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Project	**Revenue recognition**
Topic	**Sweep issue – Revenue disclosures in interim reporting periods**

Objective

1. This paper seeks the boards' views on whether an entity should apply the proposed revenue disclosure requirements to interim financial statements or only to annual financial statements. The interaction between the revenue disclosure proposals and interim reporting is an issue that was identified in drafting the forthcoming exposure draft on revenue from contracts with customers.

2. The staff has not identified any other issues from the comments received that need to be raised with the boards in a public meeting prior to seeking approval from the boards to publish the revised exposure draft.

Summary of staff recommendations

3. The staff recommends that:

   (a) The boards amend Topic 270 on interim reporting and IAS 34 *Interim Financial Reporting* to specify that an entity that prepares interim financial statements should disclose in its interim financial statements the information that would be required by paragraphs 114, 117, 119, 122, 123 and 128 of the draft revised exposure draft. Accordingly, an entity would be required to disclose the following information (if material) in its interim financial statements:

(i) a disaggregation of revenue;

(ii) a tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period;

(iii) a maturity analysis of remaining performance obligations;

(iv) information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period; and

(v) a tabular reconciliation of the movements of the assets recognized from the costs to obtain or fulfill a contract with a customer.

(b) The boards clarify in the basis for conclusions on the revised exposure draft that an entity would apply the disclosure principle in Topic 270 or IAS 34 to determine if any of the other disclosures proposed in the revised exposure draft should be included in the entity's interim financial statements.

(c) The FASB not amend Topic 270 to specify interim disclosures on revenue or contracts with customers for nonpublic entities.

Structure of this paper

4. The paper is structured as follows:

(a) Overview of existing interim financial reporting requirements (paragraphs 6-9)

(b) Applying interim disclosure principles to the proposed disclosures for contracts with customers (paragraphs 10-12)

(c) Possible approaches for addressing the interim disclosure of contracts with customers (paragraphs 13-17)

(d) Requiring specific interim disclosures for contracts with customers (paragraphs 18-27)

(e) Nonpublic entity considerations (FASB only) (paragraphs 28-29).

5. Appendix A of this paper lists the disclosure proposals in the draft revised exposure draft.

Overview of existing interim financial reporting requirements

6. In the USA and Canada, the capital market regulations require public companies to prepare interim financial statements on a quarterly basis. Many other jurisdictions require public companies to prepare interim financial statements in accordance with applicable IFRSs on a half-yearly basis. An entity may choose to prepare a complete set of financial statements for the interim reporting period, in which case those financial statements would have to comply with all the requirements in US GAAP or IFRSs including the requirements on interim financial reporting. More typically, an entity will prepare a condensed set of financial statements with selected disclosure as its interim financial statements. The form and content of those interim financial statements is prescribed by Topic 270 on interim reporting and SEC Regulation S-X, Rule 10-01 *Interim Financial Statements*[1] (for entities applying US GAAP) and by IAS 34 *Interim Financial Reporting* (for entities applying IFRSs).

7. Topic 270 and IAS 34 indicate that the objective of interim financial statements is to provide users of financial statements with timely and reliable information on an entity's financial position and performance. Furthermore, the intention is for interim financial statements to provide an update on the latest complete set of annual financial statements by reporting on changes to an entity's financial

[1] Regulation S-X Rule 10-01 is included in the *FASB Accounting Standards Codification* as section 270-10-S99.

position and performance that arise from new activities, events, and circumstances. Interim financial statements need not duplicate information previously reported because the reader of interim financial statements is presumed to have access to the entity's most recent set of annual financial statements.

8. Consistent with the objective for interim financial statements, Topic 270 and IAS 34 require an entity to disclose information relating to 'significant changes' or to 'events or transactions that are significant to understanding changes in an entity's financial position and performance'. That requirement acts as a general principle for interim disclosure.

9. In addition, Topic 270 and IAS 34 specify a minimum list of disclosures for interim financial statements. For the disclosure of revenue, those standards specifically require the following information to be disclosed:

Standard	**Minimum revenue disclosures for interim financial statements**
Topic 270	• sales or gross revenue • seasonal revenue • revenues from external customers and intersegment revenues for each reportable operating segment
IAS 34	• revenues from external customers and intersegment revenues for each segment (That disclosure is required only if IFRS 8 *Operating Segments* requires the entity to disclose segment information in its annual financial statements and that revenue information is provided to the chief operating decision maker.)

