## Components of fund balance for governmental funds

### FUND BALANCE CATEGORIES

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