

IMPLEMENTATION TRAINING: GASB STATEMENTS 103 AND 104

June 25, 2026



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STATEMENT No. 103,
FINANCIAL REPORTING MODEL
IMPROVEMENTS

**(TO BE IMPLEMENTED FOR THE FISCAL YEAR
ENDING JUNE 30, 2026)**

Why Did GASB Issue Statement 103?

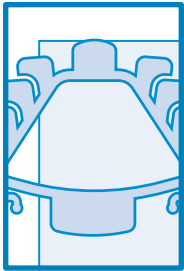


Statement 34 was issued in 1999 and became primarily effective between 2002 and 2004

The GASB conducted research reexamining Statements 34, 35, 37, 41, and 46 and Interpretation 6 from August 2013 to July 2015

Most parts of the standards were functioning properly, but participants in the research identified provisions that could be improved

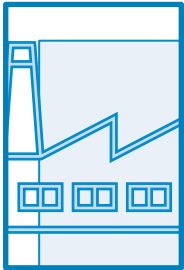
What Is in Statement 103?



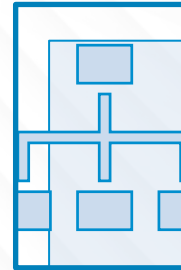
Management's discussion and analysis



Unusual or infrequent items

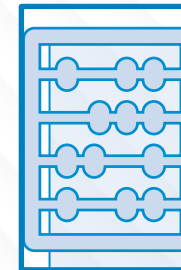


Proprietary funds statement of revenues, expenses, and changes in fund net position



Major component units

- Presentation
- Operating v. nonoperating
- Statistical section



Budgetary comparisons

MANAGEMENT'S DISCUSSION & ANALYSIS

Overall Aims of the MD&A Revisions

Increase the number of people who can read and understand it

Reduce repetition where possible

Focus on explaining *why* changes occurred

Clarify for governments what should be included

Overall Requirements for MD&A

MD&A is required to be presented as RSI, preceding the basic financial statements—it is not optional

Target reader may not know governmental accounting and financial reporting or the geographic area

- Target reader for the rest of the report is presumed to have (or a willingness to obtain) a reasonable understanding of government and public finance activities and the fundamentals of financial reporting

Avoid unnecessary duplication by referring to discussions elsewhere rather than repeating them

Overall Requirements for MD&A (cont'd)

Analysis should be fact based and discuss both significant positive or negative impacts on balances and results in comparison with the prior year

Analysis should assist readers in understanding *why* balances and results changed, rather than simply presenting the amounts or percentages of change

Required Sections of MD&A

- **Overview of the Financial Statements**
 - Explains the relationships of the statements to each other and the significant differences in the types of information the financial statements provide (if the agency reports fund financial statements)
- **Financial Summary and Detailed Analyses**
 - Condensed financial statements derived from government-wide financial statements that compare the current year to the prior year for both governmental activities and business-type activities (if applicable)

Condensed Statements Examples

Table A-1
Sample City's Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	20X5	20X4	20X5	20X4	20X5	20X4	20X5-20X4
Current and other assets	\$ 849,249	\$ 760,540	\$ 96,025	\$ 100,640	\$ 945,274	\$ 861,180	9.8%
Capital assets, net	1,845,379	1,781,939	576,876	566,000	2,422,255	2,347,939	3.2%
Total assets	2,694,628	2,542,479	672,901	666,640	3,367,529	3,209,119	4.9%
Deferred outflows of resources	89,902	70,018	3,994	3,130	93,896	73,148	28.4%
Long-term liabilities	975,103	922,831	103,694	104,502	1,078,797	1,027,333	5.0%
Other liabilities	40,321	46,197	23,601	24,965	63,922	71,162	-10.2%
Total liabilities	1,015,424	969,028	127,295	129,467	1,142,719	1,098,495	4.0%
Deferred inflows of resources	35,295	27,322	1,204	1,226	36,499	28,548	27.9%
Net position							
Net investment in capital assets	1,216,106	1,209,700	489,610	474,914	1,705,716	1,684,614	1.3%
Restricted	705,464	711,690	17,514	14,985	722,978	726,675	-0.5%
Unrestricted	(187,759)	(305,243)	41,272	49,178	(146,487)	(256,065)	42.8%
Total net position	\$ 1,733,811	\$ 1,616,147	\$ 548,396	\$ 539,077	\$ 2,282,207	\$ 2,155,224	5.9%

Source: Statement 103

Condensed Statements Examples (continued)

Table A-2
Changes in Sample City's Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 20X5-20X4
	20X5	20X4	20X5	20X4	20X5	20X4	
Revenues							
Program revenues:							
Charges for services	\$ 45,301	\$ 41,393	\$ 62,200	\$ 59,998	\$ 107,501	\$ 101,391	6.0%
Operating grants and contributions	38,163	31,057	-	-	38,163	31,057	22.9%
Capital grants and contributions	30,885	14,846	2,938	2,199	33,823	17,045	98.4%
General revenues:							
Sales taxes	279,567	278,136	-	-	279,567	278,136	0.5%
Property taxes	78,930	77,074	-	-	78,930	77,074	2.4%
Other taxes	74,940	61,861	-	-	74,940	61,861	21.1%
Payments in lieu of taxes	16,869	15,872	-	-	16,869	15,872	6.3%
Investment earnings	20,667	7,629	1,674	951	22,341	8,580	160.4%
Other	12,519	11,765	420	56	12,939	11,821	9.5%
Total revenues	597,841	539,633	67,232	63,204	665,073	602,837	10.3%
Expenses							
General government	46,059	42,388	-	-	46,059	42,388	8.7%
Public safety	205,416	218,558	-	-	205,416	218,558	-6.0%
Public works	71,308	67,872	-	-	71,308	67,872	5.1%
Culture and recreation	25,631	21,347	-	-	25,631	21,347	20.1%
Social and economic development	79,701	26,014	-	-	79,701	26,014	206.4%
Interest on long-term debt	25,566	21,284	-	-	25,566	21,284	20.1%
Public utility	-	-	42,687	40,526	42,687	40,526	5.3%
Transit authority	-	-	25,826	25,755	25,826	25,755	0.3%
Golf courses	-	-	8,396	7,250	8,396	7,250	15.8%
Total expenses	453,681	397,463	76,909	73,531	530,590	470,994	12.7%
Excess (deficiency) before unusual/infrequent items and transfers	144,160	142,170	(9,677)	(10,327)	134,483	131,843	2.0%
Transfers	(18,996)	(4,639)	18,996	4,639	-	-	-
Unusual or infrequent item—flood damage:							
Grant revenue	2,500	-	-	-	2,500	-	100%
Cleanup	(10,000)	-	-	-	(10,000)	-	100%
Change in net position	117,664	137,531	9,319	(5,688)	126,983	131,843	-3.7%
Net position—beginning of period	1,616,147	1,478,616	539,077	544,765	2,155,224	2,023,381	6.5%
Net position—end of period	\$ 1,733,811	\$ 1,616,147	\$ 548,396	\$ 539,077	\$ 2,282,207	\$ 2,155,224	5.9%

Condensed Statements: Required Content

- b. *Financial Summary.* Condensed financial information derived from the government-wide financial statements comparing the current year to the prior year for both governmental activities and business-type activities. Governments should present the information needed to support their analysis of financial position and results of operations required in subparagraph (c), including the following elements, if applicable:
- (1) Total assets, distinguishing between capital assets and other assets
 - (2) Total deferred outflows of resources
 - (3) Total liabilities, distinguishing between long-term liabilities and other liabilities
 - (4) Total deferred inflows of resources
 - (5) Total net position, distinguishing between the net investment in capital assets, restricted net position, and unrestricted net position
 - (6) Program revenues, by major source, distinguishing between charges for services, operating grants and contributions, and capital grants and contributions
 - (7) General revenues, by major source
 - (8) Total revenues
 - (9) Program expenses, at a minimum by function or identifiable activity, as appropriate
 - (10) Total expenses
 - (11) Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, transfers, and unusual or infrequent items
 - (12) Contributions to term and permanent endowments or permanent fund principal
 - (13) Transfers
 - (14) Unusual or infrequent items
 - (15) Beginning net position
 - (16) Change in net position
 - (17) Ending net position.

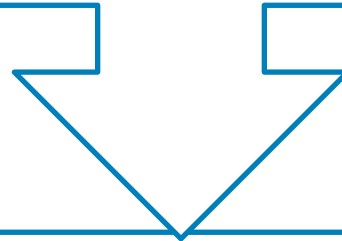
Detailed Analysis: Government-Wide

Analyze the agency's overall financial position and results of operations, summarizing all significant changes to both governmental activities and business-type activities (if applicable) as reported in the government-wide financial statements

Focus on explaining *why* significant changes occurred and indicate the magnitude of those changes, in addition to reporting the amounts or percentages of significant changes

