October 18, 2010

Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. 1820-100

RE: Comments on the FASB and IASB's Exposure Draft on Revenue Recognition from Contracts with Customers

Gentlemen:

Colorado Structures, Inc. is a privately-owned commercial general contractor with revenues in excess of $50 million. The company has been in business since 1978 and has construction contracts in the Western U.S. The company reports revenue per guidance of SOP 81-1.

Based on information provided to me by the CFMA, the new standard will more than likely require our company to keep two sets of books—one for management and their bonding company and one for GAAP. The audited GAAP financials will be of little use to privately held companies. The complexity and the expense of the audit will put an increased financial burden on construction companies that as a whole have a very small gross profit margin. An audited GAAP financial statement under the new revenue rules would probably end up in a drawer, never to be looked at by anyone.

Project owners, project managers, management and sureties view construction contracts as a single transaction with performance measured by progress towards completion. Construction industry professionals understand the application of SOP 81-1. Construction contracts are unique and complex. Adding more complexity to accounting processes does not seem warranted for our industry.

Colorado Structures was recently awarded a 17 building multi-family HUD-assisted project. HUD has project reporting requirements of their own which would necessitate a 3rd set of books to meet their requirements in addition to management and sureties and GAAP. I foresee project managers having difficulty understanding the proposed recognition model adding to the administrative burden of the company's accounting staff.

I appreciate the opportunity to comment on the proposed standard.

Sincerely,

Constance Lievrouw, CPA, CCIFP
Chief Financial Officer