

TABLE OF CONTENTS

Chapter		Paragraph
1	General Accounting Considerations	.01-.82
	Introduction .....	.01-.03
	Authoritative Status and Effective Date .....	.04-.12
	Transitioning to the New Standard .....	.09-.12
	Post-Standard Activity .....	.13-.17
	Overview of FASB ASU No. 2014-09, <i>Revenue from Contracts with Customers</i> .....	.18-.35
	Step 1: Identify the Contract With a Customer .....	.20-.22
	Step 2: Identify the Performance Obligations in the Contract .....	.23-.26
	Step 3: Determine the Transaction Price .....	.27-.28
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.29-.31
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation .....	.32-.35
	Costs to Obtain or Fulfill a Contract With a Customer .....	.36-.40
	Incremental Costs of Obtaining a Contract .....	.36-.37
	Costs of Fulfilling a Contract .....	.38-.40
	Disclosures .....	.41-.42
	Other Topics .....	.43-.82
	Presentation of Contract With a Customer .....	.43
	Sale With a Right of Return .....	.44
	Warranties .....	.45
	Principal Versus Agent .....	.46
	Customer Options for Additional Goods or Service — Material Rights .....	.47
	Customer's Unexercised Rights .....	.48
	Non-refundable Upfront Fees .....	.49
	Licensing .....	.50
	Repurchase Agreements .....	.51
	Consignment Arrangements .....	.52
	Bill-and-Hold Arrangements .....	.53
	Customer Acceptance .....	.54
	Third-Party Extended Service Warranty Contracts Within the Scope of FASB ASC 606 .....	.55-.82
2	General Auditing Considerations	.01-.206
	Introduction .....	.01-.05
	Auditing the Five-Step Model of FASB ASC 606 .....	.06-.41
	Step 1: Identify the Contract(s) With a Customer .....	.08-.15
	Step 2: Identify the Performance Obligations in the Contract .....	.16-.23
	Step 3: Determine the Transaction Price .....	.24-.31

Chapter	Paragraph
2	General Auditing Considerations — continued
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract ..... .32-38
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation ..... .39-41
	Auditing Considerations in the Adoption and Transition to FASB ASC 606 ..... .42-54
	General Audit Considerations Over Revenue Recognition ..... .55-66
	Risk Assessment and Fraud Risk Under FASB ASC 606 ..... .67-100
	Audit Planning ..... .68-69
	Assignment of Personnel and Supervision ..... .70-71
	Establishing an Overall Strategy ..... .72
	Audit Risk ..... .73-76
	Understanding the Entity and Risk Assessment ..... .77-84
	Inquiry ..... .85-86
	Reading and Understanding Contracts ..... .87
	Reviewing Process Narratives and Process Flow Diagrams ..... .88
	Reviewing Internal Control Manuals, Policy Manuals, or Similar Documentation ..... .89-90
	Discussion Among the Audit Team ..... .91
	Assessing the Risks of Material Misstatement ..... .92-93
	Identification of Significant Risks ..... .94-100
	Specific Audit Considerations Over Revenue Recognition ..... .101-111
	Side Agreements ..... .101-102
	Channel Stuffing ..... .103
	Related-Party Transactions ..... .104-108
	Significant Unusual Transactions ..... .109
	Nature of Business and Accounting for Revenue ..... .110-111
	Potential Accounting Misstatements ..... .112-120
	Identify the Contract With the Customer ..... .114-115
	Identify the Performance Obligations in the Contracts ..... .116
	Determine the Transaction Price ..... .117
	Allocate the Transaction Price to the Performance Obligations ..... .118
	Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation ..... .119-120
	Consideration of Fraud as it Relates to Revenue ..... .121-128
	Discussion Among Engagement Personnel Regarding the Risks of Material Misstatement Due to Fraud ..... .126-127
	The Importance of Exercising Professional Skepticism ..... .128
	IFRS 15 Versus FASB ASC 606 ..... .129
	The Role of Controls Over Financial Reporting in Revenue Recognition ..... .130-147
	Control Environment ..... .132-137
	Risk Assessment ..... .138-141

