

# ASC 606: Disclosure checklist for public entities

## Prepared by:

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## Introduction

Paragraph 606-10-50-1 in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) states the following as the overall disclosure objective of ASC 606, "Revenue from Contracts with Customers" (which is also the overall disclosure objective of ASC 340-40, "Other Assets and Deferred Costs—Contracts with Customers"):

The objective of the disclosure requirements in this Topic is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

To satisfy this disclosure objective, the FASB requires entities to disclose specific information. This checklist includes the disclosures required of public entities, while a [separate checklist](#) includes the disclosures required of nonpublic entities that do not elect to provide the disclosures otherwise required of public entities. For this purpose:

- Public entities include: (a) public business entities (PBEs), (b) not-for-profit entities that have issued, or are conduit bond obligors for, securities that are traded, listed or quoted on an exchange or an over-the-counter market and (c) employee benefit plans that file or furnish financial statements to the Securities and Exchange Commission.
- Nonpublic entities include all entities other than public entities.

This checklist was designed to be used in conjunction with RSM's publication, [A guide to revenue recognition](#) (our revenue recognition guide), and ASC 606 and 340-40.

## Interim disclosures

This checklist includes both the annual and interim disclosures required of public entities by ASC 606 and 340-40 and the revenue-related disclosures required of public entities by ASC 270, "Interim Reporting," and ASC 460, "Guarantees." When a public entity applies ASC 606 and 340-40 in its interim financial statements for one or more interim periods before it applies ASC 606 and 340-40 in its annual financial statements, the public entity must provide all the required annual disclosures in this checklist in those interim financial statements. After the public entity applies ASC 606 and 340-40 in its annual financial statements for the first time (and provides all the required annual disclosures), only the required interim disclosures need to be included in its future interim financial statements, unless there has been a significant change in the information disclosed in its most recent annual financial statements.

For example, consider a public entity with a calendar year end that files financial statements with the SEC on a quarterly basis and did not adopt ASC 606 and 340-40 early. This public entity should include all of the annual disclosures required by ASC 606 and 340-40 in: (a) the interim financial statements it files with the SEC for its quarters ending March 31, June 30 and September 30, 2018 and (b) the annual financial statements it files with the SEC for its year ending December 31, 2018. Going forward into 2019, the public entity only needs to include the interim disclosures required by ASC 606, 340-40 and 270 in the interim financial statements it files with the SEC, unless there has been a significant change in the information disclosed in its annual financial statements for the year ending December 31, 2018.

### **Level of detail or disaggregation**

In some cases, the level of detail or disaggregation required of an entity in complying with the specific disclosure requirements in ASC 606 and 340-40 will be apparent within a specific disclosure requirement itself. In other cases, the level of detail required is the level of detail needed to achieve the overall disclosure objective of ASC 606. In addition, ASC 606-10-50-2 indicates the following with respect to the level of disaggregation required: “An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.”

### **Periods or period ends to which the specific disclosure requirements apply**

If the disclosure requirement relates to an income statement item (e.g., revenue recognized under ASC 606), the required information should be disclosed for all periods reflecting application of ASC 606 and 340-40 that are included in the income statement. If the disclosure relates to a balance sheet item (e.g., contract assets and liabilities), the required information should be disclosed for each balance sheet presented that reflects the application of ASC 606 and 340-40.

### **Duplicative disclosure requirements**

If the entity discloses information to comply with requirements in other guidance in the ASC and that information also satisfies a disclosure requirement in ASC 606 or ASC 340-40, the entity need not repeat the information in its ASC 606 or 340-40 disclosures.

### **Transition-related disclosure requirements**

The last two sections of this checklist include disclosures an entity must provide upon transition to ASC 606 and 340-40. When initially applying ASC 606 and 340-40, an entity must choose between the full retrospective transition method and the modified retrospective transition method. Each of these transition methods is discussed in detail in Chapter 17 of our revenue recognition guide. The required disclosures are different for each transition method. As such, when using this checklist, an entity should only complete the transition-related disclosure section for the transition method it elected to use in initially applying ASC 606 and 340-40.

