Chapter 2

Balance Sheet Accounts

This chapter provides balance sheet account numbers and related definitions.

1000 ASSETS

Assets are resources with present service capacity that the district school board presently controls (GASB Concepts Statement 4, ¶8). The present service capacity of a resource that is an asset is its existing capability to enable the school district to provide educational services.

1100 Current Assets. Current assets include cash or other assets that are expected to be converted to cash within the operating cycle or one year.

1110 Cash. All funds on deposit with an official or agent designated as custodian of cash and bank deposits.

1111 Cash-on-Demand Deposits. Deposits with fiscal agents, such as commercial banks, for the payment of normal operating expenditures and subject to withdrawal by board warrant.

1112 Petty Cash. Cash on hand maintained for the purpose of paying small obligations when the issuance of a formal voucher and check is not cost-effective.

1113 Cash Change Funds. Cash on hand maintained for the purpose of providing cash register change.

1114 Cash with Fiscal/Service Agents. Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest. Also, deposits with self-insurance plan agents and advance refunding escrow deposits.

1115 Cash – Interest-Earning Deposits. Deposits that generate interest income, usually stipulating the duration of the deposit and rate of interest.

1117 Cash on Hand. Currency, coins, and checks received but not yet deposited.

1120 Taxes Receivable. The uncollected portion of taxes that a governmental unit has levied and billed.

1121 Taxes Receivable. Taxes that were levied for the current operating year but are uncollected. This account should be closed on June 30 and amounts held by the tax collector on behalf of the district school board should be recorded in Account 1220, Due From Other Agencies.

1130 Accounts Receivable. Amounts due on open account from private persons, firms, or corporations for goods and services furnished by the school district.

1139 Allowance for Uncollectible Accounts Receivable (Credit). An estimate of the uncollectible portion of accounts receivable.

1140 Due From Other Funds. Amounts due for goods or services provided by a particular fund to another fund or for interfund loans.

1141 Due From Budgetary Funds. Amounts due from one fund to another. Separate accounts should be maintained for each interfund loan.

1142 Due From Internal Funds. Amounts due for advances to internal accounts. Separate accounts should be maintained for each advance.

1150 Inventory. Materials and supplies on hand for future use in operations. Subaccounts within this category may be used to identify different types of inventory such as materials, purchased food, and commodities.

1160 Investments. Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments, which are reasonably expected to be realized in cash within the year. This account does not include assets used in school district operations. Separate accounts for each category of investments may be maintained.

1161 Investments – U. S. Government Securities. Securities of the U. S. Government acquired by the district school board as authorized by statute and held for the production of income in the form of interest.

1162 Investments – Section 1011.14, F.S., Loans. Amounts invested from proceeds of loans made pursuant to Section 1011.14, F.S.

1163 Investments – SBE/COBI Bonds. State Board of Education (SBE)/Capital Outlay Bond Indebtedness (COBI) bonds issued on behalf of school districts under Section 9, Article XII of the State Constitution.

1164 Investments – State Board of Administration. Amounts placed with the State Board of Administration for investment.

1169 Other Governmental Securities. Securities of other governmental agencies authorized by Florida Statutes and not identified above.

1170 Interest Receivable on Investments. The amount of interest receivable on investments, excluding purchased interest.

1180 Due from Reinsurer. Amounts to be recovered from reinsurance policies.

1200 Other Current Assets. All other assets, current in nature, that are not specifically provided for in other sections.

1210 Deposits Receivable. Funds deposited by the school district as a prerequisite to receiving services and/or goods.

1220 Due From Other Agencies. Amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

1230 Prepaid Items. Disbursements that are made in one fiscal period but are more accurately reflected as an expenditure/expense in subsequent fiscal periods.

1300 Capital Assets. Land, land improvements, buildings, machinery, furniture, equipment, and all other tangible and intangible assets that are used in operations and have useful lives that extend beyond a single accounting period. If acquired through donation, the capital asset should be recorded using the fair value at the time of acquisition.

1310 Land. The acquisition cost of land owned by a school system. If land is purchased, this account includes the purchase price and other costs incurred to prepare the land for use such as legal fees, filling and excavation costs, and other improvements.

1315 Land Improvements – Nondepreciable. The cost of permanent improvements to land that are not subject to depreciation.

