

Components of fund balance for governmental funds

FUND BALANCE CATEGORIES	
<p>1. Nonspendable fund balance (inherently nonspendable)</p> <p>a) Portion of net resources that cannot be spent because of their form</p> <p>b) Portion of net resources that cannot be spent because they must be maintained intact</p>	<p>Examples:</p> <p>Consumable inventories Student loans receivable</p> <p>Permanent fund principal</p>
<p>2. Restricted fund balance (externally enforceable limitation on use)</p> <p>a) Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments</p> <p>b) Limitations imposed by law through constitutional provisions or enabling legislation</p>	<p>Examples:</p> <p>Bond proceeds Permanent fund expendable portion Legal settlements (with restrictions)</p> <p>Transportation funds Budget stabilization</p>
<p>3. Committed fund balance (self-imposed limitations set in place prior to the end of the period)</p> <p>a) Limitation imposed at highest level of decision making that requires formal action at the same level to remove</p>	<p>Examples:</p> <p>Higher education - Tuition funds</p>
<p>4. Assigned fund balance (limitation resulting from intended use)</p> <p>a) Intended use established by highest level of decision making</p> <p>b) Intended use established by body designated for that purpose</p> <p>c) Intended use established by official designated for that purpose</p>	<p>Examples:</p> <p>Working capital</p>
<p>5. Unassigned fund balance (residual net resources)</p> <p>a) Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (i.e., surplus)</p> <p>b) Excess of nonspendable restricted and committed fund balance over total fund balance (i.e., deficit)</p>	<p>Examples:</p> <p>Used in general fund only</p> <p>Deficit fund balances in other governmental fund types</p>