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Susan M. Cosper  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
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director@fasb.org

Re: File Reference Number 2011-230

Ms. Cosper:

Thank you very much for the opportunity to comment on Revenue Recognition: Revenue from Contracts with Customers Exposure Draft Revision of Exposure Draft (File Reference Number 2011-230).

We are a local public firm with private clients generally ranging from $1,000,000 to $250,000,000 in annual revenue. A large portion of our clients are in the construction industry and manufacturing business with virtually all revenues subject to the percent completion method under current guidance. My remaining concern regarding this revised proposed guidance is the costs of implementation and maintenance.

I do not believe it is cost effective to small to medium sized entities to implement and maintain this guidance, and I do not believe less sophisticated very small private entities are capable of maintaining records necessary to recognize revenue and properly prepare footnotes in this manner due to economic and staffing limitations. I believe that under the current guidance my clients would either

(1) deem all of their contracts to be a single performance obligation which is effectively the competed contract methodology which is in violation of the matching principle, or

(2) continue using percentage completion method for all contracts no matter when control was transferred.

Both scenarios would lead to an increase in audit fees for my clients as we would have to assess the materiality of the misstatement.

However, I do believe the continuous control methodologies listed in paragraph 35-36 are not cost prohibitive to my clients. In response to the Exposure Draft’s Question 1, the guidance on continuous control has been greatly improved since the original draft. However, I still believe the continuous control guidance should be extended to:

1) Allow the use of continuous control for contracts that do not have control passing until the end of the contract (in effect completed contract), in order to uphold the matching principal, and

2) Allow the option to use continuous control guidance for non-public entities for all contracts.

In addition, non-public entities should have the option to be able to grandfather contracts under old guidance until "completed". The practical expedients listed in paragraph 133 are not sufficient concessions to assist non-public entities implementing this guidance retrospectively. Further the users of non-public entity financial statements will have great concerns regarding the restatement of prior...
periods to reflect the period specific effects of the new standards (FASB ASC 250-10-45-5 c.), particular since the changes will be revenues.

Thank you again for the opportunity to comment.

Sincerely,

Danielle Supkis Cheek
Director