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**Disclosure checklist for public entities**

ASC	RSM guide section	Annual disclosure requirements for public entities	Interim?	Yes/ No	Remarks
<b>Certain overall revenue-related amounts</b>					
326-10-65-1(a) 606-10-50-4	15.2.1.1	<p>1. Have the following amounts for the reporting period either been separately presented on the face of the income statement or disclosed in the notes to the financial statements:</p> <p>a. Revenue recognized from the entity's contracts with customers? (Note: This amount should not be included with revenue from other sources.)</p> <p>b. Impairment (or credit) losses on accounts receivable or contract assets related to the entity's contracts with customers that were recognized in accordance with ASC 310, "Receivables" (or ASC 326-20, "Financial Instruments—Credit Losses—Measured at Amortized Cost")? (Note: These amounts should not be included with impairment [or credit] losses on other contracts.)</p>	No		
		<p>When ASC 326-20 becomes effective, additional interim and annual disclosures related to credit losses will be required. The effective dates for ASC 326-20 are as follows:</p> <ul style="list-style-type: none"> <li>• <i>SEC filers.</i> Fiscal years beginning after December 15, 2019, including interim periods within those years (January 1, 2020 for calendar year-end entities)</li> <li>• <i>PBEs other than SEC filers.</i> Fiscal years beginning after December 15, 2020, including interim periods within those years (January 1, 2021 for calendar year-end entities)</li> <li>• <i>All other entities.</i> Fiscal years beginning after December 15, 2021, including interim periods within those years (January 1, 2022 for calendar year-end entities)</li> </ul> <p>Entities are permitted to early adopt ASC 326-20 for fiscal years beginning after December 15, 2018, including interim periods within those years. For additional information about the disclosures required under ASC 326-20, see ASC 326-20-50.</p>			
<b>Disaggregated revenue</b>					
270-10-50-1A(a) 606-10-50-5 606-10-50-7	15.2.2.1	<p>2. Has a quantitative disaggregation of revenue based on how economic factors affect the nature, amount, timing and uncertainty of revenue recognition and cash flows been disclosed?</p>	Yes		

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606-10-55-89 to 55-91 606-10-55-296 to 55-297					
		<p>Examples of the categories by which it may be appropriate for an entity to disaggregate revenue for this disclosure include:</p> <ul style="list-style-type: none"> <li>• The types of goods or services the entity provides</li> <li>• The geographic regions of the entity's operations</li> <li>• The types of customers the entity serves</li> <li>• The types of markets the entity serves</li> <li>• The types of customer contracts into which the entity enters</li> <li>• The duration of the entity's contracts with customers</li> <li>• The timing of when the entity transfers the goods or services to its customers</li> <li>• The sales channels the entity uses</li> </ul> <p>When determining the categories it should use for purposes of disaggregating its revenue in the footnotes to the financial statements, an entity should consider whether, and if so how, it has disaggregated revenue for other purposes (if any). To this end, ASC 606-10-55-90 indicates an entity should consider whether it has disaggregated revenue for any of the following other purposes:</p> <ol style="list-style-type: none"> <li>a. Disclosures presented outside the financial statements (for example, in earnings releases, annual reports, or investor presentations)</li> <li>b. Information regularly reviewed by the chief operating decision maker for evaluating the financial performance of operating segments</li> <li>c. Other information that is similar to the types of information identified in (a) and (b) and that is used by the entity or users of the entity's financial statements to evaluate the entity's financial performance or make resource allocation decisions.</li> </ol> <p>If an entity has disaggregated revenue for any of these purposes, it should consider the categories used and whether they also should be used for purposes of disaggregating revenue in the footnotes to the financial statements.</p> <p>The number of categories by which an entity should disaggregate its revenue depends on the facts and circumstances. As a result, the number of categories used likely will vary by entity, with some entities using more categories than other entities.</p>			

