



Revenue for the freight and logistics industry

The new standard's
effective date is
coming.

US GAAP

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Revenue viewed through a new lens

Again and again, we are asked what's changed under the new standard: what do I need to tweak in my existing accounting policies for revenue? It's just not that simple.

The new standard introduces a core principle that requires companies to evaluate their transactions in a new way. It requires more judgment and estimation than today's accounting and provides new guidance to determine the units of account in a customer contract. The transfer of control of the goods or services to the customer drives the amount and pattern of revenue recognition; this is a change from the existing risks and rewards model. As a result, there will be circumstances in which there will be a change in the amount and timing of revenue recognition.

Less has been said about disclosures, but the new standard requires extensive new disclosures.

Read this to understand *some* of the most significant issues for the freight and logistics industry – the issues that you should be considering now.

What's inside

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Timing of revenue



Transportation companies may see a change in the timing of revenue recognition, specifically those that currently recognize revenue when freight is delivered.

Current US GAAP provides an accounting policy election for transportation companies to either record revenue at the point in time when the freight is delivered to its destination, or based on the relative transit time completed as of the period end (i.e. over time).

Under the new standard, transportation companies will no longer have a policy election on when to recognize revenue. Revenue for most transportation services will be recognized over time (i.e. as the freight is being transported) because one of the over-time criteria will be met, specifically, the customer simultaneously receives and consumes the benefits provided

by the entity's performance as the entity performs. The evaluation of this criterion involves a hypothetical assessment of what another entity would need to do if it assumed the remaining performance obligation. In making this assessment, contractual restrictions or practical limitations, which would otherwise prevent the entity from transferring the performance obligation to another entity, are not relevant.

Only if none of the over-time criteria are met, will the transportation company recognize revenue at a point in time (i.e. likely at the time of delivery).

Example

Company M enters into a contract to transport equipment from Los Angeles to New York City.

In assessing whether it can recognize revenue over time, Company M considers what would happen if it delivered the equipment only part of the way (e.g. to Kansas City) and another entity completed the actual delivery in New York City.

In this example, the other entity could transport the equipment the remainder of the way to New York City without taking the goods back to Los Angeles to deliver them to New York City. The criteria to recognize revenue over time is met.

For transportation services satisfied over time, the company applies a single method of measuring progress toward the complete satisfaction of that service. The transportation company should select the measure that most appropriately depicts the transfer of control of the service to the customer.

This might be an output measure (e.g. distance shipped or days traveled) or an input measure (e.g. cost incurred to transport). The transportation company should apply that method consistently to similar performance obligations and in similar circumstances.

Principal vs. agent

Changes to principal vs. agent guidance could lead to changes in a transportation company's accounting for and presentation of revenue.

When using another provider to satisfy some or all of the transportation service, the entity determines who controls the service to evaluate whether it is the principal (gross revenue presentation) or agent (net revenue presentation) of the transaction.

Under the new standard, an entity is a principal if it controls the service before transferring it to the customer. 'Control' is the ability to direct the use of, and obtain substantially all of the remaining benefits from, the services (or prevent others from doing so).

The new standard provides indicators to assist with evaluating whether the entity controls the service and is therefore a principal in the transaction: discretion to establish prices for specified services, inventory risk, and primary responsibility to provide the specified service. However, some of the indicators in current US GAAP for assessing whether a party is a principal or an agent are not included in the new standard – e.g. customer credit risk. Also, the new standard does not identify

any of the indicators as being more important than others, while current US GAAP specifies that the primary obligor and general inventory risk are strong indicators of a principal.

Based on these changes to the principal versus agent guidance, transportation companies will need to reconsider their historical conclusions. This could result in changes to their accounting and presentation upon adoption of the new standard.

Interaction with timing of revenue recognition

When a transportation company is a principal for a shipping performance obligation, including those pertaining to logistics services, it is likely that revenue will be recognized over time as freight is being transferred. In such cases, a transportation company that subcontracts the related shipping service to a third party will need to ensure that it has access to information allowing it to measure progress toward completion of the shipping performance obligation.

Example

Logistic Company A enters into a contract with Customer B to arrange the shipment of Customer B's products from its manufacturing facility to a retail store. The following facts are relevant.