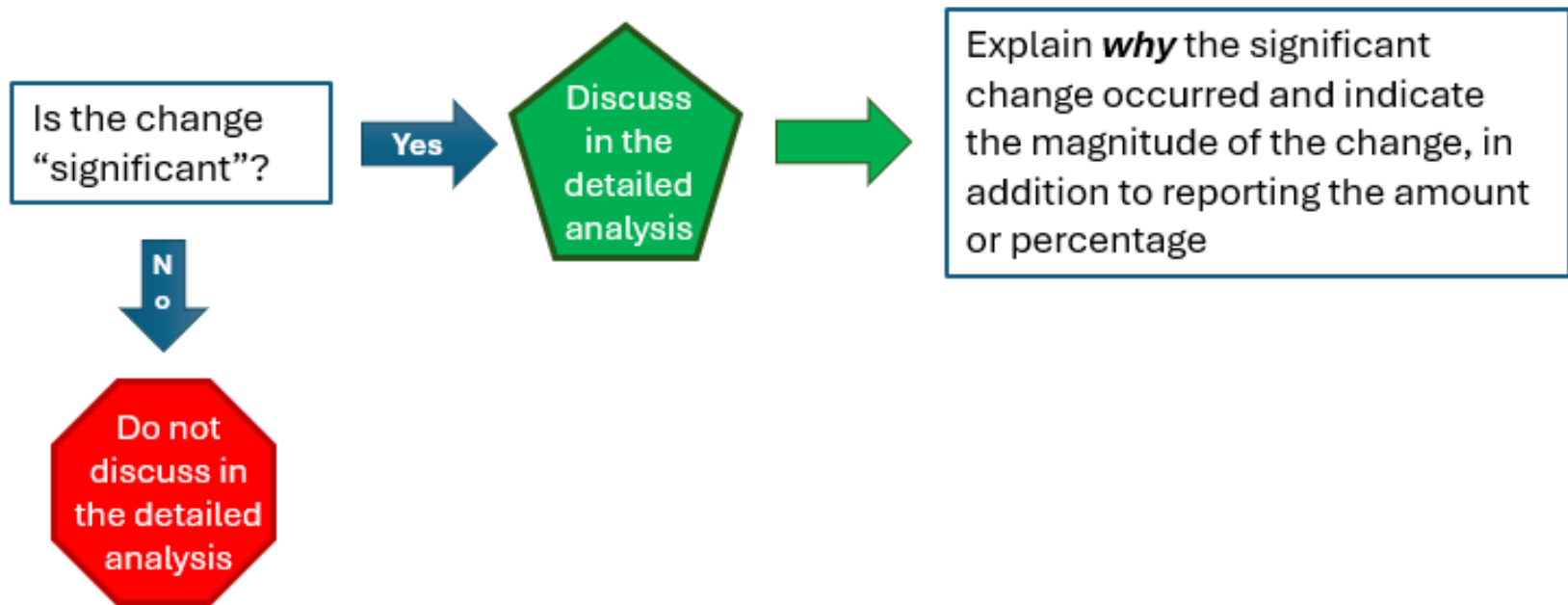
“Significant”

In the context of MD&A, **significant** refers to information that would be meaningful to the reader and influence the conclusions they make based on the financial statements



Stated differently, **significant** refers to information that, if *not* discussed in MD&A, could result in the reader making incorrect conclusions

What Changes Should Be Discussed?



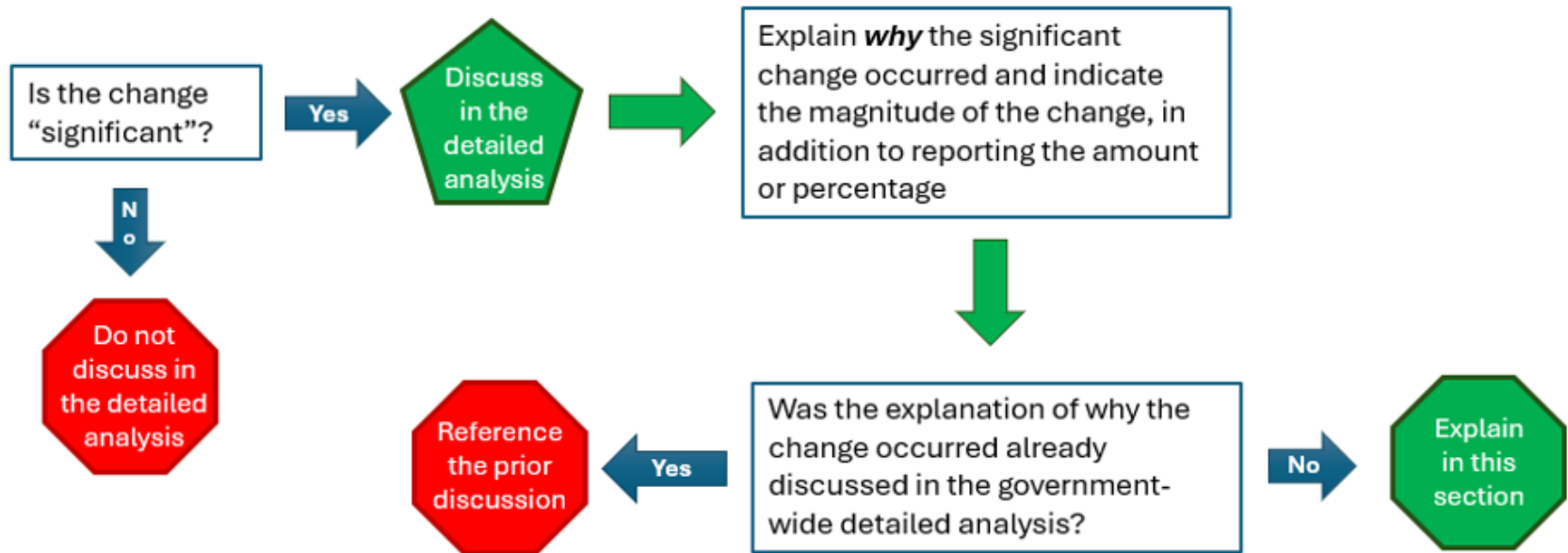
Detailed Analysis: Government-Wide

Detailed Analysis: Funds

Analyze the balances of each major fund, summarizing all significant financial changes in each major fund and addressing restrictions, commitments, and assignments that significantly affect the availability of fund resources for future

Focus on explaining *why* significant changes occurred and indicate the magnitude of those changes, in addition to reporting the amounts or percentages of significant changes

What Should Be Discussed and Explained?



Detailed Analysis: Funds

Required Sections of MD&A (continued)

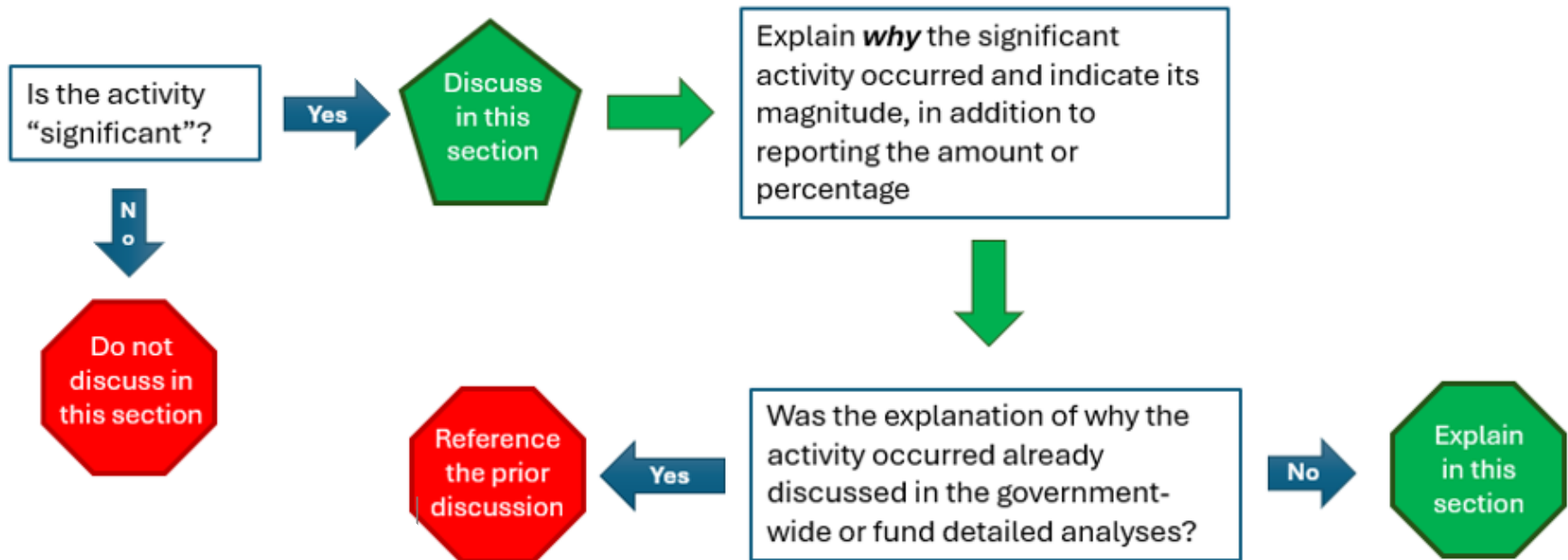
- **Significant Capital Asset Activity**
- **Significant Long-Term Financing Activity**
- **Currently Known Facts, Conditions, or Decisions**

Significant Capital Asset Activity

Describe significant capital asset activity during the year, encompassing both tangible and intangible capital assets (e.g., right-to-use lease and subscription assets)—including, as applicable:

- Significant additions and disposals of capital assets
- Changes to commitments made to acquire capital assets
- Significant policy changes and economic factors relevant to the capital asset activity during the year

What Should Be Discussed and Explained?



