Date: [Insert Date]

To: Audit Committee and Management
[Company Name]
[Company Address]

Subject: Audit Completion and Summary of ASC 606 Policy Adjustments

Dear [Name of Recipient],

We have completed our audit of the financial statements of [Company Name] for the fiscal year ended [Year-End Date]. Our audit was conducted in accordance with generally accepted auditing standards.

The primary focus of this year's audit involved the review of the company's transition and ongoing compliance with **ASC 606: Revenue from Contracts with Customers**. Based on our procedures, we have identified and implemented the following policy adjustments to align with the five-step revenue recognition model:

- **Identification of Performance Obligations:** Adjustments were made to better distinguish between distinct goods or services and integrated bundles.
- **Transaction Price Allocation:** We have updated the methodology for allocating the transaction price based on standalone selling prices (SSP).
- **Variable Consideration:** Policies were adjusted to include constraints on variable consideration to ensure revenue is only recognized when a significant reversal is unlikely.
- **Contract Costs:** Adjustments were made to the capitalization and amortization periods for incremental costs of obtaining a contract.

We found that management's revised accounting policies are now appropriately aligned with the ASC 606 framework. These adjustments have been reflected in the audited financial statements and accompanying disclosures.

We would like to express our appreciation for the cooperation provided by your team during this audit process. Please contact us if you have any questions regarding these adjustments.

Sincerely,

[Your Name/Firm Name]
[Title]
[Contact Information]