



## 85.80 Fund Equity

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### 85.80.10 Fund equity

June 1, 2013

#### 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 [nonspendable](#), [restricted](#), [committed](#), [assigned](#) or [unassigned](#). These classifications reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent. Adjustments to fund balance are made at the account level to identify the degree of constraint.

#### 85.80.10.c

In proprietary fund type accounts, fund equity is called net position. Net position is comprised of three components - net investment in capital assets; restricted; and unrestricted.

#### 85.80.10.d

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

#### 85.80.10.e

Except under specific circumstances, direct entries to fund equity, other than adjustments to record amounts that are nonspendable, restricted, committed or assigned, 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.