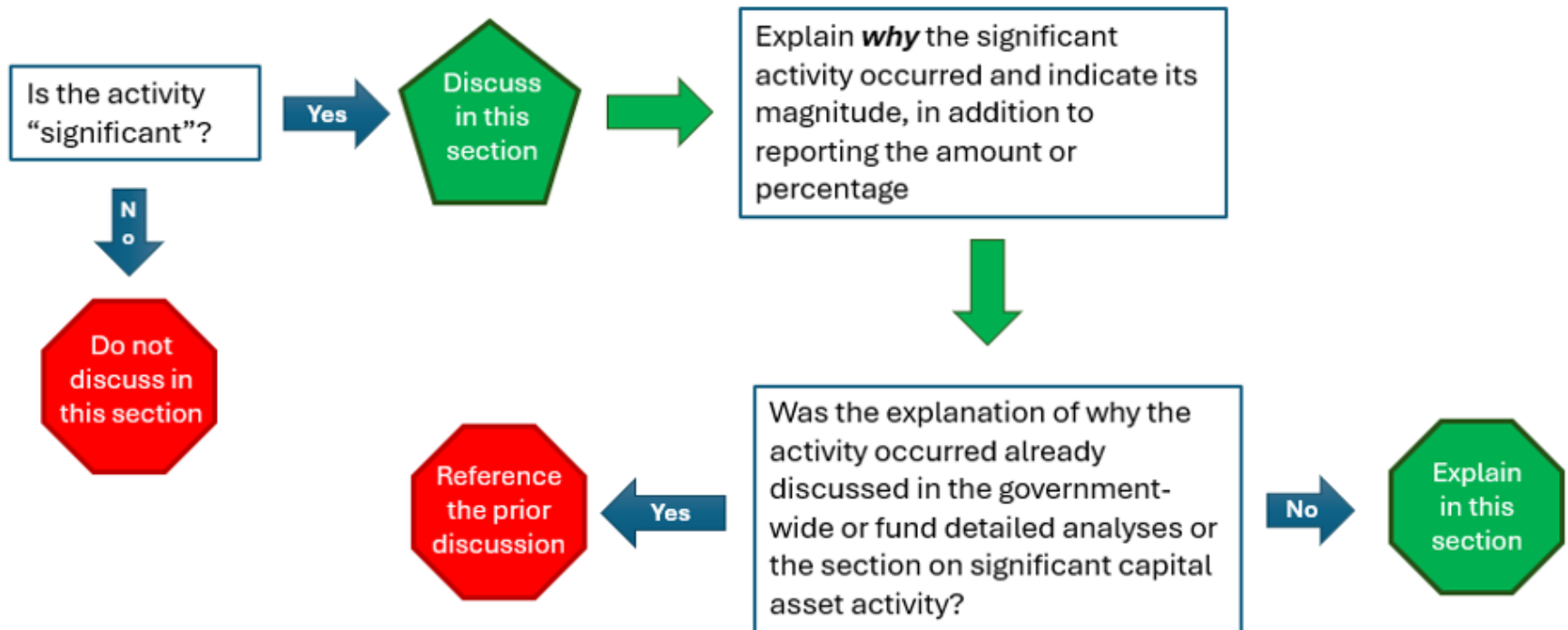
Significant Capital Asset Activity

Significant Long-Term Financing Activity

Describe significant long-term financing activity during the year, encompassing debt, leases, and SBITAs and discussing, as applicable:

- Agreements entered into
- Changes in credit ratings
- Changes to debt limitations that may affect the financing of planned facilities or services
- Significant policy changes and economic factors relevant to the long-term financing activity that occurred during the year

What Should Be Discussed and Explained?



Significant Long-Term Financing Activity

Currently Known Facts, Conditions, or Decisions

Discuss currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or that are expected to produce significant differences from current-period results of operations

“Currently known” refers to information management is aware of as of the date of the financial statements are issued

Currently Known FCD: Examples

Trends in relevant economic and demographic data

Relevant factors used to develop the next year's budget indicating how results of operations are expected to change next year, such:

- Changes in the total amount available for appropriation
- Changes in planned spending

Expected changes in budgetary net position or fund balance

Actions government has taken related to pensions/OPEB; capital asset plans; liabilities for leases, PPPs, and SBITAs; and other long-term financings that will affect the subsequent period

Actions other parties have taken that will affect the government, such as new legislation or regulations imposed on the government

UNUSUAL OR INFREQUENT ITEMS

Unusual or Infrequent Items

Inflows and outflows from transactions and events that are *unusual in nature, infrequent in occurrence, or both*

Should be presented last prior to the change in net position (or fund balance, or fund net position)

Inflows and outflows related to each unusual or infrequent item should be *presented separately and not netted*

For each item, disclose in notes the program, function, or identifiable activity to which the item is related, if applicable, and whether that item is within the control of management

The Underlying Definitions

Unusual or infrequent items are events and transactions that are distinguished by their unusual nature, the infrequency of their occurrence, or both. The following criteria identify when an event or transaction is either unusual in nature or infrequent in occurrence:

- a. Unusual nature*—the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the government, taking into account the environment in which the government operates. (See paragraph .150.)
- b. Infrequency of occurrence*—the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the government operates. (See paragraph .151.) [GASBS 62, ¶46, as amended by GASBS 103, ¶9]

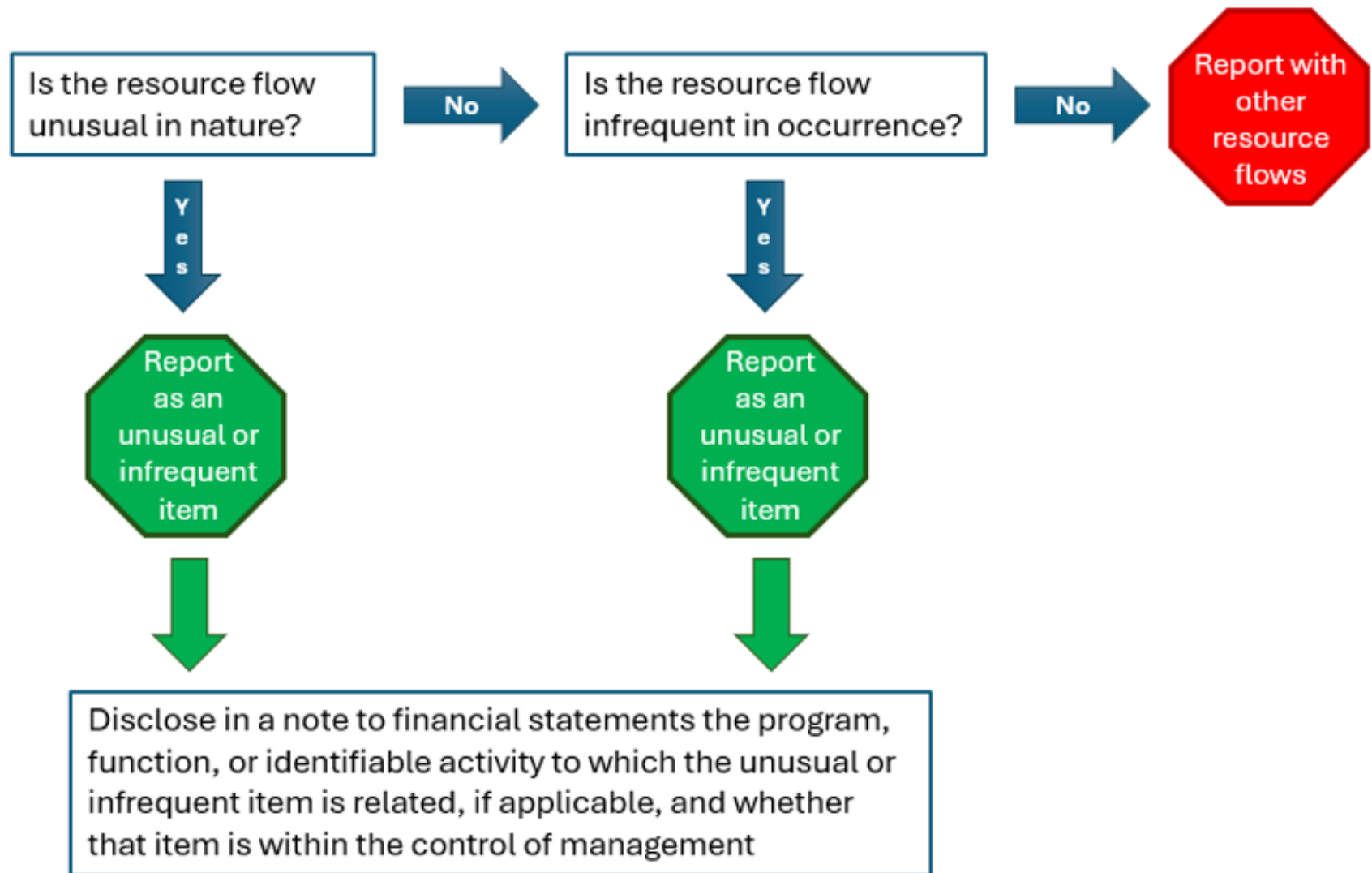
The Underlying Definitions (continued)

Unusual Nature. The specific characteristics of the government, such as type and scope of operations and operating policies, should be considered in determining ordinary and typical activities of the government. The environment in which a government operates is a primary consideration in determining whether an underlying event or transaction is abnormal and significantly different from the ordinary and typical activities of the government. The environment of a government includes such factors as the characteristics of its business-type activities, the geographical location of its operations, and the nature and extent of governmental regulation. Thus, an event or transaction may be unusual in nature for one government but not for another because of differences in their respective environments. Unusual nature is not established by the fact that an event or transaction is beyond the control of management. [GASBS 62, ¶47]

The Underlying Definitions (continued)

Infrequency of Occurrence. For purposes of applying paragraphs .148–.152, an event or transaction of a type not reasonably expected to recur in the foreseeable future is considered to occur infrequently. Determining the probability of recurrence of a particular event or transaction in the foreseeable future should take into account the environment in which a government operates. Accordingly, a specific transaction of one government might meet that criterion, and a similar transaction of another government might not because of different probabilities of recurrence. The past occurrence of an event or transaction for a particular government provides evidence to assess the probability of recurrence of that type of event or transaction in the foreseeable future. [GASBS 62, ¶48]

Evaluating Unusual or Infrequent Items



Unusual or Infrequent Items

Transfers	(18,996)	18,996	-	-
Unusual or infrequent items — flood damage				
Grant revenues	2,500	-	2,500	-
Flood damage cleanup	(10,000)	-	(10,000)	-
Total general revenues, transfers, and unusual or infrequent item	456,996	21,090	478,086	12,527
Change in net position	117,664	9,319	126,983	3,905
Net position—beginning of period	1,616,147	539,077	2,155,224	395,568
Net position—end of period	\$ 1,733,811	\$ 548,396	\$ 2,282,207	\$ 399,473

The flood cleanup expenses are shown separately from the related state grant

Note 3—Unusual or Infrequent Items

Sample City experienced a flood during March 20X5 that was a catastrophic event outside the control of management. The City incurred damages in the amount of \$10 million attributable to the functions of Public Works and Public Safety in the amounts of \$8.35 million and \$1.65 million, respectively. Sample City also received \$2.5 million in grants from the State to assist with the cleanup effort.