1320 Improvements Other Than Buildings. The cost of nonpermanent improvements, other than buildings, that add value to land. Examples include fences, retaining walls, sidewalks, sewage treatment systems, original or expanded paving projects, fixed playground equipment, flagpoles, gateways, and underground storage tanks that are not part of the building service systems.

1329 Accumulated Depreciation – Improvements Other Than Buildings. The accumulation of systematic and rational allocations of the cost of improvements other than buildings over the useful lives of the assets.

1330 Buildings and Fixed Equipment. The cost of permanent structures used to house persons and property owned by a school system. If buildings are purchased or constructed, this account includes the acquisition or construction costs of permanent buildings and fixtures attached to and forming a permanent part of such building. This account includes all building improvements, including upgrades made to building wiring for technology.

1339 Accumulated Depreciation – Buildings and Fixed Equipment. The accumulation of systematic and rational allocations of the cost of buildings and fixed equipment over the useful lives of the assets.

1340 Furniture, Fixtures, and Equipment. The cost of furniture, fixtures, and equipment owned by a school system. This account includes teaching, laboratory, research, diagnostic and testing, and administrative equipment used by or for students.

1349 Accumulated Depreciation – Furniture, Fixtures, and Equipment. The accumulation of systematic and rational allocations of the cost of furniture, fixtures, and equipment over the useful lives of the assets.

1350 Motor Vehicles. The cost of all transportation equipment, including vehicles used for student transportation and service vehicles (trucks, vans, scooters, motorcycles, passenger cars, and other motorized units).

1359 Accumulated Depreciation – Motor Vehicles. The accumulation of systematic and rational allocations of the cost of vehicles over the useful lives of the assets.

1360 Construction in Progress. The actual cost incurred to date for construction work undertaken but not yet completed. This account reflects the total construction costs recorded as expenditures in the capital projects funds.

1370 Property under Capital Lease. The net present value of lease payments capitalized as assets. When title to the property passes, the value is transferred to the appropriate capital asset account.

1379 Accumulated Depreciation – Property under Capital Lease. The accumulation of systematic and rational allocations of the cost of property under capital lease over the useful lives of the assets.

1380 Audiovisual Materials and Computer Software. The cost of audiovisual materials and computer software that meet the criteria for capitalization.

1381 Audiovisual Materials. The cost of audiovisual materials owned by a school district.

1382 Computer Software. The cost of computer software purchased by a school district. Specifically, this refers to the set of programs and associated documentation used to control the operation of a computer. The two primary types of software are 1) **systems software**, which includes operating systems, programming languages, and utility programs; and 2) **application programs** that are designed to perform tasks such as database management, spreadsheet functions, instruction, and word processing. Generally, when software is acquired with computer hardware for a single purchase price and the relative value of the software is material to the total cost, it is necessary to allocate the acquisition cost to both the software and hardware in accordance with GAAP for lump-sum or basket purchases. However, **systems software** acquired in conjunction with computer hardware may be recorded as part of the equipment purchase (no allocation of cost to the software) when the software will not be removed, transferred, or in any way separated from the original hardware. If the software that was originally recorded as equipment is subsequently removed, transferred, or detached from the original hardware, it would be necessary to retroactively allocate a portion of the original cost, if material, to software for proper recording of the removal or transfer.

1388 Accumulated Depreciation – Audiovisual Materials. The accumulation of systematic and rational allocations of the cost of audiovisual materials over the estimated useful lives of the assets.

1389 Accumulated Amortization – Computer Software. The accumulation of systematic and rational allocations of the cost of computer software over the estimated useful lives of the assets.

1400 Noncurrent Assets.

1410 Other Post-Employment Benefits Asset. To account for funded other post-employment benefits (OPEB) assets set aside to pay for future benefits, resulting in a net obligation asset for government-wide and proprietary fund financial statement presentation.

1420 Section 1011.13, F.S., Loan Proceeds. Proceeds, and any interest earnings thereon, placed in an irrevocable escrow account pursuant to Section 1011.13(2), F.S.

1430 Prepaid Insurance Costs. Prepaid insurance costs associated with the issuance of debt, to be recognized as an expense in a systematic and rational manner over the duration of the related debt.

1460 Investments. Investments that are not reasonably expected to be realized in cash within a year.

1500 Budgetary Debits. A group of general ledger accounts that normally have debit balances and are used to achieve budgetary integration within the accounting system.

1510 Estimated Revenues. The amount of revenues estimated to be realized during a budget period, whether collected in the same or subsequent periods.