- Logistic Company A and Customer B agree to a pick-up and delivery date and negotiate the price.
- Logistic Company A is responsible for ensuring that the shipment occurs on the agreed upon dates.
- Logistic Company A invoices Customer B for the shipment when the goods have been delivered, and the amount is due in 30 days.

Subsequent to contracting with Customer B, Logistic Company A contracts with a third party carrier to ship the products on the agreed upon dates – i.e. Logistic Company A does not physically ship the products. The payment terms in the contract between Logistic Company A and the third party carrier are aligned with the payment terms in the contract between Logistic Company A and Customer B. Logistic Company A is obliged to pay the third party carrier even if Customer B fails to pay.

For the following reasons includes that it 'controls' the service of shipping products before the service is provided to Customer B.

- Logistic Company A obtains control of the services to ship products from the third party carrier after entering into the contact with Customer B but before the shipment of products are provided to Customer B.
- Logistic Company A's contract with the third party carrier gives it the ability to direct the third party carrier to provide the product shipment.

Example (continued)

In addition, Logistic Company A concludes that the following indicators provide further evidence that it controls the shipment of products before it is provided to Customer B.

- Logistic Company A is primarily responsible for fulfilling the promise to provide the shipment of products. Although it has hired a third party carrier to ship the products, it is Logistic Company A itself that is responsible for fulfillment of the shipment promise in the contract, regardless of whether it performs the shipment itself or engages a third party to ship.
- Logistic Company A has discretion in setting the price with Customer B and in supplier selection for the shipment of products.

Logistic Company A observes that it does not commit itself to obtain the services to ship products from the third party carrier before obtaining the contract with Customer B. Therefore, Logistic Company A has mitigated its inventory risk with respect to the services to ship products. Nonetheless, Logistic Company A concludes that it controls the services to ship products before they are provided to the customer on the basis of the evidence noted above.

Therefore, Logistic Company A concludes that it is a principal in the transaction and recognizes revenue on a gross basis over time.

Accounting for discounts



Most retrospective volume discounts will have similar accounting to today. However, revenue may be deferred for certain discounts on future purchases.

Transportation companies may provide incentives to their customers through volume discounts. These incentives can take different forms. For example, some agreements provide a discount that applies to all purchases made under the agreement – i.e. the discount applies on a retrospective basis once a volume threshold is met. In other cases, the discounted purchase price may only apply to future purchases once a minimum volume threshold has been met. These different ways to structure discounts may result in different accounting under the new standard.

Retrospective discounts

If a discount applies retrospectively to all purchases under the contract once the threshold is achieved, then the discount usually represents variable consideration. In this case, the entity:

- estimates the volumes to be purchased and the resulting discount in determining the transaction price; and
- updates that estimate throughout the term of the contract, recognizing a reduction in revenue based upon the estimated transaction price consistent with the transfer of the underlying services in the contract.

An entity includes variable consideration in the transaction price when it is probable that a significant reversal of cumulative revenue will not occur when the volume uncertainty is resolved (constraint on variable consideration).

Future discounts

A transportation company may grant the customer an option to acquire additional services. That option is a performance obligation under the contract if it provides a material right that the customer would not receive without entering into that contract. Therefore, if a tiered pricing structure provides for discounts on future purchases only after volume thresholds are met, the transportation company evaluates the

arrangement to determine whether the arrangement conveys a material right to the customer.

A material right exists if:

- the discount provides the customer with an option to purchase additional goods or services at a price that does not reflect their stand-alone selling prices; and
- those discounts are only earned as a result of the customer entering into the arrangement.

A material right may not exist if the discounts are provided to customers in the same class regardless of whether they had qualifying prior purchases. To make this evaluation, a transportation company compares the discount offered in the customer contract, including those predicated on volume thresholds, with discounts typically offered to a similar class of customer, independent of discounts offered for a volume threshold being met.

If a material right exists, it is accounted for as a separate performance obligation (i.e. unit of account); this results in revenue being allocated to the option and deferred until the option is exercised or expires. The amount of revenue deferred is based upon the relative stand-alone selling price of the customer's option to acquire additional services. If that price is not directly observable, the transportation company will need to estimate it. This estimate reflects the discount that the customer would obtain when exercising the option, adjusted for:

- any discount that the customer would receive without exercising the option; and
- the likelihood that the option will be exercised.

