

August 5, 2011

Board of Trustees
Financial Accounting Foundation
401 Merritt 7, P.O. Box 5116
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presidentsdesk@f-a-f.org

Dear Financial Accounting Foundation:

Below is my personal view on this issue and not necessarily the position of my firm, Mayer Hoffman McCann PC. For background purposes, I have performed attest, tax and consulting services for private companies for over 30 years, the vast majority of which are in the construction industry, in a small (8 person firm) medium (60 person firm) and now a Top 10 firm.

I would have supported strong consideration for an alternative board for private companies in the past because FASB did not listen to the concerns enough in issuing FIN 46, FIN 48 and Fair Value Accounting. However, my impression is that the process FASB uses to develop accounting standards has significantly changed in the last few years. As a result, I believe we need to give FASB another chance at setting accounting standards for private companies.

FASB Board members and staff (Kenny Bement on Revenue Recognition and Patricia Donoghue on Leases, in particular) have reached out to several construction organizations in which I am involved for input on exposure drafts impacting our industry. FASB has listened to our concerns with exposure drafts, especially from point of view as private companies, because 99.9% of all construction companies in the United States are nonpublic companies. We have put them in contact with sureties, reinsurers, banks and owners of small, medium and large nonpublic construction companies and they have listened to the unique issues of each one.

I also want to acknowledge the positive outreach by FASB to users, issuers and auditors of private company financial statements to develop a framework for generating useful and practical standards to meet their unique needs while understanding the limited accounting capabilities of smaller private companies. I see that FASB has now scheduled meetings to receive additional input on several existing standards to determine if those standards should now be reconsidered from a private company standpoint.

Unfortunately, I don't believe many CPA's have had the interaction that I have had with FASB in the last few years. As a result, they do not see the positive changes that have been made by FASB to understand and serve the needs of private companies. I believe that FASB should be given a second chance to promulgate GAAP for all companies in the United States.

However, if FASB ever revert to their old days of generating accounting standards without considering the unique needs of private companies, then I will be one of the first to call for a separate Board to interpret FASB standards and modify them for the needs of private companies!

Have a great day!

A handwritten signature in black ink that reads "David N. Allison". The signature is written in a cursive style with a large, prominent initial "D".

David Allison, CPA, CCIFP
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