

**DEKALB COUNTY GOVERNMENT**  
**FUND BALANCE REPORTING & FLOW OF FUNDS POLICY**  
(Adopted by the County Board November 16, 2011)

**Background**

The Governmental Accounting Standards Board (GASB), the rule-making authority for governmental accounting, has issued a pronouncement relating to how governmental entities report fund balance. This pronouncement (GASB #54), seeks to make fund balance reporting more consistent and much clearer to not only regular users of financial statements, but also for the layperson. The new terms are intended to be easier to use and implement and provide a more logical framework for presenting the fund balance.

GASB #54 has identified five levels of restrictions on fund balance, listed in a hierarchy from most constrained to the least constrained:

1. Non-Spendable - noncash items (prepaid, inventory) or endowments
2. Restricted - limited by external actions, such as Federal or State law
3. Committed - self imposed restraints at the highest level of decision-making
4. Assigned - for a specific intended purpose
5. Unassigned - anything left over and available

**Policy Statement & Implementation**

DeKalb County Government will comply with GASB #54 by assigning and reporting fund balances in the various governmental accounting funds to one or more of the five levels of restriction denoted by the Governmental Accounting Standards Board. The County intends to spend the most restricted dollars before the less restricted dollars in the same order as noted above. The County's Chief Financial Officer is directed to make the proper allocations prior to December 31, 2011 and starting in 2012 to annually recommend to the Finance Committee, for their approval, fund balance allocations within the GASB #54 rules, that are reflective of the County's mission and operating goals, for the various governmental funds.

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Review for Updates March 1, 2018