1520 Encumbrances. Commitments in the form of purchase orders or contracts that are chargeable to an appropriation and that represent a reserve of the budgetary fund balances. Once a purchase order or contract is fulfilled, the encumbrance is removed from the accounting records.

1900 DEFERRED OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net assets by the school district that is applicable to a future reporting period (GASB Concepts Statement 4, ¶32). Deferred outflows of resources should be combined with assets for purposes of determining which elements meet the criteria for major fund determination.

1910 Accumulated Decrease in Fair Value of Hedging Derivatives. School districts should use hedge accounting, in which the changes in fair values of hedging derivative instruments are reported as either deferred outflows or deferred inflows of resources.

1920 Net Carrying Amount of Debt Refunding. This is used for either current refundings or advance refundings resulting in defeasance of debt. The amount is the increased difference between the reacquisition price and the net carrying amount of the old debt. The amount should be recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

2000 LIABILITIES, FUND BALANCES, AND NET POSITION

Liabilities are present obligations to sacrifice resources that the district school board has little or no discretion to avoid (GASB Concepts Statement 4, ¶17).

2100 Current Liabilities. Current liabilities represent obligations expected to be paid from current financial resources usually within the operating cycle or one year.

2110 Accrued Salaries and Benefits. Costs incurred during the current accounting period that are not payable until a subsequent accounting period.

2120 Accounts Payable. Liabilities representing amounts due on open accounts to private persons or organizations for goods and services received by a school system excluding amounts due to other funds or other governments.

2130 Judgments Payable. Amounts owed as a result of court decisions, including condemnation awards for private property taken for public use.

2140 Construction Contracts Payable. Amounts due by a school system on contracts for construction of buildings or other structures, and other improvements.

2150 Construction Contracts Payable – Retained Percentage. Amounts due on construction contracts representing a percentage of the total contract price withheld pending final inspection, the lapse of a specified time, or both.

2160 Due to Other Funds. Amounts owed for goods and services rendered by a particular fund to another fund within the school district or interfund loans due within one year.

2161 Due to Budgetary Funds. Amounts owed by a particular fund to another fund within the school district (excluding amounts due to school internal funds).

2162 Due to Internal Funds. Amounts owed by a particular fund to school internal funds within the school district. Separate accounts should be maintained for each liability.

2170 Payroll Deductions and Withholdings. Amounts deducted from employees' salaries for withholding taxes and other purposes. A separate liability account may be used for each type of deduction.

2180 Matured Bonds Payable. Unpaid bonds that have reached or passed their maturity date. Account 1114, Cash with Fiscal/Service Agents, should be used to record amounts remitted to the paying agent for payment of this liability.

2190 Matured Interest Payable. Unpaid interest on bonds that have reached or passed their maturity date. Account 1114, Cash with Fiscal/Service Agents, should be used to record amounts remitted to the paying agent for payment of this liability.

2200 Other Current Liabilities. All other current liabilities that are not provided for specifically in preceding subsections.

2210 Accrued Interest Payable. Interest due within one year.

2220 Deposits Payable. Liability for deposits received as a prerequisite to providing services and/or goods.

2230 Due to Other Agencies. Amounts owed by the reporting school district to other governmental units. Separate accounts may be maintained for each liability.

2240 Due to Fiscal Agent. Amounts due to fiscal agents, such as commercial banks, for servicing the school district's matured debt.

2250 Current Notes Payable. Amounts due on short-term debt. GAAP specifically indicate for governmental fund accounting that other financing sources should not be reported in connection with tax anticipation notes and revenue anticipation notes. Instead, the notes should be reported as fund liabilities.

2251 Section 1011.13, F.S., Anticipation Notes. Cash flows for operating, debt service, and capital outlay expenditures from borrowing in anticipation of future receipts.

2252 Section 1011.14/1011.15, F.S., Notes Payable. Obligations authorized under the provisions of Sections 1011.14 and 1011.15, F.S., if the board does not intend to extend the obligation beyond the one-year period.

2253 Bond Anticipation Notes. Short-term notes sold in anticipation of a bond issue. If the necessary legal steps and the ability to consummate refinancing criteria have not been met, these notes should be reported as a liability in the governmental fund as well as the government-wide statement of net position.

