October 21, 2010

Technical Director, File Ref. 1820-100
Financial Accounting Standards Board
Norwalk, CT

RE: Comments on Exposure Draft on Revenue from Contracts with Customers

Dear Sir or Madam:

Our firm's five offices serve many construction companies across Northwest Florida and South Alabama. Most of these construction companies are closely-held entities whose primary objective in financial reporting is to satisfy bonding and banking requirements. The significant majority of these clients do not have the in-house accounting resources to effectively comply with many of the standards which have been issued by FASB in the past several years.

The proposed standard will also create a hardship on all of these companies. We believe SOP 81-1 provides adequate guidance to insure consistency across the realm of financial reporting for contractors. The internal accounting systems of these companies are all designed to produce data to allow for compliance with SOP 81-1. From discussions with many of the owners of these companies, they do not believe the benefits of a complete re-write of revenue recognition rules will outweigh the costs incurred in maintaining books and records on an additional basis of accounting.

We believe the proposed standard will result in inconsistency in financial reporting among contractors. The audit process will also become much more complicated and costly. If the proposed standard is passed, we will strongly recommend that our clients consider using an OCBOA for contracts and continue to report under methods consistent with SOP 81-1.
Therefore, we encourage the Board to consider exempting private companies from the requirements of the proposed exposure draft.

Sincerely,

Jack A. Rowell, CPA, CCIFP
Audit Partner