

**GASB 54 Fund Balance Reporting (only applies to Governmental Funds, and for reporting purposes only)**

**Fund Balance Component Restriction Definitions (per GASB54):**

The guiding principle for classifying the various components of fund balances are the important limitations on the purpose for which all or a portion of the resources of a governmental fund can be used. The force of these limitations can vary significantly, depending upon their source. The various components of fund balance are designed to indicate “the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent” (from the pamphlet “What everyone needs to know about The New Fund Balance” – pg 11).

The Components of Fund Balances, defined by GASB54 are:

- **Non-spendable Fund Balance:** inherently non-spendable because of their form or because they must be maintained intact.
- **Restricted Fund Balance:** externally enforceable limitations on use imposed by: 1) creditors, grantors, contributors, or laws and regulation of other governments, or 2) by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance:** self-imposed limitations set in place prior to the end of the period, at the highest level of decision making that requires formal action at the same level to remove.
- **Assigned Fund Balance:** limitation resulting from intended use, established by: 1) the highest level of decision-making; 2) a body designated for that purpose; or 3) an official designated for that purpose.
- **Unassigned Fund Balance:** residual net resources: 1) in the general fund, total fund balance in excess of the above four components, and 2) excess of non-spendable, restricted and committed fund balance over the total fund balance (ie: deficit), in any governmental fund.