If a material right does not exist, there is no accounting for the potential future discount before the volume threshold is met, and purchases after the threshold has been met are accounted for at the discounted price.

Example

Transportation Company A enters into a three-year pricing agreement with Customer B to ship Customer B's products at set rates. The agreement states:

- Customer B will request shipments by placing individual purchase orders;
- there is no required minimum shipment volume; and
- once Customer B has exceeded \$1 million of purchase orders, future purchases are to be discounted 5%.

Transportation Company A's best estimate, based on historical experience with Customer B and similarly situated customers, is that Customer B will spend \$2 million (not considering the volume discount) in purchases covered by the pricing agreement over the next three years. Transportation Company A does not provide the discount to customers without them meeting certain volume thresholds.

Customer B's first purchase order under the pricing agreement was for \$100,000, representing a stand-alone contract.

	Stand-alone selling prices	Selling price ratio	Price allocation for first purchase order	Calculation
\$2 million purchase orders	\$2,000,000	97.56%	\$97,560	100,000 x 97.56%
Material right (5% discount)	\$50,000 ¹	2.44%	\$2,440	100,000 x 2.44%
Total	\$2,050,000	100%	\$100,000	

Note:

1. (\$2 million estimated total spend - \$1 million discount threshold) x 5% discount.

Transportation Company A records the following journal entry	Debit	Credit
Cash	\$100,000	
Revenue		\$97,560
Contract liability		\$2,440
<i>To recognize first purchase order and discount performance obligation</i>		

Re-rate adjustments

Some transportation companies may have initial rating/invoice pricing that requires a re-rate adjustment – e.g. due to discrepancies between shipping point and destination product weight or penalties for delayed arrival date. Under the new standard, these re-rate adjustments will often result in

the otherwise fixed transaction price including an element of variability. Variable consideration is included in the transaction price at the entity's best estimate, subject to the constraint on variable consideration.

Costs to obtain a contract

Transportation companies will no longer have the choice to expense commissions as incurred if certain criteria are met.

Under current SEC guidance, a transportation company can elect to capitalize direct and incremental contract acquisition costs (e.g. sales commissions) in certain circumstances, although many transportation companies expense the costs as incurred.

Under the new standard, a transportation company is required to capitalize costs to obtain a contract if those costs are only incurred as a result of obtaining a contract and the company expects to recover them – *unless it elects the practical expedient for costs with amortization periods of one year or less*. The amortization period considers the term of the customer contract to which the cost relates and any anticipated renewals, under the notion that an asset should be amortized over the period it is expected to provide economic benefits.

The requirement to capitalize the costs of obtaining a contract will be a change for transportation companies that currently expense those costs. It may also be complex to apply,

especially for companies with many contracts and a variety of contract terms and commission and incentive structures. Companies must evaluate when to capitalize commissions paid on renewal and the appropriate amortization periods for initial commissions and renewal commissions.

Those transportation companies that:

- are not eligible or do not elect to apply the practical expedient;
- have not previously tracked the costs of acquiring a contract; and
- have expensed them as they were incurred,

may find it difficult to determine which costs to capitalize, both for the transition amounts on adoption (regardless of the transition method used) and in the ongoing application of the new standard.

A few other considerations

Ancillary services and extra charges

Some transportation companies provide ancillary services as part of their transportation service – e.g. loading/unloading, customs clearance, freight insurance or warehousing.

Under the new standard, transportation companies need to determine whether ancillary services are an input to a combined output of the contract or distinct from the transportation service and therefore accounted for as separate performance obligations (i.e. unit of account). If the ancillary services are not distinct or if they are immaterial in the context of the contract, revenue for these items is recognized with the shipment revenue.

Master Service Agreements

Some transportation companies enter into Master Service Agreements (MSAs) with their customers under which the customer is required to place subsequent purchase orders (POs) to obtain the underlying transportation services – e.g. the PO specifies the shipment date, location, goods to be shipped and duration.

Unless the MSA requires minimum purchases or there is a substantive penalty for terminating the MSA, the MSA only establishes the terms under which the orders to purchase services may be placed; it does not create enforceable rights and obligations. In these circumstances, it will normally be the PO that creates enforceable rights and obligations between the transportation company and the customer. Therefore, the PO in combination with the MSA will be evaluated to determine whether the Step 1 criteria are met (see page 11) for a contract to exist.