**OPERATING & NONOPERATING
REVENUES AND EXPENSES,
INCLUDING SUBSIDIES**

Definitions for Revenue and Expenses

Operating

- Revenues and expenses other than nonoperating

Nonoperating

- Subsidies received and provided
- Contributions to permanent and term endowments
- Revenues and expenses related to financing
- Resources from the disposal of capital assets and inventory, and
- Investment income and expenses

Exception for Principal Ongoing Operations

Revenues or expenses that otherwise would be classified as nonoperating should be classified as operating revenues or expenses if the transactions constitute the entity or proprietary fund's *principal ongoing operations*

- For example, interest revenues should be reported as operating revenues by a proprietary fund or entity established to provide loans to first-time homeowners
- However, borrowing-related costs should be reported as *nonoperating* expenses

Subsidies

Resources received from another party or fund:

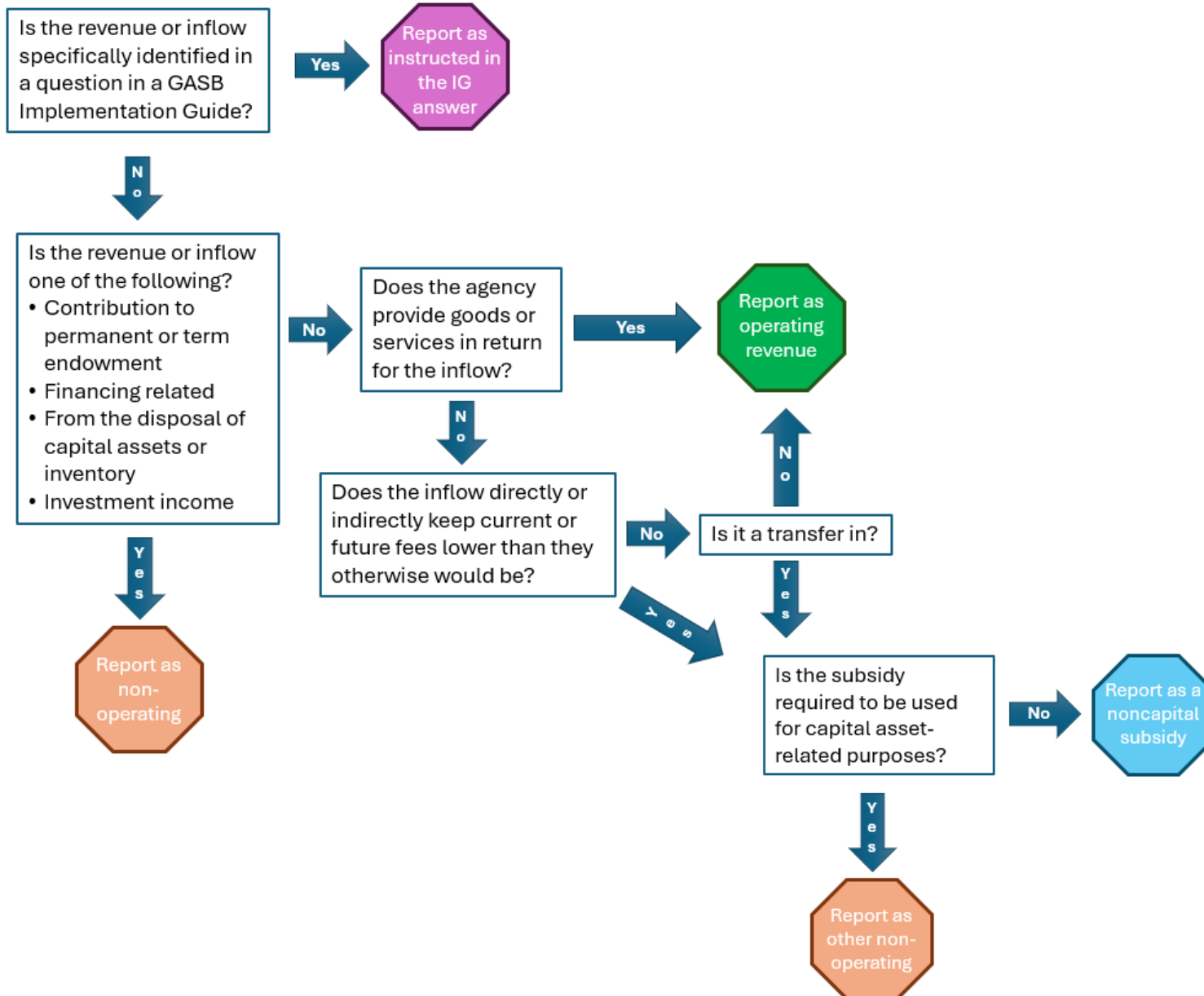
- For which the proprietary fund does not provide goods and services to the other party or fund, and
- That directly or indirectly keep current or future fees and charges of the proprietary fund lower than they would be otherwise

Resources provided to another party or fund:

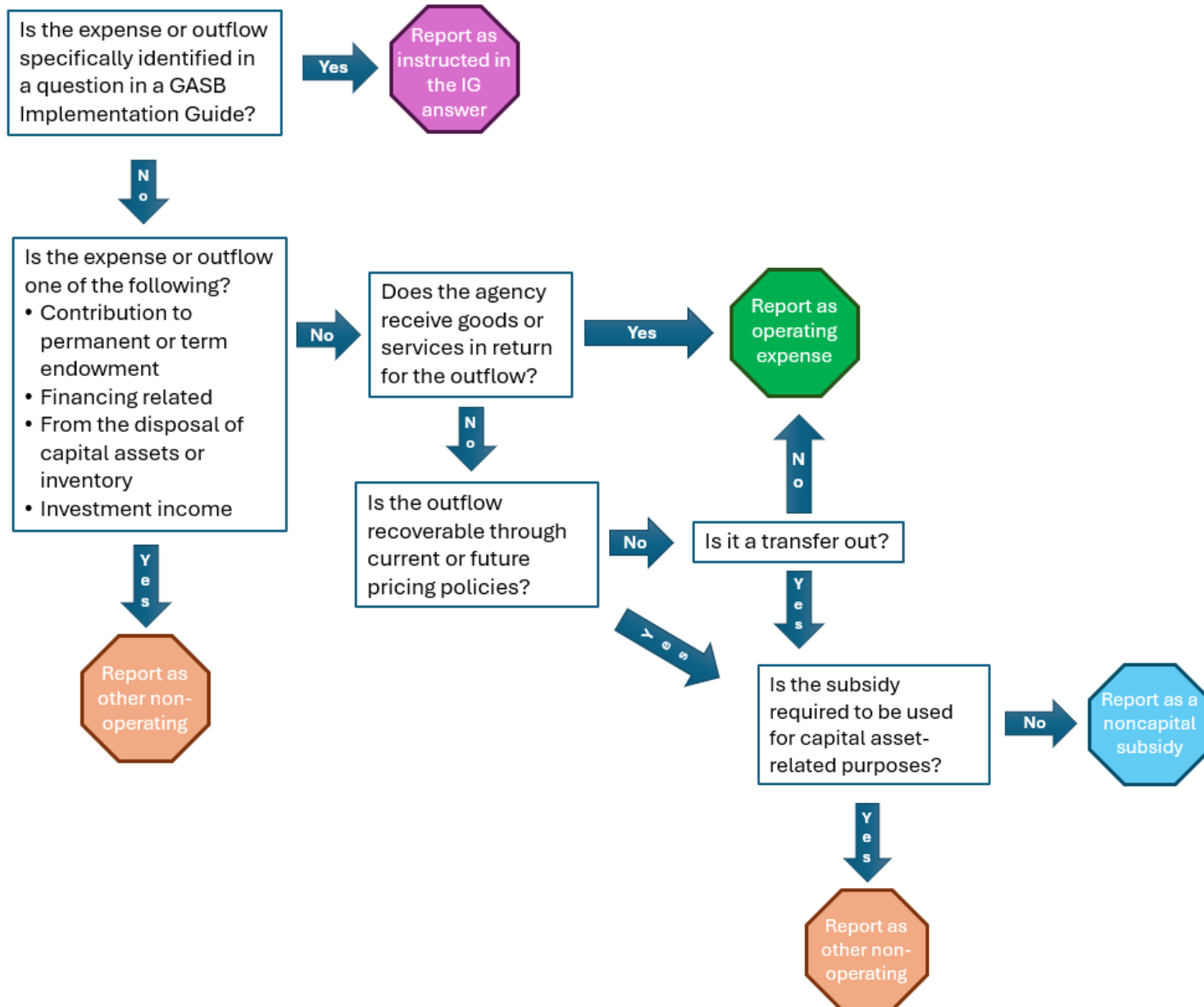
- For which the other party or fund does not provide goods and services to the proprietary fund, and
- That are recoverable through the proprietary fund's current or future pricing policies

All other transfers

Evaluating Revenues and Other Inflows



Evaluating Expenses and Other Outflows



Appropriation Aid



A BTA that is a component unit of a state or local government receives annual operating subsidies from their primary government. How should those payments be classified?



