsequent accounting for goodwill, distinguishing liabilities from equity (including convertible debt), the research project on disclosure improvements in response to the SEC Release on the disclosure update and simplification, and Codification improvements on share-based consideration payable to a customer. The PCC also discussed its preagenda research on share-based payments (SBPs) and added a project to its technical agenda on the practical expedient to measure grant-date fair value of equity-classified SBPs .
3. The Risk Management Association (RMA) hosted a PCC Private Company Town Hall Meeting on October 26, 2018, in Philadelphia. Two PCC members, one Board member, and three FASB staff members attended.

E. OTHER SIGNIFICANT STAKEHOLDER OUTREACH ACTIVITIES

1. Private meeting with members of the American Gas Association and Edison Electric Institute (October). Three Board members, the technical director, and several FASB staff members participated. Topics included industry issues and financial reporting implications; the implementation of revenue recognition, leases, and the definition

- of a business; and FASB projects on cloud computing, segment reporting, balance sheet classification of debt, and goodwill accounting.
2. Private meeting with members of the American Council of Life Insurers (October). Three Board members, the technical director, and several FASB staff members participated. Topic discussed was insurance.
 3. Private meeting with members of the Tax Executives Institute, Inc. (October). Two Board members, the technical director, and several FASB staff members participated. Topic discussed was disclosure framework—income taxes project.
 4. Private meeting with members of the International Franchise Association (October). Two Board members, the technical director, and several FASB staff members participated. Topic discussed was revenue recognition implementation issues related to private company franchisors.
 5. Private meeting with members of the American Petroleum Institute (November). Two Board members, the technical director, and several FASB staff members participated. Topics included a general update of all active projects.
 6. Private meeting with members of the American Bankers Association. The chairman, one Board member, and the technical director participated to discuss matters of mutual interest.
 7. Private meeting with members of the AICPA Insurance Expert Panel (November). The technical director and several FASB staff members participated. Topic discussed was insurance.
 8. Private meeting with members of the American Council of Life Insurers (December). Three Board members, the technical director, and several FASB staff members participated. Topic discussed was insurance.
 9. Private meeting with insurance industry representatives (December). Two Board members, the technical director, and a staff member participated. Topics included FASB’s standards-setting processes, insurance, and current expected credit loss.
 10. Private meeting with the Financial Executives International (FEI) Committee on Corporate Reporting (CCR) (December). One Board member and one FASB staff member participated. Topics included FASB projects on income tax disclosures, disclosures by business entities about government assistance, and identifiable intangible assets and subsequent accounting for goodwill.

F. SIGNIFICANT PROJECT-SPECIFIC OUTREACH ACTIVITIES

1. Individual meetings with stakeholders:
 - a. The FASB members and staff conducted 166 outreach meetings (16% with investors and other users, 43% with practitioners, 20% with preparers, 7% with

regulators, 2% with trade group representatives, and 12% with others*) to discuss issues in 32 different FASB and EITF projects or final standards, most notably hedging, credit losses, and distinguishing liabilities from equity.

*Others (including academics, consultants, and state societies of CPAs)

2. Broad stakeholder outreach through comment letters:
 - a. Through 39 comment letters and 32 external reviews, the Board received feedback from a range of stakeholder types (41% financial statement preparers, 38% auditors, and 13% trade organizations, 7% regulators, and 1% consultants) on different FASB and EITF projects.

G. EMERGING ISSUES TASK FORCE (EITF) ACTIVITIES

1. The EITF did not meet in the fourth quarter. However, the Board ratified the consensus-for-exposure reached by the EITF at its September 27, 2018 meeting on Issues No. 18-A, “Recognition Under Topic 805 for an Assumed Liability in a Revenue Contract,” and No. 18-B, “Improvements to Accounting for Episodic Television Series,” and directed the staff to draft proposed Updates reflecting the consensus-for-exposure. The proposed Update resulting from Issue 18-B was issued on November 7, 2018, and the proposed Update resulting from Issue 18-A is expected to be issued in first quarter 2019 concurrently with a related Invitation to Comment, “Measurement and Other Topics related to Revenue Contracts with Customers under Topic 805.”

H. INTERNATIONAL ACTIVITIES

1. Activities between the FASB and the IASB were as follows:
 - a. The FASB chairman and a Board member participated in the IASB’s Accounting Standards Advisory Forum meetings (October and December) in London.
 - b. Two FASB Board members participated in the World Standard Setters meeting (October) in London.
 - c. The FASB technical director had periodic meetings via phone with the IASB executive technical director to discuss matters of mutual interest.
2. Activities among the FASB and other national standards setters included the following:
 - a. The FASB technical director participated in the Three-Way Dialogue meeting in London.
 - b. Two FASB Board members and a staff member participated in the International Forum of Accounting Standard Setters meeting in London.