Chapter		Paragraph
2	General Auditing Considerations — continued	
	Control Activities .....	.142-.143
	Information and Communication .....	.144-.145
	Monitoring .....	.146-.147
	Obtaining Audit Evidence .....	.148-.176
	Types of Substantive Procedures .....	.151-.158
	Potential Issues in Obtaining Audit Evidence .....	.159
	Audit Evidence Related to the Five Steps of Revenue Recognition Under FASB ASC 606 .....	.160-.176
	Auditing Estimates .....	.177-.181
	Potential Area of Focus — Management Bias .....	.180-.181
	Management Representations .....	.182-.186
	Independence .....	.187-.196
	Consultation .....	.189-.191
	Situations in Which Auditors Can Assist During Transition .....	.192-.196
	Disclosures .....	.197-.198
	Smaller Entities .....	.199
	Audit Documentation .....	.200-.206
3	Aerospace and Defense Entities	.1.01-7.51
	Application of the Five-Step Model of FASB ASC 606 ....	.1.01-5.53
	Step 1: Identify the Contract With a Customer .....	.1.01-1.55
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-2.21
	Step 3: Determine the Transaction Price .....	.3.01-3.49
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01-4.23
	Step 5: Recognize Revenue When (or as) the Entity Satisfied a Performance Obligation .....	.5.01-5.53
	Other Related Topics .....	.7.01-7.51
	Contract Costs .....	.7.01-7.23
	Accounting for Offset Obligations .....	.7.24-7.35
	Disclosures — Contracts With Customer .....	.7.36-7.51
4	Asset Management	.1.01-7.76
	Application of the Five-Step Model of FASB ASC 606 ....	.1.01-1.19
	Step 1: Identify the Contract With a Customer .....	.1.01-1.19
	Revenue Streams .....	.6.01-6.107
	Recognition of Contingent Deferred Sales Charges .....	.6.01-6.18
	Management Fee Revenue, Excluding Performance Fee Revenue .....	.6.19-6.53
	Incentive or Performance Fee Revenue, Excluding Incentive-Based Capital Allocations (Such as Carried Interest) .....	.6.54-6.80

Chapter		Paragraph
4	Asset Management — continued	
	Incentive-Based Capital Allocations .....	.6.81-.6.93
	Asset Management Arrangement Revenue — Gross Versus Net .....	.6.94-.6.107
	Other Related Topics .....	.7.01-.7.76
	Deferred Distribution Commission Expenses (Back-End Load Funds) .....	.7.01-.7.10
	Management Fee Waivers and Customer Expense Reimbursements .....	.7.11-.7.46
	Costs of Managing Investment Companies .....	.7.47-.7.76
5	Brokers and Dealers in Securities	.6.01-.7.32
	Revenue Streams .....	.6.01-.6.144
	Commission Income .....	.6.01-.6.32
	Underwriting Revenues .....	.6.33-.6.61
	Soft Dollars .....	.6.62-.6.77
	Investment Banking M&A Advisory Fees .....	.6.78-.6.110
	Selling and Distribution Fee Revenue .....	.6.111-.6.144
	Other Related Topics .....	.7.01-.7.32
	Scope .....	.7.01-.7.04
	Costs Associated With Investment Banking Advisory Services .....	.7.05-.7.20
	Principal Versus Agent: Costs Associated With Underwriting .....	.7.21-.7.32
6	Gaming Entities	.2.01-.7.142
	Application of the Five-Step Model of FASB ASC 606 ....	.2.01-.2.18
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.18
	Revenue Streams .....	.6.01-.6.155
	Definitions: The Terms <i>Win</i> and <i>Gross Gaming Revenue</i> .....	.6.01-.6.08
	Loyalty Credits and Other Discretionary Incentives (Excluding Status Benefits) .....	.6.09-.6.50
	Accounting for Loyalty Points Redeemed With Third Parties .....	.6.51-.6.62
	Accounting for Loyalty Co-branding Arrangements ....	.6.63-.6.97
	Accounting for Management Contract Revenues, Including Costs Reimbursed by Managed Properties .....	.6.98-.6.155
	Other Related Topics .....	.7.01-.7.142
	Accounting for Jackpot Insurance Premiums and Recoveries .....	.7.01-.7.12
	Accounting for Gaming Chips and Tokens .....	.7.13-.7.15
	Net Gaming Revenue .....	.7.16
	Gaming Operator's Accounting for Base Progressive and Incremental Progressive Jackpot Amounts .....	.7.17-.7.23