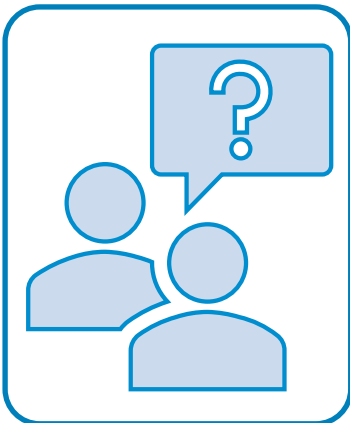
Appropriations meet the definition of a subsidy

- Appropriations not required to be used for capital asset-related purposes should be reported as ***noncapital subsidies***
- Appropriations required to be used for capital asset-related purposes should be reported as ***other nonoperating revenues and expenses***

Pell Grants



Can public colleges and universities report Pell Grants as fiduciary transactions?



No—public institutions should record Pell Grant receipts as revenues in their financial statements, and any amounts applied to student receivable accounts should be recorded as scholarship discounts or allowances

- Furthermore, recipient governments that report their activities in a proprietary fund should report Pell Grants as ***operating revenues***

Insurer Payments



A patient in a public hospital has third-party insurance. The insurer pays the hospital for the services provided to the patient. Since the insurer does not receive goods or services from the hospital, are those payments subsidies?



No. The insurance payments do not meet the second criterion for a subsidy—that they reduce what the hospital otherwise would charge for the services.

Operating Revenue Exception



Statement 103 provides an exception for revenues and expenses that otherwise would be classified as nonoperating. If related to its principal ongoing operations, they should be reported as operating. An example is a fund that provides loans to first-time homeowners reporting its interest revenue as operating. Should it also report interest *expenses* as operating?



No. Interest expenses related to financing are always reported as nonoperating expenses. The interest revenues are related to the operations of the program, whereas the interest expenses are related how the fund obtained resources (financing) to operate its lending program.

Interest Revenue from Leases



If the principal ongoing operation is leasing property to other entities, should interest revenue related to leases be reported as operating revenue?



No. Interest revenue is a revenue related to *financing*, which is a nonoperating revenue unless financing transactions constitute the principal ongoing operations. If the principal ongoing operation is leasing property to other entities, the principal ongoing operation is conveying control of the right to use an underlying asset.

Lease Revenue



A government lessor recognizes a deferred inflow of resources and amortizes it over the term of the lease as revenue. Is it operating revenue?



Yes, because it is not one of the five categories for nonoperating revenue.

Tentative Q&As for 2026

Donations to colleges/universities to be used for scholarships

Taxes imposed by a BTA

Research grants to colleges/universities

Passenger facility charges

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN (FUND) NET POSITION**

Statement of Revenues, Expenses, and Changes in Net Position

Statement 34

Operating revenues (detailed)
Total operating revenue

Operating expenses (detailed)
Total operating expenses

Operating income (loss)

~~Nonoperating revenues and expenses (detailed)~~

~~Income before other revenues, expenses, gains, losses, and transfers~~

~~Capital contributions (grant, developer, and other), additions to permanent and term endowments, special and extraordinary items (detailed), and transfers~~

~~Increase (decrease) in net position~~

Net position—beginning of period

Net position—end of period

Statement 103

Operating revenues (detailed)
Total operating revenue

Operating expenses (detailed)
Total operating expenses

Operating income (loss)

Noncapital subsidies (detailed)

Total noncapital subsidies

Operating income (loss) and noncapital subsidies

Other nonoperating revenues and expenses (detailed)

Total other nonoperating revenues and expenses

Income (loss) before unusual or infrequent items

Unusual or infrequent items (detailed)

Increase (decrease) in fund net position

Fund net position—beginning of period

Fund net position—end of period

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds

Sample City
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
for the Year Ended June 30, 20X5
(amounts expressed in thousands)

	Enterprise Funds				Internal Service Funds
	Public Utility	Transit Authority	Golf Courses	Total	
OPERATING REVENUES					
Charges for services	\$ 41,003	\$ 18,636	\$ 2,561	\$ 62,200	\$ 42,523
Miscellaneous	283	33	104	420	78
Total operating revenues	41,286	18,669	2,665	62,620	42,601
OPERATING EXPENSES					
Personnel services	13,991	-	-	13,991	5,786
Contractual services	13,952	16,406	4,893	35,251	4,117
Insurance claims and expenses	-	-	-	-	26,388
Depreciation	11,767	8,972	2,375	23,114	415
Other	1,067	-	165	1,232	7,834
Total operating expenses	40,777	25,378	7,433	73,588	44,540
Operating income (loss)	509	(6,709)	(4,768)	(10,968)	(1,939)
NONCAPITAL SUBSIDIES					
Intergovernmental revenue	-	-	-	-	881
Transfers in	-	2,090	110	2,200	300
Transfers out	(1,980)	-	-	(1,980)	-
Total noncapital subsidies	(1,980)	2,090	110	220	1,181
Operating income (loss) and noncapital subsidies	(1,471)	(4,619)	(4,658)	(10,748)	(758)
OTHER NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,496	75	103	1,674	446
Gain from the sale of capital assets	-	-	-	-	3
Interest expense	(1,910)	(448)	(963)	(3,321)	-
Capital contributions	2,938	-	-	2,938	-
Transfers in—restricted for capital assets	1,032	15,360	2,384	18,776	1,215
Total other nonoperating revenue (expenses)	3,556	14,987	1,524	20,067	1,664
Increase (decrease) in fund net position	2,085	10,368	(3,134)	9,319	906
Fund net position—beginning of period	331,657	177,997	29,423	539,077	12,387
Fund net position—end of period	\$ 333,742	\$ 188,365	\$ 26,289	\$ 548,396	\$ 13,293

Source:
Statement 103

Interaction with Major Fund Determinations

Inflows and outflows that previously were excluded from the major fund calculations – particularly transfers – are now considered nonoperating revenue and expenses

Major Fund Indicator (parts affected by Statement 103 in bold)	Potential Impacts
<i>Governmental funds*</i>	
Total fund revenue ÷ total governmental funds revenue ≥ 10% AND Total fund revenue ÷ total governmental and enterprise funds revenue ≥ 5%	A governmental fund previously determined to be major based solely on revenue could be nonmajor [†]
Total fund expenditures ÷ total governmental funds expenditures ≥ 10% AND Total fund expenditures ÷ total governmental expenditures and enterprise funds expenses ≥ 5%	A governmental fund previously determined to be major based solely on expenditures could be nonmajor [†]
<i>Enterprise funds</i>	
Total fund revenue ÷ total enterprise funds revenue ≥ 10% AND Total fund revenue ÷ total governmental and enterprise funds revenue ≥ 5%	An enterprise fund previously determined to be major based solely on revenue could be nonmajor, or vice versa [†]
Total fund expenses ÷ total enterprise funds expenses ≥ 10% AND Total fund expenses ÷ total governmental expenditures and enterprise funds expenses ≥ 5%	An enterprise fund previously determined to be major based solely on expenses could be nonmajor, or vice versa [†]

* Except for the general fund, which is always major.

† A fund may still qualify as major based on other financial statement elements.

BUDGETARY COMPARISON INFORMATION

Budgetary Comparison Schedule

Budgetary comparisons should be presented as RSI for the general fund and for each major special revenue fund that has a legally adopted annual budget

Option to report as basic financial statement is eliminated

Separate columns for the variances between (a) original and final budget amounts and (b) final budget amounts and actual budget results are **required**

Explain significant variations between (a) original and final budget amounts and (b) final budget amounts and actual budget results in *notes to RSI*

OSA Rules and the Budgetary Comparison

The Acting State Controller has obtained an exemption for all state agencies and their component units that are part of the statewide ACFR, allowing them to present their budgetary comparisons as RSI as required by Statement 103

This will require the external auditors to provide an opinion on the budgetary comparisons presented as RSI – they will need to be clearly identified as RSI in the report and the Engagement Letter

Any auditors who have a question or concern about this should contact the Acting State Controller directly

RSI Budgetary Comparison Schedule – General Fund

Required Supplementary Information
Sample City
Budgetary Comparison Schedule
General Fund
for the Year Ended June 30, 20X5
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget— over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget— over (under) Actual Amounts
	Original	Final			
BUDGETARY REVENUES					
Taxes	\$ 157,715	\$ 157,715	\$ -	\$ 161,885	\$ 4,170
Payments in lieu of taxes	16,218	15,853	(365)	15,737	(116)
Intergovernmental	1,560	2,002	442	1,507	(405)
Charges for services	13,299	13,299	-	13,905	606
Licenses, permits, and fees	2,712	3,220	508	3,532	312
Fines and forfeitures	8,262	8,262	-	7,853	(409)
Investment earnings	5,100	5,100	-	6,792	1,692
Miscellaneous	3,313	3,313	-	2,075	(1,238)
Total budgetary revenues	208,179	208,764	585	213,376	4,612
BUDGETARY EXPENDITURES					
Current:					
General government	29,786	29,138	(648)	29,097	(41)
Public safety	132,479	129,953	(2,526)	129,770	(183)
Public works	3,297	3,263	(34)	1,882	(1,381)
Culture and recreation	22,086	22,075	(11)	21,354	(721)
Social and economic development	12,095	12,038	(57)	11,614	(424)
Debt Service:					
Principal	1,275	1,275	-	1,262	(13)
Interest and other charges	41	41	-	54	13
Capital outlay	1,105	1,105	-	1,103	(2)
Total budgetary expenditures	202,164	198,888	(3,276)	196,136	(2,752)
Budgetary excess of revenues over expenditures	6,015	9,876	3,861	17,240	7,364
BUDGETARY OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	275	275
Transfers in	2,630	2,630	-	2,630	-
Transfers out	(1,871)	(2,713)	(842)	(662)	2,051
Total budgetary other financing sources (uses)	759	(83)	(842)	2,243	2,326
UNUSUAL OR INFREQUENT ITEM—FLOOD DAMAGE					
Grant revenues	-	2,500	2,500	2,500	-
Cleanup	-	(10,000)	(10,000)	(10,000)	-
Total	-	(7,500)	(7,500)	(7,500)	-
Net change in fund balances	6,774	2,293	(4,481)	11,983	9,690
Budgetary fund balance—beginning of period	55,009	55,009	-	55,009	-
Budgetary fund balance—end of period	\$ 61,783	\$ 57,302	\$ (4,481)	66,992	\$ 9,690
RECONCILIATION TO GAAP BASIS					
Total fund balance GAAP basis				\$ 66,992	

