

From: [Larry Sitz](#)
To: [Director - FASB](#)
Subject: Comment Letter - File Reference No. 1820-100
Date: Monday, October 18, 2010 6:48:11 PM
Attachments: [larry@emerick.com.vcf](#)

Technical Director
File Reference No. 1820-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Comments on the FASB and IASB Exposure Draft on Revenue Recognition from Contracts

Dear Sir or Madam:

As a construction company owner and president, we at Emerick Construction are interested in the Boards project on revenue recognition. We are especially interested in the application of this procedural change to construction contracts.

We offer comment as this change will negatively affect our business. We chose to add our voice to others in our industry who are expressing their opposition to these changes.

We stand in agreement with the CICPAC's letter to you of October 18, 2010. In particular we agree that we do not currently possess the accounting staff or the software to manage this process. If and when these revisions are instituted we will then need to expend additional accounting monies. Like the rest of the economy the construction industry is on hard times; however the construction economy is suffering far worse than our United States economy. This would not be a good time to introduce additional economic hardship to the construction industry.

Recognizing that I am not a professionally trained accountant; in general the FASB accounting procedures have seemed logical, until now. I do not understand the logic that a single project construction contract is likely to be considered an independent and discrete set of performance obligations. Since neither the contract nor the purchasing client has any consideration for these performance obligation elements, it would seem that these elements are likely to be arbitrary at best and haphazard at worst. In the context of the construction industry it seems that not much good will come from the performance obligation approach.

So we ask that most if not all construction contracts be considered a single performance obligation. We also ask that any implementation be delayed until the construction industry is back on more solid financial feet.

Know that we appreciate any consideration given; and that we wish you the kindest regards.

Sincerely,

Larry Sitz

President

Emerick Construction Company

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