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270-10-50-1A(a) 606-10-50-6	15.2.2.1	3. In the revenue information disclosed for each reportable segment in accordance with ASC 280, "Segment Reporting," has the entity also disclosed information that facilitates users of the financial statements understanding the relationship between that revenue information and the disaggregated revenue information disclosed in accordance with ASC 606?	Yes		
<b>Contract balances</b>					
270-10-50-1A(b) 606-10-50-8(a) 606-10-50-11	15.2.3.1	4. Have the opening and closing balances of accounts receivable, contract assets and contract liabilities been disclosed or separately presented on the face of the balance sheet?	Yes		
270-10-50-1A(c) 606-10-50-8(b) 606-10-50-11	15.2.3.2	5. Has the amount of revenue recognized in the current reporting period that was included in the contract liability balance at the end of the previous reporting period been disclosed?	Yes		
		For example, if an entity had a contract liability balance at the end of the previous reporting period due to it receiving upfront nonrefundable payments for which it had not yet fully performed, it should disclose the amount of that liability that was recognized as revenue in the current reporting period.			
606-10-50-9 606-10-50-11	15.2.3.2	6. Has the following information been disclosed: a. An explanation about the relationship between the timing of the entity's satisfaction of its performance obligations and the timing of when it typically receives payment for providing the underlying goods or services? b. An explanation (which may be qualitative) as to how the contract asset and contract liability balances are affected by the timing factors described in 6(a)?	No		
		For example, when a construction contractor constructs buildings for its customers, it should disclose the timing of transferring control of the buildings to its customers as compared to the timing of when it receives payments from those customers and explain how this timing affects any related contract asset or contract liability balances.			
606-10-50-10	15.2.3.2	7. Has a qualitative and quantitative explanation of what caused significant changes in the contract	No		

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606-10-50-11		assets or contract liabilities during the reporting period been disclosed?			
		<p>ASC 606-10-50-10 lists the following as examples of what could cause a change in a contract asset or liability:</p> <ul style="list-style-type: none"> <li>a. Changes due to business combinations</li> <li>b. Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained), or a contract modification</li> <li>c. Impairment of a contract asset</li> <li>d. A change in the time frame for a right to consideration to become unconditional (that is, for a contract asset to be reclassified to a receivable)</li> <li>e. A change in the time frame for a performance obligation to be satisfied (that is, for the recognition of revenue arising from a contract liability).</li> </ul>			
<b>Performance obligations</b>					
606-10-50-12(a)	15.2.4.1	8. Has a description of when the entity typically satisfies its performance obligations been disclosed?	No		
		For example, an entity may disclose that it typically satisfies performance obligations consisting of products upon delivery of those products because that is when control of the products transfers to the customer.			
606-10-50-12(a)	15.2.4.1	9. If there are performance obligations in bill-and-hold arrangements, has a description of when those performance obligations are satisfied been specifically disclosed?	No		
606-10-50-12(b)	15.2.4.1	<p>10. Has a description of the significant payment terms for contracts with customers been disclosed, including, for example, the following:</p> <ul style="list-style-type: none"> <li>a. When payments are typically due from customers?</li> <li>b. Whether the contracts include significant financing components?</li> <li>c. Whether the contracts include variable consideration, and if so, whether application of the variable consideration constraint results in the amount of variable consideration included in the transaction price being constrained?</li> </ul>	No		

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606-10-50-12(c)	15.2.4.1	11. Has a description of the nature of the promised goods or services in the entity's contracts with its customers been disclosed?	No		
606-10-50-12(c)	15.2.4.1	12. Has a description of the nature of the entity's promised goods or services in any situations in which the entity is acting as an agent (i.e., arranging for another party to transfer promised goods or services to the customer) been specifically disclosed?	No		
606-10-50-12(d)	15.2.4.1	13. Has a description of the obligations in the entity's contracts with its customers related to rights of return or refund or other similar customer rights been disclosed?	No		
		For example, a retailer that provides customers with the right of return should describe the obligation it has to its customers related to that right.			
606-10-50-12(e)	15.2.4.1	14. Have descriptions of the types of warranties and related obligations related to what the entity provides to its customers been disclosed?	No		
460-10-50-4 460-10-50-8	6.5	15. For service-type warranties, has the following information been disclosed: a. The nature of the warranties, including: <ul style="list-style-type: none"> <li>• The warranties' approximate terms?</li> <li>• How the warranties arose?</li> <li>• The events or circumstances under which the entity would have to perform under the warranties?</li> <li>• The current status of the payment/performance risk of the warranties, and if internal groupings are used for this purpose, how those groupings are determined and used for managing risk?</li> </ul> b. The current carrying amount of the liability for the entity's obligations under the warranties (if any)? c. The nature of any recourse provisions that would enable the entity to recover from third parties amounts paid under the warranties? d. If there are assets held either as collateral or by third parties that, upon the occurrence of any triggering event or condition under the warranties, the entity can obtain and liquidate to recover all or a portion of the amounts paid under the warranties, the following: <ul style="list-style-type: none"> <li>• The nature of the assets?</li> <li>• The approximate extent to which the proceeds from liquidation of the assets</li> </ul>	No		