Applying interim disclosure principles to proposed disclosures for contracts with customers

10. The 2010 exposure draft *Revenue from Contracts with Customers* did not specifically address whether the proposed disclosures apply to interim financial statements. Instead, an entity would apply Topic 270 or IAS 34 to determine the disclosures about revenue and contracts with customers that the entity should include in its interim financial statements.

11. Generally speaking, the staff thinks that an entity that prepares interim financial statements consistently with the principles outlined in paragraph 8 above may be required to disclose information that is similar to (in terms of the breadth of content and level of detail) the information that the revised revenue exposure draft would require to be disclosed in annual financial statements. That conclusion is based on the following factors:

    (a) Revenue is significant in amount—The amount of revenue recognized by an entity in an interim reporting period typically would be expected to be significant in amount, and therefore would have a significant influence on an assessment of the entity's financial performance for that reporting period.

    (b) Revenue changes from period to period—Because revenue is a flow that is recognized when (or as) an entity transfers goods or services to the customer, the revenue that is recognized in one reporting period (interim or annual) is different from the revenue recognized in another reporting period. Furthermore, even when the amount of revenue recognized in each period appears fairly constant, the source and composition of revenue could change from period to period (eg revenue recognized from new or existing contracts, the transfer of goods or services, or current period performance or prior period performance whereby the revenue was previously constrained). Hence, disclosing information about the change in revenue recognized each reporting period appears to be consistent with the objective of preparing interim financial statements.

    (c) Explaining the nature of the change would be best communicated by an entity disclosing information in the interim financial statements on the same basis as for the annual financial statements. Using the same basis for disclosing information in interim and annual financial statements is consistent with:

(i) the requirement in IAS 34 that 'Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report' (see paragraph 15 of IAS 34); and

(ii) the principle in SEC Regulation S-X Rule 10-01 that 'interim financial information shall include disclosure… sufficient so as to make the interim information presented not misleading'.

12. However, the staff acknowledges that others may interpret the interim disclosure principles in those standards more narrowly than the previous paragraph suggests.

Possible approaches for addressing the interim disclosure of contracts with customers

13. There are two possible approaches for addressing the disclosure of information about an entity's revenue and contracts with customers in interim financial statements.

14. Approach A would emphasize the interim disclosure principle in Topic 270 and IAS 34 and require an entity to judge whether its revenue and contracts with customers have changed significantly during the interim reporting period. That approach was implicit in the proposals in the 2010 exposure draft and it is consistent with the approach adopted for interim disclosure in many other standards, especially in IFRSs whereby the requirements of IAS 34 are rarely updated when an IFRS is issued. If the boards decide to adopt this approach, the staff recommends that the basis for conclusions that accompanies the revised exposure draft should explain the boards' view on the application of the interim disclosure principle in Topic 270 and IAS 34 to revenue and contracts with customers.

15. Approach B would amend Topic 270 and IAS 34 to specify the disclosures about revenue and contracts with customers that an entity should provide in interim

financial statements as well as annual financial statements. The amendment to Topic 270 and IAS 34 could be achieved by cross referencing the disclosure requirements in the revenue standard that an entity should apply in preparing its interim financial statements. Possible reasons for specifying the application of those disclosures to interim financial statements include:

(a) Entities would have clear instruction on the interim disclosures that are required—Some commentators may suggest that, if the boards expect that an entity should provide many (or all) of the proposed disclosures about revenue and contracts with customers in its interim financial statements, the boards should state that fact and specifically identify the disclosures that the entity should provide (subject to materiality considerations) rather than relying on entities to apply the interim disclosure principle appropriately and consistently.

(b) Revenue information is equally relevant to interim and annual financial statements—Because revenue information is so crucial to users in assessing an entity's performance and prospects, the types of revenue information disclosed in annual financial statements is likely to be equally relevant to users of interim financial statements. For instance, anecdotal evidence suggests that quarterly reporting in the US capital markets is as important to users as annual reporting, especially in relation to information about an entity's revenues. Accordingly, if Topic 270 and IAS 34 specifically require an entity to provide many (or all) of the proposed revenue disclosures in interim financial statements, users would have added assurance that the information disclosed in interim financial statements is complete, consistent and comparable to the information disclosed in annual financial statements.