RSI Budgetary Comparison Schedule – Special Revenue Fund

Required Supplementary Information
Sample City
Budgetary Comparison Schedule
Public Safety and Transportation Special Revenue Fund
for the Year Ended June 30, 20X5
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget— over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget— over (under) Actual Amounts
	Original	Final			
BUDGETARY REVENUES					
Taxes	\$ 49,825	\$ 49,825	\$ -	\$ 51,442	\$ 1,617
Intergovernmental	29,750	29,750	-	30,337	587
Charges for services	6,720	6,720	-	6,848	128
Investment earnings	1,900	1,900	-	2,295	395
	<u>88,195</u>	<u>88,195</u>	<u>-</u>	<u>90,922</u>	<u>2,727</u>
Total budgetary revenues					
BUDGETARY EXPENDITURES					
Current:					
General government	13,665	15,305	1,640	15,083	(222)
Public safety	58,000	58,250	250	58,452	202
Public works	16,265	16,945	680	16,934	(11)
	<u>87,930</u>	<u>90,500</u>	<u>2,570</u>	<u>90,469</u>	<u>(31)</u>
Total budgetary expenditures					
Net change in fund balances	265	(2,305)	2,570	453	2,758
Budgetary fund balance—beginning of period	4,024	4,024	-	4,024	-
Budgetary fund balance—end of period	<u>\$ 4,289</u>	<u>\$ 1,719</u>	<u>\$ 2,570</u>	<u>4,477</u>	<u>\$ 2,758</u>
RECONCILIATION TO GAAP BASIS					
Total fund balance GAAP basis				<u>\$ 4,477</u>	

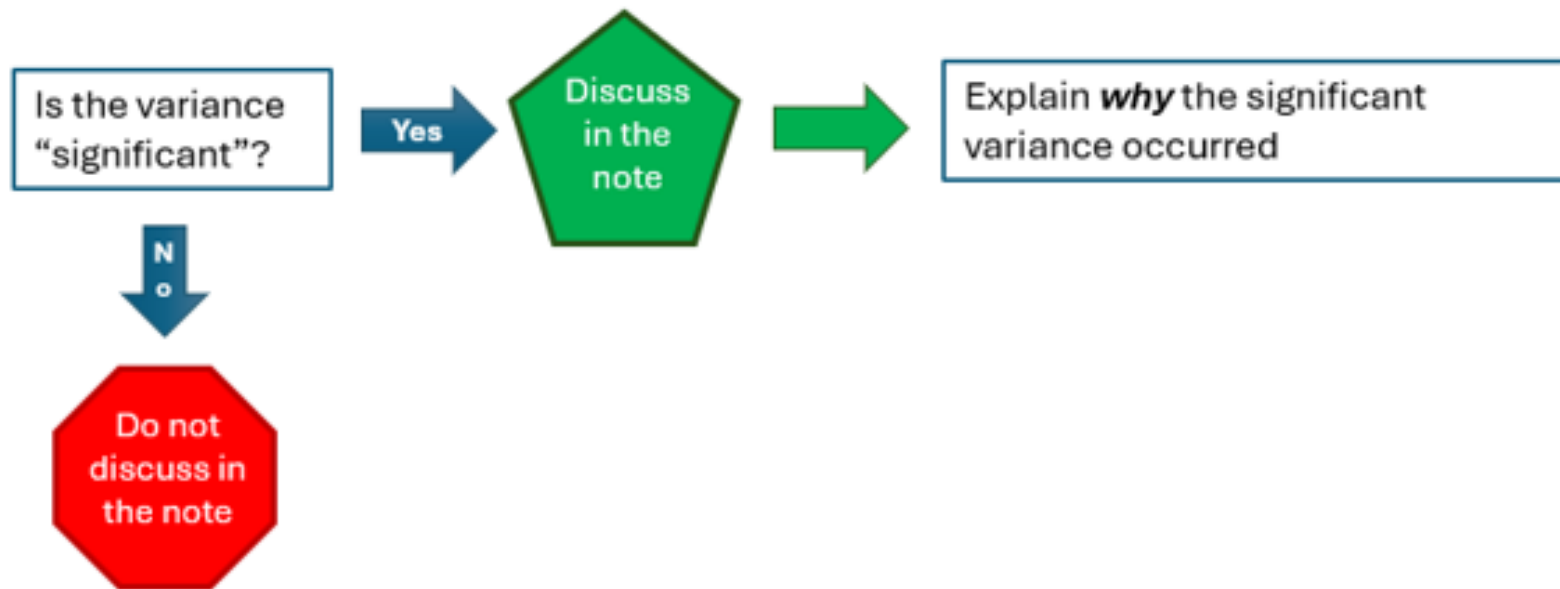
RSI Budgetary Comparison Schedule – Notes to RSI

Required Supplementary Information
Note to Budgetary Comparison Schedules
(amounts expressed in thousands)

Note A—Actual Budget Results

	<u>General Fund over (under)</u>	<u>Public Safety and Transportation Fund over (under)</u>
BUDGETARY REVENUES		
Differences—final budget to actual:		
The City experienced an increase in revenue for taxes from budgeted amounts primarily due to the opening of the new shopping center 3 months earlier than expected.	\$ 4,170	\$ 1,617
Actual amounts of interest revenue exceeded budgeted amounts as the City saw higher interest rates than expected.	1,692	395
BUDGETARY EXPENDITURES		
Differences—original budget to final budget:		
The original budget was amended for public safety as the new police station #453 was completed 7 months behind schedule. The original budget included salaries and benefits for new officers and administrative staff, in addition to noncapital building expenditures. Station #453 will be opening in the next fiscal year, and these expenditures have been included in the next year's budget.	\$ (2,526)	\$ -
UNUSUAL OR INFREQUENT ITEM		
Differences—original budget to final budget:		
The City experienced flood damage during the current fiscal year. During the year, the City increased the original budget to account for the State grants received to address the flood damage.	\$ 2,500	\$ -
During the year, the City increased the original budget to account for the spending required to address the flood damage.	(10,000)	-

What Should Be Explained?



Significant Budgetary Variances

MAJOR COMPONENT UNIT INFORMATION

Major Component Units

Major component units should be reported in basic financial statements, either:

- Individually on the face of the financial statements, if it does not reduce their readability, or
- Aggregated in a single column on the face of the financial statements, and individually in combining financial statements, following the fund financial statements

The option to disclose major component units in condensed financial statements in the notes is eliminated

Individual Presentation of Major Component Units in Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities	Total	El Paso Water Utilities February 28, 2025	El Paso Housing Finance Corporation December 31, 2024
ASSETS					
Cash and Cash Equivalents	\$ 13,373,086	\$ 9,396,782	\$ 22,769,868	\$ 71,949,951	\$ 387,303
Cash with Fiscal Agent	5,002,484	—	5,002,484	—	—
Investments	222,520,723	242,273,500	464,794,223	18,046,311	3,232,920
Restricted Cash and Cash Equivalents	6,852,781	—	6,852,781	433,673,836	262,855
Restricted Investments	410,501,441	58,532,405	469,033,846	190,917,742	—
Receivables, Net of Allowances	142,580,930	52,665,914	195,246,844	76,059,120	159,995
Restricted Trade and Other Receivables	—	—	—	9,724,036	—
Intergovernmental Receivable	—	96,866,976	96,866,976	—	—
Leased Property Investment Cost	—	—	—	1,492,744	—
Interest Receivable	5,522,516	2,007,536	7,530,052	3,619,705	—
Other Assets	—	—	—	666,417	7,900
Lease Receivable	24,194,022	164,764,435	188,958,457	63,634,515	—
Due from Component Unit	4,946,854	6,974,437	11,921,291	—	—
Inventory	8,643,011	8,107,688	16,750,699	10,284,788	—
Prepays	843,862	63,825	907,687	2,664,901	—
Capital Assets not being Depreciated / Amortized	648,801,621	137,331,297	786,132,918	1,306,367,661	—
Capital Assets, Net of Accumulated Depreciation/Amortization	1,032,652,747	510,466,274	1,543,119,021	1,819,960,091	3,359,126
Total Assets	2,526,436,078	1,289,451,069	3,815,887,147	4,009,061,818	7,410,099
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	3,447,932	600,775	4,048,707	1,177,690	—
Deferred Chapter 380 Agreement Obligations	29,975,345	—	29,975,345	—	—
Pension Contributions Subsequent to Measurement Date	46,677,997	10,557,007	57,235,004	5,115,311	—
Difference in Expected and Actual Pension Experience	37,764,355	10,064,672	47,829,027	7,350,175	—
Change in Assumptions for Pensions	13,574,156	6,044,978	19,619,134	4,391,161	—
Difference in Projected and Actual Earnings on Pension Investments	96,664,422	4,823,622	101,488,044	3,534,982	—
Changes in Proportionate Share for Pension	—	—	—	1,952,363	—
Change in Assumptions for OPEB	13,902,915	4,371,473	18,274,388	3,461,374	—
Changes in Proportionate Share for OPEB	—	—	—	232,458	—
Difference in Expected and Actual OPEB Experience	4,521,234	1,417,590	5,938,824	—	—
Total Deferred Outflows of Resources	246,528,356	37,880,117	284,408,473	27,215,514	—

