

May 29, 2015

Financial Accounting Standards Board  
Technical Director, File Reference No 2015-240  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

Via e-mail to: Director@fasb.org

**RE: EXPOSURE DRAFT ISSUED APRIL 29, 2015 - PROPOSED ACCOUNTING STATEMENTS  
UPDATE – REVENUE FROM CONTRACTS WITH CUSTOMERS (TOPIC 606) – DEFERRAL OF  
THE EFFECTIVE DATE**

Ladies and Gentlemen:

The Accounting Principles and Auditing Procedures Committee (“Committee”) is the senior technical committee of the Massachusetts Society of Certified Public Accountants. The Committee consists of members who are affiliated with public accounting firms of various sizes as well as members in both industry and academia. The majority of the members of the Committee primarily serve small and medium sized clients. The Committee has reviewed and discussed the above-mentioned Exposure Draft. The views expressed in this comment letter are solely those of the Committee and do not reflect the views of the organizations with which the Committee members are affiliated.

First the Committee thanks the FASB for the opportunity to comment on this Exposure Draft.

The Committee has reviewed the Exposure Draft as detailed above. The Committee is overall supportive of the work of the FASB.

#### **Question 1**

**Should the effective date of the guidance in Update 2014-09 be deferred for one year for public business entities, certain not-for-profit entities, and certain employee benefit plans? Please explain why.**

The Committee is full agreement that the effective date of the guidance should be deferred for 1 year.

The Committee has heard from representatives of public entity accountants that the public companies need additional time in order to get in place accounting systems that will capture the

proper accounting information that will allow those entities to conform to public entity reporting requirements as various governmental agency.

The Committee further agrees with the Board's "Basis for Conclusion" as set forth in the Exposure Draft under paragraphs BC6 thru BC14.

### Question 2

**Should the effective date of the guidance in Update 2014-09 be deferred for one additional year for all other entities? Please explain why.**

The Committee again fully agrees with this deferral.

The Committee members mainly service small and medium sized entities. As part of the learning about and understanding new standards many practitioners look toward how the major accounting firms and public entities have handled these new standard updates. The major accounting firms and public entities have greater resources to understand and interpret the new standard updates than the nonpublic entities and their accountants.

It is most informative and helpful to the Committee members that a year delay for any new standard update be put in the place for nonpublic entities in order for the nonpublic entities to observe and learn from the public entity reporting how to interpret and apply any new standard update properly

### Question 3

**In addition to providing a one-year deferral of the effective date of the guidance in Update 2014-09, should the Board also provide an optional two-year deferral for all entities that apply that guidance retrospectively to each reporting period presented? Please explain why.**

The Committee is divided on this question although there seems to more weighted to the negative side than the positive.

On the negative side, some members of the Committee are concerned that this additional optional 2 year deferral will result in additional complexity and result in non-comparable financial reporting for the period of the additional deferral period.

On the positive side, some members however believe the additional optional deferral will foster greater use of a preferred transition method.

#### Question 4

**Should earlier application of the guidance in Update 2014-09 be permitted as of the effective date originally included in Update 2014-09? Please explain why.**

The Committee believe if certain entities have taken the proper steps and are capable of implementing the standard update by the original effective date that they be allowed to early apply the standard update.

Early adoption would also allow new entities at the time of the original effective date the opportunity to adopt the standards update at the time they start their business and not have to adopt existing standards and then convert to the new standard update.

The Committee further sees a positive to allowing early application in that mainly public entities would be the first to apply the standards update and this would give the practitioners of small and medium sized entities greater time to study and understand how these public entities are applying the standard update.

Thank you for allowing us the opportunity to comment on this exposure draft.

Very truly yours.



Philip B. Pacino, CPA, Chairman  
Accounting Principles and  
Auditing Procedures Committee  
Massachusetts Society of Certified Public Accountants