16. In summary, the first issue for the boards to consider is whether the interim disclosure principle in Topic 270 and IAS 34 sufficiently addresses *when* an entity should update its disclosures about revenue and contracts with customers in its interim financial statements and *what* types of updated information the

entity should disclose. The staff notes that the IASB recently considered those questions in the context of finalizing IFRS 13 *Fair Value Measurement*. The IASB decided that entities should be required to provide in their interim financial statements disclosures relating to the fair value measurement of financial instruments for the following reasons:

> The IASB decided to include in IAS 34 an explicit requirement to provide updated disclosures because it concluded that the benefit of having incremental disclosures for financial instruments outweighed the associated costs given the increased interest in those instruments during the global financial crisis that started in 2007. (paragraph BC224)

17. Similarly, the FASB decided in the context of finalizing SFAS 157 *Fair Value Measurements* to require fair value measurement disclosures for interim financial statements. The basis for conclusions on SFAS 157 stated:

> In the Exposure Draft, the Board decided that the disclosures required by this Statement should be made in all interim periods. Some respondents emphasized that those disclosures in all interim periods would not be cost beneficial. The Board acknowledged those concerns. However, the Board affirmed its conclusion in the Exposure Draft that fair value disclosures in interim periods would provide timely information to users about fair value measurements and factors affecting those measurements during the year. Moreover, increased information about fair value on an ongoing basis would enhance users' understanding of fair value and the use of fair value in financial reporting. Because of respondents' concerns, the Board decided to limit the disclosures that are required in interim periods to quantitative disclosures. … This Statement amends APB Opinion No. 28, *Interim Financial Reporting*, to require those disclosures in all interim periods. Qualitative disclosures, for example, narrative disclosure about the valuation techniques used to measure fair value, are required only in annual periods. (paragraph C105)

Requiring specific interim disclosures for contracts with customers

18. If the boards decide to specify the disclosures about revenue and contracts with customers that an entity should provide in interim financial statements (ie to adopt Approach B), the second issue for the boards to consider is whether all or only some of the disclosures proposed in the revised revenue exposure draft should be required for interim financial statements.

19. The disclosures proposed in the revised revenue exposure draft are included in Appendix A of this paper. This paper considers separately those disclosures that would provide information that changes from period to period (typically, these would be quantitative disclosures) and other disclosures that would provide information that remains relatively constant (typically, these would be qualitative disclosures).

Disclosure of information that changes from period to period

20. The disclosures that would provide information that changes from period to period are as follows:

    (a) a disaggregation of revenue (paragraph 114);

    (b) a tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period (paragraph 117);

    (c) a maturity analysis of remaining performance obligations (paragraph 119);

    (d) information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period (paragraphs 122 and 123); and

    (e) a tabular reconciliation of the movements of the assets recognized from the costs to obtain or fulfill a contract with a customer (paragraph 128).

21. The staff considers that those disclosures would provide information that is as relevant for interim financial statements as for annual financial statements. That is because users are interested in understanding:

    (a) the type and sources of revenue that has been recognized during the period—hence, information on the disaggregation of revenue would be relevant;

(b) the nature and extent of changes an entity's revenue and contracts with customers—hence, information on the disaggregation of revenue and a reconciliation of changes in contract balances would be relevant; and

(c) the consequences of new events and changes in circumstances—hence, a maturity analysis of an entity's remaining performance obligations, information on the recognition of an onerous loss, and reconciliations of changes in contract balances, contract costs and existing onerous liabilities would be relevant.

22. Those benefits to users would come at a cost to the entities that prepare interim financial statements. Furthermore, many respondents to the 2010 exposure draft expressed concern about the volume of disclosure proposed and the costs that would be incurred to comply with all of those disclosure requirements in annual financial statements. Those concerns would be amplified if an entity is required to also provide those disclosures in interim periods, particularly because the timeframes for filing interim financial statements are usually shorter than the timeframes for filing annual financial statements.

