[Company Letterhead]

[Date]

[Recipient Name]
[Title]
[Organization Name]
[Address]

Subject: Compliance Assessment of Revenue Recognition Disclosures (ASC 606)

Dear [Recipient Name],

We have completed our assessment of the revenue recognition disclosures for [Company Name] for the reporting period ending [Date], specifically regarding compliance with FASB Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*.

Scope of Assessment
The assessment focused on the five-step model for revenue recognition and the qualitative and quantitative disclosure requirements, including:

- Disaggregation of revenue into categories that depict the nature, amount, and timing of revenue.
- Contract balances, including accounts receivable, contract assets, and contract liabilities.
- Performance obligations, including types of goods/services, significant payment terms, and warranties.
- Significant judgments used in determining the transaction price and allocating it to performance obligations.
- Costs to obtain or fulfill a contract with customers.

Assessment Results
Based on our review, it is our opinion that the disclosures presented in the [Annual/Quarterly] Report [are / are not] in material compliance with the requirements set forth by ASC 606. Our findings indicate that the financial statements provide a sufficient level of detail to enable users to understand the nature and uncertainty of revenue and cash flows arising from contracts with customers.

Observation and Recommendations
[Insert specific observations regarding internal controls or disclosure enhancements here, or state "No material deficiencies were noted during this assessment period."]

Conclusion
We confirm that [Company Name] has established adequate processes to capture and report the information required by ASC 606. We recommend continued monitoring of [Specific Area] to ensure ongoing compliance as contract structures evolve.

Sincerely,

[Signature]
[Name of Assessor/Internal Auditor]
[Title]