- c. The FASB chairman and a Board member attended the Multilateral Network dinner in London.
- d. One FASB Board member participated in the Autorité des Normes Comptables (ANC) meeting in Paris, France.

I. VIDEOS AND WEBINARS

1. The FASB featured six videos and four webinars:
 - a. Video: World Investor Week
 - b. Video: Standards That Work
 - c. Video: FASB Revenue Recognition Resources for Private Companies
 - d. Video: FASB Investor Video: Leases
 - e. Video: Private Company Council—December 2018 First Look
 - f. Video: FASB Staff Paper Franchisor Example
 - g. Webinar: *In Focus*: Not-for-Profit and Governmental Accounting Webcast for Academics (w/GASB)
 - h. Webinar: *In Focus*: FASB Accounting Standards Update on Insurance
 - i. Webinar: *In Focus*: FASB Update for Private Companies and Not-for-Profit Organizations
 - j. Webinar: *In Focus*: FASB Update for Private Companies on Revenue from Contracts with Customers.

J. SPEECHES DELIVERED

1. FASB members or staff delivered 44 speeches at different conferences/events. The more significant conferences follow:
 - a. Accounting CPE Network (ACPEN) 2018 Not-for-Profit Accounting, Auditing & Tax Update
 - b. AICPA 2018 Conference on Credit Unions
 - c. AICPA 2018 Construction and Real Estate Conference
 - d. AICPA Conference on Current SEC and PCAOB Developments
 - e. AICPA Governmental and Not-for-Profit Training Program
 - f. American Bar Association Forum on Franchising
 - g. Associated General Contractors of America Construction Financial Management Conference

- h. Board of Governors of the Federal Reserve Fall Meeting of the Accounting Communications Network
- i. Duquesne University Accounting CPE Conference
- j. FEI Current Financial Reporting Issues (CFRI) Conference
- k. Illinois CPA Society Not-for-Profit Conference
- l. Minnesota Society of Certified Public Accountants Not-for-Profit Conference
- m. Mortgage Bankers Association Accounting & Financial Management Conference
- n. National Association of Federally-Insured Credit Unions (NAFCU) CFO Summit
- o. New York State Society of CPAs (NYSSCPAs)/Foundation for Accounting Education (FAE) Business and Industry Conference
- p. Pennsylvania Institute of CPAs (PICPA) Accounting & Auditing Conference
- q. SIFMA Financial Management Society (FMS)/ AICPA National Conference on the Securities Industry
- r. University of California Berkeley 23rd Annual Conference on Financial Reporting
- s. Virginia Society of Certified Public Accountants 48th Annual Accounting & Auditing Conference
- t. Washington Society of CPAs 2018 Accounting and Auditing Conference
- u. Wisconsin CPA Society (WICPA) 2018 Accounting & Auditing Conference.

K. PRESS RELEASES, MEDIA ADVISORIES, AND SOCIAL MEDIA

- 1. The FASB issued 31 press releases, media advisories, or stakeholder emails on a variety of topics with accompanying social media.

L. OTHER COMMUNICATIONS ACTIVITIES AND EDUCATION

- 1. The 4th Quarter *FASB Outlook* was issued on October 30, 2018.
- 2. Interviews, statements, and background interviews were conducted on credit losses, revenue recognition, leases, long-duration insurance, foundation accounting, and other topics.
- 3. FASB staff co-presented at several educational events on CECL with financial institution regulators.
- 4. The FASB Board, the technical director, and several staff members participated in a meeting of the CECL transition resource group on November 1, 2018.

5. The FASB staff issued a question and answer document providing guidance on the application of the new revenue recognition standard (Topic 606) by franchisors.

ITEM 3: STRATEGIC, ADMINISTRATIVE, AND PROCEDURAL ACTIVITIES

A. STRATEGIC PLAN ACTIVITIES

1. Completed review of the Not-for-Profit Advisory Committee.

B. PROFESSIONAL DEVELOPMENT PROGRAMS

1. The Prominence of Non-GAAP Metrics and Non-GAAP Reporting Quality (Academic Working Paper)
2. How the Buy-Side Asset Firm Works
3. Academic Research and Standards Setting
4. Dos and Don'ts of Investor Outreach
5. Disclosure Framework Lunch and Learn.