23. In developing the revised exposure draft, the boards concluded that the proposed disclosures could be justified on cost-benefit grounds. Although that conclusion related to disclosure in annual financial statements, the staff thinks that the same conclusion would be reached if those disclosures are required for interim financial statements. That is because the incremental benefits to users of having that information in interim financial statements should be broadly proportionate to the incremental costs of preparing those disclosures for interim financial statements.

24. In addition, the draft basis for conclusions on the revised exposure draft explains the boards' view that the proposed disclosure requirements should not be viewed as a minimum checklist of disclosures that an entity will be required to provide. The boards clarified that, consistent with existing guidance in US GAAP and IFRSs on materiality, an entity would not need to disclose information that is

immaterial. The staff considers that those same conclusions apply to the interim disclosure requirements, noting that Topic 270 and IAS 34 indicate that materiality for interim financial statements is assessed in relation to interim period financial data. Furthermore, consistent with the boards' conclusions on the disclosure in annual financial statements, an entity is not required to duplicate disclosures that are required by other standards. For instance, Topic 270 and IAS 34 already require an entity to disclose segment revenues. Consequently, an entity would only be required to provide additional information if they would not disaggregate revenue on the same basis as in their segment disclosures.

Disclosure of information that typically remains unchanged

25. The remaining disclosures proposed in the revised exposure draft contain information that typically would remain unchanged from period to period. Those disclosures are:

(a) information about performance obligations, including a description of when the entity typically satisfies its performance obligations, the significant payment terms and the nature of the goods or services that the entity has promised to transfer (paragraph 118);

(b) an explanation of judgments used to determine the timing of the satisfaction of performance obligations, including the methods used to recognize revenue (paragraph 125);

(c) an explanation of judgments used to determine the transaction price and the amounts allocated to performance obligations, including information about the methods, inputs and assumptions used to determine the transaction price, to estimate the standalone selling prices of promised goods or services and to measure the amount of a liability recognized for onerous performance obligations (paragraph 127); and

(d) a description of the method an entity uses to determining the amortization of the assets recognized from the costs to obtain or fulfill a contract with a customer (paragraph 129).

26. The disclosure of those types of information is intended to help the user to understand the nature of an entity's contracts (and performance obligations within those contracts) and the significant judgments that the entity makes in recognizing revenue in accordance with the revenue exposure draft. The staff expects that the nature of an entity's contracts with customers and the types of judgments it makes in applying the revenue exposure draft to those contracts will remain fairly constant from reporting period to reporting period. Consequently, consistent with the objective of updating the most recent annual financial statements and avoiding the duplication of information, the staff thinks that an entity should not be required to include the abovementioned disclosures in their interim financial statements.

27. However, there may be circumstances where there is a significant change in that information. In those circumstances—which may be rare—the staff thinks that the entity should apply the interim disclosure principles in Topic 270 and IAS 34, which would require the entity to disclose information about those changes.

Staff recommendation and question for the boards

Question 1:

The staff recommends that the boards:

(a) amend Topic 270 and IAS 34 to specify that an entity that prepares interim financial statements should disclose in its interim financial statements the information that would be required by paragraphs 114, 117, 119, 122, 123 and 128 of the draft revised exposure draft. Accordingly, an entity would be required to disclose the following information (if material) in its interim financial statements:

(i) a disaggregation of revenue;

(ii) a tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period;

(iii) a maturity analysis of remaining performance obligations;

(iv) information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period; and

(v) a tabular reconciliation of the movements of the assets recognized from the costs to obtain or fulfill a contract with a customer.

(b) clarify in the basis for conclusions on the revised exposure draft that an entity would apply the disclosure principle in Topic 270 or IAS 34 to determine if any of the other disclosures proposed in the revised exposure draft should be included in the entity's interim financial statements.

Do the boards agree?

Nonpublic entity considerations (FASB only)

28. The disclosure of revenue information in interim financial statements has limited relevance to nonpublic entities because:

(a) typically nonpublic entities do not prepare interim financial statements;

(b) many users of nonpublic entity financial statements already receive supplemental revenue information on a monthly or quarterly basis based on their individual needs. Furthermore, because many of those users have direct access to management, they often are able to request additional information from management; and

(c) the FASB is proposing that nonpublic entities should be required to disclose only some general qualitative information about revenue and its contracts with customers (which would be qualitative information that may remain fairly constant) and some limited disaggregation of that revenue.