2254 Line of Credit.

2259 Other Short-Term Loan.

2260 Sales Tax Payable. Sales taxes collected by the school district that must be remitted to the state.

2270 Estimated Liability for Self-Insurance Program.

2271 Estimated Unpaid Claims – Self-Insurance Program. The self-insurance retention (SIR) limit (i.e., the maximum amount of any one loss that the school district determines it can sustain) for settling claims under the SIR threshold for events that have occurred on or before the balance sheet date, including reported claims and claims incurred but not reported.

2272 Estimated Liability for Claims Adjustment. The additional amount needed to provide for the estimated unpaid claims for self-

insurance programs required to investigate and settle claims relating to insured events that have occurred on or before the balance sheet date, whether or not reported to the school district.

2280 Estimated Liability for Arbitrage Rebate. School districts with a calculated arbitrage rebate liability should not treat the amount of the rebate as a reduction of interest revenues. In addition, the liability should not be recognized in the governmental fund until it is due and payable. When due and payable, the liability should be recorded in the governmental fund that generated the interest earnings that are subject to rebate.

2290 Internal Accounts Payable. Amounts held on behalf of others in the internal accounts agency fund.

2300 Long-Term Liabilities. Long-term liabilities are debts that a school district plans to hold for more than one year.

2310 Notes Payable. Unconditional written promises signed by the maker to pay a certain sum of money on demand or at a fixed or determinable future time, either to the bearer or to the person designated on the notes.

2312 Section 1011.14/1011.15, F.S., Notes Payable. Obligations authorized under the provisions of Sections 1011.14 and 1011.15, F.S., if the board's intent is to extend the obligation from year to year with the consent of the lender for a period not to exceed four years, or for a total of five years including the initial year of the loan.

2313 Bond Anticipation Notes. Short-term notes sold in anticipation of a bond issue that are full faith and credit obligations of the school district and are to be retired from the proceeds of the bonds to be sold.

2315 Obligations Under Capital Leases. The present value of future payments on capitalized lease agreements.

2320 Bonds Payable. Long-term obligations of the school district for which repayment is supported by the full faith and credit of the school district in the form of its taxing ability. Bonds are reported net of unamortized premiums and discounts on the Statement of Net Position. The details of the premiums and discounts are disclosed in the notes to financial statements.

2321 SBE/COBI Bonds Payable. Principal balance due on bonds issued by the SBE on behalf of the school district. Section 9, Article XII of the State Constitution authorizes district school boards to request that the SBE issue bonds for and on behalf of the local district school boards. These bonds do not have to be approved in an election or referendum. The DOE prepares the resolutions for validation proceedings; requests bids; prints and delivers the bonds sold; and computes the required reserve and the annual amount for the payment of principal, interest, and bank charges. Such bonds have been designated SBE or COBI.

2322 District Bonds Payable. Principal balance due on general obligation bonds issued by the school district as authorized by the voters of the school district. This type of indebtedness is usually retired by a special tax levy on the nonexempt assessed value of the real and personal property within the school district that issued the bonds.

2323 Special Act Bonds Payable. Principal balance due on bonds or revenue certificates issued by the school district pursuant to authority granted by special acts of the Legislature, including pledging of pari-mutuel revenue authorized pursuant to Chapter 550, F.S.

2324 Motor Vehicle License Revenue Bonds Payable. Principal balance due on bonds or revenue certificates of the school district as authorized by the Legislature. These bonds are issued at the school district level, not to be confused with bonds issued on behalf of the school district under Section 9, Article XII of the State Constitution.

2326 Sales Surtax Bonds Payable. Principal balance due on bonds issued for capital facilities acquisition and construction. The debt is secured by the pledge of sales surtax revenue authorized pursuant to Section 212.055, F.S.

2330 Liability for Compensated Absences. Amounts owed to employees for unpaid vacation and sick leave liabilities based on the right to receive compensation for future absences attributable to services already rendered.

2340 Lease-Purchase Agreements Payable. Obligations of lease-purchase agreements, which are financing instruments that provide the issuer with cash to finance construction or capital acquisitions. Lease-purchase agreements are reported net of unamortized premiums and discounts on the Statement of Net Position. The details of the premiums and discounts are disclosed in the notes to financial statements.

2341 Certificates of Participation (COPS) Payable. Lease-purchase obligations resulting from the issuance of COPS, which are financing instruments that provide the issuer with cash to finance construction or capital acquisitions. The full faith and credit of the school district is not pledged for payment.