Individual Presentation in Government-Wide Financial Statements

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position							
		Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	El Paso Water Utilities February 28, 2025	El Paso Housing Finance Corporation December 31, 2024
Primary Government:									
Governmental Activities:									
General Government	\$ 78,907,992	\$ 41,226,544	\$ 345,843	\$ 6,289,251	\$ (31,046,354)	\$ —	\$ (31,046,354)	\$ —	\$ —
Public Safety	403,574,588	25,138,605	21,101,005	6,863,836	(350,471,142)	—	(350,471,142)	—	—
Public Works	105,317,521	7,025,859	3,000,555	7,436,492	(87,854,615)	—	(87,854,615)	—	—
Public Health	42,168,233	6,583,641	15,835,096	637,222	(19,112,274)	—	(19,112,274)	—	—
Culture and Recreation	124,124,851	23,358,701	3,510,020	25,973	(97,230,157)	—	(97,230,157)	—	—
Community and Economic Development	54,623,272	12,225,029	17,168,989	281,418	(24,947,836)	—	(24,947,836)	—	—
Interest on Long-term Debt	57,435,068	—	—	—	(57,435,068)	—	(57,435,068)	—	—
Total Governmental Activities	866,151,525	115,558,379	60,961,508	21,534,192	(668,097,446)	—	(668,097,446)	—	—
Business-Type Activities:									
El Paso International Airport	70,546,672	67,422,519	4,673,105	25,251,367	—	26,800,319	26,800,319	—	—
Environmental Services	61,678,465	76,016,524	—	742,936	—	15,080,995	15,080,995	—	—
Mass Transit	103,575,152	11,402,712	21,020,397	8,649,647	—	(62,502,396)	(62,502,396)	—	—
International Bridges	10,453,282	30,609,390	—	—	—	20,156,108	20,156,108	—	—
Tax Office	2,927,979	2,660,137	—	—	—	(267,842)	(267,842)	—	—
Total Business-Type Activities	249,181,550	188,111,282	25,693,502	34,643,950	—	(732,816)	(732,816)	—	—
Total Primary Government	\$ 1,115,333,075	\$ 303,669,661	\$ 86,655,010	\$ 56,178,142	(668,097,446)	(732,816)	(668,830,262)	—	—
Component Units:									
El Paso Water Utilities	\$ 379,031,560	\$ 446,585,798	\$ 287,100	\$ 24,940,165	—	—	92,781,503	—	—
El Paso Housing Finance Corporation	547,918	470,266	—	—	—	—	—	(77,652)	—
Total Component Units	\$ 379,579,478	\$ 447,056,064	\$ 287,100	\$ 24,940,165	—	—	92,781,503	(77,652)	—
General Revenues and Transfers									
General Revenues:									
Taxes:									
Property Taxes, Levied for General Purposes					288,452,263	—	288,452,263	—	—
Property Taxes, Levied for Debt Service					122,020,248	—	122,020,248	—	—
Franchise Taxes					77,515,369	—	77,515,369	—	—
Sales Taxes					141,336,612	67,167,731	208,504,343	—	—
Hotel Occupancy Taxes					18,456,008	—	18,456,008	—	—
Investment Earnings					36,603,591	19,319,182	55,922,773	27,004,079	177,892
Gain on Sale of Capital Assets					1,934,743	56,511	1,991,254	1,114,529	—
Transfers					26,142,230	(26,142,230)	—	—	—
Total General Revenues and Transfers					712,461,064	60,401,194	772,862,258	28,118,608	177,892
Change in Net Position					44,363,618	59,668,378	104,031,996	120,900,111	100,240
Net Position - Beginning of Year, as Previously Presented					202,950,362	714,702,598	917,652,960	1,606,414,186	7,032,335
Restatement - Change in Accounting Principle					—	—	—	(5,036,408)	—
Net Position - Beginning of Year, as Restated					202,950,362	714,702,598	917,652,960	1,601,377,778	7,032,335
Net Position - End of Year					\$ 247,313,980	\$ 774,370,976	\$ 1,021,684,956	\$ 1,722,277,889	\$ 7,132,575

Aggregated Presentation of Major Component Units

Sample City
Statement of Net Position
June 30, 20X5
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 253,130	\$ 78,702	\$ 331,832	\$ 60,133
Investments	528,563	-	528,563	52,203
Receivables, net	65,267	12,688	77,955	34,259
Internal balances	256	(256)	-	-
Inventories	-	465	465	2,282
Prepaid expenses	-	868	868	-
Notes receivable	-	3,558	3,558	-
Other assets	2,033	-	2,033	1,399
Capital assets:				
Nondepreciable capital assets	717,614	125,752	843,366	162,390
Depreciable capital assets, net	1,127,765	451,124	1,578,889	305,932
Total assets	<u>2,694,628</u>	<u>672,901</u>	<u>3,367,529</u>	<u>618,598</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	88,021	2,817	90,838	4,615
OPEB-related items	506	95	601	78
Debt refundings	1,375	1,082	2,457	9,452
Total deferred outflows of resources	<u>89,902</u>	<u>3,994</u>	<u>93,896</u>	<u>14,145</u>
LIABILITIES				
Accounts payable and accrued expenses	39,728	8,793	48,521	11,725
Advances	593	14,808	15,401	622
Long-term liabilities:				
Amount due within one year				
Bonds payable	91,749	3,730	95,479	9,411
Other	26,251	593	26,844	645
Amount due in more than one year				
Bonds payable	538,899	84,069	622,968	168,359
Net pension liability	280,369	14,505	294,874	37,281
Net OPEB liability	2,901	483	3,384	2,081
Other	34,934	314	35,248	415
Total liabilities	<u>1,015,424</u>	<u>127,285</u>	<u>1,142,719</u>	<u>230,539</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	35,049	614	35,663	2,696
OPEB-related items	246	41	287	35
Debt refundings	-	549	549	-
Total deferred inflows of resources	<u>35,295</u>	<u>1,204</u>	<u>36,499</u>	<u>2,731</u>
NET POSITION				
Net investment in capital assets	1,216,106	489,610	1,705,716	322,982
Restricted for:				
Debt service	75,800	1,345	77,145	12,977
Capital projects	617,138	14,834	631,972	9,844
Public safety	2,149	-	2,149	-
Public works	5,713	-	5,713	-
Culture and recreation	2,286	-	2,286	-
Social and economic development	2,378	-	2,378	-
Other purposes	-	1,335	1,335	21,927
Unrestricted	(187,759)	41,272	(146,487)	31,743
Total net position	<u>\$ 1,733,811</u>	<u>\$ 548,396</u>	<u>\$ 2,282,207</u>	<u>\$ 399,473</u>

Combining Statement of Net Position – Major Component Units

Sample City
Combining Statement of Net Position
Discretely Presented Component Units
6/30/20X5
(amounts expressed in thousands)

	Energy Authority	Airport	Nonmajor Component Units	Total (See Exhibit 2)
ASSETS				
Cash and cash equivalents	\$ 10,928	\$ 31,958	\$ 17,247	\$ 60,133
Investments	9,487	27,744	14,972	52,203
Receivables, net	2,946	6,486	24,827	34,259
Inventories	-	1,517	765	2,282
Other assets	-	407	992	1,399
Capital assets:				
Nondepreciable capital assets	171	147,234	14,985	162,390
Depreciable capital assets, net	7,857	252,813	45,252	305,932
Total assets	31,389	468,159	119,050	618,598
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	814	2,404	1,397	4,015
OPEB related items	42	-	36	78
Debt refundings	-	9,185	267	9,452
Total deferred outflows of resources	856	11,589	1,700	14,145
LIABILITIES				
Accounts payable and accrued expenses	1,963	6,299	3,463	11,725
Advances	-	529	93	622
Long-term liabilities:				
Short-term portion				
Bonds payable	-	8,441	970	9,411
Other	255	276	114	645
Long-term portion				
Bonds payable	-	162,164	6,195	168,359
Net OPEB liability	57	1,837	187	2,081
Net pension liability	5,650	19,308	12,317	37,281
Other	11	367	37	415
Total liabilities	7,942	199,221	23,376	230,539
DEFERRED INFLOWS OF RESOURCES				
Pension related items	245	670	1,780	2,696
OPEB related items	18	-	17	35
Total deferred inflows of resources	264	670	1,797	2,731
NET POSITION				
Net investment in capital assets	8,016	260,554	54,412	322,982
Restricted for:				
Debt service	-	9,733	3,244	12,977
Capital projects	-	1,812	8,032	9,844
Other purposes	-	-	21,927	21,927
Unrestricted	16,023	7,758	7,962	31,743
Total net position	\$ 24,039	\$ 279,857	\$ 95,577	\$ 399,473

EFFECTIVE DATE AND TRANSITION PROVISIONS

Effective Date & Transition

Effective for fiscal years ending 6-30-26 and all reporting periods thereafter

- Component units need to implement in the same year as the primary government

Transition provisions—
Change in Accounting Principle

- Applied retroactively to all periods presented in the financial statements, if practicable
- Disclose that the Statement was implemented and any financial statement line items that were affected (excluding totals and subtotals)
- If retroactive application is not practicable, disclose the reason

**STATEMENT No. 104,
*CERTAIN CAPITAL ASSET
DISCLOSURES***

**(TO BE IMPLEMENTED FOR THE FISCAL YEAR
ENDING JUNE 30, 2026)**

Why Did the GASB Issue This Statement?