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		<p>would be expected to cover the maximum potential amount of future payments under the warranties (if estimable)?</p> <p>e. The accounting policy and methodology used in determining the liability for the entity's obligations under the warranties?</p> <p>f. A tabular reconciliation of the changes in the liability for the entity's obligations under the warranties for the reporting period, including the following amounts:</p> <ul style="list-style-type: none"> <li>• Beginning balance of the liability?</li> <li>• Aggregate decrease in the liability for payments made (cash or in kind) under the warranties?</li> <li>• Aggregate changes in the liability for accruals related to warranties issued during the reporting period?</li> <li>• Aggregate changes in the liability for accruals related to warranties issued in prior periods (e.g., change in estimate related to pre-existing warranties that remain open)?</li> <li>• Ending balance of the liability?</li> </ul>			
		<p>If the customer has the option to purchase a warranty, the warranty represents a performance obligation and is accounted for separately. If such an option does not exist, the entity must determine whether it is providing: (a) only a warranty that the product complies with agreed-upon specifications (i.e., an assurance-type warranty) or (b) a service (e.g., maintenance) in addition to the assurance-type warranty (i.e., a service-type warranty). If the warranty goes beyond an assurance-type warranty, the entity must determine whether it can reasonably account for the assurance-type warranty separate from the service-type warranty. If the entity can reasonably account for the two warranties separate from each other, the assurance-type warranty is accounted for under ASC 460, and the service-type warranty is accounted for as a performance obligation under ASC 606. If the entity cannot reasonably account for the two warranties separate from each other, both warranties are accounted for together as a single performance obligation under ASC 606.</p> <p>For additional information about how to account for assurance-type and service-type warranties, see Section 6.5 of our revenue recognition guide.</p>			

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270-10-50-1A(d) 606-10-50-11 606-10-50-12A	15.2.4.1	16. Has the amount of revenue recognized in the current reporting period related to performance obligations satisfied (or partially satisfied) in the prior reporting period been disclosed?	Yes		
		For example, an entity should disclose the sales-based royalties it recognized in the current period related to a license of functional IP that was satisfied at a point in time in a prior period.			
<b>Transaction price allocated to remaining performance obligations</b>					
270-10-50-1A(e) 606-10-50-13 to 50-16 606-10-55-298 to 55-307	15.2.5 15.2.5.1	<p>17. Has the following information about an entity's remaining performance obligations at the end of the reporting period been disclosed:</p> <p>a. The total amount of the transaction price allocated to those remaining performance obligations?</p> <p>b. An explanation of when the entity expects to recognize the transaction price allocated to those performance obligations as revenue? (Note: This explanation may be either quantitative [using appropriate time bands for when the allocated transaction price is expected to be recognized as revenue] or qualitative.)</p> <p>The following optional exemptions may be elected related to these disclosures:</p> <p>(1) The disclosures in 17(a) and (b) do not have to be provided if either:</p> <p>(i) The original expected duration of the customer contract to which the remaining performance obligations relate is one year or less.</p> <p>(ii) The consideration is not fixed and the entity qualifies for and is using the practical expedient that allows it to recognize revenue for the amount it has a right to invoice (see ASC 606-10-55-18).</p> <p>(2) Information related to variable consideration does not have to be included in the disclosures in 17(a) and (b) if either:</p> <p>(i) The sales- and (or) usage-based royalty exception (see ASC 606-10-55-65 to 55-65B) applies to the variable consideration.</p> <p>(ii) The variable consideration has been allocated in its entirety to either the wholly unsatisfied performance obligation to which it specifically relates, or the wholly</p>	Yes		

