2025-2026 AFR Summary of Changes

Posted 09/15/2026

The information provided below lists the most relevant AFR changes for the 2025-2026 report and should be referenced when preparing to close your books to ensure the financial data required on the AFR is available and properly coded. It is recommended that LEAs check this summary for updates.

Additional AFR information is available on the AFR section of PDE's website, including User Manuals, Reporting Clarifications, Valid Revenue and Expenditure Codes, Data Upload File Specifications and Templates.

❖ **Revenue Reporting**:

- School Districts and Charter Schools: Revenue code 7505 has been removed from the AFR. Please continue to use revenue codes 7531, 7532, and/or 7533 to report Ready to Learn Block Grant Foundation funding.
- In accordance with GASB Statement # 103, special and extraordinary item revenue codes 9920 and 9930 have been replaced on the AFR with new revenue code 9940 (Unusual or Infrequent Items – Inflows).

❖ **Expenditure Reporting:**

- In accordance with GASB 103, special and extraordinary item expenditure codes 5520 and 5530 have been replaced on the AFR with new expenditure code 5540 (Unusual or Infrequent Items – Outflows).

❖ **Financial Statements:**

- NAG fund balance must equal REG fund balance. The validations for this discrepancy can no longer be justified. Data corrections must be made so that the fund balances match on both financial statements prior to AFR submission.
- Separate sections are now listed within the REP data entry screen to distinguish operating vs. nonoperating revenues and expenses, including a new section for Noncapital Subsidies in accordance with GASB 103.
    - LEAs must report fund transfers as well as noncapital subsidy revenues 6830, 6920, 7000, and 8000 within the Noncapital Subsidies section of the REP.
    - Account codes 0073, 0074, 0075, and 0076 have also been added to the REP to report any 6830, 6920, 7000, and/or 8000 revenues that are considered capital in nature and must be reported under Other Nonoperating Revenues rather than Noncapital Subsidies.

❖ **Special Schedules:**

- The Healthcare Benefits Schedule (HCBS) has been removed from the AFR. School districts, charter schools, and CTCs are no longer required to complete this schedule.

❖ **Miscellaneous Guidance**:

- As in the prior year, school districts, charter schools, CTCs, and SPJs must report governmental expenditure details at the school building level. The same 4-digit school building numbers listed on the AFR ESSA schedule are listed within the new *School Number* dropdown on the expenditures screen and must be selected first in order to enter expenditure data. Expenditure data is expected to be reported for every instructional building. Certain costs that cannot be associated with a particular school building are permitted to be reported as LEAW (LEA-wide).
- Please review the Valid Revenue and Expenditure Code files posted to the PDE website which list all the account code combinations available for importing governmental fund revenue and expenditure data into the AFR. These files have been updated for the 2025-26 fiscal year reporting.
- Please ensure that any documents to be uploaded to CFRS such as the ACS, Audit Cert, or Indirect Cost documents do not contain any password protection. This will prevent CFRS from producing any group reports.