Chapter		Paragraph
6	Gaming Entities — continued	
	Promotional Allowances .....	.7.24-.7.25
	Participation and Similar Arrangements .....	.7.26-.7.37
	Income Statement Presentation of Wide Area Progressive Operators' Fees Received From Gaming Entities .....	.7.38-.7.68
	Recognition of the WAP Operator's Liability for Base Progressive and Incremental Progressive Jackpot Amounts .....	.7.69-.7.74
	Accounting for Racetrack Fees .....	.7.75-.7.106
	Disclosures — Contracts With Customers .....	.7.107-.7.130
	Gaming Entity's Costs to Obtain a Management Contract .....	.7.131-.7.142
7	Health Care Entities	.2.01-.7.73
	Application of the Five-Step Model of FASB ASC 606 ....	.2.01-.5.08
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.09
	Step 5: Recognize Revenue When (or As) the Entity Satisfied a Performance Obligation .....	.5.01-.5.08
	Revenue Streams .....	.6.01-.6.162
	Arrangements for Health Care Services Provided to Uninsured and Insured Patients With Self-Pay Balances, Including Co-payments and Deductibles .....	.6.01-.6.43
	Third-Party Settlement Estimates .....	.6.44-.6.72
	Risk Sharing Arrangements .....	.6.73-.6.108
	Application of FASB ASC 606 to Continuing Care Retirement Community Contracts .....	.6.109-.6.162
	Other Related Topics .....	.7.01-.7.73
	Application of the Portfolio Approach .....	.7.01-.7.15
	Presentation and Disclosure .....	.7.16-.7.60
	Accounting for Contract Costs .....	.7.61-.7.73
8	Not-for-Profit Entities	.6.01-.7.06
	Revenue Streams .....	.6.01-.6.98
	Tuition and Housing Revenues .....	.6.01-.6.69
	Not-for-Profit Subscriptions and Membership Dues .....	.6.70-.6.98
	Other Related Topics .....	.7.01-.7.06
	Scope .....	.7.01
	Bifurcation of Transactions Between Contribution and Exchange Components .....	.7.02-.7.06
9	Software Entities	.2.01-.5.16
	Application of the Five-Step Model of FASB ASC 606 ....	.2.01-.5.16
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.29

Chapter		Paragraph
9	Software Entities — continued	
	Step 3: Determine the Transaction Price .....	.3.01-.3.36
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01-.4.51
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation .....	.5.01-.5.16
10	Airlines	.2.01-.7.44
	Application of the Five-Step Model of FASB ASC 606 ....	.2.01-.4.33
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.18
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01-.4.33
	Revenue Streams .....	.6.01-.6.152
	Interline Transactions — Identifying Performance Obligations for Air Travel (Including at the Segment Versus Ticket Level) and Principal Versus Agent Considerations .....	.6.01-.6.25
	Interline Transactions — Loyalty Payments .....	.6.26-.6.44
	Brand Name and Customer List in Co-Branded Credit Card Agreements — Timing of Revenue Recognition .....	.6.45-.6.71
	Consideration of Significant Financing Component in Advance Mile Purchases Under Co-Branded Credit Card Agreements and Miles in Customers’ Accounts .....	.6.72-.6.87
	Regional Contracts .....	.6.88-.6.129
	Timing and Classification of Commissions in Interline Transactions .....	.6.130-.6.138
	Changes in the Volume of Mileage Credits Under a Co-Branded Credit Card Arrangement .....	.6.139-.6.152
	Other Related Topics .....	.7.01-.7.44
	Accounting for Contract Costs — Commissions and Selling Costs .....	.7.01-.7.05
	Accounting for Passenger Taxes and Related Fees .....	.7.06-.7.13
	Accounting for Passenger Ticket Breakage and Travel Vouchers .....	.7.14-.7.28
	Accounting for Ancillary Services and Related Fees ....	.7.29-.7.37
	Accounting for Change Fees .....	.7.38-.7.44
11	Engineering and Construction Contractors	.1.01-.7.61
	Application of the Five-Step Model of FASB 606 .....	.1.01-.5.38
	Step 1: Identify the Contract With a Customer .....	.1.01-.1.09
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.17
	Step 3: Determine the Transaction Price .....	.3.01-.3.21
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation .....	.5.01-.5.38

