

**GASB Statement 54
Fund Balance Classification**

<i>Fund Balance Reporting</i>		
<i>Classification</i>	<i>Definition</i>	<i>Examples</i>
Nonspendable	“Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.” ³	Inventories, Prepaid items, Long-term receivables, and Permanent principal of endowment funds.
Restricted	“Fund balance should be reported as restricted when constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.” ⁴	Restricted by state statute, Unspent bond proceeds, Grants earned but not spent, Debt covenants, Taxes dedicated to a specific purpose, and Revenues restricted by enabling legislation.
Unrestricted	Committed	“Used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority” ⁵
	Assigned	“Amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed” ⁶
	Unassigned	“Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.”
		The governing board has decided to set aside \$1M for a new city hall. Property tax levies set for a specific purpose by resolution.
		Governing board has set aside \$2 million for a county hospital and the county manager may amend this up to \$100,000. Governing body delegates the authority to assign fund