

Contract Based Revenue Recognition As per ASC 606 & Audit Readiness Support

ABOUT THE CLIENT

- The client is a California based PropTech company, with wholly owned subsidiaries in Canada and Australia.
- It is a pioneer in property operations software, delivering real-time, centralized maintenance workflows across portfolios.

BUSINESS NEED

- Validate the revenue and deferred revenue recognized as per ASC 606 for multiple non-standard and complex customer contracts.
- Comprehensive review of its books of accounts across the parent entity and international subsidiaries to support audit readiness.

BUSINESS REQUIREMENT

- 1 A detailed and accurate review of revenue and deferred revenue recognition practices to ensure compliance with ASC 606 and alignment with the prescribed five-step revenue recognition model.
- 2 Assess revenue recognition under each contract, identify potential gaps or compliance risks in financial reporting, and recommend appropriate revenue recognition treatment.
- 3 To improve the accuracy and audit readiness of revenue reporting.
- 4 To review and validate the books of accounts for the parent company and global subsidiaries.
- 5 To prepare standalone and consolidated financial statements compliant with applicable GAAP/non-GAAP and country-specific tax regulations.



OUR SOLUTION

- **Understanding Revenue Streams and Customer Contracts:** Analyzed revenue arrangements and documented key contractual terms to accurately identify performance obligations in accordance with ASC 606.
- **Execution and Documentation:** Applied the ASC 606 five-step model to each customer contract and/ or contract line item(s).
- **Deliverables & Outputs:** Developed customer-level revenue and deferred revenue calculation workbooks and prepared a technical accounting memo documenting ASC 606 conclusions.
- **Reviewed and validated** the books of accounts for the parent company and its subsidiaries in Australia and Canada across three financial years to support audit readiness.
- **Prepared standalone and consolidated financial statements** in compliance with applicable GAAP/non-GAAP standards and country-specific tax regulations.

BUSINESS IMPACT & DELIVERED

- Streamlined revenue recognition processes, reducing manual interventions and accelerating month-end reporting.
- Enabled consistent revenue treatment and scalable revenue frameworks.
- Standardized contract interpretation by identifying gaps and contract interpretation issues.
- Enhanced audit readiness and financial transparency across multiple jurisdictions.
- Improved regulatory compliance and reduced reporting risk.

ABOUT US

Valueonshore Advisors is a global accounting and advisory firm with 350+ professionals, delivering customized Accounting & Advisory solutions to clients across growth stages

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