ITEM 4: FEDERAL GOVERNMENT AND REGULATORY LIAISON ACTIVITIES

A. REPRESENTATIVES OF CONGRESS AND FEDERAL REGULATORY BODIES

1. Private meeting with with representatives of the Chamber of Commerce (December). Two Board members, the technical director, and a staff member participated. Topics included FASB's standards-setting processes, insurance, and current expected credit losses.
2. The FASB chairman, a Board member, and the technical director participated in a quarterly, private liaison meeting with representatives of banking regulators to discuss matters of mutual interest.
3. The FASB chairman participated in a private liaison meeting with representatives from the SEC and the Public Company Accounting Oversight Board (PCAOB) to discuss matters of mutual interest.
4. The technical director participated in weekly meetings with the deputy chief accountant on matters of mutual interest.

ITEM 5: FAF/FASB/GASB INTERACTION

- A. GASB and FASB meeting minutes were shared with the FASB and GASB Board members and staff.

B. MEETINGS

1. The FASB and GASB directors met monthly to discuss their technical agenda projects and other matters of mutual interest.
2. The FASB and GASB chairmen and their respective directors held their quarterly meeting to discuss technical issues and other matters of mutual interest.

C. DOCUMENT DRAFT REVIEWS

1. The GASB staff distributed the proposed Implementation Guide, *Fiduciary Activities*, to the FASB staff for review.
2. The FASB staff distributed the following drafts to the GASB for review:
 - a. Proposed Accounting Standards Update, *Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)*
 - b. Accounting Standards Update No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*
 - c. Accounting Standards Update No. 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*
 - d. Proposed Accounting Standards Update, *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials*
 - e. Proposed Accounting Standards Update, *Business Combinations (Topic 805): Revenue from Contracts with Customers—Recognizing an Assumed Liability*
 - f. Proposed Accounting Standards Update, *Codification Improvements—Financial Instruments*
 - g. Proposed Accounting Standards Update, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities*
 - h. Proposed Accounting Standards Update, *Codification Improvements—Financial Instruments—Credit Losses (Vintage Disclosure: Gross Writeoffs and Gross Recoveries)*
 - i. Proposed Accounting Standards Update, *Targeted Transition Relief for Topic 326, Financial Instruments—Credit Losses*
 - j. Proposed Accounting Standards Update, *Leases (Topic 842): Codification Improvements for Lessors.*

- D. GASB and FASB meeting minutes were shared with the FASB and GASB Board members and staff.

ITEM 6: XBRL ACTIVITIES

The FASB is responsible for the ongoing development and maintenance of the GAAP Financial Reporting Taxonomy (Taxonomy) and the SEC Reporting Taxonomy (SRT) applicable to public issuers registered with the U.S. Securities and Exchange Commission (SEC).

A. TECHNICAL ACTIVITIES

1. On December 18, 2018, the FASB released the final 2019 Taxonomy and the SRT to the SEC for acceptance.
2. The FASB published Taxonomy Updates as final (pending annual update) for:
 - a. Accounting Standards Update No. 2018-12—*Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*
 - b. Accounting Standards Update No. 2018-13—*Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*
 - c. Accounting Standards Update No. 2018-16—*Derivatives and Hedging (Topic 815): Inclusion of the Overnight Index Swap (OIS) Rate Based on the Secured Overnight Financing Rate (SOFR) as a Benchmark Interest Rate for Hedge Accounting Purposes*
 - d. Accounting Standards Update No. 2018-17—*Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*
 - e. Accounting Standards Update No. 2018-18—*Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and 606*
 - f. Accounting Standards Update No. 2018-19—*Codification Improvements to Topic 326, Financial Instruments—Credit Losses*
 - g. Accounting Standards Update No. 2016-13—*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*
 - h. Accounting Standards Update No. 2018-20—*Leases (Topic 842): Narrow-Scope Improvements for Lessors.*
3. The FASB published Taxonomy Exposure Drafts for:
 - a. Proposed Accounting Standards Update—*Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)*

- b. Proposed Accounting Standards Update—*Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the FASB Emerging Issues Task Force)*
 - c. Proposed Accounting Standards Update—*Codification Improvements—Financial Instruments*
 - d. Proposed Accounting Standards Update—*Leases (Topic 842): Codification Improvements for Lessors*
 - e. Proposed Accounting Standards Update—*Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities.*
4. The FASB published for exposure for a 30-day comment period the proposed 2019 Taxonomy Implementation Guide, *Financing Receivable and Current Expected Credit Loss Disclosures*.

