

Accumulated Other Comprehensive Income: Changes in accumulated other comprehensive by component for the year ended August 29, 2019 were as follows:

	Pension Liability Adjustments	Gains (Losses) on Derivative Instruments	Cumulative Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Investments	Total
As of August 30, 2018	\$ 10	\$ 2	\$ —	\$ (2)	\$ 10
Other comprehensive income	(13)	(3)	(1)	14	(3)
Amount reclassified out of accumulated other comprehensive income	4	—	—	(3)	1
Tax effects	3	—	—	(2)	1
Other comprehensive income	(6)	(3)	(1)	9	(1)
As of August 29, 2019	\$ 4	\$ (1)	\$ (1)	\$ 7	\$ 9

Noncontrolling Interests in Subsidiaries

As of	2019		2018	
	Balance	Percentage	Balance	Percentage
IMFT	\$ 889	49%	\$ 853	49%
Other	—	—	17	Various
	<u>\$ 889</u>		<u>\$ 870</u>	

IMFT: Since 2006, we have owned 51% of IMFT, a joint venture between us and Intel. IMFT is governed by a Board of Managers, for which the number of managers appointed by each member varies based on the members' respective ownership interests. IMFT manufactures semiconductor products exclusively for its members under a long-term supply agreement at prices approximating cost. In 2018, IMFT discontinued production of NAND and subsequent to that time manufactured 3D XPoint memory. In 2018, we announced that we and Intel will no longer jointly develop 3D XPoint technology beyond the second generation and we substantially completed this cost-sharing arrangement in the first quarter of 2020. IMFT sales to Intel were \$731 million, \$507 million, and \$493 million for 2019, 2018, and 2017, respectively.

IMFT's capital requirements are generally determined based on an annual plan approved by the members, and capital contributions to IMFT are requested as needed. Capital requests are made to the members in proportion to their then-current ownership interest. Members may elect to not contribute their proportional share, and in such event, the contributing member may elect to contribute any amount of the capital request, either in the form of an equity contribution or member debt financing. Under the supply agreement, the members have rights and obligations to the capacity of IMFT in proportion to their investment, including member debt financing. Any capital contribution or member debt financing results in a proportionate adjustment to the sharing of output on an eight-month lag. Pursuant to the terms of the IMFT joint venture agreement, Intel provided debt financing of \$1.01 billion to IMFT in 2018 and IMFT repaid \$316 million to Intel in 2019. As of August 29, 2019, current debt included \$693 million of IMFT Member Debt. Members pay their proportionate share of fixed costs associated with IMFT's capacity.

In January 2019, we exercised our option to acquire Intel's interest in IMFT. Subsequently, Intel set the closing date to occur on October 31, 2019, at which time IMFT will become a wholly-owned subsidiary. In the first quarter of 2020, we expect to pay Intel approximately \$1.4 billion in cash for Intel's noncontrolling interest in IMFT and IMFT member debt. Pursuant to the terms of the IMFT wafer supply agreement, Intel notified us of its election to receive supply from IMFT from the closing date through April 2020 at a volume equal to approximately 50% of their volume from IMFT in the six-month period prior to closing.

Creditors of IMFT have recourse only to IMFT's assets and do not have recourse to any other of our assets. The following table presents the assets and liabilities of IMFT included in our consolidated balance sheets:

As of	2019	2018
Assets		
Cash and equivalents	\$ 130	\$ 91
Receivables	128	126
Inventories	124	114
Other current assets	9	8
Total current assets	391	339
Property, plant, and equipment	2,235	2,641
Other noncurrent assets	38	45
Total assets	<u>\$ 2,664</u>	<u>\$ 3,025</u>
Liabilities		
Accounts payable and accrued expenses	\$ 118	\$ 138
Current debt	696	20
Other current liabilities	37	9
Total current liabilities	851	167
Long-term debt	53	1,064
Other noncurrent liabilities	5	74
Total liabilities	<u>\$ 909</u>	<u>\$ 1,305</u>

Amounts exclude intercompany balances that were eliminated in our consolidated balance sheets.

Fair Value Measurements

Substantially all of our marketable debt and equity investments were classified as available-for-sale and carried at fair value. Amounts reported as cash and equivalents, receivables, and accounts payable and accrued expenses approximate fair value. The estimated fair value and carrying value of our outstanding debt instruments (excluding the carrying value of equity and mezzanine equity components of our convertible notes) were as follows:

As of	2019		2018	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Notes and MMJ Creditor Payments	\$ 5,194	\$ 4,937	\$ 2,798	\$ 2,741
Convertible notes	852	323	3,124	1,049

The fair values of our convertible notes were determined based on Level 2 inputs, including the trading price of our convertible notes when available, our stock price, and interest rates based on similar debt issued by parties with credit ratings similar to ours. The fair values of our other debt instruments were estimated based on Level 2 inputs, including discounted cash flows, the trading price of our notes, when available, and interest rates based on similar debt issued by parties with credit ratings similar to ours.

Other operating (income) expense, net included unrealized losses primarily from semiconductor equipment held for sale of \$82 million in 2019. The fair values were based on quotations obtained from equipment dealers, which consider the remaining useful life and configuration of the equipment (Level 3). As of August 29, 2019, assets held for sale were not material.