2342 Qualified Zone Academy Bonds (QZAB) Payable. Tax credit bonds categorized as lease-purchase obligations of the school district that provide federal tax credits in lieu of interest payments to the certificate holder. The proceeds of the bonds may be used for rehabilitating or repairing public school facilities, investing in new equipment and technology, and developing challenging course materials or training teachers, but cannot be used for new school construction.

2343 Qualified School Construction Bonds (QSCB) Payable. Tax credit bonds categorized as lease-purchase obligations authorized under

the American Recovery and Reinvestment Act (ARRA) to finance school construction and other eligible projects for public schools, for which bondholders receive federal tax credits in lieu of the school district paying interest on the borrowing.

2344 Build America Bonds (BAB) Payable. Tax credit bonds categorized as lease-purchase obligations authorized under the ARRA to finance construction, rehabilitation, or repair of public school facilities, and for other purposes. The agreement either provides a tax credit to the bondholder in lieu of part of the interest or a reimbursement of a portion of the interest that the school district paid.

2349 Other Lease-Purchase Agreements Payable. Lease-purchase obligations from other tax-exempt programs used to finance the cost of acquisition, construction, installation, and equipment of educational facilities.

2350 Estimated Liability for Long-Term Claims. Amounts due for long-term claims that are not otherwise classified, including estimates of insurance claims and judgments.

2360 Other Post-Employment Benefits Liability. To account for the actuarial calculations for OPEB benefits net of funded amounts, resulting in a net obligation liability for government-wide and proprietary fund financial statement presentation.

2370 Estimated PECO Advance Payable. Obligation for the repayment of Public Education Capital Outlay (PECO) funds received pursuant to Section 1013.64(2), F.S.

2380 Other Long-Term Liabilities.

2400 Other Noncurrent Liabilities. All other liabilities not provided for in preceding subsections for obligations that are not reasonably expected to require the use of existing resources properly classified as current assets to liquidate.

2410 Advanced Revenues. Liabilities representing revenues collected but unearned.

2411 Advanced Revenue – Public Education Capital Outlay (PECO). The annual allocation of PECO funds for which encumbrance authorizations have not been issued.

2412 Advanced Revenue – Cash Advance From Grants. Grants received in advance of meeting eligibility requirements (other than timing).

2413 Advanced Revenues – Other.

2414 Advanced Revenue – Classrooms First Program. Unearned revenue represented by cash advanced for the Classrooms First Program.

2500 Budgetary Credits. A group of general ledger accounts that normally have credit balances and are used to achieve budgetary integration within the accounting system.

2510 Appropriations. Authority granted by the district school board to make expenditures and to incur obligations in the name of the school district for specified purposes and amounts during the fiscal year.

2600 DEFERRED INFLOWS OF RESOURCES

A deferred inflow of resources is an acquisition of net assets by the school district that is applicable to a future reporting period (GASB Concepts Statement 4, ¶34). Deferred inflows of resources should be combined with liabilities for purposes of determining which elements meet the criteria for major fund determination.

2610 Accumulated Increase in Fair Value of Hedging Derivatives. School districts should use hedge accounting, in which the changes in fair values of hedging derivative instruments are reported as either deferred inflows or deferred outflows of resources.

2620 Deficit Net Carrying Amount of Debt Refunding. This is used for either current refundings or advance refundings resulting in defeasance of debt. The amount is the difference between the reacquisition price and the net carrying amount of the old debt, resulting in a deficit net carrying amount. The amount should be recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

2630 Deferred Revenue.

2631 Deferred Revenue – Cash Advance from Grants. Grants received in advance of meeting timing requirements.

2632 Deferred Revenue – Unavailable. Revenue that has been earned, but will not be received within 60 days after the fiscal year end.

2639 Deferred Revenue – Other.

2700 FUND BALANCES AND NET POSITION

On the Balance Sheet for governmental funds, assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources plus fund balance. On the combining Statement of Net Position for proprietary and fiduciary funds and for government-wide financial statement presentation, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

2710-2750 Fund Balance. The excess of assets plus deferred outflows of resources, over liabilities plus deferred inflows of resources represents fund balance for governmental funds. Fund balance is reported in five classifications that comprise a hierarchy primarily based on the relative strength of the constraints that control how specific amounts can be spent.

2710 Nonspendable. The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, *not in spendable form* means that an item is not expected to be converted to cash (GASB 54, ¶6). Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes

receivable, and property acquired for resale. If the use of the proceeds from any of the above will be restricted, committed, or assigned, then the proceeds should be included in an appropriate fund balance classification other than nonspendable. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact and should therefore be classified as nonspendable.