Partially in scope

Some customer contracts may include components that are in the scope of other standards – e.g. a contract that involves leasing fixed assets to customers in addition to transportation services. In these situations, the new standard requires the entity to look to the other accounting guidance (e.g. leases) on how to separate and/or initially measure those parts of the contract. Otherwise, the entity applies the new standard to separate and/or initially measure the separately identified parts of the contract.

Applicable to all industries

Expanded disclosures

The new standard contains both qualitative and quantitative disclosure requirements for annual and interim periods. The objective of the disclosures is to provide sufficient information to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Specifically, the new standard includes disclosure requirements for:

- disaggregation of revenue;
- contract balances, including changes during the period;
- performance obligations;
- significant judgments; and
- assets recognized to obtain or fulfill a contract, including changes during the period.

An entity should review these new disclosure requirements to evaluate whether data necessary to comply with the disclosure requirements are currently being captured and whether system modifications are needed to accumulate the data.

An entity needs to consider internal controls necessary to ensure the completeness and accuracy of the new disclosures – especially if the required data was not previously collected, or was collected for purposes other than financial reporting.

Also, SEC guidance requires registrants to disclose the potential effects that recently issued accounting standards will have on their financial statements when adopted¹. The SEC expects the level and specificity of these transition disclosures to increase as registrants progress in their implementation plans. The SEC has also stated, when the effect is not known or reasonably estimated, that a registrant should describe its progress in implementing the new standard and the significant implementation matters that it still needs to address.

Effective dates

Type of entity	Annual reporting periods after
Public business entities and not-for-profit entities that are conduit bond obligators	December 15, 2017 including interim reporting periods within that reporting period. Early adoption permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period.
All other US GAAP entities, including SEC registrants that are Emerging Growth Companies	December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early adoption permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period or interim reporting periods within the annual period subsequent to the initial application.

¹ Staff Accounting Bulletin Topic 11.M.

Transition

An entity can elect to adopt the new standard in a variety of ways, including retrospectively with or without optional practical expedients, or from the beginning of the year of initial application with no restatement of comparative periods (cumulative effect method).

Entities that elect the cumulative effect method, are required to disclose the changes between the reported results of the new standard and those that would have been reported under current US GAAP in the period of adoption.

For transition purposes, the new standard introduces a new term – completed contract. A completed contract is a contract for which an entity has recognized all or substantially all of the revenue under current US GAAP as of the date of adoption of the new standard. The concept of a completed contract is used when applying:

- certain practical expedients available during transition under the retrospective method; and
- the cumulative effect method coupled with the election to initially apply the guidance only to those contracts that are not complete.

This will require careful analysis particularly where there is trailing revenue after delivery has occurred (e.g. revenue was not fixed or determinable, collectibility was not reasonably assured, royalty arrangements). In those circumstances, the contract would not be considered complete if substantially all of the revenue had not been recognized before adoption. Applying the standard to these types of contracts at transition may result in revenue being pulled into the opening retained earnings adjustment.

Entities should consider the potential complexities involved with calculating the opening retained earnings adjustment and the recast of comparative periods (if any) when planning their implementation. It may be prudent for entities to perform transition calculations before the adoption date to ensure all potential complexities are identified.

Some basic reminders

Scope

The guidance applies to all contracts with customers unless the customer contract is specifically within the scope of other guidance – e.g. Topic 944 (insurance), Topic 460 (guarantees).

The new standard applies to contracts to deliver goods or services to a customer. A 'customer' is a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

The new standard will be applied to part of a contract when only some elements are in the scope of other guidance.



Step 1: Identify the contract

Contracts can be written, oral or implied by an entity's customary business practices, but must be enforceable by law. This may require legal analysis on a jurisdictional level to determine when a contract exists and the terms of that contract's enforceability.

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and all of the following criteria are met:

- the contract has commercial substance;
- rights to goods or services can be identified;
- payment terms can be identified;
- the consideration the entity expects to be entitled to is probable of collection; and
- the contract is approved and the parties are committed to their obligations.

If the criteria are not met, any consideration received from the customer is generally recognized as a deposit (liability).



Step 2: Identify the performance obligations

Performance obligations do not have to be legally enforceable; they exist if the customer has a reasonable expectation that the good or service will be provided. A promise can be implied by customary business practices, policies or statements.