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		<p>unsatisfied distinct good or service in a single performance obligation resulting from the series exception to which it specifically relates (see ASC 606-10-32-39 and 32-40).</p> <p>If one or more of the optional exemptions has been elected, has the following information been disclosed instead of what would otherwise be disclosed under 17(a) and (b):</p> <ul style="list-style-type: none"> <li>c. The optional exemption(s) elected?</li> <li>d. The nature and remaining duration of the remaining performance obligations?</li> <li>e. A description of any variable consideration excluded from the disclosures in 17(a) and (b) as a result of electing one or more of the optional exemptions?</li> <li>f. Any other information necessary to provide users of the financial statements with the information needed to understand the remaining performance obligations excluded from the disclosures in 17(a) and (b) as a result of electing one or more of the optional exemptions?</li> </ul> <p>Note in the Remarks column which (if any) of the optional exemptions were elected. In addition, refer to the practical expedient in 37.</p>			
		<p>Remaining performance obligations are those performance obligations identified in a customer contract that was entered into before the end of the reporting period for which control of some or all of the underlying goods or services has not been transferred to the customer at the end of the reporting period. A remaining performance obligation may be a partially satisfied performance obligation or a completely unsatisfied performance obligation.</p> <p>An example of the disclosure in 17(a) is a construction contractor that discloses the amount of transaction price allocated to the remaining performance obligations it has under its incomplete contracts with customers at the end of the reporting period.</p> <p>An example of the disclosure in 17(b) is a software company that discloses the time bands related to when it expects to recognize the transaction price allocated to the remaining performance obligations it has under its incomplete contracts with customers at the end of the reporting period.</p> <p>To the extent the customer contract includes both fixed and variable consideration (e.g., sales-based royalty with a guaranteed minimum), optional</p>			

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		exemptions (1)(ii) and (2) only apply to the variable consideration (e.g., optional exemptions (1)(ii) and (2) would not apply to the guaranteed minimum sales-based royalty).			
270-10-50-1A(e) 606-10-50-15 to 50-16	15.2.5.1	18. Has an explanation with respect to whether there is any consideration not included in the transaction price (perhaps due to the variable consideration constraint) been disclosed?	Yes		
		Any consideration not included in the transaction price would also not be included in the disclosures in 17.			
<b>Significant judgments about the timing of satisfying performance obligations</b>					
606-10-50-18(a) 606-10-50-21	15.2.6.1	19. For performance obligations satisfied over time, have the specific input or output method(s) used to recognize revenue over time, and how those methods are applied, been disclosed?	No		
606-10-50-18(b) 606-10-50-21(a)	15.2.6.2	20. For performance obligations satisfied over time, has an explanation been disclosed about why the specific input or output method used to recognize revenue over time provides a faithful depiction of how the entity transfers control of goods or services to its customers?	No		
606-10-50-19 606-10-50-21(b)	15.2.6.2	21. For performance obligations satisfied at a point in time, have the significant judgments made in determining when control of the goods or services transfers to customers been disclosed?	No		
<b>Significant judgments about the transaction price and the amounts allocated to performance obligations</b>					
606-10-50-20(a) 606-10-50-21(c)	15.2.7.2	22. Has information about the judgments involved in identifying the methods, inputs and assumptions used to determine the transaction price and measure any obligations related to customer contracts (e.g., returns, refunds), including (but not limited to) the following, been disclosed:  a. If there is variable consideration, an explanation of how the entity estimates the variable consideration (e.g., the most likely amount method or the expected value method)?  b. If there is a significant financing component included in the contracts, an explanation of how the entity reflected that component in the transaction price?  c. If there is noncash consideration included in the contracts, an explanation of how the entity measured that consideration?	No		

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606-10-50-20(b) 606-10-50-21(c)	15.2.7.1	23. Have the judgments involved in identifying the methods, inputs and assumptions used in the application of the variable consideration constraint been disclosed?	No		
606-10-50-20(c) 606-10-50-21(c)	15.2.7.2	24. For customer contracts that include more than one performance obligation, have the judgments involved in identifying the methods, inputs and assumptions used to do the following been disclosed: a. Estimate the standalone selling price of each performance obligation? b. Allocate any discount or variable consideration included in the contract?	No		
606-10-50-20(d) 606-10-50-21(c)	15.2.7.2	25. For rights of return or refund (or similar rights), have the judgments involved in identifying the methods, inputs and assumptions used to estimate the related obligation been disclosed?	No		
<b>Accounting policy elections</b>					
235-10-50-1 to 50-6 606-10-25-18B	6.1.2	26. If the entity has elected the accounting policy under which shipping and handling activities that occur <i>after</i> the customer obtains control of the promised goods are considered fulfillment activities and not promised services that have to be further evaluated under ASC 606, has the following information been disclosed: a. The fact the accounting policy has been elected? b. A description of the accounting policy? c. The method used to apply the accounting policy if such policy materially affects the balance sheet, cash flows or operating results?	No		
235-10-50-1 to 50-6 606-10-32-2A	7.1.1	27. If the entity has elected the accounting policy under which it excludes from the transaction price taxes it collects from its customers that were assessed by a government authority on (or contemporaneous with) the entity's revenue-generating transactions with its customers, has the following information been disclosed: a. The fact the accounting policy has been elected? b. A description of the accounting policy? c. The method used to apply the accounting policy if such policy materially affects the balance sheet, cash flows or operating results?	No		

