

FY2025-26
Pennsylvania Local Educational Agencies (LEAs)
Annual Financial Report (AFR)

Accounting Guidance and Clarification
Implementation of GASB Statement No. 103 – Financial Reporting Model Improvements

Purpose of This Guidance

This guidance summarizes the changes that Local Educational Agencies (LEAs) will see in the Chart of Accounts (COA) and Annual Financial Report (AFR) Financial Statements as a result of the implementation of GASB Statement No. 103 (GASB 103).

Effective Date

GASB 103 is effective for fiscal years beginning after June 15, 2025, and for all reporting periods thereafter.

High-Level Overview of the Change

GASB 103 eliminates the financial reporting categories of “Extraordinary Items” and “Special Items”. Transactions that meet the applicable criteria are now reported as “Unusual or Infrequent Items” on the AFR.

Impact on the Pennsylvania Chart of Accounts

The COA has been updated as of 12/18/2025 to reflect GASB 103 updates:

- All extraordinary and special item account codes have been deleted from the COA.
 - 5530 - Extraordinary Items – Losses
 - 5520 - Special Items - Losses
 - 9920 - Special Items - Gains
 - 9930 - Extraordinary Items - Gains
- Two new account codes have been added:
 - 9940 - Unusual or Infrequent Items – Inflows
 - 5540 - Unusual or Infrequent Items – Outflows

LEAs should ensure these updated codes are used upon implementation.

Impact on AFR Financial Statements

GASB 103 affects the presentation of certain items in the AFR Financial Statements, including:

- Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (REG) – Dropdown selections and exported report outputs will be updated to reflect GASB 103 by using Unusual or Infrequent Items in place of Special and Extraordinary Items.
- Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (REP) – Dropdown options and corresponding report outputs will be updated in alignment with the GASB 103 presentation changes shown in the Illustration below.
 - In addition to previous Accounting Guidance: Several subsidy-related revenue codes have been **relocated** from the *Other Nonoperating Revenue (Expense)* section to the *Noncapital Subsidy* section of the REP (e.g., 6830 - Federal Revenue from Intermediary Sources, 6920 Contributions and Donations from Private Sources, 7000 Revenue from State Sources, and 8000 Revenue from Federal Sources. Similar revenue codes have been created and are available for entry in the Other Nonoperating Revenue (Expense) section for capital subsidies for capital assets. These changes are reflected in the updated illustration below. Final presentation is subject to auditor judgment and may vary based on the reporting entity.
- Statement of Cash Flows – Proprietary Funds (CFP) – Dropdown selections and exported report outputs will be revised to use Unusual or Infrequent Items in accordance with GASB 103; these updates affect presentation only and do not change underlying cash activity.

Impact on Special Schedules

- Juveniles Incarcerated Schedule – Dropdown selections and exported report outputs will be updated to align with GASB 103 by using Unusual or Infrequent Items in place of Extraordinary or Special Items.
- Indirect Cost Schedule – Dropdown selections and exported report outputs will be updated to reflect Unusual or Infrequent Items in accordance with GASB 103; the indirect cost calculation methodology will remain unchanged.

Additional Information

This guidance addresses only the Pennsylvania AFR, Chart of Accounts, and related reporting changes resulting from GASB Statement No. 103. It is not intended to provide comprehensive accounting guidance for all aspects of GASB Statement No. 103.

PA Office of the Budget
Office of Comptroller Operations
Central Agencies & School Finance Unit

Questions regarding AFR reporting may be directed to the School Finance Unit at RA-SchlFin@pa.gov