29. The combination of those factors suggests that users of the financial statements of nonpublic entities would be unlikely to lose useful information about revenue and contracts with customers if the FASB decided not to specify any specific interim disclosures for nonpublic entities. Accordingly, the staff thinks that a nonpublic entity that prepares interim financial statements should apply the interim disclosure principle in Topic 270 to determine the revenue disclosures (if any) that the entity should include in its interim financial statements.

Staff recommendation and question for the FASB

Question 2 (FASB only)
The staff recommends that the FASB not amend Topic 270 to specify interim disclosures on revenue or contracts with customers for nonpublic entities. Does the FASB agree?

Appendix A—Revised exposure draft proposals on disclosure

A1. The disclosure proposals in the draft revised exposure draft on revenue from contracts with customers are as follows:

Disclosure

109. The objective of the proposed disclosure requirements is 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 achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:

- **(a) Its contracts with customers (paragraphs 113–123)**
- **(b) The significant judgments, and changes in judgments, made in applying the proposed guidance to those contracts (paragraphs 124–127)**
- **(c) Any assets recognized from the costs to obtain or fulfill a contract with a customer in accordance with paragraphs 91 and 94 (paragraphs 128 and 129).**

110. An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. 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.

111. Amounts disclosed are for each period for which a statement of comprehensive income is presented and as of each period for which a statement of financial position is presented, as applicable, unless otherwise stated.

112. An entity need not disclose information in accordance with this proposed guidance if it has provided the information in accordance with another standard.

Contracts with customers

113. An entity shall disclose information about its contracts with customers, including all of the following:

- (a) A disaggregation of revenue for the period (paragraphs 114–116)
- (b) A reconciliation from the opening to the closing aggregate balance of contract assets and contract liabilities (paragraph 117)
- (c) Information about the entity's performance obligations (paragraphs 118–121), including additional information about any onerous performance obligations (paragraphs 122 and 123).

Disaggregation of revenue

114. An entity shall disaggregate revenue from contracts with customers (excluding amounts presented for customers' credit risk) into the primary categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. To meet the disclosure objective in paragraph 109, an entity may need to use more than one type of category to disaggregate revenue.

115. Examples of categories that might be appropriate include, but are not limited to, the following:

- (a) Type of good or service (for example, major product lines)
- (b) Geography (for example, country or region)
- (c) Market or type of customer (for example, government and nongovernment customers)
- (d) Type of contract (for example, fixed-price and time-and-materials contracts)
- (e) Contract duration (for example, short-term and long-term contracts)

(f) Timing of transfer of goods or services (for example, revenue from goods or service transferred to customers at a point in time and revenue from goods or services transferred over time)

(g) Sales channels (for example, goods sold directly to consumers and goods sold through intermediaries).

116. [FASB Only: A nonpublic entity need not apply the proposals in paragraphs 114 and 115. Rather, a nonpublic entity shall disclose qualitative information about how economic factors (such as type of customer, geographical location of customers, and type of contract) affect the nature, amount, timing, and uncertainty of revenue and cash flows. A nonpublic entity shall disaggregate revenue in accordance with the timing of transfer of goods or services (for example, revenue from goods or service transferred to customers at a point in time and revenue from goods or services transferred over time).]

Reconciliation of contract balances (see paragraph IG75)

117. An entity shall disclose in tabular format a reconciliation from the opening to the closing aggregate balance of contract assets and contract liabilities for the current reporting period. The reconciliation shall disclose each of the following, if applicable:

(a) The amount(s) recognized in the statement of comprehensive income arising from either of the following:

(i) Revenue from performance obligations satisfied during the reporting period

(ii) Revenue from allocating changes in the transaction price to performance obligations satisfied in previous reporting periods.

(b) Cash received

(c) Amounts transferred to receivables

(d) Noncash consideration received

(e) Effects of business combinations

(f) Any additional line items that may be needed to understand the change in the contract assets and contract liabilities.