GASB standards are inconsistent with respect to distinguishing financial assets from nonfinancial assets

Statements 87, 94 & 96 require governments to recognize intangible right-to-use assets, which are distinct from the underlying assets, and to disclose them separately from other capital assets

Statement 34 identifies intangibles as a type of capital asset

GASB research found that nonfinancial assets other than tangible capital assets are pervasive among governments and that not all types are equally important to financial statement users

LEVEL OF DETAIL IN THE CAPITAL ASSET ROLL FORWARD NOTE

Detail in the Capital Asset Roll-Forward

Capital Asset	Pre-104	Post-104
Intangible right-to-use lease assets	By major class of underlying asset	By major class of underlying asset
Intangible right-to-use assets recognized by an operator in a public-public partnership (PPP)	Not specified	By major class of underlying PPP asset
Intangible right-to-use subscription assets	In the aggregate	In the aggregate
Other intangible assets	Not specified	By major class of asset

Additionally, intangible right-to-use assets should *not* be disclosed in the same major class as owned assets of that type

Capital Asset Roll-Forward Note

Capital asset activity for the year ended June 30, 20X2, was as follows (in thousands):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 29,484	\$ 2,020	\$ (4,358)	\$ 27,146
Construction in progress	2,915	13,220	(14,846)	1,289
Total capital assets not being depreciated	<u>32,399</u>	<u>15,240</u>	<u>(19,204)</u>	<u>28,435</u>
Capital assets being depreciated:				
Buildings and improvements	40,861	334	-	41,195
Equipment	32,110	1,544	(1,514)	32,140
Road network	72,885	10,219	-	83,104
Bridge network	18,775	4,627	-	23,402
Software	2,100	548	(650)	1,998
Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
Subscription assets	5,490	687	(743)	5,434
Total capital assets being depreciated	<u>218,431</u>	<u>20,480</u>	<u>(5,363)</u>	<u>233,548</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(2,896)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(7,456)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	(1,009)	(450)	209	(1,250)
Total accumulated depreciation	<u>(49,778)</u>	<u>(7,325)</u>	<u>2,097</u>	<u>(55,006)</u>
Governmental activities capital assets, net	<u>\$ 201,052</u>	<u>\$ 28,395</u>	<u>\$ (22,470)</u>	<u>\$ 206,977</u>

Capital Asset Roll-Forward Note

Capital asset activity for the year ended June 30, 20X2, was as follows (in thousands):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 29,484	\$ 2,020	\$ (4,358)	\$ 27,146
Construction in progress	2,915	13,220	(14,846)	1,289
Total capital assets not being depreciated	<u>32,399</u>	<u>15,240</u>	<u>(19,204)</u>	<u>28,435</u>
Capital assets being depreciated:				
Buildings and improvements				195
Equipment				140
Road network				104
Bridge network				402
Software	2,100	548	(650)	1,998
Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
Subscription assets	<u>5,490</u>	<u>687</u>	<u>(743)</u>	<u>5,434</u>
Total capital assets being depreciated	<u>218,431</u>	<u>20,480</u>	<u>(5,363)</u>	<u>233,548</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(2,896)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(7,456)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	<u>(1,009)</u>	<u>(450)</u>	<u>209</u>	<u>(1,250)</u>
Total accumulated depreciation	<u>(49,778)</u>	<u>(7,325)</u>	<u>2,097</u>	<u>(55,006)</u>
Governmental activities capital assets, net	<u>\$ 201,052</u>	<u>\$ 28,395</u>	<u>\$ (22,470)</u>	<u>\$ 206,977</u>

Lease assets shown by major class of underlying asset

Subscription assets are shown on a single line

Capital Asset Roll-Forward Note

Capital asset activity for the year ended June 30, 20X2, was as follows (in thousands):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements				46
Construction in progress				89
Total capital assets not being depreciated				35
Capital assets being depreciated:				
Buildings and improvements	40,861	334	-	41,195
Equipment	32,110	1,544	(1,514)	32,140
Road network	72,885	10,219	-	83,104
Bridge network	18,775	4,627	-	23,402
Software	2,100	548	(650)	1,998
Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
Subscription assets	5,490	687	(743)	5,434
Total capital assets being depreciated	218,431	20,480	(5,363)	233,548
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(396)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(1,156)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	(1,009)	(450)	209	(1,250)
Total accumulated depreciation	(49,778)	(7,325)	2,097	(55,006)
Governmental activities capital assets, net	\$ 201,052	\$ 28,395	\$ (22,470)	\$ 206,977

Owned assets and lease/subsription assets of the same type are separate

Capital assets held for sale are not shown separately

CAPITAL ASSETS HELD FOR SALE

Held for Sale

Capital assets should be classified as held for sale if:

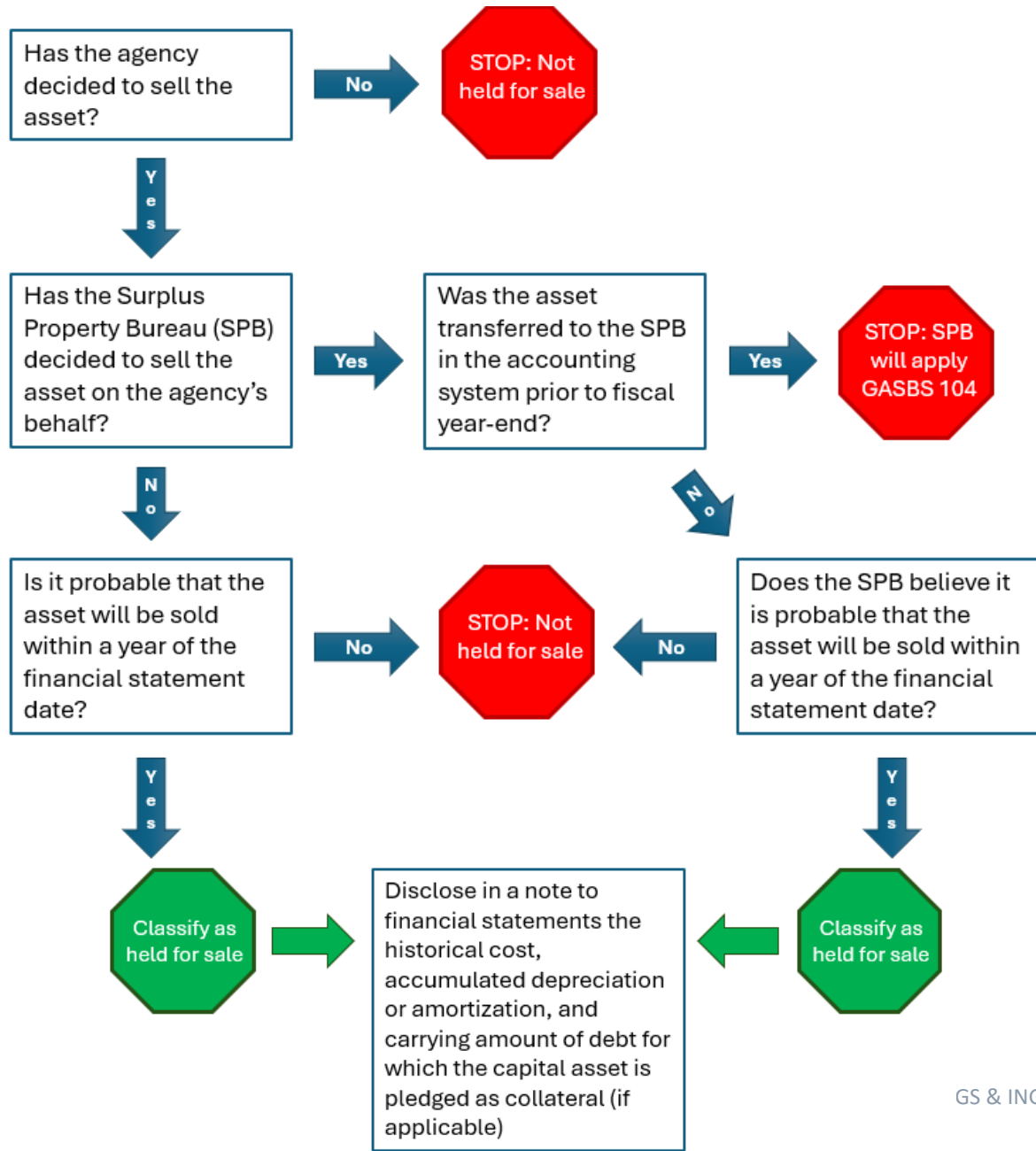
- The government has decided to pursue the sale of the asset
- It is probable (i.e., likely to occur) that the sale will be finalized within one year of the financial statement date

Factors to consider when evaluating *probable* include:

- Whether the asset is available for immediate sale in its present condition
- Whether an active program to locate a buyer has been initiated, including putting the asset out for bid
- Market conditions for selling that type of asset
- Regulatory approvals needed to sell the asset

Classification as held for sale should be evaluated for each reporting period

Evaluating “Held for Sale”



Held for Sale (continued)

Continue to report capital assets held for sale within the appropriate major class, such as in the roll-forward note

Disclose additional information about capital assets held for sale:

- Historical cost and accumulated depreciation/amortization separately
- Separately for governmental and business-type activities
- By major class of asset
- Carrying amount of debt for which capital assets held for sale are pledged as collateral, for each major class of asset

Capital Asset Held for Sale Note

Included in capital assets are buildings that are capital assets held for sale. Those buildings are reported in governmental activities. They have a total historical cost of \$8.0 million and an accumulated depreciation of \$5.0 million, and they are pledged as collateral for debt with a balance of \$1.5 million.

EFFECTIVE DATE AND TRANSITION PROVISIONS

Effective Date & Transition

Effective for fiscal years ending 6-30-26, and all reporting periods thereafter

Transition provisions

- Applied retroactively to all periods presented in the financial statements, if practicable
- Disclose that the Statement was implemented and any financial statement line items that were affected (excluding totals and subtotals)
- If retroactive application is not practicable, disclose the reason

QUESTIONS