Performance obligations are the unit of account under the new standard and generally represent the distinct goods or services that are promised to the customer.

Promises to the customer are separated into performance obligations, and are accounted for separately if they are both (1) capable of being distinct and (2) distinct in the context of the contract.

An exception exists if the performance obligations represent a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer over time. A series is accounted for as a single performance obligation.



Step 3: Determine the transaction price

Estimating variable consideration will represent a significant departure from current accounting for many entities.

When determining the transaction price, an entity uses the legally enforceable contract term. It does not take into consideration the possibility of a contract being cancelled, renewed or modified.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties – e.g. some sales taxes.

This consideration can include fixed and variable amounts, and is determined at inception of the contract and updated each reporting period for any changes in circumstances.

The transaction price determination also considers:

- **Variable consideration**, which is estimated at contract inception and is updated at each reporting date for any changes in circumstances. The amount of estimated variable consideration included in the transaction price is constrained to the amount for which it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is resolved.
- **Noncash consideration** received from a customer is measured at fair value at contract inception.
- **Consideration payable to a customer** represents a reduction of the transaction price unless it is a payment for distinct goods or services it receives from the customer.
- **Significant financing components** may exist in a contract when payment is received significantly before or after the transfer of goods or services. This could result in an adjustment to the transaction price to impute interest income/expense.



Step 4: Allocate the transaction price

A contractually stated price or list price is not presumed to be the stand-alone selling price of that good or service.

The transaction price is allocated at contract inception to each performance obligation to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

An entity generally allocates the transaction price to each performance obligation in proportion to its stand-alone selling price. However, when specified criteria are met, a discount or variable consideration is allocated to one or more, but not all, performance obligations.

The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer. Observable stand-alone prices are used when they are available. If not available, an entity is required to estimate the price using other techniques – even if the entity never sells the performance obligation separately.



Step 5: Recognize revenue

An entity must first determine whether a performance obligation meets the criteria to recognize revenue over time.

If none of the over-time criteria are met, revenue for the performance obligation is recognized at the point in time that the customer obtains control of the goods or services.

Control is the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods or services – or prevent others from doing so.

An entity recognizes revenue when it satisfies its obligation by transferring control of the good or service to the customer.

A performance obligation is satisfied **over time** if one of the following criteria are met:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

If control transfers **over time**, an entity selects a method to measure progress that is consistent with the objective of depicting its performance.

If control transfers at a **point in time**, the following are some indicators that an entity considers to determine when control has passed. The customer has:

- a present obligation to pay;
- physical possession;
- legal title;
- risks and rewards or ownership; and
- accepted the asset.

Customer options

Customer options may be accounted for as performance obligations, resulting in more revenue deferral than under current GAAP.

Revenue is allocated to a customer option to acquire additional goods or services, and is deferred until (1) those future goods or services are transferred or (2) the option expires when it represents a material right. A material right exists if the customer is only able to obtain the option by entering into the sale agreement and the option provides the customer with the ability to obtain the additional goods or services at a price below stand-alone selling prices.

Warranties

Warranties do not have to be separately priced to be accounted for as performance obligations.

Assurance-type warranties will generally continue to be accounted for under existing guidance – i.e. Topic 450 (contingencies). However, a warranty is accounted for as a performance obligation if it includes a service beyond assuring that the good complies with agreed-upon specifications. This could require some warranties to be separated between a service element (deferral of revenue which is then recognized as the services are provided) and an assurance element (cost accrual at the time the good is transferred).

Principal vs. agent

The new standard changes the guidance used to evaluate whether an entity is a principal or an agent.

Credit risk is no longer an indicator that an entity is a principal.

An entity identifies each specified good or service to be transferred to the customer, and determines whether it is acting as a principal or agent for each one. In a contract to transfer multiple goods or services, an entity may be a principal for some goods and services and an agent for others.

An entity is a principal if it controls the specified good or service that is promised to the customer before it is transferred to the customer.

Indicators that an entity has obtained control of a good or service before it is transferred to the customer are having primary responsibility to provide specified goods or services, assuming inventory risk, and having discretion to establish prices for the specified goods or services.

