

CONSTRUCTION
INDUSTRY

CASE STUDY:

Construction Expertise is More than the WIP

ABOUT THE CLIENT

A national construction company providing general contracting and design-build services, primarily operating in the water and wastewater, higher education, municipal, and sports & entertainment segments.

THE CHALLENGE

The company faced challenges and complexities from both general accounting and tax perspectives, on some unique construction industry items. Challenges included accounting for significant joint ventures, adoption and implementation of *Accounting Standards Codification 606, Revenue from Contracts with Customers* ("ASC 606"), and implementation of the most appropriate and beneficial tax methodologies available to construction contractors.

THE GOAL

The company chose Marcum to assist with these challenges, among others, because of our expertise in the construction industry and our history in dealing with such challenges for other Marcum clients.

- ▶ Joint Ventures - Marcum was charged with assisting in the proper accounting for these entities and the contracts performed, as well as with advising the company on best practices for establishing future joint ventures.
- ▶ ASC 606 - Marcum was charged with providing industry and accounting insight for implementing the standard and revenue recognition going forward.
- ▶ Tax Methodologies - Marcum was charged with assisting the Company in strategically selecting the most appropriate and beneficial tax strategy for the company, among the several different methodologies available to construction contractors..

THE PROCESS

Marcum assembled a team of tax and assurance experts from our national Construction Services Group to work with the company's leadership on these challenges. The principal team included Marcum's national leader of construction taxation and compliance, an assurance partner, a tax director, and an assurance manager supported by other experts from the group. The Marcum team worked alongside the company's president, executive vice president, vice president of finance, and corporate controller to devise practical solutions for these complex accounting and tax challenges.

THE SOLUTION

The company acknowledged that Marcum's expertise in the construction industry and the Firm's resources and specialized assurance and tax experts delivered significant improvements in its accounting and tax practices. Marcum was able to assist the company in navigating multiple complex issues, some of which are unique to the construction industry and others that are universal to nearly all businesses.