Chapter		Paragraph
11	Engineering and Construction Contractors — continued	
	Other Related Topics .....	.7.01-.7.61
	Disclosures and Presentation .....	.7.01-.7.36
	Contract Costs .....	.7.37-.7.61
12	Depository Institutions	.7.01-.7.32
	Application of the Five-Step Model of FASB ASC 606	7.01-.7.32
	Other Related Topics .....	.7.01-.7.32
	Sale of Non-Operating Assets (Other Real Estate Owned) .....	.7.01-.7.20
	Scope .....	.7.21-.7.32
13	Telecommunications Entities	.1.01-.7.227
	Application of the Five-Step Model of FASB ASC 606 ....	.1.01-.4.14
	Step 1: Identify the Contract With a Customer .....	.1.01-.1.18
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.35
	Step 3: Determine the Transaction Price .....	.3.01-.3.19
	Determining the Transaction Price .....	.3.20-.3.55
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01-.4.14
	Other Related Topics .....	.7.01-.7.227
	Portfolio Accounting .....	.7.01-.7.40
	Disclosure and Transition .....	.7.41-.7.78
	Accounting for Contract Costs .....	.7.79-.7.105
	Miscellaneous Fees .....	.7.106-.7.133
	Wireless Transactions Within the Indirect Channel ....	.7.134-.7.178
	Material Renewal Rights in Telecommunications Contracts .....	.7.179-.7.193
	Contract Modifications .....	.7.194-.7.227
14	Insurance Entities	.7.01-.7.16
	Other Related Topics .....	.7.01-.7.16
	Considerations for Applying the Scope Exception in FASB ASC 606-10-15-2 and 606-10-15-4 to Contracts Within the Scope of FASB ASC 944 .....	.7.01-.7.16
15	Power and Utility Entities	.4.01-.7.28
	Application of the Five-Step Model of FASB ASC 606 ....	.4.01-.5.26
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01-.4.06
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation .....	.5.01-.5.26
	Revenue Streams .....	.6.01-.6.49
	Accounting for Tariff Sales to Regulated Customers ....	.6.01-.6.15

Chapter		Paragraph
15	Power and Utility Entities — continued	
	Requirements and Similar Contracts With Variable Volumes .....	.6.16-.6.24
	Fixed Price Contracts — Consideration of Different Pricing Conventions .....	.6.25-.6.49
	Other Related Topics .....	.7.01-.7.28
	Accounting for Blend-and-Extend Contract Modifications .....	.7.01-.7.07
	Partial Terminations .....	.7.08-.7.12
	Treatment of Contributions in Aid of Construction (CIAC) .....	.7.13-.7.20
	Income Statement Presentation of Alternative Revenue Programs .....	.7.21-.7.28
16	Time-Share Entities	.1.01-.7.36
	Application of the Five-Step Model of FASB ASC 606 .....	.1.01-.5.17
	Step 1: Identify the Contract With a Customer .....	.1.01-.1.37
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.39
	Step 4: Allocate the Transaction Price to the Performance Obligations in the Contract .....	.4.01
	Step 5: Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation .....	.5.01-.5.17
	Revenue Streams .....	.6.01-.6.39
	Management Fees .....	.6.01-.6.39
	Other Related Topics .....	.7.01-.7.36
	Principal Versus Agent Considerations for Time-Share Interval Sales .....	.7.01-.7.19
	Contract Costs .....	.7.20-.7.36
17	Hospitality Entities	.2.01-.6.151
	Application of the Five-Step Model of FASB ASC 606 .....	.2.01-.3.17
	Step 2: Identify the Performance Obligations in the Contract .....	.2.01-.2.18
	Step 3: Determine the Transaction Price .....	.3.01-.3.17
	Revenue Streams .....	.6.01-.6.151
	Franchise Fees .....	.6.01-.6.52
	Hotel Management Service Arrangement .....	.6.53-.6.105
	Owned and Leased Property Revenues .....	.6.106-.6.151
18	Entities With Oil and Gas Producing Activities	.6.01-.7.14
	Application of the Five-Step Model of FASB ASC 606 .....	.6.01-.6.13
	Revenue Streams .....	.6.01-.6.13
	Other Related Topics .....	.7.01-.7.14
	Derivative Commodity Contracts .....	.7.01

Table of Contents

xxvii

Chapter		Paragraph
18	Entities With Oil and Gas Producing Activities — continued	
	Inventories .....	.7.02-.7.07
	Joint Operating Agreements .....	.7.08-.7.11
	Disclosures .....	.7.12-.7.14
Appendix		
A	Overview of Statements on Quality Control Standards	
	Index of Pronouncements and Other Technical Guidance	
	Subject Index	

<http://www.pbookshop.com>

<http://www.pbookshop.com>