August 30, 2021

Alan Skelton CPA  
Director of Research and Technical Activities, Project No. 32-1  
Governmental Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Skelton:

We appreciate the opportunity to respond to the Governmental Accounting Standards Board’s exposure draft (ED) titled *Accounting Changes and Error Corrections*. Overall, we appreciate the additional guidance this proposal will provide preparers and auditors on this topic. We offer the following comments on the ED.

**Paragraph 9b, Changes to or within the Financial Reporting Entity.**
We do not consider a change in the fund presentation of a major fund to a nonmajor fund, or vice versa, as rising to a level of essentiality such that it should be subject to the disclosure provisions of paragraphs 24 or 25. The typical circumstance that would drive such a change would be an increase or decrease in activity. The nature of why the fund existed in the first place typically has not changed. The elevation of a nonmajor to a major fund fulfills the primary purpose of directing attention to the activity due to reporting the fund as a major fund. To label this circumstance as an accounting change would provide little value to a user.

**Paragraph 36, Required Supplementary Information and Supplementary Information.**
We are not convinced that the benefits of restating required supplementary information (RSI) or supplementary information (SI) for accounting changes is worth the benefit. Rather, a note to the RSI or SI should indicate that the schedule does not reflect the effects of accounting changes.

Sincerely,

Doug Ringler  
Auditor General

cc:  C. Murray, CPA, CGFM, CIA

Via e-mail to director@gasb.org