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<b>Practical expedients</b>					
606-10-50-22 to 50-23	15.2.8.1	28. If the practical expedient that results in not reflecting a significant financing component in the transaction price (see ASC 606-10-32-18) has been elected, has that election been disclosed?	No		
<b>Costs to obtain or fulfill a customer contract</b>					
340-40-50-2(a) 340-40-50-4	15.3.1	29. Have descriptions of the judgments made with respect to determining the amount of the following costs that should be capitalized under ASC 340-40 been disclosed: a. The costs to fulfill a customer contract? b. The incremental costs to obtain a customer contract?	No		
340-40-50-2(b) 340-40-50-4	15.3.1	30. Has a description of the method used in each reporting period to amortize the costs capitalized in accordance with ASC 340-40 been disclosed?	No		
340-40-50-3(a) 340-40-50-4	15.3.1	31. Has the ending balance of costs capitalized in accordance with ASC 340-40 by main category of asset (e.g., incremental costs to obtain a customer contract, setup costs) been disclosed?	No		
340-40-50-3(b) 340-40-50-4	15.3.1	32. Has the amount of amortization recognized in the reporting period for the costs capitalized in accordance with ASC 340-40 been disclosed?	No		
340-40-50-3(b) 340-40-50-4	15.3.1	33. Have any impairment losses recognized in the reporting period related to the costs capitalized in accordance with ASC 340-40 been disclosed?	No		
340-40-50-5 to 50-6 606-10-50-22 to 50-23	15.3.1	34. If an entity elects the practical expedient allowing it to expense the incremental costs to obtain a customer contract if the amortization period for those costs would otherwise be one year or less (see ASC 340-40-25-4), has that election been disclosed?	No		
<b>Transition disclosures when the full retrospective transition method is elected</b>					
250-10-50-1(a) 250-10-50-2 606-10-65-1(e)	17.2.2	35. Has the nature of the change in accounting principle and the fact that the change was prescribed by the FASB been disclosed in the fiscal interim and annual periods in which the entity initially applies ASC 606 and 340-40 (or, if there is not a material effect in the fiscal interim and annual periods of initial application, but it is reasonably certain there will be a material effect in later fiscal interim and annual periods, has that	Yes		

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		information been disclosed in the later fiscal interim and annual periods)?			
250-10-50-1(b) to 50-1(c) 250-10-50-2 606-10-65-1(e)	17.2.2	<p>36. Has the following information been disclosed in the fiscal interim and annual periods in which the entity initially applies ASC 606 and 340-40:</p> <p>a. The fact that the full retrospective transition method was used to apply the change in accounting principle?</p> <p>b. A description of the prior-period information subjected to retrospective adjustment (if any)?</p> <p>c. The effect of the change on the following for the current and prior periods presented (as retrospectively adjusted):</p> <ul style="list-style-type: none"> <li>• Income from continuing operations?</li> <li>• Net income (or a comparable caption or performance indicator)?</li> <li>• Any other affected financial statement line items (except for any other financial statement subtotals and totals)?</li> <li>• Any affected per-share amounts?</li> </ul> <p>(Note: An entity may choose not to disclose the current-period effects of changing to ASC 606 and 340-40. However, the entity must still disclose the prior-period effects of doing so. Providing this choice eliminates the requirement for an entity to determine the amounts that would have been reflected on the income statement if legacy generally accepted accounting principles [GAAP] had been applied in the current period. Note in the Remarks column whether the entity has chosen not to disclose the current period effects of changing to ASC 606 and 340-40.)</p> <p>d. The cumulative effect of the change on retained earnings (or other comparable caption on the balance sheet) as of the beginning of the earliest period presented?</p> <p>e. If any indirect effects of changing to ASC 606 and 340-40 are recognized, both of the following:</p> <ul style="list-style-type: none"> <li>• A description of the indirect effects, including the amounts that have been recognized in the current period, and the related per-share amounts, if applicable?</li> <li>• Unless impracticable, the amount of the total recognized indirect effects of changing to ASC 606 and 340-40, and the related per-share</li> </ul>	Yes		