Illustration

PRE-GASB 103

POST-GASB 103

Amounts Expressed in Whole Dollars

Amounts Expressed in Whole Dollars

		Food Service (51)
Operating Revenues		
6600	Food Service Revenue	0
0071	Charges for Services	0
0072	Other Operating Revenue	0
Total Operating Revenues		0
Operating Expenses		
100	Personnel Services - Salaries	0
200	Personnel Services - Employee Benefits	0
300	Purchased Professional and Technical Services	0
400	Purchased Property Services	0
500	Other Purchased Services	0
600	Supplies	0
740	Depreciation	0
770	Amortization Expense	0
810	Dues and Fees	0
880	Refunds of Prior Years' Receipts	0
890	Miscellaneous Expenditures	0
Total Operating Expenses		0
Operating Income (Loss)		0
Non Operating Revenues (Expenses)		
6500	Earnings on Investments	0
6830	Federal Revenue from Intermediary Sources	0
6920	Contributions and Donations from Private Sources	0
6930	Gains or Losses on Sale of Fixed Assets	0
6991	Refunds of a Prior Year Expenditure	0
7000	Revenue from State Sources	0
8000	Revenue from Federal Sources	0
9990	Insurance Recoveries	0
820	Claims and Judgments Against the LEA	0
830	Interest	0
TOTAL Non Operating Revenues (Expenses)		0
Income (Loss) Before Contributions And Transfers		0
Contributions, Transfers, and Special and Extraordinary Items		
5200	Interfund Transfers - Out	0
5300	Transfers Out to Component Units/Primary Governments	0
5520	Special Items - Losses	0
5530	Extraordinary Items - Losses	0
9300	Interfund Transfers - IN	0
9500	Capital Contributions	0
9700	Transfers IN From Component Units/Primary Governments	0
9920	Special Items - Gains	0
9930	Extraordinary Items - Gains	0
Change In Net Position		0
0002	Net Position - Beginning of Fiscal Year	0
0003	Accounting Changes / Residual Equity Transfers	0
Net Position - End Of Year		0
Operating Revenues		
6600	Food Service Revenue	0
0071	Charges for Services	0
0072	Other Operating Revenue	0
Total Operating Revenues		0
Operating Expenses		
100	Personnel Services - Salaries	0
200	Personnel Services - Employee Benefits	0
300	Purchased Professional and Technical Services	0
400	Purchased Property Services	0
500	Other Purchased Services	0
600	Supplies	0
740	Depreciation	0
770	Amortization Expense	0
810	Dues and Fees	0
880	Refunds of Prior Years' Receipts	0
890	Miscellaneous Expenditures	0
Total Operating Expenses		0
Operating Income (Loss)		0
Noncapital Subsidies		
6830	Federal Revenue from Intermediary Sources	0
6920	Contributions and Donations from Private Sources	0
7000	Revenue from State Sources	0
8000	Revenue from Federal Sources	0
9300	Interfund Transfers - IN	0
9700	Transfers IN From Component Units/Primary Governments	0
5200	Interfund Transfers - Out	0
5300	Transfers Out to Component Units/Primary Governments	0
Total Noncapital Subsidies		0
Operating income (loss) and noncapital subsidies		0
Other Nonoperating Revenues (Expenses)		
0073	Federal Revenue from Intermediary Sources (6830)	0
0074	Contributions and Donations from Private Sources (6920)	0
0075	Revenue from State Sources (7000)	0
0076	Revenue from Federal Sources (8000)	0
6500	Earnings on Investments	0
6930	Gains or Losses on Sale of Fixed Assets	0
6991	Refunds of a Prior Year Expenditure	0
9500	Capital Contributions	0
9990	Insurance Recoveries	0
820	Claims and Judgments Against the LEA	0
830	Interest	0
TOTAL Other Nonoperating Revenues (Expenses)		0
Income (loss) before unusual or infrequent items		0
Unusual or Infrequent Items		
5540	Unusual or Infrequent Items - Outflows	0
9940	Unusual or Infrequent Items - Inflows	0
Change In Net Position		0
0002	Net Position - Beginning of Fiscal Year	0
0003	Accounting Changes / Residual Equity Transfers	0
Net Position - End Of Year		0

PA Office of the Budget

Office of Comptroller Operations

Central Agencies & School Finance Unit

Questions regarding AFR reporting may be directed to the School Finance Unit at RA-SchlFin@pa.gov