RESOLUTION 2026-06

Establishing a Level of Significance for Accounting Changes & Error Corrections in Accordance with GASB Statement No. 103

WHEREAS, GASB Statement No. 103 requires that the Notes to the Required Supplementary Information (RSI) provide an explanation of **significant** variances between the original budget, final budget, and actual results;

BE IT RESOLVED, that the Board of Directors defines "significant," for the purposes of management's discussion and analysis (MD&A) and budget to actual reporting, as any variance that meeds or exceeds the following criteria:

1. **Percentage Threshold**: Any variance greater than **15**% of the budgeted line item for all funds.
2. **Qualitative Factor**: Any change, regardless of amount, deemed important to the financial understanding of the District by the Superintendent or Chief Financial Officer (e.g., unanticipated one-time legal settlements, significant enrollment declines, or major facility damages).

BE IT FURTHER RESOLVED, that staff will provide detailed, analytical commentary explaining the "why" behind any variance meeting the above criteria, rather than relying on boilerplate language, in accordance with GASB 103 guidelines.

Adopted this XX day of XXX 2026

This is a sample only. You are not required to pick a percentage, you could also pick a dollar amount or a dollar/percentage combo. For example – you could say 15% AND at least over $5,000 variance. Make the policy/resolution what will best suit your Organization's needs while still being transparent with your financial statement users