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		amounts, if applicable, that are attributable to each prior period presented?			
606-10-65-1(f)(3)	17.2.1	37. If the practical expedient in ASC 606-10-65-1(f)(3) has been elected, has the entity <i>not</i> disclosed the information about remaining performance obligations otherwise required to be disclosed by ASC 606-10-50-13 (see the disclosures in 17) for all reporting periods presented before the date of initial application?	Yes		
606-10-65-1(g)	17.2.2	<p>38. One or more of the following practical expedients in ASC 606-10-65-1(f) may be elected by an entity when applying the full retrospective transition method:</p> <ul style="list-style-type: none"> <li>• Contracts that are completed within the same annual reporting period in which they began are not restated.</li> <li>• The final amount of variable consideration for a completed contract is included in the transaction price used to retrospectively apply ASC 606 and 340-40 to prior periods.</li> <li>• The following information is not disclosed about remaining performance obligations for reporting periods presented before the date of initial application: (a) the portion of the transaction price allocated to the remaining performance obligations and (b) when that portion of the transaction price is expected to be recognized as revenue (i.e., when the remaining performance obligation is expected to be satisfied).</li> <li>• For contracts modified before the beginning of the earliest period presented using ASC 606 and 340-40, the entity should apply the guidance in ASC 606 to the contract as modified as of the beginning of that earliest period for purposes of identifying or determining the following at that point in time: (a) the performance obligations and which of them are satisfied or unsatisfied, (b) the transaction price and (c) the amount of the transaction price that should be allocated to each of the satisfied and unsatisfied performance obligations identified.</li> </ul> <p>If one or more of these practical expedients have been elected, has the following information been disclosed:</p> <ol style="list-style-type: none"> <li>a. The practical expedients elected?</li> <li>b. A qualitative assessment of each elected expedient's effect on the entity's transition to</li> </ol>	Yes		

ASC	RSM guide section	Annual disclosure requirements for public entities	Interim?	Yes/ No	Remarks
		ASC 606 and 340-40 (if such assessment is reasonably possible)?			
606-10-65-1(j)	A.6	39. If an entity chooses to use different transition methods for purposes of transitioning to ASC 606 and ASC 610-20, "Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets," has that fact been disclosed?	Yes		
<b>Transition disclosures when the modified retrospective transition method is elected</b>					
606-10-65-1(h)	17.3.2	40. Has whether the entity applied ASC 606 and 340-40 to all customer contracts at the date of initial application or only customer contracts that are not completed at the date of initial application been disclosed?	Yes		
606-10-65-1(i)	17.3.2	41. Has the following information been disclosed in reporting periods that include the date of initial application: <ul style="list-style-type: none"> <li>a. The nature of the change in accounting for revenue and certain related costs and the fact that the change was prescribed by the FASB?</li> <li>b. The effects of applying ASC 606 and 340-40 in the period of adoption, which requires the entity to: (a) determine the amount of revenue and related costs it would have recognized in the period of adoption if it had continued to apply legacy GAAP in that period and (b) disclose the change for each financial statement item affected and explain the reasons for those changes that are significant?</li> </ul>	Yes		
606-10-65-1(g) and 65-1(h)	17.3.2	42. An entity may elect the practical expedient in ASC 606-10-65-1(f)(4) when applying the modified retrospective transition method, which, for contracts modified before the beginning of the earliest period presented using ASC 606 and 340-40, results in the entity applying the guidance in ASC 606 to a contract as modified as of the beginning of that earliest period for purposes of identifying or determining the following at that point in time: (a) the performance obligations and which of them are satisfied or unsatisfied, (b) the transaction price and (c) the amount of the transaction price that should be allocated to each of the satisfied and unsatisfied performance obligations identified. If this practical expedient has been elected, has the following information been disclosed: <ul style="list-style-type: none"> <li>a. That the practical expedient has been elected?</li> </ul>	Yes		

ASC	<u>RSM</u> <u>guide</u> <u>section</u>	Annual disclosure requirements for public entities	Interim?	Yes/ No	Remarks
		b. A qualitative assessment of the elected expedient's effect on the entity's transition to ASC 606 and 340-40 (if such assessment is reasonably possible)?			
606-10-65-1(j)	A.6	43. If an entity chooses to use different transition methods for purposes of transitioning to ASC 606 and ASC 610-20, "Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets," has that fact been disclosed?	Yes		

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