Performance obligations

118. An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following:

(a) When the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered, or upon completion of service)

(b) The significant payment terms (for example, when payment typically is due, whether the consideration amount is variable and, whether the contract has a significant financing component)

(c) The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (that is, if the entity is acting as an agent)

(d) Obligations for returns, refunds, and other similar obligations

(e) Types of warranties and related obligations.

119. For contracts with an original expected duration of more than one year, an entity shall disclose the following information as of the end of the current reporting period:

(a) The amount of the transaction price allocated to remaining performance obligations

(b) An explanation of when the entity expects to recognize that amount as revenue.

120. An entity may disclose the information in paragraph 119 either on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations or by using qualitative information.

121. As a practical expedient, an entity need not disclose the information in paragraph 119 for a performance obligation if the entity recognizes revenue as the entity has a right to invoice the customer in accordance with paragraph 42.

Onerous performance obligations

122. An entity shall disclose the amount of a liability recognized for onerous performance obligations along with a description of all of the following:

   (a) The nature and amount of the remaining performance obligation(s) in the contract that are onerous for which the liability has been recognized.

   (b) Why those performance obligations are onerous.

   (c) When the entity expects to satisfy those performance obligations.

123. An entity shall disclose in tabular format a reconciliation from the opening to the closing balance of the liability recognized for onerous performance obligations. The reconciliation shall include the amounts attributable to each of the following, if applicable:

   (a) Increases in the liability from performance obligations that became onerous during the period

   (b) Reductions of the liability from performance obligations satisfied during the period

   (c) Changes in the measurement of the liability that occurred during the reporting period

   (d) Any additional line items that may be needed to understand the change in the liability recognized.

Significant judgments in the application of the proposed guidance

124. An entity shall disclose the judgments, and changes in judgments, made in applying this proposed guidance that significantly affect the determination of the amount and timing of revenue from contracts with customers. At a minimum, an entity shall explain the judgments, and changes in judgments, used in determining both of the following:

   (a) The timing of satisfaction of performance obligations (paragraphs 125 and 126)

   (b) The transaction price and the amounts allocated to performance obligations (paragraph 127).

Determining the timing of satisfaction of performance obligations

125. For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:

   (a) The methods used to recognize revenue (for example, a description of the output method or input method)

   (b) An explanation of why such methods are a faithful depiction of the transfer of goods or services.

126. For performance obligations satisfied at a point in time, an entity shall disclose the significant judgments in evaluating when the customer obtains control of promised goods or services.

Determining the transaction price and the amounts allocated to performance obligations

127. An entity shall disclose information about the methods, inputs, and assumptions used to:

   (a) Determine the transaction price.

   (b) Estimate standalone selling prices of promised goods or services.

   (c) Measure obligations for returns, refunds, and other similar obligations.

   (d) Measure the amount of a liability recognized for onerous performance obligations.

Assets recognized from the costs to obtain or fulfill a contract with a customer

128. An entity shall disclose a reconciliation of the opening and the closing balance of assets recognized from the costs incurred to obtain or fulfill a contract with a customer (in accordance with paragraphs

91 and 94), by main category of asset (for example, costs to obtain contracts with customers, precontract costs, and setup costs). The reconciliation shall include amounts related to each of the following, if applicable:

(a) Additions

(b) Amortization

(c) Impairment losses

(d) [IASB only] reversals of impairment losses

(e) Any additional line items that may be needed to understand the change in the reporting period.

129. An entity shall describe the method it uses to determine the amortization for each reporting period.

[FASB Only: Nonpublic entity disclosure]

130. A nonpublic entity may elect not to provide any of the following disclosures:

(a) A reconciliation of contract balances (paragraph 117)

(b) The amount of the transaction price allocated to remaining performance obligations and an explanation of when the entity expects to recognize that amount as revenue (paragraph 119)

(c) A reconciliation of liability balances recognized from onerous performance obligations (paragraph 123)

(d) A reconciliation of asset balances recognized from the costs to obtain or fulfill a contract with a customer (paragraph 128)

(e) An explanation of the judgments, and changes in judgments, used in determining the timing of satisfaction of performance obligations (paragraphs 125 and 126) and in determining the transaction price and allocating it to performance obligations (paragraph 127).