

Learning Objectives

- Recognize the basic principles of accounting for broadcasters, cable television, films, and music.
- Recognize different film costs, including participation costs, exploitation costs, and manufacturing costs, and their accounting.
- Identify the revenue model requirements (e.g. identification of the contract, licenses of intellectual property) that replace the legacy industry-specific revenue guidance.
- Identify the key lease accounting requirements that create significant changes for the M&E companies.

Part I: Industry-Specific Guidance

I. Accounting for Broadcasters

- A. General Rules
- B. Program License Agreements
- C. Network Affiliation Agreements
- D. Presentation and Disclosures

II. Accounting for Cable Television

- A. General Rules
- B. Establishment of the Prematurity Period
- C. Costs Incurred During the Prematurity Period

III. Accounting for Films

- A. General Rules
- B. Film Costs
- C. Participation Costs
- D. Impairment
- E. Film Properties
- F. Presentation and Disclosures

IV. Entertainment - Music

- A. General Rules
- B. Artists Compensation Cost
- C. Record Master Costs

Part II: Revenue Standard

I. The Revenue Recognition Model

- Step 1. Identify the Contract with a Customer
- Step 2. Identify the Performance Obligations in the Contract
- Step 3. Determine the Transaction Price
- Step 4. Allocate the Transaction Price to the Performance Obligations
- Step 5. Recognize Revenue When (or as) the Entity Satisfies a Performance Obligation

II. Licenses of Intellectual Property

- A. The Nature of the Entity's Promise
- B. Contractual Restrictions
- C. Other Considerations

Part III: Lease Accounting

- A. General Rules
- B. The Core Principles