Contract modifications

A general accounting framework replaces specific contract modification guidance for long-term construction- and production-type contracts. However, outside of these arrangements, an entity will find more guidance in the new standard than under current GAAP.

The new standard requires an entity to account for modifications either on a cumulative catch-up basis (when the additional goods or services are not distinct) or a prospective basis (when the additional goods or services are distinct).

If any additional distinct goods or services are not priced at their stand-alone selling prices, the remaining transaction price is required to be reallocated to all unsatisfied performance obligations, including those from the original contract.

Contract costs

More costs are expected to be capitalized under the new standard.

An entity cannot elect to expense or capitalize. Capitalization is required when the criteria are met.

The new standard provides guidance on the following costs related to a contracts with a customer that are in the scope of the new standard:

- incremental costs to obtain a contract; and
- costs incurred in fulfilling a contract that are not in the scope of other guidance.

Incremental costs to obtain a contract with a customer (e.g. sales commissions) are required to be capitalized if an entity expects to recover those costs – unless the amortization period, which may include anticipated contracts or renewals, is less than 12 months.

Fulfillment costs that are not in the scope of other guidance – e.g. inventory, intangibles, or property, plant, and equipment – are capitalized if the fulfillment costs:

- relate directly to an existing contract or specific anticipated contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future; and
- are expected to be recovered.

An entity amortizes the assets recognized for the costs to obtain and fulfill a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates.

The impact on your organization

Implementation of the new standard is not just an accounting exercise.

New revenue recognition standard and corresponding accounting changes

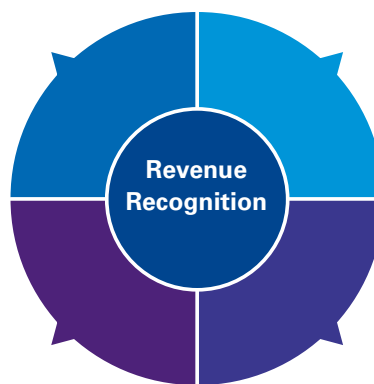
- Impact of new revenue recognition standard and mapping to new accounting requirements
- New accounting policies – historical results and transition
- Reporting differences and disclosures
- Tax reporting/planning

Revenue recognition automation and ERP upgrades

- Automation and customization of ERP environment
- Impact on ERP systems
- General ledger, sub-ledgers and reporting packages
- Peripheral revenue systems and interfaces

Financial and operational process changes

- Revenue process allocation and management
- Budget and management reporting
- Communication with financial markets
- Covenant compliance
- Opportunity to rethink business practices
- Coordination with other strategic initiatives



Governance and change

- Governance organization and changes
- Impact on internal resources
- Project management
- Training (accounting, sales, etc.)
- Revenue change management team
- Multi-national locations

As noted in the chart, the new standard could have far-reaching effects. The standard may not only change the amount and timing of revenue, but potentially requires changes in the core systems and processes used to account for revenue and certain costs. Entities may need to design and implement new internal controls or modify existing controls to address risk points resulting from new processes, judgments, estimates

and disclosures. The implementation of the new standard will involve a diverse group of parties (e.g. Tax, IT, Legal, Financial Planning, Investor Relations, etc.) and entities should have a governance structure in place to identify and manage the required change. For more information about implementation challenges and considerations, see chapter 14 of KPMG's [Revenue: Issues In-Depth](#).

Keeping you informed

KPMG's Financial Reporting Network (FRN) provides a single source for the latest, executive-level financial reporting information, as well as news and activity from standard setters and industry sources – all organized by topic. It has been designed to help executives and accounting professionals stay in front of critical issues in today's evolving financial reporting

environment. We not only keep a close watch on the latest financial reporting developments, we report on them and interpret what they might mean for you.

You can find the following and other insightful publications, webcasts, and in-person executive education on FRN.



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Revenue: Issues In-Depth	Provides you with an in-depth analysis of the new standard, including our additional insights and extensive examples. Additionally, chapter 14 provides implementation considerations. Our Issues In-Depth is supplemented by Defining Issues as new developments occur.
Revenue: Illustrative disclosures	We show how one fictitious company has navigated the complexities of the revenue disclosure requirements.
Revenue: Transition options	This publication will assist you in identifying the optimal transition method.

Contacts

KPMG is able to assist transportation companies as they navigate the adoption of the new standard.

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