2711 Inventory.

2712 Prepaid Amounts.

2713 Permanent Fund Principal.

2719 Other Not in Spendable Form. The school district is encouraged to identify the cause for which fund balance is not in spendable form on the face of the financial statements.

2720 Restricted. The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance (GASB 54, ¶8). Although similar to the restricted component of net position, this classification will vary depending on the measurement focus and basis of accounting employed in reporting net position and fund balance.

2721 Economic Stabilization. The term "stabilization" refers to economic stabilization, revenue stabilization, budgetary stabilization, and other similarly intended arrangements, including "rainy-day" funds. The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises in the required note disclosure related to stabilization arrangements.

2722 Federal Required Carryover Programs. The segregated portion of fund balance representing the unexpended balances of federal program funds carried forward to the subsequent fiscal year to be expended for the specific purpose of the program.

2723 State Required Carryover Programs. The segregated portion of fund balance representing the unexpended balances of categorical program funds and earmarked funds carried forward to the subsequent fiscal year pursuant to Rule 6A-1.0141, F.A.C.

2724 Local Sales Tax and Other Tax Levy. The segregated portion of fund balance representing the unexpended balances of funds raised through local sales tax or other tax levy to be expended in accordance with the purpose for which they were raised. For example, pursuant to Section 1011.71(2), (3), and (4), F.S., levied tax may only be expended for specific purposes; and pursuant to Section 212.055(2) and (6), F.S., local sales tax is levied by authorization from the district school board or through an intergovernmental agreement for capital improvement.

2725 Debt Service. The restricted portion of fund balance for debt service from funds that were not raised by tax levy, or a requirement of maintaining a certain level of fund balance based upon the amount of outstanding debt.

2726 Capital Projects. The restricted portion of fund balance for capital projects from funds that were not raised by local sales tax or other tax levy.

2729 Other Restrictions. The school district is encouraged to identify the purpose for which fund balance is restricted on the face of the financial statements.

2730 Committed. The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the district school board. These amounts cannot be used for any other purpose unless the district school board removes or changes the specified use by taking the same action it employed to previously commit the amounts (GASB 54, ¶10). The authority that commits fund balance to a specific purpose should occur prior to the end of the reporting period, but the committed amounts may be determined in the subsequent period before financial statements are issued.

2731 Economic Stabilization. The term "stabilization" refers to economic stabilization, revenue stabilization, budgetary stabilization, and other similarly intended arrangements, including "rainy-day" funds. The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises in the required note disclosure related to stabilization arrangements.

2732 Contractual Agreements. Contractual obligations, to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

2739 Other Commitments. The school district is encouraged to identify the purpose for which fund balance is being committed on the face of the financial statements.

2740 Assigned. The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed (GASB 54, ¶13). The authority for assigning fund balance need not be the highest decision-making level of the governmental entity – in this case, the district school board. It could be a committee of the governing body or an individual delegated the authority by the district school board. Assigned amounts should be established prior to the end of the reporting period.

2741 Special Revenue. The residual classification for Special Revenue Funds other than negative amounts.

2742 Debt Service. The residual classification for Debt Service Funds other than negative amounts.

2743 Capital Projects. The residual classification for Capital Projects Funds other than negative amounts.

2744 Permanent Fund. The residual classification for the Permanent Fund other than negative amounts.

2749 Other Assignments. Other assigned purposes in the general fund that are neither restricted nor committed. This amount cannot cause a deficit in the unassigned fund balance. The school district is encouraged to identify the purpose for which fund balance is being assigned on the face of the financial statements.

2750 Unassigned. The portion of fund balance that is the residual classification for the general fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes. For other funds, if the residual is still negative after eliminating assigned fund balances, the negative residual amount should be classified as unassigned fund balance (GASB 54, ¶17).

2770-2790 Net Position. The residual of all other elements presented in the Statement of Net Position for government-wide financial statement presentation and for proprietary and fiduciary funds. It is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources (GASB Concepts Statement 4, ¶37).

2770 Net Investment in Capital Assets. The component of net position that consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are directly attributable to the acquisition, construction, or improvement of those assets.

2780 Restricted. The component of net position that consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. A liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Restricted net position should distinguish between major categories of restrictions.

2785 Amounts Held in Trust. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources of fiduciary funds.

2790 Unrestricted. The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.