B. OUTREACH ACTIVITIES

1. The more significant Taxonomy-related outreach activities this quarter included the following:
 - a. Presented at XBRL International conference in Dubai, UAE
 - b. Interview with Chief of Taxonomy Development published in KALA, the official publication of the Hawaii Society of CPAs
 - c. Hosted or participated in meetings of the FASB Taxonomy Advisory Group (including a two-day face-to-face meeting in Norwalk), industry working groups, XBRL US Data Quality Committee, various XBRL International technical working groups (including the Entity Specific Disclosures Task Force co-chaired by the FASB Chief of Taxonomy Development), the IASB IFRS Taxonomy Consultative Group, and the SEC Division of Economic and Risk Analysis (DERA) staff.

Technical Agenda Overview

Revised January 2, 2019

FRAMEWORK PROJECTS	Current Stage	Timing
Conceptual Framework: Elements	Initial deliberations	
Conceptual Framework: Measurement	Initial deliberations	
Conceptual Framework: Presentation	ED redeliberations	

RECOGNITION & MEASUREMENT: BROAD PROJECTS	Current Stage	Timing
Distinguishing Liabilities from Equity (Including Convertible Debt)	Initial deliberations	
Identifiable Intangible Assets and Subsequent Accounting for Goodwill	Drafting Invitation to Comment	

RECOGNITION & MEASUREMENT: NARROW PROJECTS	Current Stage	Timing
Codification Improvements (<i>next phase</i>)	Initial deliberations	

Codification Improvements—Financial Instruments	ED out for public comment	Ends Jan 18, 2019
Codification Improvements—Financial Instruments—Credit Losses (Vintage Disclosure: Gross Writeoffs and Gross Recoveries)	Drafting ED	
Codification Improvements—Hedge Accounting	Initial deliberations	
Codification Improvements—Lessors	ED out for public comment	Ends Jan 15, 2019
Codification Improvements—Share-Based Consideration Payable to a Customer	Drafting ED	Q1 2019
Consolidation Reorganization and Targeted Improvements	ED redeliberations	
Extending Private Company Accounting Alternatives on Certain Identifiable Intangible Assets and Goodwill to Not-for Profit Entities	ED out for public comment	Ends Feb 18, 2019
Facilitation of the Effects of the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR) Transition on Financial Reporting	Initial deliberations	
Financial Instruments—Credit Losses—Targeted Transition Relief	Drafting ED	Q1 2019
Hedging—Last-of-Layer Method	Initial deliberations	

Improvements to Accounting for Episodic Television Series (EITF 18-B)	Drafting final standard	Q1 2019
Improving the Accounting for Asset Acquisitions and Business Combinations (Phase 3 of the Definition of a Business Project)	Initial deliberations	
PCC Issue No. 2018-01, Practical Expedient to Measure Grant-Date Fair Value of Equity-Classified Share-Based Awards	Initial deliberations	
Recognition under Topic 805 for an Assumed Liability in a Revenue Contract (EITF 18-A)	Drafting ED	Q1 2019
Updating the Definition of Collections	Drafting final standard	Q1 2019

PRESENTATION & DISCLOSURE PROJECTS	Current Stage	Timing
Disclosure Framework: Disclosure Review—Income Taxes	ED redeliberations	
Disclosure Framework: Disclosure Review—Inventory	ED redeliberations	
Disclosure Framework: Disclosures—Interim Reporting	Initial deliberations	
Disclosures by Business Entities about Government Assistance	ED redeliberations	
Financial Performance Reporting—Disaggregation of Performance Information	Initial deliberations	
Segment Reporting	Initial deliberations	

Simplifying the Balance Sheet Classification of Debt	ED redeliberations	
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RESEARCH PROJECTS		
Disclosure Improvements in Response to SEC Release on Disclosure Update and Simplification		
Disclosure Review—Intangibles, Share-based Payment, and Foreign Currency		
Financial Performance Reporting: Financial Statements of Not-for-Profit Entities Structure of the Performance Statement		
Hedge Accounting—Phase 2		
Income Taxes—Backwards Tracing		
Inventory and Cost of Sales		
Measurement Alternative and Observable Transactions Identified after the Reporting Date		
Measurement and Other Topics Related to Revenue Contracts with Customers under Topic 805		
Simplifications to Accounting for Income Taxes		
Targeted Improvements to the Statement of Cash Flows		
Variable Interest Entity Related Party Guidance		