



# FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

Since 1937

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2021-2022  
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Re: Project No. 32-1, *Accounting Changes and Error Corrections*

Dear Mr. Skelton:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Governmental Accounting Standards Board's (GASB) Invitation to Comment on the Proposed Statement of the GASB for Project No. 32-1, *Accounting Changes and Error Corrections*. These comments were prepared based on a review by the FGFOA members, its Technical Resources Committee, and the Board of Directors.

### **Changes in Reporting Entity**

Paragraph 9(b) indicates that a change in major fund presentation is to be treated as a change to or within the financial reporting entity. Paragraph B12 recognizes that the changes in major vs. nonmajor fund classification normally represents a change in circumstance rather than a change in policy, but goes on to indicate that it should be reported as a change in reporting entity. We disagree that a change in circumstance should be classified as an accounting change or error correction.

Changes in major fund classification are commonplace and can occur for a variety of reasons. For example, a capital projects fund could become a major fund for one or a few years based upon the occurrence of one large capital project. As another example, special revenue funds can often become major funds due to one-time influxes of new grant funds (e.g., CARES Act or other federal disaster relief grants). We believe requiring note disclosures for such common changes in circumstance would “clutter up” the notes and the costs of repetitively disclosing all changes in major funds on an ongoing annual basis would exceed the benefits. Instead, a brief statement would suffice, identifying the major fund criteria codified in GASB 2200.159, and stating that a fund's status could change from one year to the next based upon application of the formula.

We would like to thank the GASB for its efforts in preparing the Exposure Draft and for the opportunity to respond. Please feel free to contact me at (561) 355-4277 or [SRChessman@mypalmbeachclerk.com](mailto:SRChessman@mypalmbeachclerk.com) regarding the comments above.

Sincerely,

Shannon R. Chessman, CPA, CGFO  
President, FGFOA