



## 85.80 Fund Equity

### 85.80.10

July 1, 2010

### Fund Equity

85.80.10.a

Fund equity represents the difference between fund assets and fund liabilities. Fund equity is reported differently for governmental and proprietary fund types.

85.80.10.b

In governmental fund type accounts, fund equity is called fund balance. Fund balance is classified as either reserved or unreserved. Reserved fund balance represents amounts not available for appropriation or expenditure. Unreserved fund balance is either designated to indicate tentative plans for future use or undesignated to indicate the amount available for appropriations. All adjustments to reserved or designated fund balance are offset to unreserved fund balance. Refer to Subsection 85.85.70 for an illustrative entry.

Effective July 1, 2010, Statement 54 of the Governmental Accounting Standards Board *Fund Balance Reporting and Governmental Fund Type Definitions* revises the classifications used for fund balance reporting. This subsection will be modified to reflect the provisions of Statement 54 upon completion of the close of Fiscal Year 2010.

85.80.10.c

In proprietary fund type accounts, fund equity is called net assets. Net assets is comprised of three components – invested in capital assets, net of related debt; restricted; and unrestricted.

85.80.10.d

For reporting at the government-wide level, fund equity is presented in the net assets format consistent with proprietary funds.

85.80.10.e

Except under specific circumstances, direct entries to fund equity, other than reservations or designations, are not allowed. Examples of circumstances where direct entries to fund equity are allowed include implementation of new accounting standards and correction of material prior period errors. Refer to Subsection 90.20.15.

85.80.10.f

Refer to Subsection 75.40.20 of this manual for a description of the various net asset general ledger codes.