Final Draft of Fund Balance Classification

- **Non-spendable Fund Balances**
  These fund balances are the net balance of assets and liabilities that are held legally, contractually or in a “not in spendable form.” This includes all legally or contractually restricted balances as well as prepaid, inventory and other items considered “not in spendable form.”

- **Restricted Fund Balances**
  These fund balances are the net balance of assets and liabilities that have provisions that are externally imposed. These are grants or other funds that are restricted by the debt covenants, grantor, contributor, or by laws or regulations of external governments. In general these include a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the grant, debt covenant or by law.

- **Committed Fund Balance**
  Committed Fund Balances are those imposed by a formal action taken by the Board of Trustees. Once the Board of Trustees has taken formal action the assets cannot be used for other purposes unless the Board of Trustees removes or changes the specified use by taking the same action it employed previously to commit those balances.

- **Assigned Fund Balance**
  Assigned Fund Balances are the net amounts of assets and liabilities constrained by the intent of the Board of Trustees. The intent will not be done by formal action of the Board of Trustees but will be part of items such as the adopted budget or in a statement by the Board of Trustees or by the Superintendent/President.

- **Unassigned Fund Balance**
  Typically, unassigned fund balances will be limited to the general fund and, by definition, are the residual balance for fund balance.