

Kenai Peninsula Borough School District
Fund Balance

What is Fund Balance? Fund balance is the total accumulation of operating surpluses and deficits since the beginning of a local government's existence. The fund balance formula:

$$\text{Assets} - \text{Liabilities} = \text{Fund Balance.}$$

Fund Balance is divided into five (5) parts:

Nonspendable
Restricted
Committed
Assigned
Unassigned

Nonspendable Fund Balance – The term “Nonspendable” refers to amounts that cannot be spent because they are either (1) not in a spendable form, or (2) legally or contractually required to remain intact.

Examples:

- Inventories
- Prepaid Items

Restricted Fund Balance – Consists of amounts that are subject to externally enforceable legal purpose.

Examples:

- Homeschool Carry-over
- Facilities Maintenance

Committed Fund Balance – is subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority. It requires the same level of formal action to remove the constraint.

Example:

- Minimum Fund Balance Policy

Assigned Fund Balance – intentional constraint placed on resources.

Examples:

- Purchase Orders
- School Incentive Purchases
- Subsequent Year Operations

Unassigned Fund Balance - the amount of fund balance that is spendable and not restricted, committed, or assigned for any purpose.